CIN : L17111UP1988PLC009594

Sybly Industries Ltd.

Date: 01.03.2018

To,
Manager,
Listing Compliance Deptt.
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400001

Dear Sirs,

Sub: Updates on Scheme of Arrangement
Ref: Regulation 30 SEBI (LODR) Regulations, 2015,
Sybly Industries Limited (SYBLY: 531499)

We wish to inform you that the Hon'ble National Company Law Board Tribunal, Bench at Allahabad vide its order dated 31st January, 2018 (Certified Copy Received by the Company on March 1, 2018) has sanctioned the Composite Scheme of Amalgamation & Arrangement among **Sybly Industries Limited (Demerged Company/Transferee Company) And Space Incubatrics Technologies Limited (Resulting Company) And Vartex Fabrics Private Limited (Transferor Company 1) And Dux Textiles Private Limited (Transferor Company 2) and their Respective Shareholders and Creditors ("Approved Scheme")** under Section 230-232 and other applicable provisions of the Companies Act, 2013. A copy of the order is enclosed.

Further, please be informed that the meeting of the Board of Directors of the Company is scheduled to be held on Friday, the 9th March, 2018, to take note of the said Order and fixing the record date and to consider any other matter incidental/ancillary thereto.

The above is for your information and dissemination to the public at large.

Thanking You,

Sincerely Yours,
For Sybly Industries Limited

(Mahesh Chand Mittal)
Chairman & Managing Director
DIN : 00284866
Residential Address:
Flat No. 603, OC-2,
Orange County, Ahinsa Khand-1,
Indirapuram, Ghaziabad-201014
Uttar-Pradesh

Encl: A/a

IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH

Company Petition No.94/ALD/2017
Company Application No.46/ALD/2017
(Under Section 230/232 of Companies Act,2013)

IN THE MATTER OF:

SYBLY INDUSTRIES LIMITED
(A Company incorporated under the Companies Act, 1956 having its Registered Office at Pawan Puri, Muradnagar, Ghaziabad, Uttar Pradesh-201206 (CIN: L17111UP1988PLC009594)
....Demerged Company/ Transferee Company (Applicant Company No.1)

SPACE INCUBATRICS TECHNOLOGIES LIMITED
(A Company incorporated under the Companies Act, 1956 having its Registered Office at Pawan Puri, Muradnagar, Ghaziabad, Uttar Pradesh-201206 (CIN: U74999UP2016PLC084473)
.....Resulting Company/ Applicant Company-No.2

AND

VARTEX FABRICS PRIVATE LIMITED
(A Company incorporated under the Companies Act, 1956 having its Registered Office at Pawan Puri, Muradnagar, Ghaziabad, Uttar Pradesh-201206. (CIN: U74899UP1995PTC077579)
..... Transferor Company /Applicant Company No.3

DUX TEXTILES PRIVATE LIMITED
(A Company incorporated under the Companies Act, 1956 having its Registered Office at Pawan Puri, Muradnagar, Ghaziabad, Uttar Pradesh-201206 (CIN: U74899UP1995PTC077578)
.....Transferor Company /Applicant Company No.4

JUDGMENT/ORDER DELIVERED ON 31.01.2018

CORAM : Sh. Harihar Prakash Chaturvedi, Member(Judicial)

For the Petitioner : Sh. Shahid Kazmi, Adv.
For the Central Govt. : Sh. Krishna Dev Vyas, C.G.S.C

Order/Judgment

1. The Petitioner Companies filed the Present Company Petition under Section 230/232 of Companies Act, 2013 praying for sanction of the Proposed Company Scheme of Amalgamation /Arrangement between ***Vartex Fabrics Private Limited*** *and* ***Dav Textiles Private Limited*** *(hereinafter referred to as* Transferor Company*)*, with ***Sybly Industries Limited (Demerged/ Transferee Company) and Space Incubatrics Technologies Limited*** *(*Resulting Company*)*

2. It is submitted that the Proposed Company Scheme of Amalgamation has earlier been approved by the Respective Board of Directors of the Petitioner Companies No. 1,3 and 4 in its meetings held on **20th June, 2016** and meetings of the Petitioner Company no.2 2 held **on 4th July,2016.**

3. The ***Appointed Date*** as has been decided in respect of the Proposed Company Scheme of Amalgamation is **1st April, 2016.**

4. Some of the Important facts, which prompted to propose the present Composite Scheme and incorporated in the Present Company Petition may be reproduced hereunder: -

(i) ***Demerged /Transferee Company (Sybly Industries Limited)***

is engaged in the business of manufacturing of "Polyester Yarn". However, over period of time, the company has invested funds in the shares in its subsidiary and has provided loan to its subsidiary and other entities, which do not pertain to the core activities of the Demerged Company. Though, the

invested funds in the subsidiary in form of its shares and the loans provided to the subsidiary entities and their connected liabilities and reserves thereof, are the non-core assets, for the Demerged Company, however, these assets can help the Resulting Company, to procure projects, win contracts/ tenders on the basis of strong financials.

(ii) ***Secondly, Transferor Companies are promoted by the common promoters and the Amalgamation of the Transferor Companies with the Transferee Company, shall result in the consolidation of similar line of business and result in saving of administrative costs and various other overheads. The Amalgamation shall also improve the financial position of the Transferee Company as the cross holding of loans and advances shall be wiped off.***

5. In addition to above narrated facts of the case, the main object to and rationale of the Proposed Company Scheme have been described in the Present Company Petition read with previous company (First Stage Motion) Application e.g. **CA. No- 46/ALD/2017** reproduced hereunder:

(i) Financial strength and flexibility for the Transferee Company, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity.

(ii) Achieve greater efficiencies in operations with optimum utilization or resources, better administration and reduced cost.

(iii) Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplifications of business process, productivity

improvements, and the elimination of duplication, and optimum rationalization of administrative expenses and utilization of human resources.

(iv) Improved organizational capability and leadership arising from pooling of financial, managerial and technical resources.

(v) It is believed that the proposed segregation will enhance value for shareholders as there would be absolute clarity to the investors in the business profile of the Demerged Company and the Resulting Company.

(vi) The Demerger/ Amalgamation shall also ensure, focused management on each set of business, thereby resulting in optimal utilization of the resources available and creation of better opportunities thereof

6. By such Proposed Composite Scheme of Arrangement/ Amalgamation Petitioners Companies have been agreed and required to give effect to following terms: -

(i) Initially, the proposed Demerger of all the investments to be done in the subsidiary and the loans as were provided to the subsidiary and other entities and connected liabilities or reserves thereof (Demerged Undertaking) e.g. ***Sybly Industries Limited*** *(Demerged Company/ Transferee Company)* shall be hived off from it as being *(Demerged Company/ Transferee Company)* and would be transferred to and vested in ***Space Incubatrics***

Company-2) have been proposed to be merged with the ***Sybly Industries Limited*** *(Demerged/Transferee Company).*

7. The applicant Companies have submitted that the Proposed Company Scheme (of Arrangement/Amalgamation) is neither intended to in any manner nor having any beneficial effect on the managerial interest, of the Directors of the Petitioner Company, except to extent of their shareholdings. That, apart the Proposed Company Scheme does not adversely affect either to rights, or interest of any creditors and debenture holders or to its respective shareholders of the applicant's companies in any manner whatsoever.

8. It is further submitted that the Proposed Company Scheme of Arrangement/Amalgamation does not make any compromise with the Interest of its creditors and debenture holders of the Petitioner Companies because due provisions are made in the Proposed Company Scheme to make payment of all its liabilities as and when arises and falls due in its usual course.

9. It has been reported in the petition that the Auditors of the ***M/s Sybly Industries Limited*** have not spoken about any miss-management in the affairs of the Transferor and Transferee Company in their respective Audits Reports.

It is further reported that the Transferee Company has duly complied with all the accounting standards applicable there to. In support of this, the Petitioner Companies have dully obtained necessary certificate from the auditor of the Transferee Company. Who have certified that the

accounting treatment under the Proposed Company Scheme are found to

Application No. 46/ALD/2017, which is now clubbed together with the Present Petition.

10. By perusal of the averments of the Present Company Petition, this may be seen that the Petitioner Companies initially filed a company application as First Stage Motion Petition in this Bench of the NCLT, the same was

Government through the office of Regional Director (Northern Region), Ministry of Corporate Affairs, Registrar of Companies, Kanpur, The Official Liquidator, Allahabad and further to effect necessary paper publication in English and Hindi newspapers vide its order dated **11.08.2017** by fixing date of hearing of the company petition on **22nd September,2017.**

In compliance of above stated directions of this court, **the scrutinizer Shri R.S. Bhatia** dully filed his report confirming about **the resolution passed for approval of Composite Scheme of Arrangement among Sybly Industries Limited and Space Incubatrics Technologies Limited, Vartex Fabrics Pvt.Ltd and Dux Textiles Pvt.Ltd by reporting 90% votes are casted in favour of scheme.** Further, the authorised representative of the applicant companies have filed an affidavit of service, confirming this that notices of Present Company Petition are duly published in the "**Business Standard" Hindi and English New Delhi Edition.** The Petitioner Companies further served a notice in respect of Present Company Petition to the Central Government through the office of Regional Director (Northern Region), Ministry of Corporate Affairs, New Delhi as well as to the Registrar of Companies, Kanpur.

12. In response to the above notices issued, the Regional Director has filed its Representation Affidavit along with the report of the ROC Kanpur, Further the Official Liquidator also filed his report, before this Tribunal. While making perusal of the representation affidavit dated **27.10.2017** of the R.D(N. R). this fact came to our notice that there are some factual

mistakes erupted in the Representation Affidavit of the Regional Director, requiring appropriate rectification by filing amended Affidavit. Hence, this Bench vide its **interim order dated** 2[illegible]2.2017 duly pointed out such defect in detail to the Central Government RD (N.R). In compliance thereof of the R.D(N.R.) further filed its another Affidavit dated **22th January, 2018** by replacing the earlier one and rectifying the defects pointed out.

13. In addition to the above, The ROC, Kanpur which is falling within the jurisdiction of this Bench has submitted its report that there is no prosecution, filed against Transferor and Transferee Company nor any proceedings against alleged violation of section 235 to 251 of the Companies Act, 1956 are pending nor any violation under section 383A/215 of the Companies Act, 1956 is reported against the Transferor and Transferee Company.

