

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2003-04**

(In accordance with clause 49 of the listing agreement with Indian stock exchanges)

**1. CORPORATE GOVERNANCE PHILOSOPHY AND PRACTICE**

As an established international telecom company, VSNL has always held itself to high standards of accountability, auditing, disclosure and reporting. The Company has transformed itself from a fledgling government department, to a wholly owned government Company, to its present status as an NYSE-listed, widely-held and professionally managed company, adding new private and international shareholders along the way. That internal transformation was mirrored externally as India's telecom industry moved from a highly regulated and closed environment to an era of significantly enhanced competition and new emerging technologies.

Through these transformations, VSNL's corporate governance philosophy has been consistent and transparent. The Company believes that total business risk elimination is never possible but can be minimized by consistently developing and following the Best Practices of Corporate Governance. To this end, the Company focuses on developing and implementing robust control systems and procedures to enable optimum returns to all stakeholders. The company is also installing new state-of-the art systems including integrated financial accounting and budgeting systems, and has increased the number and quality of its financial and accounting personnel.

Corporate Governance in substance rather than form is what the Company believes in and actively implements. To ensure

this a high level Corporate Governance Council has been formed which meets regularly to ensure that the best practices of Corporate Governance are adopted.

VSNL's operations and accounts are audited at three levels: an internal audit; a statutory audit by Indian accounting firms under Indian accounting requirements and their restatement by an internationally recognised accounting firm according to US GAAP. The company communicates regularly with its shareholders through bulletins, presentations and meetings with analysts and investors.

**2. BOARD OF DIRECTORS**

The company has a non-executive chairman. Ten out of twelve directors are non-executive directors, forming over 50% of the total number of directors. VSNL has four independent directors and two executive directors.

None of the directors holds directorships in more than the permissible number of companies under the applicable provisions. Similarly, none of the directors on the board's sub-committees holds membership of more than ten committees of boards, nor is any director a chairman of more than five committees of boards.

The names and categories of the directors on the board, their attendance at board meetings during the year and at the last annual general meeting, and the number of directorships and committee memberships held by them in other companies as of 31 March 2004 are given below:

Name	Category	Board Meetings during the tenure		Attendance at the last AGM (02.09.2003)	No. of Directorships in other Public Companies		No. of Committee Positions held in other Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
<b>Directors in Office</b>								
Mr. R.N. Tata	Not Independent Non Executive	8	8	Yes	10	1	NIL	6
Mr. S.K. Gupta	Not Independent Executive	8	8	Yes	NIL	1	NIL	NIL
Mr. N. Srinath	Not Independent Executive	8	8	Yes	NIL	2	NIL	NIL
Mr. Rakesh Kumar <sup>1</sup>	Not Independent Non Executive	8	5	Yes	NIL	NIL	NIL	NIL
Mr. Subodh Bhargava	Independent Non Executive	8	6	Yes	1	6	2	6

Name	Category	Board Meetings during the tenure		Attendance at the last AGM (02.09.2003)	No. of Directorships in other Public Companies		No. of Committee Positions held in other Public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. Suresh Krishna	Independent Non Executive	8	4	Yes	6	3	2	3
Mr. Ishaat Hussain	Not Independent Non Executive	8	8	Yes	2	12	4	6
Mr. Kishore A. Chaukar	Not Independent Non Executive	8	7	Yes	NIL	13	3	6
Mr. Vivek Singhal	Independent Non Executive	8	3	Yes	NIL	7	1	NIL
Dr. Ashok Jhunjhunwala	Independent Non Executive	8	6	Yes	NIL	8	NIL	1
Mr. F.A. Vandrevala	Not Independent Non Executive	8	7	Yes	2	12	NIL	3
Mr. Pankaj Agrawala <sup>1</sup> [Joined w.e.f. 21 January 2004]	Not Independent Non Executive	3	2	Not Applicable	NIL	1	1	NIL
<b>Director/s who retired during the Year</b>								
Mr. Y.S. Bhave <sup>1</sup> [Resigned w.e.f. 8 December 2003]	Not Independent Non Executive	5	3	Yes	NIL	1	NIL	NIL

<sup>1</sup> Nominee director of the Government of India.

