Sarla Performance Fibers Limited
304, Arcadia, 195, Nariman Point, Mumbai-400 021, India
+91 22 4032 2786 enquiry@sarlafibers.com
www.sarlafibers.com
CIN L31909DN1993PLC000056

NOTICE OF POSTAL BALLOT

To,

The Shareholders,

Sarla Performance Fibers Limited,

Notice is hereby given pursuant to the provisions of Sections 108 and 110 of the Companies Act, 2013 (the "Act"), read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended (the "Rules"), read with General Circular Nos. 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020 and 20/2020 dated 5th May 2020 and subsequent circulars issued in this regard, the latest being General Circular No. 03/2025 dated 22nd September 2025, issued by the Ministry of Corporate Affairs, Government of India (the "MCA Circulars"), Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("SS-2"), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the "SEBI SBEB Regulations") and other applicable laws, rules and regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), for seeking approval of the shareholders by way of special resolutions for the matters as considered in the Resolutions appended below through postal ballot ("Postal Ballot") by way of remote e-voting only.

In terms of the MCA Circulars and in compliance with Regulation 44 of the Listing Regulations and provisions of Sections 108 and 110 of the Act, the manner of voting on the proposed resolutions is restricted only to e-voting, i.e. by casting votes electronically instead of submitting postal ballot forms. The instructions for e-voting are appended to this Postal Ballot Notice.

Accordingly, in compliance with the requirements of the MCA Circulars, the Postal Ballot Notice is being sent only through electronic mode to those shareholders whose email address is registered with the Company's Registrar and Share Transfer Agent, viz. MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited) / Depositories as on Friday, 30th October 2026 (the "Cut-off Date") and the hard copy of the Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope will not be sent to the shareholders for this Postal Ballot and the shareholders are required to communicate their assent or dissent through the remote e-voting system only.

The Board of Directors of the Company (the "Board"), at its meeting held on Tuesday, 3rd November 2026, on the recommendation of the Nomination and Remuneration Committee (the "NRC") acting as the Compensation Committee, approved the proposals set out below, subject to the approval of the Members, and approved this Postal Ballot Notice. An Explanatory Statement pursuant to Sections 102 and 110 and other applicable provisions, if any, of the Act, read with Regulation 6(2) and Part C of Schedule I of the SEBI SBEB Regulations and Rule 16(2) of the Companies (Share Capital and Debentures) Rules, 2014, pertaining to the resolutions setting out the material facts and reasons thereof, is appended to this Postal Ballot Notice for the purpose of providing greater clarity to the Members in respect of the items proposed to be passed vide this Postal Ballot. Each matter is proposed as a separate Special Resolution and Members may assent or dissent to each independently; the Scheme at Item No. 1 shall come into effect only if Item Nos. 1, 3 and 4 are all approved.

The e-voting period commences from 09.00 A.M. (IST) on Thursday, 5th November 2026 and ends at 05.00 P.M. (IST) on Friday, 4th December 2026.

The Company has appointed CS Vyoma Desai, Practising Company Secretary, M. No. FCS 11166, COP No. 23010, to act as the Scrutinizer, for conducting the Postal Ballot process, in a fair and transparent manner.

The Scrutinizer will submit her report to the Chairman of the Company (the "Chairman") or any other Director or the Company Secretary authorised by the Chairman, and the results of the voting by Postal Ballot

will be announced not later than two working days from the conclusion of the e-voting. The results declared along with the Scrutinizer's Report shall be communicated in the manner provided in this Postal Ballot Notice. The said results along with the Scrutinizer's Report would be intimated to BSE Limited and National Stock Exchange of India Limited, where the Equity Shares of the Company are listed. The results will also be uploaded on the Company's website at https://www.sarlafibers.com/ and on the website of NSDL http://www.evoting.nsdl.com/.

RESOLUTIONS:

(1) TO CONSIDER AND APPROVE 'SARLA PERFORMANCE FIBERS LIMITED EMPLOYEE STOCK OPTION PLAN 2026' FOR IMPLEMENTATION THROUGH THE SPFL ESOP TRUST AND WITHDRAWAL OF 'SARLA PERFORMANCE FIBERS LIMITED EMPLOYEE STOCK OPTION PLAN (ESOP) SCHEME 2025':

To consider, and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) (to the extent applicable) and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the rules made thereunder, Regulations 3, 5 and 6 and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the "SEBI SBEB Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), the Memorandum and Articles of Association of the Company and other applicable laws, rules, regulations, circulars and notifications (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to such approvals, consents, permissions and sanctions as may be necessary and to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, the consent of the Members be and is hereby accorded to the 'Sarla Performance Fibers Limited Employee Stock Option Plan 2026' (the "SPFL ESOP Plan 2026" or the "Scheme"), in the form placed before the Members and the salient features of which are set out in the Explanatory Statement to this Notice, and to the Board of Directors of the Company (hereinafter referred to as the "Board", which expression shall include the Nomination and Remuneration Committee of the Board acting as the Compensation Committee (the "NRC") and any other committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to introduce and implement the Scheme and to grant, from time to time and in one or more tranches, to eligible employees and directors of the Company (other than Promoters and members of the Promoter Group, Independent Directors, the Non-Executive Chairman of the Company, if any, and Directors who, either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than ten per cent of the outstanding equity shares of the Company) and, subject to Item No. 2 of this Notice, of the Subsidiary Company(ies) of the Company, as may be determined by the NRC in accordance with the Scheme, not exceeding 39,75,150 (Thirty-Nine Lakh Seventy-Five Thousand One Hundred and Fifty) employee stock options ("Options"), each Option conferring the right, but not the obligation, to acquire from the SPFL ESOP Trust one fully paid-up equity share of the Company of face value ₹1/- (Rupee One) each (a "Share") at the Exercise Price, on the terms and conditions of the Scheme.

RESOLVED FURTHER THAT the Scheme shall be implemented and administered through an irrevocable trust to be settled by the Company under the Indian Trusts Act, 1882, to be known as the 'SPFL ESOP Trust' (the "Trust"), which decision is taken upfront at the time of this approval in accordance with the first proviso to Regulation 3(1) of the SEBI SBEB Regulations, and that the Shares required for transfer to employees on exercise of Options shall be sourced only by secondary acquisition by the Trust on the platform of a recognised stock exchange for cash consideration, subject to the separate approval sought at Item No. 3 of this Notice; the Scheme does not authorise any issue of new Shares by the Company, without prejudice to the Company's obligation under Explanation 4 to Regulation 3(11) of the SEBI SBEB Regulations to make good, by a new issue of Shares to the Trust in accordance with applicable law and after

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obtaining the approvals then required, any shortfall of Shares arising if the Options granted exceed the Shares that the Trust may acquire by secondary acquisition.

