MANGAL ELECTRICAL INDUSTRIES LIMITED

CIN: L31909RJ2008PLC02

Regd. Office - C-61, C-61 (A&B)/ Road No. 1- C, V.K.I. Area, **Jaipur 302 013**



'MANGAL ELECTRICAL INDUSTRIES LIMITED - EMPLOYEE STOCK OPTION PLAN 2025'

SCHEME CUM DISCLOSURE DOCUMENT

PART A
STATEMENT OF RISKS

All investments in Shares or options on Shares are subject to risk as the value of Shares may go down or up. In addition, Employee stock options are subject to the following additional risks:

1. **Concentration**: The risk arising out of any fall in value of Shares is aggravated if the Employee's holding is concentrated in the Shares of a single Company.
2. **Leverage**: Any change in the value of the Share can lead to a significantly larger change in the value of the option.
3. **Illiquidity**: The options cannot be transferred to anybody, and therefore the Employees cannot mitigate their risks by selling the whole or part of their options/benefits before they are exercised.
4. **Vesting**: The options will lapse if the employment is terminated prior to vesting. Even after the options are vested, the unexercised options may be forfeited if the employment is terminated for gross misconduct.

PART B
INFORMATION ABOUT THE COMPANY

1. Business of the Company: A description of the main objects and present business of the Company.

History: -

MEIL (the Company) was originally formed as a partnership firm constituted under the Indian Partnership Act, 1932 on April 28, 1989 under the name and the style of "*Mangal Electrical Industries*". Thereafter, the partnership firm was converted into a private limited company under Part IX of the Companies Act, 1956 as '*Mangal Electrical Industries Private Limited*' and a fresh certificate of incorporation dated April 1, 2008 issued by the RoC. Thereafter, the Company was converted into public limited company pursuant to shareholder's resolution dated May 16, 2024, consequent to which the name of the Company was changed to Mangal Electrical Industries Limited, and a fresh certificate of incorporation dated July 25, 2024 was issued by the RoC.

Main objects: -

The main objects contained in our Memorandum of Association are as follows:

1. To carry on by operating of Law under Part IX of the Companies Act, 1956 the existing business of partnership firm now being carried on under the name and style of M/s. MANGAL ELECTRICAL INDUSTRIES PRIVATE LIMITED (***Now Mangal Electrical Industries Limited w.e.f. May, 16th 2024 vide passing Special Resolution in***

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

Extra Ordinary General meeting of Members of Company), as going concern including all its assets, movable and immovable rights, debts and liabilities in connection there with.

2. To carry on in India or else where the business to manufacture, produce, prepare, extrude, roll mould reroll, draw, blend, cost, insulate, manipulate, pack, repack, grade, import, export, buy, sale, resale and to act as agent, broker, contractor, job worker, supplier, provider, collaborator, consignor, consignor, consultant, stockiest, distributor, trade, C and F agent, del credre agent or to deal in all kind of cables (including XLPE AB cable, XLPE insulated PVC Sheathed cable PVC insulated and PVC Sheathed cables) Conductors (including AAAC and ACSR conductors) Aluminium wire (including SE/DPC aluminium wire), Copper wire (including SE/DPC Copper wire), CRGO Electrical Laminations, CRGO Electrical Toroidal Core, single-three phase wound core, transformers and goods, articles and things, their raw materials, intermediated, substances and consumables such as granules (PVC/XLE) Copper aluminium, aluminium alloy steel, varnish, craft paper, GE wire, GI strips, PVC tape, CRGO Electrical Steel Sheets/Coils Strips, old and used electrical transformers without oils and other materials and machinery, tools, dies, fixtures equipment and gauges.

3. To Carry on the business of e-commerce, on-line trading, online gaming, payment through online, developers of software & hardware home delivery as exporters, importers, buyers, 'purchase, sellers traders, distributors, stockiest, franchise commission agent, and all type of marketing and services brokers, C and F agent, education, jewellery items, agency business Industrial and consumer goods provisions wares, crockery wares, pottery, tableware, hotel, wares, glass, wares, sanitaryware sanitary systems, decorative, wares, garden ware, earth ware, cement glaze ceramics, glaze tiles, FMCG, dry fruits, pharmaceutical, stationary, gift items handicraft handmade paper and paper products, painting, computers, ceramics, sanitary items, medicine, books, optical items, readymade garments, woollen suits, men and women wear kids wear, textiles, fabrics, hosiery goods, handicrafts cotton, scarves, sarees, woollen items, pillow cover, bed cover fibres of textile material whether agriculture or animal or natural products of manmade and other synthetic fibres and filaments and all kinds of textile machines, textile substance, handloom and power loom products, carpet floor covering, furnishing fabric durries all kind of precious and semi-precious stones, marbles, granites glass, plywood, furniture wood and wooden items, cement, steel pipes, gem and jewellery, curious plastic and plastic products, toys, leather and leather goods, rice and other foods grains and processed and preserved food, fresh food, plant seed dry fruits, eatable all kind of edible and non-edible oils oil seeds and their products vegetable, vegetables products dairy products, brewer horticultural products, flower, marine products and sea foods, tea, Tobacco and Tobacco products, all kind of electrical and ****Company has altered its Memorandum of Association and Article of Association in the Extra-Ordinary General Meeting held on 25/04/2024 for adoption of new set of MOA & AOA and alteration of Capital Clause of MOA in pursuance to the Order dated April 05, 2024 passed by the Hon'ble NCLT, Jaipur Bench approving the Scheme of Merger between Mangal Electrical Industries Private Limited and Dynamic Powertech Private Limited.***

***The Members of the Company passed Special Resolution in Extra Ordinary General meeting held on 16/05/2024 for Conversion of Company from Private Limited to Public Limited Company and for Adoption/Alteration of Memorandum of Association and Articles of Association <inter-alia> pursuant to the Companies Act, 2013 upon conversion from Private Limited to Public Limited Company.*

