



Bharti Tele-Ventures Limited

(Incorporated as a public limited company on July 7, 1995 under the Companies Act, 1956)
Qutab Ambience, H-5/12, Mehrauli Road, New Delhi 110030, India
Phone: (91-11) 51666000 Fax: (91-11) 51666011
Email: ir@bharti.com
www.bhartiteleventures.com

QUARTERLY REPORT OF UNAUDITED RESULTS SECOND QUARTER & FIRST HALF ENDED SEPTEMBER 30, 2003

DATED – OCTOBER 23, 2003



The financial statements, and the other information included in this quarterly report, fairly presents in all material respects the financial condition, results of operations and cash flows of the company, for the periods presented in this quarterly report. The quarterly report does not contain any untrue statement of a material fact or omit to state a material fact.

Sunil B Mittal
Chief Executive Officer
Chairman & Group Managing Director

Akhil Gupta
Chief Financial Officer
Joint Managing Director

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General Risk

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Company unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors in the Companies Prospectus dated February 7, 2002, carefully before taking an investment decision in this Company. For taking an investment decision, investors must rely on their own examination of Bharti Tele-Ventures including the risks involved.

BHARTI TELE-VENTURES – A SNAPSHOT

	UNITS	Full Year Ended March 31,					Quarter Ended	
		1999	2000	2001	2002	2003	June 30. 2003	Sept.30. 2003
Total Customer Base	Nos (000's)	134	350	702	1,515	3,443	4,175	5,114
Mobile								
Number of circles operational	Nos	2	4	5	7	15	15	15
Number of customers	Nos (000's)	122	283	595	1,351	3,071	3,751	4,617
Total market share of all India customers	%	10.0%	15.0%	17.0%	21.0%	24.2%	24.8%	25.3%
Percentage of all India population covered in licensed areas	%	2%	14%	15%	58%	58%	58%	58%
Percentage of all India area covered in licensed areas	%	2%	16%	16%	56%	56%	56%	56%
Percentage of all India mobile customers in licensed areas	%	18%	30%	31%	93%	91%	91%	91%
Fixed line								
Number of circles operational	Nos	1	1	1	3	6 #	6 #	6 #
Number of customers	Nos (000's)	12	67	107	164	372	424	497
Consolidated financials as per IAS								
Revenue	INR Mn.	2,449	4,481	8,481	14,862	30,499	10,360	11,445
EBITDA	INR Mn.	35	856	1,930	3,993	7,590	2,889	3,765
Cash profit from operations	INR Mn.	(135)	224	971	3,088	4,927	2,258	3,058
Profit after tax	INR Mn.	(322)	(550)	(1,208)	(1,215)	(1,780) *	310	933
Total funded equity	INR Mn.	-	5,344	21,285	51,795	51,734	51,750	51,765
Consolidated financials as per IAS								
Revenue	US\$ Mn.	51	94	177	310	642	227	250
EBITDA	US\$ Mn.	1	18	40	83	160	63	82
Cash profit from operations	US\$ Mn.	(3)	5	20	64	104	49	67
Profit after tax	US\$ Mn.	(7)	(11)	(25)	(25)	(37)	7	20
Total funded equity	US\$ Mn.		112	444	1,081	1,088	1,132	1,132
Ratio								
EBITDA Margin	%	1%	19%	23%	27%	25%	28%	33%
Net Profit Margin	%	-13%	-12%	-14%	-8%	-6%	3%	8%
Net Debt to funded equity ratio	Times	-	1.00	0.13	0.28	0.61	0.68	0.74

- Madhya Pradesh fixed line circle has been divided into two-fixed line circles namely Madhya Pradesh Circle & Chattisgarh Circle (under the same license)

* - For FY 2003, profit after tax does not include extraordinary income.

- All annual financial highlights for the year ended March 31, 2000; 2001; 2002; 2003 are consolidated audited results as per International Accounting Standards.
- Financial highlights for the quarter ended June 30, 2003 and September 30, 2003 are un-audited and are based on consolidated results as per International Accounting Standards.
- Exchange rate for Rupee conversion to US\$ is (a) Rs. 47.90 for the financial year ended March 31, 1999, 2000, 2001, 2002 (b) Rs. 47.53 for the financial year ended March 31, 2003, and (c) Rs. 45.71 for the quarter ended June 30, 2003 and quarter ended September 30, 2003.

SECTION I

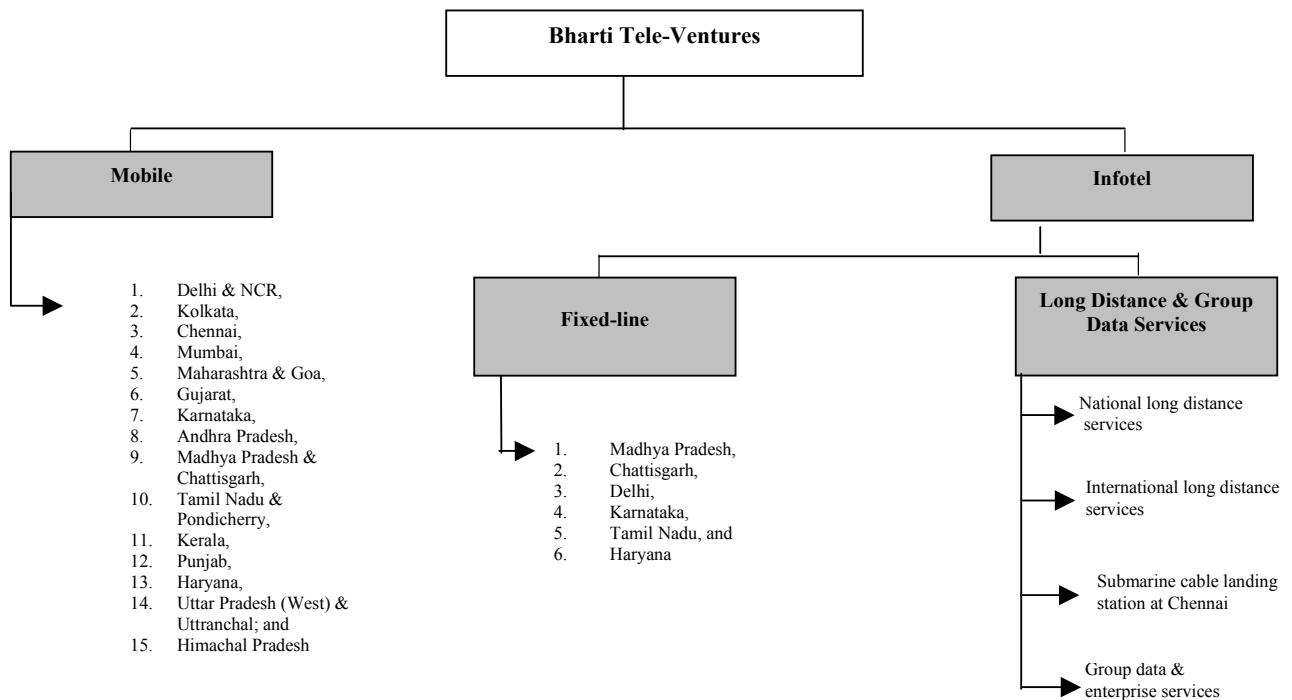
INTRODUCTION

We are India's leading private sector provider of telecommunications services based on an aggregate of 5,113,719 customers as of September 30, 2003, consisting of 4,617,018 mobile and 496,701 fixed line customers. We are currently the largest GSM mobile service provider in the country. Mobile services constitute the largest portion of our business both in terms of total revenues and total customers. We also provide fixed-line, long distance, group data and enterprise services including VSAT and Internet services.

We seek to capitalise on the growth opportunities that we believe are available in the Indian telecommunications market and consolidate our position to be an integrated telecommunications services provider in key markets in India, with a focus on providing mobile services.

