

**Bharti Airtel Limited**  
**Transcript of 25<sup>th</sup> Annual General Meeting**  
**Tuesday, August 18, 2020 from IST 3:30 P.M. to IST 5:06 P.M.**

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**Sunil Bharti Mittal, Chairman:**

Very good afternoon to all of you. I take this opportunity to welcome all the members to this 25<sup>th</sup> Annual General Meeting of Bharti Airtel Limited being held for the first time through Video conference.

Requisite quorum being present, I call this meeting to Order.

Statutory Registers and other relevant documents are open for inspection electronically. With the permission of members, the notice, board's report and auditor's report are taken as read.

Before I go further, let me now introduce all the attending participants who have joined us from different locations and geographies:

**Joining through Video Conference**

- *V.K Viswanathan Independent Director and Chairman of Audit Committee*
- *Dinesh Kumar Mittal Independent Director and Chairman of Risk Management Committee and HR & Nomination Committee*
- *Rakesh Bharti Mittal Non-executive Director and Chairman of Stakeholders' Relationship Committee*
- *Gopal Vittal Managing Director and CEO of Bharti Airtel*
- *Chua Sock Koong Non-executive Director of Bharti Airtel and CEO of Singtel*
- *Manish Kejriwal Independent Director*
- *Tan Yong Choo Non-executive Director and nominee of Singtel*
- *Apart from these Board members, we also have key executives joining us including Badal Bagri, CFO, Pankaj Tewari, Company Secretary and Nakul Sehgal, Corporate CFO.*

Representatives of Statutory auditors, Secretarial auditors and Scrutinizer from Sanjay Grover & Associates are also attending this meeting.

Our Independent directors Kimsuka Narasimhan, Shishir Priyadarshi and Craig Ehrlich have regretted their ability to join.

Let me spend some time in giving you a brief overview of the financial year gone by 2019-20.

This has been a very exceptional year with regard to the pandemic that the globe is facing. Something that was never thought about, something could that have never been planned for. Most of the countries around the globe have been facing the wrath of COVID-19 and India as you're all aware is the exception. Even the countries where we operate in Africa, while have not seen a huge spike, but most of the countries have started to see cases going up. Telecom has become the oxygen for the digital world, ensuring connectivity for customers, homes, enterprises and Government. To my mind, the importance of our sector, of the industry that we operate in, and the role that companies like Bharti Airtel can play, have never been more pronounced than what we have seen during the days of this pandemic, and on an ongoing basis, how the telecom industry is dwelling up to ensure that the world remains connected, societies remain connected and the operations of business and the wheels of economy continue to roll forward. In fact, I would like to salute our engineers, our sales people who have been out in the marketplace ensuring that the networks which have had a huge spike in capacity utilization are in good shape, the top-up recharge vouchers are in good shape, and all our digital efforts which were done to ensure that people stay connected electronically without having to physically move around, have shown

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considerable, remarkable success ensuring uninterrupted mobile services, access and experience to our customers. I am also pleased to say that the Company has contributed immensely towards nation's efforts to fight the menace of COVID-19. Contribution/ funds have been given to various governments, not only just in India but in countries that we operate around the globe. We have supplied protective gear for healthcare workers and I am glad to report that the Company responded to the clarion call made by the honorable Prime Minister and committed an overall amount of hundred crores rupees towards the COVID-19 activities.

2020 is a special year for us. It marks the 25 years of Airtel's exciting journey. It is also synonymous with India's telecom revolution. Airtel, as you are aware, is one of the pioneers of the telecom revolution in this country and has been responsible along with clutch of other mobile operators to ensure that the telecom services are not only provided in the deep rural far and wide across the country, but they are indeed the most affordable tariffs available anywhere in the world. Today when we see a nation of a billion people connected and doing their routine daily chores, using them for DBT (Direct Benefit Transfer), for principal businesses, for seeking insurance or indeed for using all their applications and data to get on to the internet, we feel extremely pleased and proud that we'll be able to play a pioneering role in our country. From mobile services way back in year 1995 from one circle to Today, Airtel is now a global telco with operations in 18 countries, world's third largest telecom Company by subscribers, with over 425 million customers is truly a name and a brand that is recognized across the world. I personally believe that all building blocks are now in place and we are uniquely positioned to support an open digital ecosystem to support our prime ministers dream of Digital India. I personally believe that the best lies ahead for us. We have had, as you're all aware, difficult period in the last four or five years, when the country has seen annulation of nearly nine operators who have either closed down or gone bankrupt and on needs, some of them are merged with other companies including with Airtel. They are now down to three plus one operator environment in the country. For a billion people, I personally feel the three operators in the private sector need to carry on to ensure serving the country in the best possible manner and in this regard, we have made certain representations and the government has been supporting in hearing the problems that the industry faces and I am glad that the new telecom policy does articulate some of the requests that the industry had made and we are confident that in the coming months and years ahead, the government's focus on our industry to ensure that India is served digitally well, will truly resolved in best possible manner. Some sector highlights although Gopal Vittal in his presentation will cover most of these details, I would like to mention that there have been a number of regulatory measures, including the DTH regulatory framework with the amendments around pricing changes for bouquets. There have been number of consultation paper on tariff issues of telecom services. The industry has asked TRAI for a floor price that is also still under consideration and the government did announce deferring of spectrum installment payments for a period of two years to give relief to the Telecommunication industry. TRAI also revised date for applicable Bill And Keep (BAK) regime, MTC continues at six paisa up to 31<sup>st</sup> December this year. On the AGR front, unfortunately, the decision by the Supreme Court added more burden on the Company but we have provided for all the amounts in our books. Although, we continue to believe that there may be some relief that may come in the form of long term installments, and some other corrections that we will want in the AGR but given that case is still in the courts, I will refrain from making any further comments on AGR. I think one of the important factors which we have been wanting for a long period of time came through during COVID-19, the telecom has now been declared as essential services that will help the industry to gain reasonable charges on right of way, citing of towers and a number of other issues that the telecom infrastructure faces in deploying it across private estates, private colonies and dealing with RWAs, as you are aware, that putting up towers is becoming much more cumbersome and expensive from the levies point of view and we hope that being an essential service ,will help this cause of the industry.

