

**Policy on Determination of Materiality
of Events / Information and its
disclosure to the Stock Exchanges**
(Amended w.e.f. 1st April, 2019)

Mystic Electronics Limited

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MYSTIC ELECTRONICS LIMITED

Policy on Determination of Materiality of Events / Information and its disclosure to the Stock Exchanges

1. PREAMBLE

This Policy (hereinafter referred to as “Policy”) of Mystic Electronics Limited (hereinafter “MEL” or “Company”) shall be called “Policy on Determination of Materiality of Events / Information and its disclosure to the Stock Exchanges.”

In terms of Regulation 30(4)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter “Listing Regulations”), every Listed Company shall frame a Policy for determination of materiality of an event or information, based on criteria specified in Regulation 30(4), duly approved by its Board of Directors, which shall be disclosed on its website.

Further, Para B of Part A of Schedule III of the Listing Regulations provides a list of events for which the disclosures have to be made to the stock exchanges based on application of certain guidelines on materiality prescribed under the Listing Regulations.

Considering the aforesaid requirements, the Company has formulated this Policy for determining materiality of an event or information for the purpose of disclosures to be made by the Company to the stock exchanges.

2. DEFINITIONS

- a. "**Act**" means the Companies Act, 2013 and Rules made thereunder, for the time being in force and as may be clarified, amended, re-enacted from time to time.
- b. "**Board**" means the collective body of the Directors of the Company.
- c. "**Company**" means “Mystic Electronics Limited” or also referred to as “MEL”.
- d. "**Material Event**" are those that are specified in Para A of Part A of Schedule III of the Listing Regulations
- e. "**Other Events**" are those as may be decided from time to time and in accordance with Para B of Part A of Schedule III, based on application of the guidelines for materiality, as specified in sub regulation (4) of Regulation 30 of the Listing Regulations.
- f. "**Policy**" means Policy on Determination of Materiality of Events / Information and its disclosure to the Stock Exchanges.

Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or the Companies Act, 2013 and the rules and regulations made thereunder, Accounting Standards and applicable laws, to the extent relevant in connection with this Policy, as the case may be or in any amendment thereto. Where any stipulation is common between the applicable Laws, more stringent of them shall be complied with.

3. EFFECTIVE DATE OF THE POLICY

This Policy will supersede the provisions of the earlier Policy adopted by the Company. The Board of Directors of the Company have, at their Meeting held on 29th March, 2019 decided to revise the existing Policy of the Company. This revised Policy shall come into effect from April 01, 2019.

4. DISCLOSURE

The events / information specified in Para A of Part A of Schedule III of the Listing Regulations are deemed to be material events which shall be disclosed to the stock exchanges without any application of materiality guidelines listed in this Policy.

An illustrative list of events / information which shall be disclosed to the stock exchanges on application of the guidelines of materiality are mentioned herein below in 'SCOPE.'

Disclosure of events enumerated in sub-para 4 of Para A of Part A of Schedule III of the Listing Regulations relating to "Outcome of meetings of the Board of Directors" shall be made within 30 (thirty) minutes of the conclusion of the Board Meeting at which such events were considered or discussed. The intimation of outcome of meeting of the Board of Directors shall also contain the time of commencement and conclusion of the Meeting.

All other events mentioned in Part A of Schedule III of the Listing Regulations shall be disclosed as soon as reasonably possible and not later than 24 (twenty-four) hours from the occurrence of event or information. The Company shall explain to the Stock Exchanges any delay in such disclosure beyond 24 (twenty-four) hours of the occurrence of the event or information.

The Company shall ensure that the updated disclosure with respect to the material event / information is made to the stock exchanges on a regular basis, till such time the event / information is resolved / closed, with relevant explanations.

The Company shall also disclose all such events or information with respect to subsidiaries which are material for the Company.

5. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

The Company shall consider the following criteria for determination of materiality of an event/information:

- i. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- ii. the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;
- iii. In case where the criteria specified in sub-clauses (i) and (ii) are not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors of the Company, the event /information is considered material.

Where it would be difficult to report the event based on qualitative criteria as stated in points (i) and (ii) above, the authorized KMP(s) by the Board for the purpose of determining materiality of an event / information shall determine in this respect. Materiality shall be determined on a case to case basis depending on the facts and circumstances relating to the event / information.

6. SCOPE

The Company is required to apply the above mentioned criteria for determination of materiality of the events/information mentioned below:

- i. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
- ii. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
- iii. Capacity addition or product launch.
- iv. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
- v. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
- vi. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
- vii. Effect(s) arising out of change in the regulatory framework applicable to the Company.
- viii. Litigation(s) / dispute(s) / regulatory action(s) with impact.
 - ix. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of the Company.
 - x. Options to purchase securities including any ESOP/ESPS Scheme.
 - xi. Giving of guarantees or indemnity or becoming a surety for any third party.
 - xii. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

Any other information/event viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

Without prejudice to the generality of para (A), (B) and (C) of Part A of Schedule III of the Listing Regulations, the Company may make disclosures of event/information as specified by the Board of Directors of the Company from time to time.

7. AUTHORITY FOR DETERMINING MATERIALITY OF EVENTS / INFORMATION

The authorized KMP(s) of the Company shall determine materiality of an event or information and accordingly disclosure shall be made to the Stock Exchange(s), where the securities of the Company are listed.

The authorized KMP(s) is/are also empowered to seek appropriate counsel or guidance, as and when necessary. The contact details of the authorized KMP(s) shall be made available to the Stock Exchanges and shall also be available on the website of the Company.

The authorized KMP(s) shall have the following powers and responsibilities for determining the material events or information.

- a) To review and assess an event or information that may qualify as “material” and may require disclosure, on the basis of facts and circumstances prevailing at a given point in time.
- b) To determine appropriate time at which the disclosures are to be made to the stock exchanges based on assessment of actual time of occurrence of an event or information.
- c) To consider such other events or information that may require disclosure to be made to the Stock Exchanges which are not explicitly defined in the Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.

8. AMENDMENT(S) IN THE POLICY

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant government 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(s), circular(s) etc.

9. DISCLOSURES

This Policy shall be disclosed on the Company's website www.mystic-electronics.com.