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
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QUARTERLY REPORT ON RESULTS FOR THE PERIOD OF FOURTH QUARTER & FULL YEAR ENDED

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APRIL 23, 2004

Under leaf contains the following documents:

- **Key Highlights**
- **Message from the CMD**

Investor quarterly is a publication of investor relations

Written correspondence to be sent to:
Bharti Tele-Ventures Limited
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http://www.bhartiteleventures.com/bhartienterprises/investors.htm

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

Quarter four & full year ended March 31, 2004

Earnings highlights

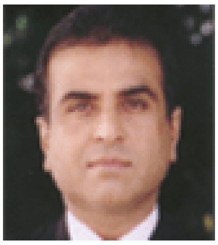
Operational & Financial

- First full year of Net Profit.
- Annual revenue of over Rs. 50 billion (~US$ 1 billion).
- Net profit for the full year of over Rs. 6 billion (~US$ 142 million).
- Quarterly –
  - Over Rs. 15 billion (~US$ 356 million) of revenue.
  - Over Rs. 5 billion (~US$ 122 million) of EBITDA.
  - Over Rs. 3 billion (US$ 70 million) of net profit.
- For the first time, quarterly net additions of mobile customers crossed the 1 million mark.
- Year on Year - Over 100% growth in customer base generated growth of 64% in revenue and 120% in EBITDA.
- Customer base growth of 18% quarter on quarter generated 22% growth in revenues.

Message from the CMD

"In what was the most challenging year for the telecom industry, Bharti has once again demonstrated strong growth and has shown profits for the full year of 2003 – 04.

During the year, Bharti also made significant progress towards its goal of being the preferred provider of telecom services to its customers. Focused strategy, improved execution, partnership with global leaders in IT & mobile infrastructure, and the increased confidence of all our stakeholders has now given us the size and scale to attain our objective of being a globally admired telco."



Other transformational initiatives undertaken during the quarter….

- Launch of the 'easy recharge over air' – an innovative prepaid product.
- Network Management & Outsourcing deal with Ericsson.
- Information Technology (IT) Outsourcing deal with IBM.

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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**	**2004**	**June 30. 2003**	**Sept.30. 2003**	**Dec.31. 2003**	**Mar 31. 2004**
Total Customer Base	**Nos (000's)**	**134**	**350**	**702**	**1,515**	**3,443**	**7,141**	**4,175**	**5,114**	**6,070**	**7,141**
Mobile (GSM)											
Number of circles operational	Nos	2	4	5	7	15	15	15	15	15	15
Number of customers	Nos (000's)	122	283	595	1,351	3,071	6,504	3,751	4,617	5,501	6,504
Total market share of all India customers	%	10.0%	15.0%	17.0%	21.0%	24.2%	24.9%	24.8%	25.3%	25.0%	24.9%
Percentage of all India population covered in licensed areas	%	2%	14%	15%	58%	58%	58%	58%	58%	58%	58%
Percentage of all India area covered in licensed areas	%	2%	16%	16%	56%	56%	56%	56%	56%	56%	56%
Percentage of all India mobile customers in licensed areas	%	18%	30%	31%	93%	91%	90%	91%	91%	91%	90%
Fixed line											
Number of circles operational	Nos	1	1	1	3	6 #	6 #	6 #	6 #	6 #	6 #
Number of customers	Nos (000's)	12	67	107	164	372	637	424	497	569	637
Consolidated financials as per IAS											
Revenue	INR Mn.	2,449	4,481	8,481	14,862	30,499	50,025	10,360	11,445	12,687	15,533
EBITDA	INR Mn.	35	856	1,930	3,993	7,591	16,709	2,889	3,765	4,730	5,325
Cash profit from operations	INR Mn.	(135)	224	971	3,088	4,928	14,299	2,258	3,058	4,001	4,982
Earnings before tax	INR Mn.	(562)	(797)	(1,102)	(1,184)	(1,781)*	5,844*	309	939	1,838*	2,757
Profit after tax	INR Mn.	(322)	(550)	(1,208)	(1,215)	(1,779)*	5,895*	310	933	1613*	3,038
Total funded equity	INR Mn.	-	5,344	21,285	51,795	51,734	51,893	51,750	51,765	51,797	51,893
Consolidated financials as per IAS											
Revenue	US$ Mn.	51	94	177	310	642	1,147	238	262	291	356
EBITDA	US$ Mn.	1	18	40	83	160	383	66	86	108	122
Cash profit from operations	US$ Mn.	(3)	5	20	64	104	328	52	70	92	114
Earnings before tax	US$ Mn.	(12)	(17)	(23)	(25)	(37)*	134*	7	22	42*	63
Profit after tax	US$ Mn.	(7)	(11)	(25)	(25)	(37)*	135*	7	21	37*	70
Total funded equity	US$ Mn.		112	444	1,081	1,088	1,190	1,186	1,187	1,187	1,190
Ratio											
EBITDA Margin	%	1%	19%	23%	27%	25%	33%	28%	33%	37%	34%
Net Profit Margin	%	-13%	-12%	-14%	-8%	-6%	12%	3%	8%	13%	20%
Net Debt to funded equity ratio	Times	-	1.00	0.13	0.28	0.61	0.77	0.68	0.74	0.73	0.77

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

** - For full year ended March 31, 2003 and March 31, 2004, quarter and nine months ended December 31, 2003; earnings before tax and profit after tax does not include any unusual income.*

1. All annual financial highlights for the year ended March 31, 2000; 2001; 2002; 2003; 2004 are consolidated audited results as per International Accounting Standards (IAS).
2. Financial highlights for the quarter ended June 30, 2003, September 30, 2003 and December 31, 2003 are un-audited and are based on consolidated results as per International Accounting Standards (IAS)
3. Financials for the quarter audited and are derived based on audited results full year ended March 31, 2004 and nine months ended December 31, 2003
4. 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, (c) Rs. 43.62 for the quarter ended March 31, 2004; December 31, 2003, September 30, 2003 and June 30, 2003 and for the financial year ended March 31, 2004.

SECTION I

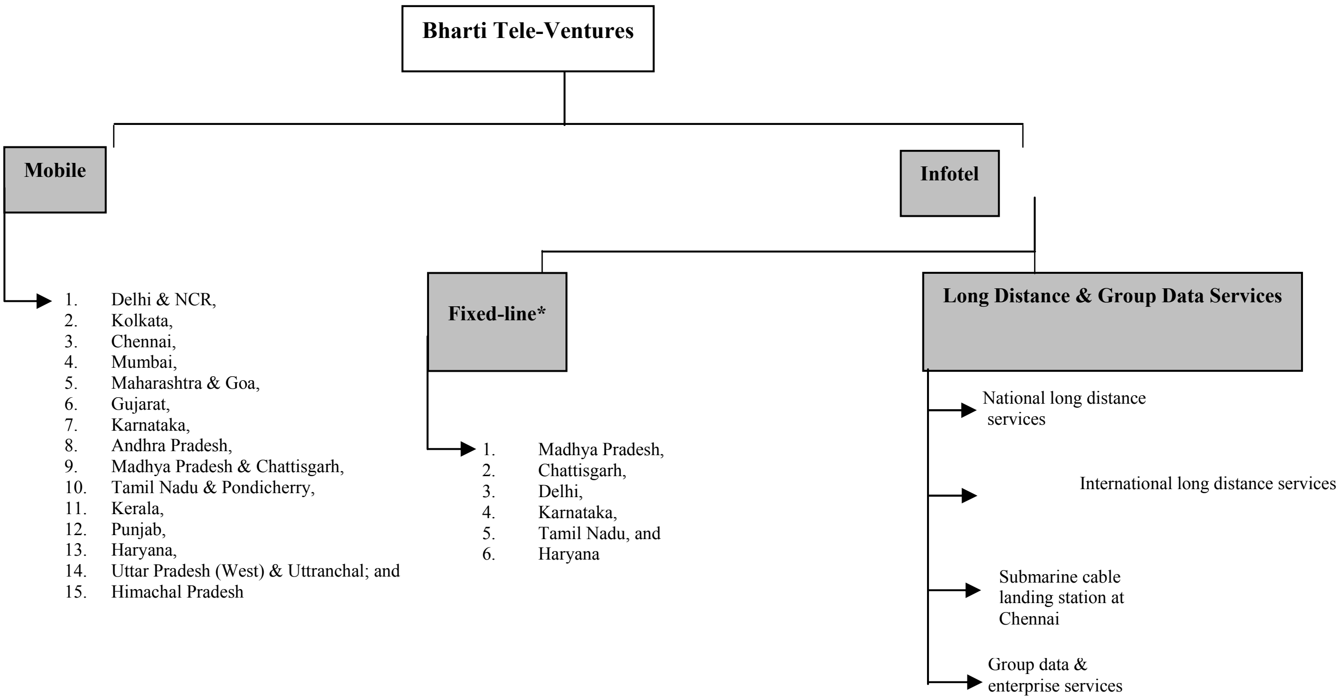
INTRODUCTION

We are India's one of the leading private sector provider of telecommunications services based on an aggregate of 7,140,939 customers as of March 31, 2004, consisting of 6,504,314 mobile and 636,625 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.