Present business: -

The company is renowned for producing high-quality transformer components. The company has developed a reputation for its expertise in the industry and its commitment to providing innovative and reliable solutions. The company utilizes advanced manufacturing infrastructure and established quality systems to support its operations in transformer core production. The company employs a Cut-to-Length (CTL) machine with features such as V Notch units, two-hole punch units, and dual tip-cut mechanisms, enabling precise cutting of CRGO laminations for both distribution and power transformers. This technology allows for the efficient production of steplap CRGO cores in various configurations, helping to maintain accuracy and consistency across different transformer designs. The company's quality control process includes in-house testing capabilities through a NABL-accredited lab and the use of Brockhaus testing equipment. Additionally, compliance with standards recognized by organizations like NTPC and PGCIL helps ensure that the products meet required specifications. These practices reflect a structured approach to technology adoption and quality management within the company's operations

The company specialize in processing transformer components, including transformer laminations, CRGO slit coils, amorphous cores, coil and core assemblies, wound and toroidal cores, and oil-immersed circuit breakers. The company also trade CRGO and CRNO coils, as well as amorphous ribbons. Additionally, the company manufacture transformers and customized products for the power infrastructure industry. The Company's transformer range spans from single-phase 5 KVA to three-phase 10 MVA units. The company also offer EPC services for setting up electrical substations, serving the power sector.

2. Abridged financial information: Abridged financial information, for the last two years for which audited financial information is available in respect of the Company and its subsidiaries.

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

Particulars	As at 31st March 2025	As at 31st March 2024
I. ASSETS		
(1) Non-Current Assets		
(a) Property, Plant and Equipment	3,922.52	3,943.31
(b) Intangible Assets	24.32	32.82
(c) Intangible Asset Under Development	25.21	-
(d) Capital Work in progress	864.32	161.99
(e) Financial Assets		
(i) Other Financial Assets	1,352.85	965.36
(f) Other Non Current Assets	335.36	6.13
(g) Deferred Tax Assets (Net)	171.93	227.99
Total Non Current Assets	**6,696.51**	**5,337.60**
(2) Current Assets		
(a) Inventories	14,826.94	8,291.30
(b) Financial Assets		
(i) Trade Receivables	12,934.55	8,834.51
(ii) Cash and Cash Equivalents	43.96	678.76
(iii) Bank Balances other than (ii) above	-	25.19
(iv) Other Financial Assets	30.37	24.04
(c) Other Current Assets	2,114.03	1,462.77
Total Current Assets	**29,949.85**	**19,316.57**
Total Assets	**36,646.36**	**24,654.17**
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity Share capital	2,050.00	1,450.00
(b) Other Equity	14,166.35	9,448.76
(c) Share Capital pending for allotment pursuant to merger	-	600.00
Total Equity	**16,216.35**	**11,498.76**
(2) Liabilities		
(a) Non-Current Liabilities		
(i) Financial Liabilities		
(a) Borrowings	1,153.33	1,856.13
(b) Provisions	228.11	197.78
Total Non Current Liabilities	**1,381.44**	**2,053.91**
(B) Current Liabilities		
(i) Financial Liabilities		
(a) Borrowings	13,758.24	7,355.88
(b) Trade Payables		
Due to Micro Enterprises and Small Enterprises	379.93	472.20
Due to Others	3,271.16	2,152.53
(c) Other Financial Liabilities	255.45	195.88
(d) Other Current Liabilities	1,242.68	584.08
(e) Provisions	41.98	123.40
(f) Current Tax Liabilities	9.13	217.54
Total Current Liabilities	**19,048.57**	**11,101.51**

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

Particulars	As at 31st March 2025	As at 31st March 2024
Total Equity and Liabilities	**36,646.36**	**24,654.17**

Statement of Profit and Loss

(Amount in ₹ Lakhs)

Particulars	For Year Ended 31st March 2025	For Year Ended 31st March 2024
I. Income		
Revenue from Operations	54,942.14	44,948.45
Net Revenue from operations	54,942.14	44,948.45
Other Income	196.90	264.78
Total Income (I+II)	**55,139.04**	**45,213.23**
IV. Expenses:		
Cost of Materials Consumed	37,090.84	32,839.78
Purchase of Stock in Trade	4,192.28	2,470.77
Changes in Inventories of Work in Progress and Finished Goods	176.73	1,009.37
Employee Benefit Expenses	2,346.35	1,963.03
Finance Cost	1,517.74	1,308.53
Depreciation Expense	492.33	407.91
Other Expenses	2,951.86	2,402.99
Total Expenses (IV)	**48,768.11**	**42,402.38**
V. Profit before Exceptional Items & Tax (III-IV)	**6,370.93**	**2,810.85**
Exceptional Items	-	-
VI. Profit/(Loss) Before Tax (V-VI)	**6,370.93**	**2,810.85**
VIII. Tax Expense:		
Income Tax including Tax related to prior periods	1,579.76	793.27
Deferred Tax	60.47	-77.28
Total Tax Expenses (VIII)	**1,640.23**	**715.99**
IX. Profit for the year (VII-VIII)	**4,730.70**	**2,094.86**
X. Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
- Remeasurement gains/(Losses) on Defined Benefit Plans	-17.51	9.00
- Income tax on above	4.41	-2.26
Total Other Comprehensive Income for the period (X)	**-13.10**	**6.74**
XI. Total Comprehensive Income for the period (IX+X)	**4,717.60**	**2,101.62**
XII. Earnings per Equity Share: (Face value per Equity Share of ₹ 10 each)		
Basic and Diluted EPS (in ₹)	23.08	10.22

3. **Risk Factors and Management perception** of the risk factors for the Company (i.e. sensitivity to foreign exchange rate fluctuations, difficulty in availability of raw materials or in marketing of products, cost/time overrun etc.)

   The Company shall disclose the same to the Option Grantee/s at the time of each grant.

4. **Continuing disclosure requirement:** The Option Grantee shall be provided copies of all documents that are sent to the members of the Company. This shall include the annual accounts of the Company as well as notices of meetings and the accompanying explanatory statements.

