



VIDESH SANCHAR NIGAM LIMITED

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

A.UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2006

(Rs. in crores)

	Particulars	For the quarter ended December 31,		For the nine months ended December 31,		For the year ended March 31,
		2006	2005	2006	2005	2006
		(unaudited)	(unaudited)	(unaudited)	(Unaudited)	(audited)
1	Revenues from Telecommunication Services	1,066	978	2,958	2,822	3,781
2	Other Income	49	44	124	105	172
3	Interest on Income Tax Refunds	-	54	-	54	56
4	Total Income	1,115	1,076	3,082	2,981	4,009
5	Total Expenditure	812	773	2,258	2,179	2,905
	a. Network Costs	583	560	1,636	1,596	2,096
	b. Operating and Other Expenses	156	160	432	432	600
	c. Salaries and Related Costs	73	53	190	151	209
6	Interest Expense	2	-	4	-	2
7	Depreciation and Amortisation	92	88	287	257	359
8	Prior Period Adjustments, (net)	(24)	(8)	9	(12)	(11)
9	Profit before taxes and exceptional items (1+2+3)-(5+6+7+8)	233	223	524	557	754
10	Exceptional Items:					
	a. Expenditure on Voluntary Retirement Scheme / Voluntary Separation Scheme	(20)	-	(20)	-	-
	b. Provision for recoverable pension obligation	-	-	-	-	(6)
	c. Assets written off	-	-	-	-	(61)
11	Profit Before Tax (9+10)	213	223	504	557	687
12	Provision for Taxation	71	73	167	189	207
	a. Current Tax	70	65	167	185	228
	b. Deferred Tax	-	7	(3)	1	(25)
	c. Fringe Benefit Tax	1	1	3	3	4
13	Net Profit (11-12)	142	150	337	368	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.)	5.45	5.27	12.30	12.92	18.40
17	Basic and diluted earnings per share including exceptional items (Rs.)	4.98	5.27	11.84	12.92	16.83
18	Aggregate of public shareholding					
	a. Number of shares	49,681,638	65,613,727	49,681,638	65,613,727	64,796,640
	b. Percentage of shareholding	17.43	23.02	17.43	23.02	22.74

B. SEGMENTS INFORMATION :

(Rs. in crores)

Particulars	For the quarter ended December 31, 2006 (unaudited)				For the quarter ended December 31, 2005 (unaudited)			
	Wholesale Voice	Enterprise and Carrier Data	Others	Total	Wholesale Voice	Enterprise and Carrier Data	Others	Total
Revenues from Telecommunication Services	602	344	120	1,066	570	320	88	978
Segment Result	105	290	50	445	100	255	27	382
Unallocated expenses, (net)				(212)				(159)
Profit before tax and exceptional item				233				223
Exceptional Item				(20)				-
Profit before tax				213				223
Provision for tax				71				73
Profit after tax				142				150

(Rs. in crores)

Particulars	For the nine months ended December 31, 2006 (unaudited)				For the nine months ended December 31, 2005 (unaudited)			
	Wholesale Voice	Enterprise and Carrier Data	Others	Total	Wholesale Voice	Enterprise and Carrier Data	Others	Total
Revenues from Telecommunication Services	1,643	989	326	2,958	1,622	951	249	2,822
Segment Result	290	811	117	1,218	286	782	64	1,132
Unallocated expenses, (net)				(694)				(575)
Profit before tax and exceptional item				524				557
Exceptional item				(20)				-
Profit before tax				504				557
Provision for tax				167				189
Profit after tax				337				368

(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
Unallocated expenses, (net)				(818)
Profit before tax and exceptional item				754
Exceptional item				(67)
Profit before tax				687
Provision for tax				207
Profit after tax				480

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, Gateway Packet Switching Service (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 is not allocable to segments have been classified as "unallocable expense".
- (ii) The previous period's figures have been regrouped and reclassified wherever necessary to make them comparable with the current period's figures.

Notes:

1. The above results for the quarter and nine months ended December 31, 2006 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 January 30, 2007.
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.4 crores has been recorded in the current quarter and Rs.8 crores for nine months ended December 31, 2006 in respect of leave salaries and medical benefits. The adjustment to opening reserves required under the transitional provisions of the Standard will be made at the end of the current financial year.
3. The Company introduced a Voluntary Retirement Scheme (VRS)/Voluntary Separation Scheme (VSS) which was open between November 29, 2006 and January 05, 2007. Termination benefits of Rs.20 crores have been charged to Profit and Loss account in respect of employees whose VRS/VSS applications were accepted on or before December 31, 2006.
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 October 01, 2006	Total received during the quarter ended December 31, 2006	Total resolved during the quarter ended December 31, 2006	Outstanding as on December 31, 2006
Nil	3	3	Nil

For Videsh Sanchar Nigam Limited

N. SRINATH
EXECUTIVE DIRECTOR

Place : Mumbai
Date : January 30, 2007