SIYARAM SILK MILLS LIMITED

29th July, 2026

To,

BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001. **Scrip Code: 503811**	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 **Company Symbol: SIYSIL**

Dear Sir/Madam,

Sub: Disclosure under Regulations 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to approval of the Scheme of Arrangement between Siyaram Silk Mills Limited and its shareholders

Ref: Our Letter dated 22nd July, 2026

In furtherance to our intimation dated 22nd July, 2026, we wish to inform that the Hon'ble National Company Law Tribunal, Mumbai Bench ("**Tribunal**") has issued a certified copy of the order sanctioning the Scheme of Arrangement between Siyaram Silk Mills Limited **("Company")** and its shareholders under Sections 230 and other applicable provisions of the Companies Act, 2013 **("Scheme")**.

The certified copy of the Tribunal order is enclosed herewith and also uploaded on the Company's website.

The Company shall take further steps as required to give effect to the Scheme.

This is for your information and records.

Thanking you,

Yours faithfully

For **Siyaram Silk Mills Limited**

Mahipal Samayalal Thakur

Digitally signed by Mahipal Samayalal Thakur
Date: 2026.07.29 19:01:39 +05'30'

Mahipal Thakur
Company Secretary

Encl: a/a

IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI
COURT-IV

C.P.(CAA)/13/MB/2026
c/w C.A.(CAA)/203/MB/2025

In the matter of
Sections 230 of the Companies Act, 2013

and

In the matter of
Scheme of Arrangement between

Siyaram Silk Mills Limited
[CIN: L17116MH1978PLC020451] .... Petitioner Company

and

[its Shareholders]

Pronounced: 21.07.2026

CORAM:

SHRI ANIL RAJ CHELLAN
HON'BLE MEMBER (TECHNICAL)

SHRI K. R. SAJI KUMAR
HON'BLE MEMBER (JUDICIAL)

Appearances	:	*Hybrid*
For the Applicant	:	Sr. Adv. Gaurav Joshi a/w Adv. Anindya Basarkod, Adv. Aman Yagnik, Adv. Jamsheed Dadachanji, Adv. Hiren Kukreja, Adv. Ishrita Bagchi and Adv. Aditi Rathi i/b Khaitan & Co.
For the Regional Director	:	Mr. Gaurav Jaiswal, Company Prosecutor, WR, MCA.

ORDER

1. The sanction of this Tribunal is sought under Section 230 of the Companies Act, 2013, to the Scheme of Arrangement between Siyaram Silk Mills Limited (Applicant Company) and its Shareholders (Scheme).

2. Heard the Ld. Sr. Counsel for the Applicant Company and the Company Prosecutor for the Regional Director (WR), Ministry of Corporate Affairs, Mumbai. Neither has any objector come before this Tribunal to oppose the Scheme nor has any party controverted any averments made in the Application.

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3. The Applicant stated that the Scheme provides for the issuance of Preference Shares by way of bonus to the Shareholders of the Applicant Company by utilising the general reserves of the Company and also provides for various other consequential matters or otherwise integrally connected herewith. The copy of the Annual Report, which includes audited financial statements of the Applicant Company for the financial year ended as on 31.03.2025 is part of the Application.

4. The Applicant further stated that the equity shares of the Applicant Company are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Applicant Company has received observation letters dated 11.07.2025 and 07.07.2025 from BSE and NSE, respectively, in terms of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), read with SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20.06.2023 (SEBI Master Circular). The aforesaid observation letters, including comments from the Securities and Exchange Board of India, are part of the Application.

5. The Ld. Sr. Counsel for the Applicant Company submitted that the proposed Scheme of Arrangement was approved unanimously by the Board of Directors of the Applicant Company *vide* board resolution dated 26.10.2024. A copy of the resolution is part of the Application.

6. The Ld. Sr. Counsel submitted that the Company Petition has been filed in consonance with the order dated 04.11.2025, passed by this Tribunal in the connected Company Scheme Application bearing No. C.A.(CAA)/203/MB/2025.

7. The Ld. Sr. Counsel submitted that the meetings of the Equity Shareholders and Unsecured Creditors of the Applicant Company were ordered *vide* order dated 04.11.2025 in C.A.(CAA)/203/MB/2025 of this Tribunal. In compliance with the order, meetings of equity shareholders and unsecured creditors of the Applicant Company were held on 29.12.2025, and the Chairperson appointed for the meetings has filed the report wherein it is stated that the requisite quorum was present at the said meetings convened and the Scheme was approved with requisite majority by the

equity shareholders and the unsecured creditors of the Applicant Company. The meeting of the Secured Creditors was dispensed with *vide* the aforesaid order.

8. The Ld. Sr. Counsel submitted that the Applicant Company has complied with all requirements as per the directions of this Tribunal *vide* the aforesaid order, and they have filed necessary Affidavits of compliance with this Tribunal. Moreover, the Applicant Company undertakes to comply with all statutory requirements, if any, as may be required under the Companies Act, 2013, and the Rules made thereunder.

9. ***Business of the Applicant***

The Applicant Company stated that it is engaged in the business of manufacturing, branding and marketing of fabrics, readymade garments and indigo dyed yarn.

10. ***Rationale***

The Applicant Company submitted that the rationale for the Scheme is as follows:

(i) Over the years, the Company has built up substantial surplus reserves from its profits. The surplus reserves are well above the Company's current and likely future business needs.