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

MANGAL ELECTRICAL INDUSTRIES LIMITED

CIN: L31909RJ2008PLC02

Regd. Office - C-61, C-61 (A&B)/ Road No. 1- C, V.K.I. Area, **Jaipur 302 013**

PART C

SALIENT FEATURES OF THE SCHEME

Table of Contents

1. NAME, OBJECTIVE AND TERM OF THE SCHEME 7
2. DEFINITIONS AND INTERPRETATION 7
3. AUTHORITY 14
4. ADMINISTRATION 15
5. ELIGIBILITY AND APPLICABILITY 17
6. VESTING SCHEDULE AND VESTING CONDITIONS 18
7. EXERCISE 18
8. COMPLIANCES AND CONDITIONS 22
9. LOCK-IN 22
10. VARIATION OF TERMS OF THE SCHEMES 22
11. SURRENDER OF OPTIONS 23
12. METHOD OF VALUATION 23
13. OTHER TERMS AND CONDITIONS 23
14. TAXATION 24
15. AUTHORITY TO VARY TERMS 25
16. MISCELLANEOUS 25
17. INSIDER TRADING ETC. 26
18. ACCOUNTING AND DISCLOSURES 26
19. CERTIFICATE FROM SECRETARIAL AUDITORS 27
20. GOVERNING LAWS 27
21. NOTICES 27
22. JURISDICTION 28
23. SEVERABILITY 28
24. CONFIDENTIALITY 28

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

1. NAME, OBJECTIVE AND TERM OF THE SCHEME

1.1 This Scheme shall be called **"MANGAL ELECTRICAL INDUSTRIES LIMITED - EMPLOYEE STOCK OPTION PLAN 2025" (HEREINAFTER REFERRED TO AS "MEIL - ESOP 2025").**

1.2 The objective of MEIL - ESOP 2025 is to reward the eligible and potential Employees who are in the employment of the Company and/or Holding Company, its Subsidiary Company(ies), Group Company(ies), Associate Company(ies) (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time, whether working in India or out of India and to the Directors of the Company and/or its Subsidiary Company(ies), Group Company(ies), Associate Company(ies) for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to attract and retain talents in the organization. The Company views Employee Stock Options as a means that would enable the Employees to get a Share in the value they create for the Company in future.

1.3 MEIL - ESOP 2025 will be effective on approval by the shareholders by the way of special resolution passed in the General Meeting or passing the same through Postal Ballot and shall continue to be in force until (i) its termination by the Board, or by duly constituted Nomination and Remuneration Committee from time to time by whatever name called, in accordance with Companies Act, and rules made thereunder and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, (ii) the date on which all of the Employee Stock Options available for issuance under the MEIL - ESOP 2025 have been issued and exercised, whichever is earlier.

1.4 The Board of Directors or the Nomination and Remuneration Committee, as authorized may subject to compliance with Applicable Laws, at any time amend, suspend or terminate the MEIL- ESOP 2025.

2. DEFINITIONS AND INTERPRETATION

2.1 **Definitions**

I. "**Act**" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);

II. "**Applicable Law**" means every law relating to Employee Stock Options, to the extent applicable, including Companies Act, Securities and Exchange Board of India Act, 1992, SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and all relevant tax, securities, exchange control or corporate laws of India, or

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

amendments thereof or of any relevant jurisdiction or of any recognized Stock Exchange on which the Shares are listed or quoted;

III. "**Associate Company**" means a Company (present or future) which shall have the same meaning as defined under section 2(6) of the Companies Act, 2013 which also includes a Joint Venture Company;

IV. "**Board**" means the Board of Directors of the Company;

V. **"Cause"** means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the offer or terms of employment amounting to misconduct or breach of terms of employment as determined by the Board after giving the Employee an opportunity of being heard:

(i) dishonest statements or acts of an Employee, with respect to the Company;

(ii) a felony or any misdemeanor involving moral turpitude, deceit, dishonesty or fraud committed by the Employee;

(iii) gross negligence, misconduct or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company;

(iv) breach by the Employee of any terms of his employment agreement or the Company's policies or other documents or directions of Company including the reasons of non-performance;

(v) participating or abetting a strike in contravention of any law for the time being in force;

(vi) Misconduct as provided under the labour laws after following the principles of natural justice;

VI. **"Committee"** means Nomination and Remuneration Committee of the Board as constituted from time to time in accordance with Companies Act as amended from time to time read with rules made thereunder and shall also constitute and act as the Compensation Committee for the purposes of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

VII. **Companies Act**" means the Companies Act, 2013 and rules made thereunder and include any statutory modifications or re-enactments thereof;

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

VIII. **"Company"** means **'MEIL Limited'**, originally incorporated under the Companies Act, 1956, having its registered office at C-61, C-61 (A&B), Road No. 1-C, V.K.I. Area, Jaipur, Rajasthan, IN-302013, Vishwakarma Industrial Area, Jaipur, Jaipur, Rajasthan, India, 302013, registered vide CIN: L31909RJ2008PLC026255;

IX. **"Company Policies/Terms of Employment"** means the Company's policies for the Employees and the terms of employment as contained in the employment letter issued to the Employee at time of joining the employment and the Company's Employee handbook, which includes provisions requiring a desired level of performance, securing confidentiality, non-compete and non-poaching of other Employees and customers.