**Notes :**

- None of the directors is related to any other director.
- None of the directors has any business relationship with the company.
- None of the directors received any loans and advances from the company during the year.
- The information as required under annexure I to clause 49 is being made available to the board.
- The company did not have any pecuniary relationship or transactions with non-executive directors during 2003-04.
- The detailed resume of each director is published in a separate section in the annual report.
- The gap between two board meetings did not exceed four months. The dates on which the 8 board meetings were held are as follows:

29 May 2003	30 July 2003	2 September 2003	30 October 2003
1 December 2003	21 January 2004	20 February 2004	4 March 2004

**3. AUDIT COMMITTEE**

The audit committee of the board was first constituted on December 15, 1998. It was subsequently reconstituted several times in accordance with the changing legal and other requirements. The present audit committee consists of five members. The Chairman of the committee is Mr. Subodh Bhargava, an independent director, who earlier served as the Chairman and Managing Director of Eicher Motors and has

necessary and sufficient financial and accounting background. During the year Mr. Pankaj Agrawala was inducted into the audit committee in place of the outgoing Mr. Y.S. Bhave, who was a member of the audit committee and had resigned from the Board of VSNL.

The other members of the committee are Mr. Ishaat Hussain, Director (Finance), Tata Sons Limited, Mr. Vivek Singhal, Chairman, Electronic & Software Export Corporation,

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Dr. Ashok Jhunjhunwala, Professor, Electrical Engineering Department, IIT Madras, and Head, Telecommunications and Computer Networks (TeNeT) Group and Mr. Pankaj Agrawala, government nominee director. Mr. Satish Ranade, Company Secretary and VP (legal) is the audit committee's Secretary.

At the Annual General Meeting held on September 2, 2003 the Chairman of the Audit Committee, Mr. Subodh Bhargava was present. During the last financial year, the Audit Committee held seven meetings.

The audit committee has adequate powers and detailed terms of reference to play an effective role as required under the provisions of the Companies Act, 1956 and clause 49 of VSNL's listing agreement with the stock exchanges.

#### Attendance at the Audit Committee Meetings

Name	No. of Audit Committee Meetings during 2003-04	
	Held during the tenure	Attended
Mr. Subodh Bhargava	7	7
Mr. Y.S. Bhave (Resigned w.e.f. 8 December 2003)	4	2
Mr. Vivek Singhal	7	4
Mr. Ishaat Hussain	7	5
Dr. Ashok Jhunjhunwala	7	6
Mr. Pankaj Agrawala [Nominated w.e.f. 7 February 2004]	NIL	NIL

#### 4. REMUNERATION COMMITTEE

The Remuneration Committee consists of three members. The Chairman of the Committee is Mr. Suresh Krishna, Independent Director who is the Chairman and Managing Director of Sundram Fasteners Limited. The other members are Mr. Ratan Tata and Mr. Subodh Bhargava. Mr. Satish Ranade, Company Secretary and VP (Legal) is the Remuneration Committee's Convenor. The second meeting of the Remuneration Committee was held on 22 June 2004.

The details of remuneration to the whole-time directors during the year 2003-04 is as follows:

(Amount in Rs.)

Name	Salary	Perquisites & Allowances	Commission*
Mr. S.K. Gupta	21,91,200	14,07,600	15,00,000
Mr. N. Srinath	21,89,646	8,34,400	12,00,000
<b>Total</b>	<b>43,80,846</b>	<b>22,42,000</b>	<b>27,00,000</b>

\* Commission payable will be paid only after 2 September 2004 i.e. after the date of the Annual general Meeting.

- 1 An agreement was entered into with Mr. S.K. Gupta as managing director for a period from February 13, 2002 valid till September 30, 2002. Thereafter Mr. S.K. Gupta has been reappointed as the MD of the Company on deputation to VSNL from Tata Services Limited for a period of up to two years with effect from 1 October 2002. Accordingly, a new agreement was signed under the applicable provisions of the Companies Act, 1956. This agreement is effective from 1 October 2002.
- 2 Either party, giving the other party six months' notice or the company paying six months' salary in lieu thereof, may terminate the agreements with the whole-time directors.
- 3 Severance fees for Mr. S.K. Gupta and Mr. N. Srinath under the contracts is NIL.