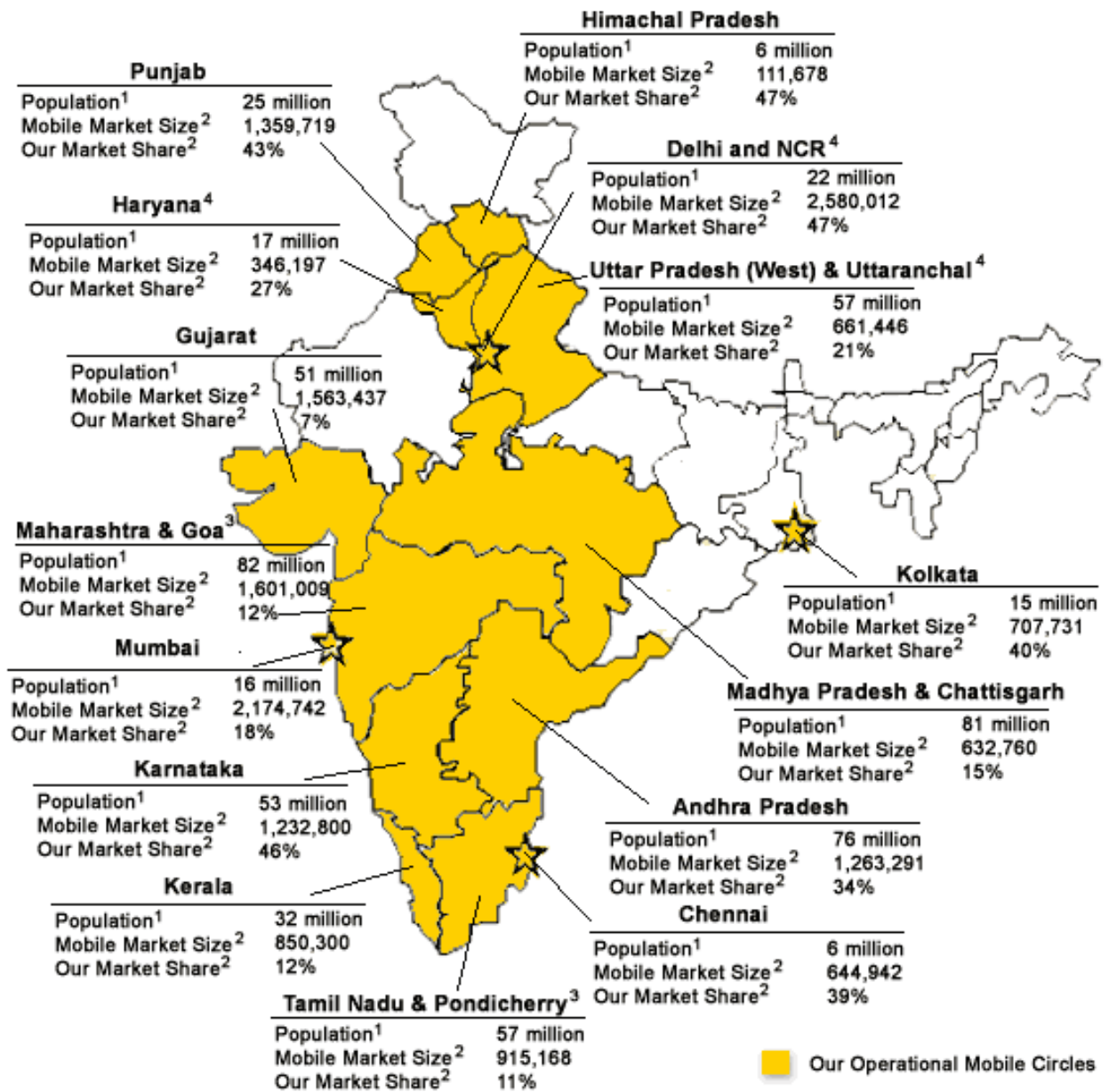
For the quarter ended September 30, 2003, our revenue and EBITDA as per un-audited IAS accounts were Rs. 11,445 million (US\$ 250 million) and Rs. 3,765 million (US\$ 82 million) respectively and for the first half ended September 30, 2003, our revenue and EBITDA as per un-audited IAS accounts were Rs.21,805 million (US\$ 477 million) and Rs.6,654 million (US\$ 146 million) respectively. During the quarter ended September 30, 2003, mobile services represented approximately 66% of our total revenues.

Our businesses have been organized by services into two main 'Strategic Business Groups' – the Mobile and the Infotel service group. The mobile group provides GSM mobile services in fifteen telecom circles, while the Infotel group provides services, which include fixed line, long distance and the data and enterprise solutions.



Bharti Tele-Ventures conducts its business through its subsidiaries. It holds 99.8% in Bharti Cellular Limited (operates 12 mobile circles-except the circles of Punjab, Andhra Pradesh and Karnataka), 100% in Bharti Mobile Limited (operates Punjab, Andhra Pradesh & Karnataka mobile circles), 100% in Bharti Infotel Limited (operates fixed line, long distance & group data services) and 51% in Bharti Aquanet limited (owns landing station in Chennai).

1.2 OUR MOBILE FOOTPRINT



Source:

(1) Population estimates are as per National Census, 2001 and are as of March 1, 2001. The population for Uttar Pradesh (West) circle is approximately 37% of the total population for the state of Uttar Pradesh.

(2) Mobile subscriber statistics are as of September 30, 2003 and are based on data released by COAI. Mobile market size comprises the total number of GSM mobile subscribers of all the service providers in a circle.

(3) Demographics of Maharashtra and Tamil Nadu do not include demographics of state capitals (metros) Mumbai and Chennai respectively.

(4) Demographic of Haryana does not include Faridabad & Gurgaon as they are included in Delhi & NCR. Similarly, demographics of Uttar Pradesh (West) & Uttaranchal does not include Noida & Gaziabad as they are included in Delhi & NCR.

1.3 The key demographics of our operations are set forth below.

	Mar-99	Mar-00	Mar-01	Mar-02	Mar-03
Services Offered					
Mobile	✓	✓	✓	✓	✓
Fixed Line	✓	✓	✓	✓	✓
Data & Enterprise Solutions	✓	✓	✓	✓	✓
National Long Distance	-	-	-	✓	✓
International Long Distance	-	-	-	-	✓
Mobile Circles in Operations	2	4	5	7	15
Fixed Line Circles in Operations	1	1	1	3	6
Percentage of All India 'Population Covered in our licensed areas' ^(2,3)	2%	14%	15%	58%	58%
Percentage of All India Area Covered in our licensed areas' ^(1,3)	2%	16%	16%	56%	56%
Percentage of All Mobile Customers in the licensed areas' ⁽³⁾	18%	30%	31%	93%	91%

1. Area estimates are from National Census, 2001.

2. Population estimates for all circles other than the metropolitan areas are as per National Census, 2001.

3. Information given is for the total market and is not representative of our market share or network coverage.

1.4 Business Divisions

- **Mobile** - We currently offer mobile services in fifteen of the 23 circles in India. As of September 30, 2003, approximately 91% of India's total number of mobile customers resided in our mobile circles, according to COAI reports. Our mobile customers in the circles accounted for approximately 25.3% of the total all India GSM mobile customer base, as of September 30, 2003, which make us the largest GSM mobile service provider in the country.
- **Fixed Line** - We were the first private sector operator to provide fixed-line services in India. We currently provide fixed-line services in the Madhya Pradesh, Chattisgarh, Haryana, Delhi, Karnataka and Tamil Nadu circles. We believe that these circles have high telecommunications revenue potential, especially for carrying data traffic.
- **Long Distance, Group data & enterprise services** - We complement our mobile and fixed-line services with national and international long distance services and provide these services across India. We also have a submarine cable landing station at Chennai, which connects the submarine cable connecting Chennai and Singapore. Our long distance and data enterprise services has enormous support from this connectivity and facilitates us in offering best value to our customers. We also provide reliable end-to-end data & enterprise services to our corporate customers by leveraging the bandwidth available in our subsidiaries through our nationwide fiber optic backbone, last mile connectivity in fixed-line and mobile circles, VSATs, ISP and international bandwidth access through our gateways and landing station.

1.5 Vendors

We believe in deploying the finest technology and operating state-of-the-art networks. Our mobile networks equipment suppliers include Siemens, Ericsson and Motorola. In the case of the fixed-line and long distance networks, equipment is purchased from vendors like Siemens, Nortel, Corning, among others.

1.6 Partners

Our existing foreign shareholders have acquired direct and indirect equity interests in the Company for a total consideration exceeding US\$1 billion. The investment made by SingTel is their third largest investment outside Singapore. The financial partner, Warburg Pincus' investment in our company is one of their largest investments made in the world. Our other partners include international financial investors such as International Finance Corporation - Washington, Asian Infrastructure Fund Group and New York Life Insurance.

SECTION II

FINANCIAL HIGHLIGHTS

Detailed financial statements and analysis for the second quarter and first half year ended September 30, 2003 are attached to this report as Annexures.

The financials for the full year ended March 31, 2003 are audited. The financials for the second quarter and half year ended September 30, 2003 and 2002, quarter ended September 30, 2003, June 30, 2003 and September 30, 2002 are un-audited.

2.1 BTVL Consolidated - Summary of Consolidated Results of Operations as per International Accounting Standards

2.1.1 Profit & Loss Statement – BTVL consolidated results includes the consolidated profit & loss statement net of inter-segment eliminations.

