



**18TH**  
**ANNUAL REPORT**  
**2002-2003**

**BHARTI TELECOM LIMITED**

## BHARTI TELECOM LIMITED

### BOARD OF DIRECTORS

#### CHAIRMAN

Mr. Sunil Bharti Mittal

#### DIRECTORS

Mr. Akhil Gupta

Ms. Chua Sock Koong

Mr. Lim Toon

Mr. Rajan Bharti Mittal

#### 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..

Report



Junction

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## Chairman's Review

Dear Shareholders,

*The India economy has witnessed strong growth since its liberalization in the early nineties. The growth of the economy, specially the services sector, has been consistent since then. Despite an overall slowdown in the global economy, the Indian economy shows great promise of continued strong growth in the coming year due to sound fundamentals, strong foreign exchange reserves and a healthy monsoon.*

*Indian telecommunications has witnessed stupendous growth in the last 5 years, which has been driven by the success of liberalization of this industry. India is perhaps the only country in the world where mobile industry has been growing at an annual compounded rate of over 80%.*

*The year 2002 - 2003 was an eventful year for the industry, which saw many significant developments on the Regulatory and Competition front.*

*Implementation of "Interconnect usage charge Regime" (IUC) effective May 1, 2003 has been welcome step to move towards the system of multidirectional Interconnect payments rather than unidirectional which was prevalent hitherto.*

*The mobile teledensity in India, being less than 2%, offers tremendous potential to be tapped. However, this potential can be unleashed only with the large investments in the sector. It would, therefore, be imperative that alacrity is shown in easing the norms for Foreign Direct Investments and External Commercial Borrowings.*

*During the last year, BSNL launched its GSM services, while some operators launched limited mobility services. These launches spurred introduction of extremely competitive tariffs by various operators, which led to very rapid market expansion initiating strong growth of Indian telecom market in the coming years.*

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**BHARTI TELECOM LIMITED**

Bharti Tele-Ventures Limited in which your Company has made investments has the licenses through its subsidiaries to offer mobile services in 16 states, fixed line services in 6 states, national long distance services, international long distance services and data solutions.

Between December 2001 and September 2002, we launched 16 new telecom projects. All these projects became fully operational during the fiscal 2003. The speed and efficiency with which these new projects have been executed and stabilized is unprecedented. These projects along with our existing Projects have given Bharti a Pan Indian footprint. While executing these new projects we have been able to simultaneously improve profitability in the existing ones. It is this consistent balance between managing the two, which has enabled us to improve our performance significantly. For the fiscal 2003, BTVL registered revenues of Rs. 30,650 million.

Our share of the mobile market has improved from 21% in March 2002 to 24% in March 2003, thus further consolidating our market leadership position. Bharti is the only private player in the Indian telecom industry, which has improved its market share in the last year.

The performance in this year has strengthened our belief in our strategy of being an integrated telecom player. This strategy has helped us to capitalize on the growth opportunities that are currently present in the Indian telecommunication industry which are translating into increasing revenues and margins.

In conclusion, I believe that the year gone by is a memorable one for Indian Telecom & Bharti. The regulatory and competitive changes in the Indian telecom have triggered a growth, which will get further strengthened in the coming years. Bharti, with the launch of its new projects and successfully managing all its businesses is well positioned to capitalize all future growth opportunities.

I would like to take this opportunity to thank all Bharti Telecom employees for the dynamism you have shown in carrying forward Bharti's mission of equitable growth to new heights in the year under review. I would also like to thank Government of India, our various partners, shareholders, lenders and other associates working with us. Together we look forward to capitalize fully the growth opportunities that lie ahead of us.



Sunil Bharti Mittal  
Chairman

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

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of Bharti Telecom Limited, will be held on Monday, the 29<sup>th</sup> day of September, 2003 at 11.00 A.M. at the Company's Registered Office 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 31<sup>st</sup> March 2003, Profit & 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. Lim Toon, 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 Meeting until the conclusion of the next Annual 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** Ms. Chua Sock Koong who was appointed as Additional Director of the Company in accordance with the terms of section 260 of the Companies Act, 1956 till this Annual General Meeting and in respect of whom a notice has been received from one of the shareholders, be and is hereby appointed as Director of the Company, liable to retire by rotation"

Registered Office:  
Plot No.- 6, Sector - 34,  
EHTP, Gurgaon,  
Haryana - 122 001.  
Date: July 22, 2003

By order of the Board  
for Bharti Telecom Limited

Amit Khara  
Company Secretary

**NOTES:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. The Proxy need not be a member of the Company. The proxies to be effective should be deposited at the Registered Office of the Company or at the Corporate Office of the Company at Qutab Ambience, H-5/12, Mehrauli Road, New Delhi - 110 030 not later than 48 hours before the commencement of the meeting.
2. The Explanatory Statement pursuant to the provisions of Section 173 of the Companies Act, 1956, relating to the Special Business, if any, is annexed hereto.
3. The Register of Members of the company will remain closed from September 20, 2003 to September 29, 2003, both days inclusive, in terms of the provisions of the Companies Act, 1956.

