

BHARTI TELE-VENTURES LIMITED

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

Unaudited Financial Results for the quarter and half year ended September 30, 2002

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

(In Rs. Crores)

PARTICULARS	Three months ended September 30,		Six months ended September 30,		Year ended March 31, 2002
	2002	2001	2002	2001	Audited
Total Revenue	657.62	348.58	1,196.35	624.76	1,486.18
Total Operating Expenses	458.44	211.94	798.85	389.05	904.44
License fees	77.99	37.78	138.22	68.05	182.39
Operating Profit before Interest, Depreciation, Tax, Amortization and Pre-Operating Expenses (EBITDA)	121.19	98.87	259.28	167.66	399.35
Interest (Net)	76.85	(14.33)	138.92	5.88	90.56
Cash Profit from Operations	44.34	113.19	120.36	161.78	308.78
Other Income	2.48	1.04	3.53	2.22	5.44
Pre-operating cost	17.07	15.92	37.82	21.98	87.91
Depreciation and Amortisation	159.97	65.08	284.16	119.66	325.77
Loss of Joint Ventures and/or Associate	-	4.30	-	4.30	4.30
Profit/(Loss) before tax	(130.22)	28.93	(198.09)	18.06	(103.75)
Income-tax (Income)/Expense	-	(7.82)	-	(15.63)	(0.48)
Minority Interest	1.19	(9.14)	1.45	(18.28)	18.24
Net profit/(loss)	(129.03)	11.98	(196.64)	(15.85)	(121.51)
Shareholders Equity	46,618	41,540	46,618	41,540	4,848
Net Debt	25,071	11,133	25,071	11,133	1,432
Net Debt to Shareholders Equity (Times)	0.54	0.27	0.54	0.27	0.30
Book Value Per Share (Rs.)	25	25	25	25	26

Notes:

1. **Non-recurring item – the following charge to Profit & Loss Account is non-recurring in nature**
 - a. Pre-operative costs (other than capitalized) amounting to Rs 17 crores.
2. **New Launches & Licenses**
 - a. **The following operations were launched during the Quarter**

Subsidiary	Operations	Commercial Launch
Bharti Cellular Limited, <i>Mobility</i>	Tamil Nadu	July 2002
	Kerala	July 2002
	Maharashtra	July 2002
	Mumbai	July 2002
	Gujarat	August 2002
Bharti Telesonic Limited, <i>Long Distance</i>	International Long Distance	July 2002
Bharti Acquanet Limited,	Landing Station	July 2002

3. Net income on account of deferred tax income and provision for tax has not been recognised for the quarter ended September 30, 2002.
4. The benefits of the 16 new projects have been seen in the robust revenue growth. These will translate into growth in profitability in future. The increase in operating expenses during the quarter has been primarily due to high sales and marketing expenses. These pertain primarily to

one-time expenses related to the rejuvenation of the Airtel brand and the launch expenses relating to the new circles.

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

(In Rs. Crores)

PARTICULARS	Three months ended September 30,		Six months ended September 30,	
	2002	2001	2002	2001
1. Segment Revenue				
Mobility	491.26	299.52	896.83	532.11
Access	77.73	39.89	133.31	75.53
Long Distance	105.99	-	177.39	
Broadband and Others	30.02	9.17	57.22	17.12
Total	705.00	348.58	1,264.75	624.76
Less: Inter Segment Eliminations	(47.38)	-	(68.40)	
Net Sales/Income from Operations	657.62	348.58	1,196.35	624.76
2. Operating Profit before Interest, Depreciation, Tax, Amortization and Pre-Operating Expenses (EBITDA)				
Mobility	103.76	109.84	252.80	190.96
Access	2.04	9.53	(5.19)	18.08
Long Distance	23.23	(0.00)	26.70	(0.00)
Broadband and Others	(8.00)	(22.37)	(15.04)	(43.26)
Total	121.04	96.99	259.28	165.78
Less: Inter Segment Eliminations	0.15	1.85	0.00	1.85
EBITDA	121.19	98.85	259.28	167.64
3. Segment Results Profit/(Loss) before tax and interest				
Mobility	9.08	83.28	85.82	139.68
Access	(25.85)	(14.12)	(58.63)	(26.87)
Long Distance	10.03	(7.20)	6.32	(7.20)
Broadband and Others	(46.78)	(42.68)	(92.68)	(76.99)
Total	(53.52)	19.27	(59.17)	28.61
Less: Inter Segment Eliminations	0.15	(0.37)		(0.37)
	(53.37)	18.90	(59.17)	28.24
Less: Interest/Other Un-allocable expenditure net off Un-allocable income	(76.85)	10.03	(138.92)	(10.18)
Total Profit/(Loss) Before Tax	(130.22)	28.93	(198.09)	18.06