14. The Registrar of Companies in para 9 of its report has informed about the share Exchange ratio of the petitioner company, which may be described as under:-

(i) ***Demerger of M/s Sybly Industries Limited with M/s Space Incubatrics Technologies Limited.***

"The resulting company shall, without any further act or deed and without any further payment, issue and allot equity shares in the ratio of 85 Equity Shares of Rs.10/- each at par in ***Space Incubatrics Technologies Limited*** *for every 100(Hundred) Equity Shares of Rs.10/- each held by them in* ***Sybly Industries Limited".***

(ii) ***Merger of M/s Vartex Fabrics Private Limited (Transferor Co.No.1) and M/s Dux Textiles Private Limited (Transferor Co.No.2) with M/s Sybly Industries Limited.***

"Transferee Company shall issue and allot to each of the shareholders of Transferor Company No.1 shares in proportion of 501 equity shares of face value of Rs.10/- each in Transferee Company for every 100 equity shares of Rs.10/- each held by them in Transferor Co.No.1 pursuant to scheme of Amalgamation.

"Transferee Company shall issue and allot to each of the shareholders of Transferor Company No.2 shares in proportion of 262 equity shares of face value of Rs.10/- each in Transferee Company for every 100 equity shares of Rs.10/- each held by them in Transferor Co.No.2 pursuant to Scheme of Amalgamation.

15. That apart the ROC in para 22 of his report has pointed out certain special feature those are having some bearing on the Application, which are stated as under: -

Listing of Equity Shares of Resulting Company since The Demerged Company is a listed Company.

"It is mentioned in the Part-E, point no.3 of the Scheme that the Resulting Company SITL shall within 30 days from the date of receipt of certified copy of order of Hon'ble Court sanctioning the scheme, take necessary steps for listing of shares allotted, simultaneously on all the Stock Exchanges where the Equity shares of Demerged Company I.e. M/s Sybly Industries Limited are listed. Resulting Company shall make application to SEBI in terms of Rule 19(7) of Securities Contract (Regulation) Rules, 1957 for listing of equity shares at all stock exchange where the equity shares of Demerged Company are listed on the Appointed date without complying with the requirements of Rule 19(2)(b) of Securities Contract (Registration) Rules,1957."

ROC further in Para 30 made some observation which is as follows:

(1) The Demerged Company M/s. Sybly Industries Limited is a listed Company.

(2) The Company M/s. Vartex Fabrics Private Limited has taken a corporate guarantee in favour of M/s Sybly Industries Limited, a holding co. of M/s. Vartex Fabrics Private Limited to Bank of Baroda to secure credit facility of Rs.950 Lacs to M/s. Sybly Industries Limited.

16. By considering the above, the office of the Regional Director, Northern Region, Ministry of Corporate Affairs, through its Representation Affidavit have stated that his office is having no objection to Sanction of the Proposed

Company scheme, because, as there is no prosecution pending proceedings are reported against the Transferor and the Transferee Company or against its Directors for alleged breach of any provision of the Companies Act or other statutory provisions of FEMA, IPC, SEBI Act, RBI Act in any Court of law.

17. The OL, Allahabad while furnishing his report in respect of the present company petition has provided us detail/particulars of Authorized, Issued, Subscribed and Paid up Capital of the Transferor and Transferee Company as on 31/03/2016 which are stated as under:-

The details/particulars of Authorized, issued, Subscribed and paid up share Capital in respect of the **Petitioner/Transferor Company No.1 i.e Vartex Fabrics Private Limited as on 31.03.2016** are stated as under:

Share Capital	**Amount (In Rupee)**
Authorized Capital **4,60,000 Equity Shares of Rs.10/- each.**	**46,00,000/-**
Issued Capital **4,55,690 Equity Shares of Rs.10/- each, fully paid up**	**45,56,900/-**
Subscribed and Paid Up share Capital **4,55,690 Equity Shares of Rs.10/- each, fully paid up**	**45,56,900/-**

The detail/particulars of Authorized, issued, Subscribed and paid up share capital in respect of **Petitioner/Transferor**

Company No.2 i.e Dux Textiles Private Limited as on 31.03.2016 is as under:

Share Capital	Amount (In Rupees)
Authorized Capital 3,00,000 Equity shares of Rs.10/- each.	30,00,000/-
Issued Capital 2,92,270 Equity shares of Rs.10/- each fully paid up.	29,22,700/-
Subscribed and paid up share Capital 2,92,270 Equity Shares of Rs.10/- each fully paid up.	29,22,700/-

The detail/particulars of Authorized, issued, Subscribed and paid up share capital in respect **Demerged /Transferee Company i.e Sybly Industries Limited as on 31.03.2016 is as under:**

Share Capital	Amount (in Rupees)
Authorized Capital 7,00,00,000 Equity Shares of Rs.10/- each	70,00,00,000
Issued Capital	40,72,91,000/-

4,07,29,100 Equity shares of Rs.10/- each.	
Subscribed and Paid Up Shares Capital 4,07,16,100 Equity Shares of Rs.10/- each. 13,000 Forfeited Equity Shares of Rs.10/- each.	40,71,61,000/- 65,000/-

The detail/particulars of Authorized, issued, Subscribed and paid up share capital in respect of **Resulting Company i.e Space Incubatrics Technologies Pvt.Ltd. as on 31.03.2016 is as under:**

Share Capital	Amount (in Rupees)
Authorized Capital 7 Equity Shares of Rs.10/- each	70/-
Issued Capital 7 Equity Shares of Rs.10/- each fully paid up	70/-

Subscribed and Paid Up Shares Capital 7 Equity Shares of Rs.10/- each fully paid up.	70/-

The OL Allahabad, through his report further informed that Shri Amit Gupta alongwith Shri Shahid Kazmi, Adv. being Authorized representative of Transferor and Transferee Company have produced necessary accounts and statutory records of companies, before him for his perusal, and having made the scrutiny thereof, he submitted the present reports and as per opinion of his office ***the affairs of the Transferor Company are not found to have been conducted in any manner prejudicial to the interest of its members or to the public at large. In para 21 of its report he further informed such that his office is having no objection for dissolution of the Transferor Company without being wound up pursuant to provisions of Section 230/232 of the Companies Act, 2013 and rules made there under.***

We duly considered the above stated facts and report submitted before us, in respect of the present company petition and the Proposed

otherwise of the Proposed Company [illegible] of Arrangement/Amalgamation.

15. This Court, in its previous decision in the matter of ***Auxin Engineering Limited with Oasis Grassland Private Limited*** (59/ALD/2017 ... on 10 an occasion to examine the criteria for sanction of a company scheme and got support from a decision of the Hon'ble Gujrat High Court *In Re: (Kril Standard Products ... vs Unknown) dated 24 August, 1973 Reported in: (1976 46 CompCas 203 Guj, (1974) 0 GLR 810)* wherein **Hon'ble Justice D.A. Desai** (as then his Lordship was) made certain observation, for deciding the issue in hand, for sanction of Company Scheme which are equally relevant for disposal of the present company petition. Hence, the same (as made in para no.36 to 37 of the above reference judgement,) for the sake of convenience are being reproduced here in below:

36. *"Last question is whether this court should accord sanction to the scheme of amalgamation. The matter is within the discretion of the court. In exercising this discretion, the court will examine the scheme as a man of business would reasonably evaluate it. I have been often told that the court should not try to substitute its judgment for the commercial judgment of those interested in the company as expressed in various meetings. That apart, the court still has discretion in the matter and the court is not a mere rubber stamp because the scheme has been approved by a statutory majority in various meetings". The zeal with which attempt is made to acquire controlling block of shares in companies, it is not difficult for the industrialists to push through the scheme with the majority at their back and call, but the court cannot abrogate the discretion in favour of such a majority. Therefore, the court must and should examine the scheme on its own merits. I would, however, not dilate upon this, for this reason that by the scheme of amalgamation, a wholly-owned subsidiary company merges into the holding company. The factual merger is now being converted into a legal and total merger. Further, both the companies are private limited companies, meaning thereby that they are something like a*

family concern. In this background, I need not examine the scheme in all its details.

37. ***Having given my anxious thought to the scheme, I would accord sanction to the scheme of arrangement for amalgamation of the transferor-company with the transferee-company, with this condition that the scheme shall not take effect and be operative until and unless it is sanctioned in an appropriate proceeding to be taken by the transferee-company in the High Court having jurisdiction to be invoked by the transferee-company. Subject however to this specific reservation, the consequential orders, as are required to be made under section 394 prayed for in prayers (i) to (iv) of paragraph 12 of the petition, including the one that on scheme of amalgamation becoming effective, the transferor-company should be deemed to have been dissolved without winding up, are hereby made.***

16. Thus, by following the above stated judicial precedent and by considering the factual aspects of the applicant companies and merits of the Proposed Company Scheme, it seems that all the statutory compliance either to have been complied with or are undertaken for making necessary compliance by Petitioner Companies in terms of its affidavits of undertaking. Therefore, the Proposed Company Scheme, seems to be reasonable and fair scheme, inconformity with statutory provisions. Thus, it deserves for approval.

17. Therefore, in view of the aforesaid reason, the present company petition is allowed in terms of its Prayer Clause. Accordingly, the company Scheme of Arrangement/Amalgamation as annexed with the present Company Petition is hereby sanctioned, for to be acted upon in terms and condition contained therein by the applicant's companies.

18. Consequent upon approval and sanction of the Present Company Scheme, all the property, rights and powers of the **Transferor Company** i.e. (**M/s Vartex Fabrics Private Limited and Dux Textiles Private Limited**) be transferred without further act or deed to the **Transferee Company**/

Demerged Company i.e. (M/s Sybly Industries Limited) and accordingly the same shall pursuant to Section 232 of Act, be transferred to and vested in the Transferee / Demerged Company for all intents and interest of the Transferor Company herein. Further Demerged undertaking of Demerged Company/ Transferee Company i.e. of **(M/s Sybly Industries Limited)** be transferred to **Resulting/Transferee Company i.e (Space Incubatrics Technologies Limited).**

19. All the liabilities of the Transferor Companies be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 232 of the Act, be transferred to and become the liabilities and duties of the Transferee Company.

20. Notwithstanding the above, while sanctioning the Present Company Scheme, we make it clear that this order should not be inferred to as an order for grant of any exemption from payment of stamp duty, taxes. statutory charges which are required to be paid in accordance with law or relation to any relaxation, compliance with any other requirement which may be specifically required under the law.

21. That, the petitioner companies shall within thirty days of receipt of an authentic copy of the present order deliver it to the Registrar of Companies for registration. Further, the Transferor Company No 1 and 2, upon delivery of such certified copy to the ROC, Kanpur shall deem to be dissolved.

The Registrar of Companies shall place all documents relating to the Transferor Company and Transferee Company. Further all files relating to the petitioner companies to be consolidated accordingly.