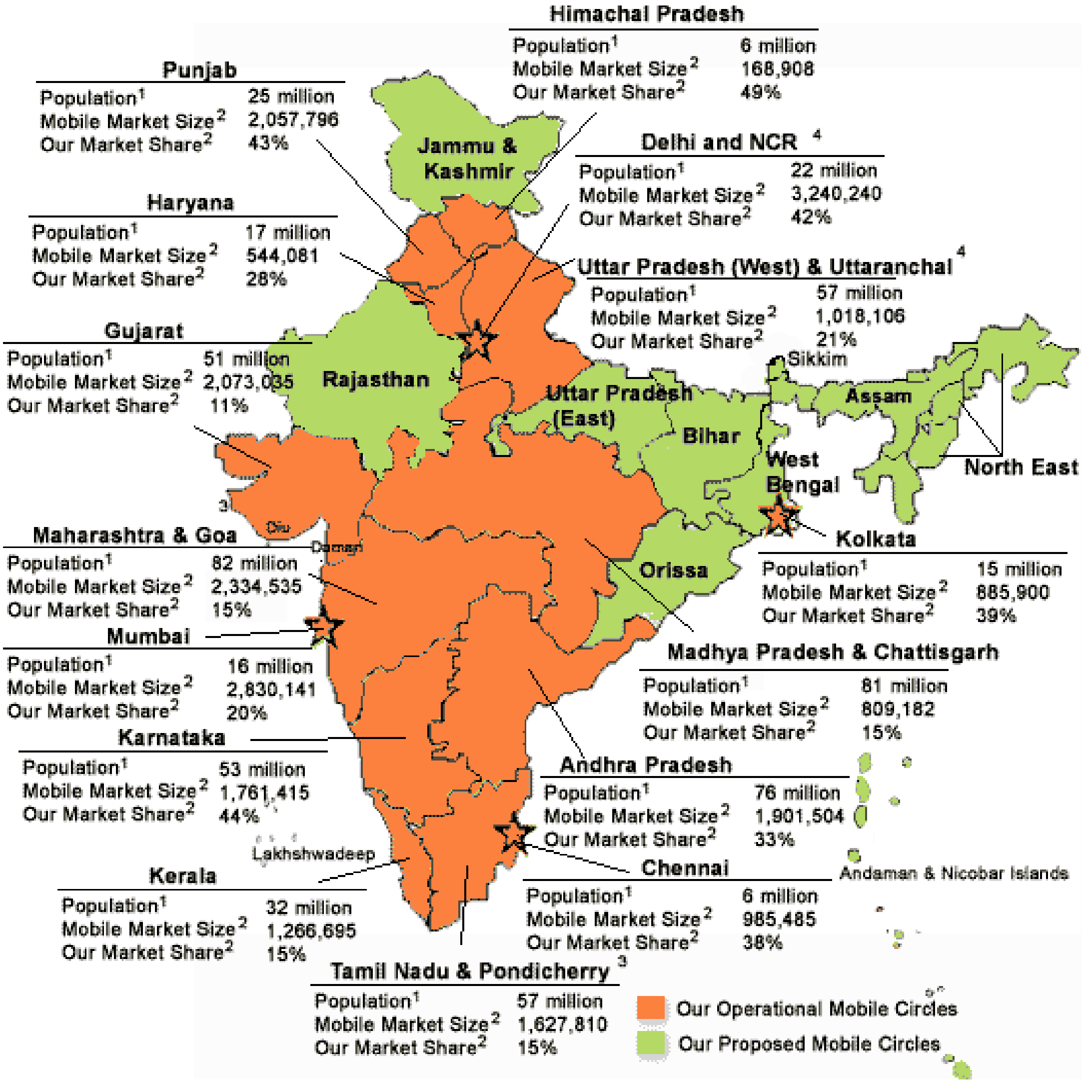
For the quarter ended March 31, 2004, our revenue and EBITDA as per IAS accounts were Rs. 15,533 million (US$ 356 million) and Rs. 5,325 million (US$ 122 million) respectively and for the year ended March 31, 2004, our revenue and EBITDA as per audited IAS accounts were Rs. 50,025 million (US$ 1,147 million) and Rs. 16,709 million (US$ 383 million) respectively. The net profit before unusual income for the quarter and year ended March 31, 2004 was Rs. 3,038 million (US$ 70 million) and Rs. 5,895 million (US$ 135 million) respectively. During the year ended March 31, 2004, mobile services represented approximately 65% 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 99.7% 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 March 31, 2004 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.

1.4 Business Divisions

- **Mobile** - We currently offer mobile services in fifteen of the 23 circles in India. As of March 31, 2004, approximately 90% of India's total number of GSM mobile customers resided in our mobile circles, according to COAI reports. Our mobile customers in the circles accounted for approximately 25% of the total all India GSM mobile customer base, as on March 31, 2004, 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, Motorola and Nokia. 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 fourth quarter and full year ended March 31, 2004 are attached to this report as Annexures.

The financials for the quarter[#] and full year ended March 31,2004 and March 31, 2003 are audited as per IAS. The financials for the quarter ended March 31, 2003 and December 31, 2003 are un-audited as per IAS accounts.

2.1 BTVL Consolidated - Summary of Consolidated Results of Operations.

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 2004	March 2003	Y-on-Y Growth	December 2003	Q4-on-Q3 Growth	March 2004	March 2003	Y-on-Y Growth
Total revenue	15,533	10,067	54%	12,687	22%	**50,025**	30,499	64%
EBITDA	5,325	2,597	105%	4,730	13%	**16,709**	7,591	120%
Cash profit from operations	4,982	2,079	140%	4,001	25%	**14,299**	4,928	190%
Earnings before tax (before unusual item)	2,757	280	-	1,838	50%	**5,844**	(1,781)	-
Profit after tax (before unusual items)	3,038	258	-	1,613	88%	**5,895**	(1,779)	-
EBITDA / Revenue	34%	26%		37%		**33%**	25%	

Note;(i) For inter-segment eliminations please refer to table 2.2.4.

(ii) For the full year ended March 31, 2004 and quarter ended December 31, 2003 the EBT & profit after tax does not include Rs. 300 million of unusual income. For the full year and quarter ended March 31, 2003, the EBT & profit after tax does not include Rs. 441 million of unusual income. Please refer to Management Discussion & Analysis for further details.

2.1.1.2 Reconciliation of Profit & Loss between IAS and US GAAP

Rs million

	Quarter ended March 31, 2004	Year ended March 31, 2004	Year ended March 31, 2003
Net profit / (loss) as per IAS	**3,038**	**6,195**	**(1,337)**
Add/(Less) US GAAP adjustments			
Goodwill amortisation	361	1,480	1,447
Deferred Taxation	-	(62)	62
ESOP amortisation	(12)	(12)	(12)
Net profit / (loss) as per US GAAP	**3,386**	**7,600**	**159**

Note: For the full year ended March 31, 2004, the net profit as per IAS includes unusual income of Rs. 300 million. For the full year ended March 31, 2003, the net profit does not include Rs. 441 million of unusual income. Please refer to Management Discussion & Analysis for further details.

[#] *Quarterly results are derived based on audited results for the full year ended March 31, 2004 and nine months ended December 31, 2003*

2.1.2.1 Balance Sheet as per IAS

2.1.2 BALANCE SHEET

Rs millions, except ratios

Particulars	As at March 31, 2004	As at December 31, 2003	As at March 31, 2003
LIABILITIES & EQUITY			
Funded Equity	51,893	51,797	51,734
Reserves & Surplus	(798)	(3,284)	(6,992)
Shareholder's equity	**51,095**	**48,513**	**44,742**
Total borrowings	44,699	43,745	35,932
Other non-current liabilities	3,654	3,686	2,386
Total liabilities & equity	**99,448**	**95,944**	**83,061**
ASSETS			
Net fixed assets & other project investments	100,263	96,000	83,696
Other non-current assets	4,634	3,466	3,165
Net current assets	(5,449)	(3,521)	(3,800)
Total Assets	**99,448**	**95,944**	**83,061**
Net debt	39,987	37,598	31,740
Net debt to funded equity	0.77	0.73	0.61
Book Value Per Equity Share (Rs.)	27.6	26.2	24.1

2.2 Segment-wise Summarized Profit and Loss Statements as per IAS

2.2.1 MOBILE OPERATIONS

Rs.million except ratios

Particulars	Quarter Ended					Year ended		
	March 2004	March 2003	Y-on-Y Growth	December 2003	Q4-on-Q3 Growth	March 2004	March 2003	Y-on-Y Growth
Total revenue	9,896	6,140	61%	8,580	15%	32,608	20,840	56%
EBITDA	3,182	1,455	119%	3,166	1%	10,477	5,579	88%
Earnings before interest & tax #	2,014	551	266%	1,986	1%	5,950	2,123	180%
EBITDA / Revenue	32%	24%		37%		32%	27%	

Note: # EBIT does not include Rs. 300 million of unusual income for the quarter ended December 31, 2003 and year ended March 31, 2004. EBIT does not include Rs. 441 million of unusual income for the quarter and year ended March 31, 2003. Please refer Management Discussion and Analysis section for further details.

