



VIDESH SANCHAR NIGAM LIMITED

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

A. UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2006

				(Rs. In crores)
	Particulars	For the quarter ended June 30,		For the year ended March 31,
		2006 (unaudited)	2005 (unaudited)	2006 (audited)
1	Revenues from Telecommunication Services	924	915	3,781
2	Other Income	27	29	172
3	Interest on Income Tax Refunds	-	-	56
4	Total Income	951	944	4,009
5	Total Expenditure	711	667	2,905
	a. Network Costs	536	501	2,096
	b. Operating and Other Expenses	116	120	600
	c. Salaries and Related Costs	59	46	209
6	Interest Expense	1	-	2
7	Depreciation and Amortisation	105	80	359
8	Prior Period Adjustments	3	-	(11)
9	Profit before taxes and exceptional items (1+2+3)-(5+6+7+8)	131	197	754
10	Exceptional Items:			
	a. Provision for recoverable pension obligation	-	-	(6)
	b. Assets written off	-	-	(61)
11	Profit Before Tax (9+10)	131	197	687
12	Provision for Taxation	43	70	207
	a. Current Tax	50	68	228
	b. Deferred Tax	(8)	1	(25)
	c. Fringe Benefit Tax	1	1	4
13	Net Profit (11-12)	88	127	480
14	Paid up Equity Share Capital (Face value of Rs.10 per share)	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.)	3.09	4.46	16.83
18	Aggregate of non-promoter shareholding			
	a. Number of shares	81,177,924	77,752,618	81,877,924
	b. Percentage of shareholding	28.48	27.28	28.73

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B. SEGMENT INFORMATION:**Business Segments:**

(Rs.in crores)

Particulars	For the quarter ended June 30, 2006 (unaudited)				For the quarter ended June 30, 2005 (unaudited)			
	Wholesale Voice	Enterprise and Carrier Data	Others	Total	Wholesale Voice	Enterprise and Carrier Data	Others	Total
Revenues from Telecommunication Services	538	284	102	924	514	321	80	915
Segment Result	127	212	20	359	102	270	20	392
Unallocated expenses (net)				(228)				(195)
Profit before tax				131				197
Income tax				43				70
Profit after tax				88				127

(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 items				754
Exceptional Items				(67)
Profit before tax				687
Income 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.

Figures for the previous period have been regrouped where necessary.

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Notes:

1. The above results were taken on record by the Board of Directors of the Company at their meeting held on July 29, 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.1.87 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. Figures for the previous period have been regrouped where necessary.
4. Investor Complaint status:

Outstanding as on April 01, 2006	Total received during the quarter ended June 30, 2006	Total resolved during the quarter ended June 30, 2006	Outstanding as on June 30, 2006
Nil	1	1	Nil

For Videsh Sanchar Nigam Limited



N. SRINATH
EXECUTIVE DIRECTOR

Place : Mumbai
Date : July 29, 2006