The company pays sitting fees of Rs.5,000 for every board and committee meeting to all non-executive directors, except the nominee directors of Government of India.

#### 5. INVESTOR GRIEVANCE COMMITTEE

This committee was reconstituted on May 29, 2003 to have Dr. Ashok Jhunjhunwala as its member. On February 20, 2004, Mr. Pankaj Agrawala was inducted in to the Committee in place of the outgoing Mr. Y. S. Bhave who was a member of the committee and had resigned from the Board of VSNL. Now, the committee consists of three members. The Chairman of the Committee is Mr. Kishor A. Chaukar who is the Managing Director of Tata Industries Limited. The other members are Dr. Ashok Jhunjhunwala, Professor, Electrical Engineering Department, IIT Madras, and Head, Telecommunications and Computer Networks (TeNeT) Group, Chennai and Mr. Pankaj Agrawala, nominee Director of the Government. Mr. Satish Ranade, Company Secretary & VP (Legal) is the Investor Grievance Committee's secretary. During the last financial year, the Committee held three meetings.

The details of grievances received from the shareholders during the year and their status on March 31, 2004 is given below:

Sr. No.	Nature of Complaints	No. of Complaints	
		Received	Pending
1.	Non-receipt of Dividend Warrant	611	0
2.	Non-receipt of Share Certificates	19	0
3.	SEBI/Stock Exchange Complaint	16	0
4.	Miscellaneous/Other Complaint	172	0
	<b>TOTAL</b>	<b>818</b>	<b>0</b>

This committee has been delegated the powers to approve the issue of Duplicate Share Certificates and approve transfer/transmission of shares exceeding 500 shares per folio. The

Registrar and Transfer Agents have been authorised to issue Duplicate Share Certificates and approve transfer/transmission up to a maximum of 500 shares per folio, limited only to routine day-to-day work. As the shares of the company are under compulsory dematerialized trading for all investors, this delegation is considered adequate. All the shares received for transfer till March 31, 2004 have been duly processed.

#### 6. ETHICS AND COMPLIANCE COMMITTEE

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, the Board of Directors of the Company adopted the "VSNL Code Of Conduct For Prevention of Insider Trading and Code of Corporate Disclosure Practices" to be followed by "Directors"; "Designated Employees"; "Designated Persons" and "Insiders". The code is based on the principle that Directors, Designated Employees, Designated Persons and Insiders should not have undue advantage over other shareholders, in their personal security transactions, due to their advance knowledge of Price Sensitive Information. The code, therefore, seeks to ensure timely and adequate disclosure of Price Sensitive Information to the investor community by the Company to enable them to take informed investment decisions with regard to the Company's securities.

In terms of the said code, an Ethics and Compliance Committee has been constituted last year. The committee consists of three members. The Chairman of the committee is Mr. Kishor A. Chaukar and Dr. Ashok Jhunjhunwala and Mr. Pankaj Agrawala are the members. Mr. Satish Ranade Company Secretary and VP (Legal) is the convenor of the Committee.

During the year Mr. Pankaj Agrawala was inducted into the committee in place of the outgoing Mr. Y.S. Bhave, who was a member of the committee and had resigned from the Board of VSNL.

Three meetings of the committee were held during the year 2003-04.

#### Attendance at the Ethics and Compliance Committee Meetings

Name	No. of Meetings during 2003-04	
	Held during the tenure	Attended
Mr. Kishor A. Chaukar	3	3
Mr. Y.S. Bhave (Resigned w.e.f. 8 December 2003)	2	1
Dr. Ashok Jhunjhunwala	3	3
Mr. Pankaj Agrawala (appt. w.e.f. 20 February 2004)	NIL	NIL

#### 7. COMMITTEE OF THE BOARD

VSNL Board at its 137th Meeting held on 1 December 2003 had advised that it was necessary to ensure focus on new projects and initiatives that were necessary to increase the revenue and profitability of the Company. The Board then felt it advisable to appoint a Committee of the Board to go through the detailed plans and make recommendations to the Board. Accordingly a Committee of the Board was formed to go through the detailed plans of the projects undertaken and make recommendations to the Board.