X. **"Control"** shall have the same meaning as defined under the Companies Act, or Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

XI. "**Director**" shall have the same meaning as defined under section 2(34) of the Companies Act;

XII. "**Employee**" means —

(i) an employee as designated by the Company, who is exclusively working in India or outside India; or

(ii) a Director of the Company, whether a whole time Director or not, including a non-executive Director who is not a Promoter or member of the Promoter Group, but excluding an independent Director; or

(iii) an employee as defined in sub-clauses (i) or (ii), of a Group Company including Subsidiary or its Associate Company, in India or outside India, or of a Holding Company of the Company, but does not include—

(a) an Employee who is a Promoter or a person belonging to the Promoter group; or

(b) a Director who, either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten per cent of the outstanding equity Shares of the Company;

XIII. "**Employee Stock Option" or "Option''** means the option granted to an eligible Employee which gives such an Employee a right to purchase or subscribe at a future date, the Shares offered by the Company, directly or indirectly, at a pre-determined price;

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

XIV. "**Employee Stock Option Plan" or "Employee Stock Option Scheme" or "ESOP**" or **"ESOS"** means a Scheme or Plan under which a Company grants Employee stock options to Employees directly;

XV. "**Eligibility Criteria**" means the criteria as may be determined from time to time by the Board/ Committee for granting the Employee Stock Options to the Employees;

XVI. "**MEIL - ESOP 2025"** means Employee Stock Option Plan/Scheme under which the Company is authorized to grant Employee Stock Options to the Employees.

XVII. **"Equity Shares"** means fully paid-up Equity Shares of the Company of face value of Rs. 10/- (Rupees Ten) each or any other value as may be determined by the Board or the Shareholders of the Company in compliance with the Companies Act 2013 or any reenactment thereof;

XVIII. "**Exercise**" means making of an application by an eligible Employee to the Company for issue of Shares or appreciation in form of cash, as the case may be, against vested Options in pursuance of the Scheme;

XIX. "**Exercise Period**" means the time period after vesting within which an Employee can exercise his/her right to apply for Shares against the vested option in pursuance of the Scheme;

XX. "**Exercise Price**" means the price, if any, payable by an Employee for exercising the option granted to such an Employee in pursuance of the Scheme;

XXI. "**Fair Value of the Option**" means the value computed in respect of the Options granted based on the date of grant by use of mathematical/ statistical model such as Black Scholes;

XXII. **"General Meeting**" means an annual general meeting or an extraordinary general meeting through postal ballot held by the Company in compliance with the Companies Act;

XXIII. "**Grant**" means the process by which the Company issues options, Shares under MEIL - ESOP 2025;

XXIV. **"Grant Date''** means the date on which the Board or Committee approves the grant. For accounting purposes, the grant date will be determined in accordance with applicable accounting standards;

XXV. "**Group''** means two or more companies (present or future) which, directly or indirectly, are in a position to-

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

(i) exercise twenty-six per cent. or more of the voting rights in the other Company; or

(ii) appoint more than fifty per cent. of the members of the Board of Directors in the other Company; or

(iii) control the management or affairs of the other Company;

XXVI. "**Holding Company**" means a holding Company (present or future) as defined in sub-section (46) of section 2 of the Companies Act;

XXVII. **"ICAI"** means the Institute of Chartered Accountants of India;

XXVIII. **"Insider"** shall have the same meaning assigned to it under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;

XXIX. **"Independent Director"** shall have the same meaning assigned to it under the Companies Act and rules made thereunder;

XXX. **"Key Managerial Personnel"** shall have the same meaning as defined under section 2(51) of the Companies Act;

XXXI. **"Long Leave"** means a sanctioned leave in excess of 60 days without break;

XXXII. "**Market Price"** means the latest available closing price, immediately prior to the date of grant of Options by the Board/ Committee, on the recognized Stock Exchange on which the Shares of the Company are listed. In case Shares are listed on more than one Stock Exchange, then the closing price on the Stock Exchange where the highest trading volume on the said date shall be considered;

XXXIII. **"Merchant Banker**" means a merchant banker as defined under Regulation 2(1) (cb) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, which is registered under Section 12 of the Securities and Exchange Board of India Act, 1992 (No. 15 of 1992);

XXXIV. **"Option"** means Employee Stock Option within the meaning of this Scheme;

XXXV. "**Option Grantee**" means an Employee having a right but not an obligation to exercise an option in pursuance of MEIL - ESOP 2025;

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

XXXVI. "**Permanent Disability or Permanent Incapacity**" means any incapacity of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Board/ Committee based on a certificate of a medical expert identified by the Company;

XXXVII. **"Promoter"** shall have the same meaning as assigned to the term under the Companies Act and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;

XXXVIII. **"Promoter Group"** shall have the same meaning assigned to the term under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;

XXXIX. **"Recognised Stock Exchange or Stock Exchange**" means a stock exchange which has been granted recognition under section 4 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);

XL. **"Relative"** shall have the same meaning as defined under section 2(77) of the Companies Act;

XLI. **"Relevant Date**" means -

a. in the case of grant, the date of the meeting of the Board/Committee on which the grant is made; or

b. in the case of exercise, the date on which the notice of exercise is given to the Company by the Option Grantee;

XLII. "**Retirement**" means retirement as per the rules of the Company;

XLIII. **"Scheme" "Plan"** means **MANGAL ELECTRICAL INDUSTRIES LIMITED - EMPLOYEE STOCK OPTION PLAN 2025" ("MEIL - ESOP 2025").**

XLIV. **"Securities"** means securities as defined in section 2(h) of the Securities Contracts (Regulation) Act, 1956 (42 of 1956);

XLV. **"Secretarial Auditor"** means a Company secretary in practice appointed by a Company under rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit, pursuant to applicable provisions of the Companies Act and rules made thereunder and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

XLVI. "**SEBI**" means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992;

XLVII. **"SEBI (SBEB and Sweat Equity) Regulations"** means Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as amended and re-enacted from time to time and includes any clarifications or circulars issued thereunder;

XLVIII. "**Shares**" means Equity Shares of the Company within the meaning of this Scheme;

XLIX. **"Subsidiary"** means a Subsidiary of the Company (present or future) as per the definition under Section 2(87) of the Companies Act;

L. "**Unvested Option**" means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to exercise the Option;

LI. **"Vesting"** means the process by which the Employee becomes entitled to receive the benefit of a grant made to him/her under any of the Schemes;

LII. **"Vesting Condition"** means any condition subject to which the Options granted would vest in an Option Grantee;

LIII. "**Vesting Period**" means the period during which the vesting of option granted under any of the Schemes takes place;

LIV. "**Vested Option"** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.

2.2 **Interpretation**

In this Scheme, unless the contrary intention appears:

a) the clause headings are for ease of reference only and shall not be relevant to interpretation;

b) a reference to a clause number is a reference to its sub-clauses;

c) words in singular number include the plural and vice versa.

d) words importing a gender include any other gender; and

e) reference to Company shall refer to the Company and / or Holding Company, Group Company, Associate Company or its Subsidiary Company where the

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

contexts so requires, in case Options are granted to the Employees of Holding Company, Group Companies, Associate Companies or its Subsidiary Companies in future.