RESOLVED FURTHER THAT the Members hereby approve the withdrawal and termination of the 'Sarla Performance Fibers Limited Employee Stock Option Plan (ESOP) Scheme 2025' approved by the Members by Special Resolution through postal ballot deemed passed on 6 March 2025, together with its extension to employees of the Subsidiary Company(ies) approved by a separate Special Resolution deemed passed on the same date (together, the "2025 Plan"), with effect from the date on which the Special Resolutions at Item Nos. 1, 3 and 4 of this Notice are deemed to have been passed, and both the said Special Resolutions dated 6 March 2025 shall stand superseded with effect from that date; and the Members note that no option was granted and no Share was allotted under the 2025 Plan, so that no employee entitlement is affected by its withdrawal.

RESOLVED FURTHER THAT the Scheme shall be subject to the following principal terms, as more fully set out in the Scheme and the Explanatory Statement:

(a) the Exercise Price of each grant shall be determined by the NRC on the grant date and shall be not less than the face value of a Share and not more than the Market Price (being the latest available closing price on the recognised stock exchange having the higher trading volume on the date immediately preceding the grant date), the NRC being entitled to fix the Exercise Price at the Market Price or at a discount thereto, and to fix different Exercise Prices for different grants or categories of employees on objective criteria recorded by it;

(b) Options shall vest not earlier than one year and not later than five years from the grant date, in one or more tranches, subject to continued employment and such performance or other conditions as the NRC may specify, except that on death or permanent incapacity of an employee all Options granted to him shall vest on the date of death or permanent incapacity;

(c) vested Options shall be exercisable within such exercise period, not exceeding five years from the relevant vesting date, as the NRC may specify in the grant letter, subject to the provisions of the Scheme on cessation of employment;

(d) the number of Options granted to any one employee in any financial year shall be less than one per cent of the issued capital of the Company (excluding outstanding warrants and conversions) at the time of grant unless a separate Special Resolution identifying that employee is obtained under Regulation 6(3)(d) of the SEBI SBEB Regulations, the number of Options to be granted to each employee being otherwise determined by the NRC on a case-to-case basis;

(e) Options which lapse, expire, are forfeited or are surrendered shall be added back to the pool of 39,75,150 Options and shall be available for further grants within that pool; and

(f) the Trustee(s) of the Trust shall not vote in respect of Shares held by the Trust, the Trust shall undertake only delivery-based transactions and shall not deal in derivatives, the shareholding of the Trust shall be disclosed as "non-promoter and non-public" shareholding, and the Trust shall not determine the employees to whom, the number of Options which, or the Exercise Price or vesting conditions on which, Options are granted, all of which are reserved to the NRC.

RESOLVED FURTHER THAT in the event of any corporate action such as a rights issue, bonus issue, sub-division or consolidation of Shares, buy-back, merger, demerger, amalgamation, scheme of arrangement, sale of division or other change in the capital structure of the Company, the NRC shall make a fair and reasonable adjustment to the number of Options, the number of Shares per Option and the Exercise Price, and to the pool of 39,75,150 Options, in accordance with the Scheme and the SEBI SBEB Regulations, such that the total value to the employee of the Options remains the same after the corporate action, and the ceilings in terms of number of Shares specified in this resolution shall be deemed to be adjusted accordingly.

RESOLVED FURTHER THAT no Options shall be granted to a non-executive Director of the Company unless the approval of the Members specifying the maximum number of Options that may be granted to non-executive Directors in a financial year and in aggregate has been obtained in accordance with Regulation 17(6)(c) of the Listing Regulations.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies specified in Regulation 15 of the SEBI SBEB Regulations and shall use the fair value method for valuation and accounting of the Options.

RESOLVED FURTHER THAT the NRC, acting as the Compensation Committee, be and is hereby authorised to formulate the detailed terms and conditions of the Scheme in accordance with Regulation 5(3) and Part B of Schedule I of the SEBI SBEB Regulations, to supervise the Scheme, to delegate its administration to the Trust in accordance with the proviso to Regulation 5(1) while retaining the determinations reserved to it, to determine the eligibility criteria, the employees to whom Options are to be granted, the number of Options, the Exercise Price, the vesting schedule and conditions and the exercise period of each grant, and to do all acts necessary for the implementation of the Scheme.

RESOLVED FURTHER THAT the Board be and is hereby authorised to settle the Trust, to execute the trust deed and every modification thereto and to file the same with the Stock Exchanges as required by Regulation 3(3) of the SEBI SBEB Regulations, to complete all depository, stock-exchange and other filings and formalities applicable to implementation of the Scheme through the Trust, to vary the terms of the Scheme to meet any regulatory requirement as permitted by Regulation 7(2) of the SEBI SBEB Regulations without further approval of the Members, provided that no variation prejudicial to the interests of employees or requiring the approval of the Members under applicable law shall be made without such approval, to settle all questions, difficulties or doubts that may arise in giving effect to this resolution, to execute all documents, deeds and writings and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or expedient to give effect to this resolution, and to delegate all or any of the powers conferred by this resolution to any Director, committee of the Board or officer of the Company."

(2) EXTENSION OF 'SARLA PERFORMANCE FIBERS LIMITED EMPLOYEE STOCK OPTION PLAN 2026' TO EMPLOYEES AND DIRECTORS OF SUBSIDIARY COMPANY(IES) OF THE COMPANY:

To consider, and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) (to the extent applicable) and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Rules thereunder, Regulation 6(3)(c) and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the "SEBI SBEB Regulations"), the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the Members of the Company be and is hereby accorded to extend the benefits of the 'Sarla Performance Fibers Limited Employee Stock Option Plan 2026' (the "Scheme") referred to in Resolution No. 1 above to the employees and directors (other than independent directors) of the present and future Subsidiary Company(ies) of the Company, whether working in India or outside India, and to authorise the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include the Nomination and Remuneration Committee acting as the Compensation Committee) to grant Options under the Scheme from time to time, in one or more tranches, to such employees and directors as may be determined to be eligible under the Scheme and the SEBI SBEB Regulations (other than an employee who is a Promoter or a person belonging to the Promoter Group, and a director who, either himself or through

his relative or through any body corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the Company), on such terms and conditions as the Board may decide under the Scheme in accordance with the SEBI SBEB Regulations and other applicable laws.

