TRANSCRIPT OF 14th ANNUAL GENERAL MEETING OF BHARTI INFRATEL LIMITED HELD THROUGH VIDEO CONFERENCE ON MONDAY, AUGUST 3, 2020 AT 03:30 P.M IST

Welcome Address:

Mr. Akhil Gupta, Chairman

Good afternoon everyone. I have the privilege of welcoming the members and the directors to this 14th Annual General Meeting of the Company. In view of the continuing COVID-19 pandemic and in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI, this meeting is being held through Video Conference. The Company has also provided live webcast facility for the members to view the live proceedings of this AGM. The Company has taken all feasible and possible steps to ensure that the shareholders are provided an opportunity to participate in the AGM and vote. All the members joining this meeting are by default placed on mute mode to avoid any background disturbance and to ensure smooth conduct of this meeting.

Before we start the proceedings, I would like to introduce my colleagues and management team who are attending the AGM with me.

On my left:
Ms. Samridhi Rodhe – the Company Secretary

On my immediate right:
Mr. DS Rawat – the Managing Director & CEO

To his right:
Mr. Rajan Bharti Mittal – Non Executive Director and Chairman of Stakeholders’ Relationship Committee

Joining through Video Conference:

Ms. Anita Kapur – an Independent Director
Mr. Arthur Lang – Non Executive Director
Mr. Bharat Raut – Independent Director and Chairman of the Audit & Risk Management Committee
Mr. Jitender Balakrishnan – Independent Director
Dr. Leena Srivastava – Independent Director
Mr. N Kumar – Independent Director and Chairman of HR, Nomination and Remuneration Committee
Mr. RP Singh – Independent Director; and
Ms. Pooja Jain – Chief Financial Officer of the Company

I am also pleased to introduce Mr. Devesh Kumar Vasisht of M/s. Sanjay Grover & Associates as the Scrutinizer, Mr. Vijay Agarwal and Mr. Akash Agarwal representing Deloitte Haskins LLP, the Statutory Auditors of the Company and Dr. S Chandrasekaran representing M/s. Chandrasekaran Associates, Secretarial Auditors of the Company, who have also joined this meeting.

The participation of members through video conference is being reckoned for the purpose of quorum as per the circulars issued by MCA and as per Section 103 of the Companies Act, 2013. The requisite quorum being present, I call this meeting to order.
I would now request Ms. Samridhi Rodhe, Company Secretary, to provide general instructions to the members regarding participation in the meeting.

Ms. Samridhi Rodhe, Company Secretary

Good afternoon everyone and welcome to this 14th Annual General Meeting of the Company.

Notice of this AGM, Integrated Report and Annual Accounts for financial year 2019-20 were sent to the members through e-mail on 12th July, 2020.

Members may note that this AGM is being held through video conference in accordance with the provisions of the Companies Act and circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India. The Company had appointed KFin Technologies Private Limited, Company’s RTA, to provide the facility to conduct this meeting electronically, for remote e-voting and e-voting at this AGM. The Statutory Registers are available for inspection electronically. The members were also given the option to inspect the registers and other documents by sending an e-mail to the Company. As this meeting is being held electronically, the facility for appointment of proxies to the members was not available.

The floor will be opened to ask questions and express views by those shareholders who have registered themselves as speakers. The members were also given an option to send their questions in advance either by way of an e-mail or by sending their pre-recorded videos. Members can also ask questions through ‘post a question tab’ appearing on your screen. The moderator will facilitate the Q & A session once the Chairman opens the floor for Q & A.

The Company had provided the facility to the members to cast their votes through remote e-voting on all the resolutions set forth in the Notice.

The E-Voting facility was made available to the members from 30th July, 2020 (9:00 a.m.) till 2nd August, 2020 (5:00 p.m.). Members who have not cast their votes and are present in the meeting, can do so during the course of the meeting - by clicking on the “Vote” icon appearing at the bottom left side of the screen. I now request Chairman to address the shareholders, please.

Mr. Akhil Kumar Gupta, Chairman

Thank you

Chairman’s Speech

Well, as you know, 2019-20 by the end of the year, became a very challenging year due to COVID-19. India like many other countries in the world underwent government imposed lockdowns to arrest the spread of this disease. During this time, telecom industry which was classified as an essential service, continued to operate as permitted by the authorities. We have witnessed surge in demand for connectivity, changing consumption patterns, very heavy dependence on wireless networks due to work/education/entertainment etc. moving to home. Telecom passive infrastructure companies like ours have stepped up to meet the demands of our customers, i.e. the telecom service operators, during this time. After some initial restrictions with respect to movement of goods and personnel, we have now resumed new rollouts, keeping people safety, of course, as a top priority.
It is a matter of extreme satisfaction to all of us at Indus and Infratel to rise to the occasion in providing vital connectivity which has kept the country connected and businesses continuing, despite a very large number of people working from home. My compliments to the entire team, particularly those in the field for enabling us to perform this crucial national duty.