Words and expressions used and not defined herein but defined in the Act, the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Companies Act, and any statutory modification or re-enactment thereto, or Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or SEBI (SBEB and Sweat Equity) Regulations shall have the meanings respectively assigned to them in those legislations.

3. AUTHORITY

3.1 The Nomination and Remuneration Committee of the Company through resolution dated May 13, 2026, the Board of the Company through resolution dated May 13, 2026 and the Shareholders of the Company through special resolution dated August 26, 2026, the Company shall be authorized to issue to the Employees under MEIL - ESOP 2025, not exceeding 15,00,000 Employee Stock Options convertible into not more than 15,00,000 Equity Shares of face value of Rs. 10/- (Rupees Ten) each fully paid-up, with each such Option conferring a right upon the Employee to be issued one Share of the Company, in accordance with the terms and conditions of such issue. Further, the maximum number of Options to be granted per Employee per grant and in aggregate shall not exceed 15,00,000.

3.2 The maximum number of Options that shall be granted to the identified Employees who are in the employment of the Company and/or its Subsidiary Company(ies), Group Company(ies), Associate Company(ies) (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time, whether working in India or out of India and to the Directors of the Company and/or its Subsidiary Company(ies), Group Company(ies), Associate Company(ies) in any one year and in aggregate under MEIL - ESOP 2025 shall not be equal to or exceeding 1% of the issued Capital (excluding outstanding warrants and conversions) of the Company , if the prior specific approval from members of the Company through a special resolution to this effect is not obtained. The appraisal process for determining the eligibility of the Employees will be decided by the Board/ Committee from time to time.

3.3 If an Employee Stock Option expires, lapses, gets cancelled, surrendered or becomes un-exercisable due to any reason/s, it shall be brought back to the Employee Stock Options pool and shall become available for future grants, subject to compliance with the provisions of the Applicable Laws.

3.4 Where Shares are allotted consequent upon Exercise of an Employee Stock Option under the MEIL - ESOP 2025, the maximum number of Shares that can be allotted under MEIL -

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

ESOP 2025 as referred to in Sub-clause 3.1 above shall stand reduced to the extent of such Shares allotted.

3.5 In case of a Share split, merger, demerger, Scheme of arrangement, amalgamation, sale of division, consolidation, rights issues, bonus issues and other corporate actions, if the revised face value of an Equity Share is less or more, as the case may be, than the current face value as prevailing on the date of coming into force of this Scheme, the maximum number of Shares available under MEIL - ESOP 2025 as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (number of Shares x face value per Share) prior to such split or consolidation remains unchanged after such split or consolidation.

4. ADMINISTRATION

4.1 The MEIL - ESOP 2025 shall be administered by the Board or by the Committee as may be authorized by the Board. All questions of interpretation of the MEIL - ESOP 2025 shall be determined by the Board/ Committee and such determination shall be final and binding upon all persons having an interest in the MEIL - ESOP 2025, in compliance with Applicable Laws.

4.2 The Board/ Committee shall in accordance with this Scheme and Applicable Laws determine the following:

a. the quantum of Options, Shares or benefits as the case may be, per Employee and in aggregate under a Scheme;
b. the kind of benefits to be granted under this Scheme;
c. the conditions under which Options, Shares or other benefits as the case may be, may vest in Employees and may lapse in case of termination of employment for misconduct;
d. The schedule for Vesting of the Options granted to Employees;
e. The price at which the Options are to be granted from time to time (which will be the Exercise Price for the Options at a future date).
f. the exercise period within which the Employee can exercise the Options and that Options would lapse on failure to exercise the same within the exercise period;
g. the specified time period within which the Employee shall exercise the vested Options or in the event of termination or resignation;
h. the right of an Employee to exercise all the Options, as the case may be, vested in him at one time or at various points of time within the exercise period;
i. the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of Options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, inter alia, be taken into consideration by the Board / Committee:

MAGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

i. the number and price of Options shall be adjusted in a manner such that total value to the Employee of the Options remains the same after the corporate action;
ii. the vesting period and the life of the Options shall be left unaltered as far as possible to protect the rights of the Employee(s) who is granted such Options;

j. the grant, vesting and exercise of Shares, Options or in case of Employees who are on long leave;

k. eligibility to avail benefits under this Scheme in case of Employees who are on long leave;

l. the procedure for funding the exercise of Options;

m. the procedure for buy-back of specified securities issued under SEBI SBEB and Sweat Equity Regulations, if to be undertaken at any time by the Company and the applicable terms and conditions, including:

(i) permissible sources of financing for buy-back;

(ii) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and

(iii) limits upon quantum of specified securities that the Company may buy-back in financial year.

For the purpose of this Clause 4.2, specified securities means as defined under the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

n. Amend any terms and conditions of any Options granted under the Scheme to the extent it is not inconsistent with the terms of the Scheme and not prejudicial to the interest of the Option Grantee.

4.3 Post grant of options to the employees and before the exercise of such options (whether vested or unvested), if in the opinion of Board/Committee any of the option grantee/s act against the business interest of the company, then the Board/Committee shall have exclusive power to cancel the options granted to such option grantee/s.

4.4 Post grant of options to the employees and before the exercise of such options (whether vested or unvested), if in the opinion of Board/Committee the performance of any of the option grantee/s is not satisfactory/acceptable, then the Board/Committee shall have exclusive power to cancel the options granted to such option grantee/s.