RESOLVED FURTHER THAT the maximum number of Options to be granted to eligible employees of both the Company and its Subsidiary Company(ies) under the Scheme shall not cumulatively exceed 39,75,150 (Thirty-Nine Lakh Seventy-Five Thousand One Hundred and Fifty) Options, each exercisable for one fully paid-up equity share of the Company of face value of ₹1/- (Rupee One only), subject to adjustment for corporate actions as provided in the Scheme.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and being incidental for effective implementation of this resolution, to execute all such documents and to make all such filings and disclosures as may be necessary or expedient, and to delegate all or any of the powers conferred by this resolution to any Director, committee of the Board or officer of the Company."

(3) SECONDARY ACQUISITION OF EQUITY SHARES OF THE COMPANY BY THE SPFL ESOP TRUST FOR IMPLEMENTATION OF 'SARLA PERFORMANCE FIBERS LIMITED EMPLOYEE STOCK OPTION PLAN 2026':

To consider, and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 3 and Regulation 6(3)(a) and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the "SEBI SBEB Regulations"), Section 62(1)(b) (to the extent applicable) and other applicable provisions, if any, of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Memorandum and Articles of Association of the Company and other applicable laws, rules and regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to such approvals, consents, permissions and sanctions as may be necessary and to the approval of Item No. 1 of this Notice, the consent of the Members be and is hereby accorded to the SPFL ESOP Trust (the "Trust"), acting through its Trustee(s), to acquire existing fully paid-up equity shares of the Company of face value ₹1/- each ("Shares"), from time to time and in one or more tranches, by way of secondary acquisition on the platform of a recognised stock exchange for cash consideration ("Secondary Acquisition"), for the purpose of implementation of the 'Sarla Performance Fibers Limited Employee Stock Option Plan 2026' (the "Scheme"), subject to the following limits:

(a) the Secondary Acquisition by the Trust in any financial year shall not exceed two per cent (2%) of the paid-up equity share capital of the Company as at the end of the immediately preceding financial year, in accordance with Regulation 3(10) of the SEBI SBEB Regulations, which for the financial year 2026-27 amounts to 16,70,060 Shares, being 2% of 8,35,03,000 Shares, the paid-up equity share capital as at 31 March 2026; and

(b) the total number of Shares acquired by Secondary Acquisition and held by the Trust shall at no point of time exceed five per cent (5%) of the paid-up equity share capital of the Company as at the end of the financial year immediately preceding the financial year in which this approval is obtained, which limit automatically includes within its ambit the reduced capital of the Company on account of the buy-back of 40,00,000 Shares completed in June 2026 in accordance with Explanation 1 to Regulation 3(11) of the SEBI SBEB Regulations, and accordingly amounts to 39,75,150 Shares, being 5% of 7,95,03,000 Shares, such limit being applicable for all schemes and trusts of the Company taken together at the level of the Company;

provided that the number of Shares held by the Trust through Secondary Acquisition for the purposes of the Scheme shall not at any time exceed the pool of 39,75,150 Options approved under Item No. 1, as adjusted

for corporate actions, and provided further that the above limits shall be computed and applied in accordance with Regulation 3 of the SEBI SBEB Regulations as amended from time to time.

RESOLVED FURTHER THAT the Trust shall undertake only delivery-based transactions and shall not deal in derivatives; Shares acquired by Secondary Acquisition shall be held by the Trust for a minimum period of six months except where they are required to be transferred in the circumstances specified in Regulation 3(14)(b) of the SEBI SBEB Regulations, and transfer to an employee on exercise of Options shall not be an exception to the six-month holding requirement; Shares not backed by grants shall be appropriated within the period specified in Regulation 3(12); the Trust shall not sell Shares in the secondary market except in the circumstances permitted by Regulation 3(15) and shall not become a mechanism for trading in Shares; and the Trustee(s) shall not vote in respect of Shares held by the Trust.

RESOLVED FURTHER THAT any Secondary Acquisition by the Trust to maintain the five per cent limit on the share capital of the Company as expanded by any preferential allotment or qualified institutions placement shall require a further separate approval of the Members under Regulation 6(3)(b) of the SEBI SBEB Regulations.

RESOLVED FURTHER THAT the Board of Directors of the Company (including the NRC) be and is hereby authorised to direct the Trust as to the timing, number and other terms of Secondary Acquisitions within the above limits, to make all required disclosures and filings, to do all such acts, deeds, matters and things and to execute all such documents as may be necessary or expedient to give effect to this resolution, and to delegate all or any of the powers conferred by this resolution to any Director, committee of the Board or officer of the Company."

(4) PROVISION OF MONEY BY THE COMPANY TO THE SPFL ESOP TRUST FOR SECONDARY ACQUISITION OF EQUITY SHARES OF THE COMPANY FOR IMPLEMENTATION OF 'SARLA PERFORMANCE FIBERS LIMITED EMPLOYEE STOCK OPTION PLAN 2026':

To consider, and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 67(3)(b) and other applicable provisions of the Companies Act, 2013 (the "Act"), Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 (the "Share Capital Rules"), Regulation 3(8) and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the "SEBI SBEB Regulations") and other applicable laws, rules and regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to the approval of Item Nos. 1 and 3 of this Notice, the consent of the Members be and is hereby accorded to the scheme of provision of money by the Company to the SPFL ESOP Trust (the "Trust"), by way of loan, from time to time and in one or more tranches, solely for the purchase by the Trust of existing fully paid-up equity shares of the Company through secondary acquisition on the platform of a recognised stock exchange for implementation of the 'Sarla Performance Fibers Limited Employee Stock Option Plan 2026' (the "Scheme") and for the payment of brokerage, securities transaction tax, stamp duty, depository charges and other charges directly incidental to such acquisition, up to such amount as, together with the value of the Shares to be purchased by the Trust in the aggregate, does not exceed five per cent of the aggregate of the paid-up capital and free reserves of the Company as per its latest audited balance sheet, computed from time to time in accordance with Rule 16(1)(d) of the Share Capital Rules (the "Funding Limit"), such limit being an overall limit inclusive of any money provided by the Company to the Trust under any other scheme.