The other very significant legal and regulatory development during this year was the AGR Case, as is popularly known. The Supreme Court in its judgment dated 24th October, 2019, passed the order in favour of DoT and held that all telecom revenues should form part of AGR. The resultant accumulated amounts due along with interest and penalty and interest on penalties have led to a financial setback for the TSPs. During the year, the Hon’ble Supreme Court met several times to discuss various aspects of this judgement. In its last hearing on 10th July, 2020, the Hon’ble Court after hearing all the parties upheld the demands raised by DoT but reserved its order on the issue of period over which such payments could be made and the terms thereof. The next date of hearing is 10th August, 2020. We remain hopeful for a favourable outcome which will help maintain the current industry structure and help boost long-term investments by operators in their networks.

As a fallout of the AGR matter, the TSPs hiked tariffs which was the first welcome step towards sustained financial health of this sector. The TRAI has also subsequently issued a consultation paper on “Tariff Issues of Telecom Operators” on various issues relating to tariff in telecom sector. The aim is to ensure the long-term financial health of the sector, including possibly, the introduction of floor price.

On the infrastructure side, TRAI completed the public consultation on enhancement of scope of IP-I category i.e. Infrastructure Providers-I category to include certain active infrastructure in addition to passive infrastructure and accordingly, issued industry favourable recommendations to DoT on 13th March, 2020. The acceptance of these by DoT are awaited and these favourable recommendations will enable companies like ours to significantly enhance scope of services and to provide passive as well as active infrastructure services to the enhanced service providers including TSPs.

Coming to the operational and financial aspects of the Company, in the year gone by, we witnessed positive developments on new business demand. On a consolidated basis we reported 7,135 gross co-locations. The net tower additions were 3,095 (up 275%. Y-o-Y). The gross tower additions on a 100% basis between the two companies more than doubled in the last year and were the highest in the past 9 years. As on March 31, 2020, the consolidated tower base stood at 95,372 with co-locations at just 175,000 with a co-location factor of 1.83 at closing.

For the financial year 2019-20, the consolidated revenues were at Rs. 14,647 crores; EBITDA was Rs. 7,442 crores and the Operating free cash flow was Rs. 4,346 crores and Profit after tax was Rs. 3,299 crores.

It is important to highlight that some of the reported year on year growth percentages may appear high due to two factors 1) Impact of Ind-AS 116 i.e. lease accounting w.e.f. 1.4.2019. 2) Reduction in income tax rate from almost 36% to 25% this year.

Excluding the impact of Ind-AS 116, the revenues, EBITDA and OFCF for the full year declined by 2%, 3% and 5% Y-o-Y while PAT i.e. Profit After Tax grew by 27% Y-o-Y mainly due to lower taxation.

Return on Capital Employed pre-tax and Return on Equity post-tax were both at a healthy 24% for the year.
The Company declared three interim dividends of Rs. 3.75, Rs. 2.65 and Rs. 4.10 per equity share during the last financial year. This led to total dividend of Rs.10.50 per equity share for the financial year 2019-20. For the current year also, the first interim dividend has already been announced.

Our new ventures such as the smart cities are progressing well. We commenced commercial operations at the Bhopal Smart City project during the year. Indus has also recently won the bid for Dehradun Smart City project. This is the third win for Indus after New Delhi Municipal Corporation and Vadodara Smart City projects which are already operational.

On the merger with Indus Towers that we had announced on 25th April, 2018, the initial Long Stop Date for the Scheme was October 24, 2019. The Company received approval from DoT for FDI on 21st February, 2020. However, as some of the other actions and conditions precedents for the Scheme to become effective could not be completed, the Board of Directors have extended the Long Stop Date till 31st August, 2020, subject to the agreement on closing adjustments and other conditions precedent for closing, with each party retaining the right to terminate and withdraw the Scheme at any time.

To conclude, the resilience shown by telecom industry during COVID, when most other industries declined sharply, bears well for not only the telecom service providers but for infrastructure providers like ours. New avenues of growth in telecom industry are emerging as Work From Home/ work remotely will become a widespread norm. The demand and use cases for these services will only increase in future with introduction of 5G which will help achieve our aspirations of nationwide digitization while competing head-to-head on a global platform. Your Company is very well equipped and very well placed to exploit the full potential of such growth and maintain its leadership position going forward.