I personally believe that the worst is behind us as far as Indian telecom industry is concerned. We saw some improvement in tariffs in the last quarter and a half. However, still this is a long way to go. I have always maintained that we need approximately an ARPU of 300 rupees per month per customer, which will still allow some low end customers to have full access to data and internet at about hundred rupees which will then allow us to bundle some high end customers more data and more fanciful services to get to a 300 rupees ARPU. Currently, the Company is at 160 rupees ARPU per customer, which in itself, is

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the highest amongst the four players that are operating. We hope that in the next few months in a few steps, we will start to get past to 250 rupees and eventually hopefully settle at 300 rupees. 300 rupees is very vital given the amount of investments that are made in this industry. Last year the Company spent 25,000 crores on capex putting up new network, new fiber, new data centers, adding capacity to its subsea cables. While this was lower than the previous year of 29,000 Crores, but clearly 25,000 crores is still nearly three \$3.3 billion of capex investment. This sector requires very heavy duty investments year after year and therefore, the EBITDA margins and the overall pool of capital required is indeed needs to be very healthy. Do keep in mind that the industry also has to buy spectrum from time to time and then amortize it over a period of time. The spectrum in itself is very expensive and for that, its important that we get to a target of higher ARPU. Having said that, I am pleased to say this still remains one of the lowest affordable services anywhere in the world. People consuming nearly a gigabyte a day kind of packages still get the services at 4/5\$ compared to 40/ 50\$ that you will get in the Western world. I personally believe that very strong tail winds are now in our favor. Our March quarter was very strong. Our June quarter has also been announced and saw a very healthy level of growth in the market and a strong recovery out of the COVID-19. I am also very pleased to report that we continue our philosophy of deep collaborations, whether it is with Google or Facebook or Amazon or Netflix, or indeed many other cybersecurity companies. We provide all these fanciful and important services to our customers. We had also tied up with the Bharti AXA life, HDFC life for providing life cover insurance policies to our customers to get it onto the network and in the enterprise segment, we have tied up with as you're aware with Verizon for blue jeans, we have tied up with Cisco, we have tied up zoom, we have tied up with Google, Microsoft and indeed, Amazon AWS for the cloud and all these services are making Airtel an important destination for customers to get a one stop solution for all the digital needs. We've also added to airtelThanks App many more services, including services like OYO, OLA etc. So all in all, I would say the Company is now absolutely well prepared to take the benefit of the digital movement that has happened in the last three or four months, something that may have taken four or five years for the country to get used to. I think one upshot of the COVID-19 has been that the country has very largely moved to a digital ecosystem, where more and more people are getting comfortable in doing shopping on e-commerce, doing their banking on mobile, using all business tools and sales tools on the mobile phones, and importantly, the government's vital services, including DBT and all are getting more and more being delivered through mobile phones. So clearly given 1.3 billion people in the country, services by three private and one public sector undertaking suggests that we have a very strong future, a very healthy future for our Company. With that, if I may pass on the floor to Gopal Vittal, MD and CEO to take this forward – Gopal, over to you.

### **Gopal Vittal, Managing Director & CEO (India & South Asia):**

Thank you very much, Chairman. Very warm welcome to all the shareholders. I am going to make a very brief presentation over the next few minutes.

So let me just start with what the Chairman alluded to, I think the financial performance of the Company has clearly stepped up this year. We saw substantial growth arising out of the tariff increase that had happened, and the continued acceleration of 4G net ads, or EBITDA margins improved from 29% to 40-41% during the year. In terms of the operational performance, we saw a sharp drop in customers by around 20 million back between Q4,18 and Q4,19. But since then, we've held on, and if you recall last time, I had mentioned that one of the reasons we've seen this drop is - we decided to shed many of our very marginal customers and focus on quality customers and that is reflected in our ARPU, which has gone up to 154 in Q4, 2020. In fact, Q1 was closer to 160 and this is the highest ARPU in the industry. Our data consumption has moved from 38 petabytes a day to 66 petabytes a day and the data usage per customer is now close to 15 gigabytes per month. The most gratifying thing is that our market share continues to rise. And in fact, we've hit our lifetime high in terms of market share. Our strategy is very simple - It's captured in the form of GPS - quality customers and brilliant experiences at the heart of it and really delivered through services at scale, micro marketing, simplification and War on Waste. Let me just touch very briefly on each, let me start with quality customers. As far as Quality Customers are concerned, the first thing is really stronger differentiated propositions, we have now integrated the payments bank into the telco through the bank callosum, which is seeing a significant differentiation for

