



**17TH
ANNUAL REPORT
2001-2002**

Report  junction.com

BHARTI TELECOM LIMITED

BHARTI TELECOM LIMITED

BOARD OF DIRECTORS

CHAIRMAN

Mr. Sunil Bharti Mittal

DIRECTORS

Mr. Akhil Gupta
Mr. Lim Toon
Mr. Rajan Bharti Mittal
Mr. Sin Hang Boon

SECRETARY

Mr. Amit Khera

AUDITORS

M/s.Price Waterhouse

BANKERS

Deutsche Bank
HDFC Bank Limited

CORPORATE OFFICE

Qutab Ambience,
(Near Qutab Minar)
H-5/12,
Mehrauli Road,
New Delhi - 110 030.

REGISTERED OFFICE

Plot No. 6,
Sector-34, EHTP,
Gurgaon, Haryana - 122 001.

CONTENTS

<i>Chairman Review</i>	<i>1</i>
<i>Notice</i>	<i>3</i>
<i>Directors' Report</i>	<i>5</i>
<i>Auditors' Report</i>	<i>7</i>
<i>Balance Sheet</i>	<i>9</i>
<i>Profit & Loss Account</i>	<i>10</i>
<i>Schedules forming part of the Accounts</i>	<i>11</i>



Chairman's Review

Indian telecommunications – a success story:

Bharti Telecom was one of the prime and pioneering movers in the field of Indian telecommunications, and has stood at the vanguard of reforms. Today, within a few years of the commencement of telecom reforms in India, each and every sector be it mobility, fixed line, national long distance or international long distance, has been opened up to the private sector. The industry has witnessed a robust growth with mobile subscribers alone increasing from 1.9 million to over 8 million in just over two years. The Government of India has displayed exemplary vision and foresight by putting in place a National Telecom Policy 1999 thereby placing this industry on a road to high growth. The Indian telecom industry, today, has one of the highest growth rates in percentage terms worldwide and it clearly has a tremendous growth potential in the years to come, the tele-density being less than 4%.

Bharti, a Leader in Indian telecommunications:

Bharti Tele-Ventures through its subsidiaries (Bharti Tele-Ventures) has emerged as the leading private telecom services provider in India with the largest base of mobile subscribers in the country. It is currently the only integrated telecom player with a predominant emphasis on mobile telephony. Its subscriber base today is over 2.3 million of whom 2 million are mobile subscribers.

The opening up of the telecom sector provided opportunities to young companies like Bharti. We are glad to have been able to support and enable it to convert these opportunities into rapid growth in just a few years. As a result, within a span of three years, it has grown from two mobile circles to fifteen, from one fixed line circle to five and are also in the national long distance, international long distance, VSAT and ISP operations. Its areas of operations now cover approximately 600 million people and over 50% of the landmass of India. The customer base has grown from just 134,000 to over 2.3 million since 1999. In fact, our support has gone a long way in enabling Bharti Tele-Ventures to be the first private company to operate fixed line services and national and international long distance services in India.

We, along with our partners — Singapore Telecommunications Ltd, Warburg Pincus, International Finance Corporation, Washington, Asian Infrastructure Fund, New York Life, leading institutional investors from India and abroad and thousands of retail investors – enabled its rapid growth. In the last 18 months, Bharti Tele-Ventures has attracted over a billion US dollars from investors, which considering

the turmoil faced by the telecom industry all over the world in this period was an extremely satisfying feat. The company had its maiden public listing in February this year and is now listed on the National Stock Exchange of India, the Stock Exchange of Mumbai and the Delhi Stock Exchange. Our investment in Bharti Tele-Ventures Limited is to the tune of 46.4%

The revenues of Bharti Tele-Ventures (as per IAS accounts) between 1999 and 2002 increased from Rs. 2,449 Million to Rs. 14,862 Million, EBITDA from Rs. 35 Million to Rs. 3,993 Million and cash Profit from a loss of Rs. 135 Million to a cash profit of approximately Rs. 3,088 Million.

Year under review:

The year gone by has been a significant one. Our holding in Bharti Tele-Ventures has enabled it to take strong and bold decisions, and make that final leap between planning and execution. During the year, Bharti Tele-Ventures added nine new cellular licenses, four fixed line licenses and licenses to operate national long distance and international long distance services during the year. The addition of fifteen new licenses over and above the seven existing ones posed a mammoth challenge before the Group due to the unprecedented scale of roll out and scale up required in the process.

We are particularly proud of the quick implementation of these projects. As on date, Bharti Tele-Ventures has commissioned all four fixed line projects, national long distance services, international long distance services and all nine new cellular circles.

Summary:

In summary, I believe that India with its vast size and resources has tremendous economic potential and is capable of emerging as one of the fastest growing economies in the world. Within India, the telecommunications sector has witnessed strong growth and continues to have unparalleled growth opportunities with its low penetration and high potential.

Acknowledgement:

I would like to take this opportunity to thank the entire Bharti team for their dedication and hard work without which we would not have been able to reach this stage. My gratitude also goes out to our various partners, shareholders, lenders, Government of India and other associates who have imposed great trust and confidence difficult and challenging times. I am confident that we would be able to live up to and exceed their expectations.



Sunil Bharti Mittal
Chairman & Group Managing Director

BHARTI TELECOM LIMITED**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the **Seventeenth Annual General Meeting** of the Members of Bharti Telecom Limited, will be held on Monday, the 30th day of September, 2002 at 11.00 A.M. at the Registered Office of the company at Plot No. 6, Sector 34, EHTP, Gurgaon, Haryana – 122 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2002, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Akhil Gupta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:-

“RESOLVED THAT Mr. Sin Hang Boon, who was appointed as an Additional Director of the Company in accordance with the provisions of Section 260 of the Companies Act, 1956 and who holds office as such upto the date of this Annual General Meeting and in respect of whom a notice has been received from one of the shareholder, be and is hereby appointed as Director of the Company, liable to retire by rotation”

5. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as a **Special Resolution**:-

“RESOLVED THAT pursuant to the provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification and re-enactment thereof for the time being in force), the Main Objects of the Company be and are hereby amended by incorporating the following new clauses 6 and 7 after the existing clause 5 in the Memorandum of Association of the Company:

Clause 6:

To promote, establish and invest in Companies, fund Associations or Partnerships for providing telecom networks and/ or to run and maintain telecom services like basic / fixed line services, cellular / mobile services, long distance services, Internet, V-Sat, paging, videotext, voice mail and data systems, private switching network services, transmission network, of all types, computer networks i.e. local area network, wide area network, Electronic Mail, Intelligent network, Multimedia communication systems or the combinations thereof and for execution of undertaking. Works, projects or enterprises in the Telecom Industry whether of a private or public character or any joint venture re with any government or other authority in India or elsewhere and to acquire and dispose of shares / securities in such companies, and funds and interest in such associations or partnerships.

Clause 7:

To guarantee / counter guarantee the obligations of any of its subsidiary / associate / group companies and / or other companies in which the company has equity interest under any agreements / contracts / debentures, bonds, stocks, mortgages, charges and securities.

Registered Office:
Plot No.- 6, Sector – 34,
EHTP, Gurgaon,
Haryana – 122 001.
Date: September 2, 2002

By order of the Board
for Bharti Telecom Limited

Amit Khara
Company Secretary