

**Bharti Airtel Limited**  
**Transcript of 28<sup>th</sup> Annual General Meeting**  
**Thursday, August 24, 2023 from IST 11:00 AM to IST 12:17 PM**

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**Sunil Bharti Mittal, Chairman:**

A very warm welcome to all our esteemed shareholders on the 28<sup>th</sup> AGM of Bharti Airtel, which is being conducted through video-conferencing this morning. The requisite quorum being present, I call this meeting to order. The statutory registers and other documents are open for inspection electronically. With the permission of members, the notice, Board's report, and auditor's report are taken as read.

I now have the pleasure of introducing all our directors of the Board who are all present. Physically here one director with me and rest of them through video-links from across India and outside India. I have the pleasure in introducing –

- V. K. Vishwanathan, *Independent Director and Chairman of Audit Committee*
- D.K. Mittal, *Independent Director and Chairman of HR & Nomination Committee*
- Rakesh Bharti Mittal, *Director and Chairman of Stakeholders' Relationship Committee*
- Kimsuka Narasimhan, *Independent Director*
- Nisaba Godrej, *Independent Director*
- P.K. Sinha, *Independent Director*
- Shyamal Mukherjee, *Independent Director*
- Arthur Lang, *Director*
- Chua Sock Koong, *Director*
- Gopal Vittal, *MD & CEO*.

I also have Soumen Ray, CFO of Bharti Airtel and Pankaj Tewari, Company Secretary attending this meeting.

Representatives of Statutory Auditors, Secretarial Auditors and Scrutinizer, are also attending.

Let me give you a brief update of the year gone by. As you are all aware, Airtel delightfully opened the innings on the 5G and ushered in the 5G era in India. We have been tremendously supported by the ease of doing business by the Government of India in variety of ways. The smooth and highly successful conducted spectrum auction and its allocation process. We truly created history by going live in several cities with the launch of 5G services at the India Mobile Congress last year. Our 5G solutions are based on most widely used global technology architecture that offers not only the best coverage, but experiences the lowest total cost of ownership. Airtel, you'll be pleased to know, is already live in more than 3,500 cities and towns. We are collaborating with top enterprises engaged in manufacturing, mobility, healthcare, logistics and IoT, where 5G tech is becoming a catalyst for digital disruption and creating potential for new revenue streams. Importantly, Airtel's 5G network is environmental friendly with a sharp focus on a commitment towards the ESG framework.

Some operational highlights of the year gone by, it was a very well-oiled execution journey. There has been tremendous operational excellence in all fronts –

- You would be very pleased to know that Airtel achieved an all-time high market share across business verticals. It's been truly an industry-leading performance.
- On 4G front, the net adds at 23+ million were stronger than last year and we ended the year with ~233 million data customer base.
- On the Homes front which is picking up huge momentum, Airtel is propelled by its unique LCO partnership model and has crossed a 6 million mark with highest ever net adds of 1.6 million in the year gone by. We also expanded our reach to ~1,200 cities that in itself was able to give us tremendous coverage across the country.
- Airtel also did well on the DTH front, which has had a lackluster growth in the last few years. We crossed ~16 million customers and the DTH business is now steady as we move forward.
- On the Enterprise side - B2B, our growth rate had been 15.7% year-on-year, which was highest in the last decade. Airtel became #1 B2B Company in India. All of this was backed by investments, our product portfolio enhancement and importantly our Go-to-Market re-tooling. Growth is fueled by diversified portfolio mix and adjacent categories like CPaaS, IoT, Data Centers, SD-WAN, Security Cloud etc.

- On the digital business front, Airtel scaled new heights - Wynk, Xtream, Airtel Thanks, Airtel IQ Ads and Nextra and Airtel Payments Bank and the recently launched Airtel Finance put Airtel on a strong growth footing. Airtel Wynk, Airtel Thanks, and Xtream monthly active users grew 4x over the last year, crossing the 200 million mark - a very important milestone.
- Airtel Payments Bank, the only profitable multi-segment fintech operating at scale with a banking license in the country, reached customer base of over 163 million mark importantly of them 54.7 million were monthly transacting users.

Fortifying leaderships in the postpaid where it clearly has become #1, #1 in B2B, #1 in IoT, #2 in DTH, and #1 or #2 by customer market share in 13 of the 14 markets in Africa. Built four key platforms - Buy, Build, Pay, and Serve. Structural changes made to significantly improve our customer experience, the entire journey has been streamlined and mostly on digital level now.

New products and services which have been introduced to enhance customer experience, are **Airtel Black** which you would have all heard about. **Airtel World Pass** which offers differentiated offering for seamless international travel for customers. **Airtel Finance**, it's a first of its kind telecom offering anywhere with a co-branded credit card and personal loans in partnership with NBFC's and banks. **Airtel X-Safe** launched end-to-end home surveillance solutions to complement our fast-growing homes business. **Airtel IoT** launched the always on IoT connectivity solution. **Airtel Payments Bank**, now serving one in five villages, over half a million banking points, 1 in 10 bank accounts being opened by the bank in the country now. INR 30 billion payments Company with INR 2,000 Crore deposit book. It's the sixth bank in India in mobile banking, great place to work being recognized, importantly first payment bank to offer face authentication based onboarding. In the business areas, it has gone heavily into Tier-3 and now the largest Tier-3 player. Urban digital - fastest growing digital player, and B2B - the largest micro cash player solving the problem of managing cash of the large companies across the country.