(ii) Further, upon taking into consideration the surplus reserves being more than what is needed to fund the Company's future growth and the Company's capability to generate strong free cash flow in the foreseeable future, the Company is of the view that these excess funds can be optimally utilized to reward its shareholders.

(iii) Even after issue of Preference Shares in accordance with the Scheme, the Company would continue to have sufficient cash resources to discharge its liabilities towards its lenders and other stakeholders on time and in ordinary course of its business.

(iv) Therefore, the Company has proposed inter alia, to distribute such surplus funds amongst its shareholders by issuing fully paid up Preference Shares by

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way of bonus in terms of this Scheme.

(v) The Preference Shares will be a listed security and will give flexibility to the equity shareholders and the Company in managing its liquidity until redemption.

(vi) In view of the aforesaid factors, the Company has concluded that it can effectively utilize its surplus reserves by distributing a considerable portion of the same to its equity shareholders. Further, to maintain high level of corporate governance and transparency, the Company proposes issuance of Preference Shares by way of bonus to its equity shareholders under Section 230 of the Act which will be subject to necessary statutory, regulatory and corporate approvals.

The proposed Scheme is in the interest of the shareholders of the Company and it is not detrimental to the interests of other stakeholders.

11. ***Issue of Preference Shares by way of Bonus Ratio***

The Ld. Sr. Counsel for the Applicant Companies submitted that upon the Scheme coming into effect, the Company shall issue and allot Preference Shares by way of bonus by utilising its general reserves to each equity shareholder of the Company, whose name is recorded in the register of members of the Company and/or the records of the depositories as equity shareholder of the Company on the Record Date, as under:

(a) 4 (Four) Preference Shares - Series I of face value of Rs. 10/- each fully paid up for every 1 (One) equity share of Rs. 2/- each fully paid up held by such shareholder; and

(b) 3 (Three) Preference Shares - Series II of face value of Rs. 10/- each fully paid up for every 1 (One) equity share of Rs. 2/- each fully paid up held by such shareholder.

12. The Regional Director (WR), Ministry of Corporate Affairs, Mumbai, has filed the Report dated 15.04.2026 with certain observations. The observations of the

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Regional Director and the response submitted by the Applicant Company are summarised in the table below:

Sr. No.	Observations in the Report filed by the Regional Director	Reply of the Petitioner Company
2 a)	*That on examination of the report of the Registrar of Companies, Mumbai - II dated 13.02.2026 (Annexed as Annexure A-1), the Petitioner Company fall within the jurisdiction of ROC, Mumbai - II. It is submitted that no representation against the proposed scheme of Arrangement has been received in the matter of Petitioner Company. Further, the Petitioner Company has filed Financial Statements up to 31.03.2025.* *The ROC has further submitted that in his report dated 13.02.2026, which are as under :-* *i. That the ROC Mumbai in his report dated 13.02.2026 has also stated that No Inquiry, Inspection, Investigations, Prosecutions, Technical Scrutiny under CA, 2013 have been pending against the Petitioner Companies.* *ii. Interest of the creditors & Employees should be protected.* *iii. May be decided on merits.*	a) The said observation is factual in nature. i. The said observation of the Registrar of Companies is factual in nature. ii. The rights of the creditors and employees shall not be impacted pursuant to the Scheme. Further, there will be no reduction in the claims of the creditors on account of the

	Hence, the Petitioner Company shall undertake to submit detailed reply against observations mentioned above.	Scheme, and the creditors will be paid off in the ordinary course of business, and their interest will be protected, as per applicable law.
b)	*In compliance of Accounting Standard-14 or IND-AS 103, as may be applicable, the Petitioner company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards including AS-5 or IND AS-8 etc.*	The Petitioner Company undertakes to pass such accounting entries as are necessary in connection with the Scheme to comply with the accounting standards notified under Section 133 of the Companies Act, 2013, as may be applicable.
c)	*The Hon'ble Tribunal may kindly seek the undertaking that this Scheme is approved by the requisite majority of members and creditors as per Section 230(6) of the Act in meetings duly held in terms of Section 230(1) read with 7 subsection (3) to (5) of Section 230 of the Act and the Minutes thereof are duly placed before the Tribunal*	The Scheme has been duly approved by the equity shareholders and unsecured creditors of the Petitioner Company with requisite majority, at their respective meetings. Further, the report of the Chairperson appointed by the Hon'ble Tribunal for the meetings of the equity shareholders and the unsecured creditors of the Petitioner Company has been filed with the Hon'ble Tribunal on 3 January 2026, vide Filing No. 2709138080182025. Further, in terms of the order of the Hon'ble Tribunal dated 4 November

		2025, since the Petitioner Company had no preference shareholders, the requirement to convene and hold meetings of the preference shareholders of the Petitioner Company did not arise. Further, in terms of the order of the Hon'ble Tribunal dated 4 November 2025, the meeting of secured creditors of the Petitioner Company was dispensed with in view of the consent affidavits provided by the secured creditors of the Petitioner Company.
d)	*The Hon'ble Tribunal may kindly direct the Petitioner Companies to file an affidavit to the extent that the Scheme enclosed to the Company Application and Company Petition are one and same and there is no discrepancy, or no change is made.*	This affidavit confirms that the Scheme enclosed in the Company Scheme Application and Company Scheme Petition is one and the same, and there is no discrepancy or change made.
e)	*The Petitioner Company under provisions of section 230(5) of the Companies Act 2013 have to serve notices to concerned authorities which are likely to be affected by the Amalgamation or arrangement. Further, the approval of the scheme by the Hon'ble Tribunal may not deter such authorities to deal with any of the issues*	The notices have been issued to the concerned statutory authorities under Section 230(5) of the Companies Act, 2013. Necessary affidavits have been filed before this Tribunal in this regard. The Petitioner Company confirms that the sanction of the Scheme will not prevent the authorities from dealing with any