RESOLVED FURTHER THAT the money so provided shall be on the following terms: (a) Interest: interest-free; (b) Tenure: until the objects of the Scheme are accomplished (that is, when the Scheme has been terminated or wound up and every Option granted under it has been exercised or has otherwise ceased to be exercisable) or the loan is repaid in full, whichever is earlier, co-terminus with the Scheme; (c) Utilisation: exclusively for secondary acquisition of Shares through a recognised stock exchange for implementation of the Scheme and for charges directly incidental to such acquisition, and not to reimburse

or make good, after the acquisition of Shares, any difference between the Trust's cost of acquisition of Shares and the Exercise Price received from employees; (d) Repayment: from the Exercise Price received from employees on exercise of Options, dividends received on Shares held by the Trust, the proceeds of any sale of Shares permitted under Regulation 3(15) of the SEBI SBEB Regulations and any other income of the Trust, applied towards repayment in accordance with the trust deed and the loan agreement, the Trust's obligation to repay being limited to the assets of the Trust; (e) Security: unsecured, the Company taking no charge over or right to call for Shares held by the Trust; and (f) Tranches: one or more tranches as required for implementation of the Scheme, within the limits aforesaid.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise and execute the loan agreement and other documentation with the Trustee(s) within the Funding Limit and on the terms approved by this resolution, to disburse the money in tranches, to determine the amount of each tranche having regard to the Funding Limit as recomputed on each audited balance sheet and the requirements of the Scheme, to make the disclosures required under Rule 16(4) of the Share Capital Rules and Part F of Schedule I of the SEBI SBEB Regulations, and to do all such acts, deeds, matters and things and execute all such documents as may be necessary or expedient to give effect to this resolution, and to delegate all or any of the powers conferred by this resolution to any Director, committee of the Board or officer of the Company."

Company's Registered Office

Survey No. 59/1/4, Amli Piparia Industrial Estate,
Silvassa, Dadra & Nagar Haveli, 396230
CIN: L31909DN1993PLC000056

Company's Corporate Office:

304, Arcadia, 195 Nariman Point, Mumbai – 400 021
Tel.: 022 - 2283 4116

E-mail: investors@sarlafibers.com

By order of the Board of Directors of
Sarla Performance Fibers Limited

Sd/-

Mustafa Manasawala
Company Secretary & Compliance Officer
Membership No.: A76344

Place: Mumbai
Date: 03.11.2026

NOTES:

1. The Explanatory Statement pursuant to Section 102 read with Section 110 of the Act, setting out the material facts and reasons for the proposed resolutions, the disclosures required under Regulation 6(2) read with Part C of Schedule I of the SEBI SBEB Regulations, and the particulars required under Rule 16(2) of the Companies (Share Capital and Debentures) Rules, 2014, is annexed to this Notice.

2. In compliance with the MCA Circulars, this Notice is being sent by electronic mode only to those Members whose names appear in the Register of Members / list of Beneficial Owners maintained by the Company and as received from NSDL and Central Depository Services (India) Limited ("CDSL") as on the Cut-off Date, i.e. Friday, 30 October 2026, and whose e-mail addresses are registered with the Company / Depository Participants. Physical copies of this Notice, Postal Ballot Forms and pre-paid business reply envelopes are not being sent. The Notice is also available on the Company's website at www.sarlafibers.com, on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, and on the website of NSDL at www.evoting.nsdl.com.

3. Members whose names appear in the Register of Members / list of Beneficial Owners as on the Cut-off Date are entitled to vote on the resolutions set out in this Notice. A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only. The voting rights of Members shall be in proportion to their shareholding in the paid-up equity share capital of the Company as on the Cut-off Date. A Member cannot exercise his / her / its vote by proxy on Postal Ballot.

4. The Company has engaged NSDL for providing the remote e-voting facility. The remote e-voting period commences at 09:00 A.M. (IST) on Thursday, 5 November 2026 and ends at 05:00 P.M. (IST) on Friday, 4 December 2026. The remote e-voting module shall be disabled by NSDL thereafter, and voting shall not be allowed beyond the said date and time. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.

5. The Scrutinizer will submit her report to the Chairman or any Director or the Company Secretary authorised by him after completion of the scrutiny, and the results of the Postal Ballot will be announced within two working days from the conclusion of the remote e-voting period. The results, along with the Scrutinizer's report, will be placed on the Company's website and on the website of NSDL, communicated to the Stock Exchanges in accordance with Regulation 44 of the Listing Regulations, and displayed for at least three days on the notice board at the Registered Office and the Corporate Office of the Company. The decision of the Scrutinizer on the validity of the votes cast shall be final.

6. The resolutions, if passed by the requisite majority, shall be deemed to have been passed on the last date specified for remote e-voting, i.e. Friday, 4 December 2026, as if passed at a general meeting of the Members.

7. In compliance with Rule 22 of the Rules, an advertisement containing the prescribed particulars about the completion of dispatch of this Notice will be published in one English language national daily newspaper and one vernacular language daily newspaper circulating in the district in which the registered office is situated, and will also be placed on the Company's website.

8. All the documents referred to in the Notice and the Explanatory Statement, including (i) the SPFL ESOP Plan 2026, (ii) the draft Deed of Trust of the SPFL ESOP Trust, (iii) the draft loan agreement between the Company and the Trustee(s), (iv) the relevant resolutions of the Board and the NRC, (v) the latest audited standalone financial statements of the Company, (vi) the notice of Postal Ballot dated 30 January 2025 relating to the 2025 Plan together with the Scrutinizer's report and results thereof, and (vii) the Memorandum and Articles of Association of the Company, will be available for inspection by the Members through electronic mode from Thursday, 5 November 2026 up to Friday,

4 December 2026 (being the last date of remote e-voting), on a request sent to investors@sarlafibers.com mentioning the Member's name, folio number / DP ID and Client ID, and the documents which the Member wishes to inspect. The SPFL ESOP Plan 2026 and the draft Deed of Trust are also hosted on the Company's website at www.sarlafibers.com.

9. Members holding shares in physical mode who have not registered their e-mail addresses are requested to register / update the same with the Company's Registrar and Share Transfer Agent, MUFG Intime India Private Limited (the "RTA"), by following the process prescribed by SEBI and the RTA (including submission of Form ISR-1 and the supporting documents), and Members holding shares in dematerialised mode are requested to register / update their e-mail addresses with their respective Depository Participants. Members may also follow the process set out in the e-voting instructions below for obtaining their login credentials.

10. Members are requested to keep their PAN, contact, bank and other KYC particulars updated with the RTA or their Depository Participant, as applicable, and to submit or update nomination or their choice to opt out in accordance with applicable SEBI requirements.

11. Institutional Members (i.e. other than individuals, HUF, NRIs, etc.) are required to send a scanned copy (PDF / JPG format) of the relevant Board Resolution / Authority Letter with attested specimen signature(s) of the duly authorised signatory(ies) to the Scrutinizer at csvyoma@aslassociates.in with a copy marked to evoting@nsdl.com.

