



Sybly Industries Ltd.

December 19, 2016

The Assistant General Manager,
The BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001

Dear Sir,

SCRIP CODE: 531499

SCRIP ID: SYBLY

Re.: Scheme of Arrangement

Please find attached herewith the Press Release on the captioned subject being issued today.

Thanking you,

**Yours truly,
For Sybly Industries Limited**

(Mahesh Chand Mittal)

Managing Director

DIN: 00284866

Res. Address:

Flat No. 603, OC-2, Orange County,
Ahinsa Khand-1, Indirapuram,
Ghaziabad -201014, Uttar Pradesh

News Release

Sybly Industries Limited

TO

**Undertake De-merger and Amalgamation to concentrate on its core business of
manufacture of Polyester Yarn**

The Company has received on 14.12.2016 approval to its Scheme of Arrangement from BSE vide their Letter No. DCS/AMAL/ST/IP/638/2016-17 dtd. 13.12.2016.

- This scheme of arrangement is drawn in 2 phases -
- In the 1st Phase all the investments and interest free loans given to subsidiary and other entities, which do not pertain to the core activities i.e. manufacturing of 'Polyester Yarn' business of Sybly Industries Limited (SIL), along with their connected liabilities and reserves thereof, shall be hived off from SIL and subsequently be transferred and vested with Space Incubatics Technologies Limited (SITL) on Going Concern basis.
- In consideration SITL to issue its equity shares to the shareholders of SIL on the basis of entitlement ratio, and consequent listing of these equity shares at the stock exchange in accordance with the applicable regulations of SEBI.
- The SIL shall continue to focus on the remaining business i.e. Manufacturing of 'Polyester Yarn'.
- In the 2nd Phase, Vartex Fabrics Private Limited (VFPL) and Dux Textiles Private Limited (DTPL) shall be amalgamated with the leftover SIL. Accordingly, all the assets and liabilities of VFPL and DTPL shall be transferred and vested with SIL on a going concern basis. In consideration, SIL shall issue its equity shares to the Shareholders of the Transferor Companies in accordance with the Share Exchange Ratio.
- This restructuring is intended to provide greater business focus to SIL in the 'Polyester Yarn' business and provides an opportunity to SITL to make the non-core business of SIL as one of its significant businesses.
- The amalgamation of DTPL and VFPL with SIL is being done to reduce the outstanding balances of SIL towards the transferee company, thus improving the financial position of the SIL.

For Sybly Industries Ltd.



Director

The Management has undertaken a very ambitious Scheme of Arrangement to improve SIL bottom-line which will help to concentrate solely on core business of SIL of manufacturing Polyester Yarn. The de-merger of unrelated business of SIL will not only strengthen its Financials but will also help expanding its activities in its core business.

SEBI has given to SIL "In-principle Approval" for the draft Scheme of Arrangement and BSE has issued "No Adverse Observations" letter on 14.12.2016, which is subject to all compliances by SIL and approval of this Scheme of Arrangement by the Hon'ble NCLT at Allahabad.

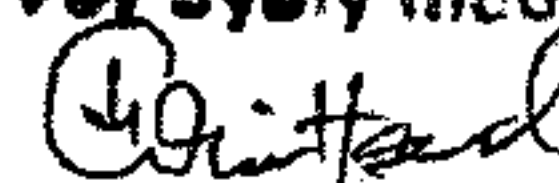
SIL is proceeding towards compliance of all the directions of both the regulatory authorities namely, SEBI and BSE and will soon submit draft Scheme of Arrangement before the Hon'ble NCLT at Allahabad for its approval."

"The amalgamation shall result in following benefits -

- Financial strength and flexibility for the Transferee Company, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
- Eliminating intra group competition;
- Achieve greater efficiencies in operations with optimum utilization of resources, better administration and reduced cost. Benefit of operational synergies to the combined entity in areas such as sourcing of materials, product planning and development and increased revenue generation through increased sales as well as optimization, cost efficiency and business logistics, which can be put to the best advantage of all stakeholders.
- Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements, and the elimination of duplication, and optimum rationalization of administrative expenses and utilization of human resources.
- Greater efficiency in cash management of the amalgamated entity, and pooling of cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
- Improved organizational capability and leadership arising from pooling of financial, managerial and technical resources."

For Annual Reports and other details of Sybly Industries Limited please go to its URL www.sybly.com.

Per Sybly Industries Ltd.



Director