The committee consists of six members. The Chairman of the Committee is Mr. R. N. Tata. The other members are Mr. Subodh Bhargava, Mr. Kishor A. Chaukar, Dr. Ashok Jhunjhunwala, Mr. F.A. Vandrevale and Mr. S.K. Gupta. Secretary of the Company acts as the Secretary of the Committee.

In May 2004, Mr. S. K. Gupta, Managing Director was inducted into the Committee. During the last financial year, the Committee held one meeting.

#### Attendance at the meeting's of the Committee of the Board

Name	No. of Meetings during 2003-04	
	Held during the tenure	Attended
Mr. R. N. Tata	1	1
Mr. Subodh Bhargava	1	1
Mr. Kishor A. Chaukar	1	1
Dr. Ashok Jhunjhunwala	1	1
Mr. F.A. Vandrevale	1	1
Mr. S.K. Gupta (inducted w.e.f. 21 May 2004)	—	—

#### 8. DISCLOSURES

There were no significant related-party transactions of the company with its promoters, directors or management, their subsidiaries or relatives that may have potential conflict with the interest of the company at large. Note no. 14 of the Notes on Accounts may also be referred to in this respect. No non-compliance notice has been issued and no penalties or strictures have been imposed on the company by SEBI, any stock exchange or any statutory authority on any matter related to capital markets during the last three years.

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### 9. GENERAL BODY MEETINGS

The location and time at the last three general body meetings are as follows:

Meeting Date	Location, Description and Type of Resolutions	Voting
2-April-2004	An Extraordinary General Meeting was held at 1500 hours at Birla Matushri Sabhagar, New Marine Lines, Mumbai - 400020. There were two resolutions, both of which were Special.	Both the resolutions were put to vote by show of hands and were carried unanimously.
2-September-2003	The 17 <sup>th</sup> Annual General Meeting was held at 1100 hours at Birla Matushri Sabhagar, New Marine Lines, Mumbai - 400020. There were ten resolutions (2 special and 8 ordinary).	All the resolutions were put to vote by show of hands and were carried unanimously.
20-August-2002	The 16 <sup>th</sup> Annual General Meeting was held at 1100 hours at Birla Matushri Sabhagar, New Marine Lines, Mumbai - 400020. There were 14 resolutions (3 special and 11 ordinary). Out of three special resolutions one was passed through Postal Ballot, result of which was declared at the AGM.	All the resolutions were put to vote by show of hands. Thirteen resolutions were carried out unanimously and one through Postal Ballot was passed with the requisite majority.
27-September-2001	The 15 <sup>th</sup> Annual General Meeting was held at 1100 hours at Birla Matushri Sabhagar, New Marine Lines, Mumbai - 400020. There were six resolutions (all ordinary).	All the resolutions were put to vote by show of hands. Five resolutions were carried out unanimously and one was passed with requisite majority.

### 10. SECRETARIAL AUDIT

A qualified practicing Company Secretary carried out secretarial audit quarterly to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audits confirm that the total issued /paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CSDL.

### 11. MEANS OF COMMUNICATION

VSNL's quarterly results are published in the Indian Express and Loksatta among others, and are also hosted on VSNL's website: www.vsnl.com. The company's press releases, details of significant developments and investor updates are also made available on the website. The company generally holds a press conference/investors' meet after the half-yearly results are taken on record by the board relating to the period ending September 30th and March 31st every year.

The management discussion and analysis forms part of the directors' report and is included in the annual report for the year 2003-04. Segmental information may be referred to in Note No. 8 of the Notes on Accounts.

### 12. SHAREHOLDER INFORMATION

#### DATE AND VENUE OF THE AGM

The eighteenth annual general meeting of Videsh Sanchar Nigam Limited will be held at 1100 hours on September 2, 2004, at Birla Matushri Sabhagar, New Marine Lines, Mumbai - 400020.