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	arising after giving effect to the scheme. The decision of such authorities shall be binding on the petitioner companies concerned.	issues arising after giving effect to the Scheme, as per applicable law.
f)	*As per Definition of the Scheme,* *"Appointed Date" means the Effective Date of this Scheme.* *"Effective Date" means the date on which last of the conditions specified in Clause 11 (Conditions Precedent) of this Scheme are complied with or waived, as applicable. All the references in the Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date.* *It is submitted that the Petitioner may be asked to comply with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.*	The present Scheme is in compliance with the requirements of circular no. F.No.7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.
g)	*Petitioner Company shall undertake to comply with the directions of the sectoral Regulatory concerned, if any.*	Petitioner Company undertakes to comply with the directions, if any, of the sectoral regulatory authorities in accordance with the applicable law.
h)	*The Petitioner company shall undertake to comply with the directions of the I. T.*	Petitioner Company undertakes to comply with the directions, if any, of

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	Department and GST Department, if any.	the Income Tax Department and the GST Department in accordance with applicable law. Further, the right of the tax authorities to initiate or continue appropriate proceedings regarding recovery of any tax shall not be affected in view of the sanction of the Scheme and that all tax issues arising out of the Scheme will be met and answered in accordance with law.
i)	*The Petitioner Company states that the Transferee Company shall be in compliance with provisions of Section 2(1B) of the Income Tax Act, 1961. In this regard, the petitioner company shall ensure compliance of all the provisions of Income Tax Act and Rules thereunder applicable in this matter.*	The Scheme provides for the issuance of Preference Shares (as defined in the Scheme) by way of bonus to the shareholders of the Petitioner Company by utilizing the general reserves of the Petitioner Company. Therefore, Section 2(1B) of the Income Tax Act, 1961, does not apply. Further, the Petitioner Company undertakes to ensure compliance with all the provisions of the Income Tax Act and the Rules thereunder, as applicable in this matter.
j)	*It is further observed that the Applicant Company is a Listed company therefore, Petitioner Company may be directed to place on record the prior*	The Petitioner Company has received observation letters dated 11 July 2025 and 7 July 2025, from BSE Limited and the National Stock

	notice issued to NSE, BSE and SEBI and obtain NOC from NSE, BSE, Commodity Exchange and SEBI. Therefore, public interest may be protected in this matter.	Exchange of India Limited, respectively, in terms of Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Master Circular No. SEBI/HO/CFD/POD-/P/CIR/2023/93 dated June 20, 2023. The Petitioner Company further states that the said observation letters issued by the BSE Limited and the National Stock Exchange of India Limited were also filed with the Hon'ble Tribunal along with the Company Scheme Application and the Company Scheme Petition filed in the captioned matter.
k)	*It is submitted that the present proposed scheme of arrangement between Siyaram Silk Mills Limited (engaged in the business of manufacturing, branding and marketing of fabrics, readymade garments and indigo dyed yarn) and its shareholders provided for:-* *ISSUE OF PREFERENCE SHARES BY WAY OF BONUS (part II of the Scheme clause 4) and* *Clause 4:*	The said observation is factual in nature.

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	4."ISSUE OF PREFERENCE SHARES BY WAY OF BONUS" *4.1 Upon the Scheme coming into effect, the Company shall issue and allot Preference Shares by way of bonus by utilizing its general reserves to each equity shareholder of the Company, whose name is recorded in the register of members of the Company and/or the records of the depository(ies) as equity shareholder of the Company on the Record Date, as under:* *4.1.1 4 (Four) Preference Shares – Series I of face value of INR 10 each fully paid up for every 1 (One) equity share of INR 2 each fully paid up held by such shareholder; and* *4.1.2 3 (Three) Preference Shares - Series II of face value of INR 10 each fully paid up for every 1 (One) equity share of INR 2 each fully paid up held by such shareholders.* *4.2 The issue and allotment of the Preference Shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Company or its shareholders and as if*	

	the procedure laid down under the Act and such other Applicable Law(s) as may be applicable were duly complied with. It is clarified that the approval of the shareholders of the Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of Preference Shares. *4.3 Subject to the Applicable Law, the Preference Shares that are to be issued in terms of this Scheme shall be issued in dematerialized form. The register of members maintained by the Company and/ or other relevant records, whether in physical or electronic form, maintained by the Company, the relevant depository and registrar and transfer agent in terms of Applicable Law(s) shall (as deemed necessary by the Board of the Company) be updated to reflect the issue of Preference Shares in terms of this Scheme. The shareholders of the Company who hold equity shares in physical form, should provide the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required, to the Company, prior to the Record*	