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Airtel. We launched Airtel platinum with superior service for our customers. Of course, airtelThanks has now become a very large consumer app with almost 100 million monthly active users. The other part of quality customers around the home segment, we've seen broadband continue to now grow, especially after COVID. We have now readied with a partnership model using the local cable operators. We have extended broadband into 13 cities and we're rapidly expanding every month. Simultaneously, we brought the cost of the home pass down by 30%. DTH, as the chairman alluded to the tariff order, that has obviously changed the DTH industry. We did some significant innovations with the launch of the Xstream digital TV box which brings together both linear content as well as OTT content into one unified experience. We also launched the 'One Airtel' plan which brings all of mobile broadband and DTH into one seamless bill and this was developed by our engineers in house in about six to eight months. The third part of quality customers is in the B2B business, which is now becoming an increasingly important business in our portfolio. We have really focused on verticalisation through manufacturing, an IT vertical and BFSI vertical. These are virtual teams spread across the country. Nxtra data centers is a very big foray into the data center space. We were very delighted to welcome Carlyle into the Nxtra data center equity base with an investment of close to \$250 million and of course, we're expanding into rapidly adjacent spaces, conferencing with BlueJeans, the tie up with Verizon, Work from Home Solutions, productivity solutions where we've tied up with G Suite, cybersecurity solutions where we've tied up with several companies around the world and of course, on cloud where we've also tied up with AWS.

The other part of the strategy is around the Brilliant Experience. We've accelerated our rollouts; 86,000 broadband base stations were deployed last year, VoLTE now accounts for 65% of all voice traffic and we've been the first operator to launch Voice over Wifi, which improves the indoor experience on voice quite significantly. But the thing that I am most proud of is the fact that we have become more transparent to our customers, acknowledging some of our faults, acknowledging some of our errors, and really informing them on what changes we are making to the experience. The other area that I now want to talk about is the Services at Scale. As you know, we have over 280 million customers with our digital identities, we've got a billion touch points captured daily. We have billions of transactions, 150 million monthly active digital users and of course, a widespread set of strengths which we would like to qualify through four areas. Our network, which has a reach of 95% of the country, the data that we have about our customers, the fact that we are the only player, or one of the few industries that can actually collect money straight from the customer whether it's at the shop, or it's through the app, and of course, the access that we provide to our customers, to our partners, with the 1 million distribution points as well as 280 million customers reach and on top of this, what we're trying to build is a set of digital services that we built ourselves with airtelThanks, Wynk music, our payments bank, our Xstream, which together have over 150 million monthly active users. We're also partnering with the best in the world, both on the B2C side and the B2B side and it's through this platform that we really want to create new service revenues and new revenue streams, while driving down the churn of our business.

The other area is really around Micro marketing. This is really about execution. So we've taken a look at every single site that we deployed, optimizing that for coverage and quality in order to expand our reach and our capacity. We're using rural, we're bringing the payments bank into the heart of the telco to drive acceleration, and of course, very rigorous 'go to market' through solid execution on the ground. Simplification is another thing, I do believe that our business has become very simple. Few years ago, we had 1000s of price plans. Today, we have just 12 plans. We have simplified our reporting, we have digitized our processes and we are simplifying our organization to strip out waste and this is really what leads to our 'War on Waste' program where we are looking for new business models, we have built up an in-house R&D team, we have reinvented our managed service model and we're looking at innovation to really bring down cost. We're also looking at low cost rural sites, where there's a 30% reduction in monthly OPEX, is a very lean site with low energy solutions. We're looking for smart procurement through betting on a few partners, and of course, through stronger compliance and controls and all of this has held a costs much lower than what it would otherwise have been. And finally, I think one of the things that we are most proud of is a sustainability, a sustainable community development through a foundation where the number of children that have been impacted is over 425,000. We also have made public commitments to reduce our carbon footprint per terabyte and we reported this along with our

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annual report, which is which you will see and of course, through empowering our people in terms of training, internal succession and making Airtel a great place to work in. So with that, I'd like to end my presentation.

**Pankaj Tewari, Company Secretary:**

Okay. Thanks Gopal for sharing the highlights. With the permission of the Chairman, I now announce opening up of the floor for 'Question & Answer' session. Before we progress further, let me make some housekeeping announcements for your convenience. The Q&A session will be moderated by the moderator. Each member will have a maximum of three minutes to ask his questions or express his views. Please mention your name and location from where you're joining, please be specific and brief in your question. All the questions will be answered in the end to avoid repetition.

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

Thank you Sir. This is your moderator. I will start bringing the speakers one after another.