12. In case of any queries or grievances relating to the Postal Ballot / remote e-voting, Members may write to the Company Secretary at investors@sarlafibers.com or contact the NSDL helpdesk as set out in the e-voting instructions below.

INSTRUCTIONS FOR REMOTE E-VOTING THROUGH NSDL

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csvyoma@aslassociates.in with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on : 022 - 4886 7000 or send a request to National Securities Depository Limited at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investors@sarlafibers.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investors@sarlafibers.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 READ WITH SECTION 110 OF THE COMPANIES ACT, 2013 (the Act)

ITEM NO. 1

A. Background and material facts

The Members of the Company, by Special Resolution passed through postal ballot deemed passed on 6 March 2025 (the Notice of which was dated 30 January 2025), approved, at Item No. 1 of that Notice, the 'Sarla Performance Fibers Limited Employee Stock Option Plan (ESOP) Scheme 2025' (the "2025 Plan") for implementation directly by the Company, authorising the grant of up to 41,75,150 options convertible into not more than 41,75,150 Shares to be allotted by the Company on exercise, and, at Item No. 2, its extension to employees of the Subsidiary Company(ies) within the same pool. The 2025 Plan was not brought into operation: no application for in-principle approval of the Stock Exchanges was made and, as on the date of this Notice, no option has been granted and no Share has been allotted under the 2025 Plan. No employee has any accrued right under it.

Since that approval, the Company has completed a buy-back of 40,00,000 Shares at ₹110 per Share by way of tender offer (tendering period 21 May 2026 to 27 May 2026; extinguishment completed in June 2026), reducing its paid-up equity share capital from 8,35,03,000 Shares to 7,95,03,000 Shares of ₹1 each. No grant of options has been proposed or identified as on the date of this Notice. The Board has reconsidered the design of the Company's employee stock option arrangements in the light of the Company's current capital, its preference to avoid further dilution, and the administrative benefits of implementing a scheme through a dedicated trust.

The Board, at its meeting held on 3 November 2026, on the recommendation of the NRC acting as the Compensation Committee, approved the 'Sarla Performance Fibers Limited Employee Stock Option Plan 2026' (the "SPFL ESOP Plan 2026" or the "Scheme") for implementation and administration through an irrevocable employee benefit trust, the 'SPFL ESOP Trust' (the "Trust"), which will acquire existing Shares on the stock exchange and transfer them to employees on exercise of Options, and resolved to withdraw the 2025 Plan with effect from the date on which the Scheme becomes effective on approval of Item Nos. 1, 3 and 4 of this Notice. Both matters are placed before the Members in this Item because they are a single decision: the Scheme replaces the 2025 Plan.

Under Regulation 6(1) of the SEBI SBEB Regulations no scheme may be offered to employees unless the Members approve it by special resolution; under the first proviso to Regulation 3(1) the decision to implement a scheme through a trust must be taken at the time of that approval; and under the third proviso to Regulation 3(1) a scheme involving secondary acquisition must be implemented through a trust. Separate approvals for secondary acquisition (Regulation 6(3)(a)), for grants to employees of subsidiaries (Regulation 6(3)(c)) and for provision of money by the Company to the Trust (Section 67(3)(b) of the Act read with Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014) are sought at Item Nos. 3, 2 and 4 respectively.

B. Rationale

- The trust route allows the Shares required for the Scheme to be acquired from the market in an orderly manner, held by an independent trustee and transferred to employees on exercise, including through cashless exercise arrangements permitted by the SEBI SBEB Regulations.
- Sourcing by secondary acquisition avoids any fresh issue of Shares and the consequent dilution of Members, within the acquisition, holding, inventory and sale restrictions in Regulation 3 of the SEBI SBEB Regulations.

- The pool of 39,75,150 Options is five per cent of the Company's current paid-up equity share capital of 7,95,03,000 Shares and is aligned with the maximum aggregate secondary-acquisition limit permitted for an employee stock option scheme under Regulation 3(11).
- The NRC continues to act as the Compensation Committee and retains the determination of eligible employees, quantum of Options, Exercise Price and vesting conditions. The Trust acts only on the directions of the NRC and cannot independently determine those matters.

C. Disclosures under Regulation 6(2) read with Part C of Schedule I of the SEBI SBEB Regulations

Sr. No.	Particulars	Details
a	Brief description of the Scheme	The SPFL ESOP Plan 2026 is an employee stock option scheme under Part A of Chapter III of the SEBI SBEB Regulations. Options are granted by the NRC, acting as the Compensation Committee under Regulation 5, to eligible employees; each vested Option entitles the holder, but does not oblige him, to acquire from the Trust one Share on payment of the Exercise Price within the exercise period. The Scheme is supervised by the NRC and implemented and administered through the Trust. Objects: to reward employees for their contribution; to attract, motivate and retain talent; to align the interests of employees with the long-term growth of the Company; and to enable employees to participate in the growth in value of the Company.
b	Total number of Options to be offered and granted	Not exceeding 39,75,150 Options, each exercisable for one Share of face value ₹1/- each, subject to adjustment for corporate actions. Options that lapse, expire, are forfeited or surrendered are added back to the pool and may be re-granted within it.
c	Identification of classes of employees entitled to participate and be beneficiaries	(i) an employee as designated by the Company, exclusively working in India or outside India; (ii) a director of the Company, whether a whole-time director or not, including a non-executive director who is not a Promoter or member of the Promoter Group (grants to a non-executive director being subject to the separate approval of the Members under Regulation 17(6)(c) of the Listing Regulations), but excluding an Independent Director and the Non-Executive Chairman of the Company, if any; and (iii) an employee or director as described in (i) or (ii) of a Subsidiary Company of the Company, present or future, in India or outside India (subject to Item No. 2); but excluding an employee who is a Promoter or belongs to the Promoter Group, a director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, and any other person excluded under the SEBI SBEB Regulations.
d	Requirements of vesting and period of vesting	Vesting is subject to continued employment of office on the vesting date and to such performance or other conditions as the NRC may specify in the grant letter; different schedules and conditions may apply to different grants or categories. Minimum vesting period: one year from the grant date. On death or permanent incapacity, all Options granted vest on that date (Regulations 9(4), 9(5) and 18(1)). The holding period of options in a merged, demerged, arranged or amalgamated company is credited against the minimum vesting period where replacement Options are granted.

