

iSarla Performance Fibers Ltd.

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CIN: L31909DN1993PLC000056



www.sarla
fibers.com

5th September, 2018

SPFU 2018-2019

BSE Limited
Corporate Relationship Department
Ist Floor, New Trading Ring,
Phiroze Jeejeebhoy Towers, Dalal
Street, Fort, Mumbai - 400001
Fax No.: 2272 3121/2272 2037
Security Code: 526885

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Bandra Kurla
Complex,
Bandra (East),
Mumbai - 400051
Fax No.: 2659 8348 / 2659 8237
Symbol: SARLAPOLY

Subject: Notice of 25th Annual General Meeting and intimation of Book Closure Date

Dear Sir / Madam,

In compliance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Para A of Schedule III to the said regulations, this is to inform you that the Twenty Fifth (25th) Annual General Meeting of the Company is scheduled to be held on Friday, 28th September, 2018 at 09:30AM at the registered office of the Company at Survey No. 59/1/4, Amii Piparia Industrial Estate, Silvassa, U.T. of Dadra & Nagar Haveli - 396230, India.

A copy of the Notice of the Annual General Meeting is enclosed herewith.

In compliance with Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 21st September, 2018 till Friday, 28th September, 2018 (both days inclusive) and the Record date is fixed as Friday, 21st September, 2018 for the purpose of 25th Annual General Meeting scheduled to be held on Friday, 28th September, 2018 and payment of dividend, if declared at the Meeting.

You are requested to kindly take the same on

records. For Sarla Performance Fibers Limited

Mahendra Sheth
CFO and Company Secretary



Encl.: As above

Regd. Off. & Works 1:
Survey No. 59/1/4,
Amii Piparia Industrial Estate,
Silvassa - 396 230, U.T. Dadra & Nagar Haveli
(0) +91 260 3290467
(F) +91 260 2631356
silvassa@sarlafibers.com

Works 2:
Survey No. 64/2/3/4, 61/1, 61/2, 62/5, 63/5, 63/7,
Amii Piparia Industrial Estate,
Silvassa - 396 230, U.T. Dadra & Nagar Haveli
(0) +91 260 3290467 (F)
+91 260 2631356
silvassa@sarlafibers.com

Vapi Works:
Shed No. A1 / 48,
100 Sheds Area,
GIDC, Vapi- 396195 (Gujarat)
(0) +91 260 3290953
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vapi@sarlafibers.com

NOTICE OF TWENTY FIFTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Twenty Fifth Annual General Meeting** of the members of Sarla Performance Fibers Limited will be held on Friday, 28th September, 2018, at 9:30 a.m., at the Registered Office of the Company at Survey No. 59/1/4, Amli Piparia Industrial Estate, Silvassa – 396230, U.T. of Dadra & Nagar Haveli to transact the following business:

Ordinary Business:

1. Adoption of Financial Statements

To receive, consider and adopt a) the audited financial statements of the Company for the financial year ended 31st March, 2018 and the Reports of the Board of Directors and Auditors thereon; and b) the audited consolidated financial statements of the Company for the financial year ended 31st March, 2018 and the Reports of the Auditors thereon and in this regard, pass the following resolutions as Ordinary Resolutions:

- a) **"RESOLVED THAT** the audited financial statements of the Company for the financial year ended 31st March, 2018 and the Reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.
- b) **"RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended 31st March, 2018 and the Report of Auditors thereon laid before this meeting, be and are hereby considered and adopted.

2. Declaration of Dividend

To declare dividend of Rs. 1.10/- per Equity Shares for the financial year ended 31st March, 2018 and in this regard, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT a dividend at a rate of Rs. 1.10/- per equity share of face value of Re. 1/- each on fully paid-up Equity Shares as recommended by the Board of Directors be and hereby declared [Excluding the Share upon which the Promoter / Member have waived / forgone / his / her / their right to receive the Dividend by him / her / them] for the financial year ended 31st March, 2018 to those Shareholders whose name appear in the Register of shareholders of the Company as on 21st September, 2018."

3. Appointment of Director retire by rotation

To appoint Ms. Neha K. Jhunjhunwala [DIN: 07144529], who retires by rotation as a Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provisions of Section 152 of the Companies Act, 2013, Ms. Neha K. Jhunjhunwala [DIN: 07144529], who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retires by rotation."