#### FINANCIAL CALENDAR

Fiscal year ending : March 31, 2004  
Annual General Meeting : September 2, 2004

#### KEY FINANCIAL REPORTING DATES FOR THE FINANCIAL YEAR 2004-05

First quarter ending : July 30, 2004  
June 30, 2004  
Second quarter ending : On or before October 31, 2004  
Sept. 30, 2004  
Third quarter ending : On or before January 31, 2005  
Dec. 31, 2004  
Fourth quarter ending : On or before April 30, 2005 or  
March 31, 2005 if audited, on or before June 30, 2005.



#### **BOOK CLOSURE DATES FOR THE PURPOSE OF DIVIDEND**

VSNL's register of members and share transfer books will remain closed from Monday, August 16, 2004 to Thursday, September 2, 2004 (both days inclusive), to determine the entitlement of shareholders to receive the final dividend as may be declared for the year ended March 31, 2004.

#### **DIVIDEND PAYMENT**

Dividend on equity shares as recommended by the directors for the year ended March 31, 2004, when declared at the meeting, will be paid on or after September 8, 2004:

(i) to those members whose names appear on the company's register of members, after giving effect to all valid share transfers in physical form lodged with M/s.Sharepro Services, R&T agent of the company, on or before Friday, August 13, 2004.

(ii) in respect of shares held in electronic form, to those "deemed members" whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as at the end of business on Friday, August 13, 2004.

#### **BANK DETAILS**

In order to provide protection against fraudulent encashment of dividend warrants, members are requested to provide, if they have not already provided, their bank account numbers, bank account type and names and addresses of bank branches, quoting folio numbers, to the R&T agents M/s Sharepro Services (in case of physical shareholding) to enable them to incorporate the same on the dividend warrants. In case of dematerialised holding the bank account details should be intimated to the shareholder's DP.

#### **LISTING ON STOCK EXCHANGES IN INDIA AND LISTING FEES**

The company's shares are listed on the stock exchanges at Mumbai (BSE) and National Stock Exchange (NSE) in India. Annual listing fees as due to each of the above stock exchanges for 2004-2005 have been paid. As per the resolution passed at the Annual General Meeting of the Shareholders held last year on September 2, 2003, the Company has voluntarily delisted its share from the Delhi Stock Exchange Association Limited and The Madras Stock Exchange Limited. The formalities for voluntary delisting from The Calcutta Stock Exchange Association Limited have been duly completed and confirmation of the same is awaited from the Exchange.

#### **LISTING ON STOCK EXCHANGE OUTSIDE INDIA**

The company's ADRs are listed on the New York Stock Exchange (NYSE) and have been traded on the NYSE since August 15, 2000. The annual listing fee payable to the NYSE is being paid regularly.

#### **DEPOSITORY BANK FOR ADR HOLDERS**

The Bank of New York, 101, Barclays Street, 22<sup>nd</sup> Floor West, New York, NY 10286, Telephone: +1 (212) 815 8128, Facsimile: +1 (212) 571 3050

**Local Address** : The Bank of New York, Express Towers, 12th Floor, Nariman Point, Mumbai 400 021, Telephone: (022) 2202 4941/43, Facsimile: (022) 2204 4942.

#### **CUSTODIAN FOR THE DEPOSITORY IN INDIA**

ICICI Bank Limited, Securities Markets Services, ICICI Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Telephone: 91-22-2653 6238, Facsimile: 91-22-26531164.

#### **STOCK CODE**

Bombay Stock Exchange	:	500483
National Stock Exchange	:	VSNL
New York Stock Exchange	:	VSL
ISIN No. for equity shares	:	INE151A01013
ISIN No. for ADRs	:	US92659G6008
CUSIP No. for ADRs	:	92659G600

#### **Reuters codes**

VSNL.BO (BSE)  
VSNL.NS (NSE)  
VSNLq.L (LSE).