Rs million, except ratios

Particulars	Quarter Ended					Half Year ended		
	Sept. 2003	Sept. 2002	Y-on-Y Growth	June 2003	Q2-on-Q1 Growth	Sept. 2003	Sept. 2002	Y-on-Y Growth
Total revenue	11,445	6,576	74%	10,360	10%	21,805	11,963	82%
EBITDA	3,765	1,212	211%	2,889	30%	6,654	2,593	157%
Cash profit from operations	3,058	443	590%	2,258	35%	5,316	1,204	342%
Earnings before tax	939	(1,302)	-	309	204%	1,249	(1,981)	-
Net profit / (loss)	933	(1,290)	-	310	201%	1,243	(1,966)	-
EBITDA / Revenue	33%	18%		28%		31%	22%	

Note: For inter-segment eliminations please refer to table 2.2.4.

2.1.2 Balance Sheet

Rs millions, except ratios

Particulars	As At Sept. 30, 2003	As At June 30, 2003	As At March 31, 2003
LIABILITIES & EQUITY			
Funded Equity	51,765	51,750	51,734
Reserves & Surplus	(5,130)	(6,062)	(6,992)
Shareholder's equity	46,635	45,689	44,742
Total borrowings	40,780	37,466	35,932
Other non-current liabilities	3,738	3,723	2,386
Total liabilities & equity	91,153	86,878	83,061
ASSETS			
Net fixed assets & other project investments	93,215	89,597	83,696
Other non-current assets	3,231	3,111	3,165
Net current assets	(5,293)	(5,830)	(3,800)
Total Assets	91,153	86,878	83,061
Net debt	38,305	35,283	31,740
Net debt to funded equity	0.74	0.68	0.61
Book Value Per Equity Share (Rs.)	25.2	24.7	24.1

2.2 Segment-wise Summarized Profit and Loss Statements

2.2.1 MOBILE OPERATIONS

Rs.million except ratios

Particulars	Quarter Ended					Half Year ended		
	Sept. 2003	Sept. 2002	Y-on-Y Growth	June 2003	Q2-on-Q1 Growth	Sept. 2003	Sept. 2002	Y-on-Y Growth
Total revenue	7,566	4,913	54%	6,566	15%	14,132	8,968	58%
EBITDA	2,384	1,038	130%	1,746	37%	4,130	2,528	63%
Earnings before interest & tax	1,230	91	-	720	71%	1,950	858	127%
EBITDA / Revenue	32%	21%		27%		29%	28%	

2.2.2 INFOTEL OPERATIONS – comprises fixed line, long distance and group data and enterprise services.

Rs.million except ratios

Particulars	Quarter Ended					Half Year ended		
	Sept. 2003	Sept. 2002	Y-on-Y Growth	June 2003	Q2-on-Q1 Growth	Sept. 2003	Sept. 2002	Y-on-Y Growth
Total revenue	5,198	2,137	143%	4,568	14%	9,766	3,679	165%
EBITDA	1,375	266	417%	1,156	19%	2,531	224	-
Earnings before interest & tax	765	(167)	-	574	33%	1,339	(576)	-
EBITDA / Revenue	26%	12%		25%		26%	6%	

2.2.2.1 Fixed Line Operations

Rs.million except ratios

Particulars	Quarter Ended					Half Year ended		
	Sept. 2003	Sept. 2002	Y-on-Y Growth	June 2003	Q2-on-Q1 Growth	Sept. 2003	Sept. 2002	Y-on-Y Growth
Total revenue	1,921	777	147%	1,545	24%	3,465	1,333	160%
EBITDA	448	20	-	305	47%	753	(52)	-
Earnings before interest & tax	137	(258)	-	(20)	-	117	(586)	-
EBITDA / Revenue	23%	3%		20%		22%	-4%	

2.2.2.2 Long Distance, Group Data and Enterprise Services - comprises the national, international long distance operations, group data and enterprise services and landing station operations at Chennai.

Rs.million except ratios

Particulars	Quarter Ended					Half Year ended		
	Sept. 2003	Sept. 2002	Y-on-Y Growth	June 2003	Q2-on-Q1 Growth	Sept. 2003	Sept. 2002	Y-on-Y Growth
Total revenue	3,277	1,360	141%	3,024	8%	6,301	2,346	169%
EBITDA	927	246	277%	851	9%	1,778	276	543%
Earnings before interest & tax	628	91	589%	594	6%	1,221	10	11865%
EBITDA / Revenue	28%	18%		28%		28%	12%	

Note: Post implementation of new IUC regime from May 01, 2003, the revenue constitutes only the carriage and termination charges for originating long distance calls. Prior to May 01, 2003, the revenue constitutes origination, carriage and termination charges.

2.2.3 OTHERS - comprises the expenses of BTVL corporate office.

Rs.million except ratios

Particulars	Quarter Ended					Half Year ended		
	Sept. 2003	Sept. 2002	Y-on-Y Growth	June 2003	Q2-on-Q1 Growth	Sept. 2003	Sept. 2002	Y-on-Y Growth
Total revenue	-	-		-		-	-	
EBITDA	(83)	(93)	11%	(96)	13%	(179)	(160)	-12%
Goodwill Amortisation	386	337	14%	343	13%	729	673	8%
Depreciation & Others	(122)	29	-	(87)	-40%	(209)	41	-
Earnings before interest & tax	(347)	(459)	24%	(351)	1%	(698)	(874)	20%

2.2.4 Inter unit Elimination

Rs.million except ratios

Particulars	Quarter Ended					Half Year ended		
	Sept. 2003	Sept. 2002	Y-on-Y Growth	June 2003	Q2-on-Q1 Growth	Sept. 2003	Sept. 2002	Y-on-Y Growth
Revenue	(1,318)	(474)	-	(774)	-	(2,093)	(684)	-
EBITDA	89	1	-	83	-	172	0	-

2.3 Segment-wise Investments and Contribution

2.3.1 Investments in projects

Rs.million except ratios

Segment	As At September 30, 2003		As At June 30, 2003		As At March 31, 2003	
Mobility	79,239	71%	74,889	70%	68,468	69%
Fixed Line	15,839	14%	16,072	15%	15,431	16%
Long Distance & Group Data Services	16,857	15%	15,236	14%	14,679	15%
Corporate	349	0%	347	0%	344	0%
Total	112,284	100%	106,544	100%	98,922	100%
Accumulated Depreciation & Amortisation	19,069		16,947		15,226	
Net Fixed Assets & Other Project Investment	93,215		89,597		83,696	

Note: The investment in projects comprises gross fixed assets, capital work in progress, gross goodwill and one time entry fee paid.

2.3.2 Segment-wise Contribution to Revenue, EBITDA and Capex incurred during the period

Rs.million except ratios

	Quarter Ended September 2003						Half Year Ended September 2003					
	Revenue		EBITDA		Capex		Revenue		EBITDA		Capex	
	Rs. Million	% of total	Rs. Million	% of total	Rs. Million	% of total	Rs. Million	% of total	Rs. Million	% of total	Rs. Million	% of total
Mobility	7,566	66%	2,384	63%	4,304	76%	14,132	65%	4,130	62%	7,609	75%
Fixed Line	1,921	17%	448	12%	727	13%	3,465	16%	753	11%	1,368	13%
Long Distance & Group Data Services	3,277	29%	927	25%	1,621	28%	6,301	29%	1,778	27%	2,178	21%
Corporate	-	-	(83)	-2%	1	-	-	-	(179)	-3%	5	-
Total	12,764		3,676		6,653		23,898		6,482		11,160	
Eliminations	(1,318)	-12%	89	2%	(960)	-17%	(2,093)	-10%	172	3%	(960)	-9%
Total	11,446	100%	3,765	100%	5,693	100%	21,805	100%	6,654	100%	10,200	100%

Note: Elimination of Rs. 960 million in capex represents the transfer of network backbone of Madhya Pradesh fixed line services to Long distance services.

