

# CLASSIC FILAMENTS LIMITED

CIN L17114GJ1990PLC013667

Regd Office : Plot No.1, Priyanka House, Umiyadham Road, Varachha, Surat-395006.  
Tel :0261-2540570 email: [classicfilaments@ymail.com](mailto:classicfilaments@ymail.com), Website: [www.classicfilamentsltd.com](http://www.classicfilamentsltd.com)

**Date: 24/11/2022**

To,  
Dept. of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400001

**Dear Sir,**

**Ref: Stock Code - 540310**

**Sub: Disclosure under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 – Order passed by Securities Appellate Tribunal(SAT) providing partial relief to M/s Satellite Corporate Services Private Limited, Registrar and Share Transfer of the Company**

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Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in continuation to our intimation dated 2<sup>nd</sup> November, 2022 w.r.t. order of the SEBI dated 28<sup>th</sup> October, 2022 suspending Certificate of Registration of M/s Satellite Corporate Services Private Limited, Registrar and Share Transfer Agent of the Company has been set aside by Securities Appellate Tribunal (SAT) vide its order dated 15<sup>th</sup> November, 2022 and the RTA was prohibited from accepting fresh clients for a period as mentioned in the said order. The copy of the said order is enclosed herewith.

The Company will intimate any further progress in the matter to the Stock Exchange as it comes to the Company's notice.

Kindly take the same on your record.

Thanking you,

Yours faithfully,

For **CLASSIC FILAMENTS LIMITED**

**Ankita P. Shroff**  
**Compliance Officer & Company Secretary**  
**Membership No.: 36425**  
**Address: Plot No. 1, Priyanka House, Umiyadham Road, Varachha, Surat-395006**

**Encl: As Above**

BEFORE THE SECURITIES APPELLATE TRIBUNAL  
MUMBAI

**Date of Decision: 15.11.2022**

**Misc. Application No. 1413 of 2022**  
**And**  
**Misc. Application No. 1414 of 2022**  
**And**  
**Appeal No. 845 of 2022**

Satellite Corporate Services Pvt. Ltd.  
Office No. A/106-107,  
Dattani Plaza, East West Compound,  
Andheri Kurla Road,  
Safed Pool, Sakinaka,  
Mumbai- 400 072

...Appellant

Versus

Securities and Exchange Board of India,  
SEBI Bhavan, Plot No. C-4A, G-Block,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai- 400 051

...Respondent

Mr. Prakash Shah, Advocate with CA Kushal Shah i/b Prakash Shah and Associates for the Appellant.

Mr. Vishal Kanade, Advocate with Mr. Mihir Mody, Mr. Arnav Misra and Mr. Mayur Jaisingh, Advocates i/b. K Ashar & Co. for the Respondent.

CORAM: Justice Tarun Agarwala, Presiding Officer  
Ms. Meera Swarup, Technical Member

Per: Justice Tarun Agarwala, Presiding Officer (Oral)

1. The present appeal has been filed against the order dated October 28, 2022 passed by the Whole Time Member (“WTM” for convenience) of the Securities and Exchange Board of India (“SEBI” for convenience) suspending the Certificate of Registration of the appellant as Registrar to Issue and Share Transfer Agent under Section 12(3) and Section 19 of the SEBI Act, 1992 read with Regulation 27 of the SEBI (Intermediaries) Regulations, 2008 for a period of three months and further issued other directions.

2. The facts leading to the filing of the present appeal is, that an inspection was undertaken by SEBI under Regulation 16 read with Regulation 17 of the SEBI (Registrars to an Issue and Share Transfer Agent) Regulations, 1993 (“RTA Regulations, 1993” for convenience) for the period April 01, 2022 to March 31, 2014. The inspection report observed that various remat requests were processed without proper checks and due diligence; transfer requests were made in the absence of signature records and demat requests were processed without the specimen signatures.

3. Based on the aforesaid, the designated authority issued a show cause notice dated September 30, 2019 indicating various violations of the Regulations of 1993 and upon enquiry submitted a report holding that the appellant had contravened the provisions as enumerated in paragraph 2.2 in the impugned order.

4. Based on the enquiry report, a show cause notice dated February 01, 2021 was issued and, upon considering the replies, the WTM found that the appellant did not maintain the specimen signatures and processed remat shares without the specimen signatures including the request for transfer of shares and consequently passed the order suspending the Certificate of Registration.

5. We have heard Shri Prakash Shah, the learned counsel for the appellant and Shri Vishal Kanade, the learned counsel for the respondent.

6. We find that during the period 2012 to 2014 old companies which were defunct were revived and consequently such companies had not updated the addresses and specimen signatures of their shareholders. The companies which assigned

work to the noticees did not have the proper records. The appellants scanned the signatures of the shareholders from the documents which were received from the company from time to time. These facts are not disputed and has not been considered by the WTM. Further, such consideration was brushed aside on the ground that under the Regulations the liability is upon the appellant to maintain the specimen signatures.

7. Admittedly, specimen signatures of a large number of companies were not maintained by the appellant during the period in question based on which the request for dematerialization of shares and transfer of shares was carried out.

8. However, the fact remains that no irregularity was found in the inspection conducted by the depositories, namely, Central Depository Services (India) Limited (“CDSL”) & National Securities Depository Limited (“NSDL”) for the subsequent period March 01, 2015 to February 28, 2016. This fact has also not been considered by the WTM.

9. We also find that the aforesaid facts was categorically stated in the additional submission which has not been considered by the WTM. We also find that for the period in question a number of share transfer agents were issued a similar notice wherein similar allegations were made. Various orders were passed against them on the same finding wherein the share transfer agents were prohibited from accepting fresh clients for a period of one month, in some cases for two months and in some cases for three months. In paragraph 6.6 of the memorandum of appeal, we find that 7 instances have been given wherein the WTM has prohibited the share transfer agents from accepting fresh clients for certain periods on same allegations of non-maintenance of specimen signatures and transfer of demat shares without proper verification. We have perused the impugned order which has been annexed as annexure 24 to 30 to the memorandum of appeal and we find that similar allegations were made against those share transfer agents.

10. We also find that at the time of inspection the appellant served 170 clients which has now increased to 500 clients in the year 2022. In the absence of any other irregularity other than those found in the alleged inspection for the period 2011- 2012

we are of the opinion that the order of suspension of the Certificate of Registration is harsh and inappropriate.

11. Considering the aforesaid, while affirming the violation, we set aside the direction of the WTM suspending the Certificate of Registration and the appointment of the auditor and direct that the appellant is prohibited from accepting fresh clients for a period of three months from today. We however direct that direction no. 6.3 of the WTM will remain in force.

12. In view of the aforesaid, the impugned order is accordingly modified. The appeal is partly allowed. This misc. applications are disposed of accordingly.

13. This order will be digitally signed by the Private Secretary on behalf of the bench and all concerned parties are directed to act on the digitally signed copy of this order. Certified copy of this order is also available from the Registry on payment of usual charges.

Justice Tarun Agarwala  
Presiding Officer

Ms. Meera Swarup  
Technical Member

15.11.2022  
PK

RAJALAKSHMI  
MI HARISH  
NAIR

Digitally signed  
by RAJALAKSHMI  
HARISH NAIR  
Date: 2022.11.22  
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