

BHARTI TELE-VENTURES LIMITED

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

Financial results for the quarter ended June 30, 2005

1. Consolidated Summarised Statement of Income (Un-audited)

(In Rs Crores except ratios)

Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Y-o-Y Growth
	June 2005	June 2005	June 2004	
	US GAAP	IFRS	IFRS	IFRS
Total revenues	2,517.27	2,524.92	1,704.66	48%
EBITDA	940.70	941.62	620.17	52%
Cash profit from operations	925.83	921.70	540.74	70%
Earnings/(loss) before taxation	598.01	597.85	307.81	94%
Current tax expense/ (income)	51.11	51.23	(39.00)	-
Earnings/(loss) after current tax expense	546.90	546.62	346.82	58%
Deferred tax expense / (income)	30.40	35.56	50.47	-
Net profit / (loss)	509.94	504.19	296.12	70%
EBITDA / Total revenues	37.4%	37.3%	36.4%	
Net profit /Total revenues	20.3%	20.0%	17.4%	

2. Consolidated Financial statement as per Indian Generally Accepted Accounting Principles (IGAAP)-Audited

(In Rs Crores)

Particulars	Quarter ended June 30, 2005	Quarter ended June 30, 2004	Year ended March 31, 2005
	Audited	Audited	Audited
Service Revenue	2,480.76	1,701.84	8,007.66
Sales of Goods	32.83	25.74	104.64
Other Income	13.80	5.57	43.48
Total Income	2,527.39	1,733.15	8,155.78
Operating profit before finance income and expenses, depreciation, amortisation, preoperative expenditure, charity and donation, significantly non recurring items and taxation	954.68	634.99	3,065.80
Finance expenses (net)	55.68	106.70	243.92
Depreciation	314.74	210.55	1,044.15
Amortisation	36.68	54.16	144.03
Preoperative Expenditure Written off	0.63	7.85	47.39
Charity & Donation	0.09	0.59	3.11
Profit Before tax	546.86	255.06	1,583.19
Tax Expenses/ (Income)			
- Current tax	51.23	(38.57)	13.09
- Deferred tax	18.35	52.78	346.45
Profit After Tax	477.28	240.85	1,223.66
Minority Interest	6.81	1.82	12.09
Profit for the period	470.47	239.04	1,211.57

Notes:

- Financials for the year ending March 31, 2005 are consolidated post merger-audited figures.
- Financials for the quarter ending June 30, 2004 are pre merger published figures.

3. Summary of differences in net profit/ (loss) between US GAAP (Un-audited) with IGAAP (Audited)

(In Rs Crores)

Particulars	Quarter Ended
	June 30, 2005
Net profit / (loss) as per US GAAP	509.94
Add: Differences on account of:	
Being difference in revenue recognition	0.37
Differential depreciation provided in IGAAP due to forex fluctuations not considered in US GAAP	7.62
Deferred Tax expense	12.05
Less: Differences on account of:	
Amortisation of Goodwill/ Intangibles	6.68
Minority Interest and loss of Joint Venture	0.10
License fee amortisation	14.84
Differences in accounting for finance charges	37.66
Remeasurement of financial instruments not applicable in IGAAP	0.22
Net profit/(loss) as per Indian GAAP	470.47

4. **Bharti Tele-Ventures Limited - Audited financial results for the first quarter ended June 30, 2005 as per Indian GAAP (as Stand alone entity)**

(In Rs. Crores except per share data)

S. No.	Particulars	Quarter Ended June 30,		Year ended March
		2005	2004	31, 2005
		Audited	Audited	Audited
1	Net Sales/ Income from Operations	2,413.31	-	7,903.02
2	Other Income	10.80	9.43	41.17
	Total Revenue	2,424.11	9.43	7,944.19
3	Total Expenditure			
	(a) Increase/ (Decrease) in stock in trade*	0.00	0.00	0.00
	(b) Consumption of raw materials*	0.00	0.00	0.00
	(c) Staff Cost	164.92	7.14	508.80
	(d) Other Expenditure	1,368.82	4.23	4,605.83
4	Interest	56.21	23.29	245.92
5	Depreciation	305.53	0.96	1,019.36
6	Profit/(Loss) before taxation	528.63	(26.19)	1,564.28
7	Provision for Taxation	66.91	0.00	353.60
8	Net profit/(loss)	461.72	(26.19)	1,210.68
9	Paid-up equity share capital (Face value Rs.10/- each)	1,876.18	1,853.37	1,856.09
10	Reserves excluding revaluation reserves	3,492.01	2,945.30	2,675.38
11	Earnings per share (in Rs.)			
	a.Basic	2.471	(0.141)	6.532
	b.Diluted	2.435	(0.140)	6.444
		Not annualised	Not annualised	
12	Aggregate of Non-promoter shareholding			
	a. Number of shares	1,012,042,596	989,438,846	992,180,739
	b. Percentage	54.02%	53.39%	53.53%
	Items exceeding 10% of total expenditure			
	(a) Legal & Professional Expenses	13	1.31	93.11
	(b) Travelling & Conveyance	15.37	1.18	45.82
	(c) Rent	0	0.38	-
	(d) Access & Interconnection Charges	478.81		1,683.17
	(e) Network Operating Expenses	234.58		680.05
	(f) Sales & Marketing	183.55		636.34
	(g) Licence fee and Spectrum charges (revenue share)	236.92		763.15

