**GHCL Textiles Limited**
(CIN: L18101GJ2020PLC114004)
**Registered Office**: GHCL House, Opp. Punjabi Hall, Navrangpura, Ahmedabad – 380009 (Gujarat)
Phone: 079- 26427818, 26427519
**Corporate Office**: GHCL House, B-38, Institutional Area, Sector - 1, Noida – 201301 (U.P.)
Phone: 0120 – 4939900, 2535335.
Email: secretarial@ghcltextiles.co.in ; info@ghcltextiles.co.in, Website: www.ghcltextiles.co.in

# NOTICE OF POSTAL BALLOT

[Notice pursuant to Section 110 read with Section 108 of the Companies Act, 2013, read with Rule 22 and Rule 20 of the Companies (Management and Administration) Rules, 2014]

| EVSN | E-voting starts on | E-voting ends on |
|---|---|---|
| 260806004 | Wednesday, August 12, 2026 | Thursday, September 10, 2026 |

Dear Member(s),

NOTICE is hereby given that pursuant to the provisions of Section 110,108 and other applicable provisions of the Companies Act, 2013 (" **the Act**") read with Rule 22 and Rule 20 of the Companies (Management and Administration) Rules, 2014 ("the Rules") and in accordance with the guidelines prescribed by the Ministry of Corporate Affairs (**MCA**) *inter-alia* for conducting Postal Ballot through e-voting vide General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 and subsequent circulars issued in this regard, latest being 03/2025 dated September 22, 2025 (collectively referred to as " **MCA Circulars**"), read with Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), and Secretarial Standard on General Meetings ("**SS-2**") (as amended) issued by the Institute of Company Secretaries of India and notified by MCA and other applicable provisions, if any (including any statutory modification or re-enactment thereof for the time being in force that the Special Resolution set out below is proposed to be passed by the Members of GHCL Textiles Limited ("Company") by way of the Postal Ballot through remote e-voting only.

As permitted under the MCA Circulars, the Company is sending the Notice in electronic form only to all those Members whose e-mail address are registered with the Company/Registrar and Share Transfer Agent ("RTA") or Depository/Depository Participants and whose names appear in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on **Friday, August 07, 2026**. ("cut-off date").

In compliance with Sections 108 and 110 of the Companies Act, 2013 read with the rules framed there under and the MCA Circulars, the Company has extended only the remote e-voting facility for its members, to enable them to cast their votes electronically instead of submitting the postal ballot form. The instructions for remote e-voting are appended to the Notice.

Members may note that this Notice will be also available on Company's website www.ghcltextiles.co.in and on the Stock Exchanges' website (www.bseindia.com and www.nseindia.com) and Central Depository Services (India) Limited ('CDSL')'s website (www.evotingindia.com). Any member seeking e-copy of this notice may write to us at secretarial@ghcltextiles.co.in.

## Special Business:

**Item No. 1 - Approval of the GHCL Textiles Employees Stock Option Scheme 2026("GHCL Textiles ESOS 2026" or "Scheme").**

To consider and pass 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 ("Act"), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ["SEBI (SBEB & SE) Regulations"], including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the Memorandum and Articles of Association of the Company, the Securities and Exchange Board (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and subject to such other approvals, permissions and sanctions as may be necessary from any statutory or regulatory authority, and subject to such conditions as may be prescribed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include the Nomination & Remuneration Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), consent of the Members of the Company, be and is hereby accorded to introduce the scheme titled "GHCL Textiles Employees Stock Option Scheme 2026 ("**GHCL Textiles ESOS 2026**" or "**Scheme**") for grant of stock options to the eligible employees of the Company, and to create, offer, issue and grant, from time to time, in one or more tranches, **not exceeding 45,00,000** (Forty-Five Lakh) stock options, exercisable into not more **than 45,00,000 (Forty-Five Lakh) equity shares** having face value of

Rs. 2/- each of the Company, representing **approximately 4.70%** of the paid-up equity share capital of the Company as on March 31, 2026, to or for the benefit of such eligible employees of the Company, as may be decided by the Board, in accordance with the terms and conditions of the Scheme and the SEBI (SBEB & SE) Regulations;"