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CIN L31909DN1993PLC000056

Sr. No.	Particulars	Details
e	Maximum period within which the Options shall be vested	Five years from the grant date, in one or more tranches, except as stated in (d) for death and permanent incapacity.
f	Exercise price or pricing formula	Determined by the NRC on the grant date: not less than the face value of a Share (₹1) and not more than the Market Price, being the latest available closing price on the recognised stock exchange having the higher trading volume on the date immediately preceding the grant date. Within that range the NRC may fix the Exercise Price at the Market Price or at a discount to it, and may fix different Exercise Prices for different grants or categories of employees on objective criteria recorded in its minutes.
g	Exercise period and process of exercise	The exercise period is specified in the grant letter and does not exceed five years from the relevant vesting date. Exercise is by written or electronic application to the Trust through the Company's designated platform, with payment of the aggregate Exercise Price and applicable taxes through banking channels (not in cash). The NRC may approve a cashless or assisted exercise mechanism permitted by Regulation 9(2). The Trust transfers the Shares to the participant's demat account ordinarily within 60 days of a valid exercise, subject to the six-month holding period under Regulation 3(13) and mandatory formalities. On resignation or termination other than for cause, vested Options are exercisable within 90 days or the balance of the exercise period, whichever is shorter, unless the NRC allows longer; unvested Options lapse. On termination for Cause, unvested Options lapse and the treatment of vested Options is as determined by the NRC under the terms formulated by it under Regulation 5(3) and the Grant Letter. On retirement or superannuation, Options continue to vest and are exercisable within the exercise period. On death or permanent incapacity, see (d); the Options may be exercised within the applicable exercise period. Options not exercised within the applicable period lapse.
h	Appraisal process for determining eligibility	The NRC determines eligibility on the basis of grade, designation, role criticality, period of service, performance evaluation, future potential, retention requirements and such other criteria as it may record, having regard to the performance of the employee, of the Company and of the relevant business unit.
i	Maximum number of Options to be offered and issued per employee and in aggregate	Per employee: less than 1% of the issued capital of the Company (excluding outstanding warrants and conversions) in any one financial year at the time of grant, unless a separate Special Resolution under Regulation 6(3)(d) is obtained; the number of Options per employee is otherwise determined by the NRC on a case-to-case basis and no further per-employee cap is prescribed. In aggregate for all employees of the Company and its Subsidiary Company(ies): 39,75,150 Options.
j	Maximum quantum of benefits per employee	The benefit to an employee is the excess of the value of the Shares on the date of exercise over the Exercise Price paid, in respect of the Options granted to him within the limits in (i). No other benefit is provided under the Scheme.
k	Whether the Scheme is to be implemented and administered directly by the Company or through a trust	Through the SPFL ESOP Trust, supervised by the NRC, from the effective date of the Scheme.

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Sr. No.	Particulars	Details
l	Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the Trust or both	Secondary acquisition by the Trust only (Item No. 3). No new issue of Shares is authorised. The statutory obligation under Explanation 4 to Regulation 3(11) to make good any shortfall by a new issue, after obtaining the approvals then required, is preserved.
m	Amount of loan to be provided by the Company to the Trust, its tenure, utilisation, repayment terms, etc.	Up to the Funding Limit under Rule 16(1)(d), i.e. such amount as, together with the value of Shares purchased by the Trust in the aggregate, does not exceed five per cent of the aggregate of paid-up capital and free reserves of the Company per its latest audited balance sheet, being an overall limit inclusive of any money provided under any other scheme. Interest: interest-free. Tenure: co-terminus with the Scheme, until its objects are accomplished or the loan is repaid, whichever is earlier. Utilisation: secondary acquisition of Shares and charges directly incidental thereto; not to reimburse or make good, after the acquisition of Shares, any difference between the Trust's cost of acquisition of Shares and the Exercise Price. The costs of establishing and administering the Trust and the Scheme are borne by the Company and are not met out of the loan. Repayment: from Exercise Price receipts, dividends on Shares held by the Trust, proceeds of sales permitted under Regulation 3(15) and any other income of the Trust; recourse limited to the assets of the Trust. Unsecured.
n	Maximum percentage of Secondary Acquisition by the Trust	Up to 2% of the paid-up equity share capital as at the end of the previous financial year in any financial year (16,70,060 Shares for the financial year 2026-27), and up to 5% in aggregate at any time (39,75,150 Shares on the post-buy-back capital), at the Company level for all trusts and schemes taken together. Details at Item No. 3.
o	Statement on accounting policies (Regulation 15)	The Company shall conform to the accounting policies specified in Regulation 15 of the SEBI SBEB Regulations, i.e. the Accounting Standards prescribed by the Central Government under Section 133 of the Act (Ind AS 102) and the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, including the disclosure requirements thereof.
p	Method of valuation of Options	Fair value method. The employee compensation cost shall be measured using the grant-date fair value of the Options determined under an option-pricing model in accordance with Ind AS 102 and the said Guidance Note; for accounting purposes the grant date shall be determined under the applicable accounting standards.
q	Declaration (intrinsic value method)	Not applicable, since the Company has opted for the fair value method.
r	Period of lock-in	Shares transferred on exercise are not subject to any lock-in, save any lock-in specified in the grant letter under Regulation 18(2) and the restrictions under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct for Prevention of Insider Trading.

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Sr. No.	Particulars	Details
s	Terms and conditions for buy-back of specified securities	Any buy-back by the Company of specified securities issued under the Scheme shall be undertaken under the SEBI (Buy-Back of Securities) Regulations, 2018 in accordance with the procedure and terms laid down by the NRC under Part B(k) of Schedule I, including the permissible sources of financing, any minimum financial thresholds to be maintained by the Company as per its last financial statements, and the limits upon the quantum of specified securities that the Company may buy back in a financial year.

The trust deed of the Trust shall contain the minimum provisions required by Part A of Schedule I of the SEBI SBEB Regulations, and the executed deed and every modification shall be filed with the Stock Exchanges under Regulation 3(3). Trust Shares shall be disclosed as non-promoter and non-public shareholding and excluded from minimum public shareholding; the Trustee(s) shall not vote Trust Shares; and the Trust shall comply with the requirements applicable to insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. As the implementation is by secondary acquisition only, the in-principle approval of the Stock Exchanges and the appointment of a merchant banker applicable to a new issue of Shares are not required at this stage. The NRC shall comply with Regulation 5(2) read with Regulation 19 of the Listing Regulations.

A copy of the Scheme and the draft trust deed are available for inspection as stated in Note 8. The Board recommends the Special Resolution at Item No. 1 for the approval of the Members.