Before we go back to the proceedings, I would like to inform that Mr. DS Rawat, the current MD & CEO of the Company, would be relinquishing charge at close of business hours today. You may recall that Mr. Rawat on 24th April, 2019 had informed the Board that he would not want to be considered for the post of CEO in the merged entity. I would like to take this opportunity to thank DS, as he is fondly called by all his friends & colleagues, for a wonderful job done in creating a world class Company with high standards of transparency, corporate governance and leadership. I have worked very closely with DS and would rate him as not only one of the best managers and professionals but also a wonderful human being.

Let me give you a few facts to illustrate DS’ achievements. On the financial performance front, between 2010 when he joined Infratel and year ended 31st March, 2020, the revenue doubled from Rs. 7,000 crores to Rs. 14,647 crores (CAGR or Compounded Annual Growth Rate of 7.6%), EBITDA from Rs. 2,418 Crores to Rs. 7,442 Crores (CAGR of 11.9%), Profit After Tax from Rs. 253 crores to Rs. 3,299 crores (CAGR of 29.3%), Return on Capital Employed from meagre 3.8% to 24.3% (CAGR of 20%) and ROE from 2.1% to 24.3% (CAGR of 28%). He also had a rare achievement that in all these 40 quarters, not even once has the Company had to carry forward any unadjusted audit adjustment. Also, very early on, he ensured full quarterly audits. He also spearheaded the IPO of the Company in 2012.

Besides his commendable achievement on the financial performance front, he has always displayed a very fine soft side – whether in dealing with his colleagues or with his customers or other stakeholders. The way he has led his team in the times of natural calamities and other crisis like the ongoing COVID, the floods, the earthquakes which have been practically every year, is not just exemplary but also reflects the deep care that he has for all the customers and the end users of the telecom services.

Please join me in wishing DS continued exemplary success in his future endeavours. Sachin Naik, the COO of the Company would be performing his duties in the interim till either the merger is completed
or a new CEO is appointed, as the case may be. DS has kindly consented to continue as an Advisor and be available to Sachin and the Board for assistance and guidance for next few months for smooth transition.

With that, I would now like to request DS Rawat to take you through the major achievements and initiatives of the Company during the year with a short presentation.

Thank you all for your continued support.

Mr. D S Rawat, Managing Director & CEO

CEO’s Presentation:

Thank you very much Akhil for those good words. Let me try and quickly cover the presentation in about next 15 to 20 minutes about the performance of the Company under the various headings.

Talking about us, a leading Tower infrastructure provider, pan-India presence with 42% interest in Indus, Indus-Harvard case study and a JV between Bharti Airtel, Bharti Infratel, Vodafone Idea and Vodafone UK. Pretty much all operators being key customers to both Indus and Infratel, marquee promoters as being talked.

In terms of vision of the Company, we’ve maintained to be the best and the most innovative passive infrastructure provider globally. And the four things that we’ve chosen to be known for are highest uptime which differentiates the quality which operators are able to offer to the end customer, speed and quality of deployment, cost and energy efficiency and environment friendliness.

The DNA that we have set for the Company is to have a drive for innovation, to develop people and partnerships, have a commercial thinking and drive for results. These are the four key DNA that we set out for, on the people front for our employees. With that as the backdrop, we’ve tried to consistently keep the vision as the goalpost towards which the entire organization is aligned and is working to deliver on.

Coming on to the last year’s development, Akhil did touch about both these things. We’ve had NDCP document that had come out during the previous year. We did cover in the earlier AGM. Last year, TRAI had come out with their recommendations, whereby there is a recommendation to enhance the scope of IP-1 and I will cover what it means for the telecom landscape briefly in a subsequent slide. There was also a paper from DoT, which allowed for infrastructure sharing more from an in-building perspective for government offices, public buildings, airports, bus stands, metro stations, where it’s been made mandatory for these assets to be shared with all the operators to enhance connectivity in these areas. Talking about what these regulatory changes mean clearly, it is going to help telecom industry grow where there are huge capital investments. Sharing intrinsically, tower companies have demonstrated, is a huge value for operators. Firstly, it stops on duplication of infrastructure. Secondly, if the infrastructure is shared, it saves on huge amount of capex for telecom operators so that they can focus and deploy this capex towards enhancing end services to their customers. Also, it converts certain part of this capex into opex, whereby infra companies like us, can provide services on a non-discriminatory basis and leverage that infrastructure for better utilization. Lastly, it does save on time to market significantly because things like fiber or tower rollout do take fair amount of time. And thereby, the subsequent operators are able to really come up on a real short notice and provide services to the end customers.
Akhil did cover in fair detail about the AGR development too. I would not go again on this one. We still wait a favourable judgment from the Court after DoT, as a party, has filed for giving an extended timeline to operators to pay the AGR dues that is now carved in stone in terms of number. We hope that we will have a favourable judgment. There is a hearing that's coming up on the 10th of August and let's see what comes out of that in terms of DoT’s ask for a 20 year extension on which these license fees dues are to be paid versus various operators’ demands at different time periods over which they have requested the government to allow them to pay these dues.