	Date to enable it to issue Preference Shares. *However, if no such details have been provided to the Company by the equity shareholders holding equity shares in physical share certificates on or before the Record Date, the Company shall deal with the relevant Preference Shares in such manner as may be permissible under the Applicable Law, including by way of issuing the corresponding Preference Shares of the Company in dematerialised form to a trustee nominated by the Board of the Company ("Trustee of the Company") who shall hold these Preference Shares in trust for the benefit of such shareholder. The Preference Shares of the Company held by the Trustee of the Company for the benefit of the shareholder shall be transferred to the respective shareholder once such shareholder provides details of his/her/its demat account to the Trustee of the Company, along with such other documents as may be required by the Trustee of the Company. The respective shareholders shall have all the rights that of the preference shareholders, including the right to receive dividend and other corporate benefits, pending*	

	the transfer of Preference Shares from the Trustee of the Company. All costs and expenses incurred in this respect shall be borne by the Company. *4.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Company, the Board of the Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares or Preference Shares, after the effectiveness of this Scheme.* *4.5 No Preference Shares will be issued under this Scheme in respect of any equity shares of the Company that have been forfeited. The issuance of Preference Shares pursuant to this Scheme in respect of any equity shares of the Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Company.*	

	4.6 The equity shares of the Company lying in 'Unclaimed Suspense Account' shall also be eligible for issuance of Preference Shares and such Preference Shares shall be dealt with in the same manner as said equity shares lying in the said Unclaimed Suspense Account. The Preference Shares to be issued by the Company in lieu of the equity shares of the Company held in the investor education protection fund shall be issued to investor education protection fund in favour of such shareholders of the Company. *4.7 In the event, the Company restructures its equity share capital by way of share split /consolidation / issue of bonus shares / any other manner during the pendency of the Scheme, the share entitlement ratio, as per Clause 4.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions* *4.8 The issue of such a bonus to equity shareholders does not involve any release of assets by the Company to shareholders at the time of issuance of Preference Shares by way of bonus.* *4.9 The Company shall apply for listing of Preference Shares on the*	

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	Stock Exchanges in terms of and in compliance of SEBI Circulars and other relevant provisions as may be applicable. The Preference Shares, issued pursuant to this Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange. *4.10 The Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.*	
	In view of the above, the Applicant Company may be directed to clarify the due compliance of Section 63 & Section 55 read with Rule 9 of the Companies (Share Capital and Debenture) Rules, 2014. *Further the Applicant Company may be directed to undertake due compliance of Section 42 of the Act for filing the return of allotment post the scheme is given effect.*	The Petitioner Company shall comply with the provisions of Section 63 and Section 55 of the Companies Act, 2013, read with Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014, to the extent applicable under the Scheme. The Petitioner Company undertakes that upon the Scheme becoming effective and shares being allotted pursuant thereto, it shall comply with the provisions of Section 42 of the Act and file the return of allotment in Form PAS-3 with the Registrar of Companies, as applicable.

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13. The Representative of the Regional Director (WR), Mumbai, appeared and stated that the explanation and undertakings given by the Applicant Company are satisfactory to the Regional Director and they have no objections to the Scheme.

14. From the material on record, the Scheme appears to be fair and reasonable and is not in violation of any provisions of law and is not contrary to public policy.

15. Since all the requisite statutory compliances have been fulfilled, the Company Petition bearing **C.P.(CAA)/13/MB/2026** filed by the Applicant Company is **made absolute** in terms of the prayer clauses of the said Company Scheme Petition.

16. In view of the above, the Scheme of Arrangement is hereby **sanctioned** with the appointed date as the **Effective Date** of the Scheme.

16.1 The Applicant Company is directed to file a certified copy of this Order, along with a copy of the Scheme of Arrangement, with the concerned Registrar of Companies, electronically, along with e-Form INC-28, in addition to a physical copy, within 30 days from the date of receipt of the order, duly certified by the Designated Registrar of this Tribunal.

16.2 The Applicant Companies to submit a certified copy of this Order and the Scheme duly authenticated by the Designated Registrar of this Tribunal, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of receipt of the certified copy of the order.

16.3 The Applicant Company shall comply with all the undertakings given by it.

16.4 The Applicant Companies shall take all consequential and statutory steps required under the provisions of the Act in pursuance of the Scheme.

17. The Income Tax Department will be at liberty to examine the aspect of any tax payable as a result of this scheme. If it is found that the scheme ultimately results in tax avoidance under the provisions of the Income-tax Act, 1961, it shall be open to the income tax authorities to take the necessary action as possible under the Income Tax Law.

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18. All concerned regulatory authorities are to act on a copy of this Order duly certified by the Registry of this Tribunal, along with a copy of the Scheme.

19. Any concerned authorities are at liberty to approach this Tribunal for any further clarification as may be necessary.

20. Any person interested shall be at liberty to apply to this Tribunal in the above matters for any directions that may be necessary.

21. Accordingly, **C.P.(CAA)/13/MB/2026 c/w CA(CAA)/203/MB/2025** is **allowed** and disposed of. File to be consigned to records.

Sd/-

ANIL RAJ CHELLAN
MEMBER (TECHNICAL)

Sd/-

K. R. SAJI KUMAR
MEMBER (JUDICIAL)

/pvs

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Diary No.: D 2994
Date of Application: 21/7/2026
Date Copy Ready: 29/7/2026
Date of Delivery: 29/7/2026
No. of Pages: 18
Fee Paid: 90/-
Deficient Fee: -
Total Fee Paid: 90/-

29/7/26

JR/DR/AR
(Signature & Seal) Ravi H Passi
Assistant Registrar
National Company Law Tribunal
Mumbai - 400 005.

