

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, 2004

1. Consolidated financial statements as per International Financial Reporting Standards (IFRS)

Rs. Crores except ratios

Particulars	Quarter Ended	
	June 2004	June 2003
	Unaudited	Unaudited
Revenues		
Service Revenue	1,679.26	1,027.68
Equipment Sales	25.41	8.37
Total revenues	1,704.66	1,036.05
Operating Expenses		
Other income	(5.54)	(0.81)
Access and interconnection charges	392.41	278.44
Equipment Costs	27.01	5.59
Employee costs	111.26	83.87
Other costs	399.57	270.40
Licence fee	154.23	108.78
Pre-operating costs	7.85	0.00
Depreciation & amortisation	229.57	195.64
Donations	0.59	0.00
Operating Income	387.71	94.09
Loss of Joint Venture and/or Associate company	0.47	0.00
Finance costs (net)	79.43	63.15
Earnings / (Loss) before taxation	307.81	30.94
Income tax income/(expense)	(11.47)	(0.02)
Profit / (loss) to minority shareholders	0.22	(0.12)
Net profit/(loss)	296.12	31.04
Ratios:		
Total Stockholders' equity	5,590.47	4,569.00
Net Debt	3,831.96	3,528.00
Net Debt to EBITDA (Times)	1.54	3.05
Issued, subscribed and fully paid-up share capital (Face value of Rs. 10 each)	1,853.37	1,853.37
Earning Per Share data: (Rs.)		
Net profit / (loss) per common share	1.60	0.17
Net profit / (loss) per diluted share	1.53	0.17

Notes:

- As part of consolidation exercise and to attain business synergies, the Board of Directors of Bharti Tele-Ventures (BTVL) has approved merger of its two operating subsidiaries viz. Bharti Cellular Limited and Bharti Infotel Limited with the Company.
- Bharti Infotel Limited, a wholly owned subsidiary of Bharti Tele-Ventures (BTVL) entered into an agreement with Videsh Sanchar Nigam Limited (VSNL) to share national long distance (NLD) backbone and bandwidth for 15 years for consideration of Rs. 500 crores.
- Bharti Cellular Limited, a subsidiary of Bharti Tele-Ventures (BTVL) migrated all its 15 existing cellular mobile licenses to Unified Access Service License (UASL).
- During the quarter the Company completed the acquisition of 67.5 % equity stake in Hexacom (India) Limited.
- Bharti Cellular Limited (BCL) and Bharti Mobile Limited (BML) had filed petitions in the Honourable High Court of Delhi under Sections 391 and 394 of the Companies Act, 1956 to seek sanction of the Court to the scheme of amalgamation of BML with BCL. The requisite meetings of the shareholders and creditors of BML and BCL were duly held and the requisite majority approved the proposed scheme. The Honourable High Court of Delhi approved the Scheme on July 12, 2004 and it will become operative after the order of the Honourable High Court of Delhi is registered with the Registrar of Companies, N.C.T. of Delhi & Haryana

2. Segment information as per International Financial Reporting Standards (IFRS)

Rs.Crores except ratios

Particulars	Quarter ended June 30	
	2004	2003
	Unaudited	Unaudited
1. Total Revenues		
Mobile	1,098.84	656.62
Fixed-Line	240.59	154.45
Long Distance	429.40	265.87
Enterprise Business	116.26	36.51
Total	1,885.10	1,113.46
Eliminations	(180.44)	(77.41)
Consolidated	1,704.66	1,036.05
2. Operating Profit before Interest, Depreciation, Tax, Amortization and Pre-operating Expenses		
Mobile	385.24	174.56
Fixed-Line	64.17	30.51
Long Distance	118.37	73.73
Enterprise Business	53.94	11.34
Others	(10.88)	(9.56)
Total	610.77	280.58
Less: Inter Segment Eliminations	(9.40)	(8.33)
EBITDA	620.17	288.92
2. Segment Result**		
Mobile	238.46	72.01
Fixed-Line	23.06	(2.01)
Long Distance	87.85	51.65
Enterprise Business	50.07	7.72
Others	(11.60)	(35.11)
Total	387.84	94.27
Eliminations	-	(0.18)
Interest/Other Unallocable expenditure net off unallocable income	(80.02)	(63.15)
Total Profit/(Loss) Before Tax	307.82	30.93

