Bharti Tele-Ventures Limited

(Incorporated as a public limited company on July 7, 1995 under the Companies Act, 1956)
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QUARTERLY REPORT OF UNAUDITED RESULTS

FOURTH QUARTER & FULL YEAR ENDED MARCH 31, 2003

DATED – APRIL 23, 2003

The financial statements, and the other information included in this quarterly report, fairly present 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. 2002	Sept 30. 2002	Dec 31. 2002	Mar 31. 2003
Total Customer Base	**Nos (000's)**	**134**	**350**	**702**	**1,515**	**3,443**	**1,812**	**2,554**	**3,092**	**3,443**
Mobile										
Number of circles operational	Nos	2	4	5	7	15	10	15	15	15
Number of customers	Nos (000's)	122	283	595	1,351	3,071	1,607	2,293	2,775	3,071
Total market share of all India customers	%	10.0%	15.0%	17.0%	21.0%	24.2%	22.0%	27.0%	26.5%	24.2%
Percentage of all India population covered in licensed areas	%	2%	14%	15%	58%	58%	58%	58%	58%	58%
Percentage of all India area covered in licensed areas	%	2%	16%	16%	56%	56%	56%	56%	56%	56%
Percentage of all India mobile customers in licensed areas	%	18%	30%	31%	93%	91%	93%	94%	93%	91%
Fixed line										
Number of circles operational	Nos	1	1	1	3	6 #	6 #	6 #	6 #	6 #
Number of customers	Nos (000's)	12	67	107	164	372	205	261	317	372
Consolidated financials as per IAS										
Revenue	Rs Million	2,449	4,481	8,481	14,862	30,829	5,387	6,576	8,469	10,396
EBITDA	Rs Million	35	856	1,930	3,993	7,707	1,381	1,212	2,400	2,714
Cash profit from operations	Rs Million	(135)	224	971	3,088	4,886	760	444	1,644	2,038
Profit after tax	Rs Million	(322)	(550)	(1,208)	(1,215)	(1,781)	(676)	(1,290)	(71)	256
Total funded equity	Rs Million	-	5,344	21,285	51,795	51,901	51,830	51,953	51,843	51,901
Net Debt to funded equity ratio	Times	-	1.00	0.13	0.28	0.62	0.37	0.48	0.59	0.62

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

1. All annual financial highlights for the year ended March 31, 2000; 2001; 2002 are consolidated audited results as per International Accounting Standards.
2. Financial highlights for the quarter ended June 30, 2002; September 30, 2002; December 31, 2002; March 31, 2003 and fully year ended March 31, 2003 are un-audited and are based on consolidated results as per International Accounting Standards.

SECTION I

INTRODUCTION

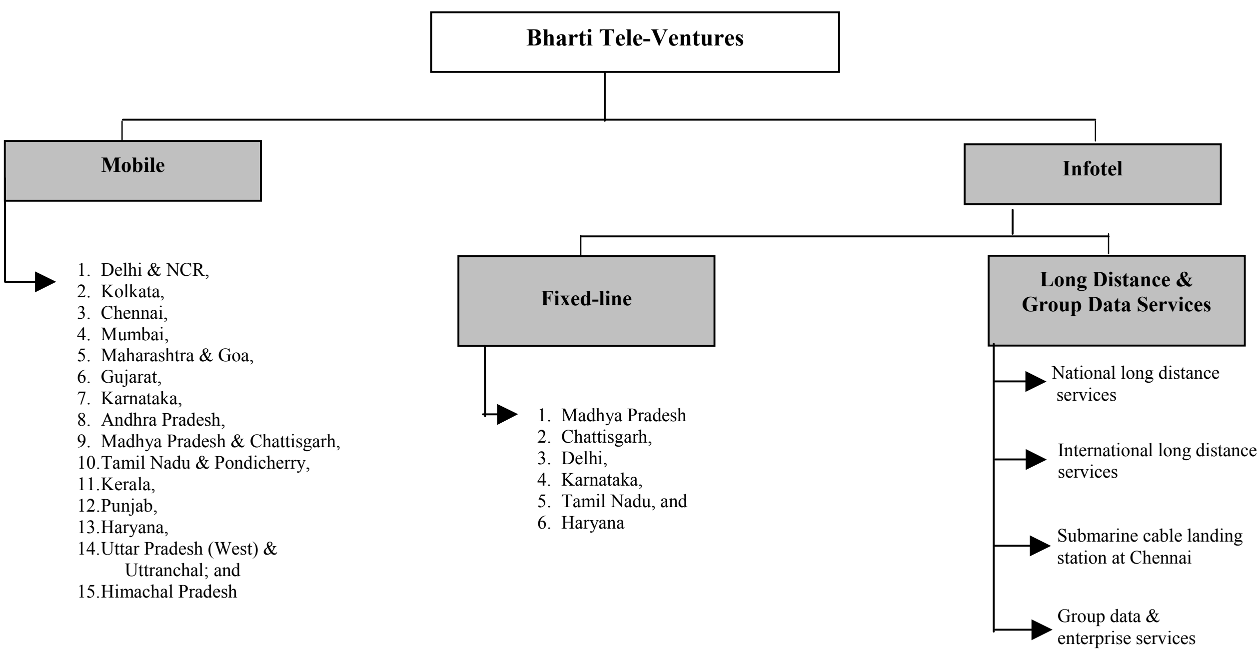
1.1 INTRODUCTION

We are India's leading private sector provider of telecommunications services based on an aggregate of 3,443,436 customers as of March 31, 2003, consisting of 3,071,463 mobile and 371,973 fixed line customers. We are currently the largest 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.

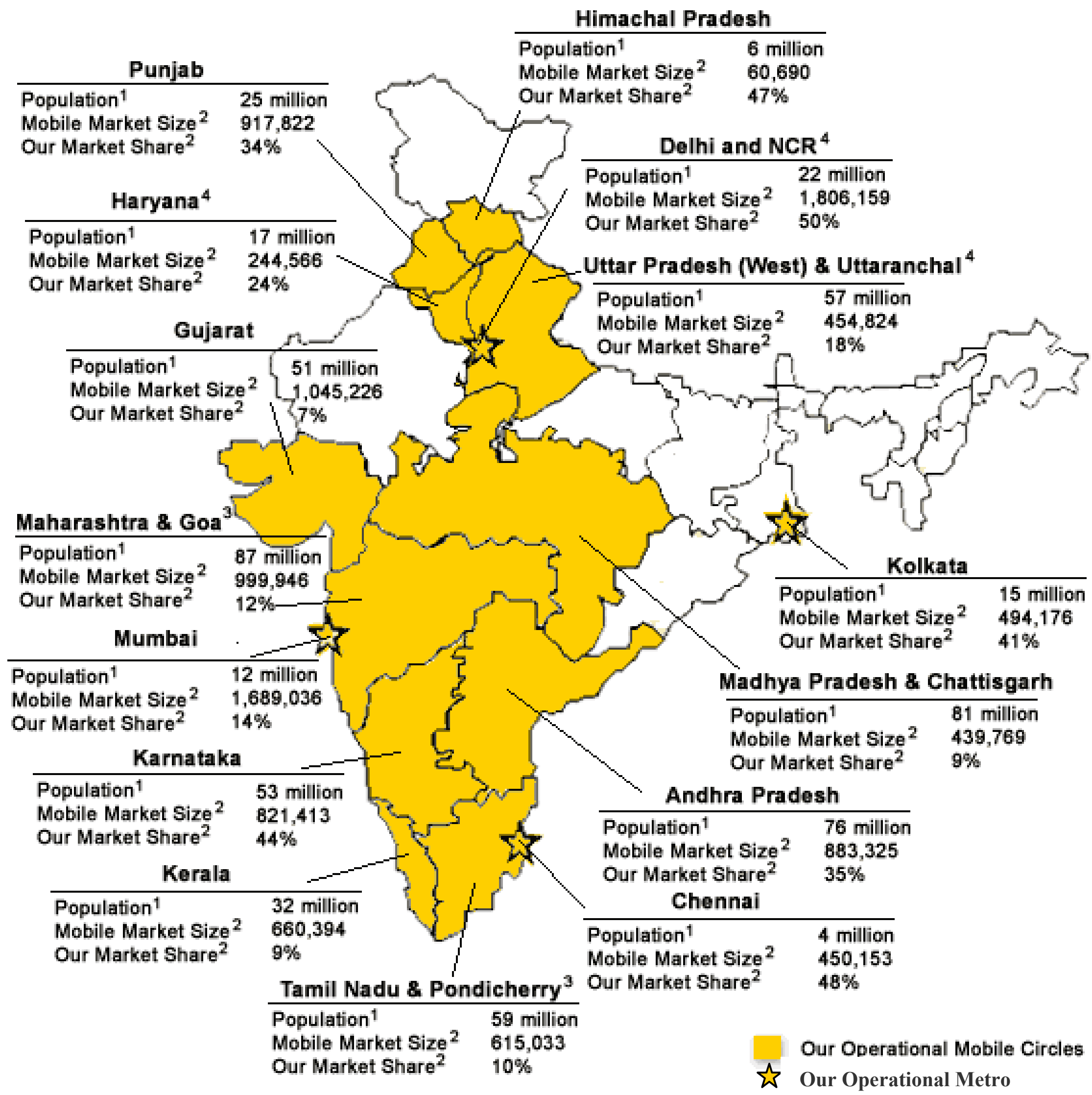
For the quarter ended March 31, 2003, our revenue and EBITDA as per un-audited IAS accounts were Rs. 10,396 million and Rs. 2,714 million respectively and for the year ended March 31, 2003, our revenue and EBITDA as per un-audited IAS accounts were Rs.30,829 million (US$ 649 million) and Rs.7,707 million (US$ 162 million), respectively. During the full year ended March 31, 2003, mobile services represented approximately 68% of our total revenues.

Our operations are organised into the following two principal business areas:



We have entered into an arrangement with Telia to buy 26% equity stake in Bharti Mobile Limited, which operates Karnataka, Andhra Pradesh and Punjab mobile projects. We would thus have a 100% equity stake in all our mobile, fixed line, long distance, group data and enterprise business except in the case of the Chennai mobile operations where we hold 95.3% and the landing station venture where we hold 51%.

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 March 31, 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) & Uttranchal does not include Noida & Gaziabad as they are included in Delhi & NCR.