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

Rs.million except ratios

Particulars	Quarter Ended					Year ended		
	March 2004	March 2003	Y-on-Y Growth	December 2003	Q4-on-Q3 Growth	March 2004	March 2003	Y-on-Y Growth
Total revenue	7,185	5,091	41%	5,522	30%	22,472	12,164	85%
EBITDA #	2,156	1,161	86%	1,631	32%	6,318	2,158	193%
Earnings before interest & tax #	1,465	688	113%	1,028	42%	3,831	412	830%
EBITDA / Revenue	30%	23%		30%		28%	18%	

Note: # EBITDA & EBIT for the quarter ended December 31, 2003 and full year ended March 31, 2004 does not include provision of Rs. 48 million of WPC fees pertaining to prior periods. Please refer Management Discussion and Analysis section for further details.

2.2.2.1 Fixed Line Operations

Rs.million except ratios

Particulars	Quarter Ended					Year ended		
	March 2004	March 2003	Y-on-Y Growth	December 2003	Q4-on-Q3 Growth	March 2004	March 2003	Y-on-Y Growth
Total revenue	2,234	1,229	82%	2,058	9%	7,758	3,574	117%
EBITDA #	506	197	157%	446	14%	1,705	334	411%
Earnings before interest & tax #	202	(102)		135	50%	453	(788)	n/a
EBITDA / Revenue	23%	16%		22%		22%	9%	0%

Note: # EBITDA & EBIT for the quarter ended December 31, 2003 and the full year ended March 31, 2004 does not include provision of Rs. 48 million of WPC fees pertaining to prior periods. Please refer Management Discussion and Analysis section for further details.

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					Year ended		
	March 2004	March 2003	Y-on-Y Growth	December 2003	Q4-on-Q3 Growth	March 2004	March 2003	Y-on-Y Growth
Total revenue	4,951	3,862	28%	3,464	43%	14,715	8,589	71%
EBITDA	1,650	964	71%	1,185	39%	4,613	1,824	153%
Earnings before interest & tax	1,263	790	60%	893	41%	3,378	1,201	181%
EBITDA / Revenue	33%	25%		34%		31%	21%	

2.2.3 OTHERS - comprises the expenses of BTVL corporate office.

Rs.million except ratios

Particulars	Quarter Ended					Year ended		
	March 2004	March 2003	Y-on-Y Growth	December 2003	Q4-on-Q3 Growth	March 2004	March 2003	Y-on-Y Growth
Total revenue	-	-		-		-	-	
EBITDA	(100)	(72)	-39%	(79)	-26%	(358)	(328)	-9%
Goodwill Amortisation	361	437	-17%	390	-8%	1,480	1,447	2%
Depreciation & Others	(76)	(69)	-9%	(74)	-2%	(359)	(128)	-180%
Earnings before interest & tax	(385)	(439)		(395)		(1,478)	(1,646)	

2.2.4 Inter unit Elimination

Rs.million except ratios

Particulars	Quarter Ended					Year ended		
	March 2004	March 2003	Y-on-Y Growth	December 2003	Q4-on-Q3 Growth	March 2004	March 2003	Y-on-Y Growth
Revenue	(1,548)	(1,164)	-33%	(1,415)	-9%	(5,056)	(2,504)	-102%
EBITDA	87	55	57%	61	43%	320	181	77%

2.3 Segment-wise Investments and Contribution

2.3.1 Investments in projects

Rs.million except ratios

Segment	As At March 31, 2004		As At December 31, 2003		As At March 31, 2003	
Mobility	87,606	71%	82,743	70%	68,468	69%
Fixed Line	16,717	13%	16,733	14%	15,431	16%
Long Distance & Group Data Services	19,478	16%	17,674	15%	14,679	15%
Corporate	358	0%	351	0%	344	0%
Total	**124,160**	**100%**	**117,501**	**100%**	**98,922**	**100%**
Accumulated Depreciation & Amortisation	23,897		21,501		15,226	
Net Fixed Assets & Other Project Investment	**100,263**		**96,000**		**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 March 2004						Year ended March 2004					
	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	9,896	64%	3,182	60%	4,783	73%	32,608	65%	10,477	63%	16,304	73%
Fixed Line	2,234	14%	506	10%	1,078	16%	7,758	16%	1,657	10%	3,340	15%
Long Distance & Group Data Services	4,951	32%	1,650	31%	1,805	27%	14,715	29%	4,613	28%	4,799	21%
Corporate	-	-	(100)	-2%	6	0%	-	-	(358)	-2%	14	0%
	17,080	**110%**	**5,238**	**98%**	**7,672**	**117%**	**55,080**	**110%**	**16,389**	**98%**	**24,458**	**109%**
Eliminations	(1,548)	-10%	87	2%	(1,094)	-17%	(5,056)	-10%	320	2%	(2,054)	-9%
Total	**15,533**	**100%**	**5,325**	**100%**	**6,578**	**100%**	**50,025**	**100%**	**16,709**	**100%**	**22,404**	**100%**

Note: Elimination of Rs. 1,094 million during the quarter and Rs. 2,054 million during the year in capex represents the transfer of network backbone of fixed line services to long distance services. Also, EBITDA of fixed line for the full year is after provision of Rs. 48 million of WPC charges pertaining to the prior period.

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				
	Mar. 31, 2004	Dec. 31, 2003	Q4-on-Q3 Growth	Mar. 31, 2003	Y-o-Y Growth
Mobile	6,504,314	5,500,580	18%	3,071,463	112%
Fixed-line	636,625	569,196	12%	371,973	71%
Total	**7,140,939**	**6,069,776**	**18%**	**3,443,436**	**107%**

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		
	Mar. 31, 2004	Mar. 31, 2003	Y-o-Y Growth	Mar. 31, 2004	Mar. 31, 2003	Y-o-Y Growth
Mobile	1,003,734	296,905	238%	3,432,851	1,720,503	100%
Fixed-line	67,429	54,753	23%	264,652	207,998	27%

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		
	Mar. 31, 2004	Dec. 31, 2003	Q4-on-Q3 Growth
Mobile	1,003,734	883,562	14%
Fixed-line	67,429	72,495	-7%

3.1.3 Mobile Market Share

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

Figures in Nos, except ratios

	Quarter Ended		
	Mar. 31, 2004	Dec. 31, 2003	Mar. 31, 2003
All India GSM Net Additions	4,162,662	3,691,186	2,207,207
All Bharti Net Additions	1,003,734	883,562	296,905
Bharti Market Share of All India Net Additions	**24.1%**	**23.9%**	**13.5%**

3.1.3.2 All India – Wireless Net additions – New customers added on Bharti's mobile networks compared to all India wireless net additions.

Figures in Nos, except ratios

	Quarter Ended		
	Mar. 31, 2004	Dec. 31, 2003	Q4-on-Q3 Growth
All India Wireless Net Additions	5,129,875	5,262,467	-3%
All Bharti Net Additions	1,003,734	883,562	14%
Bharti Market Share of All India Net Additions	**19.6%**	**16.8%**	

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

Figures in Nos, except ratios

	As on				
	Mar. 31, 2004	Dec. 31, 2003	Q4-on-Q3 Growth	Mar. 31, 2003	Y-o-Y Growth
All India Mobile Subscribers	26,154,405	21,991,743	19%	12,687,637	106%
Bharti's Mobile Subscribers	6,504,314	5,500,580	18%	3,071,463	112%
Bharti Subscribers as percentage of All India Subscribers	**24.9%**	**25.0%**		**24.2%**	

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

Figures in Nos, except ratios

	Quarter Ended		
	Mar. 31, 2004	Dec. 31, 2003	Q4-on-Q3 Growth
All India Wireless Subscribers	33,311,561	28,181,686	18%
All Bharti GSM Subscribers	6,504,314	5,500,580	18%
Bharti Subscribers as percentage of All India Subscribers	**19.5%**	**19.5%**	

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

Figures in Nos, except ratios

	Quarter Ended		
	Mar. 31, 2004	Dec. 31, 2003	Mar. 31, 2003
Customers	27.7%	27.6%	26.5%
Net Additions	28.2%	27.0%	16.0%

3.1.3.4 Wireless Market Share in Bharti Markets –Bharti's share of wireless customers and net additions as a percentage of wireless customers and net additions in its own market.