* Item 3(a) & 3(b) are not applicable

- Financials for the year ending March 31, 2005 are post merger audited figures.
- Financials for the quarter ending June 30, 2004 are pre merger published figures.
- The above financial results for the first quarter (Q1 05-06) ended June 30, 2005 have been reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on July 26, 2005.
- During the quarter Bharti Cellular Limited (BCL) and Bharti Infotel Limited (BIL), subsidiaries of BTVL merged with BTVL w e. f. April 1, 2004 by an order of the Hon'ble High Court of Delhi dated May 21, 2005. Consequently, BTVL has become the first private integrated player to have presence in all the 23 telecom circles in India.
- During the quarter, the Company allotted 2,00,88,445 equity shares to M/s Shyam Cellular Infrastructure Projects Limited (SCIPL) upon conversion of Optionally Convertible Redeemable Debentures (OCRDs) of Rs. 375 Cr. issued last year for acquiring 67.5% stake in M/s Bharti Hexacom Limited (formerly Hexacom India Limited).
- During the quarter, BTVL acquired 100% equity stake in Bharti Broadband Limited, (BBL) (formerly Comsat Max Limited) by acquiring its holding company Satcom Broadband Equipment Limited (SBEL) (formerly CMax Infocom Limited). BBL has a licence for providing VSAT Bandwidth while SBEL is engaged in sale of VSAT equipments
- Segment wise revenue, results and capital employed have been provided separately under Segment Reporting. The consolidated financial statement has been furnished to provide information about overall business of the Company and its subsidiaries.
- Previous year's figures have been regrouped/rearranged to conform to current period's classification.
- There were no pending complaints at the beginning of the quarter. During the quarter the Company received 7 complaints, all of which were resolved successfully. The Company has also initiated a process of seeking voluntary confirmation from stock exchanges of any pending investor complaint on quarterly basis.

5. Segment Reporting - Audited as per Indian GAAP (as Stand alone entity)

(In Rs Crores)

Particulars	Quarter Ended June 30, 2005	Year ended March 31, 2005
	Audited	Audited
1. Segment Revenue		
Net sale/income from each segment		
a) Mobile Services	1,681.07	5,356.90
b) Broadband & Telephone Services	341.97	1,130.72
c) Long Distance Services	521.33	1,868.82
d) Enterprise Services	125.07	497.02
e) Others	0.22	37.96
Total	2,669.66	8,891.42
Less: Inter Segment Eliminations	(245.55)	(947.23)
Net sales/Income	2,424.11	7,944.19
2. Segment Results		
Profit/(Loss) before tax and interest from each segment		
a) Mobile Services	358.27	993.15
b) Broadband & Telephone Services	36.31	143.75
c) Long Distance Services	165.06	468.62
d) Enterprise Services	45.48	236.22
e) Others	(20.28)	(31.54)
Total	584.84	1,810.20
Less: Inter Segment Eliminations	-	-
Total profit/(loss) before tax and interest	584.84	1,810.20
Less :		
i) Interest	56.21	245.92
ii) Other Un-allocable Expenditure net off Un-allocable income		
Total profit before tax	528.63	1564.28
3. Capital Employed		
(Segment assets - Segment liabilities)		
a) Mobile Services	2,590.81	2,141.71
b) Broadband & Telephone Services	1,603.49	1,422.51
c) Long Distance Services	733.34	753.39
d) Enterprise Services	278.32	245.61
e) Others	232.18	4.09
Sub Total	5,438.14	4,567.31
Less: Inter Segment Eliminations	-	-
Total	5,438.14	4,567.31

Notes:

1. The company did not have any operating segment in the quarter ended June 2004.
2. Financials for the year ending March 31, 2005 are post merger-audited figures.

For Bharti Tele-Ventures Limited

New Delhi
July 26, 2005

Sunil Bharti Mittal
Chairman & Managing Director

“BTVL”, or “the Company” wherever stated stands for Bharti Tele-Ventures Limited.
For more details on the financial results, please visit website www.bhartiteleventure.com