1.3 The key demographics of our mobile circles are set forth below.

	ALL INDIA	BHARTI [1]	
Number of circles	22	15	68%
Area of the circles (in 000 square kilometers) [2]	3,278	1,848	56%
Population in the licensed areas (in millions) [3]	1,027	593	58%
Market Mobile customers in the licensed areas (in millions) [4]	12.69	11.58	91%
Market DELs in the licensed area (in millions) [5]	37.7	30.7	81%
Number of vehicles in the licensed areas (in thousands) [6]	42,391	34,022	80%

(1) Comprise fifteen circles where Bharti Tele-Ventures through its subsidiaries has the license to provide mobile services.
(2) Area estimates are from National Census, 2001.
(3) Population estimates for all the circles other than the metropolitan areas are as per National Census, 2001 and are as of March 1, 2001. Population estimate for the Uttar Pradesh (West) circle is 37% of the total population of the state of Uttar Pradesh.
(4) Based on data released by the COAI on the total number of GSM mobile customers in the circles as of March 31, 2003.
(5) DELS is defined as direct exchange lines representing the number of fixed line customers on BSNL and MTNL networks and is as of March 31, 2002, based on data available from Government statistics and parliament discussions as per The Financial Express dated June 10, 2002.
(6) Based on ACMA report for the year 2000.

1.4 Business Divisions

- We currently offer mobile services in fifteen of the 22 circles in India. As of March 31, 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 24.2% of the total all India mobile customer base, as of March 31, 2003, which make us the largest mobile service provider in the country.

- 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.

- We complement our mobile and fixed-line services with national and international long distance services and have commenced providing 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 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 full year ended and fourth quarter ended March 31, 2003 are attached to this Report as Annexure.

The financials for the quarter ended March 31, 2003 (herein referred to as ‘Q4’), December 31, 2002 (herein referred as ‘Q3’), March 31, 2002 and full year ended March 31, 2003 are un-audited. The financials for the full year ended March 31, 2002 are audited as per IAS.

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					Year Ended		
	March 2003	March 2002	Y-on-Y Growth	December 2002	Q4-on-Q3 Growth	March 2003	March 2002	Y-on-Y Growth
Total revenue	10,396	4,440	134%	8,469	23%	30,829	14,862	107%
EBITDA	2,714	1,075	153%	2,400	13%	7,707	3,993	93%
Cash profit from operations	2,038	687	196%	1,644	24%	4,886	3,088	58%
Earnings before tax	276	(835)	-	(80)	-	(1,785)	(1,037)	-72%
Net profit / (loss)	256	(639)	-	(71)	-	(1,781)	(1,215)	-47%
EBITDA / Revenue	26%	24%		28%		25%	27%	

Note: Inter segment eliminations during the quarter and full year ended March 31, 2003 for total revenue is Rs.748 mn. and Rs.2,089 mn. respectively and for EBITDA is Rs.(55) mn and Rs. (181) million respectively.

2.1.2 Balance Sheet

Rs millions, except ratios

Particulars	Year ended March 31, 2003	Nine months ended December 31, 2002	Year ended March 31, 2002
LIABILITIES & EQUITY			
Funded Equity	51,901	51,843	51,795
Reserves & Surplus	(5,342)	(5,405)	(3,310)
Shareholder's equity	**46,559**	**46,438**	**48,485**
Total borrowings	35,983	34,322	20,386
Other non-current liabilities	2,393	1,955	1,506
Total Liabilities & Equity	**84,936**	**82,715**	**70,377**
ASSETS			
Net fixed assets & other project investments	82,460	80,632	68,851
Other non-current assets	3,164	2,990	2,964
Net current assets	(688)	(907)	(1,439)
Total Assets	**84,936**	**82,715**	**70,377**
Net debt	31,967	30,841	14,324
Net debt to funded equity (Times)	0.62	0.59	0.28
Book Value Per Equity Share (Rs.)	25	25	26

2.2 Segment-wise Summarized Profit and Loss Statements

2.2.1 BTVL consolidated is bifurcated between existing and new operations.

2.2.1.1 Existing Operations - Existing operations comprises the six mobile circles, two fixed line circles, and BTVL corporate office.

Rs millions, except ratios

Particulars	Quarter Ended					Year Ended		
	March 2003	March 2002	Y-on-Y Growth	December 2002	Q4-on-Q3 Growth	March 2003	March 2002	Y-on-Y Growth
Total revenue	5,038	3,943	28%	4,810	5%	18,758	13,983	34%
EBITDA	2,023	1,189	70%	1,850	9%	7,128	4,275	67%
Earnings before interest & tax	1,090	209	-	892	22%	3,242	1,302	149%
EBITDA / Revenue	40%	30%		38%		38%	31%	

2.2.1.2 New Operations - The new operations comprises the nine new mobile circles, four fixed line circles and the long distance operations (including both national and international along-with submarine cable landing station) and group data & enterprise services.

Rs millions, except ratios

Particulars	Quarter Ended					Year Ended		
	March 2003	March 2002	Y-on-Y Growth	December 2002	Q4-on-Q3 Growth	March 2003	March 2002	Y-on-Y Growth
Total revenue	6,106	668	n/a.	4,315	41%	14,159	1,049	n/a
EBITDA	635	(113)	n/a	424	50%	397	(299)	n/a
Earnings before interest & tax	(135)	(655)	n/a	(211)	36%	(2,198)	(1,427)	n/a
EBITDA / Revenue	10%	-17%		10%		3%	-29%	

*Note:*n/a *denotes not applicable. eg: growth in new operations.*

2.2.2 MOBILE OPERATIONS

2.2.2.1 Mobile Consolidated – comprises the consolidated profit & loss statement of existing and new mobile operations.

Rs millions, except ratios

Particulars	Quarter Ended					Year Ended		
	March 2003	March 2002	Y-on-Y Growth	December 2002	Q4-on-Q3 Growth	March 2003	March 2002	Y-on-Y Growth
Total revenue	6,144	3,568	72%	5,731	7%	20,844	12,416	68%
EBITDA	1,619	1,104	47%	1,597	1%	5,744	4,290	34%
Earnings before interest & tax	754	457	65%	714	5%	2,326	2,699	-14%
EBITDA / Revenue	26%	31%		28%		28%	35%	

2.2.2.2 Existing Mobile Operations – comprise the Delhi & NCR, Chennai, Kolkata, Andhra Pradesh, Karnataka and Himachal Pradesh circles

Rs millions, except ratios

Particulars	Quarter Ended					Year Ended		
	March 2003	March 2002	Y-on-Y Growth	December 2002	Q4-on-Q3 Growth	March 2003	March 2002	Y-on-Y Growth
Total revenue	4,527	3,526	28%	4,284	6%	16,772	12,375	36%
EBITDA	1,936	1,196	62%	1,762	10%	6,816	4,383	56%
Earnings before interest & tax	1,497	824	82%	1,227	22%	4,914	3,151	56%
EBITDA / Revenue	43%	34%		41%		41%	35%	

2.2.2.3 New Mobile Operations - includes the Punjab, Haryana, Uttar Pradesh (West) & Uttranchal, Madhya Pradesh & Chattisgarh, Tamil Nadu & Pondichery, Kerala, Gujarat, Maharashtra & Goa and Mumbai circles.

Rs millions, except ratios

Particulars	Quarter Ended					Year Ended		
	March 2003	March 2002	Y-on-Y Growth	December 2002	Q4-on-Q3 Growth	March 2003	March 2002	Y-on-Y Growth
Total revenue	1,617	42	n/a.	1,447	12%	4,071	42	n/a
EBITDA	(318)	(93)	n/a	(165)	-92%	(1,072)	(93)	n/a
Earnings before interest & tax	(744)	(367)	n/a	(512)	-45%	(2,588)	(452)	n/a
EBITDA / Revenue	-20%			-11%		-26%		

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

Rs millions, except ratios

Particulars	Quarter Ended					Year Ended		
	March 2003	March 2002	Y-on-Y Growth	December 2002	Q4-on-Q3 Growth	March 2003	March 2002	Y-on-Y Growth
Total revenue	5,000	1,043	n/a.	3,394	47%	12,073	2,616	n/a
EBITDA	1,112	81	n/a	773	44%	2,110	174	n/a
Earnings before interest & tax	641	(367)	n/a	300	114%	366	(1,252)	n/a
EBITDA / Revenue	22%	8%		23%		17%		

2.2.4 FIXED LINE OPERATIONS

2.2.4.1 Fixed Line Consolidated – comprises profit & loss statement of existing and new fixed line operations.

Rs millions, except ratios

Particulars	Quarter Ended					Year Ended		
	March 2003	March 2002	Y-on-Y Growth	December 2002	Q4-on-Q3 Growth	March 2003	March 2002	Y-on-Y Growth
Total revenue	1,205	428	181%	1,012	19%	3,549	1,620	119%
EBITDA	247	49	403%	189	31%	383	328	17%
Earnings before interest & tax	(52)	(316)	84%	(100)	48%	(738)	(812)	9%
EBITDA / Revenue	20%	11%		19%		11%	20%	

2.2.4.2 Existing Fixed line Operations – comprises the Madhya Pradesh and Chattisgarh circles.

Rs millions, except ratios

Particulars	Quarter Ended					Year Ended		
	March 2003	March 2002	Y-on-Y Growth	December 2002	Q4-on-Q3 Growth	March 2003	March 2002	Y-on-Y Growth
Total revenue	512	416	23%	526	-3%	1,986	1,608	23%
EBITDA	159	101	58%	185	-14%	640	380	68%
Earnings before interest & tax	33	(79)	142%	(1)	-	(25)	(277)	91%
EBITDA / Revenue	31%	24%		35%		32%	24%	

2.2.4.3 New Fixed line Operations – comprises the Delhi, Haryana, Tamil Nadu and Karnataka circles.

Rs millions, except ratios

Particulars	Quarter Ended					Year Ended		
	March 2003	March 2002	Y-on-Y Growth	December 2002	Q4-on-Q3 Growth	March 2003	March 2002	Y-on-Y Growth
Total revenue	693	12	n/a	486	43%	1,564	12	n/a
EBITDA	87	(52)	n/a	4	-	(257)	(52)	n/a
Earnings before interest & tax	(85)	(237)	n/a	(99)	14%	(713)	(535)	n/a
EBITDA / Revenue	13%	-		1%		-16%	-	-

2.2.4 Long Distance , Group Data and Enterprise Services

2.2.4.1 New Operations – comprises the national, international long distance operations, group data and enterprise services and landing station operations at Chennai.

