



VIDESH SANCHAR NIGAM LIMITED

REGD. OFFICE: VIDESH SANCHAR BHAVAN, M.G. ROAD, MUMBAI-400001.

A. UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2007

(Rs. in crores)

	Particulars	For the quarter ended June 30,		For the year ended March 31,
		2007	2006	2007
		(unaudited)	(unaudited)	(audited)
1	Revenues from Telecommunication Services	1,008.13	924.42	4,041.83
2	Interest Income	0.69	3.07	9.44
3	Other Income	26.63	23.78	202.74
4	Total Income	1,035.45	951.27	4,254.01
5	Total Expenditure	775.43	714.55	3,111.23
	a. Network Costs	564.87	536.23	2,204.47
	b. Operating and Other Expenses	143.94	119.24	663.07
	c. Salaries and Related Costs	66.62	59.08	243.69
6	Interest Expense	1.94	1.06	6.91
7	Depreciation and Amortisation	92.89	104.85	391.33
8	Profit before taxes and exceptional items (1+2+3)-(5+6+7)	165.19	130.81	744.54
9	Exceptional Items:			
	a. Expenditure on Voluntary Retirement Scheme/Voluntary Separation Scheme	-	-	23.86
	b. Fixed Assets written off	-	-	8.05
10	Profit Before Taxes (8-9)	165.19	130.81	712.63
11	Provision for Taxation	61.03	42.71	244.07
	a. Current Tax	54.75	49.89	229.97
	b. Deferred Tax expense/(benefit)	5.37	(8.00)	8.40
	c. Fringe Benefit Tax	0.91	0.82	5.70
12	Net Profit (10-11)	104.16	88.10	468.56
13	Paid up Equity Share Capital (Face value of Rs. 10 per share)	285.00	285.00	285.00
14	Reserves excluding revaluation reserve	-	-	5,865.59
15	Basic and diluted earnings per share before exceptional items (Rs.)	3.65	3.09	17.18
16	Basic and diluted earnings per share including exceptional items (Rs.)	3.65	3.09	16.44
17	Aggregate of public shareholding			
	a. Number of shares	50,483,864.00	63,583,084.00	50,119,540.00
	b. Percentage of shareholding	17.71	22.31	17.59

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B. SEGMENT INFORMATION:

(Rs. in crores)

Particulars	For the quarter ended June 30,		For the year ended March 31,
	2007 (unaudited)	2006 (unaudited)	2007 (audited)
Revenues from Telecommunication Services			
Wholesale Voice	530.60	537.94	2,216.86
Enterprise and Carrier Data	343.07	283.96	1,380.66
Others	134.46	102.52	444.31
Total	1,008.13	924.42	4,041.83
Segment result			
Wholesale Voice	75.78	127.00	423.03
Enterprise and Carrier Data	291.48	211.62	1,134.11
Others	72.18	20.13	146.67
Total	439.44	358.75	1,703.81
Unallocable expense (net)	(274.25)	(227.94)	(959.27)
Profit before taxes and exceptional expenses	165.19	130.81	744.54
Exceptional expenses	-	-	31.91
Profit before taxes	165.19	130.81	712.63
Provision for taxes (net)	61.03	42.71	244.07
Profit after taxes	104.16	88.10	468.56

Notes to Segments:

The Company's reportable segments are Wholesale Voice, Enterprise and Carrier Data and Others. The composition of the reportable segments is as follows:

Wholesale Voice: includes International and National Voice services.

Enterprise and Carrier Data: includes corporate data transmission services like International Private Leased Circuit (IPLC), Frame Relay, Internet Leased Line (ILL) and National Private Leased Circuit (NPLC).

Others: includes Internet, TV up-linking, Transponder Lease and Other services.

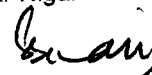
Revenues and expenses, which are directly identifiable to segments, are attributed to the relevant segment. Expenses on rent of satellite channels and landlines, and royalty and licence fee are allocated on the basis of usage. Segment result is segment revenues less segment expenses. Certain costs, including depreciation which is not allocable to segments have been classified as "unallocable expense".

Notes:

1. The above results for the quarter ended June 30, 2007 have been subjected to a limited review by the statutory auditors, recommended by the audit committee and were taken on record and approved by the Board of Directors of the Company at their meeting held on July 31, 2007.
2. In view of the Guidance on Implementing Accounting Standard 15 "Employee Benefits" (AS-15), the Company has considered certain entitlements to earned leave as a long-term employee benefit. This has resulted in a reduction in the net liability in respect of employee benefits as at April 01, 2006, of Rs.5.80 crores (net of deferred tax). This amount has been adjusted to the opening balance of General Reserve.
3. The Board of Directors of the Company in their meeting held on March 14, 2007 had approved a Scheme of Arrangement ("Scheme") to hive-off its Retail Business Undertaking to its wholly owned subsidiary, VSNL Internet Services Ltd. (formerly DIL Internet Limited). The Scheme is subject to obtaining necessary approvals, permissions and sanctions including approval of the shareholders of the Company in accordance with the requirements of the Companies Act, 1956. In continuation of this process, The Honourable High Court of Judicature at Bombay by its order dated June 15, 2007 has directed the Company to convene a meeting of its Equity shareholders and unsecured creditors for this purpose, which is scheduled to be held on August 02, 2007.
4. The previous period's figures have been regrouped and reclassified wherever necessary to make them comparable with the current period's figures.
5. Investor Complaint status:

Outstanding as on April 01, 2007	Total received during the quarter ended June 30, 2007	Total resolved during the quarter ended June 30, 2007	Outstanding as on June 30, 2007
Nil	1	1	Nil

For Videsh Sanchar Nigam Limited



N. SRINATH
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER

Place : Mumbai.
Date : July 31, 2007