In terms of the customer landscape, we’ve never seen top three operators controlling this kind of market share. As we closed last year, 94% of revenue market share was between the top three operators. Again, what it means for us, clearly, is that all these players are pan-India, they are strong, they will start to compete, they are pretty comparable in terms of their spectrum in the resources that they have. Of course, they have different levels of balance sheet strengths but given that, rest of the resources are pretty even. So, we do expect that this will lead into a healthy competition, where operators will compete more on service differentiation that means on improving the end quality. So, the market is pretty much played down to a three plus one player, plus one being, of course, the government owned entity of BSNL and MTNL.

In terms of our own performance over the years and over the last year in particular and Akhil did touch about this too briefly, we’ve had a tower growth of 3% Y-o-Y ending the year with 95,372 towers. Co-locations were up 1% marginally Y-o-Y, given the amount of exits that we had in the previous year too with operators trying to consolidate particularly after the merger that was announced between Vodafone and Idea. We ended the year with 174,581 co-locations at a healthy tenancy ratio of 1.83. Our revenues were pretty much flattish last year at Rs. 14,647 crore. Our EBITDA was up 23% at Rs. 7,442 crore. Again, as Akhil mentioned, this was on account of Ind-AS 116 lease accounting standard that was adopted last year. EBITDA margin again up to 50.8% which was up 9.2% points again due to Ind-AS 116 accounting. Net profit after tax was Rs. 3,298 crores up 32%. Large part of this again aided by the fact that the tax rate was dropped down to 25% from the 35 - 36% that we had. So, core fundamentals of the Company remain intact. Despite having exits coming in, we managed to have a flattish revenue during the last year goes to prove the strength of the business model, given the challenges that various industries have been facing during these times.

So, coupled with the last year's performance in terms of the performance of the Company over the longer period of time, towers have grown at a CAGR of 2.6% to 95,372 over the last 10 years. Co-location factor, as I said, is at 1.83. Tenancies, you can see the dip in the last two years that we've had. Otherwise we’ve had a pretty secular growth in terms of co-locations too that grew at a CAGR of 3.4% to 174,500. Revenues during this period grew at a CAGR of 7.6% to Rs. 14,647 crores. EBITDA grew to Rs. 7,442 crores at a CAGR of 11.9% and profit after tax grew at a CAGR of 29.3% to Rs. 3,299 crores. So, again, robustness of the business model clearly visible there, minus the aberration that we’ve seen because of exits or because of merger between the two operators, which were the number two and number three operator at that point of time. ROCE of the Company has grown from 4% to 24.3%. ROE of the Company has grown from 2% to a healthy 24.3%.

In terms of dividend, we have met with our stated dividend policy that we have declared for the Company. Close to Rs. 19,300 crores have been distributed back to the shareholders as cash return in terms of dividend or as a buyback that was done once in between.
Akhil talked about the smart city. Last year, the new addition is Dehradun which was won by Indus. Otherwise Bhopal Smart City, we have broken even. Happy to announce that we had done that investment and this model is gradually getting accepted where public and private infrastructure is shared, where government is able to leverage a common fiber that’s been laid not only to monitor the citizens through the surveillance cameras, give weather monitoring on real time, control LED lights, so that there is no wastage but also to communicate with citizens in the place that is needed. So Bhopal is now completely live. In terms of our revenues, they’ve started to kick in and happy to report that we have broken even at an EBITDA level right now. We continue to look at and participate in all the new potential opportunities that come up in these areas. Particularly with 5G, these are going to be very valuable where fiber and small cells or street poles will become a useful furniture to provide a lot of IoT based applications and also for users to be able to get high speed advantages on the devices that they are going to use at that time.

I mentioned about our focus on environment friendliness. We had set out a vision in 2010 to reduce diesel consumption on a per KW basis by 90% in 2020. Happy to report that today, as of the beginning of the year, we stood at 84% reduction on a per KW basis over the last nine years that we’ve completed. We should be hitting our targets soon with last two years reporting an absolute diesel reduction of 37%. This was primarily achieved by co-working closely with a lot of our customers. Firstly, we have now stopped deploying sites where there is a need for air conditioners. A large part of base stations that are deployed now, as growth, are base stations which are completely outdoor. They are free cool with ambient temperature and are, of course, slightly more rugged in terms of the equipment too. The legacy equipment too, we have migrated into outdoor. We’ve converted sites into outdoor and we continue to draw that as a project. Wherever there is a feasibility to move towers to outdoor, we continue to do that year over year. Happy to report about 85% have been converted in the last five years. Our focus on renewables too continues. We are continuing to deploy wherever solar is feasible. Today, we have close to 11 megawatts of solar that is deployed. Solar and wind as a solution that is deployed in close to about 2,500 sites. We’re also trialing out some new solutions on solar and storage as they come in but none of them at the scale that I could report here today. We’ve also worked on a community based model called RESCO, where a renewable service energy company, which deploys green solution or creates micro grid in rural areas, is providing power. So, we are the anchor customers for these companies and we are happily encouraging people who can come in these remote areas where grid electricity is not available or is extremely poor, to deploy renewable solutions where we become their anchor customers. We buy power from them, and thereby close to 20,000 rural families are already getting the benefit of having power reaching to them on account of these renewable service companies going in these areas.

