



VIDESH SANCHAR NIGAM LIMITED

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

A. UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2006

	Particulars	(Rs. in crores)				
		For the Quarter ended September 30,		For the half year ended September 30,		For the year ended March 31,
		2006 (unaudited)	2005 (unaudited)	2006 (unaudited)	2005 (unaudited)	2006 (audited)
1	Revenues from Telecommunication Services	966	929	1,895	1,829	3,781
2	Other Income	39	32	66	61	172
3	Interest on Income Tax Refunds	-	-	-	-	56
4	Total Income	1,005	961	1,961	1,890	4,009
5	Total Expenditure	768	739	1,473	1,406	2,905
	a. Network Costs	541	534	1,071	1,036	2,096
	b. Operating and Other Expenses	169	152	285	272	600
	c. Salaries and Related Costs	58	53	117	98	209
6	Interest Expense	1	-	2	-	2
7	Depreciation and Amortisation	90	89	195	169	359
8	Prior Period Adjustments	(14)	(4)	-	(19)	(11)
9	Profit before taxes and exceptional items (1+2+3)-(5+6+7+8)	160	137	291	334	754
10	Exceptional Items:					
	a. Provision for recoverable pension obligation	-	-	-	-	(6)
	b. Assets written off	-	-	-	-	(61)
11	Profit Before Tax (9+10)	160	137	291	334	687
12	Provision for Taxation	53	46	96	116	207
	a. Current Tax	47	52	97	120	228
	b. Deferred Tax	5	(7)	(3)	(6)	(25)
	c. Fringe Benefit Tax	1	1	2	2	4
13	Net Profit (11-12)	107	91	195	218	480
14	Paid up Equity Share Capital (Face value of Rs.10 per share)	285	285	285	285	285
15	Reserves excluding revaluation reserve					5,570
16	Basic and diluted earnings per share before exceptional items (Rs.)	-	-	-	-	18.40
17	Basic and diluted earnings per share including exceptional items (Rs.)	3.75	3.19	6.84	7.65	16.83
18	Aggregate of public shareholding					
	a. Number of shares	50,547,570	67,188,177	50,547,570	67,188,177	64,796,640
	b. Percentage of shareholding	17.74	23.57	17.74	23.57	22.74

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B. SEGMENT INFORMATION:

Business Segments:

(Rs. in crores)

Particulars	For the quarter ended September 30, 2006 (unaudited)				For the quarter ended September 30, 2005 (unaudited)			
	Wholesale Voice	Enterprise and Carrier Data	Others	Total	Wholesale Voice	Enterprise and Carrier Data	Others	Total
Revenues from Telecommunication Services	507	354	105	966	538	310	81	929
Segment Result	45	296	46	387	84	257	17	358
Unallocable expenses (net)				(227)				(221)
Profit before tax				160				137
Provision for tax				53				46
Profit after tax				107				91

(Rs. in crores)

Particulars	For the half year ended September 30, 2006 (unaudited)				For the half year ended September 30, 2005 (unaudited)			
	Wholesale Voice	Enterprise and Carrier Data	Others	Total	Wholesale Voice	Enterprise and Carrier Data	Others	Total
Revenues from Telecommunication Services	1,045	644	206	1,895	1,052	616	161	1,829
Segment Result	172	519	67	758	186	512	37	735
Unallocable expenses (net)				(467)				(401)
Profit before tax				291				334
Provision for tax				96				116
Profit after tax				195				218

(Rs. in crores)

Particulars	For the year ended March 31, 2006 (audited)			
	Wholesale Voice	Enterprise and Carrier Data	Others	Total
Revenues from Telecommunication Services	2,163	1,262	356	3,781
Segment Result	460	1,026	86	1,572
Unallocable expenses (net)				(818)
Profit before tax and exceptional items				754
Exceptional items				(67)
Profit before tax				687
Provision for tax				207
Profit after tax				480

Notes:

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 IPLC, Frame Relay, ILL and NPLC.

Others: includes Internet, GPSS, Telex, Telegraph, TV up-linking, Transponder lease and other services.

- (i) 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 are not allocable to segments have been classified as "unallocable expense".
- (ii) Telecommunication services are provided utilizing the Company's assets which do not generally make a distinction between the types of services. As a result, fixed assets are used interchangeably between segments. In the absence of a meaningful basis to allocate assets and liabilities between segments, no allocation has been made.
- (iii) The previous period's figures have been regrouped and reclassified wherever necessary to make them comparable with the current period's figures.

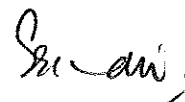
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Notes:

1. The above results for the quarter and half year ended September 30, 2006 have been subjected to a limited review by the statutory auditors, recommended by the audit committee and were taken on record by the Board of Directors of the Company at their meeting held on October 31, 2006.
2. Consequent to the revised Accounting Standard 15 -"Employee Benefits" issued by the Institute of Chartered Accountants of India, becoming effective from April 1, 2006, a charge of Rs.3.74 crores has been recorded in the current period on an estimated basis. The adjustment to opening reserves required under the transitional provisions of the standard will be made during the current financial year.
3. The previous period's figures have been regrouped and reclassified wherever necessary to make them comparable with the current period's figures.
4. Investor Complaint status:

Outstanding as on July 01, 2006	Total received during the quarter ended September 30, 2006	Total resolved during the quarter ended September 30, 2006	Outstanding as on September 30, 2006
Nil	2	2	Nil

For Videsh Sanchar Nigam Limited



N. SRINATH
EXECUTIVE DIRECTOR

Place : Bangalore
Date : October 31, 2006