First, we have Ms. Harsimran Kaur who has sent us a video of the question to be asked:

*Respected Chairman Sir,*

*"Today, it's indeed an honor for me to interact with a legend. One of the top known industrialist, a very good human being, a great leader, a philanthropist i.e. your very good self. While I read this note, I am thinking and thanking my college professor who shared with me on how to follow a leader and how to become a part of the growth journey led by a brilliant mind, who achieves one milestone after another mitigating various challenges with such ease and as inspired by him, I invested a small amount of my savings into Bharti Airtel shares a couple of years back. Today, I am glad to say that not only I have gained appreciation for my investment, but at the same time I have gained a lot of knowledge closely tracking you and events surrounding our Company. Sir, thank you for the dividend, which has been announced, though it will be a small amount as my investment is also small. Here I recall and would like to share with everyone in Airtel team that last year following Sasha Chettri promotional campaign of fastest download on mobile handsets, I too one among my fellow classmates for the same, using my Airtel prepaid phone, though by a couple of seconds thereby reassured that Airtel is the best in 4G. I must also acknowledge that after the announcement of lockdown by our government in order to deal with COVID, major part of my last semester classes in Masters got possible, Thanks to Airtel broadband which gave continued internet access. Earlier when we used to work, our internet was usually switched off at home, but now it always remains switched on. However, it's not very fast as we still have not got the fiber line based internet in our area. I want to request you to get our Amar colony area prioritized for fiber layout. Sunil Sir, I have come to know that our Company is doing a lot of social activities, especially for the underprivileged people, helping farmers and skill development by honoring meritorious girls students, and many more and I really applaud each one of them. In this regard, and on this platform, I would like to request you that I also want to be a part of the Airtel team to implement various sustainable goals as per the United Nation charter for the marginalized people and as you are aware that our country requires to implement these goals desperately in abundance. Do give me a chance to contribute, While I don't understand the balance sheet but I am taught and I have seen and strongly believe that you do good and the good will come back to you many times more. Before I sign off, I want to request you and entire Bharti Airtel team not only to provide us uninterrupted data, but with high speed too, and to continue to do good for the society. Best regards."*

We have the next speaker Mr. Pradeep Sood:

*"Thank you very much Chairman Sir and Board of Directors. I am congratulating all of you for the successful completion of 25 years. During these 25 years of journey, you have put so much of hard work to reach this level and also filled the pockets of the Shareholders. I would request you to continue the same in future as well."*

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We'll move to the next speaker Mr. Pramod Kumar Jain who has shared as a video just and he's online:

*“Good Afternoon. I am Pramod Jain from Delhi and client ID 14752520. I am congratulating Chairman, Board of Directors and Shareholders for this Silver Jubilee year. Due to COVID, we are conducting this AGM through Video Conferencing otherwise, we could have celebrated this Silver Jubilee AGM in a grand manner. Under your supervision, Chairman Sir our Company is performing very well.*

*I expect that whenever 5G will be launched, it will be by Bharti Airtel. I have one suggestion, We need to provide all services in less tariff so that everyone uses Airtel Landline, Internet and DTH. I am living in Pahari Dhiraj, Old Delhi and here the Airtel internet speed is very slow. Request you to look into the same. Your secretarial team is doing a good job. We don't have any issues and if at all we have anything, we get in touch with Mr. RP Ghildiyal.”*

Thank you sir. I request the next speaker Mr. Kirti Shah:

*“Good afternoon Chairman Sir, I have sent a long email and haven't received any response to that. I never receive response for the email sent. Chairman Sir, please reply to my email and Mumbai shareholder also will also want to increase their shares in your Company. You have run this Company very well for the last 25 years and you can take it further as well with good valuation in the market. Why are you not increasing promoter's holding? Promoter holding is very less. If promoter holding is increased, Company will be strong in terms of valuation and it will also decrease its borrowing. I have sent a mail to the Company in this regard in detail. Please look into the same and respond back. All the very best.”*

Thank you Sir. Next speaker is Mr. Subash Chandra Wadhwa:

*“Respected Chairman Sir and Board of Directors,*

*I am Subash Chandra Wadhwa from Delhi. I thank you for giving good results even during the bad times and also expect more good results going forward as well. Your secretarial team is doing good job, Thank you Sir.”*

Next speaker is Mr. Vimal Jain who has shared his video:

*“Hello, very pleasant good morning to the respected Chairman, Board of Directors and my dear shareholders attending the meeting. I have full faith in the management. However, I have a query that our Company is suffering the net losses mainly due to the spectrum uses charges on the directions of our honorable Supreme Court of India during the year under the head of 'exceptional items', whereas, it also includes an amount of more than 76 crore rupees for charges on miscellaneous items as shown at page number 370 of the annual report. In this regard, please clarify what are these miscellaneous items which consist of more than 76 crore rupees. Thank you very much for giving me the opportunity to clear my doubt. Thank you.”*

Next speaker is Mr. Aishwarya Agarwal, who has sent a video:

*“Hi, this is Aishwarya Agarwal from Nippon India. I have two questions:*

- 1) When we should anticipate the tariff hike and what should be the quantum?*
  - 2) If Jio invest in 5G rollout. What we'll do to remain competitive.*
- Thank You.”*

Next speaker is Mr. Manjit Singh who has sent a video:

*“Good Afternoon Chairman Sir, the Board of directors and Airtel Management team.*

*3 days after Independence day, we are having this meeting. This is a good one. Our Company and Mittal family are in the telecom service for the last 30 years and have significantly contributed to take our Nation to the next level.*

*During this COVID-19, our Company has done lot of social activities for the country. There was no issue while doing recharge and even extra talktime was given to the consumers. This shows how much our Company is serving for the nation.*

*There is some problem in the signals and I am sure Company is looking into the same.*

*The case which is going on in Supreme Court, in a year 7/ 8 times comes for hearing. Why it is not getting cleared permanently? Can you please let us know some update on the case details? As it is causing high fluctuation in the share price and Telecom is an essential service now.”*

Next speaker is Mr. Pranay Pramod Tayade:

*“Hello Sir, my name is Pranay Pramod Tayade, from Aurangabad, Maharashtra. So, we all know that in India, there are two leading telecom companies - Jio and Airtel. So, my question is - What is your strategy to overtake Jio and how will you attract more public attention for Airtel than Jio? Thank you very much.”*

Next speaker is Mr. Hargun Singh Dang. Looks like speaker shareholder is unable to connect.