Figures in Nos, except ratios

	Quarter Ended		
	Mar. 31, 2004	Dec. 31, 2003	Mar. 31, 2003
Customers	21.7%	21.6%	24.3%
Net Additions	22.8%	19.0%	NA

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

Figures in Nos, except ratios

	As on		
	Mar. 31, 2004	Dec. 31, 2003	Mar. 31, 2003
Percentage of Prepaid Subscribers to Total Subscriber Base	79%	82%	76%
Percentage of Prepaid Net Additions to Total Net Additions	65%	74%	128%

3.2 Revenue & Usage

3.2.1 Mobile Business

	Quarter Ended			For the Year ended March 31, 2004
	Mar. 31, 2004	Dec. 31, 2003	Q4-on-Q3 Growth	
AVERAGE MONTHLY REVENUE PER USER (ARPU) (in Rs)				
Postpaid	1,128	1,326	-15%	1,316
Prepaid	337	349	-3%	344
Blended	493	519	-5%	528
AVERAGE MONTHLY MINUTES OF USE PER CUSTOMER (Minutes)				
Postpaid	622	670	-7%	656
Prepaid	215	217	-1%	211
Blended	295	296	0%	296
SMS				
SMS Revenue as a percentage of Total Mobile Revenue	3.6%	3.4%	-	3.3%
CHURN - MONTHLY				
Postpaid Voluntary Churn	1.5%	1.1%	-	0.8%
Postpaid Company Initiated Churn	2.3%	3.3%	-	2.0%
Prepaid	6.4%	5.7%	-	3.2%

3.2.2 Fixed Line Business

	Quarter Ended			For the Year ended March 31, 2004
	Mar. 31, 2004	Dec. 31, 2003	Q4-on-Q3 Growth	
Average Monthly Revenue Per User (ARPU) (in Rs)	1,242	1,285	-3%	1,302

3.3 Human Resource Analysis

	Quarter Ended		
	Mar. 31, 2004	Dec. 31, 2003	Q4-on-Q3 Growth
EMPLOYEE PRODUCTIVITY			
Mobile Consolidated			
Customers per employee (Nos)	2,058	1,863	10%
Gross Revenue per employee per month (Rs)	1,043,508	968,558	8%
Fixed LineConsolidated			
Customers per employee (Nos)	479	438	9%
Gross Revenue per employee per month (Rs)	560,805	528,131	6%
Long Distance & Group Data Services			
Gross Revenue per employee per month (Rs)	2,347,359	1,663,757	41%

SECTION IV

MANAGEMENT DISCUSSION & ANALYSIS

KEY INDUSTRY DEVELOPMENTS

INDUSTRY

Implementation of Telecom Regulatory Authority of India's (TRAI) Regulation on Telecommunication Interconnection Usage Charge (IUC) Regime, 2003

The Telecom Regulatory Authority of India (TRAI) through a public consultation process amended the earlier Interconnection Usage Charges (IUC) Regulations implemented on May 01, 2003 and notified a new regulation on IUC on October 29, 2003. The revised IUC Regulation has implemented with effect from February 01, 2004.

Guidelines on Intra-circle Mergers and Acquisitions

On February 21, 2004, after appropriate consideration of the recommendations of Telecom Regulatory Authority of India on intra circle mergers, and subsequently, via a clarification dated March 17, 2004, the following guidelines or clarifications for merger of basic, cellular and Unified Access Service licences (UASL) in a given service area have been released by the Department of Telecommunications (DoT):

(i) Merger of License shall be restricted to the same service area.
(ii) Merger of licence consequent to mergers/acquisitions or restructuring of the operations shall be permitted in the following category of licences:
  a) Cellular Licence with Cellular Licence;
  b) Basic Service Licence with Basic Service Licence;
  c) Unified Access Services Licence (UASL) with Unified Access Services Licence;
  d) Basic Service Licence with Unified Access Services Licence;
  e) Cellular Service Licence with Unified Access Services Licence;
(iii) In case of a merger of a basic service license with UASL, the basic service licensee shall pay, at the time of application for merger, the difference of amount of the entry fee, if any, as per the Guidelines for migration to UASL dated November 11, 2003.
(iv) Consequent upon the merger of licences, the merged entity shall be entitled to the total amount of spectrum held by the merging entities, subject to maximum of 15 MHz per operator per service area in Metro and category 'A' service areas, and 12.4Mhz per operator per service areas in category 'B' and category 'C' service areas. Subject to these limits, the merged spectrum will remain with the merged entity and would be treated as a starting point for further allocation and revision, as per the detailed spectrum guidelines to be issued separately.
(v) Any merger, acquisition or restructuring, leading to a monopoly market situation in the given service area, shall not be permitted. Monopoly market situation is defined as market share of 67 per cent or above within a given service area, as on the last day of previous month.
(vi) The spectrum charges shall be calculated for the total spectrum held by the merged entity. It has also been stated that after considering the recommendations of TRAI on the subject, the Government may review the spectrum charges.
(vii) The duration of the license of the merged entity will be equal to the duration of the License of the acquiring company
(viii) Operator having a license or token presence in a service area cannot be excluded and is to be counted as one single player.

These guidelines are subject to review after a period of one year, or earlier if warranted.

Guidelines for Separate Service Accounts

On February 25, 2004, the Telecom Regulatory Authority of India has issued its direction made to all telecom service providers to submit audited reports on separate service accounts. Service providers will now be required to submit accounting statements separately for every service and product or network service for each of the licensed areas. Further, the operators will have to submit yearly reports revealing details of cost of capital employed, network architecture and future plans. The new regulation will be applicable to all service providers including cellular operators, VSAT providers and Internet service providers.

The accounting separation reports would help TRAI to monitor and measure financial performance of individual telecom products or network services and information about disaggregated costs to the level of network elements. This regulation will be equally applicable to integrated players or companies holding a unified access services license (UASL).

All operators have been directed to file a manual within three months from the date of issue of the guidelines.

Consultation Paper on Unified Licensing Regime

On March 13, 2004, TRAI issued a consultation paper on the unified licensing regime. The objective of this consultation paper is to examine the various licensing, regulatory and level playing field issues. It is envisaged that a new licensing regime - the unified licensing or authorization regime be implemented in which service providers may be able to offer any or all services, using technology of their choice with the area of operation so defined as to promote greater participation of all types of entrepreneurs.

The key objective of the unified licensing or authorization regime is to encourage free growth of new applications and services leveraging on the technological developments in the information and communication technology (ICT) area.

Other vital objectives of the Unified Licensing Regime are as follows:

(i) Simplify the procedure of licensing in the telecom sector;

(ii) Ensure flexibility and efficient utilisation of resources keeping in mind the technological developments;

(iii) Encourage efficient small operators to cover niche areas in particular rural, remote and telecommunication facilities wise less developed areas;

(iv) Ensure no-worse off, level playing field and easy entry.

This paper has requested for the comments of the stakeholders for implementation of the regime for all telecom services. The last date of submitting the comments is April 30, 2004.

Consultation Paper on Limiting the number of tariff plans

On March 08, 2004, TRAI issued a consultation paper on "limiting the number of tariff plans offered by the access providers". Intense competition in the access service segment constituting basic and mobile services has resulted in substantial decline in tariffs and considering this fact the authority has forborne the tariffs for these services except for rural fixed line subscribers. The competitive activity coupled with the flexibility in offering tariffs have led to a situation wherein a large number of plans are offered in the market.

The objective of this consultation paper was to examine the various issues like; number plans to be permitted, the identification of service segments for the application of the proposed cap, desirability of having a minimum validity period for tariff plans and the criteria in respect of tariff toppings and promotional offers.

Consultation Paper on "Application of principle of non-discrimination in tariff schemes like CUG (Closed User Group), VPN (Virtual Private Network), and F&F (Friends & Family)

On February 16, 2004, TRAI issued a consultation paper on "Application of principle of non-discrimination in tariff schemes like the CUG (Closed User Group), VPN (Virtual Private Network), and F&F (Friends & Family)". The objective of the said consultation paper is to streamline the various issues relating to fixing of tariffs for schemes of this nature.

The concern of the authority is whether such tariff plans, would amount to dilution of the principle of non-discrimination emphasised by the authority. Considering the fact that these services have been found to satisfy legitimate interests of various organizations in the past, it was considered necessary to issue a consultation paper on the subject to elicit the views of all stakeholders.

Numbering Plan

On December 23, 2003, TRAI issued a recommendation to DoT stating that the numbering scheme for full mobility services provided by the Basic Service Providers who have migrated to a UASL should be brought at par with GSM operators. Pursuant to the above, vide a letter dated December 31, 2003; a new numbering level was allocated to Tata Teleservices Limited (series 97-### #####) and Reliance Infocomm Limited (series 93-### #####,) for their subscribers availing full mobility services. All existing subscribers availing full mobility service were required to be migrated to this numbering scheme w.e.f. February 01, 2004. However, due to lack of suitable interconnection with BSNL, the implementation in under progress.

5% Retention of Pass Through Revenue

Vide its determination dated January 08, 2001, TRAI had held that in respect of calls generated from cellular networks to fixed service providers, 5% would be retained by the cellular operators and this would be applicable from January 25, 2001.

However, BSNL refused to apply this revenue share with effect from January 25, 2001 on the grounds that the Telecommunication Interconnection (charges and revenue sharing) regulations, 2001 notified by TRAI on December 14, 2001 held that the date of implementation of 5% revenue share was January 31,2002.

The CMSPs had therefore filed a Petition before the Hon'ble TDSAT seeking implementation of this revenue share w.e.f. January 25, 2001. The Hon'ble TDSAT in its Judgment dated March 29, 2004, has held that the date of implementation of 5% of Pass Through Revenue shall be 25.1.2001.

The order stated that both BSNL and MTNL shall refund/ adjust all the excess amounts received by them from the cellular operators towards such revenue share for the period from January 25, 2001 till January 31, 2002. BSNL/MTNL was further directed to pay interest @ 12% per annum on the above amount with effect from 1.2.2002 till date of actual refund.

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 on 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, the response is yet awaited.

BSNL has filed an appeal before TDSAT 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 matter is now pending in the court.