SECTION III

OPERATING HIGHLIGHTS

3.1 Customer Analysis

3.1.1 Overall Customers – Customers on Bharti’s network across segments

Figures in Nos, except ratios

	As on				
	Sept 30, 2003	June 30, 2003	Q2 -on-Q1 Growth	Sept. 30, 2002	Y-o-Y Growth
Mobile	4,617,018	3,750,989	23%	2,293,198	101%
Fixed-line	496,701	423,758	17%	260,974	90%
Total	5,113,719	4,174,747	22%	2,554,172	100%

3.1.2 Net Additions for the Quarter

3.1.2.1 Net Additions – Annual growth – New customers added on our network across segments during the period as compared to the corresponding period during previous year

Figures in Nos, except ratios

	Quarter ended		
	Sept 30, 2003	Sept. 30, 2002	Y-o-Y Growth
Mobile	866,029	686,496	26%
Fixed-line	72,943	55,547	31%

3.1.2.2 Net Additions – Quarter growth – New customers added on our network across segments during the quarter as compared to the previous quarter

Figures in Nos, except ratios

	Quarter Ended		
	Sept 30, 2003	June 30, 2003	Q2 -on-Q1 Growth
Mobile	866,029	679,526	27%
Fixed-line	72,943	51,785	41%

3.1.3 Mobile Market Share

3.1.3.1 All India – Net additions – New customers added on Bharti’s mobile networks compared to all India mobile net additions

Figures in Nos, except ratios

	Quarter Ended		
	Sept 30, 2003	June 30, 2003	Sept. 30, 2002
All India Net Additions	3,123,118	2,461,159	1,192,154
All Bharti Net Additions	866,029	679,526	686,496
Bharti Market Share of All India Net Additions	27.7%	27.6%	57.6%

3.1.3.2 All India – Total Customers – Customers on Bharti’s mobile networks as a percentage of All India mobile customers, during the quarter compared to that in previous quarter.

Figures in Nos, except ratios

	As on				
	Sept 30, 2003	June 30, 2003	Q2 -on-Q1 Growth	Sept. 30, 2002	Y-o-Y Growth
All India Mobile Subscribers	18,271,914	15,148,796	21%	8,531,382	114%
Bharti’s Mobile Subscribers	4,617,018	3,750,989	23%	2,293,198	101%
Bharti Subscribers as percentage of All India Subscribers	25.3%	24.8%		26.9%	

3.1.3.3 Market Share in Bharti Markets –Bharti’s share of customers and net additions as a percentage of customers and net additions in its own market.

	Quarter Ended		
	Sept. 30, 2003	June 30, 2003	Sept 30, 2002
Customers	27.7%	27.3%	28.6%
Net Additions	30.0%	31.2%	56.9%

3.1.4 Mobile Customer Mix – Bharti customers – Percentage of prepaid customers to total customers

Figures in Nos, except ratios

	As on		
	Sept. 30, 2003	June 30, 2003	Sept 30, 2002
Percentage of Prepaid Subscribers to Total Subscriber Base	83%	81%	66%
Percentage of Prepaid Net Additions to Total Net Additions	93%	103%	70%

3.2 Revenue & Usage

3.2.1 Mobile Business

	Quarter Ended		
	Sept. 30, 2003	June 30, 2003	Q2 -on-Q1 Growth
AVERAGE MONTHLY REVENUE PER USER (ARPU) (in Rs)			
Postpaid	1,428	1,500	-5%
Prepaid	355	334	6%
Blended	546	582	-6%
AVERAGE MONTHLY MINUTES OF USE PER CUSTOMER (Minutes)			
Postpaid	689	662	4%
Prepaid	216	191	13%
Blended	300	291	3%
SMS			
SM S Revenue as a percentage of Total Mobile Revenue	3.1%	2.9%	
CHURN - MONTHLY			
Postpaid Voluntary Churn	1.5%	1.5%	
Postpaid Company Initiated Churn	4.2%	5.2%	
Prepaid	4.5%	4.8%	

3.2.2 Fixed Line Business

	Quarter Ended		
	Sept. 30, 2003	June 30, 2003	Q2 -on-Q1 Growth
Average Monthly Revenue Per User (ARPU) (in Rs)	1,360	1,310	4%

3.3 Human Resource Analysis

	Quarter Ended		
	Sept. 30, 2003	June 30, 2003	Q2 -on-Q1 Growth
EMPLOYEE PRODUCTIVITY			
Mobile Consolidated			
Customers per employee (Nos)	1,598	1,337	20%
Gross Revenue per employee per month (Rs)	872,811	780,022	12%
Fixed Line Consolidated			
Customers per employee (Nos)	406	349	16%
Gross Revenue per employee per month (Rs)	523,057	424,432	23%
Long Distance & Group Data Services			
Gross Revenue per employee per month (Rs)	1,647,337	1,506,638	9%

SECTION IV

MANAGEMENT DISCUSSION & ANALYSIS

KEY INDUSTRY DEVELOPMENTS

A) INDUSTRY

Recommendations by the Group of Ministers (GoM) on Telecom

Based on the press reports dated September 11, 2003 the Government set up a six-member group of ministers, on telecommunications, headed by Finance Minister - Jaswant Singh. Other members of the group include Communications Minister - Arun Shourie, Information and Broadcasting Minister - Ravi Shankar Prasad, Defence Minister - George Fernandes, Law Minister - Arun Jaitley and External Affairs Minister - Yashwant Sinha.

The group has been set up to resolve certain issues or demands made by telecom service providers, which includes enforcement of limited mobility, intra-circle mergers and acquisitions, spectrum availability, enhancement of foreign direct investment (FDI) limit, convergence bill, migration to a unified licensing regime, sales tax issue on telecom services and ways to meet rural telephony targets.

The GoM met on September 25, October 4 and 12, 2003 and made recommendations on the above mentioned issues except for the issues relating to unified licensing. The GoM has recommended to limit mobility to a Short Distance Charging Area (SDCA), however, the final view is yet to be taken on how to enforce limitedness of WLL(M) services. The next meeting is tentatively scheduled for October 30, 2003.

Following are the recommendations referred to the Cabinet for its approval

1. **GoM recommends 74% foreign holding ceiling for the telecom sector** - the GoM recommended a hike in the foreign investment limit in Indian telecom companies to 74 per cent from the present overall cap of 49 per cent. While the FDI by foreign telecom companies will remain capped at 49 per cent, an additional 25 per cent investment by foreign institutional investors (FIIs) may be permitted. There may be a number of issues, before the cabinet provides its final approval.
2. **Intra-circle mergers of telecom service providers** - the GoM recommended allowing intra-circle mergers in the sector subject to the fulfillment of certain conditions:
 - o The number of service providers should not fall below three in any circle.
 - o All the obligations will get transferred to the new owner.
 - o The new owner would get spectrum only on the basis of subscriber base.
3. **Additional Spectrum for Service Providers** -the GoM has agreed to free 25 MHz of additional spectrum for mobile service providers over the next three years. This would take the spectrum available per operator to 15 Mhz if the additional frequency is distributed among the four cellular operators per circle. The GoM has also indicated to provide incentives, like lower license fees, to those operators who efficiently utilize the spectrum made available to them.
4. **No sales tax on telecom services** – the GoM has recommended on an appeal for abolition of sales tax on telecom services as these services are already under the purview of service tax. The Supreme Court also stated that all coercive actions taken by state governments against telecom service providers to recover sales tax would be restrained in the future. In addition, the telecom operators have also been directed to file appeals against the assessment orders, which would have been passed during the past period. The Supreme Court has also recommended that the operators will have to pay up dues where the assessment has been completed. The case has further been referred to a larger bench.
5. **Ways to meet rural telephony targets** - in order to increase the tele-density in rural areas, the Department of Telecom (DoT) and the Finance Ministry has to work out a joint note for the Universal Service Obligation (USO) fund. The GoM has deliberated on whether the current ceiling of 5% of revenue share going towards USO be increased, and has also favoured extending support to Bharat Sanchar Nigam Ltd (BSNL) for the entire period of Tenth Plan by waiving the license fee and dividend payment obligations.
6. **Convergence Bill** - the GoM has recommended as to not to proceed with the proposed legislation as of now.

Wireless in Local Loop (WLL)

Challenge on Government's decision in allowing of WLL (M) services by COAI and some of the mobile operators

On August 8, 2003, the TDSAT gave its Judgement on the issue relating to the permissibility of WLL (M) services. However, the bench was divided in its opinion. The Chairman of the Tribunal held that the basic premise on which TRAI proceeded was faulty. In his opinion, the grant of limited mobility is not legal. However, the majority opinion of the Tribunal held that WLL (M) was permissible and had to be seen as value addition to WLL service, provided the nature and features of the service are qualitatively different from those of the cellular mobile services.

The Judgement held that WLL (M) services should be limited to within the Short Distance Charging Area (SDCA) even though the service area of the Basic Service Operator (BSO) may comprise several SDCAs. According to the TDSAT, the most crucial difference between cellular mobile services and WLL (M) services is that the WLL (M) handset cannot be authenticated except in any SDCA other than the one than in which it is registered.

The Tribunal thereafter went on to specify the measures the Regulator should take to ensure establishment of a level playing field in the telecom sector, pursuant to which TRAI released a consultation paper on level playing field issues arising out of the TDSAT judgement.

