

TOWER INFRASTRUCTURE TRUST

Transcript of the Extra-Ordinary General Meeting

Day & Date of meeting	Wednesday, May 12, 2021
Time	11.00 a.m.
Venue	Through Video Conferencing

Attendees:

Directors of Brookfield India Infrastructure Manager Private Limited (formerly known as WIP (India) Private Limited) [Investment Manager of the Trust] (“BIIMPL”)

- Mr. Sridhar Rengan - Non-executive Director – Chairperson appointed at the meeting
- Mr. Rishi Tibriwal - Non-executive Director
- Mr. Chetan R. Desai - Independent Director
- Mr. Narendra Aneja - Independent Director

Invitees:

- Mr. Inder Mehta- Compliance Officer of the Trust
- Representative of Axis Trustee Services Limited (acting in its capacity as Trustee of the Trust
- Scrutinizer appointed by BIIMPL
- Representatives of Auditors of the Trust
- Representatives of Summit Digitel Infrastructure Private Limited (“Summit/SDIPL”), Special Purpose Vehicle of the Trust
- Representatives of the 6 Unitholders representing 100% of the unit capital of the Trust

Ms. Puja Tandon: I, Puja Tandon, Company Secretary of BIIMPL, welcome all the unitholders, Directors of BIIMPL, Investment Manager of the Trust and Invitees to the Extra-Ordinary General Meeting of the Trust.

Request all the members to be on VC and I request all the attendees to keep themselves on mute during the proceedings of the meeting. The unitholders will have the opportunity to speak once we open for Q&A.

Please be informed that the meeting is being conducted through video conferencing in compliance with SEBI InvIT Regulations and circulars issued by SEBI thereunder and is being recorded.

The notice of this meeting was served electronically to all the unitholders within the prescribed timelines and is also available on Trust’s website i.e. www.towerinfratrust.com.

The documents referred to in the Notice are available for inspection by the unitholders during the Meeting by writing an email to the Compliance Officer at secretarial@summitdigitel.com.

Investment Manager of the Trust has appointed Mr. Jatin Prabhakar Patil as the Scrutinizer to scrutinize the entire voting process i.e. remote e-voting and e-voting at the Meeting, in a fair and transparent manner. The Scrutinizer is present at the meeting and he will submit his report to BIIMPL within the prescribed time as mentioned in the EGM Notice.

On basis of Scrutinizer's Report, the result of the voting will be announced by the Trust on or before Friday, May 14, 2021 which will then be submitted to BSE Limited and will also be uploaded on the Trust's website.

Representatives of Deloitte Haskins & Sells LLP, Auditors of the Trust and Representative of Axis Trustee Services Limited, Trustee of the Trust are also attending the meeting.

I now propose to the Unitholders to appoint Mr. Sridhar Rengan, Chairperson of BIIMPL, as the Chairperson for the meeting and request the unitholders to convey their vote in the chat box by writing "Yes" or "No".

Can I request all the Unitholders to post their votes for Mr. Sridhar to be the Chairperson, in the chat box.

(Unitholders present at the meeting consented to appoint Mr. Rengan as the Chairperson of the meeting.)

With that, I would request Mr. Sridhar Rengan to chair the Meeting and commence the proceedings.

Mr. Sridhar Rengan: Thank you Puja.

Thank you and Good Morning to everyone. I welcome each one of you to the Extra-Ordinary General Meeting of the Unitholders of Tower Infrastructure Trust.

I sincerely hope and pray that you and your family are all safe in this trying times. I have Mr. Chetan Desai, Mr. Narendra Aneja and Mr. Rishi Tibriwal, Directors of the Investment Manager, joining me through VC in this meeting from their respective locations. I request Mr. Narendra Aneja, Mr. Chetan Desai and Mr. Rishi Tibriwal to introduce themselves.

I confirm that:

- the Meeting is being attended by 6 Unitholders representing 100% of the unit capital of the Trust and the Trust has received the necessary corporate authorizations from the unitholders. The quorum being present, I call the meeting to order.
- All reasonable efforts have been made by Investment Manager, to enable unitholders to participate and vote on the items being considered at the meeting.
- Facility for remote e-voting was open for unitholders till Tuesday, May 11, 2021 till 5:00 p.m. and the facility for e-voting at the meeting is also available for unitholders.
- Only those unitholders who have not casted their votes through remote e-voting are eligible to cast their vote at the meeting.
- Voting process will be verified and scrutinized by Scrutinizer who will submit his report to the Chairperson within prescribed time as mentioned in the EGM Notice.
- With the permission of the Unitholders present at the meeting, I take the Notice of the Extra-Ordinary General Meeting as read.