** Operating profit before interest, depreciation, tax, amortization and pre-operating expenses represents EBITDA.

***Segment results represents Profit / (loss) before interest & taxation.

3. Consolidated financial statements as per Indian Generally Accepted Accounting Principles

Rs Crores except ratios

Particulars	Quarter Ended	
	June 2004	June 2003
	Audited	Unaudited
Total Income	1,727.58	1,036.05
Profit before finance expenses / (Income) net, Depreciation, amortisation and taxation [#]	634.99	288.92
Cash profit from operations	527.61	216.07
Depreciation	210.55	150.07
Amortisation	54.16	46.42
Other Income	5.57	0.81
Preoperative Expenditure written off	7.85	0.00
Charity and Donation	0.59	0.00
Profit before tax	255.06	20.39
Tax Expenses / (Income)	14.21	0.02
Profit after Tax	240.85	20.37
Minority Interest	1.82	(0.12)
Profit for the period	239.04	20.50

[#] Profit before finance expense / (income) net, depreciation, amortization and taxation represents EBITDA

4. Reconciliation of Indian GAAP and International Financial Reporting Standards(IFRS)– Income Statement

Rs. Crores except ratios

Particulars	Quarter ended June 30, 2004
	Unaudited
Net profit / (loss) as per IFRS	296.12
Add: Differences on account of:	
Minority interest and loss of joint venture	3.31
Deferred tax expense in IGAAP not required in IFRS	6.86
Less: Differences on account of:	
Amortisation of Goodwill	23.85
Being difference in revenue recognition	0.28
License fee amortisation (not applicable in IFRS)	14.84
Differences in accounting for finance charges	21.27
Remeasurement of financial instruments as per IFRS 39 not applicable as per IGAAP	4.79
Differential depreciation provided in IGAAP due to forex fluctuations not considered in IFRS	2.22
Net profit/(loss) as per Indian GAAP	239.04

5. Bharti Tele-Ventures Limited Financial Results as per Indian GAAP (as standalone entity)

(In Rs. Crores)

Particulars	Quarter Ended June 30		Year Ended March 31
	2004	2003	2004
	Audited	Unaudited	Audited
Net Income from Sales/Service	-	-	-
Other Income	9.43	8.53	30.08
Total Revenue	9.43	8.53	30.08
Total Expenditure			
Staff Cost	6.65	7.54	25.39
Administration & Other expenditure	4.23	2.03	10.37
Financial Expense / (Income) (Net)	23.29	(2.58)	(11.71)
Depreciation	0.96	0.98	3.87
Personnel - Deferred ESOP cost written off	0.49	0.47	1.91
Profit/(Loss) before tax	(26.19)	0.09	0.25
Provision for Taxation written back for previous years	-	-	0.15
Provision for Taxation	-	0.02	0.03
Net profit/(loss) after tax	(26.19)	0.07	0.37
Paid-up equity share capital (Face value Rs.10 each)	1,853.37	1,853.37	1,853.37
Reserves	2,945.30	2,971.19	2,971.49
Earnings per share (Rs.)			
a. Basic	(0.141)	0.000	0.002
b. Diluted	(0.140)	0.000	0.002
Non-promoter shareholding			
a. Number of shares	989,438,846	990,630,739	989,644,539
b. Percentage	53.39%	53.45%	53.40%
N/A means not applicable			
Items exceeding 10% of aggregate expenditure			
Legal & professional Charges	1.31	0.25	1.71
Travelling & Conveyance	1.18	0.51	2.26
Rent	0.38	0.24	1.10
Repairs & Maintainance	-	0.29	1.29
N/A means not applicable			

Notes:

- Previous years figures have been regrouped to conform to current period's classification.
- The above audited financial results for the first quarter ended June 30, 2004 have been taken on record in the meeting of the Board of Directors of the Company held on July 23, 2004.
- Investors complaints received and disposed off during first quarter ended June 30, 2004:

	Nos.
Complaints pending at the beginning of the quarter	NIL
Complaints received during the quarter	10
Disposal of complaints	10
Complaints lying unresolved at the end of the quarter	NIL
- 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, 2004

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