Consultation Paper on WLL (M) related Level Playing Field

Pursuant to the above judgement of the Tribunal, TRAI issued a Consultation Paper on August 28, 2003, inviting comments from all stakeholders in the telecom industry. The consultation paper covered issues relating to (i) additional entry fee payable by BSOs for providing WLL (M) services; (ii) Additional spectrum fee chargeable for the additional spectrum beyond 5 MHz for WLL (M) service; (iii) relief to cellular mobile operators with regard to points of interconnection between CMSPs and BSOs; and (iv) increasing the retention of 5% access charge to a reasonable level.

Use of V5.2 Technology To Limit Mobility

Vide its order dated September 23, 2003; TDSAT disposed off the petition filed by cellular operators on the use of Mobile Switching Centre (MSC) based architecture for provision of WLL (M) services by basic service operators. However, the bench was divided in its opinion. The Chairman of TDSAT stated that the distinction between the two services, i.e. WLL (M) and cellular mobility is to be maintained and the key differentiating factor between the two services is the MSC. Although the majority judgement permitted WLL (M) operators to use the MSC architecture, it reiterated the distinctions between cellular services and WLL (M) services and asked the regulator and the licensor to preserve the marked distinction between cellular services and WLL (M) services. Stating that WLL (M) has disturbed the level playing field (LPF) conditions of the Cellular Operators, the Tribunal held that there was no evidence about the steps taken by the Licensor or the TRAI to ensure the compliance of the guidelines dated January 25, 2001 issued by TRAI.

The TDSAT therefore suggested that the Government may set up a task force, consisting of independent technical experts (from Indian Institute of Technologies (IITs) and Council of Scientific and Industrial Research (CSIR) in the field of telecommunications to work out modalities for restricting limited mobility service to SDCA on WLL platform and enforcing all other parameters laid down by the licensor in the guidelines dated January 25, 2001 read with DoT letter dated August 22, 2001 and the licence agreement. The time limit for completion of this exercise has been suggested as two months from the date of this order.

Directive on Reporting of Revenues by Operators

On July 31, 2003, TRAI issued a directive to all service providers wherein they directed all service providers to provide data such as gross revenue from service, net revenue as per Adjusted Gross Revenue (AGR), license fee, spectrum charges payable and details on number of customers along with the quarterly performance monitoring report (PMR). This directive stands with effect from quarter ending September 2003 and onwards. Some of the operators have already started reporting the said information starting quarter ended June 30, 2003.

Interconnection Usage Charge (IUC)

Open house sessions were conducted across the country whereby, the Regulator invited comments from all stakeholders and consumer groups pertaining to various aspects of the IUC. As per TRAI, the new IUC regulation is likely to be released by the end of October 2003.

Refund of Security Deposit attributable to Disconnections

TRAI has directed all services providers to initiate refund of the security deposits to its customers who have been disconnected within a 60 days span after adjustment of further dues. In case of any delay, an interest charge @ 10% per annum for the delayed period has been underlined.

Initiation Of Mobile Services by BSNL in the Jammu & Kashmir State

BSNL has launched its GSM Mobile Services, CellOne, in the telecom circle of Jammu & Kashmir. BSNL is only the cellular operator, who is providing GSM Mobile services in this circle.

Direct Connectivity between networks of Service Providers

TRAI has issued a Directive under Section 13 of TRAI Amendment Act on **Direct Connectivity between networks of Service Providers** dated July 22, 2003 to all the service providers. The said Directive acknowledged that transiting traffic between service providers in the same service area entails avoidable transit charges, which have to be eventually borne by the customers in the form of higher tariffs. Accordingly, TRAI has mandated Direct Connectivity, in the same service areas between all service providers within three months from the date of its Directive.

In view of the above Directive, Bharti has also already approached BSNL and MTNL requesting them to initiate the process of establishing direct interconnection between the cellular operations of BSNL and MTNL and Bharti's fixed, mobile and long distance networks. However, we are yet to receive any response from them.

BSNL has filed an appeal against the above Directive on the grounds that TRAI is not empowered to change the license conditions and it can only make recommendations in respect of the same. The appeal is expected to be listed only after the new members of TDSAT are appointed.

B) COMPANY

AirTel launched its new brand campaign "Express Yourself" and selected Sachin Tendulkar as the new brand ambassador

On October 7, 2003, AirTel unveiled its new brand campaign, "**Express Yourself**". The new brand campaign showcases AirTel as a means of free expression by encouraging customers to freely express themselves anytime, anywhere.

In addition, Airtel also announced world renowned cricketer, Sachin Tendulkar to be its new brand ambassador. This is the first time ever that Sachin is actively associating himself with any telecom brand anywhere in the world.

Bharti's constitution of its Mobility Board

On October 13, 2003 Bharti announced the constitution of its mobility board. The board, headed by Mr. Manoj Kohli, President-Mobility Leaders, will comprise of six directors. This is a step towards institutionalizing Bharti and preparing it for bigger size and scale.

Inclusion of Bharti in BSE Sensex

On September 27, 2003 the Stock Exchange Mumbai (BSE) included BTVL in the BSE Sensex consequent to a revamp of the constituents of the Sensex. This change will be with effect from November 10, 2003.

Awards & Recognitions

On August 29, 2003, Bharti Tele-Ventures Limited (BTVL) was ranked the 14th Best Employer amongst the top 25 companies in India, according to a survey conducted by Hewitt-BT. The Best Employers survey is part of Hewitt Associates global initiative. BTVL is the only Company whose HR department has received a Special Achievers award for "**Aligning people systems to business needs.**" This also makes BTVL the only Telecom Company and the youngest company to make it to achieve a ranking in the top 25.

AirTel launched dual band network in Delhi

On August 21, 2003, Bharti Cellular Limited launched the country's first dual band network in its Delhi circle. The dual band network will help AirTel leverage the benefits of 1800 MHz and 900 MHz frequency bands. This will ensure better connectivity and minimal network congestion even at peak hours especially at the high call traffic areas. The dual band solution will also lead to further optimization in spectrum usage.

AirTel crossed six hundred thousand customers in Punjab & turned market leaders

On October 16, 2003, AirTel, India's leading cellular service created history in Punjab by becoming the first service provider in the Country to cross 6,00,000 customer mark in just 19 months of operation.

Bharti Mobile - Punjab Litigation

The arbitration proceedings for a claim for refund of license fee and interest paid to the DoT were decided against Bharti Mobile limited, licensee of the Punjab Mobile circle. The company had already paid the license fees and interest thereon in an ESCROW account before the commencement of arbitration proceedings. The company challenged the award before the Delhi High Court and the Court has been pleased to admit the objections filed by Bharti Mobile Ltd. and issued notice to the DoT. The implementation of the award passed by the arbitrator remains stayed till the time the objection filed by the company are finally decided by the Hon'ble High Court. The objections are now fixed for the final hearing on November 27, 2003.

4.2 RESULTS OF OPERATIONS

As on September 30, 2003, we had an aggregate of 5,113,719 customers, consisting of 4,617,018 mobile and 496,701 fixed line customers making us the first private operator to cross the five million-subscriber base mark.

During the quarter ended September 30, 2003, the company had revenue of Rs 11,445 million and EBITDA of Rs 3,765 million, exhibiting a sequential growth of 10% and 30% respectively. The growth in revenue and EBITDA was primarily on account of strong customer additions coupled with increased usage per customer and reduction in bad debts. The EBITDA margin during this quarter improved to 33% from 28% in the quarter ended June 30, 2003.

Our performance during the quarter ended September 2003, wherein we acquired a large market share of customers and also improved our revenues and operating profits, led to a further consolidation of our net profits. During the quarter, the consolidated net profit improved three times over to Rs.933 million from Rs. 310 million in quarter ended June 2003. The net profit margin improved to 8.2% from 3% the previous quarter.

The consolidated revenues for the quarter ended September 2003 at Rs 11,445 million, grew by 74% over the corresponding quarter last year. During the same period, the operating expenses increased only by 13% from Rs. 3,486 million to Rs. 3,929 million. This resulted in EBITDA being tripled from Rs. 1,212 million to Rs. 3,765 million. This is a clear demonstration of operating efficiencies achieved by the company and also indicates benefits of scale in telecom.

As compared to the half year ended September 2002, when we had net losses of Rs 1,966 million, we have achieved profits of Rs 1,243 million for the half-year ended September 2003.

During the quarter ended September 30, 2003, we incurred a capital expenditure (including capital-work-in-progress) of Rs 5.7 billion (US\$125mm) for the company.

The funded equity of Bharti Tele-Ventures as on September 30, 2003 was Rs.52 billion. As on that date, the net debt of the company was approximately Rs.38 billion resulting in a net debt to funded equity ratio of 0.74. The book value of the company at that time was Rs.25 per share.

Mobile Business

During the quarter, we improved our market share to 25.3% from 24.8% last quarter, as we registered a higher subscriber growth of 23% as compared to all India subscriber growth of 21%. The GSM market added more than 3 million subscriber during the quarter of which we added 27.7%.

