

The Company had not dematerialized the shares of its shareholders for a long time due to RTA and STA problem. In this regard a show cause notice was issued on 25<sup>th</sup> March 2008 vide notice No. EAD-5/VSS/SS/121611/2008. The company attended the hearing where in it was advised to redress the issue with CDSL and NSDL and implement systems to prevent such issues in future.

The Company took all necessary steps to redress the issues and implemented systems for demat of shares to prevent such occurrences in future. After detailed hearing SEBI imposed a fine of Rs. 15,000/- vide Order no: VSS/AO-67/2008 which was promptly paid.

Since then no such or similar issues have occurred in the Company.