22. In addition to the above, a cost of Rs. 10,000/- (Rupee Ten Thousand only) with each company is awarded in favour of the Central Government through the office of the Registrar of Companies (Kanpur), towards Legal Expenses incurred which is payable by the Petitioner companies within four weeks from the receipt of an authentic copy of this order.

23. The Petitioner counsel is instructed to furnish a copy of the draft order of sanction of the Present Scheme in prescribed format under **Companies (Compromises, Arrangements and Amalgamations) Rules, 2016** read with other rules for the purpose of scrutiny and authentication by the Registry.

24. The Authentic copy of this order annexed with the Present Company Scheme to be acted upon by the Regulatory Authority and all concern.

Accordingly, the Company Petition is disposed of.

Sd/-

Dated- 31/01/2018

H.P. Chaturvedi
Member (Judicial)

Typed by:
Aman Kumar Dwivedi
(Law Research Associate)

Date of Application 22/02/2018
Amount of copying fee with application Rs. 85/-
Copy prepared on 22/02/2018
Balance amount if any NIL
Date of delivery 22/02/2018

Compared by me
Bhawna Verma
22/02/2018

CERTIFIED TO BE TRUE COPY
OF THE ORIGINAL

Ravinder Kumar
22/02/2018
Ravinder Kumar
Designated Registrar
National Company Law Tribunal
Allahabad Bench, Allahabad

COMPOSITE SCHEME OF ARRANGEMENT

AMONG

SYBLY INDUSTRIES LIMITED

(DEMERGED COMPANY / TRANSFEREE COMPANY)

AND

SPACE INCUBATRICS TECHNOLOGIES LIMITED

(RESULTING COMPANY)

AND

VARTEX FABRICS PRIVATE LIMITED

(TRANSFEROR COMPANY 1)

AND

DUX TEXTILES PRIVATE LIMITED

(TRANSFEROR COMPANY 2)

AND THEIR RESPECTIVE SHAREHOLDERS

(UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 OR ANY CORRESPONDING PROVISIONS OF COMPANIES ACT, 2013)

राष्ट्रीय कम्पनी विधि अधिकरण
National Company Law Tribunal
इलाहाबाद न्यायपीठ
Allahabad Bench

For Sybly Industries Ltd

Director

For Space Incubatrics Technologies Limited

Director

Vartex Fabrics Pvt. Ltd.

Director

For Dux Textiles Private Limited

Authorised Signatory

PART E

ISSUE OF SHARESFOR DEMERGER AND ACCOUNTING TREATMENT

1. ISSUE OF SHARES

1.1. Upon the coming into effect of the Scheme and in consideration of transfer and vesting of the Demerged Undertaking in the Resulting Company pursuant to Part B of the Scheme, the ResultingCompany shall, without any further act or deed and without any further payment, issue and allot equity shares on a proportionate basis to each member of the Demerged Company whose name is recorded in the Register of Members/List of Beneficial Owners for shares in dematerialized form of the Demerged Company on the Record Date to be fixed by the Demerged Company ***in the ratio of85 (Eighty Five) Equity Shares of Rs.10 (Rupees Ten) each at par in SITLfor every 100 (Hundred) Equity Shares of Rs.10 (Rupees Ten) each held by them in SIL.***

1.2. The existing equity shares of the Resulting Company as held by the Demerged Company either itself or through its nominees, shall stand cancelled and approval of the Scheme pursuant to sections 391 -394 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013 shall also be deemed to be the approval under section 100 to 105 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013 for reduction and cancellation of shares of the Resulting Company.

1.3. In case any member's holding in the Demerged Company is such that the member becomes entitled to a fraction of an equity share in the Resulting Company, the same shall be rounded off to the nearest whole number Necessary adjustment of such additional or lesser consideration shall be carried in the Reserves of the Resulting Company.

1.4. The new equity shares to be issued and allotted in terms of this scheme will be subject to the Memorandum and Articles of Association of the Resulting Company. The listing of the said shares is subject to the approval of the BSE/SEBI.

1.5. In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of Directors or any committee thereof of the Demerged Company shall be empowered in appropriate cases, even subsequent to the Specified Date or the Effective Date, as the case may be, to effectuate such a transfer in the Demerged Company, as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the Resulting Company of such shares.

1.6. The issue and allotment of shares to shareholders of resulting company, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under Section 62 of the Companies Act, 2013.

2. REDUCTION IN SHARE CAPITAL OF DEMERGED COMPANY

2.1. Upon this Scheme coming into effect, it will be deemed that with effect from the Appointed Date the existing equity share capital of the Demerged Company, have reduced to the extent, the equity share capital issued to the shareholders of Demerged Company in theResulting Companyand each equity shareholder of the

For Dux Sybly Industries Ltd. Director

For Space Incubatrics Technologies Limited Director

Vartex Fabrics Pvt. Ltd. Director

For Dux Textiles Private Limited Authorised Signatory

Demerged Company holding 100 (One Hundred) equity shares of face value of Rs.10 (Rupees Ten), shall be deemed to have held 15(Fifteen) fully paid-up equity shares of face value of Rs. 10 (Rupees Ten) each.

2.2. Approval of the Scheme pursuant to sections 391 -394 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013 shall also be deemed to be the approval under sections 100 to 105 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013 for reduction and cancellation of shares of the Demerged Company.

2.3. Post completion of the first phase of the scheme and consequent upon the reduction of capital as envisaged in this part, the subscribed and fully paid up share capital of SIL would be as under:

" 6107415 Equity share of Rs. 10/- each aggregatingRs. 61,074,150/-"

3. LISTING OF EQUITY SHARES OF RESULTING COMPANY

3.1. Scheme of Demerger is in conformity with the requirements as laid down in Sub-Rule 19(7) of Securities Contract (Regulation) Rules, 1957 and in terms of the said Sub-rule after allotment of new equity shares in Resulting Company,SITL shall within 30 days from the date of receipt of certified copy of order of the High Court sanctioning the Scheme, take necessary steps for listing of shares allotted, simultaneously on all the stock exchanges where the equity shares of Demerged Company are listed.

3.2. SITLshall make application to Securities and Exchange Board of India (SEBI) in terms of Rule 19(7) of Securities Contract (Regulation) Rules, 1957 for Listing of Equity Shares at all the Stock Exchanges where the Equity Shares of Demerged Company are listed on the Appointed Date without complying with the requirements ofRule 19(2)(b) of Securities Contract (Regulation) Rules, 1957.

4. DISTRIBUTION OF AUTHORIZED SHARE CAPITAL OF THE DEMERGED COMPANY

4.1. With effect from the appointed date and upon the scheme becoming effective, the Authorized Share Capital of the Demerged Company, shall be distributed among the Demerged Company and the Resulting Company in the ratio of 40:60 i.e.40% in SIL and the remaining 60% in SITL.

4.2. The approval of the Scheme under Section 391 - 394 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013, shall be deemed to compliances under Section 13and 14 of the Companies Act, 2013 for alteration of AuthorisedShare Capital in Memorandum of Association of Demerged Company and the Resulting Company.

5. ACCOUNTING TREATMENT

5.1. **Treatment in the books of the Demerged Company**

5.1.1. The assets and liabilities of the Demerged Company being transferred to Resulting Companyshall be reduced from the books ofDemerged Companyat values appearing in Books of Accounts of the Demerged Company as on the Appointed Date.

National Company Law Tribunal Ahmedabad Bench

For Dux Textile Industries Private Limited

For Space Incubatrics Technologies Limited Director

Vartex Fabrics Pvt. Ltd. Director

For Dux Textile Industries Ltd. Director

5.1.2. The investment of Demerged Company in to the equity share capital of Resulting Company, either itself or through its nominees as on the effective Date shall stand cancelled.

5.1.3. The difference between the values of assets and value of liabilities transferred pursuant to scheme shall be appropriated and adjusted against the Reserves of the Demerged Company.

5.1.4. The reduction, in Assets, Liabilities and Reserves of Demerged Company, including the Share Premium Account as may be required pursuant to Clause 2herein above shall be affected as an integral part of the Scheme and the order of the Hon'bleHigh Court sanctioning the scheme shall be deemed to be also the order under sections 100-105 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013 for the purpose of confirming the reduction of the SecuritiesPremium Account and other Reserves. The Reduction would not involve either the diminution of liability in respect of unpaid share capital or payment of the paid-up share Capital, and the provisions of Section 101 of the Companies Act 1956 will not be applicable.

5.2. **Treatment in the books of the Resulting Company**

Upon the coming into effect of this Scheme, the Resulting Company shall record all the assets and liabilities of the Demerged Undertaking transferred to it in pursuance of this Scheme at their respective book values appearing in the books of account of the Demerged Company as on the Appointed Date. Further, the amount arising as an accounting differential for the Resulting Company, on account of the difference between:

5.2.1. The aggregate of the value of Equity Share Capital issued by the Resulting Company in terms of Clause 1.1above and the difference of value of Assets and Liabilities of the Demerged Undertaking taken over shall be adjusted in Reserves of the Resulting Company. This amount shall be free for distribution as dividend and shall for all purposes constitute part of the Free Reserves of the Resulting Company respectively.

5.2.2. It is hereby clarified that all transactions during the period between the Appointed Date and Effective Date relating to the Demerged Undertaking would be duly reflected in the financial statements of the Resulting Company, upon the Scheme coming into effect.

राष्ट्रीय कम्पनी विधि अधिकरण National Company Law Tribunal इलाहाबाद न्यायपीठ Allahabad Bench

For Space Incubatrics Technologies Limited

Director

Vartex Fabrics Pvt. Ltd.

Director

For Dux Textiles Private Limited

Authorised Signatory

PART F

ISSUE OF SHARES AND ACCOUNTING TREATMENT FOR AMALGAMATION

1. ISSUE OF EQUITY SHARE IN THE TRANSFEREE COMPANY

1.1. Upon this Scheme coming into effect and upon transfer and vesting of the business and undertaking of Transferor Companies in Transferee Company, the consideration in respect of such transfer shall, subject to the provisions of the Scheme, be paid and satisfied by Transferee Company as follows:

1.1.1. Transferee Company, without further application, act or deed, shall issue and allot to each of the shareholders of 'Transferor Company 1' (other than the shares already held therein immediately before the amalgamation by Transferee Company, its Nominee or Subsidiary Company), shares in proportion of **501 (Five Hundred One) equity shares of face value of Rs.10/- (Rupees Ten) each in Transferee Company for every 100 (One Hundred) equity shares of face value of Rs.10/- (Rupee Ten)** each held by them in 'Transferor Company 1' pursuant to this Scheme of Amalgamation.