During the quarter, the percentage of prepaid net additions reduced to 93% from 103% last quarter. Thus, we saw a reversal of trend after two quarters, whereby 7% of our net additions came from post paid segment. This was possible due to the effective implementation of our retention strategy leading to reduction in churn, and also due to introduction of attractive postpaid tariff plans during the quarter. Prepaid subscriber base formed 83% of our overall subscriber base as on September 30, 2003.

During the quarter, the prepaid churn reduced to 4.5% from 4.8% in the previous quarter, while the company initiated postpaid churn reduced to 4.2% from 5.2%.

The consolidated revenues from our mobile business for the quarter ended September 30, 2003 were approximately Rs.7,565 million, contributing to 66% of our overall revenue and exhibiting a sequential growth of 15%. The EBITDA during the quarter was Rs 2,384 million. The EBITDA margin of 32% improved substantially from 27% during the quarter ended June 30, 2003. Individually, all our new mobile operations have turned EBITDA positive.

During the quarter, our postpaid ARPU was Rs.1,428 (US\$ 31) per month and our prepaid ARPU was Rs.355 (US\$ 8) per month, resulting in a blended ARPU of Rs 546 (US\$12). During the quarter, the improvement in our prepaid ARPU by 6%, despite a reduction in per minute realization was primarily due to the increased usage. The incoming termination revenue that we have received for terminating minutes has also supported the current ARPU levels.

The blended usage per customer increased from 291 to 300 minutes per customer. The increase in MOU per customer is 13% in prepaid and 4% in postpaid. The traffic on our networks increased during the quarter due to increased usage of the existing customers and significant new additions.

Fixed line Business

During the quarter ended September 2003, we added 72,943 on our fixed line networks, a customer growth of 17% over the last quarter and 90% over the last year, thus taking our subscriber base to 496,701. This has been the highest net additions ever on our fixed line networks. We continue to be the largest private sector wire-line operator in the country.

The consolidated revenues from our fixed line operations at Rs 1,921 million, registered a sequential growth of 24% in this business, and the consolidated EBITDA at Rs. 448 million improved by 47% over the previous quarter. The EBITDA margin improved to 23% from 20% the previous quarter.

Due to the increased usage per customer, ARPU, for the quarter improved to Rs 1,360 (US\$ 30) per month from Rs 1,310 (US\$ 29) in the previous quarter.

Our fixed line investments have started showing positive returns. During the quarter ended September 2003, our consolidated fixed line operations have turned EBIT positive with an EBIT of Rs 137 million. Infact, two of our new fixed line operations; Haryana & Delhi have already started generating profit after tax.

Long Distance, Group Data and Enterprise Services

During the quarter, the consolidated revenues at Rs.3,277 million from our long distance business and group data business had an increase of 8% over the last quarter. The EBITDA from these businesses during the quarter was Rs 927 million exhibiting a margin of 28%. Our long distance operations have experienced a month on month growth in traffic carried by us due to increased captive subscriber base and superior network quality. Our network quality has also enabled us to retain traffic of the other CMSPs. The improvement in revenues is also supplemented by increased data revenue on account of sale of leased lines during the quarter.

SECTION V

5.1 STOCK MARKET HIGHLIGHTS

5.1.1 General Information

Opinion & Financial Data

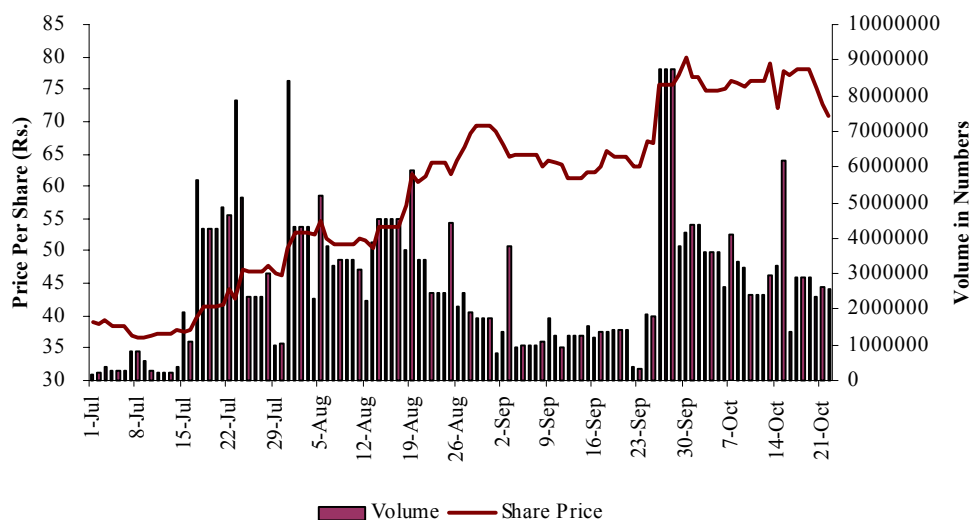
No. of Shares Outstanding	Million Nos.	1,853
Closing Market Price (October 22, 2003)	Rs./Share	70.90
Market Capitalisation	Rs. Million	131,404
Book Value Per Share	Rs.	25.16
Market Price/Book Value	Times	2.82
Net Debt/Funded Equity	Times	0.74
Enterprise Value	Rs. Million	169,709
Enterprise Value/Annualised Q2 Revenue	Times	3.71
Enterprise Value/Annualised Q2 EBITDA	Times	11.27

Stock Data

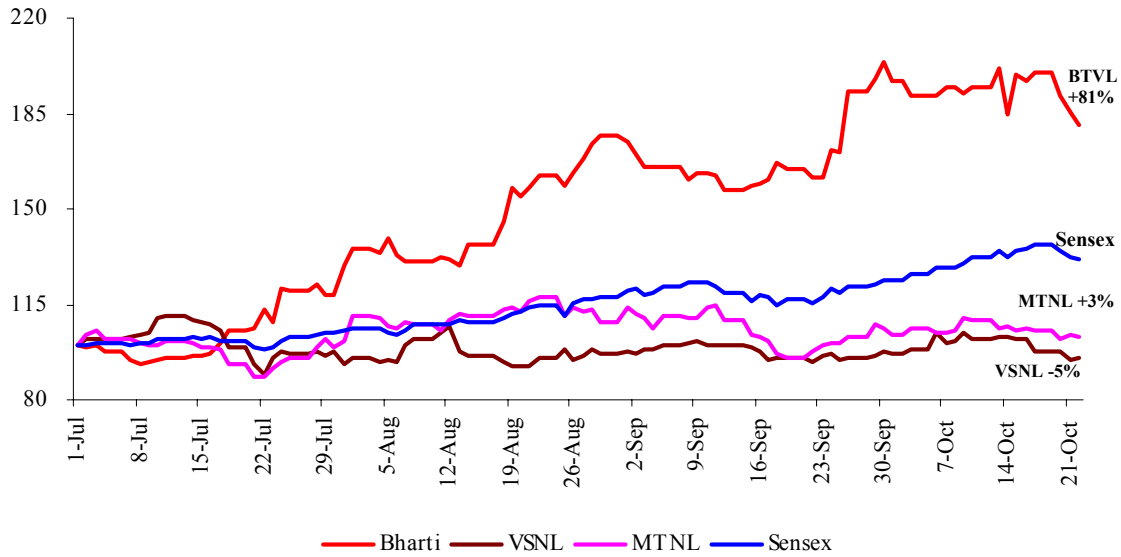
Symbol/Exchange	BHTIF/Bombay
Bloomberg/Reuters	BHARTI IN/BRTLBO
Shareholding Pattern	As on September 30, 2003
Promoters Holding	46.60%
Singtel (Pastel Ltd)	15.95%
Free Float*	37.45%
Foreign Holding	47.25%
Combined Volume (July 01-Oct 22, 2003)	2.7 million per trading day

* Free float includes 4.4% shareholding of Indian public & institution which has foreign ownership restrictions (not freely tradeable across Indian and Overseas investors)