4.5 Post grant of options to the employees and before the exercise of such options (whether vested or unvested), if in the opinion of Board/Committee the performance of any of the option grantee/s is not satisfactory/acceptable and that such option grantee is given notice to improve his/her performance within specific time period and in the interim in case of death or permanent incapacitance of such option grantee/s, the provisions under point 5 and 6 of Clause 7.2 (b) of this Scheme shall not apply.

4.6 The Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws including the Securities and Exchange Board of India

(Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended from time to time, by the trust, the Company and its Employees, as may be applicable.

4.7 Approve forms, documents, deeds, writings and/or agreements for use in pursuance of the MEIL- ESOP 2025. The Board/ Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 by the Company and its Employees.

5. ELIGIBILITY AND APPLICABILITY

5.1 Only Employees within the meaning of this Scheme are eligible for being granted Stock Options under MEIL - ESOP 2025. The specific Employees to whom the Stock Options would be granted, and their Eligibility Criteria would be determined by the Board/ Committee.

5.2 In case of any Grant of Option to the eligible Employees who are in the employment of the Company and/or its Subsidiary Company(ies), Group Company(ies), Associate Company(ies) (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time, whether working in India or out of India and to the Directors of the Company and/or its Subsidiary Company(ies), Group Company(ies), Associate Company(ies), prior approval of the Shareholders shall be obtained, by the way of passing a Special Resolution, as per provisions of the Applicable Laws.

5.3 Further, where such Employee is a director nominated by an institution as its representative on the Board of Directors of the Company –

(i) the contract or agreement entered between the institution nominating its Employee as the Director of a Company and the Director so appointed shall, *inter alia*, specify the following: -

a. whether the grants by the Company under its Scheme(s) can be accepted by the said Employee in his capacity as Director of the Company;

b. that grant if made to the Director, shall not be renounced in favour of the nominating institution; and

c. the conditions subject to which fees, commissions, other incentives, etc. can be accepted by the Director from the Company.

(ii) the institution nominating its Employee as a Director of the Company shall file a copy of the contract or agreement with the said Company, which shall, in turn file the copy with all the recognised stock exchanges on which its Shares are listed.

MAHESAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

(iii) the Director so appointed shall furnish a copy of the contract or agreement at the first Board meeting of the Company attended by him after his nomination.

6. VESTING SCHEDULE AND VESTING CONDITIONS

6.1 The Options granted shall vest so long as an Employee continues to be in the employment of the Company or the Holding Company, Associate Company, Group Company or its Subsidiary Company as the case may be. The Board/ Committee may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of 1(one) year.

Provided further that 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.

6.2 The vesting dates in respect of the Options granted under the Scheme may vary from Employee to Employee or any class thereof and/or in respect of the number or percentage of Options granted to an Employee.

6.3 Options shall vest essentially based on continuation of employment and apart from that the Board / Committee may prescribe other performance / other condition(s) for vesting. The vesting may occur in tranches or otherwise.

6.4 Options granted under MEIL - ESOP 2025 would vest subject to maximum period of 7 (Seven) years from the date of respective grant of such Options.

6.5 The specific vesting schedule and conditions subject to which vesting would take place would be outlined by the Board / Committee in the document(s) given to the Option Grantee at the time of grant of Options.

6.6 The period of Long Leave shall not be considered in determining the Vesting Period in the event the Employee is on a sabbatical. In all other events including approved earned leave and sick leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Board/ Committee.

6.7 The Board of Directors/Compensation/NRC Committee, shall have, subject to the applicable law (and subject to a minimum vesting period of 1 year) the right, to vest all or part of the Unvested Options in an accelerated manner from out of the options granted and outstanding to the employees.

7. EXERCISE

7.1 Exercise Price:

(a) The Exercise Price shall be as may be decided by the Board/ Committee as is allowed under the Companies Act, and SEBI (SBEB and Sweat Equity) Regulations, which in any

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

case will not be lower than the face value of the equity Shares of the Company on the date of such grant. Further the Exercise Price can be different for different set of Employees for Options granted on same / different dates.

(b) Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Board / Committee may decide.

(c) No amount shall be payable by the Option Grantee at the time of grant.

(d) Notwithstanding anything contained hereinabove, amount paid/payable, if any, by the Employee at the time of the grant, vesting or exercise of the Options will be forfeited if the Employee does not exercise the same within the exercise period.

7.2 Exercise Period:

(a) **While in employment:**

(i) The Exercise period shall not be more than 7 (Seven) years from the date of respective vesting of Options. The Options vested may be exercised by the Option Grantee at one time or at various points of time within the exercise period as determined by the Board/ Committee from time to time.

(ii) The Vested Options shall be exercisable by the Employees by a written application (or by electronic means through a software) to the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Board/ Committee from time to time. The Options shall lapse, if not exercised within the specified exercise period.

(b) **Exercise Period in case of separations:**
Options can be exercised as per provisions outlined below*:

Sr. No.	Separations	Vested Options	Unvested Options
1	**Resignation**	Subject to the terms and conditions, all Vested Options as on date of submission of resignation may be exercised by the Option Grantee on or before his last working day or before the expiry of the Exercise period with the	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

Sr. No.	Separations	Vested Options	Unvested Options
		Company, whichever is earlier.	
2	**Termination (With cause like fraud, misconduct etc.)**	All Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	**Termination (Without cause)**	All Vested Options which were not exercised at the time of such termination may be exercised by the Option Grantee on or before his last working day with the Company or before the expiry of the Exercise period, whichever is earlier.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
4	**Retirement or early Retirement approved by Company**	All vested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period.	All Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period.
5	**Death**	All Vested Options, granted under a Scheme to him/her till his/her death shall vest, with effect from the date of his/her death, in the legal heirs or nominees of the deceased Employee, as the case may be and such Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 12	All Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir/s within 12 months from the date of Death.

