

SUTLEJ TEXTILES AND INDUSTRIES LIMITED

(CIN: L17124RJ2005PLC020927)

Regd. Office: Pachpahar Road, Bhawanimandi - 326 502 (Rajasthan)

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Email: investor.relations@sutlejtextiles.com **website:** www.sutlejtextiles.com

POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013)

Dear Member(s),

NOTICE is hereby given to the Members of Sutlej Textiles and Industries Limited (the "Company"), pursuant to the provisions of Sections 108 and 110 of the Companies Act, 2013, (the "Act"), read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the "Rules"), and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the "Listing Regulations, 2015"), Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India (SS-2) read with General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020, 39/2020 dated 31st December, 2020, 10/2021 dated 23rd June, 2021, 20/2021 dated 8th December, 2021, 03/2022 dated 5th May, 2022, 11/2022 dated 28th December, 2022, 09/2023 dated 25th September, 2023, 9/2024 dated 19th September, 2024 and 03/2025 dated 22nd September, 2025 (collectively referred to as '**MCA Circulars**') and all other applicable provisions framed under the Act, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and other applicable provisions, if any, that the Company is seeking consent of the Members of the Company by means of Postal Ballot, to the Resolution appended below, proposed to be passed through Postal Ballot by way of voting through electronic means only ("Remote e-voting").

As permitted under the MCA Circulars, the Notice of Postal Ballot is being sent in electronic form only to those Members whose e-mail addresses are registered with the Company / Depositories.

If your e-mail address is not registered with the Company / Depositories, please follow the process provided in the Notes of the Notice to receive this Postal Ballot Notice and login ID and password for remote e-voting. The communications of the assent or dissent of the Members would only take place through the remote-e-voting system. In compliance with the requirements of the MCA Circulars, the hard copy of the Postal Ballot Notice along with the Postal Ballot Form and pre-paid business reply envelope will not be sent to the Members for this Postal Ballot.

The proposed resolution and the explanatory statement pertaining to the resolution in terms of the provisions of Section 102 of the Act, as appended hereto, forms part of this Postal Ballot Notice.

The Company has appointed Mr. Rajendra Chouhan of M/s. CSM & Co., Practicing Company Secretaries (FCS: 5118 & COP No. 3726), as Scrutinizer to conduct the Postal Ballot through remote e-voting process in a fair and transparent manner.

In compliance with the provisions of Section 108 and Section 110 of the Act read with Rule 20 and 22 of the Rules, Regulation 44 of the Listing Regulations, 2015, and SS-2, the Company is pleased to provide e-voting facility to its Members, to enable them to cast their votes electronically. The detailed procedure with respect to e-voting is mentioned in this Notice.

The Company has engaged the services of National Securities Depository Limited ("NSDL") for facilitating e-voting. **Voting through remote e-voting commences from Saturday, 21st March, 2026 at 9:00 A.M. IST and ends on Sunday, 19th April, 2026 at 5:00 P.M. IST. The e-voting module shall be disabled by NSDL for voting after 19th April, 2026 (05:00 P.M. IST). The Scrutinizer's decision on the validity of votes shall be final.**

The Scrutinizer will submit the Report to the Chairman or any of the Director or the Company Secretary of the Company upon completion of the scrutiny of the votes cast through remote e-voting. **The result of the Postal Ballot shall be declared on or before Tuesday, 21st April, 2026.**

The proposed resolution as set out herein below, shall be deemed to be passed on the last day of the Postal Ballot voting period i.e., **19th April, 2026**, as if the same had been passed at a General Meeting of the Members convened in that behalf.

The results along with the Scrutinizer's Report will be posted on the Company's website, viz. www.sutlejtextiles.com and also on the website of NSDL, viz., www.evoting.nsdl.com in addition to being communicated to the BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com where the Company's shares are listed.

SPECIAL BUSINESS:

1. Approve the Sutlej Textiles and Industries Limited - Employee Stock Option Scheme 2026:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, relevant provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended from time to time read with the circulars issued thereunder (collectively referred as “SBEB Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“LODR Regulations”), the provisions of Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder and any rules, circulars, notifications, guidelines and regulations issued by the Reserve Bank of India and any other applicable law for the time being in force, the relevant provisions of the Memorandum of Association and Articles of Association of Sutlej Textiles and Industries Limited (“the Company”), and subject to any applicable approval(s), permission(s) and sanction(s) of any authorities and further subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s), the consent of the shareholders of the Company be and is hereby accorded to the introduction and implementation of ‘Sutlej Textiles and Industries Limited - Employee Stock Option Scheme 2026’ (“ESOP 2026” or “Scheme”), the salient features whereof are furnished in the explanatory statement to this Notice, and authorizing the Board of Directors of the Company (*hereinafter referred to as the “Board” which term shall be deemed to include any committee, including the Nomination and Remuneration Committee which the Board has constituted under Regulation 19 of the LODR Regulations to exercise its powers, including the powers, conferred by this resolution*) to create, offer and grant from time to time, in one or more tranches, not exceeding 33,43,380 (Thirty-Three Lakhs Forty-Three Thousand Three Hundred and Eighty only) employee stock options (“Options”) to such employees working exclusively with the Company, whether in India or outside India, including any director, whether whole-time or not (excluding the employees/directors who are promoters and persons belonging to the promoter group, independent director and director holding directly or indirectly more than 10% (ten percent) of the outstanding equity shares of the Company) subject to their eligibility as may be determined under the ESOP 2026, exercisable into not more than 33,43,380 (Thirty-Three Lakhs Forty-Three Thousand Three Hundred and Eighty only) equity shares of face value of Re. 1/- (Rupee One only) each fully paid-up, where one Option would convert into one equity share upon exercise, on such terms and in such manner, in accordance with the provisions of the applicable law and the ESOP 2026.

RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank *pari passu* with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are required to be issued by the Company to the eligible employees for the purpose of making a fair and reasonable adjustment to the Options granted earlier, the ceiling in terms of number of equity shares specified above shall be deemed to be increased to the extent of such additional equity shares that are required to be issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the eligible employees under the ESOP 2026 shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said eligible employees.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SBEB Regulations and any other applicable law and regulations to the extent relevant and applicable to the ESOP 2026.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take requisite steps for listing of the equity shares to be allotted under the ESOP 2026 on the stock exchange(s) where the equity shares of the Company are listed in due compliance with SBEB Regulations and other applicable law.

RESOLVED FURTHER THAT the Board, be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2026 subject to the compliance with applicable laws and regulations and further subject to consent of the shareholders by way of special resolution to the extent required under SBEB Regulations, and to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2026 and do all other

things incidental and ancillary thereof in conformity with the provisions of the applicable law in force to give effect to this resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to the forgoing, the Board be and is hereby authorized to act on behalf of the Company, without being required to specifically seek any further consent or approval of the shareholders of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and to do all such acts, deeds, matters and things as the Board may in its discretion deem necessary or desirable for such purpose, including without limitation the drafting, finalization, entering into and execution of any arrangements or agreements and to delegate its authority under this resolution to any committee or personnel of the Company as the Board may deem fit.”

By order of the Board
For Sutlej Textiles and Industries Limited

Manoj Contractor
Company Secretary and Compliance Officer
Membership No. A11661

Place: Mumbai
Date: 12th March, 2026

NOTES FOR MEMBERS' ATTENTION

1. The Explanatory Statement pursuant to Section 102 read with Section 110 of the Companies Act, 2013 (the "Act") and Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 ("Rules") as amended, setting out material facts and reasons in respect of the resolution as set out above, is annexed hereto and forms part of this Notice.
2. Mr. Rajendra Chouhan of M/s. CSM & Co., peer reviewed firm of Practicing Company Secretaries (Firm Registration No. P2025RJ105300) (FCS: 5118 & COP No.: 3726), has been appointed as the Scrutinizer for conducting the Postal Ballot only through the e-voting process in a fair and transparent manner. He has communicated his willingness for such appointment and will be available for the same. The Scrutinizer will submit the Report to the Chairman or any of the Director or the Company Secretary of the Company upon completion of the scrutiny of the votes cast through remote e-voting. The result of the Postal Ballot shall be declared on or before 21st April, 2026. The Scrutinizer's decision on the validity of the e-voting shall be final and binding.
3. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sutlejtextiles.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared by the Chairman or any of the Director or the Company Secretary, and the same shall be communicated to the Stock Exchanges, where the equity shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.
4. In compliance with the MCA Circulars, Postal Ballot Notice is being sent only electronically by email to the members who have registered their e-mail addresses with the Depository or with the Company and whose names appear in the Register of Members / List of Beneficial Owners as received from Depositories as on 13th March, 2026 (the "Cut-Off Date"). Accordingly, the communications of the assent or dissent of the members would take place through the e-voting system only. Members whose names appear on the Register of Members / List of Beneficial Owners as on the Cut-Off Date will only be considered eligible for the purpose of e-voting. A person who is not a member as on the Cut-Off Date should treat this Postal Ballot Notice for information purposes only. A member cannot exercise his vote by proxy on Postal Ballot.
5. The Postal Ballot period for remote e-voting commences on Saturday, 21st March, 2026 at 9:00 A.M. IST and ends on Sunday, 19th April, 2026 at 5:00 P.M. IST.
6. Resolution passed by members with requisite majority through remote e-voting shall be deemed to be passed on 19th April, 2026 i.e., the last date specified for receipt of votes through remote e-voting as if they have been passed at a general meeting of the members.
7. In compliance with the provisions of Sections 108 and 110 of the Act and the Rules made thereunder, Regulation 44 of the Listing Regulations, 2015 and MCA Circulars, the Company has provided the facility to members to exercise their votes electronically through remote e-voting. The Company has engaged the services of NSDL to provide remote e-voting facility to its members. The instructions for remote e-voting are annexed to this Notice.
8. Members may please note that the Postal Ballot Notice will also be available on the Company's website at www.sutlejtextiles.com, website of the Stock Exchanges i.e. BSE Limited (BSE) at www.bseindia.com, National Stock Exchange of India Limited (NSE) at www.nseindia.com and on the website of National Securities Depository Limited at www.evoting.nsdl.com respectively.
9. All the material documents, if any, referred to in the statement setting out material facts annexed thereto will be available for inspection at the Registered Office of the Company during office hours on working days and also available electronically from the date of dispatch until the last date for receipt of votes through remote e-voting. Members seeking to inspect the same can send an email from their registered email to the Company at investor.relations@sutlejtextiles.com
10. Members are requested to register their e-mail address with the Company. Members are requested to provide details such as Name, Folio number, Certificate number, PAN, Mobile number, E-mail ID, and also upload the image of share certificate and a duly signed request letter (upto 1 MB) in PDF or JPEG format.