**"RESOLVED FURTHER THAT** the Board/ Nomination and Remuneration Committee be and is hereby authorized to offer, issue and allot Equity Shares upon exercise of Options from time to time in accordance with GHCL Textiles ESOS 2026 and such equity shares shall rank *pari passu*, in all respects, with the then existing equity shares of the Company;"

**"RESOLVED FURTHER THAT** in case of any corporate action(s) including but not limited to rights issue, bonus issue, merger, demerger, sale of undertaking or division, or other capital or corporate restructuring, the Board, be and is hereby authorised to make a fair and reasonable adjustment to the number of options and/or the exercise price, in such manner as it may deem fit, in accordance with the Scheme and Applicable Law;"

**"RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued by the Company and the price of acquisition payable by the Options grantees under GHCL Textiles ESOS 2026 shall automatically stand reduced or augmented or adjusted, 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 Options grantees, and the ceiling in terms of number of shares specified above shall be deemed to be adjusted accordingly;"

**"RESOLVED FURTHER THAT** the Board/ Nomination and Remuneration Committee be and is hereby authorized to do all such acts, deeds and things, as it may, in its absolute discretion, deem necessary including authorising or directing to appoint merchant bankers, brokers, solicitors, registrars, compliance officer, investors service centre and other advisors, consultants or representatives, being incidental to the effective implementation and administration of the Scheme as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard "

**"RESOLVED FURTHER THAT** the Scheme shall be implemented and administered by the Company directly (i.e., through fresh/primary issuance of equity shares upon exercise of options);"

**"RESOLVED FURTHER THAT** the Board or any committee thereof be and is hereby authorized to take necessary steps for listing the equity shares to be allotted under the Plan on the recognised stock exchange(s) where the equity shares of the Company are presently listed in accordance with SBEB Regulations, SEBI Listing Regulations and other Applicable Laws**"**

**"RESOLVED FURTHER THAT** the Board/ Nomination and Remuneration Committee, be and is hereby severally authorised to determine the eligibility criteria for grant of options, the number of options to be granted to each eligible employee/director (subject to the aggregate and per-Grantee limits set out in the Scheme and the Explanatory Statement annexed hereto), the exercise price, the vesting period and schedule, the exercise period, and all other terms and conditions of the Scheme, and to frame, implement, administer, and amend/modify the Scheme from time to time, subject to such amendment/modification not being prejudicial to the interests of the option grantees and being otherwise in accordance with Applicable Law;"

**"RESOLVED FURTHER THAT** the Board / Nomination and Remuneration Committee, be and is hereby severally authorised to do all such acts, deeds, matters and things and to settle any question, difficulty or doubt that may arise in relation to the implementation of the Scheme, and to execute all such documents, deeds, applications and writings as may be necessary, proper or expedient, and to delegate all or any of the powers herein conferred to any Committee of Directors or officer(s)/authorised representative(s) of the Company, to give effect to this resolution and to settle all questions, difficulties or doubts that may arise in this regard at any stage including acceptance of any changes as may be suggested by the Registrar of Companies and/or any other competent authority, without requiring the Board of Directors to secure any further consent or approval of the Members 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."

By order of the Board
For GHCL Textiles Limited

**Regd. Office**
GHCL House, Opp. Punjabi Hall
Navrangpura, Ahmedabad – 380009 (Gujarat)

Place: Noida
Date: July 30, 2026

Lalit Narayan Dwivedi
Company Secretary& Compliance Officer
Membership No.: F10487
Address:B-38, GHCL House, Sector-1, Noida

**NOTES**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts and reasons for the proposed resolution are annexed hereto.

2. Members whose names appear on the Register of Members / List of Beneficial Owners as on **Friday, August 07, 2026** (**cut-off date**) will be considered for the purpose of reckoning the voting rights and also for sending the notice. A person who is not a Member of the Company as on the cut-off date, should treat this Notice for information purpose only. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on the cut-off date shall follow the same procedure for e-Voting as provided for below. In this Notice, the term member(s) or shareholder(s) are used interchangeably.

3. MCA vide its relevant circulars, have permitted companies to conduct the Postal Ballot by sending the Notice in electronic form only. Accordingly, physical copy of the Notice along with Postal Ballot Form and pre-paid business reply envelope will not be sent to the Members for this Postal Ballot. The communication of the assent (**FOR**) or dissent (**AGAINST**) of the Members shall take place through the process of remote e-voting only.

4. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) for providing Remote e-voting facility to the Members of the Company. The Remote e-voting facility is available at the link www.evotingindia.com. Members are requested to read carefully the related notes to this Postal Ballot Notice and instructions given thereunder.

5. The voting period will commence on **Wednesday, August 12, 2026 at 09.00 a.m. (IST)** and ends on **Thursday, September 10, 2026 at 05.00 p.m. (IST)** (inclusive of both the days). The Remote e-voting module shall be disabled by Central Depository Services (India) Limited (CDSL) for voting thereafter. Once the vote on the resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again.

6. The voting rights of the members shall be in proportion to their share in the paid-up equity share capital of the Company as on the **Cut-off date i.e. Friday, August 07, 2026**.

7. Pursuant to Rule 22(5) of the Companies (Management and Administration) Rules 2014, the Board of Directors had appointed Mr. Manoj R. Hurkat, Practicing Company Secretary holding Membership No. F4287 and Certificate of Practice No. 2574 as the Scrutinizer for conducting the voting process through Postal Ballot (E-Voting) in accordance with the law and in a fair and transparent manner. The Board has also authorised Chairman of the Company to appoint one or more scrutinizers in addition to and/or in place of Mr. Hurkat.

8. The Scrutinizer, after scrutinizing the remote e-voting, shall make a report of the votes cast in favour or against, if any, shall submit the same to the Chairman, Directors, KMP(s) or any other person authorised by the Board after the completion of scrutiny of e-voting. The result of e-voting will be announced forthwith by the aforesaid authorised person on or before **Saturday, September 12, 2026** by 05:00 PM at the Corporate office of the Company i.e. B-38, GHCL House, Institutional Area, Sector-1, Noida-201301.

9. The Results declared along with the Scrutinizer's Report shall be displayed at the Registered Office and Corporate office of the Company and placed on the Company's website www.ghcltextiles.co.in and on the website of CDSL immediately after the result is declared by the Authorised Director or KMPs ; and the results shall also be communicated to the Stock Exchanges where the shares of the Company are listed.

10. The resolution, if passed by the requisite majority through postal ballot, shall be deemed to have been passed as if the same has been passed at a general meeting of the members convened in that behalf. The resolution, if approved by the requisite majority of members by means of Postal Ballot through remote e-voting, shall be deemed to have been passed on the last date specified by the Company for e-voting, i.e. **Thursday, September 10, 2026** ("deemed date of passing of the resolution").

11. All documents referred to in the Notice and Explanatory Statement are available for inspection, without any fee, by the members at the Registered office / Corporate Office of the Company on all working days between 11.00 A.M. (IST) and 01.00 P.M. (IST) from the date of dispatch of the Notice upto the last date of e-voting i.e. **Thursday, September 10, 2026**. All the documents referred to in the accompanying Notice and Explanatory Statements, shall also be available for inspection through electronic mode, basis the request being sent by the members on secretarial@ghcltextiles.co.in stating their name and Folio no./DP ID-Client ID/ Beneficiary ID**.**

12. **Instructions for remote e-voting are as below**:

    (i) The voting period begins on **Wednesday, August 12, 2026 at 09.00** a.m. (IST) and ends on **Thursday, September 10, 2026** at **05.00** p.m. (IST) (both days inclusive). During this period shareholders of the Company, holding shares in dematerialized form, as on the cut-off date **Friday, August 07, 2026** may cast their vote electronically.

(ii) Pursuant to Regulation 44 of the SEBI Listing Regulations, 2015 read with SEBI Master Circular no.SEBI/HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026 and other applicable provisions, 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.

In order to increase the efficiency of the voting process, all the Demat account holders, by way of a single login credential, through their Demat accounts/ websites of Depositories/ Depository Participants, able to cast their vote without having to register again with the e-voting service providers (ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Pursuant to above said SEBI Master Circular, login method for e-Voting for Individual Members holding securities in Demat mode with NSDL/CDSL are given below.