1.1.2. Transferee Company, without further application, act or deed, shall issue and allot to each of the shareholders of "Transferor Company 2" (other than the shares already held therein immediately before the amalgamation by Transferee Company, its Nominee or Subsidiary Company), shares in proportion of **262 (Two Hundred Sixty Two) equity shares of face value of Rs.10/- (Rupees Ten) each in Transferee Company for every 100 (One Hundred) equity shares of face value of Rs.10/- (Rupee Ten)**each held by them in 'Transferor Company 2' pursuant to this Scheme of Amalgamation.

1.2. For arriving at the share exchange ratio as outlined above, the Companies have considered the Valuation Report dated 14th June, 2016 submitted by an independent professional firm, M/s AARA & Company, Chartered Accountants.

1.3. Cross holding at the time of record date (if any), between Transferor Companies and the Transferee Company or amongst Transferor Companies, if not transferred prior to the Effective Date, shall get cancelled at the time of allotment of shares to the shareholders of Transferor Companies by Transferee Company and the approval of Scheme by the Court under section 391 and 394 of the Companies Act, 1956 or corresponding provisions of Companies Act, 2013 shall also be treated as approval under section 100-104 of the Companies Act, 1956 or any corresponding provisions of Companies Act, 2013 for reduction of capital pursuant to such cancellations.

1.4. In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of the Transferor Companies, the Board of Director's or any committee thereof of the Transferor Companies shall be empowered in appropriate cases, even subsequent to the Specified Date or the Effective Date, as the case may be, to effectuate such a transfer in the Transferor Companies as if such changes in registered holder were operative as on the Specified Date, in order to remove any difficulties arising to the Transferee Company of such shares.

1.5. Any fraction arising out of allotment of equity shares as per clause 1.1.1, and 1.1.2 above shall be rounded off to the nearest round number.

For Space Incubatrics Technologies Limited

For Vartex Fabrics Pvt. Ltd.

Director

For Dux Textiles Private Limited

Director

1.6. The said equity shares in the capital of Transferee Company be issued to the shareholders of Transferor Companies shall rank paripassu in all respects, with the existing equity shares in Transferee Company from the Appointed Date. Such shares in Transferee Company, to be issued to the shareholders of Transferor Companies will, for all purposes, save as expressly provided otherwise, be deemed to have been held by each such member from the Appointed Date.

1.7. Upon the Scheme becoming effective and subject to the above provisions, the shareholders of Transferor Companies (other than the shares already held therein immediately before the amalgamation by Transferee Company, if any) as on the record date shall receive new share certificates. Upon the issue and allotment of new shares in the capital of Transferee Company to the shareholders of Transferor Companies, the share certificates in relation to the shares held by them in Transferor Companies shall be deemed to have been cancelled. All certificates for the new shares in the capital of Transferee Company shall be sent by Transferee Companies to the said shareholders of Transferor Companies at its respective registered addresses as appearing in the said registers (or in the case of joint holders to the address of that one of the joint holders whose name stands first in such Registers in respect of such joint holding) and Transferee Company shall not be responsible for any loss in transmission. SJL shall make application to Stock exchange for listing of such allotted shares.

1.8. Upon coming into effect of this Scheme, the shares or the share certificates of the Transferor Companies in relation to the shares held by its member shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect on and from the Effective Date without any necessity of them being surrendered.

1.9. INCREASE IN AUTHORIZED SHARE CAPITAL

1.9.1. With effect from the Effective Date and upon the Scheme becoming effective, without any further acts or deeds on the part of the Transferor Companies or Transferee Company and notwithstanding anything contained in Section 61 and Section 64 of the Companies Act, 2013. The Authorized Share capital of Transferor Companies as appearing in its Memorandum of Association on the Effective Date shall get clubbed with the Authorized Share Capital of the Transferee Company as appearing in its Memorandum of Association on the Effective Date and pursuant to this clubbing the Clause V of the Memorandum of Association of the Transferee Company shall stand altered to give effect to the same with effect from the Effective Date. The Face Value of Equity share shall remain same as of the Transferee Company after clubbing of Authorized Capital.

1.9.2. The filing fee and stamp duty already paid by the Transferor Companies on its authorized share capital, which is being combined with the authorized share capital of the Transferee Company, shall be deemed to have been paid by the Transferee Company and accordingly, the Transferee Company shall not be

For Space Incubatrics Technologies Limited
Director

Vartex Fabrics Pvt. Ltd.
Director

For Dux Textile Industries Ltd.
Director

required to pay any fee, additional fee, charges and/or stamp duty on the authorized share capital so increased.

1.9.3. If required, the Transferee Company shall take necessary steps to increase its authorized share capital on or before the Effective Date so as to make it sufficient for allotment of shares, to the shareholders of Transferor Company, in consideration of amalgamation after considering the combined authorized share capital of Transferee Company.

1.10. On approval of the Scheme by the members of Transferee Company pursuant to Section 391 -394 of the Act or any corresponding provisions of Companies Act, 2013, it shall be deemed that the said members have also accorded their consent under relevant Articles of the Articles of Association of the Company and Section 61 and Section 64 of the companies Act, 2013 as may be applicable for giving effect to the provisions contained in this Scheme.

1.11. The issue and allotment of Shares to Shareholders of Transferor Companies, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under Section 62 of the Companies Act, 2013.

2. ACCOUNTING TREATMENT FOR AMALGAMATION

Upon the coming into effect of this Scheme, the amalgamation of the Transferor Companies with the Transferee Company shall be accounted for as per the "Accounting Standard 14: Accounting for Amalgamations" as prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Ministry of Corporate Affairs or the "Indian Accounting Standard (Ind AS) 103 for Business Combination" prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015, (if applicable), as may be amended from time to time such that:

2.1. Transferee Company shall, record all the assets and liabilities, including Reserves of the Transferor Companies vested in it pursuant to this Scheme, at its respective book values as appearing in the books of Transferor Companies on the Appointed Date.

2.2. If at the time of amalgamation, Transferor Companies and Transferee Company have

2.5. The difference between the share capital issued by the Transferee Company and the net assets of the Transferor Companies acquired would be adjusted in the general reserves of the Transferee Company. Also, the difference, if any arising from the cancellation of cross-holdings (if any) shall also be adjusted in the general reserves of the Transferee Company.

2.6. The accounting entries proposed in this Scheme shall be effected as a part of this Scheme and not under a separate process in terms of Section 78, 100 to 104 of the Companies Act, 1956 or Section 52 or any corresponding provisions under Companies Act, 2013, as the same neither involves diminution of liability in respect of unpaid share capital of Transferee company nor any payment to any shareholder of the Transferee Company of any paid-up capital and the order of High Court sanctioning the Scheme shall be deemed to be a due compliance of the provisions of Sections 100 to 102 of the Companies Act, 1956 or any corresponding provisions of Companies Act, 2013, consequently, the Transferee Company shall not be required to use the words "and reduced" as part of its corporate name.

3. Dissolution of Transferor Companies

On occurrence of the Effective Date, all the Transferor Companies shall, without any further act or deed, shall stand dissolved without winding up.

For Space Incubatrics Technologies Limited

Director

For Dux Textiles Private Limited

Director

Vartex Fabrics Pvt. Ltd.

Director

For Dux Textiles Private Limited

Authorised Signatory

National Company Law Tribunal
Allahabad Bench

PART G

1. LISTING REGULATIONS AND SEBI COMPLIANCES

1.1. Since the 'Resulting Company / Transferee Company' being a listed company, this Scheme is subject to the Compliances by the 'Resulting Company / Transferee Company' of all the requirements under the listing regulations and all statutory directives of the Securities Exchange Board of India ('SEBI') insofar as they relate to sanction and implementation of the Scheme.

1.2. The 'Resulting Company / Transferee Company' in compliance with the listing Regulations shall apply for the 'Observation Letter' of BSE Limited, where its shares are listed in terms of the Regulation 37 of the listing regulations.

1.3. The 'Resulting Company / Transferee Company' shall also comply with the directives of SEBI contained in the Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015 issued by SEBI in terms of Regulation 37 of the listing regulations;

1.4. As Para 9 of SEBI Circular No CIR/CFD/CMD/16/2015 dated 30th November 2015 is applicable to this Scheme, therefore it is provided in the Scheme that the 'Resulting Company / Transferee Company' will provide voting by the public shareholders through postal ballot and e-voting and will disclose all material facts in the explanatory statement, to be sent to the shareholders in relation to the said Resolution.

2. Saving of Concluded Transactions

Transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking and Transferor Companies and continuance of the proceedings by or against the Resulting Company and Transferee Company, shall not in any manner affect any transaction or proceedings already completed by the Demerged Company (in respect of the Demerged Undertaking) and the Transferor Companies on or before the Appointed Date to the end and intent that the Resulting Company and Transferee Company accepts all such acts, deeds and things done and executed by and/or on behalf of the Demerged Company and Transferor Companies, as acts, deeds and things done and executed by and on behalf of the Resulting Company and Transferor Company.

राष्ट्रीय कम्पनी विधि अधिकरण National company Law Tribunal Allahabad Bench

For Space Incubatrics Technologies Limited

Director

Vartex Fabrics Pvt. Ltd.

Director

For Dux Textiles Private Limited

Authorised Signatory

PART H

1. GENERAL TERMS AND CONDITIONS

1.1. The Demerged Company / Transferee Company,Resulting Company and Transferor Companies shall, make applications to the Hon'ble High Court(s), under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013 seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective members and/or creditors and for sanctioning this Scheme, with such modifications as may be approved by the Hon'ble High Court.

1.2. Upon this Scheme being approved by the requisite majority of the respective members and creditors of the DemergedCompany / Transferee Company, the Resulting Company and the Transferor Companies (as may be directed by the Hon'ble High Court), the DemergedCompany / Transferee Company, the Resulting Company and the Transferor Companies shall, apply to the Hon'ble High Court, for sanction of this Scheme under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013 and for such other order or orders, as the said Hon'ble High Court may deem fit for carrying this Scheme into effect.

1.3. On approval of this Scheme by the members and creditors of the DemergedCompany / Transferee Company, the Resulting Company and the Transferor Companies, pursuant

the Hon'ble High Court, if any onerous terms or other terms not acceptable to them are introduced in the Scheme whether at the meetings or at the time of sanction of the Scheme. They shall also be at liberty to render the Scheme ineffective by not filing the certified orders of sanction of the Scheme with the Registrar of Companies but they shall do so after intimating Hon'ble High Court of their decision of not to file.