Rs millions, except ratios

Particulars	Quarter Ended					Year Ended		
	March 2003	March 2002	Y-on-Y Growth	December 2002	Q4-on-Q3 Growth	March 2003	March 2002	Y-on-Y Growth
Total revenue	3,796	615	n/a.	2,382	59%	8,524	995	n/a
EBITDA	865	31	n/a	585	48%	1,726	(154)	n/a
Earnings before interest & tax	693	(51)	n/a	400	73%	1,103	(440)	n/a
EBITDA / Revenue	23%	5%		25%		20%	-15%	

2.2.5 Others

2.2.5.1 Existing Operations –comprises the expenses of BTVL corporate office.

Rs millions, except ratios

Particulars	Quarter Ended					Year Ended		
	March 2003	March 2002	Y-on-Y Growth	December 2002	Q4-on-Q3 Growth	March 2003	March 2002	Y-on-Y Growth
Total revenue	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBITDA	(72)	(109)	34%	(96)	25%	(328)	(489)	33%
Goodwill Amortisation	395	399	-1%	337	17%	1,405	1,001	40%
Depreciation & Others	(26)	28	-	(100)	74%	(85)	83	-
Earnings before interest & tax	(441)	(536)	-	(333)	-32%	(1,648)	(1,572)	-5%

2.3 Segment-wise Investments and Contribution

2.3.1 Investments in projects

Gross Fixed Assets & Other Project Investments	Year ended March 31,2003		Nine months ended December 31,2002	
	Rs. Million	% of total	Rs. Million	% of total
Mobility	67,580	69%	65,417	70%
Fixed Line	15,440	16%	14,119	15%
Long Distance & Group Data service	13,879	14%	13,846	15%
Coporate	344	0%	335	0%
Total	**97,243**	**100%**	**93,717**	**100%**
Accumulated Depreciation & Amortisation	14,783		13,085	
Net Fixed Assets & Other Project Investment	**82,460**		**80,632**	

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

	Quarter Ended March 2003						Year Ended March 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	6,144	59%	1,619	60%	2,163	61%	20,844	68%	5,744	75%	10,538	54%
Fixed Line	1,205	12%	247	9%	1,321	37%	3,549	12%	383	5%	4,293	22%
Long Distance & Group Data Services	3,796	37%	865	32%	33	1%	8,524	28%	1,726	22%	4,479	23%
Corporate	-	-	(72)	-	9	-	-	-	(328)	-	26	-
	11,144		**2,659**		**3,526**		**32,917**		**7,526**		**19,336**	
Eliminations	(748)	-7%	55	2%			(2,089)	-7%	181	2%		
Total	**10,396**	**100%**	**2,714**	**100%**	**3,526**	**100%**	**30,829**	**100%**	**7,707**	**100%**	**19,336**	**100%**

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				
	March 31, 2003	December 31, 2002	Q4-on-Q3 Growth	March 31, 2002	Y-o-Y Growth
Mobile	3,071,463	2,774,558	11%	1,350,960	127%
Fixed-line	371,973	317,220	17%	163,975	127%
Total	**3,443,436**	**3,091,778**	**11%**	**1,514,935**	**127%**

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			Year Ended		
	March 2003	March 2002	Y-o-Y Growth	March 2003	March 2002	Y-o-Y Growth
Mobile	296,905	241,479	23%	1,720,503	675,955	155%
Fixed-line	54,753	24,619	122%	207,998	56,860	266%

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		
	March 2003	December 2002	Q4-on-Q3 Growth
Mobile	296,905	481,360	-38%
Fixed-line	54,753	56,246	-3%

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		
	March 2003	December 2002	March 2002
All India Net Additions	2,207,207	1,948,020	951,882
All Bharti Net Additions	296,905	481,360	241,479
Bharti Market Share of All India Net Additions	**13.5%**	**24.7%**	**25.4%**

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				
	March 31, 2003	December 31, 2002	Q4-on-Q3 Growth	March 31, 2002	Y-o-Y Growth
All India Mobile Subscribers	12,687,637	10,480,430	21%	6,430,814	97%
Bharti's Mobile Subscribers	3,071,463	2,774,558	11%	1,350,960	127%
Bharti Subscribers as percentage of All India Subscribers	**24.2%**	**26.5%**		**21.0%**	

3.1.3.3 In Bharti Markets – Net additions – Bharti's share of net additions as a percentage of total net additions in its own market.

Figures in Nos, except ratios

	Quarter Ended		
	March 2003	December 2002	March 2002
Bharti's Market Share of Net Additions in the existing markets	26%	27%	50%
Bharti's Market Share of Net Additions in the new markets	12%	29%	36%
Bharti's Market Share of Net Additions in the all Bharti markets	**16%**	**28%**	**47%**

3.1.3.4 In Bharti Markets – Total Customers – Bharti's share of customers as a percentage of total mobile customers in its own market

	Quarter Ended		
	March 2003	December 2002	March 2002
Existing Mobile Operations	45%	47%	52%
New Mobile Operations	15%	15%	12%
Bharti's Market Share of Customers in the all Bharti markets	**27%**	**29%**	**47%**

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

	As on		
	March 31, 2003	December 31, 2002	March 31, 2002
Percentage of Prepaid Subscribers to Total Subscriber Base	76%	70%	63%
Percentage of Prepaid Net Additions to Total Net Additions	128%	93%	81%

3.2 Revenue & Usage

3.2.1 Mobile Business

	Quarter Ended			YTD
	March 2003	December 2002	Q4-on-Q3 Growth	March 2003
AVERAGE MONTHLY REVENUE PER USER (ARPU) (in Rs)				
Postpaid	1,549	1,560	-1%	1,594
Prepaid	360	386	-7%	388
Blended	687	762	-10%	775
AVERAGE MONTHLY MINUTES OF USE PER CUSTOMER (Minutes)				
Postpaid	575	534	8%	495
Prepaid	125	90	39%	101
Blended	249	224	11%	227
SMS				
SMS Revenue as a percentage of Total Mobile Revenue	3.1%	3.2%	-	2.7%
CHURN - MONTHLY				
Postpaid Voluntary Churn	1.5%	0.9%	-	0.8%
Postpaid Company Initiated Churn	6.9%	5.2%	-	3.4%
Prepaid	5.5%	4.1%	-	2.7%

3.2.2 Other Business

	Quarter Ended			YTD
	March 2003	December 2002	Q4-on-Q3 Growth	March 2003
FIXED-LINE BUSINESS				
ARPU (Rs.)	1,167	1,171	0%	1,129
LONG DISTANCE & GROUP DATA SERVICES				
Revenue (in Rs Million)	3,796	2,382	59%	8,524

3.3 Human Resource Analysis

	Quarter Ended		
	March 2003	December 2002	Q4-on-Q3 Growth
EMPLOYEE PRODUCTIVITY			
Mobile			
Existing			
Customers per employee (Nos)	1,324	1,184	12%
Gross Revenue per employee per month (Rs)	988,429	897,556	10%
New			
Customers per employee (Nos)	754	720	5%
Gross Revenue per employee per month (Rs)	387,188	390,011	-1%
Fixed-Line			
Existing			
Customers per employee (Nos)	498	472	5%
Gross Revenue per Employee per month (Rs)	414,943	427,494	-3%
New			
Customers per employee (Nos)	255	124	106%
Gross Revenue per employee per month (Rs)	352,072	162,411	117%
Long Distance & Group Data Services			
Gross Revenue per employee per month (Rs)	2,098,301	1,268,551	65%

SECTION IV

MANAGEMENT DISCUSSION & ANALYSIS

4.1 KEY INDUSTRY DEVELOPMENTS

Change in Key Industry Positions

During the quarter, the following changes at the top level in the industry have taken place:-

a) Mr. Arun Shourie has taken the additional charge as Minister of Communications and Information Technology along with his existing charge of Minister of Disinvestments. He succeeds Mr. Pramod Mahajan.

b) TRAI has received its new full time members. Mr. Pradip Baijal, Chairman, and Dr. DPS Seth and Mr. PK Sarma are the members.

(A) INDUSTRY-REGULATORY & LEGAL

Interconnect Usage Charges (IUC)

During the quarter, TRAI has introduced regulation on interconnect usage charges, thereby laying the foundation for a level playing field in the Indian telecommunications industry. In addition, they have finally introduced the long awaited incoming call free regime.

The interconnect usage charge regime introduces a new revenue stream for mobile service providers in form of termination charges. For the first time, fixed line and WLL (M) service providers will start giving termination charges to mobile operators for the use of mobile network for terminating calls on their network. Thus, bringing about near level playing field between mobile and WLL(M).

In principle, the industry has welcomed the regulations, however, several operators have filed petitions seeking limited review of the regulations relating to the settlement charges specifically the termination charge for international long distance (ILD) calls and the termination charge for the mobile operators, which are not cost based. The Telecom Dispute Settlement Appellate Tribunal (TDSAT) is yet to hear the parties in this regard.

The implementation of the IUC was to originally take place on April 1, 2003. However, due to the authority seeking time to evaluate tariff plans, it has postponed the date of implementation to May 1, 2003.

For details, refer to the Annexure A2.1

Amendment to the Telecommunication Tariff Order, 1999 (TTO)

During the quarter, TRAI initiated tariff rebalancing for the fixed line services, whereby monthly rentals have been increased and free and discounted rate calls have been reduced. In addition, the pulse duration of local calls has been revised downwards. These recommendations are likely to result in higher realization for fixed line services.

The order has recommended forbearance on retail tariffs for WLL (M), outgoing mobile, national long distance calls above 50 kms and international long distance calls.

The implementation of the TTO was to originally take place on April 1, 2003. In view of postponement of implementation of IUC regulations, the implementation of TTO has also been postponed to May 1, 2003.