**(A) <u>Access through Depositories (CDSL/NSDL) e-Voting system in case of individual shareholders holding shares in Demat mode is given below</u>**:

| Type of Members | Login Method |
|---|---|
| Individual Members holding securities in Demat mode with **CDSL** | **A. Existing users who have opted for Easi/Easiest**<br>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. An option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System My Easi Tab.<br><br>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 & voting during the meeting. 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.<br><br>**B. User not opted for Easi/Easiest**:<br>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 My Easi Tab and then click on registration option.<br><br>**C. By visiting the e-voting website of CDSL:**<br>The user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in 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 e-voting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Members<br><br>holding securities in demat mode with **NSDL** | **A. User already registered for NSDL IDeAS facility**<br><br>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile.<br>Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section.<br>A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.<br>Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page.<br><br>Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.<br><br>**B. User not registered for IDeAS e-Services:**<br>If the user is 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.<br>After successful registration, please follow the steps given above to cast your vote<br><br>**C. by visiting E-Voting website of NSDL**<br><br>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. 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.<br>3. 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.<br><br>**D. NSDL Speede**<br><br>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless<br><br>voting experience**.**<br><br>NSDL Mobile App is available on<br>App Store Google Play |
| Individual Members<br><br>(holding securities in demat mode) login through their **Depository Participants** | 1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.<br><br>2. After Successful 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.<br><br>3. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website 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.

**(B) Access through CDSL e-Voting system for shareholders other than individual shareholders holding shares in demat mode**.

**(1) Login method of e-Voting for Members (including HUF) other than individual Members.**

Log on to the e-voting website www.evotingindia.com

Click on “Members” tab.

Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,
b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

(i) Next enter the Image Verification as displayed and Click on Login.

(ii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(iii) If you are a first-time user follow the steps given below:

| | **For other than individual shareholders holding shares in Demat.** |
|---|---|
| PAN* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department.<br><br>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details<br><br>**OR**<br>Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login.<br><br>If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field. |

(iv) After entering these details appropriately, click on “SUBMIT” tab.

(v) Members holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Click on the EVSN <GHCL Textiles Limited> on which you choose to vote.

(vii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(viii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(ix) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(x) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xiii) There is also an option to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification

**(2) Additional instruction for Non – Individual Members and Custodians for remote voting only**

**Step 1**: Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.

**Step 2**: A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

**Step 3**: After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

**Step 4**: The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

**Step 5**: It is mandatory that a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

**Step 6**: Alternatively, Non Individual Members are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, at least 48 hours before the meeting to the Company at secretarial@ghcltextiles.co.in, if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

13. **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

**For Physical Members** -, please provide Folio No., Name of shareholder, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company (secretarial@ghcltextiles.co.in) / RTA (rnt.helpdesk@in.mpms.mufg.com ).

**For Individual Demat shareholders –** Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

14. **<u>For Assistance / Queries for e-voting etc.</u>**

| **Login type** | | **Helpdesk details** |
|---|---|---|
| (i) | Individual Members holding securities in Demat mode with **CDSL** | If you have any queries or issues regarding attending e-voting from the e-voting system, you may refer the Frequently Asked Questions **("FAQ")** and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact at toll free no.18002109911<br><br>All grievances connected with the facility for voting by electronic means may be addressed to Mr. Nitin Kunder (022-62343626) or Ms. Asawari Kalokhe (022-62343624) or Mr. Rakesh Dalvi (022- 62343611) (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 18002109911. |
| (ii) | 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.co.in or Members facing any technical issue in login can contact NSDL or call at toll free no.: 022-48867000 and 022-24997000 |

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 THE COMPANIES ACT, 2013 READ WITH SEBI (SBEB & SE) REGULATIONS**

**Item no. 1:**

GHCL Textiles Limited ("Company") does not, as on date, have in place any scheme for grant of stock options to its employees and directors. Pursuant to the Scheme of Arrangement providing for the demerger of the Spinning (Yarn) Division of GHCL Limited into the Company, sanctioned by the Hon'ble National Company Law Tribunal, the said demerger became effective from April 1, 2023 (Appointed Date), and, consequent thereupon, the equity shares of the Company were listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) with effect from June 12, 2023. The Board of Directors, on the recommendation of the Nomination and Remuneration Committee (acting as the Compensation Committee of the Company for the purposes of the SEBI (SBEB & SE) Regulations), has approved the institution of an employee stock option scheme titled "GHCL Textiles ESOS Scheme 2026", with a view to attract, retain, motivate and reward the Company's employees and directors and to align their interests with the long-term interests of the Company's shareholders.

