

CODE OF PRACTICES &
PROCEDURES
FOR FAIR DISCLOSURE OF
UNPUBLISHED PRICE SENSITIVE
INFORMATION
(Amended w.e.f. 1st April, 2019)

Mystic Electronics Limited

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Mystic Electronics Limited

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

1. INTRODUCTION

Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('Regulations or PIT Regulations') requires every Listed Company to formulate and publish on its official website, a Code of practices and procedures for fair disclosure of unpublished price sensitive information that it would follow in order to adhere to each of the principles set out in Schedule A of the said Regulations.

2. OBJECTIVE:

In compliance with the above requirements and Regulations, the Company has adopted this code of practices and procedures for fair disclosure of unpublished price sensitive information based on Schedule A of the said PIT Regulations. Mystic Electronics Limited ("Company") endeavors to ensure timely and adequate disclosure of price sensitive information. The Company is committed to fairness and transparency in dealing with its stakeholders and in ensuring compliance with applicable laws and regulations.

3. EFFECTIVE DATE/COMMENCEMENT OF THE CODE:

This Code is called "Code of practices and procedures for fair disclosure of unpublished price sensitive information."

The Board of Directors of the Company had approved the Original Code at its meeting held on 15th May, 2015 which came into immediate effect.

The Board of Directors of the Company have, at their Meeting held on 29th March, 2019 decided to revise the existing Code to incorporate the requirements of the amended PIT Regulations. The amended code would come into effect from 1st April, 2019 & this code will supersede the provisions of the earlier Code adopted by the Board of Directors of the Company.

Words and expressions used and not defined in this Code shall have the same meaning assigned to them in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations), the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and the rules and regulations made thereunder, to the extent relevant in connection with this Code, as the case may be or in any amendment thereto.

4. CHIEF INVESTOR RELATIONS OFFICER:

The Managing Director of the Company or in his / her absence, Chief Financial Officer (CFO) shall be the Chief Investor Relations Officer (CIRO) to deal with dissemination of information and disclosure of unpublished price sensitive information.

The CIRO is also responsible for ensuring compliance under this Code, overseeing and coordinating disclosure of UPSI to the stock exchanges, shareholders, analysts and media.

5. RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS:

No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a Company or securities listed or proposed to be listed, to any other person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

The Board of Directors of the Company has framed a Policy for determination of "Legitimate Purposes" as a part of this Code and attached as **Annexure - I**.

6. PROMPT PUBLIC DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION:

The Company shall disclose promptly the unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.

7. UNIFORM AND UNIVERSAL DISSEMINATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION:

Dissemination of unpublished price sensitive information shall be uniform and universal to avoid selective disclosure.

If there would be any unpublished price sensitive information disclosed selectively to meet the statutory or business requirement or inadvertently or otherwise, such information shall be disseminated promptly to make such information generally available.

The Company shall disclose and disseminate the unpublished price sensitive information immediately to the Stock Exchanges first before releasing it to the media/analyst to avoid selective disclosure.

8. RESPONDING TO MARKET RUMOURS:

The Company would make a public announcement with respect to any matter only after it has taken a final or definitive decision. When there are rumours / news reports and the Company is queried by the regulatory authorities, the Company will provide an appropriate and fair response by accepting/denying/clarifying the same. The Company will not be required to make disclosures in cases where the proposal is still in progress or there are impending negotiations or incomplete proposals, the disclosure of which will not be appropriate and could prejudice the Company's legitimate interests.

9. DEALING WITH ANALYSTS AND RESEARCH PERSONNEL:

An unpublished price sensitive information shall be first communicated to the stock exchanges before the same is shared with analysts and research personnel.

The Company shall follow best practices to make transcripts or records of the proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.

10. HANDLING OF INFORMATION ON NEED-TO- KNOW BASIS:

All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

11. AMENDMENT:

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Code shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification, circular(s) etc.

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

1. INTRODUCTION:

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('Regulations or PIT Regulations') provides that no insider shall communicate, provide, or allow access to any unpublished price sensitive information, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

Regulation 3(2A) of the above mentioned Regulations requires the Board of Directors of every Listed Company to frame a Policy for determination of "Legitimate Purposes" as a part of "Code of practices and procedures for fair disclosure of unpublished price sensitive information."

2. OBJECTIVES

The objective of this Policy is to identify 'Legitimate Purposes' for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring or providing of Unpublished Price Sensitive Information (UPSI) relating to the Company or its listed securities or proposed to be listed securities, if any.

3. SHARING OF UPSI FOR LEGITIMATE PURPOSES

Legitimate purpose shall include sharing of UPSI in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of Regulations.

The UPSI shall be shared by any person(s) only in furtherance of legitimate purpose(s) which shall include the following:

- i. Sharing of UPSI in the ordinary course of business by an Insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants.
- ii. Sharing of UPSI where such communication is in furtherance of performance of duty (ies).
- iii. Sharing of UPSI for discharge of legal obligation(s).
- iv. Sharing of UPSI for any other purpose as may be prescribed under the PIT Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.

Provided that such sharing should not be carried out to evade or circumvent the prohibitions of PIT Regulations.

However, other provisions / restrictions as prescribed under the PIT Regulations or any other law for the time being in force in this behalf, as may be amended from time to time, shall be observed.

Any person in receipt of unpublished price sensitive information pursuant to “legitimate purposes” shall be considered an “insider” for the purposes of PIT Regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with the PIT Regulations.

4. DIGITAL DATABASE OF RECIPIENT OF UPSI

The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom UPSI is shared under Regulation 3 of the PIT Regulations along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. Such database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

Before sharing of the UPSI, the concerned person shall comply with the requirements of the Code of conduct to regulate, monitor and report trading in Securities of the Company. i.e. Insider Trading Code of the Company. In case of any queries or confusion, Compliance Officer shall be consulted to ascertain whether any UPSI can be shared for legitimate purpose to any external party. The respective Business Unit Head and / or Chief Financial Officer of the Company shall be responsible for providing information to the Compliance Officer about such persons or entities with which UPSI is shared for legitimate purposes. Thereafter the required structured digital database shall be maintained. Further, the Compliance Officer shall provide notice to such persons or entities to maintain confidentiality of UPSI and may engage any agency for the above purposes.

5. AMENDMENT

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification, circular(s) etc.