Before we take up the agenda items, I have the Managing Director and CEO of SDIPL - Mr. Dhananjay Joshi, joining the meeting through VC. I am now requesting Mr. Joshi to give a brief update on the operational performance of the Trust Asset and probably he can spend couple of minutes and then there will Q&A session which will allow the unitholders to post any questions to the Management.

Mr. Dhananjay Joshi: Thank you Sridhar. Good Morning and welcome everyone to the EGM of the Trust. I will give brief overview on the business update and progress of SDIPL.

The agenda that we will run today contains the following items viz. Leadership Team, Sales Update, Operations Update, Health, Health, Safety, Security, and Environment (“HSSE”)/Legal/Risk Update, Finance Update and People & Culture Update.

The Leadership Team includes the Board of Director, CEO and MD-Myself, Chief Sales and Marketing Officer- Mr. Devesh Garg, Chief Operating Officer- Mr. Sachin Naik, Chief Human Resource Officer- Mr. Dewang Goohya, Chief Financial Officer- Mr. Rishi Tibriwal and Chief Risk Officer and Director Finance- Mr. Inder Mehta. I would like to give a background of all the team members.

We have close to about 75 years of experience in the management team into putting up the network. There are about 5,30,000 tower and Summit is the second largest TowerCo with 1,38,000 towers in India, post-merger of Bharti Infratel (Bharti Infratel and Indus Towers). Demand for Towers in new geography and for capacity augmentation is set to increase with focus on Fiberization to meet the 5G demand to back haul the traffic.

In terms of sales and marketing update, we have signed a 30 year Master Service Agreement with Jio, an anchor tenant. Summit had about 1,35,671 towers as on August 31, 2020 and we expect to receive the remaining sites to reach 1,74, 451 towers as per the agreement. We have also signed the Term sheet with Airtel and having started invoicing them for 98 sites. The priorities for Summit are to ensure timely collections against billing and commercial governance, implement order booking platform for new sharers and execute plan for external branding for Summit.

In terms of operation update, the team has maintained network uptime at 99.95% with focus on network performance through effective governance and engagement, against the target of 99.943% since Q4-20. The priorities for Summit are to focus on new site acquisition & compliances, implement ERP Systems & billing systems, focus on maximizing service order from sharer and regular engagement with sharer at circle for update on current deliveries.

In terms of HSSE/Risk/Legal update, we have implemented Risk Management framework and identified various risks. We have developed mitigation strategy for top risks to bring post mitigation risk level to medium and low and established governance committees for HSSE, Anti-Bribery & Anti-Corruption Program (“ABC”), Legal and Site Compliance and SOPs for investigation for site incidents. We have also set up HSSE Committee and implemented HSSE policies and procedures. Some of the priorities are to develop and implement HSSE manual based on Brookefield’s Global best practices, implement online incident reporting mechanism, conduct trainings to improve awareness and regular site visits to ensure adherence to HSSE policy.

We have rolled out ABC, Code of Business Conduct and Ethics Program and Ethics Hotline, implemented due diligence process for high risk contracts, obtained insurance policy for all required tangible assets, implemented site compliance policies & procedures and implemented compliance tool. We have a litigation management process to mitigate potential legal exposure and policies and procedures for managing 3rd party contracts. Our focus would be on maintaining strong governance and alignment to Global best practices and ensure maintenance of compliances by business partner to meet our objectives.

I would like Mr. Rishi Tibriwal to give a brief update on Finance.

Mr. Rishi Tibriwal: Sure Mr. Dhananjay Joshi.

Just as a highlight the statutory audit of annual financial statements of the Trust for the year ended March 31, 2021 is still under process and will be completed shortly. Financial information for the six months ended September 30, 2020 are reviewed by the auditors and filed with the stock exchange and also available on our website.

In the first six months, we have managed to make 6 monthly distributions to the Unitholders of the Trust from October to March 2021. We have planned to make a quarterly distribution for April to December 2021.

On Summit Level, we have obtained a 'AAA' credit rating from CRISIL and CARE for issuance of Non-Convertible Debentures ("NCDs") aggregating Rs. 118,360 million on private placement basis. We have set up interim accounting system, accounting processes and policies and obtained Lower withholding Tax Order for FY2021-22 and eliminated trapped cash. Our priorities are to implement new ERP and billing systems, maintain a robust control environment and SOX implementation and timely filing of statutory compliances.

