

**EMKAY TAPS AND CUTTING TOOLS LIMITED**

**POLICY FOR DETERMINATION OF MATERIALITY OF EVENT/INFORMATION**

**1. Background**

The Securities and Exchange Board of India ("SEBI"), vide its Notification dated September 2, 2015, has issued the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"). The Regulations come into force from December 2, 2015.

The Regulations mandate listed entities to formulate Policy for determination of Materiality of Event/Information and in compliance of the same the Policy for determination of Materiality of Event/Information ("the Policy") is being framed and implemented.

**2. Objective of the Policy**

The objective of this Policy is to comply with the Regulation 30(4) (ii) and Regulation 30(6) along with the first and second Proviso of Regulation 30(6) detailed as below:

***Regulation 30(4) (ii) reads as:***

*"The listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website."*

***Regulation 30 (6) reads as:***

*The listed entity shall first disclose to stock exchange(s) of all events, as specified in Part A of Schedule III, or information as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information:*

***Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, the listed entity shall, along with such disclosures provide explanation for delay:***

***Provided further that disclosure with respect to events specified in sub-Para 4 of Para A of Part A of Schedule III shall be made within thirty minutes of the conclusion of the board meeting.***

**3. The Policy**

In accordance with the provisions of the aforesaid Regulation(s), the Company shall ensure that all the events and information specified in schedule III Part A (Para A, B and C) shall be disclosed to the Stock Exchange(s) in the respective time frame as applicable to the event, based on its nature and criteria specified in the Regulation 30, by the Key Managerial Personnel duly authorised by the Board of Directors for this purpose.

**4. Criteria for Assessing Materiality**

Materiality will be determined on a case to case basis depending on the facts and the circumstances pertaining to the event or information.

The following criteria will be applicable for determination of materiality of event or information:-

- (a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (b) 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;
- (c) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of listed entity, the event / information is considered material.

**5. Occurrence of an Event or Information**

While deciding the Materiality of an event or information, the Company may be confronted with the question as to when an event/information can be said to have occurred.

An event/information can be said to have occurred depends upon following:

**(a) Instances based on the stage of discussion, negotiation or approval:**

The events/information (based on the facts and circumstances), can probably be said to have occurred upon receipt of approval of Board of Directors.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.

**(b) Instances where there is no such discussion, negotiation or approval required:**

In case of natural calamities, disruptions etc; the event/information can be said to have occurred depending upon the timing when the Company became aware of the event/information or as soon as, an officer of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Further, the Disclosure(s) as required under the Listing Regulations will be made within 30 minutes of the conclusion of the Board Meeting or within 24 hours from the time the event occurred or the officer(s) becomes aware of the event or information, as applicable.

**6. Authorisation to Key Managerial Personnel to determine materiality of an Event or Information**

As per the provisions of the Regulation 30(5) of LODR, 2015, Mr. Ajayprakash Kanoria, Chairman and Managing Director have been authorised to determine materiality of an event or information and Ms. Shruti Sohane, Company Secretary and Compliance officer of the Company have been authorised for the purpose of making disclosure to the Stock Exchange in the said regards.

**7. Obligations of Authorized Person for Disclosure**

- Any event or information, including the information forming part of schedule III Part A (Para A, B and C) of Regulation 30 of LODR, 2015 shall be forthwith informed to the Authorized Person(s) upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges.
- The Authorized Person will then ascertain the materiality of such event(s) or information based on the above guidelines.
- On completion of the assessment, the Authorized Person shall, if required, make appropriate disclosure(s) to the Stock Exchanges.

**8. Policy Review**

The Authorized Person may review the Policy from time to time. Material Changes to the Policy will need the approval of the Board of Directors.

In case of any inconsistency between the terms of the Policy and the Listing Regulations, the provisions of the Listing Regulations shall prevail.

Any amendments to the Listing Regulations shall *mutatis mutandis* be deemed to have been incorporated in this Policy.

**9. Website**

As per the provisions of the Listing Regulations, the Policy shall be disclosed on the website of the Company.

**10. Effective Date**

The Policy, as approved by the Board of Directors, shall be effective from the date of commencement of the LODR, 2015 i.e. December 2, 2015.

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