Strong strategic collaboration with industry leaders have been further fortified and entered into with the likes of Amazon, CISCO, Ericsson, Nokia, Google, IBM, Intel, Meta, Microsoft, Netflix, Nokia, Oracle, Qualcomm, and many more. Notable partnerships done during financial year 2023 - we partner with Vultr, the world's largest privately held cloud computing company and we will be offering Vultr's unrivaled Cloud Compute, Cloud GPU, and Cloud Infrastructure services to Indian digital ecosystem. IBM and Airtel announced intent to work together to deploy Airtel's edge computing platform in India. Airtel and Meta collaborated to invest in global connectivity infrastructure and new age digital solutions based on CPaaS to meet the evolving needs of customers and enterprises in India.

Accelerated investments and historic rollouts across - added highest ever a number of towers at more than 37,000, reaching a total tower count of ~275,000. We added over 80,000 mobile broadband base stations reaching a total of ~832,000. Added over 33,000 kilometers of fiber, crossing ~388,000 kilometers of fiber overall in the country. We have identified high potential ~60,000 villages to expand our rural coverage which are fast underway and bringing desired results as well.

Airtel announced collaboration with Meta and STC of Saudi Arabia to bring 2Africa Pearls to India. 2Africa is the world's longest subsea cable system. Airtel joined the SEA-ME-WE-6 undersea cable consortium to scale-up its high-speed global network capacity. Airtel has strong presence in fast growing Indian data center market expanding further with six upcoming large data centers.

We acquired an additional ~1.4% stake in Indus Towers as you know, now the total stake of Airtel in Indus Towers, India's largest tower company, is just a tad or shade lower than 48%.

We expanded Airtel startup accelerator program to support growth of early stage Indian startups in the digital space. Acquired a strategic minority stake in cloud-based networking solutions providers, Cnergee Technologies and acquired a strategic stake in Lemnisk - Immensitas Private Limited.

On the ESG front as well, we have not let our guard down, in fact we have been very enthusiastically participating in this particular space. We joined the World Economic Forum initiative of Alliance of CEO Climate Leaders India. Airtel is driving diversity, recognizing the value of inclusivity and embracing a culture of equality and empowerment at work. Diversity target with share of women workforce is at ~20% by financial year 2025 and the entire company and its leadership is directing its energies towards that. Bharti Foundation has an

impact of over 3 million across more than 27,000 schools in India to date. Digitization and value to society is an important part of our culture of the company. We focus a lot of energies towards the giving part of our group, importantly, Airtel contributes immensely towards this journey. MSCI and CDP upgraded rating for Airtel. We received ESG Excellence Award from Dun & Bradstreet at the ESG Leadership Summit.

A few minutes on Africa which is a very large part of Bharti Airtel's business across 14 countries in Sub-Saharan Africa. Africa has been, as you know, on a steady and profitable growth path with now 140 million customers up from 128 million in the previous year. We have data customers now at ~55 million where we added nearly 8 million customers in the last year. Importantly, Airtel Money which is highly profitable and growing in Africa, has now a customer base of 31 million. Reported currency Revenues were up by 11.5% year-on-year, operating leverage backed by cost effectiveness led to 11.4% growth in EBITDA at Airtel Africa. The balance sheet has become rather strong now. If you recall, we had a very large amount of debt at the time of IPO in Africa. Our leverage is now stable at 1.4x on account of substantial network investments, additional purchase of spectrum in key markets. Dividend is in line with stated progressive policy, dividend in financial year 2023 increase by 9%.

A brief snapshot into overall financials and balance sheet of your Company-

- The consolidated revenues were at ~INR 1,40,000 Crore up 19% year-on-year.
- The EBITDA consolidated for the year gone by, was at ~INR 71,000 Crore up 23% year-on-year with EBITDA margin at 51.6% vs. 49.9% in the previous year.
- The cash flows showed a very strong upswing at ~INR 37,000 Crore and the leverage is now at a comfortable level of net debt to EBITDA of 2.97x.
- We paid over INR 8,000 Crore much ahead of our time. These were done to Department of Telecommunications towards spectrum acquired in the 5G auction. We also recently paid additional ~INR 8,000 Crore of DoT liability pertaining to 2015 auction from our cash reserves. This was an expensive outstanding towards DoT costing us nearly 10% per annum and it was therefore appropriate to reduce as much as we could do from this particular parcel of spectrum deals.
- We are well capitalized to fund future investment needs through internal accruals, importantly just to remind you, there is an uncalled portion of rights issue as an additional liquidity source for the company.