For details, refer to the Annexure A2.2

Basic principles for ensuring consistency in approval of tariffs

In the press release dated April 10, 2003, the regulator announced that with a view to ensuring consistency, the following basic principles will be used for approval of tariffs effective May 1, 2003:

(i) Tariff packages will be checked to ensure that they are compliant to the 24th Amendment of TTO namely that at least a standard tariff is available to all consumers besides the alternate tariff packages;
(ii) The tariff packages should be consistent with the IUC Regulation;

(iii) The tariffs should be **non-discriminatory,** implying that the service providers should not charge different tariffs for the calls originating and terminating in its own network or calls originating in its own network and terminating in other networks offering the same type of service viz. fix-line service, WLL(M) and cellular mobile service.; and

(iv) The tariffs should be **non predatory** i.e. they should not be designed in a manner that eliminates competition and the viability of the industry in the long run.

Supreme Court decision on refund of interest relating to pre-migration period

TDSAT had earlier passed an order in favor of the GSM mobile operators and against the Department of Telecommunications (DoT) directing the Government to refund the interest on licence fee collected by 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.

DoT had filed an appeal against the said order before the Hon'ble Supreme Court. The Hon'ble Supreme Court heard the said appeal and in that appeal, the decision of the TDSAT has been upheld with minor modifications. Accordingly, the Government has been directed to refund the amount of interest. DoT is in the process of implementing the order of the Hon'ble Supreme Court.

In addition, the mobile operators have claimed the adjustment of these refunds against the license fee payable for quarter ended March 31, 2003, and payment of balance, if any.

Wireless in Local Loop (WLL)

Litigation:

Cellular Operators Association of India (COAI) and some of the mobile operators had challenged the Government's decision to allow Wireless Limited Mobility Services Local Loop based before the TDSAT. TDSAT had earlier declined to intervene in the policy regarding this service, and as a result thereof, COAI and the mobile operators had made an appeal to the Hon'ble Supreme Court of India.

The Supreme Court by its judgment dated December 17, 2002 has set aside the order of the TDSAT and has remanded back the matter to TDSAT for reconsideration with a special emphasis on the question of level playing field. The matter was taken up for hearing by TDSAT in January and February 2003.The effective hearings before the tribunal are still underway and shall recommence on April 23, 2003 for the arguments and submission of Government, TRAI and fixed line operators. The arguments and submission by mobile operators and their association have already been presented.

On February 17, 2003, the Minister for Communications (MoC), Mr Arun Shourie, set up an industry panel comprising of representatives from both the GSM mobile, and basic industry to look into the issues of limited mobility. However, the panel was dissolved in March as they failed to reach a consensus within the stipulated time.

TDSAT has asked DoT to submit certain documents as were referred by COAI. Upon the Government seeking privilege on these documents, TDSAT ruled, while denying the privilege that, the documents were required to be disclosed on and before April 23, 2003. The Government has sought intervention of the Supreme Court against the order of TDSAT denying privilege on documents.

In the meantime, the rollout of WLL(M) services continues by the fixed line operators as Supreme Court had denied granting stay against such services in public interest. However, the Court held that "…. the fixed service providers would be bound by the ultimate decision given by the Tribunal…".

V5.2 Technology

TDSAT had deferred its hearing by ten weeks vide its order dated December 20, 2002 on the suit filed by COAI and some mobile operators seeking to prohibit basic telecom service operators from use of Mobile Switching Centers (MSC) for WLL services. Mobile operators have contended that WLL(M) can only be provided using the prescribed V5.2 technology and have said that the operators be mandated to comply with TRAI's stipulation in this regard. The major issue being highlighted by the GSM mobile operators was that if the fixed service providers were allowed to use MSC architecture to provide limited mobility under the FSP license, the difference between full mobility and limited mobility would be virtually obliterated. **This issue is also the subject matter of litigation in the ongoing case before TDSAT.**

Levy of Sales Tax on Rentals

Based on the Supreme Court judgment passed on January 20, 2003, the Hon'ble Supreme Court held that the element of rent in a telephone bill is more towards the charges for the right of use granted to a subscriber of the network and switch of the operator. Hence, in the states where the right to use is taxable, the element of rent in the telephone bill is liable to be taxed under the relevant sales tax law. This judgment came after the Kerala High Court passed a judgment in the case of BPL and Escotel, that GSM mobile telephone services are liable to both service tax as well as sales tax.

Following the above judgments, various state governments have amended their sales tax laws to levy sales tax on cellular mobile telephone service on airtime as well as rental charges. These have already been challenged by the operators in some of the states.

Policy related to transfer of license

The Telecom Commission has approved, in principle, that the transfer of the licences at any point of time would be permitted. This however, should be subject to certain specific conditions and to comply with all the terms and conditions of the licence. This includes transfer of the complete roll out obligation to the transferee company irrespective of the time at which such transfer takes place. This transfer does not allow transfer of license within the same license area. Earlier, the transfer of license was on a case to case basis.

Foreign Direct Investment Limit

In February 2003, the Group of Ministers (GoM) recommended that the foreign direct investment limit be increased from 49% to 74% for telecommunications sector. This recommendation is now pending with the Union Cabinet for a final decision.

Bidding in for GSM Mobile Circles

The Department of Telecommunications (DoT) had invited fresh bids for GSM licences for the seven mobile circles namely West Bengal, Andaman & Nicobar, Uttar Pradesh (East), Orissa, Bihar, Uttar Pradesh (West), Jammu & Kashmir and North East. The mobile operators requested the Government to extend the date of tender, pending clarity on the key regulatory issues and refrained from bidding.

Union Budget 2003-04 - Highlights

The key proposals in the union budget related to telecommunications industry, are as follows.

- ✓ Custom duty reduced from 25% to 20% on optical fiber cable and from 15% to 10% for fixed wireless terminals, routers and modes.
- ✓ Customs duty on capital goods reduced to 15%.
- ✓ Benefit of provision of a 10 year tax holiday has been extended to all companies starting commercial services prior to March 31, 2004.
- ✓ Services tax increased from 5% to 8%.

(B) INDUSTRY- COMPETITION

Bharat Sanchar Nigam Limited (BSNL)

BSNL has reported a subscriber base of 2.26 million for it's countrywide GSM mobile services as on March 31, 2003. At the end of the quarter, it became the second largest mobile service provider by achieving a market share of 17.8%, thus surpassing Hutch's market position. BSNL's net additions during the quarter were 1.47 million customers. This has resulted in an overall growth of GSM market during the quarter. BSNL has opened new markets by covering under-penetrated towns and cities, particularly in category "A" and "B" circles.

Reliance Infocomm announced commercial launch of WLL services

Reliance Infocomm Limited. has announced that it would commercially launch its nation wide 'limited mobility' (wireless in local loop) services on CDMA platform from May 01, 2003. As per press reports, the company has reported its WLL(M) subscriber base at 958,000 as on March 31, 2003.

Mobile-First Alliance

BPL Mobile, Escotel, RPG Cellular and Spice Telecom have announced the alliance - MobileFirst. The alliance has stated that they will offer special tariff for national and international calls, offer roaming and provide value-added services like mobile Internet access and mobile payments.

Tariffs

- ✓ **National Long Distance services**- On February 28, 2003, BSNL slashed STD rates to almost half of the existing rates from Rs.9 per minute to a flat rate of Rs.4.80 per minute, beyond 500 km at any time of day.

- ✓ **Fixed Line services**- On April 11, 2003, BSNL and MTNL announced their fixed line tariffs, which will be effective from May 01, 2003. The tariffs have been tailored to meet the different usage patterns of their subscribers.

- ✓ **Mobile services** – On January 2, 2003, the GSM mobile industry (excluding some operators - BSNL, MTNL and Reliance) announced a cut in national long distance tariffs from the earlier peak of Rs.9 per minute down to a flat rate of Rs.2.99 per minute, anytime, anywhere, for all mobile-to-mobile calls of 50 kms and above.

  Further, On January 21, 2003, the GSM mobile industry (excluding some operators - BSNL, MTNL and Reliance) announced its offer of free mobile-to-mobile incoming calls. This benefit is available to all categories of subscribers – both prepaid and postpaid

(C) COMPANY RELATED

Monitoring of Investment by Non Residents under Portfolio Investment Scheme – Threshold Limit

Reserve Bank of India, in it's press release dated April 19, 2003 stated:-"As a measure of further liberalization and to facilitate increased floating stock of shares of large Indian companies having equity base of Rs.1,000 crore and above, it has been decided to enhance the threshold limit, beyond which Foreign Institutional Investors/Non Resident Indians investing in these companies are required to obtain prior clearance from the Reserve Bank. Accordingly, this threshold limit is now fixed at 0.5 per cent below the limit upto which non-resident investments are permitted in such companies. This is expected to lead to better price discovery for investors. Presently, this limit is at 2 per cent below the applicable limits."

Implication on Company - the Company had a foreign shareholding of 47.28% as on March 31, 2003. Due to the change in the threshold limit, now the foreign holding can go upto 48.5% without obtaining any permission from Reserve Bank of India.

Tariffs

On February 01, 2003, the Company launched its new mobile tariff packages. The Airtel tariff plans for the postpaid segment have been named as Freedom Plans. The key highlight of the Freedom plans includes:
- No charge for mobile to mobile incoming calls.
- For incoming calls from other networks, reduction in airtime charges to a marginal Rs 0.50. This charge shall be applicable only till the time that the IUC is implemented from when on incoming free regime shall come into place.
- Introduction of free long distance minutes on the high value packages.

Further, on April 11, 2003, few more offers were given to the mobile customers, whereby:
- Magic starter kit cost was reduced from Rs. 299 to Rs. 250 only.
- Airtime rates on STD calls for postpaid and prepaid customers were reduced to Rs. 0.50 per minute.
- No airtime charges for ISD calls.
- Processing fee on recharge coupons reduced for prepaid customers from Rs. 150 to Rs. 125 in most of the markets, thereby increasing the talk time across all denominations.

Management Structure

The company announced certain strategic organizational changes in its top management team across its mobility and infotel businesses, effective from the new financial year. The key change include Mr. Manoj Kohli, Joint President- Mobility taking over as President-Mobility Leaders from Mr. Anil Nayar, who will be taking over as Supervisory Director of the Mobility Business at the Corporate Office.

Awards & Recognitions

FinanceAsia Best Company's survey – a survey was conducted by Finance Asia magazine amongst 300 institutional investors and equity analysts. Bharti Tele-Ventures has done well in this survey on all the parameters. It has been awarded the following ranks amongst the companies in India-

- Best investor relations - Rank 2
- Best managed company - Rank 3.
- Best corporate governance - Rank 3
- Most committed to creating shareholder value - Rank 5
- Best financial management - Rank 5.