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4. The members are required to intimate change, if any, in their registered address immediately to the company at its registered office or at its corporate office.
5. Members are requested to bring their copy the Annual Report along with them at the meeting.
6. Dividend for the financial year ended 31st March, 1996, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government ('IEPF') later this year, pursuant to the provisions of Section 205A of the Companies Act, 1956.

Members who have not encashed their dividend warrant(s) for the financial year ended 31st March 1996, or any subsequent financial year(s), are requested to lodge their claims with Company at H-5/12, Mehrauli Road, New Delhi-110030. In respect of dividend for the financial year ended 31st March 1996, only those claims, which are received by company at H-5/12, Mehrauli Road, New Delhi-110030 by 9th October, 2003, will be entertained.

Members are advised that once the unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

7. Members who wish to obtain any information on the Company/Accounts for the financial year ended 31st March, 2003, send their queries at least 10 days before the Annual General Meeting to the Company Secretary at H-5/12, Mehrauli Road, New Delhi-110030 of the Company.

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

#### **ITEM NO. 4**

Ms. Chua Sock Koong was appointed as an Additional Director on the Board of the company. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Ms. Chua Sock Koong holds office upto the date of Annual General Meeting. However, notice under Section 257 of the Companies Act, 1956 has been received in respect of appointment of Ms. Chua Sock Koong as Director of the Company liable to retire by rotation.

Keeping in view the experience and qualifications of the Ms. Chua Sock Koong, your Directors consider it to be in the best interest of the Company if Ms. Chua Sock Koong is appointed as Director of the Company and therefore, recommends the said resolution for your approval.

Except Ms. Chua Sock Koong, since the resolution relate to her appointment, no other Director of the Company is, in any way, concerned or interested in the said resolution.

**Registered Office:**  
**Plot No.- 6, Sector - 34,**  
**EHTP, Gurgaon,**  
**Haryana - 122 001.**  
**Date: July 22, 2003**

**By order of the Board**  
**for Bharti Telecom Limited**

**Amit Khara**  
**Company Secretary**

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**BHARTI TELECOM LIMITED****DIRECTORS' REPORT**

To Our Members,

The Directors take pleasure in presenting the Eighteenth Annual Report and Audited Statement of Accounts for the financial year ending 31st March 2003.

**FINANCIAL PERFORMANCE**

Your Company earned gross income of Rs. 1724 thousands during the year. Profit before depreciation and tax is Rs. 380 thousands. Loss for the year after depreciation and tax amounted to Rs. 171 thousands.

**DIVIDEND**

Your Company is not carrying any direct operational activities and is also not holding investment in any operational Companies. The company is holding investment in Bharti Tele-Ventures Limited, which in turn is the holding company of the operational companies. Therefore the source of income of your Company will, at large, be the dividends received from Bharti Tele-Ventures Limited. Since there is no dividend received from Bharti Tele-Ventures Limited for the year ended March 31, 2003, therefore, the Directors have not recommended any dividend for the year ended 31<sup>st</sup> March 2003.

**FIXED DEPOSITS**

The Company has not sought or accepted any deposits from the Public and is therefore not required to furnish information in respect of outstanding deposits under Non Banking Non Financial Companies (Reserve Bank) Directions, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

**AUDITORS REPORT**

The Auditors' Report to Accounts has been duly considered by the Board and clarification, wherever necessary, is contained in the NOTES ON ACCOUNTS section.

**AUDITORS**

The Statutory Auditors of the Company M/s Price Waterhouse, Chartered Accountants shall retire at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. A Certificate has been received from M/s Price Waterhouse confirming therein that their appointment, if made, will be within the limits prescribed u/s 224 (1B) of the Companies Act, 1956.

Your Directors recommend their re-appointment as the Statutory Auditors.

**DIRECTORS**

Mr. Lim Toon is due to retire by rotation at the Eighteenth Annual General Meeting and being eligible, has offered himself for re-appointment. Mr. Lim Toon has also given a confirmation to the company that he is, otherwise, not disqualified, in terms of section 274 of the Companies Act, 1956. The Board recommends his re-appointment.

Mr. Sin Hang Boon ceased to be the Director during the year as he had resigned from the Board. We, on behalf of the Company place on record our deep appreciation for the valuable contribution made by him during his tenure as Director of the Company.

Ms. Chua Sock Koong was appointed as an Additional Director on the Board of the company. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Ms. Chua Sock Koong holds office upto the date of Annual General Meeting. The company has received a notice from a

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