COMPETITION

IDEA Cellular Limited announced a definitive agreement for acquisition of Escotel Mobile Communications Ltd

On January 16, 2004, as per press reports, IDEA Cellular Limited announced the acquisition of 100 per cent stake in both Escotel Mobile Communications Ltd and Escorts Telecommunications Ltd (ETL), which includes cellular operations in six telecom circles namely UP(West), Kerala, Haryana, Rajasthan, UP (East) and Himachal Pradesh.

Reliance Infocomm launched prepaid services

On February 10, 2004, as per press reports, Reliance Infocomm had launched its pre-paid services in approximately 1,200 cities. Under the prepaid launch scheme, a customer would have to pay Rs. 3,500 for a Motorola variant, a free connection and recharge vouchers worth Rs. 3,240 valid for six months and a six-month grace period. During this grace period the customer would be able to receive incoming calls and SMS without recharging the account.

COMPANY

Bharti Cellular Limited (BCL) received new unified licenses for five circles

On February 11, 2004, Bharti Cellular Limited signed and received unified access licenses to provide services in 5 new circles, which include Uttar Pradesh (East), West Bengal & Andaman Nicobar, Orissa, Bihar and Jammu & Kashmir.

In addition to this, Bharti has also applied for Letter of Intent (LOI) for the Assam telecom circle. With this, Bharti will become an all India operator.

Highest Crisil GVC Level 1 rating awarded to BTVL

On February 16, 2004, BTVL was assigned the highest ‘Crisil GVC Level 1’ (Corporate Governance and Value Creation) credit rating. This award has further reiterated BTVL’s capability in creating wealth for all its stakeholders while adopting sound corporate governance practices.

Crisil (Credit Rating Information Services of India Ltd.), which is the Indian affiliate of Standard & Poor’s, USA, is considered to be the premier credit ratings organization in India.

BTVL appointed Kurt Hellstrom as an Independent Director on its Board

On March 03, 2004, BTVL announced the induction of Kurt Hellstrom, the former President and world chief executive of the Swedish telecom giant Ericsson into its Board of Directors.

The induction of Mr. Kurt Hellstrom as a Director on the board would bring to Bharti Tele-Ventures a wealth of experience in the arena of mobile space. He recently retired from Ericsson after 19 years with the company where he held various positions including that of a member of the corporate executive team since 1990.

BTVL joins the SEA-ME-WE-4 submarine cable consortium

On March 29, 2004, BTVL announced its agreement to join the South East Asia–Middle East–Western-Europe-4 (SEA-ME-WE-4) consortium along with 15 other global telecom operators. This consortium will jointly develop and own, the next generation cable system.

The salient features are as follows:

(i) SEA-ME-WE-4 to connect India with Europe, US & Far East,

(ii) The cable system to be planned and negotiated over a one and a half year period is expected to provide a major boost to the broadband and data requirements of a significant population along its route,

(iii) The new cable system is to compliment BTVL's Network i2i cable by providing redundancy to its international voice & data services. This system is expected to get completed by the third quarter of 2005.

(iv) The estimated cost of the project is of the order of US$ 0.5 billion and the investment would be approximately $40 million.

BTVL enters into an agreement with the Shyam Group to acquire their stake in mobile operations in Rajasthan (Hexacom)

On April 05, 2004, BTVL announced its agreement with the Shyam Group to acquire their 67.5% equity stake in Hexacom India Limited for a consideration of Rs. 4,300 million. The purchase consideration of Rs. 4,300 million is payable by way of Rs. 550 million of cash and balance of Rs. 3750 million by way of issue of Optionally Convertible Redeemable Debentures (OCRD). The said consideration includes premium for majority shareholding and majority on the Board of Directors.

The acquisition is subject to a right of first refusal with the existing shareholders (TCIL) of Hexacom, regulatory and other necessary or applicable approvals.

Hexacom currently operates GSM mobile network in Rajasthan and has over 2.5 lakh subscribers as on March 31, 2004 with over 44% market share of GSM market of Rajasthan. Hexacom also has a license to offer GSM mobile services in North East.

BTVL announced the successful completion of Foreign currency convertible bond (FCCB) offering

On April 07, 2004 BTVL announced the successful completion of its Foreign Currency Convertible Bond (FCCB) offering in the international markets. The issue was for US$ 100 million with an option to retain over-subscription to the extent of 15%. The conversion price under the bond works out to Rs. 232/- reflecting a 40% premium on the day's closing price of Rs.166/-. The five-year bond carries a zero coupon with a yield to maturity (YTM) of 2.25% by way of redemption premium.

The proceeds of the FCCB would be utilized for the capital expenditure planned by BTVL during the year.

Bharti Mobile Limited (BML) - Punjab Litigation

The arbitration proceedings for a claim for the 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 July 22, 2004.

4.2 BUILDING TELECOM BUILDING PARTNERSHIPS

During the quarter, the company announced some long-term transformational initiatives , they include

(i) IT outsourcing deal with IBM
(ii) Network Management & Outsourcing deal with Ericsson, and
(iii) Introduction of the 'easy re-charge over air' prepaid product.

These strategic business initiatives would result in long-term partnerships for the company in the area of IT and Networks. Further, the launch of Easy Recharge in prepaid is a derivation of sharing best practices with our partners SingTel's associates.

These initiatives taken by the company are the first of its kind agreements undertaken by any telecom operator. in India These steps are towards building competitive edge by assisting in adaptation to the changing needs of technology and increase in the speed to market of new and innovative products & offerings.

Outsourcing of networks and IT would enable the company to channel its resources and expertise to core areas such as product innovation, value added services, marketing, branding and pricing.

(i) Information Technology (IT) outsourcing deal with IBM

During the quarter, Bharti and IBM India entered into a long term strategic and business transformation agreement. This will enable Bharti to scale its IT infrastructure to support business growth along with providing for market differentiation and will act as an engine for enterprise wide transformation. The company will be benefiting from leading edge industry thinking of IBM, and will provide for the freedom to focus on its own core competencies.

Deploying an IT management solution would allow the company to make informed decisions, and avoid becoming static in its growth oriented phase. It would also give Bharti the flexibility it needs to consolidate its position as a market leader in a dynamic and changing business environment.

The consolidation, transformation and management of the comprehensive IT infrastructure and applications of Bharti Tele-ventures has been awarded to IBM India. Thus, the comprehensive agreement encompasses three components:

(i) Provision of hardware & software (including all evolutionary changes),
(ii) Provision of IT services and
(iii) Joint go to market services i.e. joint development and marketing of IT and telecommunications services for India.

<u>Key highlights of the agreement are:</u>

- **SCALABILITY –** the deal will provide the company an edge in adapting to its changing needs of technology in support of its growth plans.
- **ACCOUNTABILITY** – the payment to the vendor is linked to certain agreed Service Level Agreements. Further, the accountability will be with one player as compared dependency on too many players.
- **PREDICTABILITY** – the cost structure are predictable as the payment is directly linked to the revenue of the company on a sliding scale basis i.e. the percentage-linked revenue payment is modeled to decrease with the increase in Bharti's revenues.

Bharti will be the preferred supplier of telecommunications services to IBM India in which it would allow IBM to leverage Bharti's unparalleled telecommunications capabilities across wireless and wire line services.

Based on estimates agreed between Bharti and IBM, the total deal for the first five years is estimated to be in the range of US$250 million to US$275 million and US$700 million to US$750million over a 10-year period. All the employees currently involved in the operation and maintenance of the IT infrastructure of Bharti are also being transferred to IBM.

(ii) Network Outsourcing to Ericsson: An initiative to build and manage telecom networks

During the quarter, Bharti and Ericsson, entered into an agreement which is a first of its kind initiative in the world to build and manage vast scale networks. Its scope extends to AirTel's existing circles of Delhi, Haryana, Punjab, Himachal Pradesh, UP (west), Andhra Pradesh, Tamil Nadu, Chennai, Karnataka & Kerala and the three new circles of Rajasthan, UP (East) & Jammu & Kashmir.

The three-year service agreement with Ericsson is an all encompassing and is towards the management, maintenance, quality assurance and capacity expansion of the AirTel networks in these circles. The initiative will result in providing congestion free networks with seamless coverage and enhanced quality in over 1,650 towns and cities across the 13 circles. The agreement also provisions for taking over of close to 250 Bharti employees by Ericsson.

This agreement is valued at USD 400 million. The contract amount is backed by a project funding agreement with the Swedish export credit agency – EKN. The overall cost of funding, including hedge cost is approximately 4% per annum.

As part of the agreement, Ericsson will continuously deliver equipments and services based on Bharti's capacity requirements, This will improve efficiency by eliminating overlap or duplication of roles between the two companies ,secure cost-efficient roll-outs and provide provision of on-demand capacity.

Key highlights of the agreement are:

- **SIMPLIFICATION - Box (Unit) price re-negotiated to US$/Erlang:**- the basis of invoicing for capital expenditure will be erlang as compared to individual items supplied.
- **ACCOUNTABILITY - Payment will be duly adjusted for performance on certain Service Level Agreements (SLAs)** -Hence, network quality will be of primary importance. However, a suitable reward or penalty mechanism has been built in if the network quality is good or poor .
- **GROWTH ORIENTED - Payment for capex is linked to increase in radio erlangs utilized on the network** - the company will have a cash flow advantage as instead of committing capital expenditure upfront, the company would pay to the vendor for capital expenditure based on network utilization. Hence, it is the vendor's responsibility for planning of the network on just in time basis.

