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**VSNL Launches trueroots™ International Calling Service
to the United States South Asian Community**

**New Web-Based Calling Service Offers High Quality and Competitive Rates
to US Residents from India, Bangladesh, Pakistan and Sri Lanka**

New York--(BUSINESS WIRE) — August 16, 2007 — VSNL (NYSE: VSL), a leading communications solutions provider, announced today the launch of trueroots™, an International Calling Service that allows people from South Asia residing in the United States to reliably, securely and economically reach out and connect with their family and friends. The launch is being celebrated at an exclusive New York City community event taking place today at the Pierre Hotel, where more than 150 South Asian community leaders, influential business executives and media, will be addressed by senior executives from the Tata Group and VSNL and entertained by a musical performance from international composer and artist Karsh Kale.

Officially available in the US beginning August 21st, the new trueroots™ International Calling Service offers superior voice quality and easy to access connectivity across the globe, without hidden fees or extra charges and without the need for a physical calling card, which can often be lost or stolen and subject to fraudulent use. Trueroots™ provides highly competitive rates to South Asian countries including India, Bangladesh, Pakistan and Sri Lanka supported by a 24/7 customer service organization. Calls are carried on VSNL's extensive global fiber optic network, one of the world's largest global submarine cable infrastructures, providing unsurpassed quality and capacity and ensuring clear and error free connectivity.

"As a truly international company, VSNL understands the need to stay true to your roots and keep in touch with the people in your life that mean the most – family and friends," said Sandeep Mathur, Head of Corporate Affairs for VSNL. "Our goal was to create an international calling service that is truly unique in the industry, delivering on the promises of crystal clear quality, uninterrupted calling and cost effective connectivity without hidden fees."

Mathur continued, "As a member of the Tata Group, one of India's largest and most respected business conglomerates, VSNL shares the culture of strict adherence to business ethics and a strong commitment to corporate social responsibility and community. Built upon this philosophy, VSNL's trueroots™ calling service will enable members of the South Asian community living in the United States to feel confident about their international calling experience and know that they can connect with their home countries and pay only for the minutes they use at economical rates. We are pleased that we can support the rapidly growing US South Asian community with a service that lives up to the quality standards they expect and deserve, and that helps make it easier for them to stay close to their close ones across the world."

The trueroots™ service can be purchased online through a user friendly web portal at www.trueroots.us or by calling VSNL customer service directly, 365 days a year. It offers advanced features including a prepaid recharge option, which allows a calling account to be recharged. Other features include instant recognition of calling line ID for PIN-less dialing from up to 5 registered phone numbers, the ability to make up to three follow-on calls without having to redial the access number, speed dial capabilities for up to 5 frequently dialed numbers, and last number redial.



“With the goal of fostering communication and helping to unite the South Asian community across the world, trueroots™ is a truly innovative service,” said David Good, Chief Representative, North America for the Tata Group. “The Tata family of companies’ purpose is to improve the quality of life of the communities we serve by offering services that exemplify our five core values of integrity, understanding, excellence, unity and responsibility. The trueroots™ International Calling Service is representative of these values and will assist in the continued development of the South Asian community.”

As part of the service, trueroots™ account holders will soon have access to exclusive voice services, special offers and incentive discounts through the website. One of these services, to be released this coming fall, will offer entry to a leading entertainment media hub, which will allow customers to gain access to premium content such as full length movies, including Bollywood, TV series, sports coverage, video games, music downloads, and karaoke, with much more to be added on an ongoing basis.

As part of the US consumer launch, trueroots™ is a major sponsor of the New York City India Day Parade on August 19th, offering a variety of entertainment including the music of the Brooklyn Qawwali Party Band, a 14-piece jazz/world music band inspired by recordings of the late great Sufi singer Nusrat Fateh Ali Khan. Trueroots™ is also being launched throughout the United Kingdom and Canadian markets. The UK consumer launch was kicked off at the trueroots™ London Mela on August 12th, a festival aimed at celebrating South Asian culture and creativity. The service will be officially rolled out in the UK at a London community cricket event at the Lords Media Centre on August 21st. Trueroots™ is also expected to be launched in Toronto, Canada later this year.

For further information regarding trueroots™ International Calling Service for the US, visit www.trueroots.us. The website portals for the UK and Canada are www.trueroots.co.uk and www.trueroots.ca respectively.

About VSNL

Videsh Sanchar Nigam Limited (VSNL), a member of the US\$29 billion Tata Group, is a leading global communications company offering next-generation voice, data and value-added services to enterprises, carriers and retail consumers. Voted the Best Wholesale Service Provider at the World Communications Awards, 2006, VSNL is one of the world’s largest providers of wholesale international voice services and operates one of the largest global submarine cable networks. VSNL’s customer base includes 1500 Global Carriers, 450 Mobile Operators, 10,000 Enterprises, 500,000 Broadband and Internet subscribers and 300 Wi-Fi public hotspots.

Rated amongst the Top 100 Emerging Global Challengers by the Boston Consulting Group, VSNL has offices in over 35 countries including the United States of America, Canada, the United Kingdom, South Africa, Singapore, Hong Kong, Sri Lanka and India. VSNL’s global transmission network of over 200,000 route kilometers and its IP core with 200 points of presence, enables a range of services that include voice, private leased circuits, IP VPN, Internet access, global Ethernet, hosting, mobile signaling and other IP services. Our philosophy of Business⁷Rich drives us to empower our customers to achieve enhanced value in their global businesses.

VSNL (www.vsnl.com) is listed on the Bombay Stock Exchange and the National Stock Exchange of India, and its American Depositary Receipts (ADRs) are listed on the New York Stock Exchange.

Forward-looking and cautionary statements

Certain words and statements in this release concerning VSNL and its prospects, and other statements relating to VSNL’s expected financial position, business strategy, the future development of VSNL’s operations and the general economy in India, are forward-looking statements. These forward looking statements include, among others, statements concerning VSNL’s communications and information services business, its advantages and VSNL’s strategy for continuing to pursue its business, the anticipated development and launch of new services in its business, the anticipated dates on which VSNL will begin providing certain services



or reach specific milestones in the development and implementation of its business strategy, the growth and recovery of the communications and information services, industry, expectations as to its future revenue, margins, expenses and capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts. Such statements involve known and unknown risks, uncertainties and other factors, including financial, regulatory and environmental, as well as those relating to industry growth and trend projections, which may cause actual results, performance or achievements of VSNL, or industry results, to differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding VSNLs present and future business strategies and the environment in which VSNL will operate in the future. The important factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements include, among others, failure to increase the volume of traffic on VSNLs network, failure to develop new products and services that meet customer demands and generate acceptable margins, failure to successfully complete commercial testing of new technology and information systems to support new products and services, including voice transmission services, failure to stabilize or reduce the rate of price compression on certain of VSNLs communications services, failure to integrate strategic acquisitions such as the Tyco Global Network and Teleglobe International Holdings Limited and changes in government policies or regulations of India and, in particular, changes relating to the administration of VSNLs industry, and, in general, the economic, business and credit conditions in India. Additional factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements, many of which are not in VSNLs control, include, but are not limited to, those risk factors discussed in VSNLs various filings with the United States Securities and Exchange Commission. These filings are available at www.sec.gov