

BHARTI TELE-VENTURES LIMITED

Registered Office: Qutab Ambience, H-5/12, Mehrauli Road, New Delhi – 110030

Unaudited Financial Results for the quarter ended June 30, 2003

1. Consolidated Financial Results as per International Accounting Standards (IAS):

(In Rs. Crores)

Particulars	Quarter ended June 30		Year ended March 31
	2003	2002	2003
	Unaudited	Unaudited	Unaudited
Total revenue	1,036.05	538.73	3,050.05
Total operating expenses	638.35	340.41	1,953.72
License fees	108.78	60.23	337.07
Operating Profit before Interest, Depreciation, Tax, Amortization and Pre-operating Expenses	288.92	138.09	759.26
Interest	63.15	62.07	266.31
Cash Profit from Operations	225.76	76.02	492.95
Other Income	0.81	1.05	6.16
Pre-operating costs	-	20.75	37.84
Depreciation & Amortisation	195.64	124.19	639.38
Loss of associate / Joint-venture	-	-	-
Earnings before tax & before unusual items	30.93	(67.87)	(178.11)
Income tax expense	0.02	-	0.18
Minority Interest	0.12	0.26	0.41
Net profit / (loss) before unusual items	31.03	(67.62)	(177.88)
Unusual Income	-	-	44.14
Net profit/(loss)	31.03	(67.62)	(133.73)
Funded Equity	5,175.04	5,183.01	5,173.39
Shareholders Equity	4,568.88	4,784.00	4,474.23
Net debt	3,528.30	1,892.00	3,174.04
Net debt to funded equity	0.68	0.37	0.61
Book Value Per Equity Share (Rs.)	24.65	26.00	24.14

Notes:

- The Hon'ble Supreme Court has directed Government to refund the interest on licence fee collected by the Department of Telecommunications (DoT) from the operators for the period of six months, which was allowed as notional extension in the licence agreement pertaining to the period prior to the migration from the fixed license fee regime to the revenue sharing regime. Pursuant to this order, the Company has filed its claim with DoT. However there is a dispute with DoT on the calculation of refundable interest amount. The Company has made adjustment of refund acknowledged by DoT against the license fee payable for quarter(s) ended March 31, 2003 & June 30, 2003 and has made balance payment of licence fees. For the Balance refund, the matter is being followed up.
- The un-audited results for year ended March 31, 2003 have undergone certain revisions/regroupings. This however has not resulted in any significant change in net loss except for the "non-frequently occurring items" (referred above as unusual income) of Rs. 44.14 crores arising mainly out of the refund from DoT as per Note 1 above and adjusted for non-frequently occurring charges.

2. Segment Reporting as per International Accounting Standards (IAS)

(In Rs. Crores)

Particulars	Quarter ended June 30		Year ended March 31
	2003	2002	2003
	Unaudited	Unaudited	Unaudited
1. Segment Revenue			
Mobility	656.62	405.56	2,083.99
Access	154.45	55.59	357.42
Long Distance & Group Data Services	302.38	98.60	859.04
Others	-	-	-
Total	1,113.46	559.75	3,300.45
Less: Inter Segment Eliminations	77.41	21.02	250.40
Net Sales/ Income from Operations	1,036.05	538.73	3,050.05
2. Operating Profit before Interest, Depreciation, Tax, Amortization and Pre-operating Expenses			
Mobility	174.56	149.04	557.97
Access	30.51	(7.24)	33.40
Long Distance & Group Data Services	85.08	3.09	182.51
Others	(9.56)	(6.66)	(32.77)
Total	280.58	138.24	741.11
Less: Inter Segment Eliminations	(8.33)	0.15	(18.14)
EBITDA	288.92	138.09	759.26
3. Segment Results Profit/(Loss) before Interest and tax*			
Mobility	72.01	76.74	212.33
Access	(2.01)	(32.78)	(78.84)
Long Distance & Group Data Services	59.37	(8.09)	120.06
Others	(35.11)	(41.52)	(164.61)
Total	94.27	(5.65)	88.93
Less: Inter Segment Eliminations	0.18	0.15	0.73
Less: Interest/Other Unallocable expenditure net off unallocable income	63.15	62.07	266.31
Total profit/(loss) before tax*	30.93	(67.87)	(178.11)

* Segment results is before adjustment of any non-frequently occurring items.