Coming on to the CSR front, last year, we had deployed our full Rs. 47.7 crores of CSR funds. Large part of that, of course, going towards the group CSR arm, which is Bharti foundation. Again, the big focus is towards education, and particularly on the education of girl child. This is where we continue to work closely with the group foundation arm. We’ve done work around sanitation programme, the Swach Bharat Abhiyan, that the Prime Minister had announced. We’ve done our bit of contribution, of course, the execution was done by Bharti foundation there. We’ve also worked on providing scholarships to disabled students in far locations, such as Assam, where deserving candidates are provided scholarship for their education. We also continue to work on skilling across some of our
geographies. We’ve been working with partners to see on skill development of people in these areas. In the current year, we’ve already donated Rs. 25 crores towards the PM Cares Fund as COVID hit in rather early and after that, we’ve also created an option for employees to contribute and donate towards PM Cares Fund where for every rupee that is donated by an individual employee, it is matched by the Company’s contribution and deposited to the PM Cares Fund. Both these initiatives have done pretty well.

Akhil did mention the challenges that are there in our business. Every year, we do come across several challenges, whether it’s the floods earlier in Kashmir or Fani this year, which was one of the worst cyclones that I’ve seen in my 10 years, in terms of damage that was done. We were quick to respond and see that the network gets restored at the fastest possible time. This was greatly appreciated by all our customers and also by the government. A close collaboration between government agencies vs private parties like us helped restore the telecom networks at the fastest possible pace. It did come with its own damage on the electrical power. We had to run sites for a fair amount on generators in these areas. But we’ve had our share of learning where our disaster management skills have been constantly tested and we’ve tried to adapt that. For every disaster that has come in, we have further tuned our skills of managing these calamities and see that the replication of that or restoration of that, in terms of subsequent events, is faster and quicker.

And then came the COVID towards the end of the year. A brief slide to cover about that. While we did have our business continuity plans and our disaster management plans formally documented and executed across various circles, depending on the kind of challenge that we look in these places, we were hit by this lockdown towards the end of the year. Again, very happy to report that on a sum total basis, there is negligible financial impact to the Company. There is nothing material to report in terms of impact. Operator traffic, in fact, went up and we were able to support them in the build out of that traffic. But why I’m not saying there is zero impact is because there is a slight amount of delay in terms of rollout due to the lockdown that happened for a few days. Again, if you look at our numbers of the current quarter that we reported last week, there is growth which signifies that we are able to come back and work with the government agencies closely to see that rollout requirements are not hampered. Telecom, defined as an essential service, has helped our relationship and TAIPA which is our association and works on behalf of the tower companies has worked very closely with government to see that in these uncertain times, where there was no guidance policy or a historical document to look back on, the telecom employees were given the rightful access, of course, taking care of the safety aspects of all the employees. So, there are places where police and the medical fraternity has come together with our field staff to make sure that sites are restored in some of these critical areas.

So, in summary, firstly, we had our business continuity plan document revised because of pandemic. This was not something that was envisaged. Secondly, our war rooms used to be a physical wall where we used to assemble both in our tower operating centre and also in our respective locations in all the circles. This time, we had to do a war room which was virtual, where the entire management team was meeting every day in the morning to take stock of safety of the people and at the same time restoration of sites, which is part of our normal role, while people were operating from their own homes. Also, we upgraded our IT infrastructure. While our process and our ERP platform was robust enough and was meant to be accessible at all times, but we had never had a case where our entire staff was working...
from outside the office. So, we quickly managed to upgrade those links, work with our partners, upgrade our licenses on VPN, etc. and brought in new tools. Thanks to things like zoom, and now blue jeans, we are able to use these collaborative tools far more effectively and work and see that there is no business impact on our operations. Again, happy to report that uptimes are at the level that are in these times of the year. Also, happy to report that rollout is now coming back to the levels that our customers have been promised in terms of the SLAs at all the locations.