GENERAL INFORMATION AND INSTRUCTIONS RELATING TO E-VOTING PROCESS AND MANNER FOR MEMBERS OPTING FOR E-VOTING

In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Act read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations, 2015, SS-2 and the MCA Circulars, the Company is pleased to provide the facility of e-voting to enable its members to cast their votes electronically in respect of the resolution as set out in this Postal Ballot Notice through e-voting services provided by NSDL.

In order to increase the efficiency of the voting process and pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, all individual shareholders holding shares in demat mode can now cast their vote by way of a single login credential, through either their demat accounts / websites of Depositories / DPs thereby not only facilitating seamless authentication but also ease and convenience of participating in the e-voting process. Members are advised to update their mobile number and e-mail ID with their Depository Participants to access this facility.

The instructions for e-voting are as under:

Process to 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 Members holding securities in demat mode

In terms of SEBI circular dated 09th December, 2020 on e-Voting facility provided by listed companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members 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 Members holding securities in demat mode is given below:

Type of Members	Login Method
Individual Members holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="624 756 1479 1031">1. For One Time Password (OTP) based login you can click on https://eservices.nsd.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. <li data-bbox="624 1036 1479 1373">2. Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsd.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. <li data-bbox="624 1377 1479 1514">3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp <li data-bbox="624 1518 1479 1912">4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.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 held 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.

Type of Members	Login Method
	<p>5. Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
Individual Members holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 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 logging through Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon and select My Easi New Tab and then use your existing My Easi username and password. 2. After successful login, the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting 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 or joining virtual meeting and voting during the meeting. Additionally, there are 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. Users may click on login and then select My Easi New 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 the e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile number and Email Id as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and will also be able to directly access the system of all e-Voting service providers.
Individual Members (holding securities in demat mode) login through their depository participants	<p>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 login, you will be able to see e-Voting option. Once you 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 options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Members 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 Members 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 e-Voting for Members other than Individual Members holding securities in demat mode and Members 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 'Shareholders / 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 e-services i.e. IDeAS, you can log in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log in to NSDL e-services 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 Members other than Individual Members are given below:
 - a) If you are already registered for e-Voting, then you can use 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 Members 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 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.

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 is in active status.
2. Select “EVEN” of the 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 resolutions, you will not be allowed to modify your vote.

General Guidelines for Members

1. Institutional Members (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 rajendra@csmco.in with a copy marked to evoting@nsdl.com. Institutional Members (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 Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.com

Process for those Members whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-Voting for the resolutions set out in this notice.

