



AISHWARYA TELECOM LIMITED™

Registered Office: 3-C Samrat Commercial Complex, Opp. A G Office, Saifabad, Khairatabad, Hyderabad, Andhra Pradesh, India, Pin - 500 004
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Contact Person/Compliance Officer: Mr C N Bhavani Prasad, Company Secretary

INITIAL PUBLIC ISSUE OF 40,00,000 EQUITY SHARES OF RS. 10 EACH FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF RS. [•] PER EQUITY SHARE) AGGREGATING RS. [•] LAKHS (HEREINAFTER REFERRED TO AS "THE ISSUE"). THE ISSUE COMPRISES A RESERVATION FOR ELIGIBLE EMPLOYEES OF UPTO 1,00,000 EQUITY SHARES OF RS. 10 EACH ("THE EMPLOYEE RESERVATION PORTION") AGGREGATING RS. [•] LAKHS AND THE NET ISSUE TO THE PUBLIC OF 39,00,000 EQUITY SHARES OF RS. 10 EACH ("THE NET ISSUE") AGGREGATING RS. [•] LAKHS. THE ISSUE WOULD CONSTITUTE 37.53% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF THE COMPANY. THE NET ISSUE TO THE PUBLIC WOULD CONSTITUTE 36.59% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF THE COMPANY.

PRICE BAND: RS. 32/- TO RS. 35/- PER EQUITY SHARE OF FACE VALUE OF RS 10/- EACH. THE FLOOR PRICE IS 3.2 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 3.5 TIMES OF THE FACE VALUE.

NOTICE TO INVESTORS

We thank all the applicants for their response to the IPO of our Company (ATL), which was open for subscription from 15th April, 08 to 17th April, 08. This Communication is being made to the investors with regard to the letter dated 16.04.08 & in compliance to the letter dated 17.04.08 received from SEBI. A complaint (vide email dated 15.04.08) from M/s Ciscel Ltd was referred to in the SEBI Letter dated 16.04.08 wherein some allegations were made with respect to the order for supply of certain material placed by EL-Tronics, Jaipur (ET) on ATL and also on certain non disclosures in Red Herring Prospectus dated March 27, 2008 (RHP). Please find below:

I. Our response to the Complaint; II. Addendum to the RHP and III. Option to the investors to withdraw;

I. Our response to the Complaint

a) Allegation: The Complaint alleges that in respect of the order placed by ET on ATL for supply of certain materials against which payment of Rs.7.19 lacs was made to ATL by ET and ATL took the material back with malafide intention after delivering the same to the transport company for onward delivery to consignee.

Response: We had diverted the delivery of the material to our other client only to meet certain business urgencies and the same was made without any malafide intention as alleged. Further the materials amounting to Rs.7.19 lacs as per the order of ET was delivered to the transport company on behalf of ET on 7-10-2006. which was received by ET without any protest.

b) Allegation: The Complaint further alleges that ATL delivered these materials to BSNL to gain more profit and deprived ET to fulfill their delivery commitments and thus caused financial and reputation loss in the market.

Response: We categorically deny all the allegations and to the best of our knowledge ET has not suffered any financial or reputation loss.

c) Allegation: The Complaint further alleges that ATL has not disclosed the facts relating to the case filed by ET before District Consumer Forum III, Hyderabad and further Appeal filed before AP State Consumer District Redressal Commission, Hyderabad.

Response: We clarify that the case referred to in the complaint remained to be disclosed in the RHP due to inadvertence and is a bona fide mistake on our part. Subsequently we have informed the details regarding the said matter to SEBI and have also published a Notice to Investors dated 16.04.08 disclosing the facts relating to the said matter.

II. ADDENDUM TO THE RHP

In the section titled "Risk Factors" & "Outstanding Litigation and Defaults" the following disclosure, which was inadvertently not included in the RHP, will be included:

Aishwarya Telecom Limited (ATL) received a legal notice dated 07.03.07 from M/s. EL-Tronics, Jaipur (ET) wherein ET demanded payment of expenses/interest/ penalties / damages for deficiency of service/loss of goodwill amounting to Rs. 5,70,600/- and for delay in delivery of certain equipments by ATL. Subsequently, ET filed a complaint (vide CC No. 786 of 2007) before the District Consumer Disputes Redressal Forum-III, Hyderabad (District Forum) praying for relief of Rs. 7,19,100/- along with compensation of Rs. 1,00,000/- & costs & interest which was dismissed by the District Forum vide its order dated 31.01.08. ET has preferred an appeal (vide F.A. No.405 of 2008) before A P State Consumer Disputes Redressal Commission, Hyderabad against the order of the district forum which is pending as on date. Since the contingent liability in respect of the above claim has not been provided for in the books of account of ATL, the profitability of ATL may be adversely affected to the extent of payment/provision of such claim, if any, in the financial year in which it is paid/provided for.

The Prospectus will be suitably updated to reflect changes incidental to the aforesaid disclosures at appropriate places.

III. Option to Investors to Withdraw:

In view of the disclosures herein, kindly note that all applicants (including QIBs) who have submitted their bid(s) in response to our Initial Public Offering may, if they so desire, withdraw their applications. The last date for receipt of withdrawal shall be 10th day from the date of this Public Notice i.e. on or before 5.30 p.m. on 28.04.2008 (Monday).

All Applicants (including QIBs) seeking to withdraw their bid(s) should submit their duly signed request (in case of joint applications, by all the applicants) along with the details such as Name of Applicant(s), Address, Application Form No, Number of shares bid for, Amount paid with the Application Form, Cheque Number and Bank and Branch on which drawn to the Registrar to the Issue marked "Kind Attn.: Mr. Ashok Shetty, Bigshare Services Private Limited, E/2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400 072, Tel: +91 22 4043 0200, Fax: +91 22 2847 5207.

This notice is required to be read in conjunction with the RHP dated 27.03.08, Notice to Investors dated 16.04.08 and the Bid-cum-Application Form.

In case of any further clarifications/information, the investors may feel free to contact the Book Running Lead Managers whose contact details are mentioned in the RHP and the Bid cum Application form.

For Risk Factors and other details, please refer to the RHP, a full copy of which is available at www.sebi.gov.in, www.bseindia.com, www.srei.com, www.sobhagycapital.com & at www.aishwaryatelecom.com

Date: 18.04.2008
Place: Hyderabad

For Aishwarya Telecom Limited
Sd/- G Rama Manohar Reddy, Managing Director