2. Scheme Conditional Upon:

This scheme is conditional upon:

2.1. The Scheme being agreed to by the respective requisite majorities of the members and/or creditors of the Demerged Company / Transferee Company, the Resulting

[redacted]

Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013 and the requisite orders of the Hon'ble High Court sanctioning this Scheme in exercise of the powers vested in it under the Act; and

2.2. As per Para 9 of SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015 is applicable to this Scheme, therefore it is provided in the Scheme that the Transferee Company will provide voting by the public shareholders through postal ballot and e-voting and will disclose all material facts in the explanatory statement, to be sent to the shareholders in relation to the said Resolution

2.3. As per Para 9 of SEBI Circular No CIR/CFD/CMD/16/2015 dated 30th November 2015 is applicable to this Scheme, the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

2.4. All necessary certified copies of the order of the Hon'ble High Court/ NCLT sanctioning this Scheme being filed with the Registrar of Company.

2.5. The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority, if any, which by law may be necessary for the implementation of this Scheme.

2.6. In the event of this Scheme failing to take effect finally, this Scheme shall become null

3. **COSTS, CHARGES AND EXPENSES**

All past, present and future costs, charges, levies, duties, and expenses, save and except stamp duty payable pursuant to transfer of Demerged Undertaking and Transferor Companies, if any, which shall be borne by the Resulting Company and Transferee Company, respectively, in relation to or in connection with or incidental to the Scheme or the implementation thereof shall be borne by the Demerged Company / Transferee Company and all of the above costs shall be treated, as costs relating to this composite scheme of, arrangement.

For Space Incubatrics Technologies Limited

Director

For Sybly Industries Ltd.

Director

Vartex Fabrics Pvt. Ltd.

Director

For Dux Textiles Private Limited

Authorised Signatory

National Company Law Tribunal
राष्ट्रीय कम्पनी विधि अधिकरण
Allahabad Bench
इलाहाबाद न्यायपीठ

SCHEDULE

SCHEDULE OF ASSETS AND LIABILITIES

OF DEMERGED UNDERTAKING AS ON 01.04.2016

PART I

SHORT DESCRIPTION OF THE FREE HOLD PROPERTY OF THE DEMERGED UNDERTAKING

	Particulars	Amount

[redacted]

PART-II

SHORT DESCRIPTION OF THE LEASEHOLD PROPERTY OF THE DEMERGED UNDERTAKING

S. N.	Particulars	Amount (WDV)
	NOT APPLICABLE	

PART III

SHORT DESCRIPTION OF THE PLANT & MACHINERY AND OTHER FIXED ASSETS OF THE DEMERGED UNDERTAKING

S. N.	Particulars	Amount (WDV)
	NOT APPLICABLE	

PART IV

SHORT DESCRIPTION OF THE ALL STOCKS SHARES, DEBENTURES AND OTHER CHARGES IN ACTION OF THE DEMERGED UNDERTAKING

S. N.	Particulars	Amount
	NOT APPLICABLE	

PART V

DETAILS OF CURRENT ASSETS, LOANS & ADVANCES, INVESTMENTS AND OTHER FIXED ASSETS

S. N.	Particulars	*Amount*
1.	Investment in 1 Equity Share of AED 35000 each of Sybly International FZE, Sharjah	6,30,550.00
2.	Investment in 31250 5% Non Cumulative Redeemable Pref. Shares of Rs. 100/- each of Desire Retail Pvt. Ltd., Paid up Rs. 80/- per share	25,00,000.00
3.	Investment in 31250 5% Non Cumulative Redeemable Pref. Shares of Rs. 100/- each of Vishu Enterprises Pvt. Ltd., Paid up Rs. 80/- per share	25,00,000.00
4.	Loans & Advances to Dev Priya Product Ltd.	3,05,30,662.00
5.	Loans & Advances toMahanidhi Trading Co. Pvt. Ltd.	1,03,85,385.00
6.	Loans & Advances to RPG Industrial Products Pvt. Ltd.	1,89,80,021.00
7.	Loans & Advances to RPG Nirman Pvt. Ltd.	1,70,27,492.00
8.	Loans & Advances to Sybly International FZE	49,05,53,071.00

PART VI

DETAILS OF NON CURRENT ASSETS

S. N.	Particulars	*Amount*
	NOT APPLICABLE	

PART VII

DETAILS OF NON CURRENT LIABILITIES

S. N.	Particulars	*Amount*
1.	Currency Fluctuation Reserve	16,82,85,345.00

PART VIII

DETAILS OF CURRENT LIABILITIES

Dux Textiles Private Limited

Authorised Signatory

PARTS OF THE SCHEME:

The Composite Scheme of Arrangement is divided into following parts.

1. PART A:

   This part of the Scheme deals with General Provisions used in this Scheme including Definitions and Capital Structure of Companies along with Objects and Rationale of the Scheme;

2. PART B:

   This part of the scheme deals with the transfer and vesting of Demerged Undertaking of the Demerged Company and subsequent amalgamation with the Resulting Company.

3. PART C:

   This part of the scheme deals with the reorganization of Reserves & Surplus of Sybly Industries Limited by writing off its entire accumulated losses as on appointed date firstly through entire Securities Premium Account thereafter through General Reserves and the balance through the Share forfeiture Account. The remaining accumulated losses after adjustment will be carry forwarded.

4. PART D:

   This part of the scheme deals with the transfer and vesting of the Vartex Fabrics Private Limited (Transferor Company 1) and Dux Textiles Private Limited (Transferor Company 2).

5. PART E:

   This part of the Scheme deals with issue of shares by the Resulting Company to the shareholders of the Demerged Company and listing of the equity shares, issued thereof by the Resulting Company. This part of the Scheme also deals with Accounting Treatment for the demerger in the books of Demerged Company and Resulting Company.

6. PART F:

   This part of the Scheme deals with issue of shares by the Transferee Company to the shareholders of the Transferor Companies. This part of the Scheme also deals with Accounting Treatment for the amalgamation in the books of Transferee Company.

7. PART G:

   This part of the scheme deals with the application to Stock Exchange / SEBI and other provisions.

8. PART H:

   This part of the Scheme deals with General Terms and Conditions as applicable to the composite Scheme of Arrangement.

For Space Incubatrics Technologies Limited

Director

Vartex Fabrics Pvt. Ltd.

Director

For Sybly Industries Ltd

Director

For Dux Textiles Private Limited

Authorised Signatory

COMPOSITE SCHEME OF ARRANGEMENT

AMONG
SYBLY INDUSTRIES LIMITED
(DEMERGED COMPANY / TRANSFEREE COMPANY)
AND
SPACE INCUBATRICS TECHNOLOGIES LIMITED
(RESULTING COMPANY)
AND
VARTEX FABRICS PRIVATE LIMITED
(TRANSFEROR COMPANY 1)
AND
DUX TEXTILES PRIVATE LIMITED
(TRANSFEROR COMPANY 2)
AND
THEIR SHAREHOLDERS

PREAMBLE

A. An overview of composite Scheme of Arrangement

- This composite scheme of arrangement is drawn in 3 phases
- In the 1st Phase (Part B of this Scheme) all the investments loans and advances given to Wholly Owned 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 transferred and vested with Space Incubatrics 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, as defined in Part E of this Scheme and listing of these equity shares at the stock exchange in accordance with the applicable regulation of SEBI.
- The SIL shall continue to focus on its core business i.e. manufacturing of 'Polyester Yarn' Business.
- In the 2nd Phase (Part C of this Scheme), a process is being undertaken to clean the financial structure of the SIL by writing off its entire accumulated losses, firstly through entire Securities Premium Account thereafter through General Reserves and the balance through the Share forfeiture Account in accordance with the applicable provisions of the Act. The remaining accumulated losses after adjustment will be carry forwarded.
- In the 3rd Phase (Part D of this Scheme), Vartex Fabrics Private Limited (VFPL) and Dux Textiles Private Limited (DTPL) (collectively referred as 'Transferor Companies'), shall be amalgamated with the core business i.e. manufacturing of 'Polyester Yarn'. Accordingly, all the assets and liabilities of VFPL and DTPL shall be transfer 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 as defined in Part F of this Scheme.
- This restructuring is intended to provide greater business focus to SIL in the 'Polyester Yarn' business and provides an opportunity to SITL to gain new contracts/tenders on the basis of the strong financial.
- Since, DTPL and VFPL are engaged in the trading of Cotton Fabrics, hence the amalgamation of DTPL and VFPL with SIL shall result in consolidation of similar nature business in the group and shall also improve the financials of the SIL as the cross holdings of Loans & Advances amongst these companies shall be wiped off.

National Company Law Tribunal
Allahabad Bench

For Dux Textiles Private Limited
Authorised Signatory

For Space Incubatrics Technologies Limited
Director

Vartex Fabrics Pvt. Ltd.
Director

For Sybly Industries Ltd.
Director

B. Background and Description of Companies

1. **'Sybly Industries Limited' or 'SIL' or 'Demerged Company' or 'Transferee Company'** bearing CIN L17111UP1988PLC009594 was a company originally incorporated on May 2, 1988 as Sybly Spinning Mills Private Limited as per the provisions of the Companies Act, 1956. Thereafter the Company got converted into public limited company and the name of the Company was changed to 'Sybly Spinning Mills Limited' and fresh certificate of incorporation was issued on June 7, 1995 by the RoC, Kanpur. The name of the Company was again changed to its present name 'Sybly Industries Limited' and fresh certificate of incorporation was issued on 8th January, 2001 by the RoC, Kanpur. At present the registered office of the Company, is situated on PawanPuri, Muradnagar, Ghaziabad, Uttar Pradesh – 201 206.

   The Company is a widely held listed company having its equity shares listed at 'BSE Limited'. The company is engaged in the business of manufacturing 'Polyester Yarn'. Further, the company over a period of time has invested funds in the shares of its subsidiary and has also provided loans to the subsidiary and other entities, which do not pertain to the core activities i.e. manufacturing of 'Polyester Yarn' business of Sybly Industries Limited.

2. **'Space Incubatrics Technologies Limited' or 'SITL' or the 'Resulting Company'** bearing CIN U74999UP2016PLC084473 was a company incorporated on June 29, 2016under the provisions of the Companies Act, 2013. This Company has been incorporated as wholly owned subsidiary of SIL, the Demerged Company / Transferee Company, specifically for transfer and vesting of the non-core assets, related liabilities and reserves thereof. The registered office of the Company is proposed in Uttar Pradesh.

   The Resulting Company, shall be engaged in the business to promote, manage, form or to float business ventures, technology ventures, technology start-ups, to act as a venture capital fund, angel funds or manage all sorts of assets of venture capital and to encourage and develop first generation entrepreneurs, specially technologists, technocrats and professionals, in order to enlarge the technological entrepreneurial base.