3. Consolidated Financial Results as per Indian Generally Accepted Accounting Principles (IGAAP)

(In Rs. Crores)

Particulars	Quarter ended June 30,2003	Year ended March 31,2003
	Unaudited	Unaudited
Total revenue	1,036.05	3,050.05
Operating Profit before Interest, Deprecation, Tax, Amortization and Pre-Operating Expenses (EBITDA)	288.92	756.53
Cash profit from operations	216.07	483.60
Depreciation & Amortisation	196.49	657.56
Pre-Operative & Others	(0.81)	31.57
Profit before tax & unusual item	20.39	(205.53)
Provision for Tax	0.02	0.18
Minority Interest	(0.12)	28.64
Profit after tax before unusual item	20.50	(234.35)

Notes:

1. The financials of BTVL consolidated as per IGAAP for the year ended March 31, 2003 does not include Rs. 29.29 crores of non-frequently occurring items.
2. The above financials are after considering the proposed merger of Chennai mobile operations (operated by Bharti Mobinet Limited) and Himachal Pradesh mobile operations (operated by Bharti Telenet Limited) into Bharti Cellular Limited. It also considers merger of fixed line operations (operated by Bharti Telenet Limited), Long Distance Operations (operated by Bharti Telesonic Limited) and Group data and enterprise services (operated by Bharti Broadband Limited) into Bharti Telenet Limited (BTNL). The name of Bharti Telenet Limited is proposed to be changed as Bharti Infotel Limited. The company is awaiting courts approval for the above scheme of mergers.

4. The reconciliation of consolidated net profit/(loss) as per IAS and Indian GAAP

(In Rs. Crores)

Particulars	Quarter ended June 30,2003	Year ended March 31,2003
	Unaudited	Unaudited
Net profit / (loss) as per IAS	31.03	(133.73)
Add: Differences on account of:		
Goodwill amortisation	17.13	78.99
Provision for Licence fee revenue share reversed in IAS	-	2.72
	17.13	81.71
Less: Differences on account of:		
Differences in accounting for finance charges	9.49	9.28
License fee amortisation not applicable in IAS	14.85	60.77
Differential depreciation provided in Indian accounts due to forex fluctuations not considered in IAS	3.13	56.59
Minority interest and loss of joint venture	-	29.05
Remeasurement of financial instruments as per IAS 39 not applicable as per IGAAP	0.21	(2.65)
	27.67	153.04
Net profit/(loss) as per Indian GAAP	20.50	(205.06)

5. **Bharti Tele-Ventures Limited financial results as per Indian GAAP – Stand alone entity**

(In Rs. Crores)

Particulars	Quarter ended June 30		Year ended March 31
	2003	2002	2003
	Unaudited	Unaudited	Unaudited
Net Income from Sales/Service	-		-
Other Income	8.53	0.88	18.98
Total Revenue	8.53	0.88	18.98
Total Expenditure			
Staff Cost	7.54	3.99	19.79
Administration & Other expenditure	2.03	2.66	12.98
Financial Expense / (Income) (Net)	(2.58)	(0.18)	(22.71)
Depreciation	0.98	0.86	3.60
Deferred ESOP Expenses	0.47	1.16	5.05
Profit/(Loss) before tax	0.09	(7.62)	0.27
Provision for Taxation	0.02	0.00	0.05
Net profit/(loss) after tax	0.07	(7.62)	0.22
Paid-up equity share capital (Face value Rs.10 each)	1,853.37	1,853.37	1,853.37
Reserves	2,971.19	2,963.28	2,971.12
Earnings per share (Rs.)			
a. Basic	0.000	(0.041)	0.001
b. Diluted	0.000	(0.041)	0.001
Non-promoter shareholding			
a. Number of sharers	990,630,739	990,524,539	990,630,739
b. Percentage	53.45%	53.44%	53.45%
N/A means not applicable			
Items exceeding 10% of aggregate expenditure			
Legal & professional Charges	0.25	N/A	1.72
Travelling & Conveyance	0.51	N/A	2.96
Rent	0.24	N/A	N/A
Repairs & maintainence	0.29	N/A	2.41

N/A means not applicable

Notes:

1. Previous years figures have been regrouped to conform to current period's classification.
2. The above Un-audited results for the first quarter ended June 30, 2003 have been taken on record in the meeting of the Board of Director of the Company held on July 23, 2003.
3. Investors complaints received and disposed off during first quarter ended June 30, 2003:

	<u>Nos.</u>
Complaints pending at the beginning of the quarter	2
Complaints received during the quarter	5
Disposal of complaints	7
Complaints lying unresolved at the end of the quarter	Nil
4. The quarterly results have undergone a "Limited Review" by auditors of the Company and the Review Report will be submitted to the concerned stock exchanges within the stipulated time.
5. The above financials pertain to Bharti Tele-Ventures Limited (BTVL) as a standalone entity. BTVL conducts its operations through its subsidiaries. The consolidated financial statements and segment wise information has been furnished optionally to provide additional information.

New Delhi
July 23, 2003

For Bharti Tele-Ventures Limited

Sunil Bharti Mittal
Chairman & Managing Director

"BTVL", or "the Company" wherever stated stands for Bharti Tele-Ventures Limited

For more details on the financials results, please visit website www.bhartiteleventures.com