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

(In Rs. Crores)

PARTICULARS	Qtr ended September 30, 2002	Half Year ended September 30, 2002
	Unaudited	
Total Revenue	657.62	1,196.35
Operating Profit before Interest, Deprecation, Tax, Amortization and Pre-Operating Expenses (EBITDA)	121.19	259.28
Cash Profit from Operations	48.72	126.12
Depreciation & Amortisation	175.21	308.16
Pre-Operative & Others	18.12	37.82
Profit/(Loss) before tax (PBT)	(141.08)	(216.33)
Net Profit/(Loss)	(142.43)	(218.86)

4. The reconciliation of consolidated net income as per IAS and Indian GAAP

(In Rs. Crores)

PARTICULARS	Qtr ended September 30, 2002	Half Year ended September 30, 2002
	Unaudited	
Net profit/(loss) as per IAS	(129.03)	(196.64)
Add: Differences on account of:		
Goodwill amortisation	5.13	10.46
Differences in accounting for finance charges	2.07	4.23
Remeasurement of financial instruments as per IAS 39 not applicable as per IGAAP	2.32	1.53
Less: Differences on account of:		
License fee amortisation not applicable in IAS	10.71	21.42
Differential depreciation provided in Indian accounts due to forex fluctuations not considered in IAS	9.66	13.04
Minority interest and loss of joint venture	2.55	3.98
Net profit/(loss) as per Indian GAAP	(142.43)	(218.86)

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

(In Rs. Crores)

	Qtr ended September 30, 2002	Qtr ended September 30, 2001	Half Year ended September 30, 2002	Half Year ended September 30, 2001	Year ended March 31, 2002
Net Income from Sales/Service	-	(6.00)	-	-	
Other Income	0.77	1.28	1.65	2.92	3.95
Total Revenue	0.77	(4.72)	1.65	2.92	3.95
Total Expenditure				-	
Staff Cost	5.28	4.81	9.27	8.90	19.76
Administration & Other expenditure	4.01	12.38	6.67	16.37	28.70
Financial Expense / (Income) (Net)	(11.64)	(51.62)	(11.81)	(51.59)	(53.15)
Depreciation	0.81	15.65	1.67	16.51	3.23
Deferred ESOP Expenses	2.04	1.26	3.20	1.26	4.23
Miscellaneous Expenditure written off	-	1.03	-	1.03	1.07
Profit/(Loss) before tax	0.27	11.77	(7.35)	10.44	0.13
Provision for Taxation	-	-	-	-	0.01
Net profit/(loss) after tax	0.27	11.77	(7.35)	10.44	0.12
Paid-up equity share capital (Face value Rs.10 each)	1,853.37	1,668.03	1,853.37	1,668.03	1,853.37
Reserves	2,963.08	2,384.56	2,963.55	2,384.56	2,970.90
Earnings per share					
a. Basic	0.00	0.07	(0.04)	0.06	0.00
b. Diluted	0.00	0.07	(0.04)	0.06	0.00
Non-promoter shareholding					
a. Number of shares	990,524,539	805,294,039	990,524,539	805,294,039	990,524,539
b. Percentage	53.44%	48.28%	53.44%	48.28%	53.44%
N/A means not applicable					
Items exceeding 10% of aggregate expenditure					
Legal & professional Charges	N/A	N/A	N/A	5.30	8.03
Advertisement & Publicity	N/A	N/A	N/A	4.67	9.12
Rates & taxes	N/A	N/A	N/A	N/A	N/A

N/A means not applicable

Notes:

1. Previous years figures have been regrouped to conform to current period's classification.
2. The above Unaudited results for the quarter ended September 30,2002 have been taken on record in the meeting held on October29, 2002.
3. 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.

Mumbai
October 29, 2002

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