3. **'Vartex Fabrics Private Limited' or 'VFPL' or 'Transferor Company 1'**bearing CIN U74899UP1995PTC077579 was incorporated on 23rd August, 1995 as Sybly Fabrics Limited. Further, vide order dated 27th May, 2002, the Company got converted into private company and consequently the name of the Company was changed to Sybly Fabrics Private Limited,in accordance with the provisions of the Companies Act, 1956 and fresh Certificate of Incorporation was obtained from Registrar of Companies, NCT of Delhi & Haryana. Thereafter, the name of the Company was then changed to Logictex Fabrics Private Limited vide certificate dated 5th April, 2006 and fresh Certificate of Incorporation was obtained from Registrar of Companies, NCT of Delhi & Haryana. Subsequently, the name of the Company was again changed to its present name i.e. Vartex Fabrics Private Limited, vide certificate dated 16th October, 2006 and fresh Certificate of Incorporation was obtained from Registrar of Companies, NCT of Delhi & Haryana.

National Company Law Tribunal Allahabad Bench

For Dux Textiles Private Limited

Vartex Fabrics Pvt. Ltd.

Director

For Sybly Industries Ltd.

Director

For Space Incubatrics Technologies Limited

Director

The registered office of the Transferor Company 1 was situated in Delhi, however, its registered office was changed to its present address i.e PawanPuri, Muradnagar, Ghaziabad, Uttar Pradesh – 201 206 vide order of Regional Director, Northern Region dated 16th February, 2016

4. **'Dux Textiles Private Limited' or 'DTPL' or 'Transferor Company 2'**bearing CIN U74899UP1995PTC077578 was incorporated on 22nd September, 1995 as Sybly Textiles Private Limitedin accordance with the provisions of the Companies Act, 1956 and Certificate of Incorporation was obtained from Registrar of Companies, NCT of Delhi & Haryana. Subsequently, the name of the Company was then changed to its present name i.e. Dux Textiles Private Limited, vide certificate dated 22nd July, 2006 and fresh Certificate of Incorporation was obtained from Registrar of Companies, NCT of Delhi & Haryana.

   The registered office of the Transferor Company 2 was situated in Delhi, however, its registered office was changed to its present address i.e.PawanPuri, Muradnagar, Ghaziabad, Uttar Pradesh – 201 206 vide order of Regional Director, Northern Region dated 16th February, 2016

C. Rationale for thiscomposite scheme of arrangement

- Sybly Industries Limited, the Demerged Company, is engaged in the business of manufacturing of 'Polyester Yarn', however, over a period of time, the company has invested funds in the shares in its subsidiary and has also provided loans to its subsidiary and other entities, which do not pertain to the core activities of the Demerged Company i.e. Manufacturing of 'Polyester Yarn' business of Sybly Industries Limited;

- Though, the invested funds in the subsidiary in form of its shares and the loans provided to the subsidiary / other entities and their connected liabilities and reserves thereof, are the non-core assets, for the Demerged Company, however, these assets can help the Resulting Company, SITL to procure projects, win contracts/ tenders on the basis of strong financials.

- It is believed that the proposed segregation will enhance value for shareholders as there would be absolute clarity to the Investors in the business profile of the Demerged Company and the Resulting Company;

- The demerger shall also ensure, focused management on each set of business, thereby resulting in optimal utilization of the resources available and creation of better opportunities thereof;

- VFPL and DTPL are promoted by the common promoters and the amalgamation of VFPL and DTPL with SIL, shall result in the consolidation of similar line of business and result in saving of administrative costs and various other overheads.The amalgamation shall also improve the financial position of the SIL as the cross holding of loans & advances shall be wiped off.

- Apart from above, the amalgamation shall result in following benefits -

राष्ट्रीय कम्पनी विधि अधिकरण
National Company Law Tribunal
इलाहाबाद न्यायपीठ
Allahabad Bench

For Dux Textiles Private Limited

For Sybly Industries Ltd
Director

For Space Incubatrics Technologies Limited
Director

Vartex Fabrics Pvt. Ltd.
Director

- 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.
- Achieve greater efficiencies in operations with optimum utilization of resources, better administration and reduced cost.
- 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.
- Improved organizational capability and leadership arising from pooling of financial, managerial and technical resources.

For Space Incubatrics Technologies Limited

Director

Vartex Fabrics Pvt. Ltd.

Director

For Bybly Industries Ltd

Director

For Dux Textiles Private Limited

Authorised Signatory

National Company Law Tribunal
राष्ट्रीय कम्पनी विधि अधिकरण
Allahabad Bench
न्यायपीठ इलाहाबाद

PART A

1. **DEFINITIONS:**

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the meanings as set out herein below:

1.1. **'Act':** means the Companies Act, 1956, and will include any statutory modifications, re-enactments or amendments thereof and also mean and refer to corresponding sections of Companies Act, 2013 as and when such corresponding sections are notified in the official gazette by the Central Government.

1.2. **'Appointed Date':** means 1st day of April, 2016 being the date with effect from which the Scheme shall be applicable or such other date as may be approved by the High Court or by such other authority having jurisdiction over the Demerged Company.

1.3. **'Board' or 'Board of Directors'** in relation to the Demerged Company, Resulting Company, Transferor Company 1 and Transferor Company 2, as the case may be, unless it be repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors.

1.4. **'Demerged Undertaking'** means the all the investments done in the subsidiary and the loans provided to the subsidiary and other entities and connected liabilities or reserves thereof, which do not pertain to the core activities i.e. manufacturing of 'Polyester Yarn' business of Sybly Industries Limited and includes:

- All long term and short term loans and advancesgiven to the Subsidiary Company / other entities which are directly or indirectly not related to the Core business activity of the Company;
- All investments in the Shares of the Subsidiary Company;
- All other assets, if any, wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, if any;

All debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheets relating to or appertaining to the aforesaid assets, as per the records of Demerged Company, and shall also include any provisions made thereof;

A Schedule of Assets and Liabilities of Demerged undertaking as on the Appointed Date is attached hereto and marked as ***Schedule.***

1.5. **'Effective Date':** means the date on which certified copy of the order of the Hon'ble High Court under Sections 391 and 394 of the Act or any corresponding provisions of the Companies Act, 2013 sanctioning the Scheme is filed with the Registrar of Companies after obtaining the sanctions, orders or approvals referred to in Clause 2 of PART-IV of this Scheme.

References in this Scheme to the date of "Upon the Scheme becoming effective" or "effectiveness of this Scheme" shall mean the Effective Date.

राष्ट्रीय कम्पनी विधि अधिकरण National Company Law Tribunal इलाहाबाद न्यायपीठ Allahabad Bench

For Dux Textiles Private Limited

1.6. **'High Court'**: means the Hon'ble High Court of Allahabad at Allahabad and shall include National Company Law Tribunal ("NCLT"), or any other appropriate forum or authority empowered to approve the Scheme as per the law for the time being in force.

1.7. **'Record Date(s)'** means the date(s) to be fixed by the Board of Directors of the Demerged Company / Transferee Company, after the Effective Date, with reference to which the eligibility of the equity shareholder of the Demerged Company and Transferor 1 & 2, for the purposes of issue and allotment of shares of the Resulting Company to the shareholders of the Demerged Company and the Transferee Company to the shareholders of the Transferor Company, in terms of the Scheme, shall be determined.

1.8. **'Registrar of Companies' or 'ROC'**: means the Registrar of Companies, Kanpur.

1.9. **'Resulting Company' means Space Incubatrics Technologies Limited' or 'SITL'.**

1.10. **'Remaining Business'** means the core business of the Demerged Company i.e. Manufacturing of 'Polyester Yarn' business.

1.11. **'Scheme':** means this Composite Scheme of Arrangement, as set out herein and approved by the Board of Directors of SIL, DTPL and VFPL, subject to such modifications as the Court may impose or the Transferor Company and the Transferee Company may prefer and the Court may approve.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning prescribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

DATE OF EFFECT AND OPERATIVE DATE:

The Scheme setout herein in its present form or with modification (s), if any, made as per Clause 2 of Part Gbelow; the scheme shall be effective from the Appointed Date but shall come into operation from the Effective Date.

CAPITAL STRUCTURE:

The Capital Structure of SIL, VFPL and DTPLas on the appointed date i.e. 01.04.2016 are as follows:

3.1. SYBLY INDUSTRIES LIMITED

Particulars	Amount (Rs.)
Authorized Capital:	
7,00,00,000Equity Shares of Rs.10/-each	7,00,000,000.00
Total	**7,00,000,000.00**
Issued Share Capital	
4,07,29,100 Equity Shares of Rs.10/-each	407,291,000.00
Subscribed and Fully Paid up Share Capital	
4,07,16,100 Equity Shares of Rs.10/-each	407,161,000.00
Subscribed but not Fully Paid up Share Capital	
4,07,16,100 Equity Shares of Rs.10/-each	65,000.00

For Space Incubatrics Technologies Limited — Director

Vartex Fabrics Pvt. Ltd. — Director

For Dux Textiles Private Limited — Authorised Signatory

Per Sybly Industries Ltd — **Director**

13,000 Equity Shares of Rs.5/-paid – Forfeited	
Total	**407,226,000.00**

There is no change in the Capital Structure of the 'Demerged Company / Transferee Company' since appointed date.

3.2. **VARTEX FABRICS PRIVATE LIMITED**

Particulars	Amount (Rs.)
• **Authorized Capital:**	
460,000 Equity Shares of Rs.10/- each	4,600,000.00
Total	**4,600,000.00**
Issued, Subscribed and Paid up Capital:	
455,690 Equity Shares of Rs.10/- each	4,556,900.00
Total	**4,556,900.00**

There is no change in the Capital Structure of the 'Transferor Company 1' since appointed date.

DUX TEXTILES PRIVATE LIMITED

Particulars	Amount (Rs.)
Authorized Capital:	
300,000 Equity Shares of Rs.10/- each	3,000,000.00
Total	**3,000,000.00**
Issued, Subscribed and Paid up Capital:	
292,270 Equity Shares of Rs.10/- each	2,922,700.00
Total	**2,922,700.00**

There is no change in the Capital Structure of the 'Transferor Company 2' since appointed date.

CAPITAL STRUCTURE OF RESULTING COMPANY:

The Capital Structure of Resulting Company at the time of incorporation i.e. 29.06.2016 are as follows:

Particulars	Amount (Rs.)
Authorized Capital:	
7 Equity Shares of Rs.10/- each	70.00
Total	**70.00**
Issued, Subscribed and Paid up Capital:	
7 Equity Shares of Rs.10/- each	70.00
Total	**70.00**

For Space Incubatics Technologies Limited

Director

For Dux Textiles Private Limited

Director

Vartex Fabrics Pvt. Ltd.