Next speaker is Mr. Lokesh Gupta, who has Send us a video:

*“I am Lokesh Gupta and welcoming all the board members.*

*During the last year AGM, we expected to celebrate this Silver Jubilee AGM in a grand manner but due to Covid and Lockdown, we couldn't celebrate in the same manner. No worries, I congratulate the board members on silver jubilee. Our Company is always with the customers and for them. Due to Covid, lockdown, migration happened, people were going to their native places. During this period, Our Company has always supported, be it validity, balance or funds transfer - The Company always handled its responsibility well and stood with its customers. We are happy to see the advertisement of Zero Complaints which shows our commitment and the path where we are heading to. This is not an imagination and this can be achievable. Sir, one thing I would like to inform you - Due to Covid, we are conducting this AGM through video conferencing but we will definitely win this Covid situation and post this Covid, request you to conduct only physical AGM, similar to last year or previous years. Thank you Sir. I again congratulate you on silver jubilee.”*

Next speaker is Mr. Ashok Kumar Gupta:

*“Sir, I wish you for the Silver Jubilee year. As informed by the previous speaker, due to our continuous excellent service, we will win our competitor Jio. I am living in East Delhi, where signal is weak. Though they have deployed a tower, but it is not working well, no one is looking into the same. We want that the Company provides the extraordinary services so that no customer complains about our services. Since we are going to enter into 5G soon, we expect the Company to make 4G more strong before we enter into 5G, so that there is no issue in 5G. My request to you that in this service sector, we must be in a leading position. Thank you.”*

Next Speaker is Mr. Shripal Singh Mohnot:

*“Good afternoon to the Board members from Shripal. Shri Sunil ji, under your direction, Company has grown well in 25 years and it will improve further in future. Thank you very much for this Sir. Please do let me know the plan for 5G. Your secretarial team is working well. We have received the Balance Sheet and notices on time. Thank you very much.”*

We have the next speaker Mr. Chetan Chadha, who has sent a video:

*“Good afternoon Chairman sir and board of directors and my co-shareholders, my name is Chetan Chadha. I am a last 15 years old shareholder with you sir. In your speech, you have covered most of the points. However, I have few queries. In the short, during the last 3 months’ lockdown, people were working from home - How many staff personnel were working from home and what are the activities Company that took? Due to work from home, internet usage would have gone up, How much profitability on this? Remaining 9 months how much profit we will get due to this? Hope our sales profitability also will increase. In spectrum case, our Company is also penalized alongwith other few companies. But, we need to keep in mind and submit to the court that it shouldn’t impact the small shareholders. If we pay penalty in installments from reserves and not from the profits, it will only benefit the government and small investors will be impacted and will suffer loss. Therefore, kindly make the submission to court to order Companies to pay levies in installments to avoid impact on small shareholders. Would request you to conduct all the future AGMs as physical AGMs if permitted, to enable us meet you. Due to internet issue, we face some problem in attending the virtual AGM. I would like to thank the entire Company, secretarial team for this opportunity to speak and share my views. Thank you.”*

Next speaker is Mr. Alex bonzo, representative of Broad Peak Investment Advisers who has shared his video:

*“You've been clear that your digital strategy will revolve around a partnership model. But I know your recent stake in Lattu Media. My question is, under what circumstances will you invest in digital assets directly? And how material might these investments be over time?*

*Management has been clear that the Indian telecom industry needs price raise for the industry to be sustainable. My question is, what conditions need to be met for the industry to start to raise prices?*

*Thank you.”*

Bring the video of the next speaker Mr. Yash Pal Chopra:

*“Honorable Chairman Mr. Sunil Sir and the team around you and team of the professional members. Sir, I must congratulate you and your dedicated employees for the great performance they have given in the year 2019-20. The reserves have been excellent. There has been all round growth so we are proud of that. Sir, I must tell you that I need not introduce myself I am Yash Pal Chopra associated with the Company from the time of inception of the Company, when the Company became and took over united pharma and became Bharti health. Thereafter, Bharti health to teletech, televenture, Infratel and Bharti Airtel. I have been holding the shares of all those companies. So, I have seen the growth of the Company from the initial stage up to this stage. And if you remember, sir, that 10 years ago in one of the AGM, I had just told you that Mittals are going to be the Ambanis of north and now I can prove it that what I said is true, because the share price of my share worth face value of one is being traded at 600 rupees, those shares which were issued by you at rupees 45 only with a face value of rupees 10. So virtually, the price our share is 6000 rupees and I know that promoter has his equity in his hand. So I can say he's the richest man in the north, he's the person who can compete Ambanis. So, before I just raised some queries, I will definitely like to appreciate our marketing team which is working very hard in South Africa in the entire continent they are covering it with that Bharti flag and further, as regards to corporate governance that is excellent and I must appreciate Mr. RP Ghildiyal, the one person who is controlling, who is public relation manager in all the group companies of our Bharti and he has made a strong bridge between the shareholders and the management. So, we are proud of him Sir. So, now, let me come to the queries. Now, Reliance Jio is coming fast with 5G, I just want to find out from our management as to what is their preparation to counter that, how will we fight that competition, what our R&D Dept. is doing in that and then my second query is as regards Bharti Telecom, though you have enriched all the shareholders of the Company, They have become multimillionaire, but still their petition is pending with you because they are not satisfied with the price given to them. So that is submitted to you for your consideration. May I know that how favorably you are going to consider that our*