A few accolades - your Company keeps on receiving tremendous amount of recognition across the globe but some of the notable ones which I would like to highlight are Golden Peacock Global Award for Excellence in Corporate Governance in 2022 by Institute of Directors; 22<sup>nd</sup> ICSI National Awards for Excellence in Corporate Governance and 'Best Government Company' in Listed segment - Large category; A-SON was a solution that was awarded 'Innovative Mobile Service and Application Award' at the GTI Awards, 2023; and the World CSR Congress, Global CSR Excellence and Leadership Awards, 2022 for developing sustainable strategies.

At this point, I would like to invite Gopal Vittal, MD & CEO of Bharti Airtel to also add his own words to whatever has already been shared with you.

Over to you, Gopal.

**Gopal Vittal, Managing Director & CEO:**

Thank you, Chairman.

A very good afternoon to all of you.

If you look at the India performance last year, we added almost INR 15,730 Crore of incremental top line and about INR 10,080 Crores of incremental EBITDA. As the Chairman mentioned, we hit a lifetime high in terms of revenue market share on mobility, on broadband and on our B2B business. Today our mobile customer base stands at 335 million users. We have 6 million plus homes, ~16 million DTH users, and an industry leading ARPU on mobility of INR 193. What has made this possible? I would say beyond the power of our people, it's really a simple strategy which has been executed brilliantly and let me just kind of highlight what I mean by that.

The first part of our strategy is really to focus on quality customers and I want to talk about three things here. On broadband, we have two models - our own city model and a partnership with local cable operators. The

local cable operator model is a very innovative model as we mentioned last year where we partner with cable companies around the country to lay dark fiber and take the advantage of significant speed in the rollout at the right cost. Today, 25 million homes have been passed and we are confident that we will be 40 plus million homes passed by 2025. We are trying to lock-in this home with convergence in the form of Airtel Xstream, which has been branded as 'Airtel Black' which is really bringing the full portfolio of our services together. The second lever of our quality customer strategy is around postpaid and there are two things I want to talk about here. One is our Family Plan, this is a very special plan which brings the whole family together and gives them the right discount, but more importantly allows them to share data between the members of the family. Over 70% of our user base is today on family plans. The second part of postpaid is really deeper penetration of stores into the catchment, so beyond the high street, we are going into neighborhood catchments to actually deepen our penetration. The third leg of our quality customer strategy is really around B2B. This is an exciting business and we believe the opportunity for growth is massive. Here we have really done two things. One is we have revamped our Go-to-Market completely. The top 500 accounts are getting dramatic focus, which is really our strategy of going deep into these accounts and selling many more services with them through brilliant account management. We are also trying to go wider through our Go-to-Market by covering the mid-market accounts and the large part of the small and medium segment. The second area of this strategy is really around products where we are trying to bring a solution approach to our customer problems and lock them in with digital adjacencies, which is where the large part of the B2B market is growing.

The second part of our overall strategy is really a war on waste and I would say that some stellar work has been done on network operating cost. There are massive interventions that have been done in bringing solar solutions in order to save on diesel and power. We have eliminated diesel in a number of sites, we have in fact reduced diesel by a significant amount during the course of this year. We are putting better quality lithium ion batteries and relocating higher cost sites in order to save our operating cost, but more importantly, we also sweat our assets by measuring the profitability of each and every single site of the 275,000 sites that we have.

Let me step back and take a look at how do we see Airtel today. We look at Airtel in three parts. The first part is our digital infrastructure layer. This is where our \$50 billion digital highway i.e. our network, is really playing a big role, but the consequence of this is some dramatic investments in spectrum as well. We have sub GHz spectrum between 5 and 10 MHz across the country. We have the largest holdings on mid-band spectrum in both 1,800 and 2,100 bands beyond the 2,300 bands and now we have got a full tranche of sub six which is 3.5 GHz spectrum which has allowed us to go into over 3,000 cities in terms of our 5G rollout. But even more importantly in the digital infrastructure layer there is a quiet work that has happened over the last five years in creating a massive data infrastructure layout. We have over 65 petabytes of data on this platform, which is queried and responded to literally in milliseconds. The second part of Airtel that we see beyond the digital infrastructure, is what we call our digital experience layer. Everything that we look at within our business is through the lens of what we call the Omni channel experience flywheel. What customers do whether it's offline or online is they either search for something, they buy something, they experience a product, and then if they love it they refer it to others. This search by experience and refer flywheel is really something that is embedded very deeply into our business and let me give you a couple of examples of this. The first example is our own tools. The Chairman mentioned the award for the ASON, which is the Airtel Self-Optimizing Network. This is really a tool that our engineers have developed for better network experience. We manage layers of spectrum on the fly on an automated basis. We are able to use power saving features to reduce the amount of power on our network.

The second example of the experience flywheel is our Airtel decision portal. This is a place where today every single call coming into our call center is real time monitored through machine learning and artificial intelligence and monitoring the speech of the caller in order to give a rating to the advisor and that then enables further training to the advisor. What also enables us to do is through the decision portal, we are able to predict the faults that are coming in even before the customer has told us what it is - this is now already live in our broadband business.