EXHIBIT A1

Annexure – 2

SCHEME OF ARRANGEMENT

BETWEEN

SIYARAM SILK MILLS LIMITED

AND

ITS SHAREHOLDERS

UNDER SECTION 230 AND OTHER APPLICABLE PROVISIONS OF

THE COMPANIES ACT, 2013

A. **PREAMBLE**

This Scheme (as defined hereinafter) is presented under Section 230 and other applicable provisions of the Act (as defined hereinafter) and provides for the issuance of Preference Shares (as defined hereinafter) by way of bonus to the shareholders of Siyaram Silk Mills Limited (**"Company"**) by utilising the general reserves of the Company. The Scheme also provides for various other consequential matters or otherwise integrally connected herewith.

B. **BACKGROUND AND DESCRIPTION OF THE COMPANY**

The Company is incorporated under the provisions of the Companies Act, 1956 and has its corporate identity number L17116MH1978PLC020451. The registered office of the Company is situated at H-3/2, MIDC, 'A' Road, Tarapur, Boisar, Palghar - 401506, Maharashtra. The Company is engaged in the business of manufacturing, branding and marketing of fabrics, readymade garments and indigo dyed yarn. The equity shares of the Company are listed on the Stock Exchanges *(as defined hereinafter)*.

C. **RATIONALE FOR THIS SCHEME**

(i) Over the years, the Company has built up substantial surplus reserves from its profits. The surplus reserves are well above the Company's current and likely future business needs.

(ii) Further, upon taking into consideration the surplus reserves being more than what is needed to fund the Company's future growth and the Company's capability to generate strong free cash flow in the foreseeable future, the Company is of the view that these excess funds can be optimally utilized to reward its shareholders.

(iii) Even after issue of Preference Shares in accordance with the Scheme, the Company would continue to have sufficient cash resources to discharge its liabilities towards its lenders and other stakeholders on time and in ordinary course of its business.

(iv) Therefore, the Company has proposed *inter alia*, to distribute such surplus funds amongst its shareholders by issuing fully paid up Preference Shares by way of bonus in terms of this Scheme.

(v) The Preference Shares will be a listed security and will give flexibility to the equity shareholders and the Company in managing its liquidity until redemption.

(vi) In view of the aforesaid factors, the Company has concluded that it can effectively utilize its surplus reserves by distributing a considerable portion of the same to its equity shareholders. Further, to maintain high level of corporate governance and transparency, the Company proposes issuance of Preference Shares by way of bonus to its equity shareholders under Section 230 of the Act which will be subject to necessary statutory, regulatory and corporate approvals.

The proposed Scheme is in the interest of the shareholders of the Company and it is not detrimental to the interest of other stakeholders.

D. PARTS OF THIS SCHEME

This Scheme is divided into the following parts:

(i) **PART I** deals with the definitions, share capital, date of taking effect and implementation of this Scheme;

(ii) **PART II** deals with the issue of Preference Shares by way of bonus; and

(iii) **PART III** deals with the general terms and conditions that would be applicable to this Scheme.

PART I

DEFINITIONS, SHARE CAPITAL, DATE OF TAKING EFFECT

AND IMPLEMENTATION OF THIS SCHEME

1. **DEFINITIONS**

1.1 In this Scheme, unless inconsistent with the subject or context thereof (a) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; (b) all terms and words not defined in this Scheme shall have the meaning ascribed to them under the relevant Applicable Law (*as defined hereinafter*); and (c) the following expressions shall have the meanings ascribed hereunder:

"**Act**" means the Companies Act, 2013;

"**Appointed Date**" means the Effective Date of this Scheme;

"**Applicable Law**" means any applicable central, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Company; (b) Permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Company as may be in force from time to time;

"**Appropriate Authority**" means:

(a) the government of any jurisdiction (including any central, state/, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof;

(b) any public international organisation or supranational body and its institutions, departments, agencies and instrumentalities;

(c) any governmental, quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority including (without limitation), SEBI, the Tribunal; and

(d) Stock Exchanges.

"**Board**" means board of directors of the Company and shall include a committee of directors and / or any person authorized by the board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to this Scheme and / or any consequential or incidental matter relating thereto;

"**Effective Date**" means the date on which last of the conditions specified in Clause 11 (Conditions Precedent) of this Scheme are complied with or waived, as applicable. All the references in the Scheme to the date of "**coming into effect of this Scheme**" or "**effectiveness of this Scheme**" or "**Scheme taking effect**" shall mean the Effective Date.

"**INR**" means Indian Rupee, the lawful currency of the Republic of India;

"**Income Tax Act**" means the Income-tax Act, 1961 as may be amended or supplemented from time to time and shall include any statutory replacement or re-enactment thereof, read together with all applicable by-laws, rules, regulations, orders, ordinances, policies, directions, supplements issued thereunder;

"**Person**" means an individual, a partnership, a corporation, a limited liability partnership, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or an Appropriate Authority;

"**Preference Shares**" means the Preference Shares - Series I and the Preference Shares – Series II, collectively;

"**Preference Shares - Series I**" means 9% cumulative non-convertible redeemable preference shares of INR 10 (Indian Rupees Ten) each of the Company to be issued by way of bonus by the Company to its equity shareholders as on Record Date, pursuant to Clause 4.1.1 of this Scheme, the principal terms and conditions for which have been set out in **Schedule 1** of this Scheme;

"**Preference Shares - Series II**" means 9% cumulative non-convertible redeemable preference shares of INR 10 (Indian Rupees Ten) each of the Company to be issued by way of bonus by the Company to its equity shareholders as on Record Date, pursuant to Clause 4.1.2 of this Scheme, the principal terms and conditions for which have been set out in **Schedule 2** of this Scheme;