ITEM NO. 2

Regulation 6(3)(c) of the SEBI SBEB Regulations requires the approval of the Members by a separate special resolution for the grant of Options under a scheme to the employees of a subsidiary company. The approval is accordingly sought to extend the benefits of the Scheme to the employees and directors (other than independent directors) of the present and future Subsidiary Company(ies) of the Company, so that key personnel of the Company and its Subsidiary Company(ies) may be rewarded and retained on a common basis, on the same terms and within the same aggregate pool of 39,75,150 Options as approved under Item No. 1. The eligibility of employees and the terms of each grant shall be determined by the NRC in accordance with the Scheme and the SEBI SBEB Regulations.

The Board recommends the Special Resolution at Item No. 2 for the approval of the Members.

ITEM NO. 3

The Scheme contemplates secondary acquisition by the Trust as the sole source of Shares. Under Regulation 6(3)(a) of the SEBI SBEB Regulations, the approval of the Members by a separate resolution is required for secondary acquisition for implementation of a scheme, and the approval must mention the percentage of secondary acquisition, subject to the limits specified in the Regulations, that can be undertaken. Secondary acquisition is accordingly placed as a separate Special Resolution.

The limits applicable under Regulation 3 of the SEBI SBEB Regulations, and their application to the Company, are as follows:

Particulars	Limit and basis	Application to the Company
Annual limit — Regulation 3(10)	2% of the paid-up equity capital as at the end of the previous financial year.	Financial year 2026-27: 2% of 8,35,03,000 Shares (paid-up capital as at 31 March 2026) = 16,70,060 Shares. For later financial years the limit is recomputed on the capital as at the end of the preceding financial year (2% of 7,95,03,000 = 15,90,060 Shares, absent further change).
Aggregate limit at any point of time — Regulation 3(11)	5% of the paid-up equity capital as at the end of the financial year immediately prior to the year in which this approval is obtained, for an employee stock option scheme and for all schemes in aggregate, applicable at the Company level for all trusts and schemes taken together (Explanation 2). By Explanation 1, the limit automatically includes within its ambit the expanded or reduced capital on account of corporate actions, including buy-back.	5% of 7,95,03,000 Shares (capital after extinguishment of 40,00,000 Shares bought back in June 2026) = 39,75,150 Shares. The Company has no other scheme or trust.

These statutory ceilings are separate from, although presently numerically equal to, the pool of 39,75,150 Options approved under Item No. 1. The NRC shall record the available acquisition headroom and delivery capacity before each grant, having regard to the six-month holding requirement. Explanation 4 to Regulation 3(11) is expressly preserved in Clause 7.9 of the Scheme and Clause 9.2 of the draft trust deed; this resolution does not itself authorise a new issue to cover a statutory shortfall.

The Trust will acquire existing Shares only on the platform of a recognised stock exchange for cash consideration (as also required by Rule 16(1)(b) of the Companies (Share Capital and Debentures) Rules, 2014), will undertake only delivery-based transactions and no derivative transactions (Regulation 3(7)), will hold Shares acquired for a minimum of six months save in the circumstances in Regulation 3(14)(b) (Regulation 3(13)), will not sell Shares in the secondary market except in the circumstances in Regulation 3(15), and will appropriate unappropriated inventory within the period in Regulation 3(12). Any secondary acquisition to maintain the 5% cap on capital expanded by a preferential allotment or qualified institutions placement will require a further separate approval under Regulation 6(3)(b).

The Board recommends the Special Resolution at Item No. 3 for the approval of the Members.

ITEM NO. 4

Regulation 3(8) of the SEBI SBEB Regulations permits a company, subject to the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014, to lend monies to the trust on appropriate terms and conditions to acquire shares through secondary acquisition for implementation of the scheme. Section 67(2) of the Act prohibits a public company from giving financial assistance for the purchase of its own shares; Section 67(3)(b) excepts money provided in accordance with a scheme approved by the company through special resolution and in accordance with the prescribed requirements, for the purchase of fully paid-up shares held by trustees for the benefit of employees. Rule 16(1) prescribes that (a) the scheme of provision of money is approved by the Members by special resolution; (b) the shares of a listed

company are purchased only through a recognised stock exchange and not by way of private offers or arrangements; and (d) the value of shares to be purchased in the aggregate together with the money provided by the company does not exceed five per cent of the aggregate of paid-up capital and free reserves of the company. The money is provided under the specific provisions of Section 67(3)(b) and Rule 16, which prescribe the conditions on which a company may provide money for the purchase of its shares by trustees for the benefit of employees, and under Regulation 3(8) of the SEBI SBEB Regulations, which permits such lending on appropriate terms and conditions; the loan is accordingly proposed to be interest-free, the Trust being an extension of the Company established solely to implement the Scheme for the benefit of employees.

The Company proposes to provide money to the Trust by way of an unsecured loan, in one or more tranches, solely for the purchase of existing Shares through secondary acquisition for implementation of the Scheme and for charges directly incidental thereto, up to the Funding Limit under Rule 16(1)(d), being five per cent of the aggregate of the paid-up capital and free reserves of the Company as per its latest audited balance sheet, which is an overall limit inclusive of any money provided by the Company to the Trust under any other scheme and is recomputed on each audited balance sheet. The Company has no other scheme or trust.

Principal terms of the proposed funding (Part C(m) of Schedule I of the SEBI SBEB Regulations)

Particulars	Details
Maximum amount	The Funding Limit: such amount, in one or more tranches, as, together with the value of Shares to be purchased by the Trust in the aggregate, does not exceed 5% of the aggregate of the paid-up capital and free reserves of the Company as per its latest audited balance sheet (Rule 16(1)(d)); an overall limit inclusive of money provided under any other scheme, recomputed on each audited balance sheet.
Purpose and utilisation	Purchase of existing Shares by secondary acquisition through a recognised stock exchange for implementation of the Scheme, and payment of brokerage, securities transaction tax, stamp duty and depository charges directly incidental thereto. The loan is not a facility to reimburse or make good, after the acquisition of Shares, any difference between the Trust's cost of acquisition of Shares and the Exercise Price. The costs of establishing and administering the Trust and the Scheme, including the Trustee's fees, are borne by the Company and are not met out of the loan.
Interest	Interest-free.
Tenure	Until the objects of the Scheme are accomplished (that is, when the Scheme has been terminated or wound up and every Option granted under it has been exercised or has otherwise ceased to be exercisable) or the loan is repaid in full, whichever is earlier; co-terminus with the Scheme. No disbursement is made after the Scheme is terminated.
Repayment	From the Exercise Price received from employees, dividends received on Shares held by the Trust, the proceeds of any sale of Shares permitted under Regulation 3(15) and any other income of the Trust, applied towards repayment in accordance with the trust deed and the loan agreement; the Trust's obligation to repay is limited to the assets of the Trust.
Security	Unsecured. The Company takes no charge over, and no right to call for, Shares held by the Trust.
Tranches	One or more, as required for implementation of the Scheme.

