



IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COURT- IV

C.A.(CAA)/203/MB/2025

In the matter of the Companies Act, 2013

AND

In the matter of

*Sections 230 to 232 of the Companies Act,
2013 and other applicable provisions of the
Companies Act, 2013*

*read with Companies (Compromises,
Arrangements and Amalgamation)
Rules,2016*

AND

*In the matter of
The Scheme of Arrangement Between*

Siyaram Silk Mills Limited

(Applicant Company)

And

their respective Shareholders

Siyaram Silk Mills Limited

[CIN: L17116MH1978PLC020451]

... Applicant Company

Pronounced: 04.11.2025

CORAM:

**SHRI ANIL RAJ CHELLAN
HON'BLE MEMBER (TECHNICAL)**

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




Appearances : Hybrid

For the Applicant Company : Adv. Anindya Basarkod a/w. Adv. Jamsheed Dadachanji, Adv. Hiren Kukreja and Adv. Ishrita Bagchi i/b Khaitan & Co. for the Applicant Company

ORDER

1. This First Motion Company Application is for a Scheme of Arrangement (Scheme) between Siyaram Silk Mills Limited (Applicant Company), and its shareholders under the provisions of Sections 230-232 and other applicable provisions of the Companies Act, 2013 (Act) read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (CCAA Rules).
2. The registered office of the Applicant Company is situated in the State of Maharashtra and thus, the subject-matter of this Company Application is within the territorial jurisdiction of this Tribunal.
3. The Ld. Counsel for the Applicant Company submits that the equity shares of the Applicant Company are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).
4. The Scheme provides for the issuance of Preference Shares (as defined under the Scheme) by way of bonus to the equity shareholders of the Applicant Company by utilising the general reserves of the Applicant Company. The Scheme also provides for various other consequential matters or otherwise integrally connected herewith.
5. The Applicant Company states that the Board of Directors of the Applicant Company in their Board meeting held on 26.10.2024, have approved the proposed Scheme. Certified true copy of the Board Resolution has been placed on record.
6. It is further submitted that the Applicant Company is engaged in the



business of manufacturing, branding and marketing of fabrics, readymade garments and indigo dyed yarn.

7. The Appointed Date fixed under the Scheme is the Effective Date. The Effective Date means the date on which last of the conditions specified in Clause 11 (Conditions Precedent) of the Scheme are complied with or waived, as applicable.
8. The Ld. Counsel for the Applicant Company submits that the circumstances and / or reasons and / or grounds that have necessitated and / or justified the Scheme and some of the major benefits which would accrue from the Scheme are briefly stated below:
- 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.

9. The Share Capital of the Applicant Company as 30.06.2025 is as follows:

Particulars	Amount in Rs.
Authorised Share Capital	
5,50,00,000 equity shares of Rs. 2/- each.	11,00,00,000
25,000 11% redeemable cumulative preference shares of Rs. 100/- each	25,00,000
7,50,000 redeemable preference shares of Rs. 10/- each	75,00,000
TOTAL	12,00,00,000
Issued, Subscribed, and Paid-up Share Capital	
4,53,70,088 equity shares of INR 2 each.	9,07,40,176
TOTAL	9,07,40,176

10. The Ld. Counsel for the Applicant Company submits that upon the Scheme coming into effect, the Applicant Company shall issue Preference Shares by way of bonus by utilising its general reserves to each equity shareholder of the Applicant Company, whose name is recorded in the register of member of the Applicant Company and/or the records of the depositories as equity shareholder of the Company on the Record Date, in the manner as mentioned in Clause 4 of the proposed Scheme which is as follows:

i. *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


- ii. *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.*

11. The Ld. Counsel for the Applicant Company submits that as per the comments of the Securities and Exchange Board of India (SEBI) contained in the observation letters issued by the BSE dated 11.07.2025 and NSE dated 07.07.2025, the details of ongoing adjudication and recovery proceedings, prosecution initiated and all other enforcement action taken against the Applicant Company, its promoters and directors, are annexed to the Company Scheme Application.

12. The Ld. Counsel for the Applicant Company submits that there are 50,614 Equity Shareholders holding 4,53,70,088 Equity Shares as on 30.06.2025. A copy of the certificate issued by K M Garg & Co., independent chartered accountants, certifying the shareholding pattern of the Applicant Company as on 30.06.2025, is annexed to the Company Scheme Application

13. This Bench directs that in so far as the equity shareholders of the Applicant Company are concerned, a meeting of the equity shareholders be convened and held within 70 days from the order being uploaded on the NCLT website, through video conferencing or other audio-visual means, for the purpose of considering and approving the proposed Scheme, wherein the equity shareholders of the Applicant Company will be able to cast their votes electronically. In addition to the above, the Applicant Company shall provide facility of remote e-voting to its Equity Shareholders to cast their vote.