In terms of capital structure of the Trust, SDIPL is the only investment of the Trust and has a sanctioned borrowing limit of Rs. 300 billion from banks out of which Rs. 180 billion have been borrowed currently. Summit has debts with the floating rate ~8% under the long term borrowing facilities of Rs. 65 billion and under listed NCDs of Rs. 118 billion. Most of our debt tenure is 12 years with 2 years moratorium and we have planned to utilize the existing facility for acquisition of the remaining sites. Our priority is to refinance debt by non-amortization options and fixed interest rate basis.

Mr. Dhananjay Joshi: Thank you Mr. Tibriwal. The last part of the update consists of the people and culture update. We call ourselves as a large start up because we have developed organization structure as per business requirement with focus on diversity. We have hired more than 100 employees approximately since September 2020 (released 1 offer every 2 days during Covid period). We have implemented HR Operation processes and designed performance management policy. We have further executed key central contracts for road travel, ticket bookings and hotels, designed and rolled out HR and Admin policies, completed set up of new Corporate office and planned phased hiring as per business requirement. Our priorities are to build unique organization culture, complete hiring by Q4 FY2021-22 end, set up regional offices, robust and transparent performance management system and identifying training needs, develop training calendars.

In terms of Covid situation, Summit is working towards providing seamless assistance to staff by:

- Issuing medical advisory to all employees;
- Engaging 3rd party service provider to provide diagnostic and medical support;
- Appointing designated Single Point of Contact (SPOC) across regions to provide support locally to affected employees;
- Tracking and monitoring all affected employees and their families;
- Organizing sessions by medical professionals on Covid treatment and recovery;
- Planning to conduct vaccination drive for employees; and
- Making contribution towards CSR budget for Covid care.

This was a brief on the business of SDIPL. Thank you. Anybody having any questions on it then happy to answer.

Mr. Sridhar Rengan: Thank you Mr. Dhananjay. That was a really detailed presentation. I have to commend you and the team for taking over stabilizing the asset in these challenging times. Infact

I also take pride in the various measures that you have enumerated in the last section in providing necessary support to your employees which is so necessary in these difficult times. So my fellow colleagues and the Board and members wishing you the best in your journeys ahead. We are now opening up for the Q&A session. I would like them to be kept brief.

The Unitholders who wish to speak or have any query or any comments on the business update laid out by Mr. Joshi earlier, may post their question in the chat box or click on the "Raise Hand" tab available on the screen.

Ms. Puja Tandon: So, we have received questions from Mr. Aneesh Srivastava (Representative of Start Health), I would request if we can answer:

Q. We were targeting approximately 1,74,000 towers to rollout by March 31, 2021, so is there any specific reason for the delay

Mr. Sridhar Rengan: Mr. Joshi, if you would like to take that up.

Mr. Dhananjay Joshi: As part of the agreement, the timeline to reach 1,74,000 towers is August 2022. So we are on that track and we will reach our target by that time. There might be initial delay now due to Covid situation but I am sure once the situations stabilizes, they will ramp up and reach that number as per the contract time line.

Q. How many towers are fiberized as of now.

Mr. Dhananjay Joshi: For Summit towers, over 60% of the towers are fiberized. Probably we are the one of the largest entity having fiberized towers in India. As I said the national average is only 34% and major contribution is coming from Summit Digitel.

Q. Have we faced any problem in Punjab during the farmer crises.

Mr. Dhananjay Joshi: Yes. We had challenges because there was some wrong perception being spread on social media. So we had around 600 sites affected initially but after once we did our escalation both from our partners and also through TAIPA and COAI, things came down and I think we were doing much better and there were no physical losses as such. Very few items were damaged but otherwise the network was back on track after that.

Q. What would be the current leverage on the Company.

Mr. Rishi Tibriwal: I could take that question. At the Trust level, we have 18,000 crores of borrowing against our equity of about 25,000 crores. This leverage will increase to 30,000 crores by the time we finish our tower rollout.

Mr. Sridhar Rengan: I kind of want to confirm that we are kept on by the terms of SEBI InvIT Regulations which itself provides for limiting the total leverage to 1:1 and I think they are well below that right now.

Mr. Aneesh Srivastava: What would be the average cost of borrowing here?

Mr. Rishi Tibriwal: About 8%.

Mr. Aneesh Srivastava: Okay. Fine. Thank you very much.