Sarla Performance Fibers Limited
304, Arcadia, 195, Nariman Point, Mumbai-400 021, India
+91 22 4032 2786 enquiry@sarlafibers.com
www.sarlafibers.com
CIN L31909DN1993PLC000056

Particulars required under Rule 16(2) of the Companies (Share Capital and Debentures) Rules, 2014

Particulars	Details
(a) Class of employees for whose benefit the Scheme is being implemented and money is being provided	Eligible employees and directors of the Company and, subject to Item No. 2, of its Subsidiary Company(ies), as described in Part C, item (c), of the Explanatory Statement to Item No. 1.
(b) Particulars of the trustee or employees in whose favour Shares are to be registered	Shares will be registered in the name of the Trustee(s) of the SPFL ESOP Trust, who will hold them for the benefit of the eligible employees. An employee becomes the registered holder of Shares upon exercise of vested Options and transfer of the corresponding Shares by the Trustee(s).
(c) Particulars of the Trust, and name, address, occupation and nationality of the Trustee(s) and their relationship with the Promoters, Directors or Key Managerial Personnel, if any	Name of the Trust: SPFL ESOP Trust – an irrevocable employee benefit trust to be settled by the Company under the Indian Trusts Act, 1882, solely for implementation of the SPFL ESOP Plan 2026. Trustee: Onetrust Managers Private Limited, a company incorporated in India (CIN U74900MH2016PTC272805), as sole corporate trustee Registered office address: Block No 13A/7, New Sion CHS, Opp SIES College, S Vallabh Das Marg, Sion West, Mumbai – 400 022 Occupation / principal business: Corporate trustee Nationality / place of incorporation: Indian / Mumbai, Maharashtra Relationship with the Promoters, Directors or Key Managerial Personnel: None The Trustee is not, and shall not be, a director, key managerial personnel or promoter of the Company or of its holding, subsidiary or associate company, or a relative of any of them, and does not beneficially hold ten per cent or more of the paid-up share capital or voting rights of the Company (Regulation 3(4) of the SEBI SBEB Regulations and Rule 16(3)).
(d) Interest of Key Managerial Personnel, Directors or Promoters in the Scheme or the Trust, and effect thereof	The Promoters and the Promoter Group are not eligible to participate in the Scheme. Directors (other than Independent Directors and Promoter Directors) and Key Managerial Personnel who are employees under the Scheme may be granted Options and are interested to that extent. None of them has any interest in the Trust as trustee or otherwise. The effect is limited to the benefit of Options, if granted, on the terms of the Scheme applicable to all eligible employees.
(e) Detailed particulars of benefits that will accrue to the employees	Each participant will have the right, but not the obligation, to acquire Shares from the Trust on exercise of vested Options at the Exercise Price; the benefit is the excess of the value of the Shares over the Exercise Price, up to the maximum Options that may be granted to him under the Scheme. No other benefit accrues under the Scheme.
(f) Who would exercise, and how, the voting rights in respect of the Shares to be purchased under the Scheme	The Trustee(s) shall not exercise any voting rights in respect of Shares held by the Trust (Regulation 3(5) of the SEBI SBEB Regulations). A participant can exercise voting rights in respect of Shares only after they are transferred to him upon exercise of vested Options. The Board's Report shall contain the disclosures required by Rule 16(4).

The trust deed provides that Company funding may be used only for the Scheme and secondary acquisition, subject to the Rule 16(1)(d) limit. The Company shall make the disclosures required by Regulation 14 read with Part F of Schedule I and Rule 16(4), and shall obtain the annual certificate of the Secretarial Auditor under Regulation 13.

The Board recommends the Special Resolution at Item No. 4 for the approval of the Members.

INTEREST OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (ALL ITEMS)

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the resolutions at Item Nos. 1 to 4, except to the extent of their respective shareholding in the Company, if any, and to the extent of the Options that may be granted to them, if any, under the Scheme as eligible employees. The Promoters and the Promoter Group, including Mr. Krishna Jhunjhunwala, Ms. Neha Krishna Jhunjhunwala and Mr. Kanav Jhunjhunwala, are not eligible to participate in the Scheme.

BOARD RECOMMENDATION

The Board of Directors, on the recommendation of the NRC, recommends the Special Resolutions set out at Item Nos. 1, 2, 3 and 4 of this Notice for the approval of the Members.

Company's Registered Office

Survey No. 59/1/4, Amli Piparia Industrial Estate,
Silvassa, Dadra & Nagar Haveli, 396230
CIN: L31909DN1993PLC000056

Company's Corporate Office:

304, Arcadia, 195 Nariman Point, Mumbai – 400 021
Tel.: 022 - 2283 4116

E-mail: investors@sarlafibers.com

By order of the Board of Directors of
Sarla Performance Fibers Limited

Sd/-

Mustafa Manasawala
Company Secretary & Compliance Officer
Membership No.: A76344

Place: Mumbai
Date: 03.11.2026

INFORMATION AT A GLANCE:

Particulars	Notes
Cut-off date to determine eligible members to vote on the resolution(s)	Friday, 30th October 2026
E-voting start time and date	09.00 A.M. (IST) on Thursday, 5th November 2026
E-voting end time and date	05.00 P.M. (IST) on Friday, 4th December 2026
Date on which the resolutions are deemed to be passed	Last date of voting i.e., Friday, 4th December 2026
EVEN (e-Voting Event Number)	143457
Scrutinizer	CS Vyoma Desai, Practising Company Secretary (FCS 11166; COP 23010); E-mail: csvyoma@aslassociates.in
Name, address and contact details of Registrar and Share Transfer Agent	MUFG Intime India Private Limited (Formerly Known As Link Intime India Private Limited) C-101, Embassy 247, LBS Marg, Vikhroli (West), MUMBAI - 400083 Toll-free number: 1800 1020 878
Contact Details of the Company	Mustafa Manasawala Company Secretary & Compliance Officer Company's Corporate Office: 304, Arcadia, 195 Nariman Point, Mumbai – 400 021 Tel.: 022 - 2283 4116 E-mail: investors@sarlafibers.com