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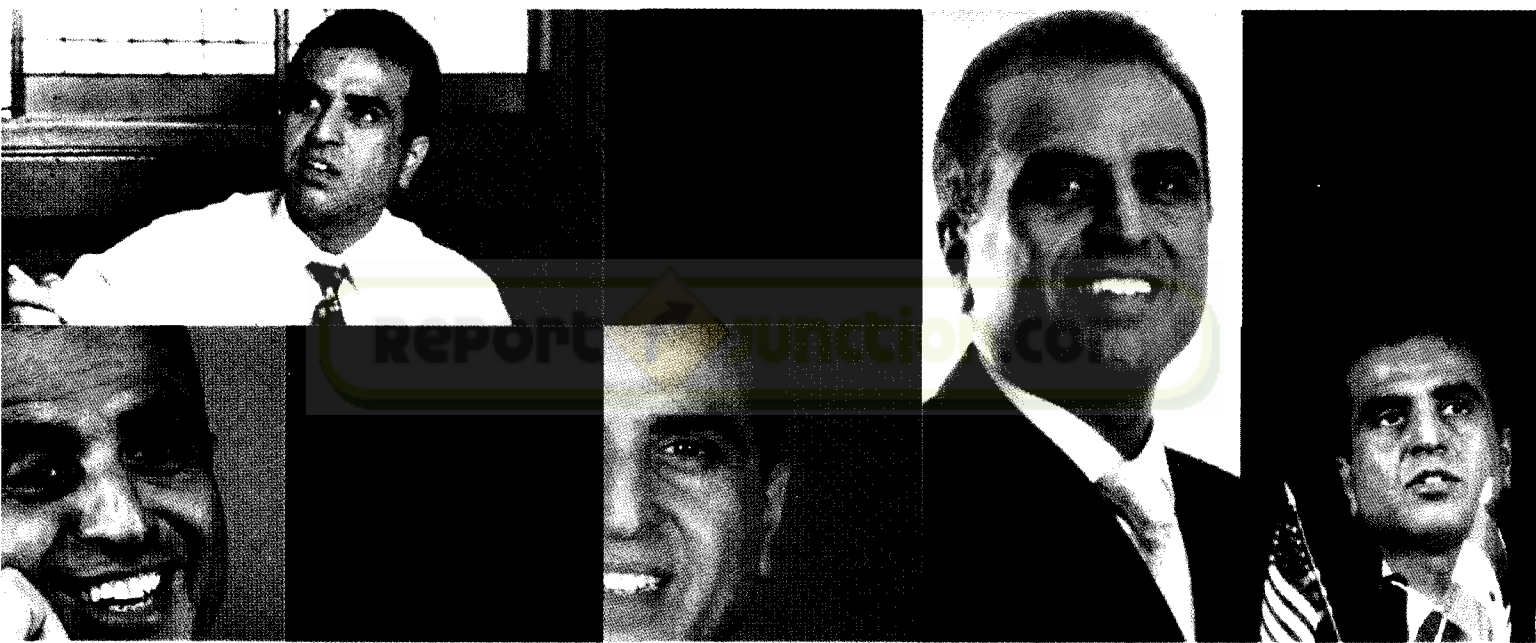
Bharti Tele-Ventures Limited
Annual Report 2004-05

The year 2004-05 was a significant year. A year of innovations, rewards, awards and firsts. A year when the industry, our customers, our peers and others from across the world humbled us with their recognitions. The launch of the unified brand Airtel, the setting up of the Enterprise Services group, the exclusive arrangement with Blackberry, delightful products like Airtel Live, Hello Tunes and many others, saw Bharti clearly emerging as the innovator leader in the market. The most heartening of all was Bharti becoming the first and only telecom company in India with a 23 circle all India footprint. Connecting millions of people and giving them the freedom to express themselves the way they wish to.



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Chairman's Message

Dear Investor,

The year 2004-05 will be remembered as a year in which Bharti established itself as a Leader-Innovator in the telecom sector in India. It was a year when it faced big challenges like sensitive regulatory environment & hyper competition. I am pleased to share that Bharti emerged stronger than ever before making a difference to the Indian economy, earning global recognitions along the way. It was a year when Bharti continued its focus on customer needs, strengthened its management teams and emerged a clear leader in the market.