Merger Update

The company completed the merger of Bharti Mobitel Limited, company running the mobile services in Kolkata with Bharti Cellular Limited. In addition, SC Cellular Holdings Limited was also merged with Bharti Cellular Limited. SC Cellular Holdings Limited was the holding company of Bharti Mobile, the company running mobile services in Karnataka, Andhra Pradesh and Punjab. Also, the company has initiated the merger of all its non-mobile telecom licenses under one entity. The merged entity would be named as, named as Bharti Infotel Limited. These changes would lead to a much clearer structure of Bharti Tele-Ventures.

Bharti Mobile, Punjab case

The arbitration proceedings for a claim for refund of License fee and interest paid to Department of Telecommunications went against Bharti Mobile, licensee of the Punjab Mobile Circle during the previous quarter. The company had already paid the amount to DoT at the time of restoration of the Punjab license on September 25, 2001. During the quarter, the company appealed to Hon'ble High Court.

International Long Distance

BTSOL has received security clearance to offer International Private Leased Circuit (IPLC) services on January 10, 2003. This has enabled the company to offer high speed-high capacity digital leased circuits for integrated applications like voice, data and video to anywhere in the world.

Fixed line Services

DoT, the Licensor, has permitted treating the lowest switching exchanges (DLC/RSU/RLU) as points of presence (POP) vide its letter dated February 3, 2003 for fixed line services. This will enable the company to take connectivity (POIs) with other operators (specially BSNL) at multiple places without the necessity to install a complete switching infrastructure. This will ease the roll-out obligations and lower the capital expenditure

4.3.1 Key Highlights for the Quarter ended March 31st, 2003

Largest funding in the telecom sector in recent times

During the quarter, the company tied up international funding of **US$ 330 million.** Thus**,** Bharti Tele-Ventures is now fully equipped with all key resources to sustain the leadership position in this growth phase of the industry. We are now ready to leverage our strengths and take advantage of market expansion and customer growth opportunities.

Strategically, the company has opted for a combination of the following long-term foreign currency loans to diversify the investor base.

- **US$ 125 Million:** The syndication loan was raised from a consortium of banks with a door-to-door maturity of 6 years. The entire loan has been drawn down and the foreign exchange principal exposure has been fully hedged.
- **US$ 160 Million:** A buyer credit facility with Export Kredit Namnden (EKN), Sweden acting as the Export Credit Agency (ECA). Its door-to-door maturity is 10 years. The disbursement of this loan is linked to the equipment supplies from Ericsson. US $ 86 million has already been drawn down from this facility.
- **US$ 30 Million:** This loan facility was raised from Nordic Investment Bank (NIB), a multi-lateral agency with a door-to-door maturity of 8 years.

This funding of US$ 315 million has been arranged for our mobility operations, at an approximate spread of 160 basis points over LIBOR with the foreign currency risk being fully hedged. The current overall cost is approximately 5.50 per cent per annum, including end-to-end costs such as foreign currency hedge costs. This long term funding has an average tenure of over 5 years.

- **US$ 15 million:** A project financing for our national long distance project from Canara Bank has been undertaken. The full amount has already been drawn down. This funding has been arranged at a spread of 300 basis points over LIBOR, with a bullet repayment at the end of year 3.

Thus as on March 31, 2003, the company had a net debt to funded equity ratio of 0.62, while it maintained a healthy interest cover of 4 times, for the quarter.

PAT Positive

The fourth quarter has been an extremely challenging one. During this period, we faced a fiercely competitive environment. However, against all odds, we have turned PAT positive - the company has achieved a profit after tax of Rs. 256 million against a net loss of Rs. 71 million in the previous quarter ended December 31, 2002. This has been achieved much earlier than the market expectations.

During the quarter, this landmark has been achieved despite significant pricing pressures, which include–

- ✓ Making mobile-to-mobile incoming calls free, while reducing the incoming airtime rate on calls from all other networks to just Rs 0.50 per minute;
- ✓ Making all incoming calls free for our new mobile customers;
- ✓ Reducing the mobile-to-mobile peak national long distance tariff by over 67%;
- ✓ Introducing 20% rate discounts on ILD tariffs;
- ✓ Launching national mobile tariff plans which include free long distance minutes in the middle and high end packages; and
- ✓ Reducing the peak fixed line STD rate from Rs.9.00 per minute to Rs. 4.80 per minute.

4.3.2 RESULTS OF OPERATIONS

As on March 31, 2003, we had an aggregate of 3,443,436 customers, consisting of 3,071,463 mobile and 371,973 fixed line customers. Our customer base has increased by 127% from approximately 1.5 million as of March 31, 2002.

During the year ended March 31, 2003, the company generated total revenues of Rs.30,829 million, a growth of 107% as compared to the previous fiscal. The consolidated EBITDA for the fiscal 2003 was Rs.7,707 million, up by 93% compared to that in fiscal 2002. During the period, the cash profit from operations at Rs 4,886 million grew by 58%.

During the quarter ended March 31, 2003, the company registered a sequential growth of 23% and 13% in revenues and EBITDA, respectively. On a consolidated basis, in the quarter ended March 31, 2003, BTVL turned PAT positive, wherein we registered a net profit of Rs 256 million as compared to a net loss of Rs 71 million in the previous quarter.

During the year, the existing businesses have exhibited a noteworthy performance-

- ✓ The revenues in these operations grew by 34% to Rs 18,758 million.
- ✓ EBITDA at Rs 7,128 million grew by 67%.
- ✓ Earnings before interest and tax multiplied two and a half times to Rs 3,242 million.

Thus, the EBITDA margins for the existing businesses have demonstrated an improvement from 31% to 38%, during the year.

The existing businesses recorded a sequential growth of 5% with total revenues of Rs.5,038 million and an EBITDA of Rs.2,023 million. The EBITDA margin for these businesses has improved to 40% during the quarter from 38% in previous quarter. The earnings before interest & tax (EBIT) for these projects was Rs.1,090 million during the quarter, an improvement of 22% when compared to the quarter ended December 31, 2002.

The new operations recorded a sequential growth of 41% in revenues. The EBITDA margin for these businesses was 10%, registering an EBITDA of Rs 635 million.

During the quarter ended March 31, 2003, we incurred a capital expenditure including capital-work-in-progress of Rs 3.5 billion for the company.

The funded equity of Bharti Tele-Ventures as on March 31, 2003 was Rs.52 billion. As on that date, the net debt of the company was approximately Rs.32 billion resulting in a net debt to funded equity ratio of 0.62. At the time, the book value of the company was Rs.25 per share.

Mobile Business

We are the largest mobile operator in the country. During the quarter, we became the first mobile operator in India to cross the 3 million customer landmark. Our all India market share as on March 31, 2003 was 24.2%. This has fallen from 26.5% as on December 31, 2002.

During the quarter, we added 13.5% of all India net additions on our networks. Significant market share of the all India net additions went in favor of BSNL, during this period. BSNL had the advantage of free incoming calls, coverage in new towns, lower entry cost and competitive tariff plans.

In March 2003, we launched incoming free for our new customers. In the third week of April, we supplemented the existing plans with lower entry cost and better value proposition for our customer. While the BSNL tariff plans are directed towards the lower segments, our new tariff plans are addressing the needs of all the market segments. Our focus continues to be on capital productivity. We will continuously reassess the need to expand coverage over and above the existing 750 towns that we already cover.

During the quarter, our growth in customers came solely from the prepaid segment, with 128% of the net additions being prepaid customers. The high churn on postpaid was partly due to very high company initiated churn, particularly in new circles.

The consolidated revenues from our mobile business for the quarter ended March 31, 2003 were approximately Rs.6,144 million, exhibiting a sequential growth of 7%. Revenues from our mobile business, for the quarter, constitute nearly 59% of our total consolidated revenues.

The EBITDA for the consolidated mobile business during the quarter ended March 31, 2003 was Rs 1,619 million exhibiting a margin of 26%.

During the quarter, total revenue from the existing mobile circles was Rs.4,527 million, exhibiting a sequential growth of 6%. The EBITDA improvement during the quarter for our existing mobile operations was 10% from the previous quarter. The EBITDA margin in the quarter for our existing mobile business was registered at 43% compared to 41% in the previous quarter. The significant improvement in EBITDA margin to 43% over 34% in the corresponding quarter in the previous fiscal demonstrates the benefits of economies of scale that we are accruing from our pan-India presence.

The total revenues of existing mobile operations for the year ended March 31, 2003 were Rs.16,772 million as against Rs.12,375 million for the year ended March 31, 2002, a 36% growth year on year. For the same period, EBITDA grew by 56%. The EBITDA margins have demonstrated an improvement from 35% to 41%, during the year.

While during the quarter, the revenues in our new mobile circles improved sequentially by 12% to Rs 1,617 million, the EBITDA in these circles declined from a negative Rs 165 million to a negative Rs 318 million. This decline was essentially due to high churn of customers, which resulted in high bad debts. The primary reasons for high bad debts was due to the initial problems, that we experienced in our new billing system which resulted in some faulty billings in some instances.

During the quarter our postpaid ARPU was Rs.1,549 per month and our prepaid ARPU was Rs.360 per month, resulting in a blended ARPU of Rs 687 or US$ 14. Despite the launch of new and more affordable tariffs, the postpaid ARPU have remained at the same level as the previous quarter. This is due to an increase in the traffic and revenues from long distance services, as well as higher realization of airtime. The contribution of SMS revenue to the total revenue of the mobility group during the quarter was 3.1%.

During the quarter, the blended minutes of use per customer per month increased by 11%. The minutes of use per customer per month for postpaid customers was 575 minutes and for prepaid customers was 125 minutes. During the quarter, we introduced free incoming call charges for the new customers in most of our circles and free mobile-to-mobile incoming call charges for all the existing customers. These initiatives coupled with the competitive tariff plans that were introduced during the quarter, have exhibited high price elasticity for our services.

Fixed line Business

For the year ended March 31, 2003, the consolidated fixed line operations registered a 119% growth in revenues to Rs 3,549 million with the EBITDA of Rs 383 million. The EBITDA grew by 17% despite the launch of four new fixed line operations.