Ms. Puja Tandon: One more question we have from Mr. Prashant Shah (Representative of Serum Institute):

Q. What are the plans to achieve break even.

Mr. Sridhar Rengan: Mr. Joshi would you take up the question.

Mr. Rishi Tibriwal: I could take that question. So, the Tower Infrastructure Trust as a whole does make money. The loss that you see in the financial statements is really the depreciation on the towers so it's a non-cash item and as a cash generating unit we do distribute and have distributed the EBITDA cash generated on a monthly basis and going forward on a quarterly basis. I hope that answers your question.

Mr. Sridhar Rengan: Thank you Mr. Tibriwal. So I will close this Q&A session and get on to the next item. We are now taking up the following agenda items as per the Notice. I now request Ms. Puja Tandon to provide a brief background on the agenda items:

1. Agenda Item No. 1 relates to approval for changing the name of the Tower InvIT from "Tower Infrastructure Trust" to "Data Infrastructure Trust"

Background: Unitholders are requested to note that it is proposed to change the name of the Tower InvIT from "Tower Infrastructure Trust" to "Data Infrastructure Trust" to increase the future business possibilities of the Trust. Also, the Trust would have a broader scope under the name "Data" which would be more reflective of the overall business profile of the Trust assets in the future.

2. Agenda Item No. 2 relates to approval of the proposed amendments to the Indenture of Trust of Tower Infrastructure Trust dated January 31, 2019

Background: Unitholders are requested to note that the Indenture of Trust dated January 31, 2019 executed between the settlor, Reliance Industrial Investments and Holdings Limited and Axis Trustee Services Limited in respect of the establishment of the Trust, is proposed to be amended so as to provide for the inclusion of the new sponsor BIF IV Jarvis India Pte. Ltd pursuant to the Deed of Accession dated August 26, 2020. The proposed amendments are mentioned in the explanatory statement to the EGM Notice, which was also separately circulated to the Unitholders by the Investment Manager.

3. Agenda Item No. 3 relates to approval for proposed conversion of Summit Digital Infrastructure Private Limited (formerly known as Reliance Jio Infratel Private Limited) owned by Tower InvIT from private company to a public limited company

Background: It is proposed to convert SPV of the Trust i.e. Summit, from a private company to a public limited company to expand the potential investor base and provide flexibility. This will also enhance the overall governance framework of the SPV. Unitholders are requested to note that the proposed conversion, would not affect or impact the ownership structure/control/voting power available with the Trust with respect to Summit and the Trust would continue to remain the sole equity shareholder of Summit with all voting powers.

Mr. Sridhar Rengan: The Unitholders who wish to speak or have any query on the agenda items or any comments, may post their question in the chat box or click on the "Raise Hand" tab available on the screen.

Any questions from the Unitholders.

Mr. Rishi Tibriwal: None Mr. Sridhar Rengan.

Mr. Sridhar Rengan: Fine, Thanks a lot. We will now commence the e-voting process for voting at the meeting and I would request Ms. Tandon to brief the unitholders on the voting process.

Ms. Puja Tandon: Thank you Mr. Sridhar Rengan.

- Link for e-voting will be shared in the chat box (please click on the message icon on your teams window to access the chat box). The e-voting window will remain open for 15 minutes post conclusion of the EGM.
- E-voting shall be exercised by only those Unitholders who have not exercised their option of remote e-voting earlier.
- In case a Unitholder who has already exercised their vote through remote e-voting also votes at the meeting, his/her votes cast earlier through remote e-voting will be considered.
- You are requested to click on the link and login to your account and on the voting page, cast your vote by selecting "Assent/Dissent" on all the 3 resolutions and verify/modify the number of units for which you wish to cast your vote. (In case you require any assistance with the details, please use the chat box or call on the designated numbers mentioned in the notice).
- You are requested to verify all the details before casting the vote and then Click on Submit.
- Multiple representatives attending on behalf of the Unitholder are requested to cast their vote only once.
- I request all the Unitholders to confirm if they are able to access the chat box. Please reach out to the designated numbers mentioned in the chat window, in case you require any assistance.

Mr. Sridhar Rengan: Thank you Ms. Tandon.

I request all the unitholders who are present at the meeting and have not exercised their votes through the remote e-voting facility to cast their vote within 15 minutes from the conclusion of this meeting.

Please note that, on the basis of the Scrutinizer's Report, results of the voting will be announced by the Trust on or before May 14, 2021 and will be submitted to BSE Limited and also uploaded on the website of the Trust.

I now conclude the meeting. Thank you everyone for your presence and co-operation during the conduct of the meeting.