We've had our share of rewards and recognition. Dun & Bradstreet on telecom has recognized us. We've had our Business Processes and Business Excellence, which is what covers even the BCP plan recognized very widely and we see our process head receiving that award there. The one which we like the most is the Graham Bell Aegis award and this is clearly for innovation. Bhopal Smart City being recognized as an innovative solution where we co-work to create, as I said, a shared infrastructure, which could be used between private and public place and see that the end utilities are improved for the common citizen there. Our legal team was also recognized by the Indian Bar Association, this year again, the last one that you see. A few other awards which is updated on our website for anyone to refer.

Coming back to merger too again, Akhil mentioned in fair detail about this. So I will skip this one. We still wait for our condition precedents to be met after which we should be moving on with the next steps there.

In terms of way forward, our strategy remains. Given that we in the middle of the merger, we've not tweaked our strategy, which is a simple five pronged strategy – 1) promote tower sharing; 2) capitalize on opportunities of data growth, which is coming on account of data-proliferation, clearly fiber, Wi-Fi, Smart Cities are the ones - the success there in Dehradun adds up to that kitty. 3) Organic growth and acquisition opportunity - right now, we're not looking very aggressively outwards because of our own merger. Once that is done, given our strength of the balance sheet, this will again come up as an open thing to see if we can put capital to good use. 4) Increasing revenue and capital productivity - clearly, given the drop in tenancies, we’ve been quick to respond back and that is why, despite the numbers that you see on drop on co-location, which is where the large EBITDA kicks in every time we add co-location, the reverse is also true. However, we’ve managed to quickly work on our cost side, optimize that to the significant levels wherever we’ve had exits, both in terms of capital costs and opex. And that is our point number 4, where we focus on revenue and capital productivity on an ongoing basis in the business. 5) Achieving cost and energy efficiency across tower portfolio - again, this is where our energy focus also comes in a big way. We continue to see how we remove the entire waste for a country as a whole, and between us and operator, where we closely co-work on these strategies. So, that was on my formal part of the presentation.

Akhil did say a lot of good words. Let me take Akhil, with your permission, a few moments to thank. Firstly, all of you as shareholders of the Company, it's been a wonderful learning experience for me. I want to thank Sunil, Rakesh and Rajan. They've been on our Board, respectively, and, in fact, have been a huge support to me. And then coming on to Akhil, with whom I’ve worked from day one, pretty much when I joined way back on 28th of July 2010. He's been too nice to be passing on a lot of credits to me for something that truly he deserves. Firstly, for the model that has been created - a fantastic
model for which I was completely floored and we thought this was a great model for a country like India, which was capital starved. Being the guidepost, his focus on controls, as you know, immense focus on process really helped us in terms of creating a Company which is very process driven. I have no reasons to doubt that even if I step out, this machine will continue to crank for a fairly long time. Unless something radical happens, there is no reason to believe that we will not continue to grow on greater heights. So, Akhil thank you very much for all the support. I also want to thank all the Board members. We’ve had a very healthy mix of Board members who’ve always stood by us and supported us in all the aspects that we’ve gone in and all of them come with a very distinguished career. Their inputs have worked in creating this Company what it is. So, the 10 year track record that you see is thanks to all the guidance in terms of formulating strategy, the focus and transparency, of course, that we’ve created between the Company and all the members to see whatever can be improved is improved. And lastly, to my team and the employees down below, I’m a sum total of what is done in every tower in the far flung location from Northeast to Kashmir and all these places have got their own unique challenges. I get to aggregate that through the various leadership levels and take the credit for a lot of good work that is done. I keep saluting every time I’ve been into the site to the field force, which truly manages those towers in some of the real difficult locations, and the vagaries of weather and the challenges of the infrastructure in this country, which definitely has a lot of improvements to do. But I feel extremely proud that we have built telecom infrastructure in places where electricity is not there even now. And we’ve built that about 10 years back in some locations. So, I feel immensely proud that we’ve managed to connect the unconnected person in this country, even as I speak. In fact, last week, I was reviewing the USO project, which is now coming towards the end and I’m glad to hear that there is another USO project which is coming in. These are in some of the remotest locations that one can think of. And this is of course, northeast in Assam, where we are doing the rollout as Infratel. And now I hear that Meghalya is the new project. Happy to take on those challenges. Also, very confident that we will be able to grow this. As I said, again, there isn’t enough that I can do in terms of thanking my field force and my EC team in terms of staying with me and supporting me in everything that I did. All this is actually thanks to them, I get to work and coordinate between the Board, shareholders like you, and also to work with the larger EC team to see that whatever strategy that we’ve formalized, we are focused on that in terms of execution there. So thank you very much, Akhil. Thank you, Rajan. Thanks to all the Board members and thank you to all of you as valuable shareholders. With that, I hand over back to the Chairman for the proceedings.