14. The Ld. Counsel for the Applicant Company submits that there are no Preference Shareholders as on 30.06.2025 in the Applicant Company. The certificate given by K M Garg & Co, independent chartered




accountants has been placed on record. Therefore, the meeting of the Preference Shareholders of the Applicant Company is dispensed with.

15. The Ld. Counsel for the Applicant Company submits that there are 3 Secured Creditors having an outstanding amount of Rs. 20,327.58 lakh as on 30.06.2025 in the Applicant Company. The certificate given by K M Garg & Co, independent chartered accountants has been placed on record. The Applicant Company procured the consent affidavits from 100% in value of the Secured Creditors. Therefore, the meeting of Secured Creditors of the Applicant Company is dispensed with.
16. The Ld. Counsel for the Applicant Company submits that there are 6,156 Unsecured Creditors in the Applicant Company as on 30.06.2025 aggregating value of Rs. 248,88,37,537/-. The certificate given by K M Garg & Co, independent chartered accountants has been placed on record.
17. In view of above, this Bench directs that in so far as the Unsecured Creditors of the Applicant Company are concerned, a meeting of the Unsecured Creditors of the Applicant Company be convened and held within 70 days from the order being uploaded on the NCLT website, through video conferencing or other audio-visual means, for the purpose of considering and approving the proposed Scheme, wherein the unsecured creditors of the Applicant Company will be able to cast their votes through electronically. In addition to the above, the Applicant Company shall provide facility of remote e-voting to its Unsecured Creditors to cast their vote.
18. This Bench directs the conduct of the meetings of the Equity Shareholders and Unsecured Creditors of the Applicant Company as follows:
 - i. At least 1 (One) month before the aforesaid meetings, notice convening the said meetings at the day, date and time as fixed in accordance with paras stated above, together with a copy of the Scheme, a copy of the Explanatory Statement required to be sent under Section 230(3) of the



Act, read with Rule 6 of the CCAA Rules,, shall be sent to the respective Equity Shareholders and Unsecured Creditors of the Applicant Company, by electronic mail to their registered e-mail address, as per the records available with the Applicant Company. The Applicant Company shall ensure that their respective Equity Shareholders and Unsecured Creditors whose e-mail addresses are not available or who have not received notice convening said meetings through e-mail, can access / download the respective notices from the website of the Applicant Company. Further, the Applicant Company shall ensure that, notice convening their respective meetings are available on the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively.

- ii. At least 30 (Thirty) days before the meetings of the Equity Shareholders and Unsecured Creditors of the Applicant Company at the date and time fixed in accordance with paras stated above be published each in 'Business Standard' in English having nation-wide circulation, and 'Navshakti' in Marathi having circulation in Maharashtra, stating that copies of the Scheme and the said statement required to be furnished pursuant to Section 230(3) of the Act, can be obtained free of charge from the registered office of the Applicant Company, or by emailing the Applicant Company at sharedept@siyaram.com.
- iii. The Applicant Company undertakes to:
 - a. Issue respective notices convening meeting of Equity Shareholders and Unsecured Creditors of the Applicant Company as per Form No CAA.2 (Rule 6) of the CCAA Rules;
 - b. Issue statement containing all the particulars as per Section 230 of the Act;
 - c. Advertise the notice convening meetings as per Form No. CAA.2 (Rule 7) of the CCAA Rules; and




d. Publish the notice convening the meetings of Equity Shareholders and Unsecured Creditors of the Applicant Company on the website of the Applicant Company.

19. Mr. Sachindra N Chaturvedi, Independent Director of the Applicant Company and, failing him, Mr. Gaurav P. Poddar, President and Executive Director of the Applicant Company or, failing him, Mr. Ashok M. Jalan, Senior President cum Director of the Applicant Company, is hereby appointed as the Chairperson for the meetings of the Equity Shareholders and Unsecured Creditors of the Applicant Company.

20. Mr. Prasen Naithani, Membership No. F 3830, Proprietor of M/s. P. Naithani & Associates, Practicing Company Secretary or, failing him, Mr. Nirmal Gupta, Membership No. A45839, Partner of GMJ & Associates, Company Secretaries is hereby appointed as a Scrutiniser for the meetings of the Equity Shareholders and Unsecured Creditors of the Applicant Company.