In terms of Section 62(1)(b) of the Act and Regulation 6 of the SEBI (SBEB & SE) Regulations, the introduction of the Scheme and the consequent issue of shares to employees requires the approval of the Members by way of a Special Resolution. Accordingly, the Board recommends the Special Resolution set out in the accompanying Notice for approval by the Members by way of Postal Ballot.

In compliance with **Part C of Schedule I of the SEBI (SBEB & SE) Regulations**, the following disclosures are made for the information of the Members:

**(a) Brief description of the Scheme**

The Scheme, titled "GHCL Textiles ESOS Scheme 2026", is proposed to enable the Company to grant stock options to its eligible employees and whole-time directors, entitling them to apply for and be allotted equity shares of the Company upon vesting and exercise of such options, in accordance with the terms and conditions of the Scheme, with a view to attract, retain, motivate and reward such employees and directors and to align their interests with the long-term interests of the Company's shareholders. A copy of the Scheme and other relevant documents are available for inspection in the manner set out at the end of this Explanatory Statement, and the copy of the Scheme is also placed on the Company's website at www.ghcltextiles.co.in

**(b) Total number of options to be offered and granted**

Not exceeding 45,00,000 (Forty-Five Lakh) options, exercisable into an equivalent number of equity shares of face value Rs. 2/- each of the Company, representing approximately 4.70% of the paid-up equity share capital of the Company as on March 31, 2026.

**(c) Identification of classes of employees entitled to participate**

Permanent employees of the Company (working in India or outside India) and Whole time directors of the Company, but excluding: (i) Promoters and persons belonging to the Promoter Group; (ii) Independent Directors; and (iii) directors who, either by themselves or through their relatives or through any body corporate, directly or indirectly hold more than 10% of the outstanding equity shares of the Company and (iv) Non-Executive Directors in accordance with Regulation 4 of the SEBI (SBEB & SE) Regulations.

**(d) Requirements of vesting and period of vesting**

Options shall vest not earlier than one year from the date of grant. Vesting of Options shall be linked to the performance of the Grantee and of the Company, and shall be subject to satisfaction of such performance parameters as the Committee may determine and communicate to Grantees at the time of Grant, consistent with the Company's objective of attracting and retaining talent through leading human resource practices. Subject to the foregoing, vesting shall take place over such period, in one or more tranches, as may be determined by the Committee, subject to a maximum vesting period of five years from the date of grant.

**(e) Maximum period within which the options shall be vested**

The maximum vesting period under the Scheme shall be five years from the date of grant of options. The vesting schedule shall, in all cases, be subject to Regulation 18(1) of the SEBI (SBEB & SE) Regulations, which prescribes a minimum vesting period of one year from the date of grant, save that in the event of death or permanent incapacity of an employee while in employment, all unvested options shall vest immediately, in accordance with Regulation 9(4) of the SEBI (SBEB & SE) Regulations.

**(f) Exercise price or pricing formula**

The exercise price shall be the Market Price of the Shares as on the date immediately preceding the relevant date of grant which is consistent with the Company's objective of aligning grants with market-linked and performance-driven compensation. The exercise price shall, in any event, not be less than the face value of the Shares.

**(g) Exercise period/offer period and process of exercise / acceptance of offer**

The exercise period shall commence from the date of vesting and shall not extend beyond five years from the date of vesting (or such other period as the Committee may determine), and options shall be exercisable by the Grantee by delivering a duly signed notice of exercise, together with payment of the exercise price, in the manner prescribed under the Scheme.

The offer of options shall be made in writing by the Committee, stating the number of options offered and the closing date for acceptance, which shall be not less than 7 (seven) days and not more than 60 (sixty) days from the date of offer. A Grantee who fails to accept the offer, by returning a duly signed acceptance in the prescribed form, on or before the closing date shall, unless the Committee determines otherwise, be deemed to have rejected the offer.

**(h) Appraisal process for determining the eligibility of employees**

Eligibility of Employees for grant of Options under the Scheme shall be determined by the Committee through a structured appraisal process, having regard to factors including length of service, grade/level of responsibility, salary cost to the Company, and performance appraisals and ratings under the Company's performance management system, together with such other criteria including individual and business performance, potential, and criticality to the Company's talent retention objectives as the Committee may, from time to time, deem relevant to the purpose of the Scheme.