Chairman

Thank you, DS for not only the presentation but for all your contribution. Once again, a massive contribution in making this Company what it is, which came out very clearly from your presentation. Thank you so much. You will be missed. But I know you have made such a strong company that the processes and the discipline and the soul of this Company will remain intact. Thank you once again.

Well, the Notice convening this AGM, Director’s Report and financial statements along with Auditors’ Report for financial year 2019-20 have been sent to the members electronically. With your permission, I take the same as read. The resolutions set forth in the Notice have already been put to vote through remote e-voting, so there will be no proposing and seconding of the resolution.

The Auditors’ Report on the standalone and the consolidated financial statements and the Secretarial Audit Report for the FY 2019-20 do not contain any qualifications, observations, adverse comments
or disclaimers. Both the reports were circulated to the members as a part of the Integrated Report. Accordingly, with your permission, I take them as read.

I would now invite the questions/ views from the shareholders who have registered themselves as speakers.

Company Secretary

Thank you Chairman. Before we go live with the Q&A session, please note some points for your convenience. Please mention your name and the location from where you are joining. In the interest of time, each shareholder will have three minutes for their questions. To avoid repetition, the Board will respond to all the questions at the end.

I now request the moderator to commence the Q&A session, please.

Question & Answers

Moderator

Thank you, Ma’am. We have pre-registered speakers and we will bring them one by one. The first speaker is Mr. Amit Ramesh Bansal from Indore. I request Mr. Amit Ramesh Bansal to unmute himself and switch on his web-camera. Thank you.

Amit Ramesh Bansal from Indore

Good afternoon, Board members, Chairman and all the stakeholders. First of all, I would like to thank the management of Bharti Infratel for providing this opportunity to interact with the Board. I hope all of the Board members and stakeholders are doing well and the family of all the stakeholders are healthy and safe. I also would like to take this opportunity to thank Mr. D.S. Rawat for his contribution in phenomenal growth of Bharti Infratel Limited in last 10 years. Coming to the point, my question to the Chairman is what is the impact of current pandemic on financial and operational health of the Company and what is its likely impact on the future as well. Thank you

Moderator

Thank you, Sir. Next we have Mr. Lokesh Gupta. I request Mr. Lokesh Gupta to unmute himself and switch on his web-camera.

Mr. Lokesh Gupta could not connect.

Moderator

I request Mr. Lokesh Gupta to unmute himself and switch on his camera and proceed with his question.

Meanwhile, we have a pre-recorded video from Mr. Rituraj.

Rituraj (pre-recorded video plays)
Good afternoon Chairman and Board members. Hope you all are keeping safe. My question is about the current consolidation in the telecom industry. With this consolidation in the telecom industry and operators shutting down, what is the mitigation plan of our organization? Thank you.

Moderator

We have Parmod Kumar Jain from Delhi. I request you to switch on your camera and proceed with his question.

Parmod Kumar Jain could not connect.

Moderator

I request Mr. Parmod Kumar Jain to unmute himself and proceed with his question.

We have a pre-recorded video from another speaker, Mr. Avinash Kumar Verma.

Avinash Kumar Verma (pre-recorded video plays)

Good afternoon, Chairman Sir, respected Board members and the management team along with all the ladies & gentlemen present over here. First of all, I would like to congratulate Chairman Sir and the Board members for the growth they have achieved in the last decade. But, going forward, it would be nice to understand the plans of the Company in near future like new revenue stream and the opportunity in smart city, considering Company has built only one smart city till date. Thanking you for your guidance and take care.

Moderator

Thank you, Sir.

Next we have Srikanth Mahananda. I request Mr. Srikanth Mahananda to unmute himself and switch on his camera. Mr. Srikanth Mahananda, kindly proceed with your question by unmuting yourself. Sir, kindly refresh the session. You have to refresh the session to enable your microphone. Please press F5 key on your keyboard.

Moving to the next shareholder, we have Mr. Vishnu Kumar Sharma, I would request Mr. Vishnu Kumar Sharma to proceed with this question.

Vishnu Kumar Sharma could not connect.

Srikanth Mahananda connects.

Srikanth Mahananda

Good afternoon Chairman Sir. Good afternoon MD Sir and the Board members. Sir, myself Srikanth Mahananda.

Moderator

Yes Sir. You are audible. Please proceed.
Srikanth Mahananda
Good afternoon, Chairman Sir. Good afternoon, MD Sir and the Board members. Myself Srikanth Mahananda and I'm from Bhubaneshwar, Orissa. Sir, seeing the intense competition and prices, many major operators have shut down their businesses and some players have merged with each other and are trying to survive their business in the industry. So, my question is that the way the tenancy ratio is dropping year on year, could our business sustain in coming days?

Srikanth Mahananda lost his audio.

Moderator

Looks like we have lost your audio.

Srikanth Mahananda

Sir, my question is that since the tenancy ratio is dropping year on year in the telecom industry, how will tower business sustain in coming days?

