

DCS/AMAL/ST/IP/638/2016-17
December 13, 2016

The Company Secretary
Sybly Industries Limited
Pawan Puri, Nea Canal, Murad Nagar,
Ghaziabad, Uttar Pradesh, 201206

Sir/Madam,

Sub: Observation letter regarding the Draft Scheme of Amalgamation between Sybly Industries Ltd and Space Incubiatrics Technologies Limited and Vartex Fabrics Private Limited and Dux Textile Private Limited.

We are in receipt of the Draft Scheme of Amalgamation between Sybly Industries Limited (SIL) and Space Incubiatrics Technologies Limited and Vartex Fabrics Private Limited and Dux Textile Private Limited. As required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated December 13, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- *Company shall ensure that information submitted vide email dated August 03, 2016 with regard to shares of the resulting company seeking listing i.e Space Incubiatrics Technologies Limited will remain frozen till listing/trading permission is given, is displayed from the date of receipt of this letter on the websites of the listed company and the stock exchanges along with various documents submitted pursuant to the Circular. Company shall further ensure that the scheme is amended accordingly.*
- *With respect to the observation that the promoter shareholding in SIL pursuant to scheme, will increase from 23.78% pre-scheme to 50.84% post scheme, the company shall ensure voting by public shareholders in terms of aforementioned SEBI Circulars.*
- *“Company shall duly comply with various provisions of the Circulars.”*

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- Copy of the High Court approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;

- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,


Nitin Pujari
Manager