Special Business:

4. Appointment of Ms. Shreya Desai (DIN: 08041995) as an Independent Director of the Company

To consider and thought fit, to pass with or without modification(s), if any, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Ms. Shreya Desai (DIN – 08041995), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 12th December, 2017 under Section 161(1) of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment (s) thereof for the time being in force), who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying the intention to propose the candidature of Ms. Shreya Desai (DIN – 08041995) for the office of Director be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), Ms. Shreya Desai (DIN – 08041995), a non-executive Director of the Company, who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Companies Act, and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years with effect from 12th December, 2017."

5. Ratification of appointment and remuneration of Cost Auditor for financial year ending 31st March, 2019:

To consider and, if thought fit, to pass with or without modification (s), the following resolutions as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Board of Directors of the Company for payment of remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) plus applicable taxes and reimbursement of actual travel and out-of-pocket expenses for the financial year ending 31st March, 2019, to B.F. Modi & Associates, Cost Accountants, Vapi (Membership Number: 6955) for conducting audit of cost accounts of the Company, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things and matters and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. Alteration of Articles of Association of the Company by way of insertion of new Article No. 131 after existing Article 130 in the Articles of Association of the Company in conformity with the provisions of the Companies Act, 2013 and the rules made thereunder.

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 14 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Incorporation) Rules, 2014, (including any statutory modification(s), enactments / re-enactment(s) thereof, for the time being in force), the consent of the members of the Company, be and is hereby accorded for alteration in the Articles of Association of the Company by insertion as follows: -

Insertion of Article 131 and renumbering of proceeding Article(s) accordingly:

Open to the Members to waive/ forgo his / her / their right to receive the dividend

131. Notwithstanding anything contained in these Articles, but subject to the provisions of the Act and all other applicable rules of the statutory authorities and rules framed by the Board of Directors of the Company in this behalf as amended from time to time by the Board, it shall be open for the members of the Company who hold the equity shares in the Company to waive / forgo his / her / their right to receive the dividend (interim or final) by him / her / them for any financial year which may be declared or recommended respectively by the Board of Directors of the Company. The waiver / forgoing by the members, his / her / their right to receive the dividend (interim or final) by him / her / them under this Article shall be irrevocable immediately after the record date / book closure date fixed for determining the names of Members entitled for Dividend. The Company shall not be entitled to declare or pay and shall not declare or pay dividend on equity shares to such members who have waived / forgone his / her / their right to receive the dividend (interim or final) by him / her / them under this Article.

A member or members including 'Promoter and Promoter group' shall have right to waive off / forgo their entitlement to as dividend and such waiver / forgoing shall not be effective unless a member or members including 'Promoter and Promoter group', signs and delivers a document expressing waiver / forgoing of his / her / their right to receive the dividend and that waiver is accepted as such and acted by the Company.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things as it may consider necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them in the best interest of the Company."

7. Revision in overall borrowing powers of the Company:

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

"RESOLVED THAT in supersession of the earlier Resolution passed by the Members at their Meeting held on 27th September, 2014 and pursuant to the provisions of Section 180 (1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, consent of the Members be and is hereby accorded to the Company, to borrow from time to time any sum or sums of monies (exclusive of interest) on such terms and conditions as may be determined, from anyone or more of the Company's bankers and/or from anyone or more other banks, persons, firms, companies/bodies corporate, financial institutions, institutional investor(s), mutual funds, insurance companies, pension funds and or any entity/entities or authority/authorities, whether in India or abroad, and whether by way of cash credit, advance or deposits, loans or bill discounting, issue of debentures, commercial papers, long/short term loans, suppliers' credit, securitized instruments such as floating rate notes, fixed rate notes, syndicated loans, commercial borrowing from the private sector window of multilateral financial institution, either in rupees and/or in such other foreign currencies as may be permitted by law from time to time, and/or any other instruments/securities or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets, licences and properties, whether immovable or movable and all or any of the undertaking of the Company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital, free reserves and securities premium, that is to say, reserves not set apart for any specific purpose, so that the total amount upto which the moneys may be borrowed by the Company and outstanding at any time shall not exceed the sum of Rs.375 Crore (Rupees Three Hundred and Seventy-Five Crore Only).