The third example I want to give you is 'Airtel Work'. Today our every single engineer whether an installation engineer, a fault repair engineer, a network engineer, or somebody going to the home to deliver a SIM, is on the 'Airtel Work' platform. What this platform does is allows us to do automatic scheduling, appointment booking, task management and status and analytics which enables us to get more and more efficient and improve the productivity of the whole fleet that is working for us. It is when you have the digital experience and the digital infrastructure stitched up that you have a right to play and win in digital services and this is why

we are ready to have actually launched a bunch of digital services. Entertainment in the form of Wynk and Xstream, our CPaaS platform, Airtel Finance which is doing both credit cards and lending, payments in the form of Airtel Payments Bank which is the only profitable fintech player with \$30 billion GMV today in the country. Our data center business, our cyber security business, and our cloud business which we have just started, all of these together are riding on the same digital infrastructure and digital experience at a very low cost of both acquisition as well as capital and the revenue streams from these businesses will become meaningful over the next few years.

Let me end by talking about our initiatives on ESG. We have seen a 33% reduction in CO<sub>2</sub> per terabyte in the last one year through all the efforts that we have made on solar lithium ion batteries and diesel elimination. Bharti Foundation is something we take great pride in, is touching the lives of millions of children across the country. Most importantly, the focus on governance and transparency which we treat with great pride and care, is something that's deeply embedded in the Company.

We are putting a significant emphasis on diversity, we have started moving the needle, we have a long way to go, but the targets have been set for us, and the entire Company is committed to improve and increase the diversity within Airtel.

With that, let me hand over to Pankaj.

**Pankaj Tewari, Company Secretary:**

Thanks, Gopal for sharing the highlights and sharing your thoughts.

On behalf of the Chairman, I now announce opening of question & answer floor for speaker members to enable them ask questions or express their views. Before we go live, please note some important points for your convenience. The moderator will facilitate the session; kindly mention your name and location; the members will have maximum 2 minutes each to present their views & ask questions; members are requested to keep their questions brief and specific; and all the questions will be answered in the end.

I will now request the moderator to commence the Q&A session. Thank you.

**Moderator:**

Thank you, Sir.

We will now begin with the question & answer session. In the interest of time, we request our speaker shareholders to restrict their questions to a maximum 2 minutes.

Inviting our first speaker, Mr. Kaushik Shahukar. Sir, kindly unmute your microphone and ask your question.

**Kaushik Shahukar, Shareholder:**

Good morning to all. I am Kaushik Shahukar from Mumbai. I am honored to have the opportunity to address you all today. I would like to express my gratitude to the Board of Directors for allowing me this chance once again. First of all, I salute the Board of Directors for continuing VC mode of meetings thereby allowing PAN India participation. Sir, I request to continue this trend.

I'm a satisfied shareholder of our Company. I must commend the management for the remarkable efforts in creating wealth for the shareholders, however, I would like to raise a couple of concerns. My primary concern pertains to the utilization of saving on account of virtual mode of meeting. I believe it would be prudent and fair to allocate a portion of these funds to the welfare of the shareholders, more particularly amongst speaker shareholders who actually participate in AGM as speakers. Consider the valuable contribution and active involvement in the meeting through a gesture of recognition and appreciation to distribute a small memento among them on the occasion of important festivals. Sir, can you provide me the breakup of cost on account of physical meeting and an account of virtual meeting, if possible. I humbly request the board to consider my proposal and explore the possibility of implementing the gesture of gratitude and appreciation. By doing so, I firmly believe that it will impose a positive rapport among stakeholders and contribute to the overall value of

our corporate family. My next concern is, how is the Company preparing the rollout of 5G technology and adapting to the evolving consumer demand. How does Bharti Airtel differentiate itself in the competitive telecommunication market and what step is company taking to maintain and grow its market share? Can you discuss any potential collaboration or partnership that Bharti Airtel is exploring to strengthen the position in the industry.

**Moderator:**

Sir, kindly conclude within the next 30 seconds.

**Kaushik Shahukar, Shareholder:**

My final concern is that the Company has been hesitant in supporting individuals in need including myself. I have shared my credentials in the past and follow-up consistently with the Company, but my request has not been considered. Should not a differently abled individual be part of CSR activity. Then why the Company is hesitant in supporting individual in need, like myself. I appeal for a support and certification work including Form 15CB. Assistance would mean a lot to me. If I cannot get help from a reputed company like Airtel then whom can I turn to. I am re-sending my credentials after the meeting in the hope of receiving justice and proactive consideration for the desired help and support. I want to clarify that I am not seeking handout of free money nor any sympathy, I value my independence and self-reliance as a Chartered Accountant. I hope you can understand and respect my desire to maintain the independence.

Thank you so much.

**Moderator:**

Thank you, Sir.

Now we invite our next speaker shareholder Mr. Toni Bhatia. Sir, kindly unmute your audio, switch on your video, and ask your question.

**Toni Bhatia, Shareholder:**

Thank you, respected Chairman, eminent Board of Directors, and my friends.