"**RBI**" means the Reserve Bank of India;

"**Record Date**" means such date as may be fixed by the Board after Effective Date to determine the shareholders of the Company, who shall be entitled to receive the Preference Shares, pursuant to this Scheme;

"**RoC**" means the Registrar of Companies having jurisdiction over the Company;

"**SEBI**" means the Securities and Exchange Board of India;

"**SEBI Circulars**" means the circulars issued by the SEBI pursuant to regulations 11, 37 and 94 of the SEBI LODR Regulations;

"**SEBI LODR Regulations**" means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

"**Scheme**" means this scheme of arrangement as modified from time to time;

"**Stock Exchanges**" means BSE Limited and the National Stock Exchange of India Limited, collectively;

"**Taxation**" or "**Tax**" or "**Taxes**" includes all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions, taxes under the Income Tax Act and levies and whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of tax, whether by way of deduction or collection at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Company or any other Person and all penalties, charges, costs and interest relating thereto; and

"**Tribunal**" means the Mumbai bench of the National Company Law Tribunal.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting the singular shall include the plural and *vice versa*;

1.2.2 reference to any law or legislation shall include the rules and regulations thereunder and amendments thereto;

1.2.3 headings, sub-headings, titles, sub-titles to clauses, sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the same;

1.2.4 the words "include" and "including" are to be construed without limitation; and

1.2.5 the Schedule shall constitute an integral part of this Scheme.

2. SHARE CAPITAL

The share capital of the Company as on the date of its Board approving the Scheme is as follows:

Particulars	INR
Authorised share capital	
5,50,00,000 equity shares of INR 2 each	11,00,00,000
25,000 11% redeemable cumulative preference shares of INR 100 each	25,00,000
7,50,000 redeemable preference shares of INR 10 each	75,00,000
Total	**12,00,00,000**
Issued, subscribed and paid up capital	
4,53,70,088 equity shares of INR 2 each	9,07,40,176
Total	**9,07,40,176**

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3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

This Scheme set out herein in its present form or with any modification(s) and amendment(s) made under Clause 10 of this Scheme duly approved or imposed or directed by the Tribunal shall be effective and operative from the Effective Date.

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PART II

ISSUE OF PREFERENCE SHARES BY WAY OF BONUS

4. ISSUE OF PREFERENCE SHARES BY WAY OF BONUS

4.1 Upon the Scheme coming into effect, the Company shall issue and allot Preference Shares by way of bonus by utilizing its general reserves to each equity shareholder of the Company, whose name is recorded in the register of members of the Company and/or the records of the depository(ies) as equity shareholder of the Company on the Record Date, as under:

4.1.1 4 (Four) Preference Shares - Series I of face value of INR 10 each fully paid up for every 1 (One) equity share of INR 2 each fully paid up held by such shareholder; and

4.1.2 3 (Three) Preference Shares - Series II of face value of INR 10 each fully paid up for every 1 (One) equity share of INR 2 each fully paid up held by such shareholder.

4.2 The issue and allotment of the Preference Shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Company or its shareholders and as if the procedure laid down under the Act and such other Applicable Law(s) as may be applicable were duly complied with. It is clarified that the approval of the shareholders of the Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of Preference Shares.

4.3 Subject to the Applicable Law, the Preference Shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. The register of members maintained by the Company and/ or other relevant records, whether in physical or electronic form, maintained by the Company, the relevant depository and registrar and transfer agent in terms of Applicable Law(s) shall (as deemed necessary by the Board of the Company) be updated to reflect the issue of Preference Shares in terms of this Scheme. The shareholders of the Company who hold equity shares in physical form, should provide the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required, to the Company, prior to the Record Date to enable it to issue the Preference Shares.

However, if no such details have been provided to the Company by the equity shareholders holding equity shares in physical share certificates on or before the Record Date, the Company shall deal with the relevant Preference Shares in such manner as may be permissible under the Applicable Law, including by way of issuing the corresponding Preference Shares of the Company in dematerialised form to a trustee nominated by the Board of the Company ("**Trustee of the Company**") who shall hold these Preference Shares in trust for the benefit of such shareholder. The Preference Shares of the Company held by the Trustee of the Company for the benefit of the shareholder shall be transferred to the respective shareholder once such shareholder provides details of his/her/its demat account to the Trustee of the Company, along with such other documents as may be required by the Trustee of the Company. The respective shareholders shall have all the rights that of the preference shareholders, including the right to receive dividend and other corporate benefits, pending the transfer of Preference Shares from the Trustee of the Company. All costs and expenses incurred in this respect shall be borne by the Company.

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4.4 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Company, the Board of the Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares or Preference Shares, after the effectiveness of this Scheme.

4.5 No Preference Shares will be issued under this Scheme in respect of any equity shares of the Company that have been forfeited. The issuance of Preference Shares pursuant to this Scheme in respect of any equity shares of the Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Company.

4.6 The equity shares of the Company lying in 'Unclaimed Suspense Account' shall also be eligible for issuance of Preference Shares and such Preference Shares shall be dealt with in the same manner as said equity shares lying in the said Unclaimed Suspense Account. The Preference Shares to be issued by the Company *in lieu* of the equity shares of the Company held in the investor education protection fund shall be issued to investor education protection fund in favour of such shareholders of the Company.

4.7 In the event, the Company restructures its equity share capital by way of share split / consolidation / issue of bonus shares / any other manner during the pendency of the Scheme, the share entitlement ratio, as per Clause 4.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions.