1. In case shares are held in physical mode, Members are requested to provide duly filled and signed Form ISR 1 alongwith self-attested copy of the PAN card and self-attested copy of any document (eg. Aadhaar Card, Driving License, Voter Identity Card, Passport) in support of the address of the Member, to MUFG Intime India Private Limited, C-101, Embassy 247, Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai - 400 083, Contact No. (+91) 810 811 6767.
2. In case shares are held in demat mode, Members are requested to register / update their email addresses with the relevant Depository Participants (DP). If you are an Individual Member 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 Members holding securities in demat mode**. Alternatively, Members may send a request to evoting@nsdl.com for procuring User ID and Password for e-Voting by providing above mentioned documents.
3. In terms of SEBI circular dated 09th December, 2020 on e-Voting facility provided by listed companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members 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 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to the resolution mentioned in the accompanying Notice.

Employee stock options are a great way to attract and retain high quality human capital and drive high-performance culture that is needed to succeed in our business. The opportunity to benefit from the equity upside through achievement of long-term business objectives further drives the high-performance culture needed in our business, which ultimately benefits shareholders.

The Nomination and Remuneration Committee ("**Committee**") shall determine the quantum of Options to be granted, taking into account role-specific metrics. The grant will be made based on multi-criteria selection process, inter alia, based on:

- a. Consistent performance, evidenced by performance ratings.
- b. Anticipated contribution to the Company's strategic growth.
- c. Any other relevant parameters as the Committee may deem fit in the interests of the Company and its stakeholders.

In this regard, to incentivize key employees and senior management personnel for their association, dedication and contribution towards achievement of the goals of the Company, it is proposed to create an ESOP pool of 33,43,380 (Thirty-Three Lakhs Forty-Three Thousand Three Hundred and Eighty only) Options representing approximately 2% of the outstanding share capital on a fully diluted basis. The Company proposes to implement an employee stock option scheme named '**Sutlej Textiles and Industries Limited - Employee Stock Option Scheme 2026**' ("**ESOP 2026**" or "**Scheme**") covering eligible employees of the Company.

The Committee and the Board of Directors ("**Board**") of the Company at their meetings held on 26th February, 2026 and 12th March, 2026, respectively, have approved the introduction of the ESOP 2026, subject to the approval of the members.

In terms of Section 62(1)(b) of the Companies Act, 2013 ("**the Act**") and Rules made thereunder read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SBEB Regulations**"), features of the ESOP 2026 are given as under:

a. Brief description of the Scheme:

ESOP 2026 is a comprehensive plan to grant employee stock options ("**Options**") to the eligible employees of the Company, as described below, to subscribe to the equity shares of the Company underlying the Options at an exercise price to be determined by the Committee. The Committee shall supervise the ESOP 2026 as required under SBEB Regulations. All questions of interpretation of ESOP 2026 shall be determined by the Committee, and such determination shall be final and binding upon all people who have an interest in ESOP 2026.

b. Total number of Options to be offered and granted:

The total number of Options to be offered and granted under the ESOP 2026 shall not exceed 33,43,380 (Thirty-Three Lakhs Forty-Three Thousand Three Hundred and Eighty only). Each Option when exercised would be converted into one equity share of face value of Re. 1/- (Rupee One only) each fully paid-up.

In case of any corporate action(s) including but not limited to rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment would be required to be made to the Options granted. Accordingly, if any additional equity shares are issued by the Company to the eligible employees to make such fair and reasonable adjustment, the ceiling of equity shares as stated above shall be deemed to be increased to the extent of such additional equity shares issued. The Committee shall determine the nature, manner and the extent of the adjustment to be made as a consequence of any corporate action, consolidation, etc.

c. Identification of classes of employees entitled to participate and be beneficiaries in the Scheme:

The following class of employees are entitled to participate in ESOP 2026:

- a. an employee as designated by the Company, who is exclusively working in India or outside India; or
- b. 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, but excluding an independent director;

but does not include:

- i. an employee who is a promoter or a person belonging to the promoter group; or
- ii. a director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding shares of the Company.

d. Requirements of Vesting and period of Vesting:

Any Option granted under the ESOP 2026 shall vest not earlier than the minimum vesting period of **1 (One) year** and not later than the maximum vesting period of **4 (Four) years** from the date of grant as may be determined by the Committee.

In the event of death or permanent incapacity of an employee, the minimum vesting period shall not be applicable and in such instances, all the unvested Options shall vest with effect from date of the death or permanent incapacity.

Vesting of Option would be subject to continued employment with the Company.

e. Maximum period within which the Options shall be vested:

Any Option granted under the ESOP 2026 shall be subject to a maximum vesting period of **4 (Four) years** from the date of grant of Options.

The Committee subject to minimum and maximum ceiling of vesting period shall have the power to prescribe the vesting schedule for a particular grant.

f. Exercise price or pricing formula:

The exercise price per Option shall be at current market price of the shares on the date of grant. However, the exercise price per Option shall not be less than the face value of the shares of the Company.