Chairman sir, I must appreciate you for your wonderful speech wherein you covered everything. You spoke about Africa, awards etc. I really liked it. The future of our company is very bright. With God grace, I am 100% sure that our Company has a very bright future. We have seen excellent results, consolidated revenue up by 19%, EBITDA up by 23%, net profits up by 96%, such marvelous figures. Chairman, you have also played a major role in customer base, 375.33 million in India, 140.05 million in Africa, 55.57 million in Bangladesh and 50.05 million in Sri Lanka, such a marvelous journey. Chairman, you have taken this company to great heights. I want to thank you and all the people working hard for this Company. You spoke about awards, I am happy as our Company received many awards. While I am not going to read out each and every award, I want to praise you specifically for one award i.e. Business Leader of the Year award by our respected honorable minister Dr. Nirmala Sitharaman, this is marvelous. You have shown Corporate Governance in such a good manner, for this the credit goes to our CFO and Company Secretary. I would like to appreciate the Company for its CSR activities. I want to thank the secretarial department who provided the link to attend the AGM and opportunity to interact with the management. If possible, please schedule physical AGMs like we used to have at Air Force auditorium. One important point Mr. Chairman, the Company's quality is second to none and it never compromise on it.

**Moderator:**

Sir, kindly conclude in the next 30 seconds.

**Toni Bhatia, Shareholder:**

Okay, I am going to finish. With these words, I once again thank the Chairman, all Board, all the employees working very hard for the growth of the Company. I hope for the better results. With these words, I support and second the balance sheet. God bless you.



**Moderator:**

Thank you so much, Mr. Toni Bhatia.

We invite our next speaker shareholder, Mr. Hemang Kotadia. Sir, kindly unmute your microphone, switch on your video, and ask your question.

**Hemang Kotadia, Shareholder:**

Congratulations, Mr. Mittal and Mr. Gopal, and the team to have a strong generation of free cash flow last year despite of having CapEx. My first question to Chairman is India's internet economy is projected to grow to \$1 Trillion by 2030, that is currently at around \$175 Billion, that is five times from the current level mainly driven by B2C, e-commerce, B2B, SAS, cloud, IoT etc. and Airtel is present in most of the segment, so I feel there are exciting time for the Airtel as we are already worked very harder over the last year in terms of the capability building within the organization and outside too by spending CapEx on network and infrastructure. So, if you can share your thought process on this and on how Airtel can capitalize the opportunity lying ahead on the digital economy which Mr. Modi is talking about everywhere. Second question to Gopal - first of all congratulations to Gopal on a cost control mainly on the network side despite of rolling the tremendous amount of the tower sell sites and the fiber. I just want to ask if you can quantify the savings in operating costs from the synergies what we have achieved last year? How further we can achieve cost control from the accelerating digital offering to the customers and the further network cost savings due to use of renewables and eliminating high cost on sales side? So, those were the two questions, I was having.

Thanks for the opportunity.

**Moderator:**

Thank you so much, Sir.

We invite our next speaker shareholders, Ms. Bharti Saraf and Mr. Santosh Saraf. Kindly unmute your audio and ask your question.

**Santosh Saraf, Shareholder:**

Respected Chairman, Board of Directors, officers and employees of the Company, I am Santosh Kumar Saraf, from Kolkata. I hope that all of you present today are safe and healthy. I would like to thank all the employees of the Company for their dedication and hard work, which has helped the Company to scale great height. I thank the Company for increased dividend of Rs.4 per share and expect higher returns in future. I also extend my thanks to the Company Secretary and his team who were continuously in touch with us and provided us this VC link to join this meeting.

Sir, I have few questions. What all steps are the Company is taking for maintaining its continuous growth? What steps have been taken to prevent the insider trading? As I understand the targeted ratio of female employees is ~20%, what steps are being taken to increase the percent ratio and empower the female workforce? Further, I request the management to continue to organize the shareholders meetings via VC mode. Alternatively, the hybrid mode can also be considered which will allow worldwide participate of the shareholder. At the last. I pray for good health and wealth for the Company, its employees and their families in future.

Thank you for giving the opportunity.

**Moderator:**

Thank you so much, Sir.

Inviting our next speaker shareholder, Mr. Sanket Baheti. Sir, kindly unmute your microphone and ask your question.

**Sanket Baheti, Representative of Winro Commercial (India) Ltd., Shareholder:**

Thank you Sir for the opportunity.

Congratulations for the great performance in last one year and generating a good shareholder value. I had a few questions. So, 1<sup>st</sup> question - since 5G adoption post 5G services rollout depends on handset upgradation and its use cases, so just wanted the Chairman's view on how fast the use cases will get developed so that the adoption gets increased and is the Company planning to develop such use cases? If Company is planning to develop their own use cases, what kind of investments are we targeting? How many subscribers we think that will adopt 5G in the next 2-3 years? Any plans to have a differential pricing for 4G and 5G services once the subscriber adoption is at a reasonable level? What kind of ARPU can we expect for a 5G subscriber? Sir, my 2<sup>nd</sup> question - post FY 24 once the major portion of the Capex is done, what kind of Capex can we expect in FY 25 onwards and in which areas are you planning to do the Capex post FY 25? 3<sup>rd</sup> Question is on Africa - Africa business has been generating a free cash flow and the debt levels are quite reasonable now. So, my question is that what growth can come in the Africa business in coming years? What will be the capital allocation policy over a period of time in Africa?