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

Sr. No.	Separations	Vested Options	Unvested Options
		months from the date of Death.	
6	**Permanent Disability**	All Vested Options, granted to him/her under a Scheme as on the date of permanent incapacitation shall vest in him/her on that day and such Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than 12 months from the date of such disability.	All Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 12 months from the date of such disability.
7	**Abandonment****	All the Vested Options shall stand cancelled.	All the Unvested Options shall stand cancelled.
8	**Any other reason not specified above**	The Committee or any other Board Committee as due authorized shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

* *In case of any regulatory changes warranting any change in vesting schedule/conditions/exercise period in any of the above separation conditions, the provision of such change shall apply.*

** *The Board/ Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned. Provided that, in accordance with Applicable Laws, notwithstanding anything to the contrary contained herein, the Company shall not vary the terms of the MEIL - ESOP 2025, in any manner which may be detrimental to the interests of the Employees.*

7.3 In the event that an Employee, who has been granted benefits under a Scheme, is transferred or deputed to an Associate Company prior to vesting or exercise, the vesting

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

and exercise as per the terms of grant shall continue in case of such transferred or deputed Employee even after the transfer or deputation.

7.4 In the event that an Employee who has been granted benefits under a Scheme, is transferred pursuant to Scheme of arrangement, amalgamation, merger or demerger or continued in the existing Company, prior to the vesting or exercise, the treatment of Options in such case shall be specified in such Scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the Employee.

7.5 The Options not exercised within the Exercise Period shall lapse and the Employee shall have no right over such lapsed or cancelled Options.

8. COMPLIANCES AND CONDITIONS

8.1 For listing of shares issued pursuant to MEIL - ESOP 2025, the company shall obtain the in-principle approval of the recognized stock exchanges where it proposes to list the said shares prior to the grant of options.

9. LOCK-IN

The Shares issued upon exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such exercise. However, the Board or the Committee as may be authorized by the Board, may, in some cases, provide for lock-in of Shares issued upon the exercise of Options, which shall be mentioned in grant letter issued to the Option Grantee.

Provided that the transferability of the Shares shall be subject to the restriction for such period in terms of the Securities Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended from time to time or for such other period as may be stipulated from time to time in terms of Company's Code of Conduct for Prevention of Insider Trading, as and when these regulations applicable to the Company.

10. VARIATION OF TERMS OF THE SCHEMES

10.1 The Company may by special resolution of its shareholders vary the terms of the Scheme offered pursuant to an earlier resolution of the general body but not yet exercised by the Employees, if such variation is not prejudicial to the interests of the Employees.

Notwithstanding the provisions of Clause (10.1), the Company shall be entitled to vary the terms of the Scheme to meet any regulatory requirement without seeking shareholders' approval by special resolution.

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

10.2 The notice for passing a special resolution for variation of terms of the Scheme shall disclose full details of the variation, the rationale therefore, and the details of the Employees who are beneficiaries of such variation.

10.3 A Company may re-price the Options, or Shares, as the case may be, which are not exercised, whether or not they have been vested, if the Schemes were rendered unattractive due to fall in the price of the Shares in the stock market:

Provided that the Company ensures that such re-pricing is not detrimental to the interests of the Employees and approval of the shareholders by a special resolution has been obtained for such re-pricing.

11. SURRENDER OF OPTIONS

An Employee may surrender his/her vested /unvested Options at any time during / post his employment with the Company. Any Employee willing to surrender his/her Options shall communicate the same to the Board or Committee in writing. Thereafter the surrendered Options shall be brought back to the Employee Stock Options pool and shall become available for future grants.

12. METHOD OF VALUATION

The Company will follow IFRS/ IND AS/ any other requirements for accounting of the Stock Options as are applicable to the Company for the same.

Since the Company opts for expensing of share based employee benefits using the fair value method, the following statement will not be applicable viz.

In case the Company opts for expensing of share based employee benefits using the intrinsic value 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.

13. OTHER TERMS AND CONDITIONS

13.1 The Employee shall not have a right to receive any dividend or to vote or in any manner or enjoy the benefits of a Shareholder in respect of Employee Stock Options granted, till Shares underlying such Employee Stock Options are allotted by the Company on exercise of such Employee Stock Option.

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

13.2 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a Shareholder of the Company (for example, bonus Shares, rights Shares, dividend, voting, etc.) in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Employee Stock Option and becomes a registered holder of the Shares of the Company.

13.3 The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

13.4 If the Company issues bonus Shares or rights Shares, the Option Grantee shall not be eligible for the bonus or rights Shares in the capacity of an Option Grantee. However, an adjustment to the number of Options or the Exercise Price or both would be made in accordance with clause 4.2 of MEIL - ESOP 2025.

13.5 Employee Stock Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case provisions in table under Sub-clause 7.2(b) would apply.

13.6 No person other than the Employee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option except in the event of the death of the Option Grantee, in which provisions in table under Sub-clause 7.2 (b) would apply.

Provided that, subject to Applicable Laws, the Company may fund or permit the empaneled stock brokers to make suitable arrangements to fund the Employee for payment of exercise price, the amount necessary to meet his/her tax obligations and other related expenses pursuant to exercise of Options granted under the MEIL - ESOP 2025 and such amount shall be adjusted against the sale proceeds of some or all the Shares of such Employee.

Subject to the provisions of Applicable Law, including the Companies Act, the Company may at its sole discretion provide financial assistance to the Employees of such amounts and on such terms as may be deemed fit, to enable them to Exercise the Options.

13.7 If the Company gets its Shares delisted from all the recognized Stock Exchange/s, then the Board shall have the powers to set out terms and conditions for the treatment of Vested Options and Unvested Options in due compliance of the Applicable Laws.

14. TAXATION

14.1 The liability of paying taxes, if any, in respect of Employee Stock Options granted pursuant to this Scheme and the Shares issued pursuant to exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

Tax Act, 1961 or any re-enactment thereof, read with rules issued there under and/or Income Tax Laws of respective countries as applicable to eligible Employees of Company working outside India, if any.

14.2 The Company shall have the right to deduct from the Employee's salary or recover any tax that is required to be deducted or recovered under the Applicable Laws. In case of non–continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.

14.3 The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

15. AUTHORITY TO VARY TERMS

The Board/ Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the MEIL - ESOP 2025, subject to compliance with the Applicable Laws and Regulations.