#### **SHARE TRANSFER SYSTEM**

Share transfers in physical form can be lodged with M/s. Sharepro Services, the R&T agents of VSNL. The transfers are normally processed within 15 days from the date of receipt if the documents are complete in all respects. The Investor Grievances Committee is empowered to approve the share transfers beyond 500 shares per folio. Upto 500 shares per folio the R&T Agents have been empowered to approve the share transfer.

#### **Any queries relating to financial statements of the Company may be addressed to:**

Investor Relations Cell  
Videsh Sanchar Nigam Limited  
Lokmanya Videsh Sanchar Bhavan  
Kashinath Dhuru Marg,  
Opposite Kirti College,  
Prabhadevi,  
Mumbai - 400 028.  
Tel : +91 (22) 2432 0621  
Fax: +91 (22) 2432 0283  
Email: invrelhq@vsnl.com;  
investor.relations@vsnl.co.in

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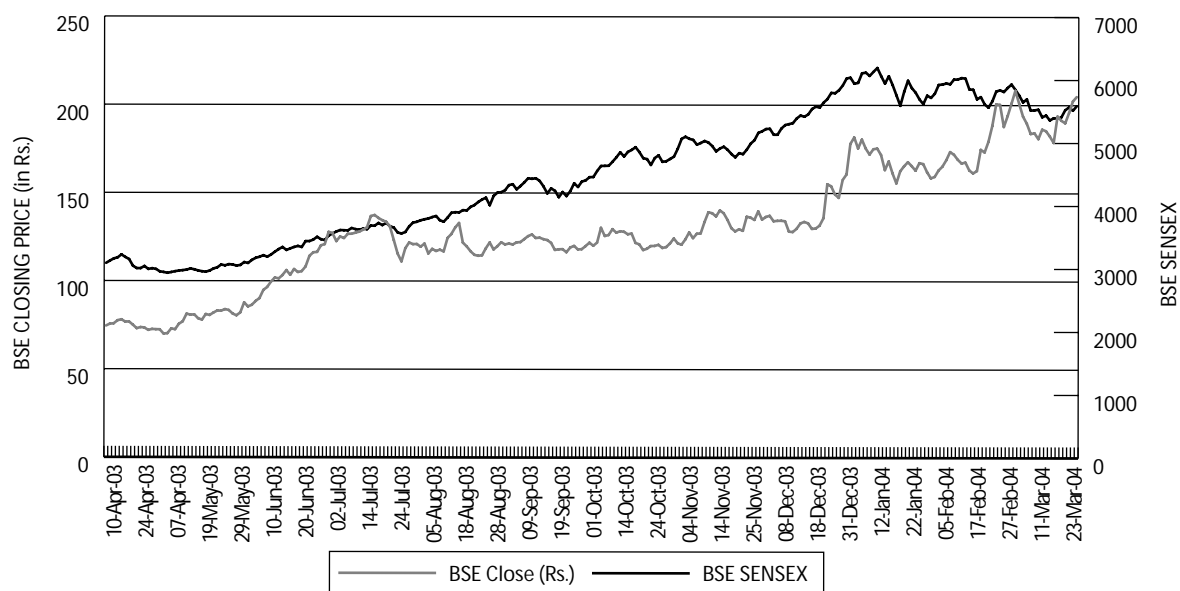
## STOCK MARKET DATA RELATING TO SHARES LISTED IN INDIA

Monthly high and low quotations and volume of shares traded at BSE & NSE for 2003-2004 are:

Month	BSE Share Price			NSE Share Price		
	High	Low	Volume	High	Low	Volume
Apr'03	78.90	68.00	893770	78.90	68.50	3612546
May'03	92.15	75.05	2032416	93.30	74.90	6407236
Jun'03	131.40	91.00	3356583	131.40	91.50	11473180
Jul'03	142.00	109.05	3073539	142.10	109.00	7897183
Aug'03	133.55	112.00	3892617	133.50	113.20	10436884
Sep'03	127.50	113.40	2139131	126.90	112.00	5013839
Oct'03	137.00	116.80	1935142	134.00	109.05	4980586
Nov'03	145.00	118.55	1485963	143.80	118.75	4083565
Dec'03	161.00	127.50	3293811	161.75	122.15	6935155
Jan,04	188.60	148.00	4705890	188.90	148.90	8900590
Feb'04	190.00	156.00	2683808	189.00	155.15	6015284
Mar'04	210.80	176.15	2582189	210.40	177.20	6292740
Total			32074859			82048788
Percentage of volume traded on BSE & NSE to shares available in Indian Market						250.80%**