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*application for that announcement of that compensation. So, before I conclude, I pray God to give you enlighten you and your staff with the rigor, courage and safe health, so that our Company grows well, and our employees go well, best of luck to you.”*

Next speaker is Ms. Pushpadevi Khandelwal:

*“Very Good Evening Sir and thank you for the opportunity. I am a joint holder. Sir, I would like to ask certain clarification to the Company. I would like to congratulate the management on 25<sup>th</sup> AGM for the Silver Jubilee year and I would like to congratulate Sunil sir, for excellent work & for the great contribution for the development of our country. You will be remembered forever, sir. And I would like to thank Company Secretary also, sir, for giving me an opportunity to participate. I am from Chennai and there is an excellent arrangement for it Sir. I would like to congratulate the Company Secretary team as well. Sir, I would like to ask clarification - what's the impact of the 5G on our business going forward? And second thing there are a lot of court uncertainty which is impacting the share value of our Company. So, what Mr. Chetan has described previously, I would like to support his and endorse his view that you should present our minority shareholders interest also to the Supreme Court while delivering the judgment with respect to the penalty and other related matters and what's our prospect for 5G and IOT (the Internet of Things). I believe the next growth for the Company will be coming from this segment particularly and sir is there any scope for growth in the average revenue per user if we are paying the penalty. So, I believe the Company would like to increase the tariffs in order to compensate the penalties putting pressure on the Company. Lastly, thank you. I wish Company has a lot of subsidiaries and can streamline the operation and look for something where we can have lean structure. So second thing like the impact of investment by Google and other multinational companies recently in our competitor while we are not able to attract the similar investments, I believe, what value they are not giving in our Company, because we also have a similar business model compared to Jio. I believe we can also call in some other multinational companies so that we can also withstand with the other competitor in the long run sir. Thank you all our best wishes. Thank you very much.”*

Next speaker is Mr. Jasmeet Singh:

*“Thank you Chairman sir, Vittal Sir, other Directors, finance Head, Company Secretary and those who have joined through this video stream, welcoming all. This silver jubilee meeting is conducted through video conference. Due to this Covid, all companies who are conducting the AGM through video is based on our network. I wish and expect that next meeting will happen in auditorium and post meeting, we will cut the cake with the Airtel Management team.*

*While this situation was challenging, but it is not new for us, struggling with the challenges. Today, we say to ourselves because of your experienced guidance and continuous efforts of the entire team, it has been announced that as the crisis of Corona in our country ends, the performance of our Company will get better and better. The dividend that our Company has announced is the signal that good days are ahead. Where our ARPU has increased 20% as compared to the last year, it will increase more in future and it will directly benefit us as shareholder, we wish for the same. The most popular Airtel prepaid of Rs 149 for 28 days unlimited voice we provide and our main competitor Jio gives Rs 149 prepaid plan for 24 days. I think, we must promote that Airtel rates are cheap. I congratulate you sir for receiving so many awards during the previous year. Sometime back Reliance in their AGM, had promoted 5G. In this continuation, I would request you to provide details on readiness of Airtel 5G. Due to this covid lockdown, Zoom app is majorly getting used for the conferences. The moment we came to know about their Chinese connection, we should have made an App on Airtel platform. I am confident that not only Airtel users, but others will use this App. In lockdown, crores of school children are struggling without laptop and computers. They are using their mobile phones to attend their online classes. If we have our Airtel App for this conference facility, it will be a great help for them to attend. Hence, I request you to look into this on priority and do the needful. I had few more questions, which have already been asked by the earlier speakers. Regarding Corporate Governance, I would like to appreciate Mr Rohit Krishan Puri and Mr RP Ghildiyal and their team, and Finance Team are managing very well. I have received a separate email for Speaker's Registration and a separate follow up email for the voting. All these small*

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*things matter a lot and increase the confidence on the Company and also, I would like to appreciate about the group Company Bharti Infratel, where AGM happened last month. While I couldn't register myself as Speaker, I had asked two questions online during the meeting. I have received the response through email, where I am very much satisfied. Finally, I would like to say Good Luck and we will do better this year and in the forthcoming years as well. Thank you very much."*

Next Speaker is Ms. Urmila Jain, who has sent her video:

*"Namaskar to all the Board members and others attending this AGM. In my area, we are not getting the signals in the tower. Would request you to look into this and do the needful. My area is Indrapuri, Naraina. There is no Tower in our area. Please look into this and arrange to install a tower nearby. That will help us to increase more usage of our network. Dividend has been declared as Rs 2/- per share. That's fine. Our Company secretarial department team is working excellent and working hard to take our Company to the top position. I would like to thank all the employees of the Company. Our Company is required to spend more on Advertisements so that more new customers are attracted. Due to Covid, what is the impact on our Company and our Company share price is Rs 550 which is good for the shareholders. Thank you very much."*

We have the video of next speaker Ms. Charanjit Kaur:

*"Dear Mr. Sunil, Namaskar and Sastriakal. I am Charanjit longtime shareholder of this Company, connecting you on this video conferencing from Ludhiana, which happens to be your native place. Happy to join in on this momentous 25th AGM. While we all are sailing through one of the most difficult times in our lives due to the current pandemic situation, however, at the same time, I am happy to see that Bharti stock growing in value and benefiting us and perhaps helping many of us to tide over the difficult situation. Sir, last month, out of my holdings of hundred shares, I had to sell 50 shares to pay my last EMI. Thank you God and Bharti stock for becoming a savior at this crucial time. Chairman sir, now, I request you to please declare a bonus issue, so that I can get my holding back to 200 shares. So, I have two more points to raise before you. First, I would like to know about the CSR activities that our Company is doing, especially pertaining to Coronavirus. Second, since the mobile Tiktok application is now banned in India. So I request you to launch a similar application, which we all Airtel users can use to make short videos. And my feel is - if it is promoted in effective campaign, then success will be ours. To begin with, there will be our own family of millions of Airtel subscribers in India and Africa, who will wrap up this application following our Prime Minister advice of adopting local. And yes, this will bring in additional revenue to us, which earlier Tiktok Company was making. I have thought of a beautiful name for this app, which can be named 'ATalk' instead of Tiktok and confirm to you that whenever this app is launched, I will be the first one to download this ATalk app onto my Android handset and also promote to my social circle. Finally, a significant success in the current year and years to come in all your business endeavors. May all your projects strike Gold, which will eventually increase ours i.e. shareholders' wealth. Thank you."*

**Moderator:**

All the speakers who have registered and are available with an active audio connection have been given an opportunity to speak and I now hand it back to the Board. Thank you.

**Pankaj Tewari, Company Secretary:**

Thank you members for asking questions. Some questions – While the chairman would like to take, I just repeat those questions so that it is easy to refer back to them:

1. Plan and strategy of launching 5G and given that competitor may come up with the 5G technology soon, what are the plans to compete with that?
2. Benefit/ impact/ opportunity w.r.t. COVID-19 on our Company?
3. What conditions are to be met for the industry to start the price increase?

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4. The last question being on the AGR, which I believe, Chairman has already covered briefly in his speech.

Over to you Chairman.

**Sunil Bharti Mittal, Chairman:**

Thank you Pankaj, I've been able to listen to most of the questions, but some of the videos, audio did not come through properly. So thank you for repeating some of these questions. First of all, let me thank all our esteemed shareholders for having very actively participated in this Q&A session and most of our employees, senior management are able to listen to all these questions.

On the first part, what is a strategy on 5G and in response to Jio's entry into 5G - I would like to assure our shareholders that Airtel has been in the forefront of technology we have never fallen behind and keep on preparing ourselves to ensure that we almost always in-step with the world as the technology develops, shapes and more importantly, becomes affordable for the Indian market. We are tracking 5G very closely. A lot of work has been going on with an engineering team. We have been testing 5G in our lab for a period of time now. Singtel, who is a big partner would be one of the leading players in the 5G space as you know, Singapore is very advanced in technology. We have the benefit of our partnership with Singtel and our engineers and Technology Group is very closely connected with the Singtel companies and their associates. We also have Gopal Vittal, the MD & CEO as the board member of GSMA, which I had the pleasure of chairing for two years earlier. GSMA is the body which controls, writes and guides the technology specifications. So from that advantage point also, Gopal has the benefit of knowing what is going on in 5G. We also have close relationship with some of the leading Companies like SoftBank, Verizon, AT&T, and many others who are currently testing out 5G on a commercial basis. So I will assure you, your Company will remain absolutely vigil and be ready to launch 5G whenever the right time and period is here.

On the COVID-19 impact as I said right in the beginning in my speech, this has been one industry which has emerged along with healthcare and pharmaceuticals, as a hero industry in these times of pandemic, I cannot imagine a life for any society without a connected digital infrastructure and therefore, this industry was the least in that sense impacted. But yes, our people had to work really hard 24X7 to ensure networks are up and running. People could stay connected, recharge their phones, and ensure that new SIM cards were available, even without visiting physical stores. So, I would say this industry has been able to withstand the impact of COVID-19 extremely well, and in fact is a contributor to the economic activities for other industries as well.

For price increase, I think always the major condition remains. You know, you cannot be far away from where the competitive intensity is, you have to be in the market. But prices have been artificially lower downed for market share gains, which, as you've all seen, have been enormous for the new player. But I think time has come for everybody to now stop any further pricing or tariffs, which is hurting the industry and taking its ability to invest in new technologies including 5G that we just talked about. So, conditions are absolutely clear - India is below the levels of economic return. We need to get to an economic return case which allows us to invest in spectrum, invest in new networks, and importantly reward our shareholders. This is a highly capital intensive industry. The conditions are all there and that's why I would say the industry must now start to inch up its tariffs. At Airtel, we keep on doing whatever we can. We started with a minimum click on rate below we will not be able to service the customer that as you're aware, took away 10s of millions of our customers who are using the second or third Sim, but we are fine with that because the overall revenues of the Company did not get impacted.