This unique agreement would assist in further enhancement of the quality of service and standards on AirTel networks.

(iii) AirTel Prepaid introduced the distinctive and innovative 'easy recharge' product

In January 2004, AirTel introduced a unique and revolutionary prepaid product under the campaign ""Aisee Azadi Aur kahan". This nation-wide product bought about the remarkable features of the mode of 'electronic reloads' of airtime coupled with convenience of the service. This innovation is a derivation of sharing best practices with our partners SingTel's associates.

<u>Salient features of this product are as follows:</u>

- **Low entry cost:** Entry cost of recharge for the first time in the country has been brought down from Rs.300 to a minor denomination of Rs.50, which stands to be the lowest in the prepaid category.
- **Any denomination:** In real terms, this means a prepaid customer can buy talk time in the same manner as he buys petrol for his car or two- wheeler i.e. only buy as much as one has the money to pay for be it Rs 75, 120, 160 etc.
- **Recharge Anytime:** The customer gets the convenience of anytime recharge on a 24X7 basis. The customer can enjoy the advantage of anytime recharge mechanism through electronic reloads from retailers by transfer of credits "over the air"
- **Recharge Anywhere:** The customer gets the convenience of recharge through a SMS or through a reload option with an Automatic Teller Machine (ATM). This also further enables prompt service to the respective customers.
- **National recharge/ recharge while roaming:** The customer also has the convenience of the facility of reloads even while roaming simply via an easy charge outlet coupled with the advantage of procuring a "national recharge coupon".

The strategy behind the launch of this product primarily aims to serve as a strong market expansion and positioning tool. By lowering of the "threshold" price point of the prior level of Rs.300 to Rs.50 would essentially serve in broadening of the addressable customer strata and preferences. However, with this the monthly commitment for the customer remains the same at Rs.300 as the validity period for a 50 Rs. coupon is 5 days.

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4.3 Results of Operations

Key Highlights

- **Audited results for the quarter[#] and full year ended March 31, 2004.**
- **First full year of net profit.**
- **Annual - Over Rs. 50 billion (~US$ 1 billion) of revenue and over. Rs. 6 billion (~US$ 142 million) of net profit.**
- **Year on Year - Over 100% growth in customer base generated growth of 64% in revenue and 120% in EBITDA.**
- **Quarterly - Over Rs. 15 billion (~US$ 356 million) of revenue, Rs. 5 billion (~US$ 122 million) of EBITDA and Rs. 3 billion (US$ 70 million) of net profits.**
- **For the first time, quarterly net additions of mobile customers crossed the 1 million mark.**
- **Customer base growth of 18% quarter on quarter generated 22% growth in revenues**

As on March 31, 2004, we had an aggregate of 7,140,939 customers, consisting of 6,504,314 mobile and 636,625 fixed line customers. During the quarter, for the first time, we added more than one million mobile customers on our networks. Our customer base has increased by more than 100% year on year.

The consolidated revenues for the year ended March 31, 2004 at Rs 50,025 million grew by 64% over the last year. These revenues have crossed Rs.50 billion mark (over US$ 1 billion). During the same period, the operating expenses increased only by 25% from Rs. 13,028 million to Rs. 16,318 million. This resulted in EBITDA more than doubling from Rs. 7,591 million to Rs. 16,709 million. This growth is a result of operational as well as financial efficiencies achieved by the company.

For the full year ended March 31, 2004, the incremental EBITDA as a percentage of incremental revenue was 42% and 40% for the mobile and infotel segment respectively. However, due to the benefit of integrated business model, this ratio for consolidated business was 47% for the same period.

The cash profit for the year ended March 31, 2004 was Rs 14,299 million as compared to Rs 4,928 million for the year ended March 31, 2003 representing a growth of 190%.

The net profit for the full year was at Rs 6,195 million, making it the first full year of net profit.

During the quarter ended March 31, 2004, the company had revenues of Rs 15,533 million and an EBITDA of Rs 5,325 million, exhibiting a sequential growth of 22% and 13% respectively. The growth in the revenue and EBITDA was due to the strong customer addition during the quarter. The EBITDA margin for the quarter was 34% compared to 37% for the quarter ended December 31, 2003. The key reasons for reduction in EBITDA margin are as follows:

(i) Fall in the roaming revenue due to steep reduction by competition w.e.f. January 01, 2004.
(ii) Increases in access and interconnect charges due the implementation of new IUC with effect from February 1, 2004. ADC has been imposed on all mobile-to-mobile long distance call.
(iii) Increase in sales and marketing expenses due to higher customer additions and launch of “Easy Recharge” on pre-paid.
(iv) Payout for outsourcing of IT to IBM in the nature of set up charges.

However, the EBITDA margin would have not been adversely impacted if there were no impact of IUC implementation, and set up payments towards IT outsourcing deal.

The cash profit from operations increased from Rs. 4,001 million in the previous quarter to Rs. 4,982 million during the quarter ended March 31, 2004. The net finance cost during the same period reduced from Rs. 729 million to Rs. 343 million. This reduction was primarily due to foreign exchange gain on account of strengthening of Rupee against US Dollar.

There is provision for tax of Rs. 836 million and deferred tax income of Rs. 1119 million for the quarter ended March 31, 2004.

The consolidated net profit (before adjustment of unusual income) has improved to Rs. 3,038 million from Rs. 1,613 million for quarter ended December 31, 2003. The net profit margin improved to 19.6% from 12.7% during last quarter.

Till date, we have invested Rs 124 billion (US$ 2.85 billion) in building telecom in India. During the quarter ended March 31, 2004, we incurred capital expenditure of Rs 6.58 billion (US$ 151 million). We also paid licence fee of Rs 632.5 million for acquiring the unified access service licence for 5 new circles including UP (East), West Bengal, Jammu & Kashmir, Bihar (including Jharkhand) and Orissa.

[#] *Quarterly results are derived based on audited results for the full year ended March 31, 2004 and nine months ended December 31, 2003*

Owing to the expenses in the preparation to launch the above-mentioned 5 new circles, we have incurred pre-operative expenses of Rs 25 million during the quarter.

The funded equity of Bharti Tele-Ventures as on March 31, 2004 was Rs.52 billion. As on that date, the net debt of the company was approximately Rs.40 billion resulting in a net debt to funded equity ratio of 0.77.

During the year, following one -time adjustments were made:

(1) *Bharti Mobile Limited, licensee of our Karnataka, Andhra Pradesh and Punjab circle had made an investment of Rs. 300 million in its wholly owned subsidiary, Evergrowth Telecom Limited (ETL). The company had written off the investments under International Accounting Standards in earlier years. However, during the year, the investment was sold at its face value of Rs. 300 million due to which the company had an unusual income of the same amount.*

Mobile Business

The revenues for the year ended March 31, 2004 from our mobile business at Rs 32,608 million grew by 56% over the last year. The EBITDA during the fiscal 2004 was Rs. 10,477 million representing 88% growth over the same period last year. The EBITDA margin for the year improved to 32% from 27% last year. The EBIT for year was Rs 5,950 million as compared to Rs 2,123 million last year representing a year on year growth of 180%.

Our share of All India GSM market was 24.9% and of overall wireless market (GSM+CDMA) was 19.5%. During the quarter, net additions by GSM operators accounted for 81% of the overall wireless net additions of 5,129,875 customers.

The percentage of postpaid net additions of our total net additions during the quarter has further improved to 35% from 26% in the last quarter. This was primarily due to a new tariff plan* introduced last quarter. Postpaid subscribers formed 21% of our overall subscriber base as on March 31, 2004.

The revenues from our mobile business for the quarter ended March 31, 2004 was Rs.9,896 million, contributing to 64% of our overall revenue. The revenue sequentially grew by 15%, however EBITDA remained at the same level as last quarter. The EBITDA during the quarter was Rs 3,182 million resulting in a 32% margin to the revenues. The reduction in the EBITDA margin was primarily due to the following reasons:

(i) Fall in the roaming revenue due to steep reduction by competition w.e.f. January 01, 2004, and mobile terminating charges
(ii) Increases in access and interconnect charges due the implementation of new IUC with effect from February 1, 2004. Thus, for the first time ADC was levied on mobile originating calls (local terminating on fixed, long distance (national & international).
(iii) Increase in sales and marketing expenses due to higher customer additions and launch of "Easy Recharge" on pre-paid.
(iv) Payout for outsourcing of IT to IBM in the nature of set up charges.

During the quarter, our postpaid ARPU was Rs.1,128 (US$ 26) per month and our prepaid ARPU was Rs.337 (US$ 8) per month, resulting in a blended ARPU of Rs 493 (US$ 11). The reduction in the ARPU was primarily due to a majority of additions during the quarter on the new postpaid tariff plan (refer new tariff plan), reduction in roaming tariff and reduction in mobile terminating charges. The blended monthly usage per customer was 295 minutes during the quarter.

The blended ARPU for the full year was Rs. 528 (US$ 12) per month. The MoU/sub/month increased from 227 min/per sub/month for the full year ended March 31, 2003 to 296 min/sub/month for the full year ended March 31, 2004. . This is primarily due to the reduction in tariff and implementation of incoming call free regime during the year coupled with various other competitive reasons.