4.8 The issue of such a bonus to equity shareholders does not involve any release of assets by the Company to shareholders at the time of issuance of Preference Shares by way of bonus.

4.9 The Company shall apply for listing of Preference Shares on the Stock Exchanges in terms of and in compliance of SEBI Circulars and other relevant provisions as may be applicable. The Preference Shares, issued pursuant to this Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange.

4.10 The Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.

5. **ACCOUNTING TREATMENT**

Upon this Scheme coming into effect and with effect from Effective Date, the Company shall account for issue and allotment of Preference Shares in its books of account in the following manner:

5.1 The Company shall credit its share capital account in its books of account with the aggregate face value of the Preference Shares issued by way of bonus pursuant to Clause 4.1 of this Scheme, to the equity shareholders whose name is recorded in the register of members of the Company and/or the records of the depository(ies) as equity shareholder of the Company on the Record Date; and

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5.2 The Company shall debit its general reserves in its books of account with the aggregate face value of the Preference Shares issued pursuant to Clause 4.1 of this Scheme to the equity shareholders whose name is recorded in the register of members of the Company and/or the records of the depository(ies) as equity shareholder of the Company on the Record Date.

PART III

GENERAL TERMS & CONDITIONS

6. **CHANGE IN AUTHORISED SHARE CAPITAL OF THE COMPANY**

6.1 With effect from the Effective Date, the authorised share capital of the Company will automatically stand increased to INR 3,28,84,06,160 (Indian Rupees Three Hundred Twenty Eight Crores Eight Four Lakhs Six Thousand One Hundred Sixty Only) by simply filing the requisite forms with the Appropriate Authority and no separate procedure or instrument or deed shall be required to be followed under the Act. The Company will pay necessary stamp duty and registration fees, as may be applicable, for reclassification and increase in authorised preference share capital in terms of the Act.

6.2 Consequently, with effect from Effective Date, the Clause V of the Memorandum of association of the Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Section 13 and other applicable provisions of the Act, and be replaced by the following clause:

"*The Authorised Share Capital of the Company is Rs* 3,28,84,06,160/- Three Hundred Twenty Eight Crores Eight Four Lakhs Six Thousand One Hundred Sixty Only) *divided into 5,50,00,000 (Five Crores Fifty Lakhs) Equity Shares of Rs 2/- (Rupees Two only) each and 25,000 (Twenty Five Thousand) 11% Redeemable Cumulative Preference Shares of Rs 100/- (Rupees One Hundred Only)) each and 31,75,90,616 (Thirty One Crores Seventy Five Lakhs Ninety Thousand Six Hundred Sixteen) Redeemable Preference Shares of Rs.10/- (Rupees Ten Only) each with power to increase or reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force.*"

6.3 It is clarified that the approval of the shareholders of the Company to this Scheme shall be deemed to be their consent/ approval also to the alteration of the memorandum of association and articles of association of the Company and the Company shall not be required to seek separate consent/ approval of its shareholders for such alteration of the memorandum of association and articles of association as required under Sections 13, 14, 61, 62 and 64 and other applicable provisions of the Act.

7. **NON RESIDENTS**

7.1 Regulation 6 of the Foreign Exchange Management (Debt Instruments) Regulations, 2019 ("**FEMA Debt Regulations**") has permitted Indian companies to issue non-convertible redeemable preference shares to non-resident shareholders including by way of distribution

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as bonus from its general reserves under a scheme of arrangement approved by the Tribunal in India under the provisions of the Act, subject to prescribed terms and conditions. The allotment of the Preference Shares by way of bonus to the shareholders of the Company in terms of this Scheme shall be made in accordance with the provisions of FEMA Debt Regulations and accordingly the Company is not required to procure a specific approval from the RBI in regard to allotment of Preference Shares by way of bonus to non-resident shareholders of the Company. Such non-resident shareholders of the Company shall be responsible for complying with the Applicable Laws, including of their country of residence at the time of allotment and/ or sale of Preference Shares and/ or repatriation of money received from the sale of such Preference Shares and the Company shall not be responsible or liable for the same in any manner whatsoever.

7.2 In accordance with the regulations prescribed by SEBI and RBI, the Company shall take all necessary steps towards listing of the Preference Shares issued by way of bonus as prescribed under the Applicable Law.

8. **DIVIDENDS**

8.1 The Company shall be entitled to declare and pay dividend to its shareholders in the ordinary course of business, whether interim or final.

8.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Company, to demand or claim or be entitled to any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board, and subject to approval, if required, of the shareholders of the Company.

9. **APPLICATIONS/ PETITIONS TO THE TRIBUNAL**

9.1 The Company shall dispatch, make and file all applications and petitions under Section 230 and other applicable provisions of the Act before the Tribunal, under whose jurisdiction the registered office of the Company is situated, for sanction of this Scheme under the provisions of Applicable Law, and shall apply for such approvals as may be required under Applicable Law.

9.2 The Company shall be entitled, pending the sanction of this Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Company may require for the issue of Preference Shares to the equity shareholders of the Company.

10. **MODIFICATION OR AMENDMENTS TO THIS SCHEME**

10.1 On behalf of Company, the Board acting themselves or through authorized Persons, may consent jointly but not individually, to any modifications or amendments to this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the Tribunal or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate to the Company and solve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for making this Scheme effective.