There was a question from the lady on CSR, I think I am very proud to say two areas, One is Corporate Governance, Bharti continues to get the highest rating on Corporate Governance. It has one of the most leading corporate governance practices. It has got a very diversified board. A few large companies where chairman and MD position has been separated for over 15 years probably a very 20. So, this is a

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Company which espouses and leads from the front end of best practices. The same is the case with CSR. Bharti Foundation, which is now in its 11<sup>th</sup> year has had one of the most meaningful impact in the society. Nearly 275,000 very little underprivileged children, mostly girls are studying in village schools which have been built by the Foundation and many schools which are government schools we intervene and do quality improvement program. We are actively working on our university program, which we had announced a couple of years back. So I would say as our CSR is concerned, education remains the big forte. But we also went out on the response to the call with a prime minister in 2015, to work towards Swachh Bharat Abhiyan. I am glad to report to you that 1,75,000 people, nearly 200,000 people, have benefited from the toilets that we have built in two districts in Punjab, namely Ludhiana and Amritsar making them open defecation free, so they're the big contribution given by your Company and in the COVID-19, as I said to the Prime Minister relief fund to providing some health care protective gear to the people and workers, and also contributing a lot of money into the other activities that were required to mitigate COVID-19.

I would like to particularly also talk about three other points which were mentioned. One was our esteemed care for a very long period of time, Shri Yashpal Chopraji - I am always grateful for his good wishes and comments. He's been a very loyal shareholder for a very long period of time. He has seen the journey of Bharti from very close quarters. I can assure him that we will continue to do our very best in ensuring that this Company remains sustainable, viable and becomes a true leader in times going forward. Another comment was made by Ashok Gupta or network issues in East Delhi, I have the full team listening into this AGM, somebody will get in touch and we will try to find out what specific issues are there. But I can tell you Mr. Gupta, we are deeply focused on network quality. And as Gopal rightly pointed out, we are obsessed with customer pain points to ensure that they are very well and quickly dealt with. That is one reason why Airtel is today at his lifetime high revenue market share of over 33% because we are able to respond to the needs of customer. We are building a very large 4G network, by and large part has already been done, but more work is almost all the time on the way and we'll ensure that your message of being 'leading edge in services' remains equally important for us.

Another question was on how do we take over on competition? Here I would say we don't take on the competition. We have no aspiration to go and fight competition, our single minded focus remains, how to serve our customers better. I want to be No. 1 in the minds of customers - That has been our philosophy from day one, and that's why, after this huge round of turbulence that the industry has seen Airtel has emerged very strong holding its own ground, and ensuring that our customers are very well served by latest technology. We have been able to serve our customers and that's why we continue to gain market share but equally mobile industries is such that you can never satisfy almost the last few percentage points and that is where we need to keep on working as per your suggestions to improve our coverage indoor, outdoor, to ensure that the speeds of the network are good and we will just seek your little bit more patience to deal with your specific issue. But by and large, your big message that Service industry is all about 'Service' and those companies which will be obsessed with customer service will be able to stand firm and gain ground and I can tell you, we will do our very best in doing so.

One question came on promoter holding. I think it's important that large companies, which are entrepreneurial led companies typically end up having lower promoter percentages over a period of 4/5/6/7 years. We are now in our 25<sup>th</sup> year of journey and I am glad to say that even today as we speak after some dilution by issuing rights issue shares, by issuing QIP and FCCB, and also some stake sale by BTL recently to mitigate its promoter holding debt, bringing it down to zero. The promoters along with Singtel have still 56.23% share (Promoter & Promoter Group) in Airtel, which is a significantly large percentage of shareholding between the promoter entities and their associates but your point is very well taken, we will keep this in mind that the promoters continue to have a big shareholding in this Company to ensure that its fortunes are very well protected.

So Pankaj, with those words, I think we have dealt with all the questions and if there are still some questions that have been left out, I think we should answer to those questions through written responses to our esteemed shareholders. I don't want any person's questions remaining unanswered and I'll answer the passionate appeal from somebody to start a clone of Tiktok. My only submission here would be to

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madam shareholder that we as a Company, build a service for our customers and bring all you know, fancy applications whether it's YouTube or Netflix or Amazon, Google, Facebook, Whatsapp and of course Tiktok before it was banned in India for the benefit of our customers, and we'll continue to do so. I am sure there are many moves going on in the market to bring more clones to Tiktok, there are a few which are already emerging, there is one by the times group, there is one by inmobi. So a lot of them are coming through and so we will watch this very closely and build strong alliances to ensure that our customers are never deprived of the services that they need. So with that, if I may hand it over back to you Pankaj to conclude this session.

Thank you Chairman for very elaborately covering all the questions in your response. With this, we come to the end of the 'question and answers' round. If any further questions, I'll request the members to email us to the investor relation contact and they will be promptly attended too.

I now move to the statutory part of the AGM which starts with the AGM resolutions. Resolutions being proposed for approval at this AGM include:

- *Approval of financial statements;*
- *Approval of Final equity dividend of Rs 2/- per share;*
- *Approval of re-appointment of Gopal Vittal as rotation director;*  
*Being ordinary businesses*
- *Approval of reappointment of Mr. Shishir Priyadarshi as an independent director; and*
- *Ratification of remuneration of Cost Auditors;*  
*Being special businesses*

The Company had provided the facility to all the members for remote e-voting. That facility was available from August 14, 2020, IST 9 A.M. to August 17, 2020, IST 5 P.M. Members who have not been able to vote through remote voting can vote during the course of this meeting.

With the permission of the chairman, the 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 very much.

The meeting concluded at IST 05.06 P.M. after e-voting.

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2. This transcript has been edited for the purpose of clarity and better reading.