During the quarter, the consolidated revenue and EBITDA from the fixed line business were Rs 1,205 million and Rs 247 million respectively. The sequential growth in each of these parameters was approximately 19% and 31% respectively.

The existing fixed line business became free cash flow positive for the full year in the fiscal 2003. This milestone has been achieved in the fourth full year of operation in a fixed line business.

During the quarter, the revenue and EBITDA for the existing fixed line business declined by 3% and 14% respectively as compared to the previous quarter. This was primarily due to tariff cuts in the national long distance services, which constitutes significant part of our revenues. We have not yet experienced the price elasticity within this quarter.

The sequential revenue growth in the new fixed line business was 43%, representing Rs. 693 million revenue for the quarter. The EBITDA margin of the new fixed line operations during the quarter improved to 13% from 1% during the last quarter. For the quarter, all the four new fixed line operations have been EBITDA positive individually.

During the quarter, the fixed line ARPU remained at approximately the same level as the previous quarter at Rs 1,167 per customer or US$ 24. Our fixed line strategy of focusing on corporate and high revenue generating customers is bringing in healthy results.

Long Distance , Group Data and Enterprise Services

During the quarter, we earned consolidated revenues of Rs.3,796 million an increase of 59% over the previous quarter ended December 31, 2002. During the quarter, the mobile-to-mobile national long distance traffic increased substantially. Further we were interconnected with the incumbent in five important cities through the full quarter. In terms of the international long distance traffic, we commenced terminating all India ILD traffic during this quarter. In the area of national long distance services, we have clearly gained the first mover advantage with competition not having fully emerged. The earnings before interest and tax for these services are Rs 693 million.

SECTION V

5.1 STOCK MARKET HIGHLIGHTS

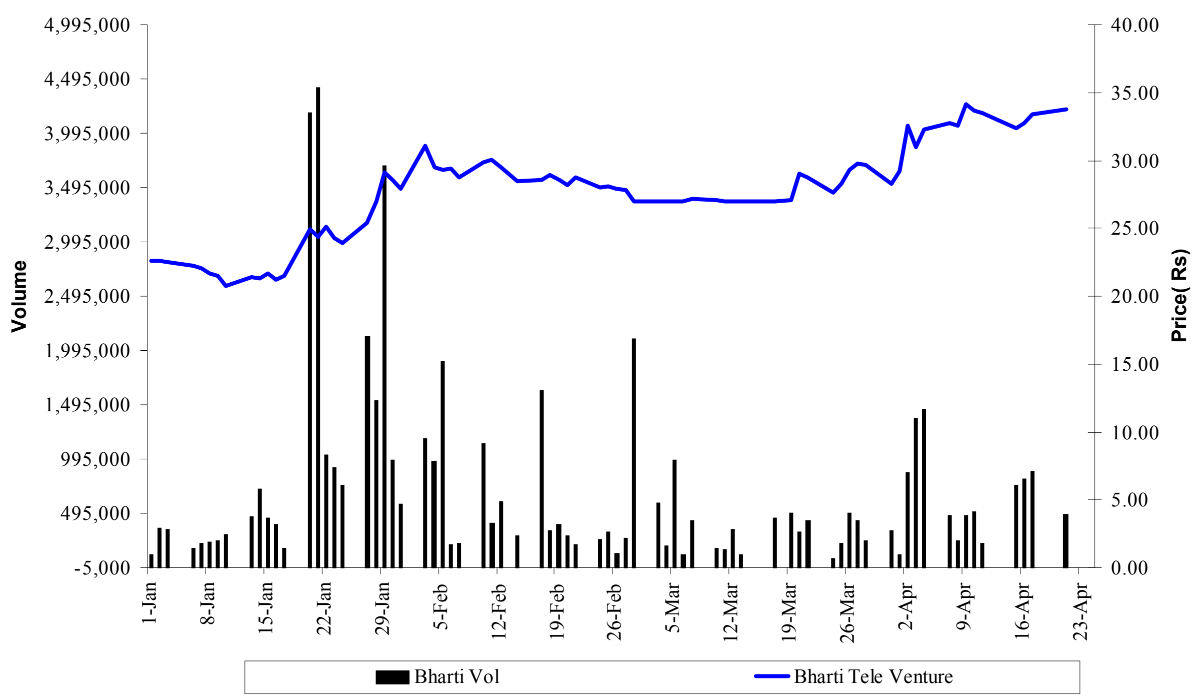
5.1.1 General Information

Opinion & Financial Data		
No. of Shares Oustanding	Million Nos.	1,853
Closing Market Price (April 21, 2003)	Rs./Share	33.75
Market Capitalisation	Rs. Million	62,551
Book Value Per Share	Rs.	25.12
Market Price/Book Value	Times	1.34
Net Debt/Funded Equity	Times	0.62
Enterprise Value	Rs. Million	94,518
Enterprise Value/Annualised Q4 Revenue	Times	2.27
Enterprise Value/Annualised Q4 EBITDA	Times	8.71

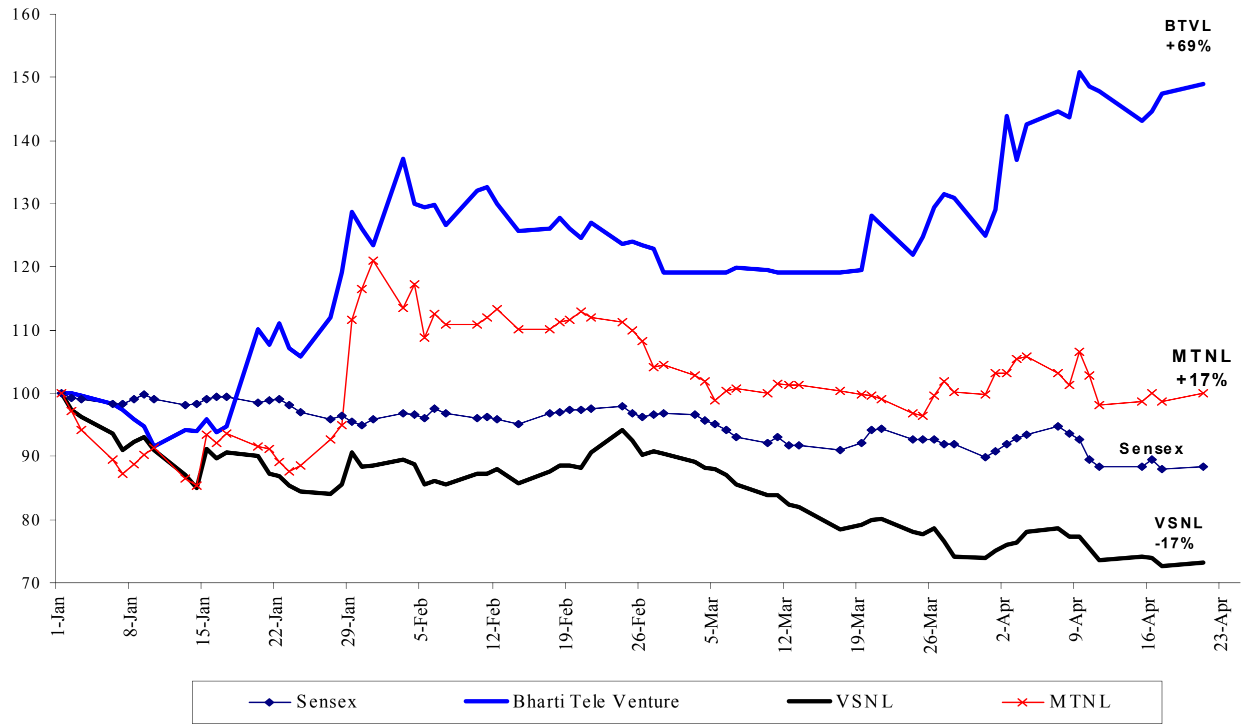
Stock Data	
Symbol/Exchange	BHTIF/Bombay
Bloomberg/Reuters	BHARTI IN/BRTI.BO
Shareholding Pattern	**As on March 31, 2003**
Promoters Holding	46.55%
Singtel (Pastel Ltd)	15.95%
Free Float*	37.50%
Foreign Holding	47.28%

* Free float includes 6.19% shareholding of Indian public & instutution which has foreign ownership restrictions (not freely tradeable across Indian and Overseas investors

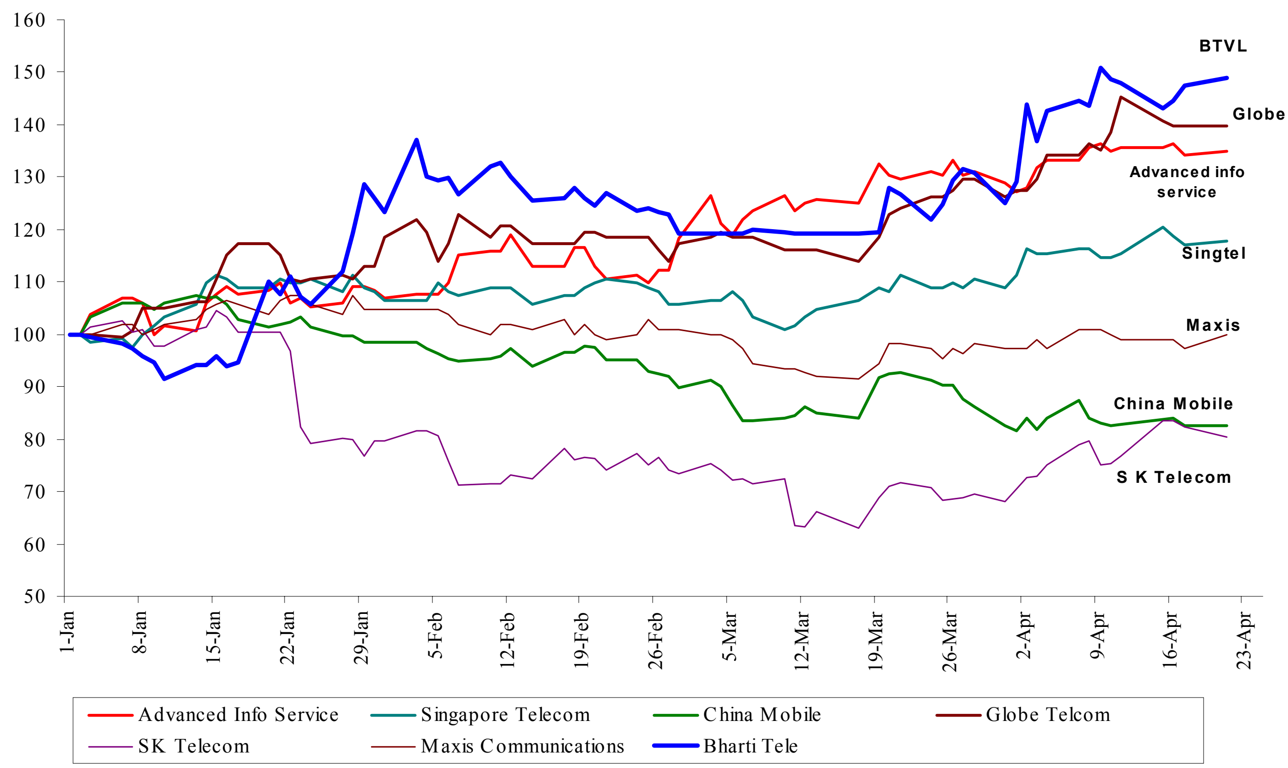
5.1.2 Bharti Tele-Ventures Daily Stock Price (BSE) & Volume (combined of BSE and NSE) Movement