RESOLVED FURTHER THAT in connection with the aforesaid, the Board/Committee of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto.

RESOLVED FURTHER THAT notwithstanding the aforesaid supersession, all actions and decisions taken till date under the said Resolution shall be valid and in order."

8. Creation of Mortgage/Charge on the assets of the Company:

To consider and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013; the Memorandum and Articles of Association of the Company and subject to such other approvals and permissions as may be required, consent be and is hereby accorded to the Company, to sell, mortgage and / or charge, in addition to the mortgages / charges created / to be created by the Company in such form and manner and with such ranking and at such time and on such terms and conditions as may be determined, on all or any of the movable and / or immovable properties of the Company, and / or the interest held by the Company in all or any of the movable and / or immovable properties, both present and future and / or the whole or any part of the undertaking(s) of the Company, together with the power to take over the management of business and concern of the Company in certain events of default, in favour of lender(s), agent(s), and trustee(s) for securing the borrowings of the Company availed / to be availed by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debentures and / or nonconvertible debentures with or without detachable or non-detachable warrants and / or secured premium notes and / or floating rate notes / bonds or other debt instruments), issued / to be issued by the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013, from time to time, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium on prepayment, remuneration of the agent(s) and / or trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s), Heads of Agreement(s), Debenture Trust Deed(s) or any other agreement / document, entered into / to be entered into between the Company and the lender(s) / investor(s) / agent(s) and / or trustee(s), in respect of the said loans, borrowings / debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Company and the lender(s), agent(s) and / or trustee(s);

RESOLVED FURTHER THAT in connection with the aforesaid, the Board/Committee of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto.

RESOLVED FURTHER THAT notwithstanding the aforesaid supersession, all actions and decisions taken till date under the said Resolution shall be valid and in order."



By order of the Board of Directors

Mahendra Sheth
CFO & Company Secretary

14th August, 2018
Mumbai

Registered Office:

SARLA PERFORMANCE FIBERS LIMITED

[CIN: L31909DN1993PLC000056]

Survey No. 59/1/4, Amli Piparia Industrial Estate, Silvassa, U.T. of Dadra & Nagar Haveli – 396230

Tel: 0260-3290467 **Fax:** 0260 – 2631356,

Email: investors@sarlafibers.com **Website:** www.sarlafibers.com

EXPLANATORY STATEMENT

STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ('the Act')

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice:

4. Appointment of Ms. Shreya Desai (DIN: 08041995) as an Independent Director of the Company:

Ms. Shreya Desai (DIN – 08041995), was appointed as an Additional Director by the Board with effect from 12th December, 2017, pursuant to Section 161 of the Companies Act, 2013, read with the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms. Shreya Desai will hold office up to the date of the ensuing Annual General Meeting. A Notice has been received along with deposit of requisite amount from a member proposing Ms. Shreya Desai as a candidate for the office of Director of the Company. The Company has received from Ms. Shreya Desai a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

Ms. Shreya Desai is an advocate specialising in the field of corporate law having almost 10 years of experience. She completed her Bachelor of Business Administration and Bachelor of Law from Symbiosis Law College, Symbiosis International University, Pune and is enrolled as an advocate with Bar Council of Maharashtra and Goa. She initially worked with nationally renowned law firms in Mumbai and Ahmedabad and thereafter, from 2017, she started her Independent practice as Corporate Lawyer.

Her areas of expertise involve various significant arenas of corporate legal practice including foreign investments; mergers and acquisitions; private equity and other investment transactions; rendering general corporate law and transactional advisory; capital market transactions; and drafting and advising in respect of all types of commercial contracts and conveyance.

Ms. Desai has been involved in advising various domestic as well as MNCs in rendering legal and strategic advice. She has handled corporate legal matters across varied sectors including non-banking financial sector, manufacturing sector, retail sector, food and beverages sector, Service sector, banking companies, etc.

Ms. Desai does not hold any securities of the Company.