We are today the largest mobile service provider in India, both in terms of revenues as well as subscribers. In March, Bharti became the first telecom company to complete an all India footprint covering all 23 telecom circles of India. Bharti rolled out a world class GSM network in thousands of towns, cities and villages. Airtel today proudly presents itself from the Indus to the Indian Ocean and from Sabarmati to the Brahmaputra. It has rolled out in the Andaman & Nicobar Islands, the North East, and in the interiors of Rajasthan.

The year also witnessed the unification of brand Airtel. Airtel now straddles across a suite of telecom services that your company provides. Your company established itself firmly in all the four key areas of telecom, i.e. mobile services under the Mobility Leaders group and the three divisions under the Infotel Leaders group, the Airtel Enterprise Service's group, which looks after large corporates, the Long Distance operating group, which provides domestic and international long distance services and the Broadband & Telephone services group, which provides high quality fixed line and broadband services. Your company reinforced its position as an innovator in the market by launching of a slew of new products & services like the Blackberry, HelloTunes, and Airtel Live.

The year also witnessed Bharti setting global benchmarks by entering into innovative partnerships with some of the leading companies of the world - Ericsson, Nokia, Siemens and IBM. Bharti outsourced its IT requirements to IBM and network planning, supply and management to Ericsson, Nokia and Siemens. These breakthroughs, first-of-it's-kind initiatives in the world, have started to deliver impressive benefits for the company. The network quality has been enhanced, state-of-the-art products and services are continuously being introduced and the network is being efficiently utilized, allowing us to focus on high quality services in the market place.

While the competitive environment remained hyper-active, Bharti, with it's strong brand, extensive spread of networks and it's extensive distribution chain, continued to consolidate and grow it's market share. In the Enterprise service business, Bharti made significant strides, including the acquisition of Comsat Max. The introduction of DSL on fixed line phones has been widely accepted, delighting customers and accelerating the broadband boom in the country.

Your company has also increased it's network spread in the fixed line and broadband arena by rolling out services in many new cities. The Long Distance business, both international and domestic, is serving the synergetic needs of Airtel while

providing services to other operators, thereby maximizing it's return on investments.

Telecom still remains a highly taxed sector with nearly 25% of the customers' bill going towards payment of licence fee, Access Deficit Charge (ADC) and wireless charges. Some positive changes were witnessed in the year through a reduction in the ADC. The industry is looking forward to a positive decision from the Government and is committed to pass on (in it's entirety) the benefits that may arise by way of reduction of licence fee. The industry was delighted to receive Government's approval on the much awaited increase in the FDI cap in the sector from 49% to 74%. This should result in the industry's ability to raise more funds from the international market and roll out networks in rural India.

Our results for the financial year ended March 31, 2005, were once again impressive in the backdrop of some of the fastest drop in tariffs seen in the industry. Today customers in India enjoy the lowest tariffs anywhere in the world. The total revenues grew by an impressive 61% from the previous year to cross the Rs. 80,000 Mn mark with profit at Rs. 12,116 Mn, posting a 108% increase over the previous year. Our total telecom subscriber base grew to 12.7 million in May 2005, up from 8.0 million in the previous year. In the three months ended May 31, 2005, we captured 30% of all new wireless subscriber additions in the country.

The GDP in India is steadily climbing up while our mobile penetration remains at only 5%. Incomes in India are rising, consumer spending is on the upswing and the demographics reflect a resurgent middle-class. In March 2005, India closed at 52 million mobile subscribers while China crossed 349 million. The massive growth in Indian telecommunication is yet to come. Bharti's position on the board of global GSM Association, has helped push for low-cost handsets for India. We believe that the reduction in entry cost for first-time buyers, with low tariffs, will result in a new wave of mobile explosion in India.

The impressive results that your company has delivered would not have been possible without the

yeoman contribution of all employees, channel partners and outsource partners who are working day and night to execute and deliver the vision of the company (that reads "to be globally admired for telecom services that delight customers"). I am sure all of you will join me in complimenting them for putting in extraordinary work to achieve wonderful results. The management team remains committed to serving all stakeholders' interest without compromising the values that have defined our success over the years.

