



CAMPUS ACTIVEWEAR LIMITED

CIN: U74120DL2008PLC183629

REGISTERED OFFICE:

**D-1, UDYOG NAGAR, MAIN ROHTAK ROAD,
NEW DELHI-110041**

DIVIDEND DISTRIBUTION POLICY



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1. Preface

In pursuance of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Board of Directors of Campus Activewear Limited ('Campus' or 'the Company') has approved and adopted this 'Dividend Distribution Policy' ('Policy').

Subject to the provisions of Companies Act, 2013 (hereinafter referred as the 'Act') and rules framed thereunder (hereinafter referred as 'Rules') including any statutory modification(s) or re-enactment(s) thereof and any other laws or regulations as may be applicable, the Board of Directors may declare interim dividend or recommend final dividend to the shareholders.

2. Purpose

The purpose of this Policy is to facilitate the process of dividend recommendation or declaration and its pay-out by the Company which would ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company.

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business or used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend.

The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business. The Board will refer to the Policy while declaring/ recommending dividends on behalf of the Company.

3. Factors to be considered before recommending dividend (Financial Parameters and Internal and External Factors)

A) The financial parameters and internal and external factors to be considered by the Board of Directors while taking decision for recommendation of dividend are as under:

- a) Profitability of the Company
- b) The requirement of funds for business needs of the Company such as replacement of capital assets, expansion and / or modernization, capital expenditure, investment in subsidiaries and joint venture(s), etc.
- c) Mergers and acquisitions
- d) Operating cash flow of the Company
- e) Debt repayment obligations of the Company
- f) Financial and other covenants agreed with the lenders / debenture trustee(s) of the Company
- g) Cost of servicing outstanding debt
- h) Cost of raising funds for the business needs of the Company
- i) Policies of the Government of India relevant for the business and operations of the Company
- j) Overall economic and business scenario
- k) Regulatory or statutory restrictions in respect of declaration or payment of dividend
- l) Taxes and levies applicable in respect of declaration / payment of dividend
- m) Requirement of funds for meeting contingent liabilities

- n) Other factors beyond control of the Management like natural calamities, fire, etc. effecting operations of the Company

B Policy in respect of utilization of retained earnings

The retained earnings of the Company may be utilized by the Company for the following:

- a) Declaration of dividend in the manner specified above in the Policy
- b) Issue of Bonus shares
- c) Augmenting the internal resources including working capital
- d) Funding of capital expenditure and / or expansion / modernization plans of the Company
- e) Repayment of Debt
- f) Investments in subsidiaries / joint venture(s)
- g) Buy-back of shares of the Company
- h) Investment in new business(s)
- i) Any other purpose as may be determined by the Board of Directors subject to the provisions of the applicable laws

4. Circumstances under which the shareholders of the Company may or may not expect dividend

The decision regarding dividend pay-out would seek to balance the dual objective of appropriately rewarding the shareholders through dividend and retaining profits for business needs of the Company.

The shareholder may expect dividend out of the profits of a financial year if there are adequate available profits of the Company for such financial year and such profits are not required to be retained for business needs of the Company.

The shareholders may not expect dividend for a financial year if the profits of the Company for such financial year are not adequate for payment of dividend or otherwise required to be retained for business needs of the Company.

Without prejudice to the above, subject to the provisions of the Act and the rules framed thereunder and any other laws and regulations, as may be applicable:

- a. In case there are no profits or the profits are not adequate during a financial year for declaration of dividend, the Board of Directors may recommend payment of dividend, partly or fully, out of the profits of the Company for any previous financial year(s) and transferred by the Company to the reserves, provided such profits are not required to be retained for business needs of the Company.
- b. The Board of Directors of the Company may consider recommending payment of dividend out of free reserves of the Company in case of inadequacy of profits during a financial year, if the Board of Directors is of the opinion that the amount of dividend to be declared out of the reserves is not required to be conserved for business needs of the Company.

5. Parameters to be adopted for various classes of shares

The Company has presently issued only one class of shares i.e. equity shares, without any preference or priority in respect of payment of dividend.

6. Forms of Dividend

The Companies Act, 2013 deals with two types of Dividend-Interim and Final.

Interim Dividend

The interim dividend may be declared by the Board one or more times in the financial year as may be deemed fit.

Final Dividend

The final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of final dividend to the shareholders for their approval at the Annual General Meeting of the Company. The declaration of final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

7. General

This Policy can be amended, modified or revised by the Board of Directors of the Company from time to time as per the applicable statutory provisions.