Thank you.

**Moderator:**

Thank you so much, Sir.

Inviting our next speaker shareholder, Mr. Chetan Chadha. Sir, kindly unmute your microphone, switch on your video, and ask your question.

**Chetan Chadha, Shareholder:**

Thank you Sir for giving me the chance to speak at this meeting.

Myself, Chetan Chadha joining this AGM from home at New Delhi. First of all, I am very thankful to the management for a very good amount of dividend of Rs.4 per share of face value of Rs. 5 each. I hope for the more returns from the Company. We generated the revenue of Rs. 8,47,201 million, which is 20% more than last year - this is again a very big achievement for us. I would like to thank the Secretarial department which has provided hard copy of annual reports well in time.

Sir, I am holding Airtel's shares and associated with Bharti Group since long. The group has always provided the maximum growth to its shareholders. I have a small request from the management to conduct the general meetings of shareholders via physical or hybrid mode so that shareholders can get a chance to meet the directors & management in person.

Once again, I would like to thank the Secretarial department for giving me this chance to interact at this AGM.

**Moderator:**

Thank you so much, Mr. Chetan Chadha.

Inviting our next speaker shareholder, Mr. Ashok Kumar Jain. Sir, kindly unmute your microphone, switch on your video, and ask your question.

**Ashok Kumar Jain, Shareholder:**

Good morning Chairman sir, esteemed Board of Directors, and my co-fellow shareholders joining the AGM on VC portal.

I, Ashok Kumar Jain, DP ID 30011810242590, joining the AGM from Delhi. First of all, I want to congratulate the Chairman and the Board of Directors for a great performance in the year 2022-23 and for recommending a



handsome dividend of Rs.4 per share. In addition, I would like to thank to the Secretarial department who has helped us to join this meeting on VC portal. My suggestion to the management is that it should lay more focus on those customers who are switching to the other telecom service providers due to the network connectivity. I support all the resolutions proposed at this AGM.

Thank you to the management and Secretarial department for allowing us to join this meeting via VC portal.

**Moderator:**

Inviting our next speaker shareholder, Mr. Yash Pal Chopra. Sir, kindly unmute your microphone, switch on your video.

**Yash Pal Chopra, Shareholder:**

Myself, Yash Pal Chopra calling from Delhi, client ID 1059284710592558. I am associated with the group for last 42 years and I have been holding shares of all the listed group companies. I feel proud to be a shareholder of this dynamic group. As regard to the last year's performance, I would definitely say that it was a great performance even when the condition of the economy was turbulent due to various reasons including Russian-Ukrainian war, tremors in Turkey, inflation costs, high interest costs, low liquidity etc. It was an all-around growth in revenue, PBT, PAT, RoC etc. Also, there is a handsome growth in this year's dividend. I am very proud of the Company, management and Mr. Mittal who is a visionary person.

Sir, I just have few queries. First one is that since we are already present in foreign countries like Africa, is there any plan to extend the Company's presence in other countries. My second question is, what is the share of revenue in our foreign exchange earning? Third query is around the Company's progress and current status on 5G roll-out.

Before I wind up, I would request if the Company could plan a bonus issue as our reserve position is around 37 times of our capital.

**Moderator:**

Sir, kindly conclude in the next 30 seconds.

**Yash Pal Chopra, Shareholder:**

Before I wind up, I must thank our corporate governance team, our CFO, Company Secretary, and even our moderator who has just given me this chance to speak at this AGM. I pray to God for the good health and safety of the Company, management and all the employees.

Wishing you all the festive greetings in advance. Remain healthy and happy. Best of luck to you all. Since I am a super senior citizen, my blessings will be of great value to the Company. Thank you.

**Moderator:**

Thank you so much sir.

Chairman Sir, Mr. Yash Pal Chopra was our last speaker shareholder and I hand it over back to you to respond to the queries raised by the shareholders.

**Sunil Bharti Mittal, Chairman:**

Thank you very much. At the outset, let me first of all thank all our shareholders who have taken time to be a part of this meeting. They have earmarked their time and efforts to post questions and we have also received some questions earlier by mail, which we will be responding to. In particular, I would like to thank all those members who have been active today and posing some questions. Let me try to take some of the common themes first.