As I look at the year 2005-2006, I sincerely believe that our best years are ahead of us.

Sunil Bharti Mittal

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Board of Directors



Sunil Bharti Mittal

Mr. Sunil Bharti Mittal is Chairman and Managing Director of Bharti Tele-Ventures Limited. He is a graduate from Punjab University and has completed the "Owner/President Management Programme" from Harvard Business School in 1999. He is a member of the Prime Minister's Council on Trade & Industry and is also the founder, past president and Member of various telecom industry associations. Mr. Mittal is the Honorary Consul General of the Republic of Seychelles in India and is also winner of number of awards at national and international level.

Rajan Bharti Mittal

Mr. Rajan Bharti Mittal is Joint Managing Director of Bharti Tele-Ventures. He is a graduate from Punjab University and has over 22 years of industry experience. He is the Chairman of Telecom Committees of FICCI and PHDCCI and is also the Member of FICCI's Executive & Steering Committee, PHDCCI's Managing Committee, Council of Management of All India Management Association (AIMA) and Executive Committee of International Chambers of Commerce – India Chapter. He was the President of Association of Basic Telecom Operators during 1999-2000.



Akhil Gupta

Mr. Akhil Gupta is Joint Managing Director of Bharti Tele-Ventures. He is a commerce graduate and a Chartered Accountant by qualification. He has also done "Advanced Management Program" from Harvard Business School and has over 22 years of professional experience. He has played a pivotal role in Bharti's phenomenal growth in a short span of ten years. He represents the Indian Telecom Industry and Bharti regularly, at various forums in India and abroad. He was also adjudged as the Chief Financial Officer of the year for "Mergers and Acquisitions" by the Economic Intelligence Unit, India in association with American Express.



Rakesh Bharti Mittal

Mr. Rakesh Bharti Mittal is an electronics engineer from YMCA Institute of Engineering and has over 28 years of industry experience. He has been a member of the National Council of the Confederation of Indian Industry (CII) since 1999. He was the Chairman of Northern Regional Council of CII for the year 2004-05. He also heads several Educational, Social Development and Welfare Associations.



Lim Toon

Mr. Lim Toon is a graduate from the University of Canterbury, New Zealand, with a First Class Honours degree in Electrical Engineering and has a Post Graduate diploma in Business Administration from the University of Singapore. He has over 34 years of experience with SingTel and has been the Chief Operating Officer of SingTel since 1999. He is responsible for overseeing the Consumer, Corporate, Global and Network Groups of SingTel and synergising the businesses of the SingTel Group including SingTel, Optus and the Associate Companies.



Donald Cameron

Mr. Donald Cameron was appointed on the Board of Bharti in September 2001 and became Chairman of the HR Committee in April 2005. He is a Chemical Engineer and has a Masters Degree in Economics and Administration in the petroleum industry from Loughborough University. For the last 16 years, he has been involved in establishing and growing mobile operators in USA, Europe and Asia for British Telecom. He was a Director of Airtel Mobile in Spain and SFR Mobile in France and is currently a Director of LG Telecom in Korea. Prior to this, he worked in telecommunications manufacturing with Plessey Plc., UK Government (The National Economic Development Office), and the oil industry with British Petroleum.



Lung Chien Ping

Mr. Lung Chien Ping is a graduate from the University of Singapore with a degree in Electrical Engineering. Mr. Lung retired from Singapore Telecom in 2002 after over 35 years of service with the company. At the time of retirement, he was the Vice President of Singtel and responsible for overseeing the operations of Singtel's overseas ventures. Prior to that, he was the CEO of SingTel Mobile, a mobile service provider in Singapore.



N. Kumar

Mr. N. Kumar is an engineer in Electronics and Communications, he is the Vice-Chairman of the Sanmar Group. Sanmar operates in diverse areas such as chlorochemicals, specialty chemicals, engineering, life insurance, shipping and software. etc. Mr. N Kumar is the Honorary Consul General of Greece in Chennai and the Honorary Business Representative of the International Enterprise Singapore (formerly Singapore Trade Development Board). An active spokesman of industry and trade, Mr. N. Kumar was the President of Confederation of Indian Industry (CII) and participated in various other apex bodies.