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10.2 For the purposes of giving effect to this Scheme or to any modification hereof, the Board acting themselves or through authorized Persons may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on the Company, in the same manner as if the same were specifically incorporated in this Scheme.

11. CONDITIONS PRECEDENT

11.1 Unless otherwise decided (or waived), the Scheme is conditional upon and subject to the following conditions precedent:

11.1.1 obtaining no-objection letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the SEBI LODR Regulations;

11.1.2 the Company complying with other provisions of the SEBI Circular, including seeking approval of the shareholders of the Company and such other classes of persons of the Company through e-voting, as applicable; and

11.1.3 certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the RoC.

11.2 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, titles or defences that the Company may have under or pursuant to all Applicable Law(s).

11.3 On the approval of this Scheme by the shareholders and such other classes of Persons of the Company, if any, the shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the bonus set out in this Scheme, related matters and this Scheme itself.

12. WITHDRAWAL OF THIS SCHEME, NON-RECEIPT OF APPROVALS

12.1 The Company shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.

12.2 In the event of withdrawal of the Scheme under Clause 12.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Company or their respective shareholders or creditors or employees or any other Person.

12.3 In the event of any of the requisite sanctions and approvals not being obtained on or before such date as may be agreed to by the Company, this Scheme shall become null and void.

13. MISCELLANEOUS

13.1 This Scheme and issuance of Preference Shares by way of bonus hereunder is intended exclusively for the shareholders of the Company and does not constitute an offer or an invitation to the public to subscribe to the preferences shares. Neither this Scheme, nor any related document shall be construed as an offer document or prospectus in any manner or for any purpose whatsoever.

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13.2 All actions taken by the Company pursuant to and in accordance with this Scheme shall be deemed to have not breached any terms and conditions or any other provisions of the Law.

13.3 This Scheme is an "arrangement" between the Company and its shareholders under Section 230 of the Act and does not envisage the transfer of vesting of any properties and/or liabilities as contemplated in Sections 230 to 232 of the Act. This Scheme does not involve any "conveyance" or "transfer" of any property/liabilities and does not relate to amalgamation or merger of companies in terms of Sections 230 to 232 of the Act, and therefore no stamp duty shall be payable on the Scheme and / or the order sanctioning this Scheme. However, stamp duty, if any, in regard to any instrument / deed / contract / Tribunal order pertaining to the issue and allotment of the Preference Shares by way of bonus shall be paid by the Company as per Applicable Law.

14. COSTS AND TAXES

All costs, charges and expenses in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/ or incidental to the completion of this Scheme shall be paid by the Company. For the avoidance of doubt, it is clarified that equity shareholders of the Company will be required to bear and pay all taxes as maybe applicable to them in relation to the Preference Shares held by them.

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SCHEDULE 1

PRINCIPAL TERMS AND CONDITIONS FOR ISSUE OF PREFERENCE SHARES - SERIES I

Issuer	Siyaram Silk Mills Limited/ Company
Type of instrument	Cumulative Non-Convertible Redeemable Preference Shares – Series I
Face value	INR 10 (Indian Rupees Ten)
Coupon Rate	9% per annum. The first dividend payment will accrue on 31 March of the financial year in which the Preference Shares – Series I are allotted from the date of allotment. Thereafter, dividend will accrue on 31 March of each financial year, except in the year of redemption wherein the dividend will be proportionately payable from 01 April of that year till the date of redemption of the Preference Shares – Series I along with the redemption amount. No dividend will accrue after the date of redemption.
Tenure	3 years from the date of allotment
Redemption	The Company shall redeem at par at the end of year 3 or at any time prior to such date at the option of the Board of the Company
Credit Rating	To be obtained from a credit rating agency after Effective Date
Market Lot	One Preference Share – Series I or as required by Stock Exchanges
Listing	To be listed on the Stock Exchanges on which the equity shares of the Company are listed
Taxation	The allotment, dividend, redemption amount of Preference Shares issued by way of bonus, are subject to Taxes including any withholding / deduction as may be applicable in accordance with provisions of Income Tax Act as amended from time to time
Lock in Period	There is no lock in for the Preference Shares – Series I

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SCHEDULE 2

PRINCIPAL TERMS AND CONDITIONS FOR ISSUE OF PREFERENCE SHARES - SERIES II

Issuer	Siyaram Silk Mills Limited/ Company
Type of Instrument	Cumulative Non-Convertible Redeemable Preference Shares – Series II
Face value	INR 10 (Indian Rupees Ten)
Coupon Rate	9% per annum. The first dividend payment will accrue on 31 March of the financial year in which the Preference Shares – Series I are allotted from the date of allotment. Thereafter, dividend will accrue on 31 March of each financial year, except in the year of redemption wherein the dividend will be proportionately payable from 01 April of that year till the date of redemption of the Preference Shares – Series II along with the redemption amount. No dividend will accrue after the date of redemption.
Tenure	5 years from the date of allotment
Redemption	The Company shall redeem at par at the end of year 5 or at any time prior to such date at the option of the Board of the Company
Credit Rating	To be obtained from a credit rating agency after Effective Date
Market Lot	One Preference Share – Series II or as required by Stock Exchanges
Listing	To be listed on the Stock Exchanges on which the equity shares of the Company are listed
Taxation	The allotment, dividend, redemption amount of Preference Shares issued by way of bonus, are subject to Taxes including any withholding / deduction as may be applicable in accordance with provisions of Income Tax Act as amended from time to time
Lock in Period	There is no lock in for the Preference Shares – Series II