The first one was about some requests of virtual versus physical meeting and also cost associated with that. Let me first address that and I know all of us would like to physically, in some form or shape, meet our shareholders at least once a year, but I think we must recognize also that today India is taking the lead in becoming a digital nation first. *Aaj apna desh chand pe pohonch gaya hai, jiske liye hume sabko milke is desh ko, Prime Minister sahab ko, sare scientists ko, ISRO ko badhayi deni chahiye, aur aaj jab India har tarah se duniyabhar mein lead kar raha hai. Is aane wale agle mahine main India main ek aur glorious event hoga G20 ka, B20 kal se shuru ho raha hai. To jab ye desh ab duniya bhar ko chahe wo G20 hai, chahe wo hamara Africa ke saath talmel hai, duniya mein baatchit ho rahi hai, aaj BRICS country mein hamare Pradhan mantri ji South Africa mein hai, har jagaha ek hi charcha ho rahi hai – digital, digital aur digital. Usmein hamare desh ne kaise ek leadership position li hai usko madde nazar rakhte hue main iss particular issue ko address karta hoon.* Today, when we have the technology, when we have the tools *jismein ki hum sabko shamil kar sakte hai, na hi ke wo log jo yahan paas mein, najdeek mein, uss hall ke najdeek mein physical meeting attend kar sake. Toh mera manna hai ki aaj humein vapis nahi mudna chahiye. In fact, aap sab logonko support karna chahiye ki aaj ke baad ye hamesha hi virtual meetings ho taki maximum log participate kar sake.* There are people who are differently abled, they can't travel, there are people who have other commitments, many of our directors are in different parts of the country and outside the country they all have participated, *isse better madhyam koi hamare liye ho nahi sakta, ki hum har halat mein isko virtual taur pe age lekar chalein.*

*Ek question ye bhi pucha gaya tha ki what's the differential between cost of physical and virtual meeting.* I am sure the secretarial will have the details, but I can say with absolute confidence that having a virtual meeting set up will cost much-much lower than doing a physical meeting, notwithstanding the costs associated with the shareholders who have to take expensive travel from different parts of the country and importantly local transportation etc.

So, let us all pledge ourselves to further India's resolve in being a digital leader and show the world how India operates through our digital medium, not just for our virtual AGMs, but whether it's in the area of payment, in the area of e-commerce, in the area of government, delivery of services etc.

That brings me straight on to the question that was asked - Given the vision of India to be a digitally first economy and also that India becoming a 30-35 trillion economy in the next 25 years, what will be the role of your Company in this particular space? First and foremost, we should all be very-very glad that we are operating in this very space. We are the very reason for India to have the digital vision, we are one of the important organs of India's state to provide connectivity to the far-flung areas of our country through terrestrial radio networks, through fiber networks, and now also through satellite communications in the coming months. So, we are one of the most important national assets today to ensure that India's digital dreams are firmly on the strong footing and delivering services and service to its society. 5G is just not a new technology or it's just an upgrade from our 3G-4G type of thing. 5G is the full ecosystem which once fully recognized and realized, it's potential will be a game changing for the world and ofcourse for India.

What are the current 5G situation? I already mentioned, we have gone into 3,500 cities and towns. We are deeply engaged with enterprises where we are no.1, as I mentioned to you B2B is our strength and we are talking to many companies whether in the automobile sector, banking sector, in the area where IoT is required, government agencies, and ensuring that we jointly work towards use cases that can serve the industries of the future. The connected industry changes the productivity, changes the output, and importantly efficiencies of enterprises wherever they are now being applied, but yes these are early days, use cases are being jointly put together. We have done some work with Bosch, we have done some work with Maruti, so a number of things that are developing and exciting days are ahead. The whole world is actually at the moment concentrating on finding new and new use cases, but I think importantly India will find its own use cases which may actually showcase to the world how developing countries like India can find ways and means to further accelerate this economy through say 5G use cases.

I am very excited about, for example remote surgeries, 5G connected ambulances, saving lives of people in real time. While 4G can do some stuff, it cannot really do real time low latency critical applications like the ones the 5G can deliver. As to 5G devices, currently there are about 12% of 5G devices in the country, but the new shipments are suggesting that in a matter of two or three years, India will have a tremendous amount of 5G devices. 50% of smartphones that are being shipped are currently 5G enabled and I think it's only a matter

of months, I don't think so years, where this 50% will start to go up and eventually almost every phone that comes, every smartphone that comes into our country will be a 5G enabled phone.

Will there be different of pricing between 4G and 5G? I think these are early days, at the moment everybody is just focused on rolling out 5G network, getting people to use 5G experience. Our traffic is moving now, a lot of traffic in congested areas from 4G has already moved to 5G, which is good news and from a 20 to 23 GB data consumption a month by our customers, I think 5G will probably pass the 30 GB mark.

There was a question on ARPU. I have had a stated position of ARPU to be INR 300 per month per customer as an average, as you know this is an average revenue. We are very fortunate to have crossed the first milestone of INR 200, it has taken a longer time than I would have anticipated and I only hope the journey between INR 200 and INR 300 is that much faster and for our 375 million customers here and 140 million in Africa, every extra INR 20, INR 30, INR 40, INR 50, or 5-10 pennies or cents to a dollar in Africa makes a huge difference to our bottom line, thereby throwing more cash flows. So, we are constantly working on this, you can be rest assured that your Company is vigilant on technology shifts in the marketplace, it is in contact with the best-in-class technology providers, and importantly it is an integral part of the overall telecom ecosystem globally. Being the second largest mobile operator in the world gives Airtel a seat on the table and whether it's the GSMA or any other large body including standard setting bodies, ITU etc., so that is the advantage that your Company enjoys.