In the case of new joinees, eligibility shall be determined having regard to competency, relevant previous experience, and such other factors as the Committee may consider appropriate. The appraisal process shall be applied by the Committee in a fair, consistent and non-discriminatory manner across similarly placed Employees.

**(i) Maximum number of options/shares to be granted per employee and in aggregate**

**Per Grantee**: not exceeding 3,00,000 (Three Lakh) options per annum, representing approximately 0.31% of the fully paid-up equity share capital of the Company. **Aggregate**: not exceeding 45,00,000 (Forty-Five Lakh) options/shares, representing approximately 4.70% of the paid-up equity share capital of the Company as on March 31, 2026.

**(j) Maximum quantum of benefits to be provided per employee under the Scheme**

The Scheme is an Employee Stock Option Scheme under Part A of Chapter III of the SEBI (SBEB & SE) Regulations, and does not provide for any benefits of the nature covered under a General Employee Benefits Scheme or Retirement Benefit Scheme (Part D/Part E of Chapter III thereof); accordingly, the maximum entitlement per employee is as set out at item (i) above.

**(k) Whether the Scheme is to be implemented and administered directly by the Company or through a Trust**

The Scheme shall be implemented and administered directly by the Company, and not through a trust.

**(l) Whether the Scheme involves new issue of shares by the Company or secondary acquisition by a Trust, or both**

The Scheme involves only a new/primary issue of equity shares by the Company upon exercise of options, and does not involve secondary acquisition of shares by a trust.

**(m) Amount of loan to be provided for implementation of the Scheme by the Company to a Trust, its tenure, utilisation and repayment terms**

**Not applicable.** As the Scheme is not proposed to be implemented through a trust and no loan is proposed to be extended by the Company for this purpose.

**(n) Maximum percentage of secondary acquisition that can be made by a Trust for the purposes of the Scheme**

**Not applicable** for the reasons set out at items (k), (l) and (m) above.

**(o) Statement regarding conformity with accounting policies specified in Regulation 15**

The Company shall conform to the accounting policies specified in Regulation 15 of the SEBI (SBEB & SE) Regulations, including the Guidance Note on Accounting for Employee Share-based Payments and the applicable Accounting Standards/Ind AS prescribed by the Central Government, as amended from time to time, in respect of the Scheme.

**(p) Method which the Company shall use to value its options**

The Company shall use the **Fair Value method** to value the options granted under the Scheme.

**(q) Statement on impact of intrinsic value method**

The Company shall value options granted under the Scheme using the **Fair Value method**, in conformity with Ind AS 102 (Share Based Payment), which is mandatorily applicable to the Company and does not permit use of the Intrinsic Value method. Accordingly, the statement below, as required under Schedule I, Part C, item (q) of the SEBI (SBEB & SE) Regulations, is not applicable to the Company, and is recorded here for the sake of completeness and compliance:

"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 recognised if it had used the fair value, shall be disclosed in the Directors' Report, and the impact of this difference on profits and on earnings per share ("EPS") of the Company shall also be disclosed in the Directors' Report".

**(r) Lock-in period, if any**

The Committee shall have the discretion to specify a lock-in period, if any, for the equity shares issued to employees pursuant to exercise of options.

**(s) Terms and conditions for buy-back, if any, of specified securities issued under the Scheme**

As on the date of this Notice, the Company does not propose to undertake any buy-back of specified securities issued under the Scheme.

None of the Directors, Key Managerial Personnel of the Company, or their respective relatives, are in any way, financially or otherwise, concerned or interested, in the resolution, except to the extent of their respective shareholding in the Company, if any, and to the extent they may be considered "employees" and be granted options under the Scheme in their capacity as such, in accordance with, and subject to, Regulation 4 of the SEBI (SBEB & SE) Regulations.

As regards justification/rationale for proposing this resolution, members are requested to go through the opening para of this explanatory statement

The Board recommends the Special Resolution set out in the accompanying Notice for approval by the Members.

Place: Noida
Date: July 30, 2026

For GHCL Textiles Limited

Lalit Narayan Dwivedi
Company Secretary & Compliance Officer
Membership No.: FCS10487