In the opinion of the Board, Ms. Desai fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder as also under the Listing Regulations for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Ms. Desai as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday. The Board considers that the proposed appointment of Ms. Desai as a Director, considering her vast experience and knowledge in diverse areas, will be in the best interest of the Company and bring diversity to the composition of the Board. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Desai as an Independent Director, for the approval by the members of the Company. Except Ms. Desai, being an appointee, none of the Directors and Key Managerial Personnel of the Company and

their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. The Board recommends the Resolution set out at Item No. 4 of the Notice for your approval.

5. Ratification of appointment and remuneration of Cost Auditor for financial year ending 31st March, 2019:

The Board of Directors of the Company at their Board meeting held on 14th August, 2018 has considered and approved the appointment of B.F. Modi & Associates, Cost Accountants, Vapi, (having Membership No. 6955) as the cost auditor of the Company for the financial year 2018-19 at a remuneration of Rs. 150000/- plus applicable taxes and out of pocket expenses that may be incurred.

The Board recommends this resolution for approval of the Members for ratification of the remuneration payable to the cost auditor for the financial year 2018-19. The Directors therefore, recommend the Ordinary Resolution for the approval of the shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution.

6. Alteration of Articles of Association of the Company by way of insertion of new Article No. 131 after existing Article 130 in the Articles of Association of the Company in conformity with the provisions of the Companies Act, 2013 and the rules made thereunder:

Your Directors propose to alter Articles of Association (AoA) of the Company to enable the Company to implement any instruction from a Member(s) of the Company to waive/forgo his / her / their right to receive the dividend (interim or final) from the Company for any financial year. Thus, the Members of the Company can now waive/forgo, if he/ she/ they so desire(s), his/ her / their right to receive the dividend (interim or final) for any financial year effective from the dividend recommended by the Board of Directors of the Company for the year ended 31st March, 2018 on a year to year basis, as per the rules framed by the Board of Directors of the Company from time to time for this purpose.

The Board recommends the Special Resolution set forth in Item No. 6 of the Notice for approval of the Members.

None of the Director or officer or Key Managerial Personnel of the Company is in any way concerned or interested in the said resolution, except to the extent of shareholding, if any.

7. Revision in overall borrowing powers of the Company:

The Members had authorized the Board of Directors of the Company and/or any Committee thereof to borrow from time to time a sum not exceeding Rs. 350 Crore (Rupees Three Hundred and Fifty Crore): on such terms and conditions as it may deem fit under Section 180(1) (c) of the Companies Act, 2013 vide resolution passed on 27th September, 2014. Considering the current book size and the budget for FY 2017-18, the overall borrowing limits is to be increased from Rs. 350 Crore to Rs. 375 Crore. The Board accordingly recommends the revised limit to the extent of Rs. 375 Crore (Rupees Three Hundred and Seventy - Five Crore only), outstanding at any point of time under 180(1) (c) of the Companies Act, 2013 as set out in the Resolution for approval of the Members.

The Board recommends the Special Resolution set forth in Item No. 7 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

8. Creation of Mortgage/Charge on the assets of the Company:

As per the provisions of Section 180(1) (a) of the Companies Act, 2013, a Company shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, unless approval of the Members is obtained by way of a Special Resolution. In connection with the loan/credit facilities to be availed by the Company, as and when required, through various sources for business purposes, the Company might be required to create charges over its assets, properties and licenses by way of hypothecation, mortgage, lien, pledge etc. in favour of its lenders (up to the limits approved under Section 180(1)(c) of the Companies Act, 2013), for the purposes of securing the loan/credit facilities extended by them to the Company. Further, upon occurrence of default under the relevant Loan/facility agreements and other documents as may be executed by the Company with the lenders, the lenders would have certain rights in respect of the Company's assets, properties and licenses including the rights of sale/disposal thereof, creation of charge/s as aforesaid and enforcement of assets by the Company's lenders upon occurrence of default would amount to a sale/disposal of the whole or substantially the whole of the undertaking of the Company, pursuant to the provisions of Section 180(1) (a) of the Companies Act, 2013.

Accordingly, the Board recommends the Special Resolution set forth in Item No. 8 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.



By order of the Board of Directors

Mahendra Sheth
CFO & Company Secretary

14th August, 2018
Mumbai

Registered Office:
SARLA PERFORMANCE FIBERS LIMITED
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