Moderator

Thank you for your question. Moving to the next speaker. We have Priyadarshan Behra. We have his pre-recorded video

Priyadarshan Behra (pre-recorded video plays)

Good afternoon Chairman and others who're participating in the meeting. I’m Priyadarshan Behra from Cuttack city, Orissa state. First of all, thanks for giving this opportunity for asking the question. My question is that tenancy addition remains negative during the year. Do we expect more churn to happen in the next year? Thanks.

Moderator

I request Mr. Lokesh Gupta to unmute himself and proceed with the question.

Lokesh Gupta could not connect.

Looks like he has some issue with his audio.

Moderator

Now, we are done with the pre-registered speakers and now I give it back to the Board room. Thank you.

Chairman

Thank you very much for all the questions.
Let me start with Amit Ramesh from Indore. His question as I understood was what has been the impact of COVID pandemic on our business. As you would have seen, telecom is one industry which has really survived COVID. It has been the backbone of the country. The business has increased, the traffic has increased and similarly for us as a tower Company, I think it’s been a good run. We have been able to keep it up. There were a few initial glitches in terms of new towers being made. But, we have overcome that. In short, what I could say is that the impact of this pandemic going forward for us, I don’t see it as being really adverse. I think it will be business as usual for us.

The second question was from Rituraj. His question was about what mitigation plans do we have considering that many operators have shutdown. Well, fortunately, this shutting down business is a matter of past. We saw Vodafone-Idea combining and a lot of tenancies going but things have now settled down. In terms of mitigation plan, we have clearly 2-3 kinds of plans. 1) As you would have noted, the proposal from TRAI which DoT has to accept is to expand the scope and bring in certain active elements within the scope of IP-1 like antennas and microwaves and so on. I think that would give an increased playing field for infrastructure company like ours. Another big area is fibreisation of the towers. As you know with increased traffic, sooner or later, all the towers will have to be connected on fiber as the microwave capacity may not be enough. I think that’s a great opportunity to the tower companies that is already starting in bits and pieces but I see that developing going forward.

The third piece is smart cities. We have already seen four of them between Infratel and Indus. But I think, going forward, this thing will gain momentum. So, plenty of material with us. Also, on the tower business itself with 5G round the corner, I think the business will be of a very high magnitude. Though, I think, if we have 3 really solid and healthy operators, you don’t need 10 or 12. All that you need is 3 or 4 healthy operators who’re ready to invest in the networks. So, I am pretty confident that we would be doing well.

Next question was from Mr. Avinash Varma One is the same one about the new revenue streams. Hopefully I have answered that. On smart cities, I think, we have a very good learning with the four smart cities done between Infratel and Indus. We were hoping that the state governments will come up with many more but I can see they’re struggling with the model. Some of them wanted to gain EPC kind of contract and the others wanted to be a public-private relationship and a project, others wanted to be purely private. I think Bhopal to our mind is a wonderful model and we have been talking to various other state governments and municipal corporations to adopt it. I have a feeling, the last 2-3 years, we have had very slow progress on this, but going forward this will step-up. As the other municipalities and states see the benefits coming in the smart cities which have already been implemented, there will be heightened activity on this. We absolutely remain prepared. This is a matter of big thrust for us and I’m sure going forward, we will definitely try to do whatever comes our way.

Mr. Srikant Mahananda also talked about falling tenancy ratio. I believe we have come to the bottom of that particular problem and now onwards, I expect this to become, you know, healthy again. So, this was one problem which was partly due to some of the operators shutting down, which didn’t accumulate factors too much. The smaller operators were not our main customers. We got massively impacted with Vodafone and Idea merging. That’s now a thing of the past.

Mr. Priyadarshan from Cuttack, again the issue was about tenancy addition, being negative. Yeah, I think as I said I believe this is the thing of past, we would from this year onwards, I’m very confident we’ll start seeing renewed activity on the addition of towers and tenancies.

I think those were all.
Well, if you have any further questions, please feel absolutely free to write to the designated investor relation’s email id of the Company.

Members may note that the e-voting facility will continue to be available for 15 minutes after the conclusion of this AGM. Therefore, the members who have not cast their vote yet are requested to do so. After the completion of voting, the scrutinizer shall compile the results of both remote e-voting and e-voting at the AGM and shall submit final report to the Company. On the basis of their report, resolutions shall be considered approved or rejected, as the case may be. The Company shall forthwith announce the results to the stock exchanges and shall publish the same on its website.

I once again thank all the members, colleagues on the Board, management team and auditors for taking initiative to join this meeting. Wish you all a safe and healthy future and your families and all your loved and dear ones a wellness and safety in times of COVID. I hereby declare the proceedings as closed.