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 millions, except ratios

Particulars	Quarter Ended					Year Ended		
	March 2003	March 2002	Y-on-Y Growth	December 2002	Q4-on-Q3 Growth	March 2003	March 2002	Y-on-Y Growth
Total revenue	**10,396**	**4,440**	**134%**	**8,469**	**23%**	**30,829**	**14,862**	**107%**
Net revenue	**7,560**	**3,668**	**106%**	**6,814**	**11%**	**24,133**	**12,171**	**98%**
Network operating expenses	829	250	232%	996	-17%	**3,112**	1,342	132%
Sales & marketing expenses	750	844	-11%	706	6%	3,190	1,920	66%
Personnel expenses	798	341	134%	676	18%	2,721	1,245	119%
Other operation expenses	1,429	436	228%	1,097	30%	4,041	1,846	119%
Total operating expenses	**3,806**	**1,871**	**103%**	**3,475**	**10%**	**13,065**	**6,354**	**106%**
License fees	1,039	723	44%	939	11%	3,361	1,824	84%
EBITDA	**2,714**	**1,075**	**153%**	**2,400**	**13%**	**7,707**	**3,993**	**93%**
Net finance costs	676	387	75%	756	-11%	2,821	906	-
Cash profit from operations	**2,038**	**687**	**196%**	**1,644**	**24%**	**4,886**	**3,088**	**58%**
Non-operating income	19	16	20%	1	-	56	54	2%
Loss of associate / Joint-venture	-	-	-	-	-	-	43	-
Pre-operating costs	(0)	393	-	(0)	-	378	879	-57%
Depreciation & Amortisation	**1,781**	**1,146**	**55%**	**1,725**	**3%**	**6,348**	**3,258**	**95%**
Depreciation	1,235	662	87%	1,276	-3%	4,438	2,172	104%
Amortisation - License fee	132	11	-	88	50%	393	11	-
Amortisation - Goodwill	395	399	-1%	337	17%	1,405	1,001	40%
Amortisation - Others	19	74	-74%	25	-22%	112	74	51%
Earnings before tax	**276**	**(835)**	**133%**	**(80)**	**446%**	**(1,785)**	**(1,037)**	**-72%**
Income tax income/(expense)	(1)	196	-	0	-	(1)	5	-
(Profit) / loss to minority shareholders	(20)	0	-	9	-	4	(182)	102%
Net profit / (loss)	**256**	**(639)**	**140%**	**(71)**	**462%**	**(1,781)**	**(1,215)**	**-47%**
Ratios								
EBITDA / Revenue	26%	24%		28%		25%	27%	
Interest Coverage	4.01	2.77		3.18		2.73	4.41	

Note: Rs. 291.70 million of variable spectrum fee pertaining to the full year ended March 31, 2002 has been reclassified from network operating expenses in the quarter ended March 31, 2002 to license fees.

A1.2 Consolidated Balance Sheet as per International Accounting Standards

Rs Millions, except ratios

Particulars	Year ended March 31, 2003	Nine months ended December 2002	Year ended March 31, 2002
LIABILITIES & EQUITY			
Funded Equity	51,901	51,843	51,795
Reserves & Surplus	(5,342)	(5,405)	(3,310)
Shareholder's equity	**46,559**	**46,438**	**48,485**
Minority interest	94	72	97
Total borrowings	35,983	34,322	20,386
Other non-current liabilities	2,300	1,883	1,408
Total liabilities & equity	**84,936**	**82,715**	**70,377**
ASSETS			
Gross fixed assets, including capital-work-in-progress	60,659	57,133	41323
Less: Accumulated depreciation	(11,514)	(10,285)	(7,083)
Net fixed assets	**49,145**	**46,849**	**34,240**
Goodwill	24,041	24,378	24,944
Entry Fee not written off	9,274	9,405	9,667
Net fixed assets & other project investments	**82,460**	**80,632**	**68,851**
Other non-current assets	3,164	2,990	2,964
Net current assets	(688)	(907)	(1,439)
Total Assets	**84,936**	**82,715**	**70,377**

Ratios:			
Net debt	31,967	30,841	14,324
Net debt to funded equity (Times)	0.62	0.59	0.28
Number of Shares Outstanding (Million Nos.)	1,853	1,853	1,853
Book Value Per Share (in Rs)	25	25	26

A 1.3 BTVL – Cash Flow

Rs million

Particulars	Qtr ended March 31,2003	Year ended March 31, 2003
Opening cash & marketable securities	**3,481**	**6,062**
Add: Sources		
EBITDA	**2,714**	**7,707**
Increase in Funded Equity	58	106
Decrease in Net Current Assets	20	(3,093)
Minority Interest	21	(4)
Increase in Non-Interest bearing deposits	417	891
Increase in borrowing	1,661	15,597
	4,892	**21,205**
Less: Applications		
Refund of advance share application money to Telia	0	590
Increase in Non Current Assets	174	200
Pre-operating costs	-	360
Finance Cost net of Non-Operating Income	657	2,766
Period capital expenditure	3,526	19,336
	4,357	**23,251**
Closing cash & marketable securities	**4,016**	**4,016**

A1.4 Key Accounting Policies

1. **Revenue recognitions**:

   Prepaid cards and Internet dial up cards: Revenue is recognized as and when the customer uses the available minutes and hours. 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 until the commercial launch of operations is held as "other non-current assets", post the commercial launch, it 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 customers who have been deactivated, other than those covered by security deposit.

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
Plant & Machinery	5-10
Optical fibre cable	15
Billing & Other Software	3
Computer equipment	3
Office, furniture and equipment	5
Vehicles	5
Leasehold improvements	Period of Lease

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 Millions, except ratios

Particulars	Qtr ended March 31,2003	Qtr ended December 31, 2002	Q4-on-Q3 Growth	Year ended March 31, 2003
Total revenue	10,396	8,469	23%	30,829
EBITDA	2,686	2,401	12%	7,680
Cash profit from operations	1,938	1,634	19%	4,834
Depreciation & Amortisation	1,747	1,863	-6%	6,692
Pre-Operative & Others	(0)	(1)	n/a	377
Earnings before tax	210	(226)	n/a	(2,179)
Net profit / (loss)	121	(290)	n/a	(2,357)

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

Rs million

Particulars	Year ended March 31, 2003	Qtr ended March 31,2003
	Unaudited	Unaudited
Net profit / (loss) as per IAS	**(1,781)**	**256**
Add: Differences on account of:		
Goodwill amortisation	471	316
Provision for Licence fee revenue share reversed in IAS	27	27
Remeasurement of financial instruments as per IAS 39 not applicable as per IGAAP	27	28
	525	**371**
Less: Differences on account of:		
Differences in accounting for finance charges	52	100
License fee amortisation not applicable in IAS	481	116
Differential depreciation provided in Indian accounts due to forex fluctuations not considered in IAS	387	220
Minority interest and loss of joint venture	181	69
	1,101	**505**
Net profit/(loss) as per Indian GAAP	**(2,357)**	**121**

A2 REGULATORY

A2.1 KEY HIGHLIGHTS OF THE TELECOMMUNICATION INTERCONNECTION USAGE CHARGE (IUC) REGULATION, 2003

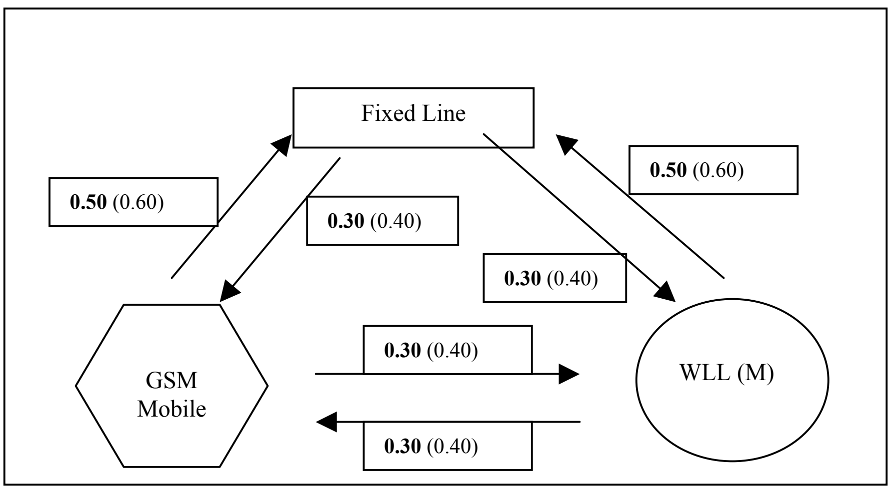
On January 24, 2003, TRAI introduced regulation on interconnect usage charges, thereby laying the foundation for a level playing field in the Indian telecommunications industry. The interconnect usage charge regime introduces a new revenue stream for mobile service providers in terms of termination charges. For the first time, fixed line and WLL (M) service providers will start paying termination charges to mobile operators for the use of their network for terminating calls.

