

# **bharti**

**20TH**  
**ANNUAL REPORT**  
**2004-2005**

**BHARTI TELECOM LIMITED**

## BHARTI TELECOM LIMITED

### BOARD OF DIRECTORS

#### CHAIRMAN

Mr. Sunil Bharti Mittal

#### DIRECTORS

Mr. Anil Nayar - Managing Director

Mr. Akhil Gupta

Ms. Chua Sock Koong

Mr. Lim Toon

Mr. Rajan Bharti Mittal

#### SECRETARY

Mr. Rajendra Chopra

#### AUDITORS

M/s. Price Waterhouse

#### BANKERS

Deutsche Bank

HDFC Bank Limited

#### CORPORATE OFFICE

Qutab Ambience

(At Qutab Minar)

H-5/12, Mehrauli Road

New Delhi - 110 030

#### REGISTERED OFFICE

Plot No. 4, Phase-I

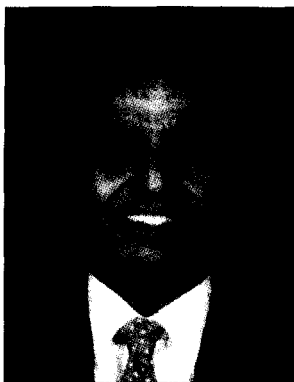
Sector-20, Udyog Vihar

Gurgaon, Haryana-122016

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**BHARTI TELECOM LIMITED**

## *Chairman's Message*

*Dear Shareholders,*

*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.*

*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. The duties and levies on the Indian telecom sector are one of the highest in the world. The multiplicity of these levies further adds to the predicament of operators. As per TRAI's findings, the total levies on the telecom sector including license fee, service tax and spectrum charges would be at around 21% of Annual Gross Revenue in 2005-06. The incidence of duties and levies is higher even when compared to other Asian countries. The industry is looking forward to a positive decision from the Government and is committed to pass on (in its entirety) the benefits that may arise by way of reduction of levies.*

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

*Bharti Tele-Ventures Limited is today the largest mobile service provider in India, both in terms of revenues as well as subscribers. In March, BTVL became the first telecom company to complete an all India footprint covering all 23 telecom circles of India. BTVL rolled out a world class GSM network in thousands of towns, cities and villages.*

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**BHARTI TELECOM LIMITED**

*While the competitive environment remained hyperactive, BTVL, with its strong brand, extensive spread of networks and its extensive distribution chain, continued to consolidate & grow its market share. In the Enterprise service business, BTVL 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.*

*BTVL's 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 of BTVL grew by an impressive 61% from the previous year to cross the Rs. 80,000 Mn mark with net profit at Rs. 12,116 Mn, posting a 108% increase over the previous year. Total mobile subscriber base grew to 12.7 million in May 2005, up from 8.0 million in the previous year.*

*The impressive results that BTVL has delivered would not have been possible without the yeoman contribution of all employees, channel partners, 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  
Chairman

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## BHARTI TELECOM LIMITED

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twentieth Annual General Meeting of the Members of Bharti Telecom Limited, will be held on Wednesday, the 31<sup>st</sup> day of August 2005 at 11.30 A.M. at F Block Community Centre, Behind Shopping Mall, DLF City Phase-I, Gurgaon, Haryana-122002 to transact the following businesses:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2005, the 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 a Director in place of Ms. Chua Sock Koong, who retires by rotation and being eligible offers herself for re-appointment.
4. 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.

M/s. Price Waterhouse, Chartered Accountants, Statutory Auditors of the Company, retire at this Annual General Meeting and being eligible, offer themselves for re-appointment.

#### Registered Office:

Plot No. 4, Phase 1,  
Sector - 20, Udyog Vihar,  
Gurgaon,  
Haryana - 122 016.

**Date:** April 29, 2005

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

Sd/-  
**Rajendra Chopra**  
*Company Secretary*

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**BHARTI TELECOM LIMITED****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 Register of Members of the company will remain closed from August 20, 2005 to August 31, 2005 (both days inclusive) in terms of the provisions of the Companies Act, 1956.
3. 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 of the Company at Qutab Ambience, H-5/12, Mehrauli Road, New Delhi - 110 030.
4. Members are requested to bring their copy the Annual Report along with them at the meeting.
5. Dividend for the financial year ended 31<sup>st</sup> March, 1998, 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 31<sup>st</sup> March 1998 or any subsequent financial year(s) are requested to lodge their claims with Company at Qutab Ambience H-5/12, Mehrauli Road, New Delhi-110 030. In respect of dividend for the financial year ended 31<sup>st</sup> March, 1998, only those claims, which are received by company at Qutab Ambience H-5/12, Mehrauli Road, New Delhi-110 030 by October 10, 2005, will be entertained.

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

6. Members who wish to obtain any information on the Company / Accounts for the financial year ended 31<sup>st</sup> March, 2005, are requested to send their queries at least 10 days before the Annual General Meeting to the Company Secretary at the Corporate Office of the Company at Qutab Ambience, H-5/12, Mehrauli Road, New Delhi - 110 030.

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

To the Members,

The Directors take pleasure in presenting the Twentieth Annual Report and Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March 2005.

**FINANCIAL PERFORMANCE**

The Company earned gross income of Rs. 2,544 thousand during the year. Profit before Finance Expenses, Depreciation and Tax is Rs. 1,278 thousand. Profit before tax for the year is Rs. 649 thousand.

**DIVIDEND**

The Company is not carrying any direct operational activities. As the company is only holding investments in Bharti Tele-Ventures Limited, therefore, the likely source of income of the Company is the dividends to be received from Bharti Tele-Ventures Limited. Bharti Tele-Ventures Limited has till date not declared any Dividend for the year ended March 31, 2005 and therefore, the Directors have not recommended any dividend for the year ended 31<sup>st</sup> March 2005.

**FIXED DEPOSITS**

The Company has not accepted any public deposits and, as such, no amount on account of principal or interest on public deposits was outstanding on the date of the Balance Sheet.

**AUDITORS REPORT**

The Auditors' Report on 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.

The Board of Directors recommend their re-appointment as the Statutory Auditors.

**DIRECTORS**

Mr. Lim Toon and Ms. Chua Sock Koong are due to retire by rotation at the Twentieth Annual General Meeting and being eligible, have offered themselves for re-appointment. Both Mr. Lim Toon and Ms. Chua Sock Koong have also given a confirmation to the company that they are, otherwise, not disqualified, in terms of section 274 (1)(g) of the Companies Act, 1956. The Board recommends their re-appointment.

**STATUTORY STATEMENTS**

The Company does not carry on any manufacturing activity and accordingly the provisions

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