

To
Pradeep Ramakrishnan
AGM, SEBI

3rd June 2010

Sirs,

We are in receipt of your letter forwarding the complaint filed by one Mr. Vimal Shah, claiming that he is entitled to conversion of 8 Lakhs share warrants into shares.

The sum and substance of this complaint is that Mr. Vimal Shah had issued an original consent letter for conversion of his share warrants into shares and the same had been replaced by the managing director of the company and one Ms. Meenakshi Khetan Shah had filed a complaint of non receipt of 8400 shares by way of conversion from share warrants and that the amount paid by her is being shown in the account of Mr. Vimal Shah (allegedly to "trap" Mr. Vimal Shah on a technical ground). Mr. Vimal Shah had approached the managing director of the company Mr. Maruti Ram Praturi in his personal capacity for purchase of share warrants held by Mr. Maruti Ram Praturi. Mr. Maruti Ram Praturi who was holding 28.5 Lakhs share warrants @ Rs. 11.80 per share warrant had agreed to transfer 3 Lakhs share warrants to Mr. Vimal Shah and the said transfer had been effected and reflected in the books of the company. Thereafter, Mr. Vimal Shah had been sending demand drafts/cheques for a total amount of Rs.31,86,000 This would entitle Mr. Vimal Shah for conversion of 3 Lakhs share warrants which are presently registered in his name in the books of the company.

The question of conversion of 8 Lakhs share warrants into 8 Lakhs equity shares in favour of Mr. Vimal Shah would not arise for two reasons:

Firstly, the share warrants, which were transferred in the name of Mr. Vimal Shah are 3 Lakhs share warrants only.

Secondly, the money remitted by Mr. Vimal Shah is sufficient only for payment of consideration for 3 Lakhs share warrants, which would entitle him to conversion and the amounts paid would not be anywhere near sufficient for conversion of 8 Lakhs share warrants.

Mr. Vimal Shah has now raised an issue of one Ms. Meenakshi Khetan Shah. It is his claim that Ms. Meenakshi Shah had given separate sum of Rs. 1 Lakh to the company and this was being wrongly debited in the account of Mr. Vimal Shah. The fact of the matter is that Ms. Meenakshi Shah is not a share warrant holder as no share warrants have been issued in her name nor transferred to her by any of the other share warrant holders. The cheque for Rs. 1 Lakh was said to have been issued by her was deposited with the company by Mr. Vimal Shah and the same was taken to the account of Mr. Vimal Shah. It would also not be out of place to mention that Ms. Meenakshi Shah is the wife of Mr. Khetan Shah, who works for Mr. Vimal Shah. It is obvious that Mr. Vimal Shah is now trying to create fresh disputes and show as if there is a multiplicity of complaints to denigrate the image of the company and to pressurize the management of the company to settle with him and accede to all his unreasonable and unjust demands. Mr. Vimal Shah had even earlier made a complaint that he was entitled to 8 Lakhs share warrants and conversion of the said share warrants into shares without setting out any details as to what are the amounts of money he has paid towards payment of the share price of these share warrants. After the complaint had been filed, the company had replied to him informing him that he was entitled to conversion 3 Lakhs share warrants only. After receiving this communication, Mr. Vimal Shah had sent his details and requested that the shares be deposited in his account, whose details had been given. This communication of Mr. Vimal Shah was also sent to BSE, where he had made a complaint and the said complaint had been closed.

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Having failed at BSE, Mr. Vimal Shah is now seeking to raise the same issue all over again before SEBI. This is only an attempt to arm-twist the management into acceding to his unreasonable demands and not because of any genuine grievances or complaint against the company.

Please call us or write to us for any further details required in this regard. We also request you to give us an opportunity for personal hearing before taking any further decisions in this regard.

Thanking you,
Yours truly,
For TeleCanor Global Limited

Maruti Ram Praturi
Managing Director
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