Fixed line Business

During the quarter ended March 31, 2004, we added 67,429 customers on our fixed line networks and for the full year, we added 264,652 customer. Our fixed line customer base was 636,625 as on March 31, 2004, which represents a growth of 71% over the last year.

The revenues for the full year ended March 31, 2004 from our fixed line business more than doubled to Rs 7,758 million over the last year. The EBITDA for the fiscal 2004 was Rs. 1,705 million, multiplying by over 5 times over the same period last year. The EBITDA margin for fiscal 2004 strengthened to 22% from 9% last year.

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* *Note : The company had introduced Sachin Invitation Plan (our brand ambassador), which has a rental of Rs. 150 per month and composite tariff of Rs. 1.99 per minute for all local & national long distance outgoing calls to GSM mobile. Please refer to our website www.airtelworld.com for further details.*

For the year ended March 31, 2004, the EBIT of our fixed line operations have become positive at Rs 453 million compared to a loss of Rs 788 million during the last year.

For the quarter ended March 31, 2004, the consolidated revenues from our fixed line operations at Rs 2,234 million, registered a sequential growth of 9% in this business. The EBITDA during the quarter was Rs. 506 million. The EBITDA margin improved to 23% as compared to 22% for the quarter ended December 31, 2003. The EBIT for the quarter ended March 31, 2004 increased to Rs 202 million as compared to Rs 135 million for the quarter ended December 31, 2003, representing a sequential growth of 50%.

The ARPU for the quarter was Rs. 1,242 (US$ 28) per month, a reduction of 3% from the previous quarter. The ARPU for the full year was Rs. 1,302 (US$ 30) per month, an improvement of 15% from the previous year of Rs. 1,129 per month. This improvement was due to higher ARPU on DSL. The number of DSL subscribers is approx. 40,000.

Long Distance, Group Data and Enterprise Services

For the year ended March 31, 2004, the revenues from our Long distance, group data and enterprises services was Rs 14,715 million representing a year on year growth of 71%. The EBITDA from the same period grew by 153% to Rs 4,613 million representing a EBITDA margin of 31% as compared to 21% for the year ended March 31, 2003. The EBIT for the year ended March 31, 2003 was Rs 3,378 million representing a year on year growth of 181%.

During the quarter, the consolidated revenues at Rs.4,951 million from our long distance and group data business had an increase of 43% over the last quarter. Our long distance operations have experienced a substantial growth in traffic carried by us due to increased captive subscriber base and superior network quality. We have also experienced significant increase in the data revenues on sale of lease line in our long distance segment. Further, the contribution of revenues from our group data and enterprise services to this segment has also been increasing quarter on quarter.

The EBITDA from these businesses during the quarter was Rs 1,650 million exhibiting a sequential growth of 39% and EBITDA margin of 33%. The marginal decrease in EBITDA margin was because of imposition of ADC on mobile-to-mobile NLD and mobile originating and terminating ILD calls.

SECTION V

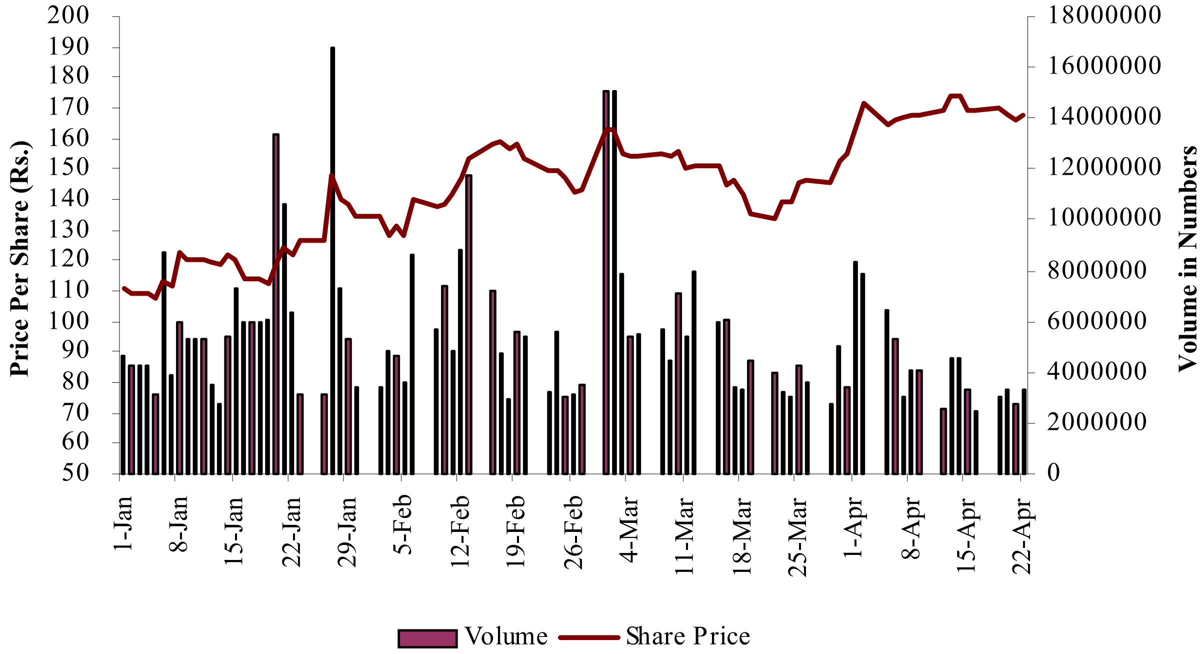
5.1 STOCK MARKET HIGHLIGHTS

5.1.1 General Information

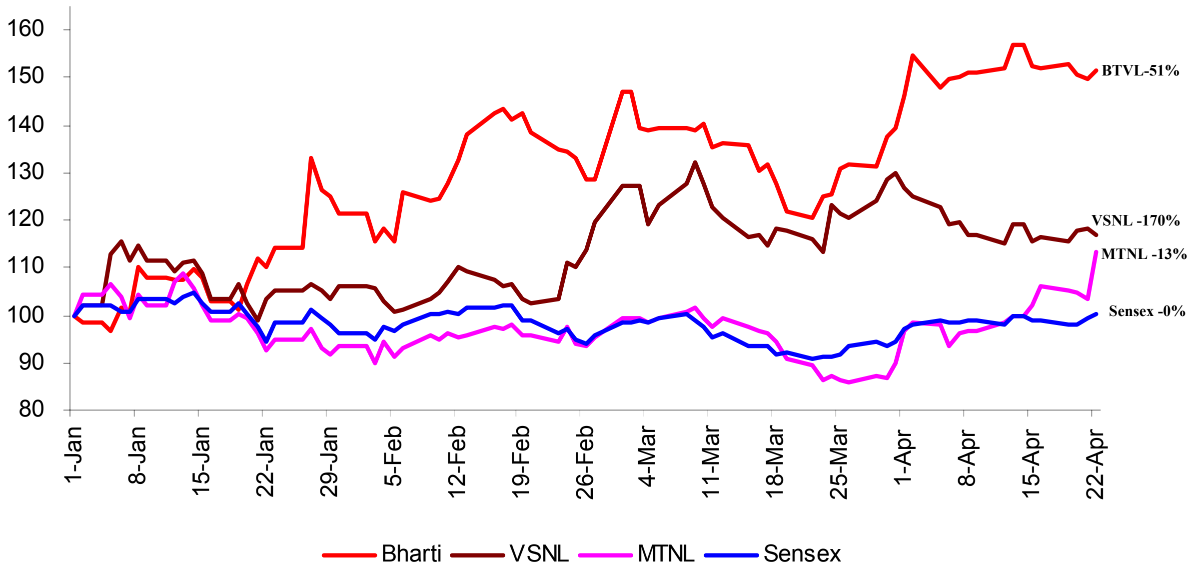
Opinion & Financial Data			Stock Data	
No. of Shares Oustanding	Million Nos.	1,853	Symbol/Exchange	BHTIF/Bombay
Closing Market Price (April 22, 2004)	Rs./Share	167.90	Bloomberg/Reuters	BHARTI IN/BRTI.BO
Market Capitalisation	Rs. Million	311,180	***Shareholding Pattern***	**As on March 31, 2004**
Book Value Per Share	Rs.	27.57	Promoters Holding	46.60%
Market Price/Book Value	Times	6.09	Singtel (Pastel Ltd)	15.95%
Net Debt/Funded Equity	Times	0.77	Free Float*	37.44%
Enterprise Value	Rs. Million	351,167		
Enterprise Value/Annualised Q4 Revenue	Times	5.65	Foreign Holding	47.70%
Enterprise Value/Annualised Q4 EBITDA	Times	16.49	Combined Volume (Jan 01, 2004- April 22, 2004)	5.5 million per trading day