\*\* Out of the total 285 million outstanding shares, the number of shares available in Indian markets, as of March 31, 2004, has been considered to be 45503561 only, which has been arrived at after deducting 128250000 shares held by the strategic partner M/s. Panatone Finvest Limited, 74446885 shares held by the Government of India and 36799554 shares as underlying shares for ADRs.

PERFORMANCE OF VSNL'S SHARE PRICE ON THE BSE IN COMPARISON TO THE BSE SENSEX



#### DISTRIBUTION OF SHAREHOLDING

	Number of Shareholders	
	31.03.2004	31.03.2003
Number of ordinary shares held		
1 to 500	62020	87764
501 to 1000	1568	2179
1001 to 10000	2171	4025
Over 10000	75	156
Total	65834	94124

#### Dematerialisation of Shares and Liquidity

Approx 99.86% of the company's share capital available in the market is dematerialised as on March 31, 2004. The company's shares are regularly traded on the Stock Exchange Mumbai and the National Stock Exchange, as is evident from the table containing stock market data.

#### Outstanding ADRs

18399777 ADRs (each representing two ordinary shares of the company) are outstanding as of March 31, 2004. In respect of these ADRs, the option to convert into shares is alive.

#### CATEGORIES OF SHAREHOLDERS AS OF 31 MARCH

Category	Number of Shareholders		Voting Strength (Percentage)		Number of Shares Held	
	2004	2003	2004	2003	2004	2003
Panatone Finvest Limited	2	2	45	45	128250000	128250000
Central Government including Nominees of President of India	1	1	26.12	26.12	74446885	74446885
Indian Public Financial Institutions	29	24	9.44	7.39	26909110	21028907
Indian nationalised banks	7	10	0.02	0.03	67030	102344
Foreign Financial Institutions	23	32	1.01	1.99	2891817	5661873
Foreign companies (shares held by The Bank of New York as depository for ADRs)	2	2	12.91	10.63	36799554	30310704
Non-resident individuals / Overseas Corporate Bodies	267	358	0.04	0.06	134855	176970
Other Indian Bodies Corporate	1414	2336	1.97	2.80	5615280	7990354
Others	64088	91358	3.46	5.97	9883234	17029707
In transit demat shares	1	1	0.00	0.00	2235	2256
Total	65834	94124	100	100	285000000	285000000

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### SHARE CAPITAL HISTORY

Details of share capital history since incorporation is as follows:

Dates	Particulars of Issue	Number of Shares	Total Number of Shares	Nominal Value of Shares (Rs.)
19.3.86	Allotted as Purchase consideration for assets & liabilities of OCS	126	126	126,000
1.4.86	Allotted as Purchase consideration for assets & liabilities of OCS	+599,874	600,000	600,000,000
March'91	Shares of Rs.1000/- each subdivided into shares of Rs.10/- each	NIL	60,000,000	600,000,000
06.02.92	Bonus of 1:3 issued to Government of India.	+20,000,000	80,000,000	800,000,000
Jan-Feb 92	12 million shares disinvested in favour of Indian Financial Institutions by GOI @ Rs.123/- per share	NIL	80,000,000	800,000,000
1994-95	2,382,529 Shares transferred to disinvested parties as bonus shares	NIL	80,000,000	800,000,000
27.03.97	VSNL raised its share capital by way of GDR Issue, and also GOI Divested in GDR markets @ US\$13.93 per GDR equivalent to Rs.1000 per share.	+12,165,000	92,165,000	921,650,000
04.04.97	VSNL raised its capital by way of GDR Issue Green Shoe option @ US\$13.93 per GDR equivalent Rs.1000 per share.	+2,835,000	95,000,000	950,000,000
Feb. 1999	10,000,000 shares divested by GOI in GDR markets @ US\$9.25 per GDR equivalent to Rs.786.25 per share.	NIL	95,000,000	950,000,000
May 1999	396,991 shares Divested by GOI by way of offer of shares to employees of VSNL @ Rs.294 per share locked in for a period of 3 years.	NIL	95,000,000	950,000,000
Sept'99	10,00,000 shares Divested by GOI in domestic markets @ Rs.750 per share.	NIL	95,000,000	950,000,000
15 August 2000	Listing of ADRs on New York Stock Exchange	NIL	95,000,000	950,000,000
24.11.2000	Bonus shares in the ratio of 2:1. Book Closure: 16-18 November 2000 Ex-bonus dates: BSE : 25 October 2000 NSE: 1 November 2000	+190,000,000	285,000,000	2,850,000,000
27.9.2001	VSNL declares dividend @ 500% i.e. Rs.50/- per share at 15 AGM. Ex dividend: BSE : 3 Sept 2001 NSE: 5 Sept 2001 Record Date: 16 to 30 Sep 2001	NIL	285,000,000	2,850,000,000
January 2002	VSNL pays special interim Dividend of 750% i.e. Rs.75/- per share Record Date: 28 January 2002	NIL	285,000,000	2,850,000,000
13.02.2002	25% of VSNL Stake transferred to Tata Group's investment vehicle Panatone Finvest Ltd. Govt holdings reduced to 27.97% from 52.97%. VSNL ceases to be a Government of India Enterprise	NIL	285,000,000	2,850,000,000
21.02.2002	5264555 shares Divested by GOI by way of offer of shares to employees of VSNL @ Rs.47.85 per share locked in for a period of 1 year.	NIL	285,000,000	2,850,000,000
10.04.02	Open Offer by Panatone Finvest Limited in accordance with SEBI guidelines to acquire upto 57 million shares @ Rs.202/- per share	NIL	285,000,000	2,850,000,000
08.06.02	Open offer complete with Panatone holding total of 128249910 shares including 57 million shares as above.	NIL	285,000,000	2,850,000,000

**Locations of Other Offices**

Regional Offices : Mumbai, Chennai, Kolkata and New Delhi.

Branches : Ambattur, Arvi, Bangalore, Bhubaneswar, Chandigarh, Coimbatore, Dehradun, Ernakulam, Gandhinagar, Goa, Guwahati, Hyderabad, Indore, Jaipur, Jalandhar, Kanpur, Patna, Pondicherry, Pune, Thiruvananthapuram.

**Any shareholder complaints/queries may be addressed to:****Registrar and Transfer Agents**

M/s. Sharepro Services  
Unit : Videsh Sanchar Nigam Limited  
Satam Estate, 3rd Floor, Above Bank of Baroda,  
Chakala, Andheri (East), Mumbai - 400 099.  
Tel : (022) 2821 5168  
Fax : (022) 2837 5646  
E-mail : sharepro@vsnl.com

**Compliance Officer**

Mr. Rishabh Nath Aditya  
Assistant Company Secretary  
Videsh Sanchar Nigam Limited  
M. G. Road,  
Mumbai 400 001.  
Tel : +91 22 5657 8765 Extn. 2031  
Fax : +91 22 5659 2354  
Email : Rishabh.Aditya@vsnl.co.in

**Address for Correspondence****Registered Office**

Videsh Sanchar Bhavan (VSB)  
Mahatma Gandhi Road,  
Mumbai - 400 001.  
Tel : +91 22 5657 8765  
Fax : +9122 5639 5162  
Email : help@vsnl.com  
Website : www.vsnl.com

**Corporate Office**

Lokmanya Videsh Sanchar Bhavan (LVSB)  
Kashinath Dhuru Marg,  
Prabhadevi, Mumbai – 400 028.  
Tel : +91 22 5657 8765  
Fax : +9122 5639 5162  
Email : help@vsnl.com  
Website : www.vsnl.com

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