



CAMPUS ACTIVEWEAR LIMITED

CIN: U74120DL2008PLC183629

REGISTERED OFFICE:

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

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. Introduction

- 1.1. The Board of Directors (**the “Board”**) of Campus Activewear Limited (**the “Company” or “Campus”**), has adopted this Policy for determination of “Material Subsidiaries” at its meeting held on 10th December 2021. The Board may review and amend this Policy from time to time. This Policy is in accordance with Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (**the “Listing Regulations”**).
- 1.2. The primary objective of this policy is to determine material subsidiaries of Campus Activewear Limited.

2. Definitions

- 2.1. **“Act”** means Companies Act, 2013 and Rules made thereunder including any statutory modification(s) or re-enactment(s) thereof as applicable from time to time.
- 2.2. **“Audit Committee or Committee”** means Audit Committee constituted by the Board of Directors of the Company under Section 177 of the Companies Act, 2013 and the provisions of Listing Regulations, as amended from time to time.
- 2.3. **“Board of Directors” or “Board”** means the Board of Directors of Campus Activewear Limited, as constituted from time to time.
- 2.4. **“Company or Campus”** means Campus Activewear Limited.
- 2.5. **“Control”** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- 2.6. **“Independent Director”** means an Independent Director referred to in Section 149(6) of the Companies Act, 2013, and / or Regulation 16(b) of the Listing Regulations, 2015.
- 2.7. **“Management”** means the Senior Management and Key Managerial Personnel of Campus Activewear Limited.
- 2.8. **“Material Subsidiary”** shall mean a subsidiary, whose income or net worth (i.e. paidup capital and free reserves) exceeds 10% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.
- 2.9. **“Policy”** means policy for determining Material Subsidiary.
- 2.10. **“Significant Transaction or Arrangement”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

2.11 **“Subsidiary”** means subsidiary company as defined under Section 2(87) of the Companies Act, 2013 and the rules made thereunder.

3. Scope & Applicability

3.1 The Subsidiary shall be considered as **“Material”** as defined in clause 2.8.

3.2 In case if a listed holding Company has a listed subsidiary, the policy shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

3.3 Based on the latest financial statements (including consolidated financial statements) of the Company, the Chief Financial Officer of the Company shall identify on annual basis as well as upon any change in the shareholding of the Company in any of the existing subsidiaries or acquisition of a new subsidiary, whether any of the subsidiaries of the Company will be considered as Material Subsidiary as per the criteria given in this Clause 3.

3.4 The name of each Material Subsidiary identified in the manner mentioned above, if any, shall be reported to the Audit Committee and the Board of Directors of the Company alongwith the annual audited financial statements. Further, in case of any change in the status of a subsidiary during the year, the same should be reported to the Audit Committee and the Board of Directors in their meetings to be held following such change.

3.5 The Audit Committee of the Board of the Company shall review the financial statements including the investments made by the Unlisted Subsidiary Company on quarterly basis.

3.6 The minutes of the unlisted Subsidiary Companies shall be placed before the Board of the Company.

3.7 The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the Material unlisted subsidiary company.

3.8 The Company shall comply with the requirements of the Listing Regulations in respect of each of its Material Subsidiary, if any, identified in the manner mentioned above

3.9 Secretarial Audit of Material Unlisted Subsidiaries Incorporated in India

All material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a Company Secretary in practice in the prescribed format.

4. Policy

4.1 At least one Independent director on the Board of Directors of the Company shall be a director on the Board of directors of the unlisted Material Subsidiary, whether incorporated in India or not.

4.2 For the above-mentioned clause 4.1, notwithstanding anything to the contrary contained in Clause 3 above. “unlisted material subsidiarv”. whose income or net worth exceeds 10% of the consolidated

income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- 4.3 The Company shall not without the prior approval of the Shareholders by way of Special resolution:
- A. Dispose off shares in its Material Subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary except in cases where such divestment is made under a scheme of arrangement duly approved by a Court / Tribunal / Company Law Board.
 - B. Sell, dispose or lease of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court /Tribunal/ Company Law Board.

5. Disclosures

This Policy shall be disclosed on the Company's website and a web link thereto shall be disclosed in the annual report of the Company.

6. Amendments to the Policy

The Board of Directors can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the rules, regulations, notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not 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.

7. Effective Date

The Policy shall be effective from the date of listing of the equity shares of the Company on the stock exchange(s).

8. Scope and Limitation

In the event of any conflict between the provisions of this Policy and the Listing Regulations / the Companies Act, 2013 or any other statutory enactments, rules, the provisions of the SEBI Listing Regulations / the Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

9 Amendment

This Policy may be amended, modified or revised from time to time by the Company as per the provisions of applicable laws.