The highlights given below are only a synopsis of IUC regulations issued by TRAI and is in no way exhaustive. For a complete reference to the changes proposed by TRAI, please refer to the complete documents available on the TRAI website. (www.trai.gov.in)

I. **Tariff and termination charges payable for intra network calls within the same type of services -** Termination charges of Rs. 0.25 are payable for local fixed to fixed calls. For local mobile to mobile calls and local WLL (M) to WLL (M), there is a forbearance i.e. revenue share can be mutually negotiated amongst the operators

II. Tariff and termination charges payable for inter network calls between different type of services – the diagram below represents the termination charges payable between different service providers (as specified by TRAI)

For **Metro Area** and (Circle Area) -In Rs per minute**.**



III. **Interconnect Usage charge for long distance calls**

For long distance calls, the regulator has specified the interconnect usage charges for origination, carriage and termination. In addition, the payment of access deficit charges (ADC) has been regulated for a fixed line originating and fixed line terminating network. The access deficit charge has been introduced for fixed line service providers as the authority concluded that the tariffs specified for fixed line do not cover the cost of providing such services. The regulator has presented two compensation mechanisms for settlement of such charge namely - uniform and differential access deficit charge. Service providers are free to choose the mechanism as mutually decided by them.

Interconnect usage charges are applicable for intra circle as well as inter-circle calls beyond 50 kms. By mutual negotiation, a spot value within +/- 10% of the specified value can be arrived at by the parties concerned.

National Long Distance calls-

Carriage charges for national long distance calls (as specified by TRAI)

(In Rs. per minute)

Distance slabs (Kms.)	**0 to 50**	**50 to 200**	**200 to 500**	**Above 500**
Transit Carriage charge	0.20	0.45	0.75	1.10

- ✓ The origination and termination charge for inter circle calls has been fixed at Rs. 2.00 for fixed line operators (Under the uniform ADC).
- ✓ Forbearance on the origination charges for mobile & WLL (M) operators.
- ✓ The termination charges for WLL (M) operator will be Rs. 0.50 per minute. In the case of fixed to mobile calls the mobile operator will receive a termination charge of Rs.0.30 and Rs.0.40 per minute in metros and circles, respectively.

International Long distance- For international long distance calls, the access deficit charge for both incoming and outgoing calls shall be Rs. 5 per minute. In addition, origination and termination charges of Rs.0.50 per minute shall be payable. Carriage charges to NLD operator shall also be applicable as above based on the distance slab. In addition, an international long distance operator is also required to pay settlement charges to the international carriers for outgoing and incoming calls between India and foreign countries. Any difference arising between retail tariffs (i.e. tariff charged from a customer) and wholesale tariff (i.e. revenue share payable for origination/termination of calls and carriage of calls and international settlement) may be shared through mutual negotiations amongst the service providers.

A2.2 KEY HIGHLIGHTS OF THE TELECOMMUNICATION TARIFF ORDER, 1999

During the quarter, TRAI initiated tariff rebalancing for the fixed line services, whereby monthly rentals have been increased and free and discounted rate calls have been reduced. In addition, the pulse duration of local calls has been revised downwards. These recommendations will result in higher realization per minute for these fixed line services.

The order has recommended forbearance on tariffs for WLL (M), outgoing mobile, national long distance calls above 50 kms and international long distance calls.

The highlight given below is only a synopsis of TTO issued by TRAI and is in no way exhaustive. For a complete reference to the changes proposed by TRAI please refer to the complete documents available on the TRAI website. (www.trai.gov.in)

In deciding new tariffs, the most important concern for the Authority was affordability.

Fixed-line services – the regulator has specified the following charges to be offered in the standard package.

- ✓ **Monthly rentals** have been increased depending on the user category and the capacity of local exchanges. eg: rentals for urban (residential) user have been increased from the maximum charge of Rs 250 to Rs.280. Rentals for rural subscribers for exchanges with less than 30,000 users remain unchanged.
- ✓ The number of **free calls** has been reduced from 60 to 30 metered calls for urban users and from 75 to 50 metered calls for rural users.
- ✓ The numbers of discounted rate calls have been reduced from the earlier 500 metered calls to 300 calls per month. The tariff for such calls has been set as Re.1 for urban users and Rs. 0.80 for rural users.
- ✓ The **pulse duration** of local call has been revised downwards.
  - For a fixed to fixed and WLL(M) calls, the pulse has been reduced from 180 seconds to 120 seconds.
  - For a fixed to mobile call, the pulse has been reduced from 180 seconds to 90 seconds and 60 seconds in case of metros and circles, respectively.

WLL (M) Services – the regulator has recommended forbearance on WLL(M) tariffs. Thus, the WLL(M) service provider is generally free to fix the tariffs and the authority has not notified any specific charge for such services.

Domestic long distance Services – the regulator has specified that for a intra and inter-circle long distance call of a distance of 0-50 kms, the call charges will be same as that of a local call. A ceiling of Rs. 8.40 per minute for all other long distance calls. The difference between the retail tariff and IUC can be shared between the originator, carrier and terminator based on mutual agreement.

Mobile Services- the regulator has introduced the incoming calls free regime. The regulator has also specified mobile termination charge in view of which the incoming calls on mobile has been made free.

A2.3 KEY IMPLICATIONS OF TTO & IUC ON INDUSTRY

The implications of the amendment to the tariff order and interconnect usage charge regulation on industry are as follows –

Mobility

- ✓ The regulation has introduced the incoming calls free. In lieu of this, the GSM mobile operators will start receiving termination charges from fixed line/WLL(M) operators who wish to terminate calls on their network. These charges amount to Rs. 0.30 and Rs. 0.40 per minute in metros and circles, respectively. The GSM mobile operators received no such charge in the pre IUC regime.
- ✓ The termination charges to be paid to WLL (M) operators have been reduced from Rs. 1.14 per pulse to Rs.0.30 and Rs 0.40 per minute for metros and circles, respectively.
- ✓ The termination charges to be paid to fixed line operators have been reduced from Rs. 1.14 per pulse to Rs.0.50 and Rs 0.60 per minute for metros and circles, respectively.

This has laid the foundation for a level playing field.

Fixed Line

- ✓ As compared to the earlier regime, the private fixed line operators will now start receiving termination charges for all long distance calls. In addition, the operators will also start receiving termination charges for all local calls as compared to receiving these from GSM mobile networks only.
- ✓ From a percentage based revenue share, the fixed line service operators will now receive a fixed amount for originating national and international long distance calls.
- ✓ The regulation has proposed an increase in monthly rentals, a reduction in pulse duration and a reduction in free pulses.

Thus, the new IUC regime and the amendment to the tariff order present an opportunity for the operators to enhance the average revenue that they realize from customers.

National Long distance

- ✓ In the case of long distance calls from mobile to incumbent's fixed line network, the interconnect revenue has been reduced from approximately Rs 3.50 to approximately Rs 2 per minute.
- ✓ In the case of mobile-to-mobile national long distance calls, interconnect revenue has to be shared with both the originator and the terminator. The pre-IUC regime specified a 5% share, only with the originator.

International Long Distance

- ✓ The IUC specifies the termination charges to fixed line operator between Rs. 5.50 to Rs. 6.60. This is a significant reduction from range of Rs. 4.40 to Rs. 13 in the earlier regime.

This will improve the ILD margins for the higher distance slabs.

In summary, we believe that the above regulatory changes have built new revenue streams for the industry and have paved the way to offer a enhanced value at affordable prices.

A2.4 Bharti's Website –Roadmap – www.bhartiteleventures.com

Bharti Tele-Ventures website is a very comprehensive and informative one for all type of users, especially investors & analysts. For your reference, please find below index of some of the key contents on the website.

1) Introduction to Bharti Tele-Ventures, its businesses and strategy.
2) Corporate & management structure.
3) Board of Directors.
4) Details of stakeholders & technology partners
5) Details of all businesses & operational circles.
6) Links to sites of products & services. (includes tariff plans)
    a. Airtel – (www.airtelworld.com)
    b. Touchtel – (www.touchtelindia.com)
    c. Indiaone – (www.indiaoneworld.com)
    d. Group Data & Enterprise (www.bhartibroadband.com)
7) Shareholding pattern as on quarter ended March 31, 2003.
8) Latest achievements.
9) Key financial & operational data.
10) Details of BTVL's stakeholders & technology partners.
11) Latest news & updates related to the company – Press Releases.
12) Annual Reports as per IAS & IGAAP.
13) Quarterly reports of last 5 quarters.
14) IPO Document.
15) Details and contacts of the analysts covering the company. This section provides name of the research house, contact person names and details.

We expect that the website content will be relevant and useful to the users and welcome all the feedback to improve the same. Kindly write back to ir@bharti.com.

G1 GLOSSARY

Technical and Industry Terms

Financial ad 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 less 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 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 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. E.g. in our Delhi network, the average customers in April, May and June were 594,000, 618,000 and 648,000 customers, respectively, the average customers for the quarter, as per the new definition, are calculated by taking the average of these customers that is 620,000.
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 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.
Existing Circles	Our existing mobile circles constitute the Delhi, Chennai, Kolkata, Andhra Pradesh, Karnataka and Himachal Pradesh circles. Our existing fixed line circles constitute the Madhya Pradesh and Chattisgarh circle. The other businesses category, which includes financials of the BTVL corporate office, also falls under the existing circles category.
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 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 borrowing less cash and marketable securities
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.
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.
Pre-Operative Costs	
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
ADC	Access Deficit Charge . As per IUC regulations, ADC is assessed by fixing an affordable level for rental/local call charges, special concessionary local call charges in the rural areas, provision of free calls, and any other below cost tariffs that the regulator may need to specify to make the Basic telecom services affordable to the common man to promote both Universal Service and Universal Access.
BSE	Bombay Stock Exchange
DLC	Digital Line Concentrator
DoT	Department of Telecommunications. It is within the purview of Ministry of Communications, Government of India.
Forbearance	Means the Authority i.e. TRAI has not, for the time being, notified any charge for a particular telecommunications service and the service provider is free to fix any charge.
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.
ISP	Internet Service Provider.
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.
MTNL	Mahanagar Telephone Nigam Limited. A Government owned company, providing telecommunications services in Delhi and Mumbai.
NSE	National Stock Exchange
RLU	Remote Line Unit

RSU	Remote Switching Unit
SIM	Customer Identity Module. SIM card is the enabling device inside a handset for providing mobile services.
SMS	Short Messaging Services, by which text messages of upto 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.
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.