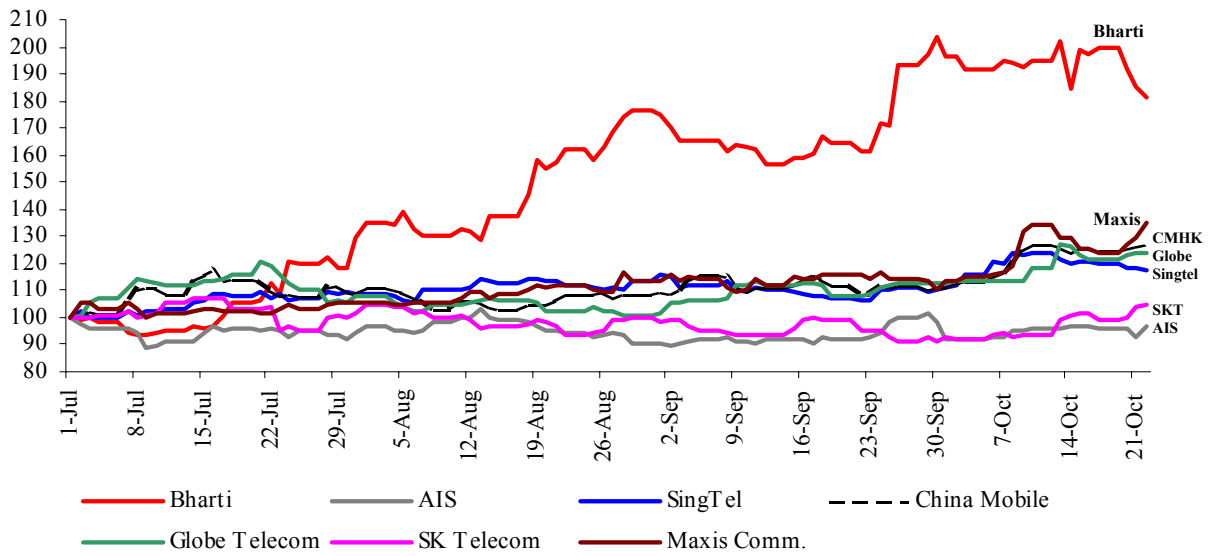
5.1.2 Bharti Tele-Ventures Daily Stock Price` (BSE) & Volume (combined of BSE and NSE) Movement



5.1.3 Comparison of Domestic Telecom Stock Movement with Sensex



5.1.4 Comparison of Select Asian Telecom Stock Movement with Bharti Tele-Ventures Stock



ANNEXURES

A1 Financial Statements

A1.1 Consolidated Profit & Loss Statement as per International Accounting Standards

Rs.million except ratios

Particulars	Quarter Ended					Half Year ended		
	Sept. 2003	Sept. 2002	Y-on-Y Growth	June 2003	Q2-on-Q1 Growth	Sept. 2003	Sept. 2002	Y-on-Y Growth
Total revenue	11,445	6,576	74%	10,360	10%	21,805	11,963	82%
Access & interconnect charges	2,463	1,099	124%	2,733	-10%	5,196	2,205	136%
Net revenue	8,982	5,477	64%	7,627	18%	16,609	9,759	70%
Network operating expenses	1,190	761	56%	990	20%	2,180	1,287	69%
Sales & marketing expenses	863	1,136	-24%	709	22%	1,571	1,734	-9%
Personnel expenses	921	723	27%	839	10%	1,760	1,248	41%
Other operation expenses	955	865	10%	1,114	-14%	2,069	1,516	37%
Total operating expenses	3,929	3,486	13%	3,651	8%	7,580	5,784	31%
License fees	1,288	780	65%	1,088	18%	2,375	1,382	72%
EBITDA	3,765	1,212	211%	2,889	30%	6,654	2,593	157%
Net finance costs	707	768	-8%	632	12%	1,338	1,389	-4%
Cash profit from operations	3,058	443	590%	2,258	35%	5,316	1,204	342%
Non-operating income	18	25	-27%	8	125%	26	35	-25%
Loss of associate / Joint-venture	-	-		-		-	-	
Pre-operating costs	-	171	-100%	-		-	378	-100%
Depreciation & Amortisation	2,137	1,600	34%	1,956	9%	4,093	2,842	44%
Depreciation	1,614	1,101	47%	1,469	10%	3,083	1,927	60%
Amortisation - License fee	126	126	0%	125	1%	251	173	45%
Amortisation - Goodwill	386	337	14%	343	13%	729	673	8%
Amortisation - Others	11	35	-68%	19	-42%	30	68	-55%
Earnings before tax & Unusual items	939	(1,302)		309	204%	1,249	(1,981)	
Unusual Expense/(Income)	-	-		-		-	-	
Earnings before tax	939	(1,302)		309	204%	1,249	(1,981)	
Income tax income/(expense)	(0)	-		(0)		(1)	-	
(Profit) / loss to minority shareholders	(6)	12		1		(5)	15	
Net profit / (loss)	933	(1,290)		310	201%	1,243	(1,966)	

Ratios:								
Opex to Net Revenue	43.7%	63.6%		47.9%		45.6%	59.3%	
EBITDA Margin	32.9%	18.4%		27.9%		30.5%	21.7%	
Net Profit Margin	8.1%	-19.6%		3.0%		5.7%	-16.4%	
Interest Coverage ratio	5.33	1.58		4.57		4.97	1.87	

Note: The access and interconnection charges, network operating expenses and other operating expenses for the quarter ended June 2003 have been restated due to reclassification of certain expense items.

A1.2 Consolidated Balance Sheet as per International Accounting Standards
Rs Millions, except ratios

Particulars	As at Sept. 30, 2003	As at June 30, 2003	As at March 31, 2003
LIABILITIES & EQUITY			
Funded Equity	51,765	51,750	51,734
Reserves & Surplus	(5,130)	(6,062)	(6,992)
Shareholder's equity	46,635	45,689	44,742
Minority interest	98	92	93
Total borrowings	40,780	37,466	35,932
Other non-current liabilities	3,640	3,631	2,293
Total liabilities & equity	91,153	86,878	83,061
ASSETS			
Gross fixed assets, including capital-work-in-progress	71,695	66,001	61,494
Accumulated depreciation	14,891	13,281	11,817
Net fixed assets	56,804	52,720	49,678
Goodwill	27,388	27,729	24,744
Entry Fee not written off	9,023	9,149	9,274
Net fixed assets & other project investments	93,215	89,597	83,696
Other non-current assets	3,231	3,111	3,165
Net current assets	(5,293)	(5,830)	(3,800)
Total Assets	91,153	86,878	83,061

Ratios			
Net debt	38,305	35,283	31,740
Net debt to funded equity	0.74	0.68	0.61
Number of Shares Outstanding (Million Nos.)	1,853	1,853	1,853
Book Value Per Share (in Rs)	25.2	24.7	24.1
Debt to EBITDA (Net Debt/Annualised EBITDA)	2.54	3.05	2.44
Net Debt to market capitalisation	0.29	0.43	0.51

A 1.3 BTVL – Cash Flow

Rs million except ratios

Particulars	Qtr ended September 30, 2003	Half Year ended September 30, 2003
Opening cash & marketable securities	2,183	4,192
<u>Add: Sources</u>		
EBITDA	3,765	6,654
Increase in Funded Equity	15	32
Minority Interest	6	5
Increase in Other Non Current Liabilities	9	1,346
Increase in borrowing	3,314	4,848
	7,109	12,885
<u>Less: Applications</u>		
Payment on Acquisition of Telia Stake	-	1,352
Increase in Net Current Assets	314	1,671
Increase in Non Current Assets	120	66
Finance Cost net of Non-Operating Income	689	1,312
Period capital expenditure	5,694	10,201
	6,817	14,602
Closing cash & marketable securities	2,475	2,475

A1.4 Key Accounting Policies

1. Revenue recognitions:

Prepaid cards and Internet dial up cards: Revenues from pre-paid cards and pre-paid dial up packs are recognized based on the actual usage i.e. minutes or usage basis. Until such time the unutilized value of the card is treated as “revenue received in advance”.

2. Goodwill

Goodwill is stated as an excess of the purchase consideration over BTVL’s interest in the fair value of the net identifiable assets acquired. Goodwill is carried at cost less accumulated amortization and is amortized on a straight-line basis over a period upto 20 years from the month of acquisition.

3. License Fees

Licenses signed under the old license fee regime

The license fee costs incurred under the old license fee regime until the date of migration to the NTP i.e. July 31, 1999 and the revenue share fee from the date of migration are expensed as incurred. The revenue share is computed on the basis of AGR.

Licenses signed under NTP 1999

License entry fee is recognized as an intangible asset and is measured at cost. License entry fee is amortised on a straight-line basis over the life of the license post commercial launch and the revenue share is computed on the basis of AGR.

4. Provision for bad debts:

Provision for doubtful debts is made for all dues outstanding for more than 90 days in case of active subscribers and dues from subscriber who have been deactivated, other than those covered by security deposit. All dues from other telecom operator on account of IUC, which are outstanding more than 120 days from the date of billing, are provided for in the books. However, the amount to be provided will be netted off against any amount payable to that operator pertaining to the same period.