Further, Nomination and Remuneration Committee shall be entitled to vary the terms of the MEIL - ESOP 2025, to meet any regulatory requirement without seeking Shareholder's approval by special resolution in terms of regulation 7 of SEBI SBEB and Sweat Equity Regulations.

16. MISCELLANEOUS

16.1 **Government Regulations**

The MEIL - ESOP 2025, shall be subject to all Applicable Laws to the extent applicable. The Grant of Options and allotment of Shares to the Employees under this MEIL - ESOP 2025 shall be subject to the Company requiring the Employees to comply with all Applicable Laws. Further, Company will comply with all the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendment made thereof.

16.2 **Inability to obtain authority:**

16.3 The inability of the Company to obtain authority from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful allotment and issuance of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of such inability.

16.4 Neither the existence of this Scheme nor the fact that an individual has on any occasion been granted an Employee Stock Option shall give such individual any right, entitlement or expectation that he has or shall in future have any such right, entitlement

MANGALAM ELECTRICAL INDUSTRIES LTD. RAJASTHAN

or expectation to participate in this Scheme by being granted an Employee Stock Option on any other occasion.

16.5 The rights granted to an Option Grantee upon the grant of an Employee Stock Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

16.6 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Employee Stock Option in whole or in part.

16.7 Participation in MEIL - ESOP 2025 shall not be construed as any guarantee of return on equity investment. Any loss due to fluctuations in the market price of the Shares and the risks associated with the investments are that of the Employee alone.

16.8 In case the Company grants option/s, to the employee/s of its subsidiary/Group/Associate company/ies ("entities"), the Company may transfer such cost incurred to the respective entities and the Company shall disclose the same in the 'notes to accounts' of the financial statements of the Company as well as the respective entities.

17. INSIDER TRADING ETC.

The Employee shall ensure that there is no violation of:

a. SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time; and

b. SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003; and

c. Any other regulations to prevent fraudulent or harmful practices relating to the Securities Market.

The Employee shall keep the Company, the Board, and the Committee fully indemnified in respect of any liability arising for violation of the above provisions.

18. ACCOUNTING AND DISCLOSURES

18.1 The Company shall follow the laws/regulations applicable to accounting and disclosure related to Employee Stock Options, including but not limited to SEBI (SBEB and Sweat Equity) Regulations as well as section 133 of the Companies Act, , the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Regulatory authorities from time to time, including the disclosure requirements prescribed therein.

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

18.2 The Company shall make disclosures to the prospective Option Grantees containing statement of risks, information about the Company and salient features/Scheme document of the MEIL - ESOP 2025 in a format as prescribed under SEBI (SBEB and Sweat Equity) Regulations, 2021.

18.3 The Company shall disclose details of Grant, Vest, Exercise and lapse of the Employee Stock Options in the Directors' Report or in an annexure thereof as prescribed under SEBI (SBEB and Sweat Equity) Regulations or any other Applicable Laws as in force.

18.4 The company shall be free to determine the exercise price subject to conforming to the accounting policies specified in regulation 15 of SEBI (SBEB and Sweat Equity) Regulations, 2021.

19. CERTIFICATE FROM SECRETARIAL AUDITORS

The Board of Directors shall at each annual general meeting place before the shareholders, a certificate from the secretarial auditors of the Company that the Scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the Company in the general meeting.

20. GOVERNING LAWS

20.1 The terms and conditions of the MEIL - ESOP 2025 shall be governed by and construed in accordance with the Applicable Laws including the Foreign Exchange Laws mentioned below.

20.2 **Foreign Exchange Laws**

In case any Employee Stock Options are granted to any Employee being resident outside India belonging to the Company working outside India, the provisions of the Foreign Exchange Management Act, 1999 and Rules or Regulations made thereunder as amended and enacted from time to time shall be applicable and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vest, Exercise of Employee Stock Options and allotment of Equity Shares thereof.

21. NOTICES

21.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this MEIL - ESOP 2025 shall be in writing or electronic mode. The communications shall be made by the Company in any one or more of the following ways:

(i) Sending communication(s) to the address of the Option Grantee available in the records of the Company; or

MAGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

(ii) Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; or

(iii) Emailing the communication(s) to the Option Grantee at the official email address provided, if any, by the Company to the prospective /existing Option Grantee during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

21.2 Any communication to be given by an Option Grantee to the Company in respect of MEIL - ESOP 2025 shall be sent to the person at the address mentioned below or e - mailed at:

Name	**: Mr. Naresh Kumar Sharma**
Designation	**: Company Secretary & Compliance Officer**
Address	**: C-61,C-61(A&B), Road No.1C, V.K.I.Area, Jaipur-302013 Rajasthan**
Email	**: compliance@mangals.com**

22. JURISDICTION

22.1 The Courts/National Company Law Tribunal, as the case may be, shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this MEIL - ESOP 2025.

22.2 Nothing in this Clause shall however limit the right of the Company to bring proceedings against any Employee in connection with this MEIL - ESOP 2025:

(i) in any other court of competent jurisdiction; or

(ii) Concurrently in more than one jurisdiction.

23. SEVERABILITY

In the event any one or more of the provisions contained in this Scheme shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Scheme in which case the Scheme shall be construed as if such invalid, illegal, or unenforceable provisions had never been set forth herein, and the Scheme shall be carried out as nearly as possible according to its original intent and terms.

24. CONFIDENTIALITY

24.1 An Option Grantee must keep the details of the MEIL - ESOP 2025 and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or Associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this Clause on confidentiality, all unexercised Options shall stand cancelled immediately.

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN

The decision and judgment of the Company regarding breach of this Clause on confidentiality shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this Clause, the Board shall have the authority to deal with such cases as it may deem fit.

24.2 On acceptance of the grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the Scheme or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need to know basis.

Place: Jaipur
Date: August 26, 2026

MANGAL ELECTRICAL INDUSTRIES LTD. RAJASTHAN