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

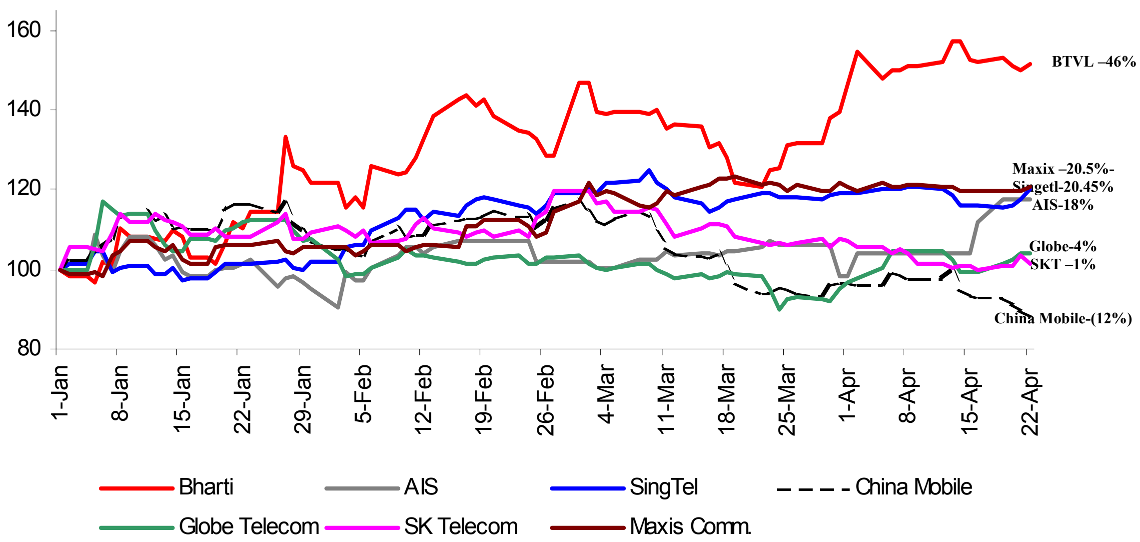
5.1.2 Bharti Tele-Ventures Daily Stock Price` (BSE) & Volume (combined of BSE and NSE) Movement



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.million except ratios

Particulars	Quarter Ended					Year ended		
	March 2004	March 2003	Y-on-Y Growth	December 2003	Q4-on-Q3 Growth	March 2004	March 2003	Y-on-Y Growth
Total revenue	**15,533**	**10,067**	**54%**	**12,687**	**22%**	**50,025**	**30,499**	**64%**
Access & interconnect charges	3,745	2,655	41%	2,497	50%	11,437	6,514	76%
Net revenue	**11,788**	**7,412**	**59%**	**10,190**	**16%**	**38,588**	**23,985**	**61%**
Network operating expenses	1,064	715	49%	1,103	-4%	4,348	2,998	45%
Sales & marketing expenses	1,315	731	80%	986	33%	3,873	3,172	22%
Personnel expenses	1,017	830	23%	944	8%	3,721	2,753	35%
Other operation expenses	1,425	1,494	-5%	883	61%	4,377	4,106	7%
Total operating expenses	**4,821**	**3,770**	**28%**	**3,917**	**23%**	**16,318**	**13,028**	**25%**
License fees	1,642	1,045	57%	1,544	6%	5,561	3,367	65%
EBITDA	**5,325**	**2,597**	**105%**	**4,730**	**13%**	**16,709**	**7,591**	**120%**
Net finance costs	343	518	-34%	729	-53%	2,410	2,663	-10%
Cash profit from operations	**4,982**	**2,079**	**140%**	**4,001**	**25%**	**14,299**	**4,928**	**190%**
Non-operating income	227	21	-	77	197%	330	58	-
Pre-operating costs	25	(7)	-	-	-	25	372	-93%
Depreciation & Amortisation	**2,428**	**1,828**	**33%**	**2,240**	**8%**	**8,760**	**6,395**	**37%**
Depreciation	1,915	1,236	55%	1,713	12%	6,711	4,439	51%
Amortisation - License fee	125	132	-5%	126	-1%	502	393	28%
Amortisation - Goodwill	361	437	-17%	390	-8%	1,480	1,447	2%
Amortisation - Others	27	23	19%	11	149%	68	115	-41%
Earnings before tax & Unusual items	**2,757**	**280**	**-**	**1,838**	**50%**	**5,844**	**(1,781)**	**-**
Income tax income / (expenses)	283	(2)	-	(220)	-	63	(2)	-
(Profit) / loss to minority shareholders	(2)	(19)	-	(6)	-	(12)	4	-
Net profit / (loss) before unusual items	**3,038**	**258**	**-**	**1,613**	**88%**	**5,895**	**(1,779)**	**-**

Note: The financials for for the quarter ended December 31, 2003 and year ended March 31, 2004 do not include Rs. 300 million of unusual income. And for the quarter and year ended March 31, 2003 does not include Rs. 441 million of unusual income. Please refer to Management Discussion and Analysis section for further details.

Ratios:								
Opex to Net Revenue	40.9%	50.9%		38.4%		42.3%	54.3%	
EBITDA Margin	34.3%	25.8%		37.3%		33.4%	24.9%	
Net Profit Margin	19.6%	2.6%		12.7%		11.8%	-5.8%	
Interest Coverage ratio	15.53	5.01		6.49		6.93	2.85	

A1.2 Consolidated Balance Sheet as per International Accounting Standards

Particulars	As at March 31, 2004	As at December 31, 2003	As at March 31, 2003
LIABILITIES & EQUITY			
Funded Equity	51,893	51,797	51,734
Reserves & Surplus	(798)	(3,284)	(6,992)
Shareholder's equity	**51,095**	**48,513**	**44,742**
Minority interest	106	104	93
Total borrowings	44,699	43,745	35,932
Other non-current liabilities	3,548	3,582	2,293
Total liabilities & equity	**99,448**	**95,944**	**83,061**
ASSETS			
Gross fixed assets, including capital-work-in-progress	83,898	77,320	61,494
Accumulated depreciation	18,506	16,596	11,817
Net fixed assets	**65,392**	**60,724**	**49,678**
Goodwill	25,466	26,379	24,744
Entry Fee not written off	9,404	8,897	9,274
Net fixed assets & other project investments	**100,263**	**96,000**	**83,696**
Other non-current assets	4,634	3,466	3,165
Net current assets	(5,449)	(3,521)	(3,800)
Total Assets	**99,448**	**95,944**	**83,061**

Ratios			
Net debt	39,987	37,598	31,740
Net debt to funded equity	0.77	0.73	0.61
Number of Shares Outstanding (Million Nos.)	1,853	1,853	1,853
Book Value Per Share (in Rs)	27.57	26.18	24.14
Debt to EBITDA (Net Debt/Annualised EBITDA)	1.88	1.99	3.05
Net Debt to market capitalisation	0.13	0.12	0.10

A 1.3 BTVL – Cash Flow

Rs Millions, except ratios

Particulars	Qtr ended March 31,2004	Year ended March 31, 2004
Opening cash & marketable securities	**6,147**	**4,192**
Add: Sources		
EBITDA	5,328	16,709
Increase in Funded Equity	96	159
Increase in borrowing	954	8,767
Minority Interest	2	12
Decrease in Net Current Assets	1,295	1,581
Increase in Other Non Current Liabilities	(587)	1,254
	7,087	**28,483**
Less: Applications		
Payment on Acquisition of Telia Stake	-	1,352
Pre-operating costs	25	25
Increase in Non Current Assets	1,168	1,469
Finance Cost net of Non-Operating Income	118	2,080
Period capital expenditure	6,578	22,404
Licence Fee Paid for New Circles	633	633
	8,522	**27,963**
Closing cash & marketable securities	**4,712**	**4,712**

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	Quarter Ended		Q4-on-Q3 Growth	Year ended March 31, 2004
	March 2004	December 2003		
Total revenue	15,533	12,687	22%	50,025
EBITDA	5,325	4,730	13%	16,709
Cash profit from operations	4,756	4,077	17%	14,001
Depreciation & Amortisation	2,442	2,240	9%	8,795
Pre-Operative & Others	(215)	(79)		(321)
Earnings before tax	2,529	1,915	32%	5,527
Provision for Tax	836	220		1,057
Deffered Tax Expense / (Income)	(1,528)	149		(1,379)
Minority Interest	2	6		12
Net profit / (loss)	3,219	1,540		5,837

Note: Pre-operative & Others includes other non-operative income

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

Rs million

Particulars	Quarter ended March 31, 2004	Year ended March 31, 2004
Net profit / (loss) as per IAS	**3,038**	**6,195**
Add: Differences on account of:		
Goodwill amortisation	160	699
Differences in accounting for finance charges	(216)	(284)
Remeasurement of financial instruments as per IAS 39 not applicable as per IGAAP	(3)	(1)
Less: Differences on account of:		
License fee amortisation not applicable in IAS	148	594
Differential depreciation provided in Indian accounts due to forex fluctuations not considered in IAS	25	140
Profit on sale of EGTL investment since earlier written off in IAS	-	300
Deferred tax expense in IGAAP not required in IAS	(409)	(259)
Net profit/(loss) as per Indian GAAP	**3,219**	**5,837**

Note: The net profit as per IAS for the year ended March 31, 2004 is after unusual income of Rs. 300 million. Please refer to Management Discussion & Analysis for further details.

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 ad judicatory powers.
TTO	Telecommunications Tariff Order, 1999 as amended from time to time.
US GAAP	United States Generally Accepted Accounting Principles.
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.