5. Pre-operative costs:

Pre-operative costs incurred before launch of service by any operation are capitalized only to the extent they are directly attributable to network creation. All other indirect costs including expenses of non-technical, manpower, administrative costs, pre-launch sales and marketing expenses, interest expenses and other start-up costs are expensed below EBITDA in the year in which they are incurred.

6. Depreciation:

The fixed assets have been depreciated based on the estimated life of the usage of the asset, which is as follows:

Assets	Years
Building	20
Network Equipment	10-15
Computer equipment	3
Office, furniture and equipment	5
Vehicles	5
Leasehold improvements	Period of Lease or 10 years whichever is less

7. Deferred tax:

Although the management recognizes profit potential of each operation, this income has been recognized only for operations where early signs of profitability have been noted.

A1.5 Consolidated Profit & Loss Statement as per Indian GAAP*Rs million except ratios*

Particulars	Qtr ended September 30, 2003	Half Year ended September 30, 2003
	Un-audited	
Total revenue	11,445	21,805
EBITDA	3,765	6,654
Cash profit from operations	3,008	5,169
Depreciation & Amortisation	2,148	4,112
Pre-Operative & Others	(18)	(26)
Earnings before tax	879	1,083
Provision for Tax	0	1
Minority Interest	6	5
Net profit / (loss)	872	1,077

A1.6 Reconciliation of Indian GAAP and International Accounting Standards – P&L

Rs million

Particulars	Qtr ended September 30, 2003	Half Year ended September 30, 2003
	Un-audited	
Net profit / (loss) as per IAS	933	1,243
Add: Differences on account of:		
Goodwill amortisation	184	355
Less: Differences on account of:		
License fee amortisation not applicable in IAS	149	297
Differences in accounting for finance charges	43	138
Differential depreciation provided in Indian accounts due to forex fluctuations not considered in IAS	45	76
Remeasurement of financial instruments as per IAS 39 not applicable as per IGAAP	8	10
Net profit/(loss) as per Indian GAAP	872	1,077

G1 GLOSSARY
Technical and Industry Terms

Financial and Operational (Company Related)	
AGR	Adjusted Gross Revenues. Used for computing the license fees and WPC charges payable by a mobile services provider and have been provisionally defined as total income of a mobile services provider net of access and interconnection charges actually paid to other telecom service providers, roaming revenues passed on to other telecom service providers and service tax and sales tax, if included in the total income.
ARPU (for mobile services)	Average Revenue per customer per month is calculated by dividing the total revenue billed to our customers and termination charges received for incoming calls from operators by the average number of customers during the period. The result so obtained is divided by the number of months in that period.
ARPU (for fixed-line services)	Average Revenue per customer per month. It is calculated by dividing the total fixed-line revenues (including termination revenue) by the average number of customers during the period. The result so obtained is divided by the number of months in that period.
Average Customers	Average customers are calculated by considering the average of the monthly average customers.
Billed Revenue (for mobile services)	Billed Revenue comprises of the total airtime revenues, the rentals, the value added services, other fees and charges, surcharge on out roamer's roaming revenue and the interconnect revenue other than interconnect revenue from in-roamers.
Cash Profit from Operations	Cash Profit from Operations is defined as EBITDA less net finance cost.
Churn	Churn is computed as the total disconnections during the period divided by the sum of opening customer base and the gross additions during the period divided by the number of months in the period. The Company initiated churn is involuntary contract churn.
EBITDA	EBITDA represents earnings (loss) before depreciation, pre-operating costs, amortization, interest and taxation.
EBIT	EBIT represents earnings (loss) before interest and taxation.
Funded Equity	Funded Equity includes the paid-up and issued Share Capital and the Share Premium net of loans given to ESOP trust.
MoU	Minutes of Usage. Duration for which a customer uses mobile services. It is typically expressed over a period of one month. MOU per customer per month is the weighted average minutes of usage per customer per month is calculated by: (i) Dividing the total minutes of usage (including incoming & outgoing minutes) for the quarter in our mobile networks less total roaming minutes by 3; and (ii) Dividing the result by the average customers.
Net Debt	Total borrowings less cash and marketable securities.
Post-paid services	Provision of mobile services to customers, in which the customers pay for usage of mobile services at the end of the billing period for services, including airtime, value added services, access and interconnection charges and other charges.
Pre-paid services	Provision of mobile services to customers, in which the customers pay a fixed amount, which is valid for a certain period, for usage of mobile services, including airtime, value added services, access and interconnection charges and other charges.
Roaming	Occurs when mobile customers use the mobile service outside their home network. Roaming facility is made available by an arrangement between two mobile services providers to allow their respective customers to roam on each other's networks.

Others (Industry)	
ACMA	Automotive Component Manufacturers Association of India
BSE	Bombay Stock Exchange
BSE SENSEX	The BSE 'Sensex' is a widely used market index for the BSE and is a value-weighted index composed of 30 companies. The set of companies in the index is essentially fixed and these companies account for around one-fifth of the market capitalization of the BSE.
BSNL	Bharat Sanchar Nigam Limited. On October 1, 2000 the Department of Telecom Operations, Government of India became a corporation and was christened as Bharat Sanchar Nigam Limited (BSNL), and is one of the largest Public Sector Undertaking of India. As an integrated telecom player it offers a wide range of services such as basic telephony, Internet, ISDN, Cellular, WLL etc.
CMSPs	Cellular Mobile Service Providers
COAI	The Cellular Operators Association of India (COAI) was constituted in 1995 as a registered, non - profit, non - governmental society dedicated to the advancement of communication - in particular of modern communication through Cellular Mobile Telephone Services. The main objective of the COAI is to protect, promote and upgrade mobile cellular operations in India and also to look after the common and collective interests of its members.
DoT	Department of Telecommunications. It is within the purview of Ministry of Communications, Government of India.
FSPs	Fixed Service Providers. They primarily provide fixed line services and carry long distance traffic within their service area without seeking any additional license.
Interconnection	Connection of telecommunications devices of service providers to the PSTN. It refers to joining of two or more networks to enable traffic to be transmitted to and from calling destinations.
Limited mobility	Provision of last mile access to customers by fixed-line service providers, within a SDCA, using WLL application.
IUC	Interconnect Usage Charge means the charge payable by one service provider to one or more service providers for the usage of the network elements for origination, transit and termination of calls.
Local Loop	Communications lines/ services between the customer and the switching center for the telecommunications services provider.
MSC	Mobile Switching Center. In an automatic mobile communications system, the interface between the radio system and the public switched telephone network (PSTN). The MSC performs all signaling functions that are necessary to establish calls to and from mobile stations.
MTNL	Mahanagar Telephone Nigam Limited. A Government owned company, providing telecommunications services in Delhi and Mumbai.
New Circles	Our new mobile circles constitute the Punjab, Haryana, Mumbai, Maharashtra, Gujarat, Uttar Pradesh (W), Tamil Nadu, Kerala, and the Madhya Pradesh circles. Of these only the Punjab circle was operational as of March 31, 2002. Our new fixed line circles constitute the Delhi, Haryana, Tamil Nadu and the Karnataka circles. Of these only the Delhi and the Haryana circles were operational as of March 31, 2002. Group data and broadband services have been regrouped into new operations post the announcement of merger of fixed line, long distance and data and broadband into Bharti Infotel Limited.
NSE	National Stock Exchange

SMS	Short Messaging Services, by which text messages of up to 160 characters can be exchanged between two or more mobile customers.
SDCA	Short Distance Charging Area
TDSAT	Telecom Dispute Settlement Appellate Tribunal- A separate disputes settlement body known as “Telecom Dispute Settlement and Appellate Tribunal” to adjudicate any dispute between a licensor and licensee, between two or more service providers, between a service provider and a group of consumers, and to hear and dispose of appeals against any decision or order of TRAI, has been formally constituted.
TRAI	Telecom Regulatory Authority of India. An autonomous body set up by the Government which operates under the TRAI Act and has been conferred certain regulatory and adjudicatory powers.
TTO	Telecommunications Tariff Order, 1999 as amended from time to time.
VSAT	Very Small Aperture Terminal. A satellite communications technology that employs frequencies in the Ku band or C band and very small receiving dishes. VSAT systems employ satellite transponders; the receiving dishes may be leased or owned by the VSAT user.
VPTs	Village public telephones
VSNL	Videsh Sanchar Nigam Limited
WLL	Wireless in Local Loop. It denotes the use of wireless technology for the last mile access by fixed-line service providers. Code Division Multiple Access (CDMA) and Time Division Multiple Access (TDMA) are among the commonly used technologies for providing wireless in the local loop.
WPC	Wireless Planning & Coordination Wing. WPC Wing of the Ministry of Communications is the Radio Regulatory agency responsible for radio frequency spectrum management including licensing and caters for the needs of all wireless users in the country, government or private, security or non-security.