21. The meeting is being held through video conferencing or other audio-visual means mode hence the physical attendance of the Equity Shareholders and Unsecured Creditors of the Applicant Company have been dispensed with. Accordingly, the facility for appointment of proxies will not be available for the respective meetings and hence the requirement to send the proxy form and attendance slip along with the notice of the meeting is dispensed with. However, the voting by the authorised representative, in case of a body corporate be permitted, provided that the authorisation duly signed is filed with the Applicant Company in physical mode at its registered office or electronic mode at its designated email addresses, at least 48 (Forty-Eight) hours before the aforesaid meetings, as required under Rule 10 of the CCAA Rules.

22. The Chairperson appointed for the aforesaid meetings to issue respective notices of the meetings referred above. The Chairperson shall have all powers under the Act, read with Companies CCAA Rules, as may be applicable for meetings of the Equity Shareholders and Unsecured



Creditors of the Applicant Company, in relation to the conduct of the meetings including for deciding procedural questions that may arise at the meetings or at any adjournment thereof or any other matter including, any amendment to the Scheme or resolution, if any, proposed at the said meetings.

23. The quorum for the meetings of the Equity Shareholders and Unsecured Creditors of the Applicant Company shall be as prescribed under Section 103(1) of the Act. If the quorum is not present within 30 minutes of the scheduled meeting time, then the Equity Shareholders or Unsecured Creditors, as the case may be, so present shall constitute quorum for the said meetings.
24. The value and number of the equity shares of each Equity Shareholder of the Applicant Company shall be in accordance with the books/ records maintained by the Applicant Company or depository records, and where the entries in the books/records are disputed, the Chairperson of the said meeting shall determine the value and number for the purpose of the meeting and his decision in that behalf would be final.
25. The Chairperson shall file an affidavit not less than 7 (Seven) days before the date fixed for holding the meetings of the Equity Shareholders and Unsecured Creditors of the Applicant Company and report to this Tribunal that the directions regarding the issue of notices and advertisements have been duly complied with, as per Rule 12 of the CCAA Rules.
26. The Chairperson shall report to this Tribunal, the result of the aforesaid meetings within 7 (Seven) days of the conclusion of the said meetings and the said report shall be verified by his undertaking as per Rule 14 of the CCAA Rules.
27. The Ld. Counsel for the Applicant Company submits that in view of the observation letters dated 11.07.2025 issued by BSE and 07.07.2025 issued by NSE, the Applicant Company is not required to issue notices to the Securities and Exchange Board of India and NSE under Section



230(5) of the Act. Copy of the said observation letters issued by BSE and NSE are annexed to the Company Scheme Application.

28. The Applicant Company is directed to serve notices along with a copy of the Scheme under the provisions of Section 230(5) of the Act and Rule 8 of the CCAA Rules, upon the -
- a. Jurisdictional Central Government through the office of Regional Director (Western region), Mumbai. (Email- rdwest@mca.gov.in);
 - b. Jurisdictional Registrar of Companies, Mumbai;
 - c. Jurisdictional Income Tax Authorities; within whose Jurisdiction the Applicant Company's assessment are made; and the Nodal Authority in the Income Tax Department having jurisdiction over such authority i.e. Pr. CCIT, Mumbai; (E-mail: Mumbai.pccit@incometax.gov.in);
 - d. BSE Limited;
 - e. Concerned Goods and Services Tax authorities;
 - f. Any other Sectoral/ Regulatory Authorities relevant to the Applicant Company or their business.

29. The Notice shall be served through by Registered Post-AD/Speed Post and through email along with copy of scheme and state that "*If no response is received by the Tribunal from the concerned Authorities within 30 days of the date of receipt of the notice it will be presumed that the concerned Authorities has no objection to the proposed Scheme*". It is clarified that notice service through courier shall be taken on record only in cases where it is supported with Proof of Delivery having acknowledgement of the notice.

30. The Applicant Company shall submit –

- i. Details of Corporate Guarantee, Performance Guarantee and Other Contingent Liabilities, if any;
- ii. List of pending IBC cases, if any, along with all other litigation pending against the Applicant Companies having material impact on the proposed Scheme;



iii. Details of all Letters of Credit sanctioned and utilised as well as Margin Money details, if any.

31. The Applicant Company are accordingly directed to file Affidavit of Service in the Registry proving dispatch of notices to its Secured/Unsecured Creditors and service of notice to the Regulatory Authorities as stated above and to report to this Tribunal that the directions regarding the issuance of notices have been duly complied with.

32. With the above directions, the captioned Company Application i.e., **C.A.(CAA)/203(MB)2025** is **allowed** and **disposed of**.

33. Ordered Accordingly.

Sd/-

ANIL RAJ CHELLAN
MEMBER (TECHNICAL)

Sanika, LRA

Sd/-

K. R. SAJI KUMAR
MEMBER (JUDICIAL)