Director

For Dux Textiles Private Limited

Director

PART B

TRANSFER AND VESTING OF DEMERGED UNDERTAKING

1. TRANSFER AND VESTING OF DEMERGED UNDERTAKINGS

(i) Upon this Scheme becoming effective and with effect from the Appointed Date and pursuant to Section 391 and Section 394 of the Companies Act, 1956 or any corresponding provisions of Companies Act, 2013 and other applicable provisions of law for the time being in force, and pursuant to the orders of the High Court or other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing, the Demerged Undertaking shall stand vested in the Resulting Company, as a going concern, together with all its properties, assets, rights, benefits and interest therein.

(ii) Upon this Scheme becoming effective and with effect from the Appointed Date, any and all assets relating to the Demerged Undertaking including but not limited to –

- Long Term and Short Term loans and advancesgiven to the Wholly Owned Subsidiary Company / other entities which are directly or indirectly hot related to the Core business activity of the Company;
- All investments in the Shares of the Subsidiary Company;
- All other assets, if any, wherever situated, whether movable or immovable,

Shall stand transferred and vested as such by the Demerged Company and shall become the property and an integral part of the Resulting Company.

(iii) Upon this Scheme becoming effective and with effect from the Appointed Date, any and all liabilities or provisions thereof relating to the Demerged UndertakingShall stand transferred and vested as such by the Demerged Company and shall become the liabilities/ provisions of the Resulting Company.

(iv) Upon the coming into effect of this Scheme and with effect from the Appointed Date, any and all contracts, agreements, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which the Demerged Company are a party or to the benefits of which, the Demerged Undertakings may be eligible and which are subsisting or having effect immediately before the Effective Date shall be in full force and effect, on or against or in favor of the Resulting Companies and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or oblige thereto;

(v) Upon the coming into effect of this Scheme and with effect from the Appointed Date, the services of all Employees of the Demerged Company employed in the Demerged Undertaking shall stand transferred to the Resulting Company on the same terms and conditions at which these Employees are engaged by the Demerged Company without any interruption of service as a result of the transfer. The Resulting Company also undertakes to accept and abide by any change in terms and conditions that may be agreed/ affected by the Demerged Company with all such Employees between the Appointed Date and Effective Date.

राष्ट्रीय कम्पनी विधि अधिकरण National Company Law Tribunal इलाहाबाद न्यायपीठ Allahabad Bench

For Space Incubatrics Technologies Limited

Director

Vartex Fabrics Pvt. Ltd.

Director

For Bux Textiles Private Limited

Director

(vi) If any suit, appeal or other proceedings relating to the Demerged Undertaking, of whatsoever nature by or against the Demerged Company is pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of this Scheme and the proceedings may be continued, prosecuted and enforced, by or against the Resulting Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Demerged Company, as if this Scheme had not been made. The Resulting Company shall get such legal or other proceedings relating to or in connection with the Demerged Undertaking, initiated by or against the Demerged Company, transferred in its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. The Resulting Company shall also deal with all legal or other proceedings, which may be initiated by or against the Demerged Undertaking or the Resulting Company after the Effective Date but relating to the Demerged Undertaking, in respect of the period up to the Effective Date, in its own name and account and to the extent possible, to the exclusion of the Demerged Company. The Resulting Company shall pay all amounts including interest, penalties, damages, etc., which the Demerged Company may be called upon to be paid or secured in respect of any liability or obligation relating to the Demerged Undertaking for the period commencing on the Appointed Date and ending on the Effective Date. Any reasonable costs incurred by the Demerged Company in respect of the proceedings started by or against it relating to the Demerged Undertaking and for the period commencing on the Appointed Date and ending on the Effective Date shall be reimbursed by the Resulting Company, upon submission of necessary evidence of having incurred such costs by the Demerged Company to the Resulting Company.

2. **INCOME TAX AND OTHER PROVISIONS**

(i) Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and Annexures under the Income Tax Act, 1961, central sales tax, applicable state value added tax, service tax law, excise duty laws and other tax laws, and to claim refunds and/or credit for taxes paid (including minimum alternate tax, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required to give effect to the provisions of the Scheme.

(ii) Any refunds or credits, under the Income Tax Act, 1961, Service tax laws, excise duty laws, central sales tax, applicable state value added tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies due to Demerged Company relating to Demerged Undertaking consequent to the assessment made on Demerged Company (including any refunds for which no credit is taken in the accounts of the Demerged Company) as on the date immediately preceding the Appointed Date shall also belong to and be received by the Resulting Company upon this Scheme becoming effective.

(iii) The tax payments (including but not limited to income tax, service tax, excise duty, central sales tax, applicable state value added tax, etc.) whether by way of tax deducted at source, advance tax or otherwise howsoever, by the Demerged Company relating to Engineering Business Division after the Appointed Date, shall be deemed to be paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.

For Dux Textiles Private Limited

For Space Incubatrics Technologies Limited
Director

Vartex Fabrics Pvt. Ltd.
Director

For Sybly Industries Ltd.
Director

(iv) Further, any tax deducted at source by Demerged Company with respect to Demerged Undertaking on transactions with the Resulting Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.

(v) Upon the Scheme coming into effect, any obligation of tax at source on any payment made by or to be made by the Demerged Company relating to Demerged Undertaking shall be made or deemed to have been made and duly complied with by the Resulting Company.

(vi) The Demerged Company and the Resulting Company are expressly permitted to revise their Income Tax, Wealth Tax, Sales Tax, VAT and all other statutory returns, including without limitation TDS certificates and the right to claim refund, advance tax credits etc., upon the Scheme becoming effective. It is specifically declared that the taxes paid by the Demerged Company relating to the period on or after the Appointed Date whether by way of deduction at source or advance tax, which pertains to the Demerged Undertaking, shall be deemed to be the taxes paid by the Resulting Company and the Resulting Company shall be entitled to claim credit for such taxes deducted/paid against its tax liabilities notwithstanding that the certificates/challans or other documents for payment of such taxes are in the name of the Demerged Company.

3. **OTHER PROVISIONS**

(i) The Demerged Company and the Resulting Company may, after the Scheme becomes effective, for the sake of good order, execute amended and re-stated arrangements or confirmations or other writings, for the ease of the Demerged Company, the Resulting Company and the counter party concerned in relation to the Remaining Business and the Demerged Undertaking, without any obligation to do so and without modification of any commercial terms or provisions in relation thereto.

(ii) Upon the Scheme becoming effective, the Resulting Company shall secure the change in record of rights and any other records relevant for mutating the legal ownership of any immovable property vested with the Resulting Company and relating to the Demerged Undertaking. The Demerged Company and the Resulting Company are jointly and severally authorized to file such declarations and other writings to give effect to this Scheme and to remove any difficulties in implementing the terms hereof.

(iii) There will be no liability of stamp duty in respect of this part of the scheme, as the

(a) The Demerged Company shall be deemed to have been carrying on all business and activities relating to the Demerged Undertaking for and on behalf of and in trust for the Resulting Company : and

(b) All income, expenditures including management costs, profits accruing to the Demerged Company and all taxes thereof or losses arising or incurred by it relating to the Demerged Undertaking shall, for all purposes, be treated as the income, expenditures, profits, taxes or losses, as the case may be, of the Resulting Company.

(ii) (a) With effect from the Effective Date, the Resulting Company shall be duly authorized to carry on the business of the Demerged Undertaking, previously carried on by the Demerged Company.

(b)The Resulting Company unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of the Demerged Undertaking with effect from the Appointed Date, in order to give effect to the foregoing provisions.

For Space Incubatrics Technologies Limited

Director

For Dux Byby Industries Ltd.

Director

Vartex Fabrics Pvt. Ltd.

Director

For Dux Textiles Private Limited

Authorised Signatory

PART C

RE ORGANIZATION OF RESERVES & SURPLUS OF SYBLY INDUSTRIES LIMITED

1. Sybly Industries Limited (Demerged Company/ Transferee Company) was incorporated on May 02, 1988 under the provisions of Companies Act, 1956. The Reserves & Surplus of the Company before the proposed reorganizationof reserves & surplus is as follows:

Particulars	Amount (In Rs.)
General Reserves	1,419,498,24
Securities Premium Account	73,750,000.00
Revaluation Reserve	54,938,021.42
Surplus (Profit & Loss Account)	(78,822,026.62)
Total	**51,285,493.04**

Additionally, the Company has a share forfeiture account presented along with the share capital;

2. The Transferee Company was not performing well in past and has incurred losses which are accumulated and standing in the balance sheet of the Company which is not reflecting the true potential of the Company's worth and hence the management has found it appropriate to write off the entire accumulated losses of the Company as on the appointed date.

3. In accordance with above, the entire accumulated losses aggregating to Rs. 78,822,026.62 (Rupees Seven Crore Eighty Eight Lacs Twenty Two Thousand Twenty Six and Sixty Two Paise) as on the appointed date shall be written off in the following manner –

   1. Firstly through entire Securities Premium Account of Rs. 73,750,000.00 (Rupees Seven Crore Thirty Seven Lacs and Fifty Thousands),

   2. Secondly through General Reserve of Rs. 1,419,498.24 (Rupees Fourteen Lacs Nineteen Thousands Four Hundred Ninety Eight and Twenty Four Paisa);

   Balancing through Share Forfeiture Account of Rs. 65,000 (Rupees Sixty Five Thousand); and

   The remaining accumulated losses of Rs. 3,587,528.38 (Thirty Five Lacs Eighty Seven Thousands Five Hundred Twenty Eight and Thirty Eight Paisa) shall be carry forwarded.

4. Approval of the Scheme pursuant to section 391 of the Act shall also be deemed to be the approval under Section 52 of the Companies Act, 2013 for reduction and cancellation of securities premium account of the Transferee Company/ Demerged Company.

For Space Incubatrics Technologies Limited

Director

For Sybly Industries Ltd.

Director

Vartex Fabrics Pvt. Ltd.

Director

For Dux Textiles Private Limited

PART D

TRANSFER & VESTING OF TRANSFEROR COMPANIES

1. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and the whole of the undertaking(s), properties and liabilities of Transferor Companies shall, in terms of Section 391 and 394 and applicable provisions, if any, of the Companies Act, 1956 or any corresponding provisions of Companies Act, 2013 and pursuant to the orders of the High Court or other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or thing, stand transferred to and vested in and/ or deemed to be transferred to and vested in Transferee Company as a going concern so as to become the undertaking(s), properties and liabilities of Transferee Company.

2. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and undertaking of Transferor Companies shall stand transferred to and be vested in Transferee Company without any further deed or act, together with all their properties, assets, rights, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions, as the case may be, in the following manner:

3. **TRANSFER OF ASSETS**

(i) With effect from the Appointed Date and upon the Scheme becoming effective all memberships, licenses, franchises, rights, privileges, permits, quotas, rights, entitlements, allotments, approvals, consents, concessions, trade mark licenses including application for registration of trade mark, patents, copyrights and their right to use available to Transferor Companies as on Appointed Date or any which may be taken after the Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

(ii) With effect from the Appointed Date and upon the Scheme becoming effective all Certificate of Registrations as available with Transferor Companiesas on Appointed Date or any Certificate of Registrations which may be taken by Transferor Companies after the Appointed Date but till the Effective Date shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

(iii) With effect from the Appointed Date and upon the Scheme becoming effective all the assets of Transferor Companies as are movable in nature including, but not limited to, stock of goods, raw materials available in the market/ depots/ Godown/factories, sundry debtors, plants and equipments, outstanding loans and advances, insurance claims, advance tax, Minimum Alternate Tax (MAT) set-off rights, pre-paid taxes, levies/liabilities, CENVAT/VAT credits if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons or any other assets otherwise capable of transfer by physical delivery would get transferred by physical delivery only and all others assets would get transferred by endorsement and delivery by, vesting and recordable pursuant to this Scheme, shall stand vested in Transferee Company, and shall become the property and an integral part of Transferee Company

National Company Law Tribunal Allahabad Bench

For Dix Textiles Private Limited

For Space Incubatrics Technologies Limited
Director

Vartex Fabrics Pvt. Ltd.

For Sybly Industries Ltd
Director

without any further instrument deed or act or payment of any further fee, charge or securities.

(iv) With effect from the Appointed Date and upon the Scheme becoming effective all incorporeal properties of Transferor Companies as on Appointed Date or any which may be taken after the Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities

(v) With effect from the Appointed Date and upon the Scheme becoming effective, all immovable properties including but not limited to land and buildings or any other immovable properties of Transferor Companies, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in Transferee Company, without any further instrument, deed or act or payment of any further fee, charge or securities either by the Transferor Companies or Transferee Company.

(vi) With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation/substitution of the title to the immovable properties shall be made and duly recorded in the name of Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the Hon'ble High Court and the Scheme becoming effective in accordance with the terms hereof.

(vii) With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to Transferor Company to which the Transferor Companies are the party or to the benefit of which Transferor Companies may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favor of Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Companies, Transferee Company had been a party or beneficiary thereto.

(viii) With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licenses including those relating to trademarks, tenancies, patents, copyrights, privileges, software, powers, facilities of every kind and description of whatsoever nature in relation to Transferor Companies to which Transferor Companies are the party or to the benefit of which Transferor Companies may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be enforceable as fully and effectually as if, instead of Transferor Companies, Transferee Company had been a party or beneficiary or oblige thereto.

(ix) With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, no-objection certificates, permissions or approvals or consents required to carry on operations of Transferor Companies or granted to Transferor Companies shall stand vested in or transferred to Transferee Company without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned therewith in favor of Transferee Company upon the vesting of

For Space Incubatrics Technologies Limited
Director

Vartex Fabrics Pvt. Ltd.
Director

For Dux Textiles Private Limited
Authorised Signatory

For Sybly Industries Ltd.
Director

Transferor Companies pursuant to this Scheme the benefit of all statutory and regulatory permissions, licenses, approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of Transferor Companies shall vest in and become available to Transferee Company pursuant to this scheme.

(x) With effect from the Appointed Date and upon the Scheme becoming effective, all motor vehicles of any description whatsoever of Transferor Companies shall stand transferred to and be vested in the Transferee Company, and the appropriate Governmental and Registration Authorities shall substitute the name of Transferee Company in place of Transferor Companies, without any further instrument, deed or act or any further payment of fee, charge or securities.

4. TRANSFER OF LIABILITIES

(i) With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheets of Transferor Company, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of Transferee Company.

(ii) Without prejudice to the generality of the provisions contained herein, all loans raised after the Appointed Date but till the Effective Date and liabilities incurred by Transferor Companies after the Appointed Date but till the Effective Date for their operations shall be deemed to be of Transferee Company.

(iii) The transfer and vesting of the entire business and undertaking of Transferor Companies as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of Transferor Companies, as the case may be.

Provided that the securities, charges and mortgages (if any subsisting) over and in respect of the part thereof, of Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of Transferor Companies vested in Transferee Company pursuant to the Scheme.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Transferor Companies which shall vest in Transferee Company by virtue of the amalgamation of Transferor Companies with Transferee Company and Transferee Company shall not be obliged to [redacted]

perform all such formalities or compliances required on part of Transferor Companies.

(v) Loans or other obligations, if any, due either to Transferee Company and Transferor Companies or amongst transferor companies shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by the Transferor Company and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect.

5. LEGAL PROCEEDINGS

(i) With effect from the Appointed Date, Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against Transferor Companies.

Provided however, all legal, administrative and other proceedings of whatsoever nature by or against Transferor Companies pending in any court or before any authority, judicial, quasi judicial or administrative, or by any abating authority and/or arising after the Appointed Date and relating to Transferor Companies or its respective properties, assets, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against Transferor Companies, and from the Effective Date, shall be continued and enforced by or against Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Companies.

(ii) If any suit, appeal or other proceedings of whatever nature by or against Transferor Companies be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer of the Transferor Companies businesses and undertakings or of anything contained in this scheme but the proceedings may be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Companies as if this Scheme had not been made.

6. EMPLOYEE MATTERS

On occurrence of the Effective Date, all persons that were employed by Transferor Companies immediately before such date shall become employees of Transferee Company with the benefit of continuity of service on same terms and conditions as were applicable to such employees of Transferor Companies immediately prior to such transfer and without any break or interruption of service. Transferee Company undertakes to continue to abide by agreement/settlement, if any, entered into by Transferor Companies with any union/employee thereof. With regard to Provident Fund, Gratuity Fund, Superannuation fund or any other special fund or obligation created or existing for the benefit of such employees of Transferor Companies upon occurrence of the Effective Date, Transferee Company shall stand substituted for Transferor Company, for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing Provident Fund, Gratuity Fund and Superannuation Fund or obligations, if any, created by Transferor Companies for their employees shall be continued for the benefit of such employees on the same terms and conditions. With effect from the Effective Date, Transferee Company will make the necessary contributions for such transferred employees of Transferor

National Company Law Tribunal, Allahabad Bench

For Space Incubatrics Technologies Limited
Director

Vartex Fabrics Pvt. Ltd.

For Dix Textiles Private Limited

For Sybly Industries Ltd.
Director

Companiesand deposit the same in Provident Fund, Gratuity Fund or Superannuation Fund or obligations, where applicable. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of Transferor Companies in relation to such schemes or funds shall become those of Transferee Company.

7. TAXATION AND OTHER MATTERS

(i) With effect from the Appointed Date, all the profits or income accruing or arising to Transferor Companies, and all expenditure or losses arising or incurred by Transferor Companies shall, for all purposes, be treated (including all taxes, if any, paid or accruing in respect of any profits and income) and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of Transferee Company. Moreover, Transferee Company shall be entitled to revise its statutory returns relating to indirect taxes like sales tax/ service tax/excise, etc. and to claim refund/credits and/or set off all amounts under the relevant laws towards the transactions entered into by Transferee Company and Transferor Companies which may occur between the Appointed Date and the Effective Date. The rights to make such revisions in the sales tax returns and to claim refunds/credits are expressly reserved in favour of Transferee Company.

(i) Transferee Company shall be entitled to revise its all Statutory returns relating to Direct taxes like Income Tax and Wealth Tax and to claim refunds/advance tax credits and/or set off the tax liabilities of Transferor Companies under the relevant laws and its rights to make such revisions in the statutory returns and to claim refunds, advance tax credits and/or set off the tax liabilities is expressly granted.

(ii) It is expressly clarified that with effect from the Appointed Date, all taxes payable by Transferor Companies including all or any refunds of the claims/TDS Certificates shall be treated as the tax liability or refunds/claims/TDS Certificates as the case may be of Transferee Company.

(iii) From the Effective Date and till such time as the name of the Transferee Company would get entered as the account holder in respect of all the bank accounts and demat accounts of Transferor Companies in the relevant bank's/DP's books and records, the Transferee Company shall be entitled to operate the bank/demat accounts of Transferor Companies in their existing names.

(iv) Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of Transferor Companies shall stand transferred by the order of the High Court to Transferee Company, Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning court.

8. CONDUCT OF BUSINESS

(i) With effect from the Appointed Date and till the Scheme come into effect:

a. Transferor Companies shall be deemed to carry on all their businesses and activities and stahd possessed of their properties and assets for and on account of and in trust for Transferee Company; and all the profits accruing to Transferor

For Space Incubatrics Technologies Limited — Director

Vartex Fabrics Pvt. Ltd. — Director

For Sy bly Industries Ltd — Director

For Dev Textiles Private Limited

Companies and all taxes thereon or gains or losses arising or incurred by them shall, for all purposes, be treated and deemed to be the profits or losses, as the case may be, of Transferee Company.

b. Transferor Companies shall carry on their businesses with reasonable diligence and in the same manner as they had been doing hitherto, and Transferor Companies shall not alter or substantially expand their businesses except with the concurrence of Transferee Company.

c. Transferor Companies shall not without the written concurrence of Transferee Company, alienate charge or encumber any of their properties except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company, as the case may be.

d. Transferor Companies shall not vary or alter, except in the ordinary course of their business or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the Board of Directors of Transferee Company the terms and conditions of employment of any of its employees, nor shall it conclude settlement with any union or its employees except with the written concurrence of Transferee Company.

e. With effect from the Appointed Date, all debts, liabilities, duties and obligations of Transferor Companies as on the close of business on the date preceding the Appointed Date, whether or not provided in their books and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of Transferee Company

(ii) Upon the Scheme coming into effect, Transferee Company shall commence and carry on and shall be authorized to carry on the businesses carried on by Transferor Companies.

(iii) For the purpose of giving effect to the vesting order passed under Sections 391 and 394 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013 in respect of this Scheme by the Hon'ble High Court, Transferee Company shall, at any time pursuant to the orders on this Scheme, be entitled to get the record of the change in the legal right(s) upon the vesting of the Transferor Companies businesses and undertakings in accordance with the provisions of Sections 391 and 394 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013. Transferee Company shall be authorized to execute any pleadings, applications, forms, etc. as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.

For Space Incubatrics Technologies Limited

Director

For Dux Textiles Private Limited

Authorised Signatory

For Dyely Industries Ltd.

Director

Vartex Fabrics Pvt. Ltd.

Director