I personally believe that there was a lot of recognition given to the dividend, which has been stepped up. All I can assure you is, in the days to come, more dividend will step up as the Company generates more cash flow, but we are nowhere close to giving a ton of money back to our shareholders or provide bonus shares as the Company still has 2.9X of debt to EBITDA. This needs to come down below 2X before any serious request for increase in buybacks, dividends, bonuses can be entertained. So, we all are working towards that, it's a huge capital intensive industry, which requires a lot of capital both for spectrum and network and right now Company is an investment mode, which I can assure you, will bring tremendous benefits to the Company in the coming years.

That makes me go straight on to the other question that came for CapEx. Last year and this year have been big CapEx years. 5G as you know, is a new technology, requires new network, radio, many elements including EV band microwaves and a lot more fiber which has been going on. We have also been building a lot of new data centers, so a lot of investment has been going on. INR 28,000 to INR 31,000 Crore is the CapEx for the current year for India and there will be additionally about INR 6,000 Crore of investments going into Africa and the CapEx. Next year, I think we will start to see our rural coverage having been completed in the current year, reduction in our rural rollout because you would have done the job. 5G will continue in the next year into more cities and towns but I think probably at a slightly lesser intensity than in the current year. I would say that the question that was asked what will be our CapEx cycle from financial year 2025 onwards, all I can say is that we should start to see some tapering-off of our CapEx into that year. More importantly, I expect our revenues to go up tremendously, so therefore the share of the revenue will start to come back into global averages of percentage of revenue spent as CapEx within the 20% mark that is considered to be a gold standard across the globe.

So, some upfront investments which will hold the Company in a very good state in the coming years. All in all, the CapEx guidance is we are at a peak now and this can only start to get better. Cash flows will become bigger, dividends will become bigger, hopefully other rewards for the shareholders will start to be seen as well. We look at our CSR program very carefully. Bharti Foundation works very hard towards providing education to very poor children in villages. We have our own villages built-up, in nearly 250 villages we have our own schools. We engage with a lot of government schools where we do a lot of programs to upgrade, upskill the young students. We have secondary schools where we provide skilling as well towards the end of the year. We have scholarship programs for those deserving students who need to go to higher education. We have in a very big way funded Plaksha University, which has become one of the leading new age tech universities in Mohali next to Chandigarh and ofcourse in IIT Delhi and IIT Mumbai, we have set up our own centers and institutions and we will continue to focus on that.

So, I can assure you that the CSR including on diversity front where there was a question, the ~20% would make us one of the best-in-class diversity companies in the country. Amrita, who is the head of HR at Airtel, is absolutely tasked and committed towards achieving this goal and hopefully even beyond that. I fully recognize

that there is tremendous amount of talent in the women workforce, which is nearly 50% of our country which needs to be gainfully engaged into productivity and bringing more economic momentum to the country.

With this, I would like to end by saying I am delighted that the company has weathered the storm, many storms I would say in the last 20-25 years. Some of you have been hard-earned supporters of our company for long years and some of you have come on this journey recently. I can assure you, we do our duty in the best possible way in the interest of every shareholder in this Company and we are committed to ensuring that Airtel continues to do well in the coming years and we seek your support and blessings in doing our job well.

Thank you.

**Moderator:**

Dear members, with this the Q&A session stands concluded. I request our Company Secretary to take the proceedings forward.

**Pankaj Tewari, Company Secretary:**

Thank you Chairman and all the members.

There was one question on our controls to prevent the insider trading. I must confirm that we have a policy which is stricter than prescribed under the law, we have digitized controls and robust governance framework to ensure compliance with the same. The members and registered speakers, who could not get a chance to express their views due to technical glitch or paucity of time, are encouraged to send an e-mail to investor relations contact of the Company that will be promptly attended to. The resolutions being proposed for approval at this AGM include-

- a) Ordinary businesses being the approval of financial statements; final equity dividend of INR 4 per fully paid equity share and INR 1 per party paid up equity share; and re-appointment of Gopal Vittal as a Rotational Director.
- b) Special businesses being the ratification of remuneration of cost to auditors; approval of re-appointment of Kimsuka Narasimhan as an Independent Director for second term; revision in the remuneration of Chairman and material related party transactions with Bharti Hexacom, Nxtra and Indus Towers. With the consent of members present, D.K. Mittal, Independent Director may be considered as Chairperson for purpose of item no. 6 to approve revised remuneration of Chairman.

The Company had provided remote e-voting facility to all the members to cast their votes on the said resolutions. The facility was made available to the members from 9:00 AM on Sunday, August 20, 2023 to 5:00 PM on Wednesday, August 23, 2023. The members who have not been able to cast their vote through remote e-voting and were participating in this meeting, can cast their vote during the course of the meeting through e-voting facility by clicking on the e-voting icon provided on top of the screen. This e-voting window will be available for the next 15 minutes.

After completion of voting, the scrutinizer shall compile the consolidated results and submit the final report to the Company. Based on that the Company shall forthwith announce the results to the stock exchanges and publish the same on the website within stipulated timelines.

With the permission of Chairman, this meeting stands concluded. I thank all the members and participants for attending this meeting and wish all of you a safe and healthy future. Thank you.

*The meeting concluded at IST 12:17 PM after e-voting.*

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- 2) This transcript has been edited for the purpose of factual accuracy, better reading and clarity.