The exercise price shall be specified in the grant letter issued to the Option grantee at the time of the grant.

g. Exercise period and the process of exercise:

The exercise period for vested Options shall be a maximum of **3 (Three) years** commencing from the date of each vesting or such other shorter period as may be prescribed by the Committee at the time of grant.

The options shall be deemed to have been exercised when the Option grantee makes an application in writing, complete in all respect, to the Company or by any other means as decided by the Committee, for issue of shares of the Company against the vested options, subject to payment of exercise price and compliance with other requisite conditions of exercise.

h. Appraisal process for determining the eligibility of employees under the Scheme:

The review process for determining eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like grade, past performance, potential contribution, and such other criteria as may be determined by the Committee at its sole discretion, from time to time.

i. Maximum number of Options to be issued per employee and in aggregate:

The number of Options that may be granted under the ESOP 2026 per employee and in aggregate (taking into account all grants) for such an employee, shall not exceed 1% of the outstanding share capital of the Company on a fully diluted basis per eligible employee.

Prior approval of shareholders of the Company by passing special resolution shall be obtained in case the grant of Options to any identified employee, in any one financial year, is equal to or exceeding 1% (one percent) of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Options.

j. Maximum quantum of benefits to be provided per employee under the Scheme:

The employees will be entitled to the shares of the Company on exercise of Options as per the terms provided under ESOP 2026.

The maximum quantum of benefits underlying the Options granted to an eligible employee shall be equal to the appreciation in the value of the Company's equity shares determined as on the date of exercise of Options, on the basis of difference between the Option exercise price and the market price of the equity shares on the exercise date.

k. Route of the implementation:

The ESOP 2026 shall be implemented and administered directly by the Company.

l. Source of acquisition of shares under the Scheme:

The ESOP 2026 contemplates the issue of fresh / primary equity shares by the Company.

m. Amount of loan to be provided for implementation of the Scheme by the Company to the trust, its tenure, utilization, repayment terms, etc.:

This is currently not contemplated under ESOP 2026 as the Plan is being implemented and administered directly by the Company.

n. Maximum percentage of secondary acquisition:

This is currently not contemplated under ESOP 2026 as the Plan is being implemented and administered directly by the Company.

o. Accounting and Disclosure Policies:

The Company shall follow the relevant accounting standards as may be prescribed by the Central Government in terms of Section 133 of the Act and / or any relevant accounting standards / guidance note as may be prescribed by the Institute of Chartered Accountants of India or any other competent authority, from time to time, including the disclosure requirements prescribed therein, in compliance with Regulation 15 of SBEB Regulations.

p. Method of Option valuation:

The Company shall adopt 'fair value method' for valuation of Options as prescribed under IND AS 102 on share-based payments or any accounting standard / guidance note, as applicable, notified by competent authorities from time to time.

q. Declaration:

In case, the Company opts for expensing of share-based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report. Currently, this statement is not applicable to the Company.

r. Period of lock-in:

The shares arising out of exercise of vested Options shall not be subject to any lock-in period from the date of allotment of such shares under ESOP 2026. Provided that the shares allotted on such exercise cannot be sold, transferred or alienated in any manner during such period as required under the terms of Code of Conduct for Prevention of Insider Trading of the Company framed under Securities Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

s. Terms & conditions for buyback, if any, of specified securities / Options covered / granted under the Scheme:

Subject to the provisions of the prevailing applicable law, the Board shall determine the procedure for buy-back of the specified securities / Options granted under the ESOP 2026, if to be undertaken at any time by the Company, and the applicable terms and conditions thereof.

In terms of Section 62(1)(b) and other applicable provisions, if any, of the Act read with Rules thereunder and Regulation 6(1) and other applicable provisions of SBEB Regulations, the implementation of the ESOP 2026 and grant of Options to the employees of the Company require approval of the shareholders by way of a special resolution. Therefore, the approval of the shareholders of the Company is being sought for the special resolution as set out in the accompanying Notice.

None of the directors and key managerial personnel of the Company or their relatives are in any way, financially or otherwise, concerned or interested in the resolution, except to the extent of their shareholding in the Company or the Options that may be granted under the ESOP 2026.

The copies of the related documents will be open for inspection by the shareholders of the Company at the registered office of the Company on all working days, during business hours up to the last date of remote e-voting.

The Board, accordingly, recommends the passing of the special resolution as set out in the accompanying Notice, for the approval of the shareholders of the Company.

By order of the Board
For Sutlej Textiles and Industries Limited

Manoj Contractor
Company Secretary and Compliance Officer
Membership No. A11661

Place: Mumbai
Date: 12th March, 2026