

## **CAMPUS ACTIVEWEAR LIMITED**

### **POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION**

#### **1. Legal Framework:**

This Policy for Determination of Materiality of Events or Information is aimed at providing guidelines to the management of Campus Activewear Limited, to determine the materiality of events or information, which could affect investment decisions and ensure timely and adequate dissemination of information to the Stock Exchange(s) (as hereinafter defined).

This Policy has been formulated in accordance with the current guidelines laid down by Securities Exchange Board of India under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to disclosure of events and information.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued on September 2, 2015, the Board of Directors approved the "Policy for Determination of Materiality of Events or Information". The Board shall review, and if found required, may amend this Policy from time to time.

#### **2. Objectives:**

The objective of this Policy is to serve as a guiding charter to the management to ensure that timely and adequate disclosure of events or information are made to the investor community by the Company under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to enable them to take well informed investment decisions with regard to the securities of the Company.

#### **3. Introduction:**

- (a) "**Act**" means the Companies Act, 2013 (and the Rules) and the Companies Act, 1956 to the extent applicable.
- (b) "**Board of Directors**" means the Board of Directors of the Company.
- (c) "**Company**" means Campus Activewear Limited.
- (d) "**Key Managerial Personnel**" means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013.
- (e) "**Listing Regulations**" means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (f) "**Policy**" means this policy, as amended from time to time.
- (g) "**SEBI**" means the Securities and Exchange Board of India.
- (h) "**Rules**" means the rules made under the Companies Act, 2013.
- (i) "**Stock Exchange(s)**" means the stock exchange on which the equity shares of the Company are listed.

#### **4. Events which are deemed to be material event:**

The Company shall disclose all such events which are specified in Para-A of Part-A of Schedule III of the Listing Regulations (as applicable from time to time) without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the Listing Regulations.

## **5. Events which are dependent on application of guidelines for materiality:**

The Company shall disclose all such material events, specified in Para B of Part-A of Schedule III of the Listing Regulations subject to application of guidelines for materiality.

### **Guidelines for determining materiality of events or information:**

#### **Quantitative criteria** would mean:

The omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:

- a) two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
- b) two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
- c) five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity;

#### **Qualitative criteria** would mean:

- 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;

In case where the Qualitative and Quantitative criteria specified above is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the listed entity, the event or information is considered material.

The CFO and Company Secretary of the Company shall assist the relevant employees of the Company in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel, in terms of sub-regulation (5), for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).

## **6. Any other information/ event which is to be disclosed by the Company:**

The Company shall disclose major developments that are 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.

## **7. Guidelines on occurrence of an event/ information:**

The occurrence of material event/information would be either by the Company's own accord or not in the hands of the Company. It can be categorized as under:

- a. depends upon the stage of discussion, negotiation or approval; and

b. in case of natural calamities, disruptions etc., it would depend upon the timing when the company became aware of the event/information.

In respect of the events under 7(a), the events/information can be said to have occurred upon receipt of approval of Board of Directors, e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and shareholders.

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.

In case in-principle approval or approval to explore (which is not final approval) is given by the Board of Directors, the same shall not require disclosure under regulation 30 of the LODR Regulations.

In respect of the events under 7(b), the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties. The term 'officer' shall have the same meaning as defined under the Act and shall also include Promoter of the Company.

## 8. Authorize Key Managerial Personnel (KMP) for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange:

The following KMPs are hereby severally authorized by Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchange(s) ("**Authorized Person(s)**"):

Sl. No.	Name of the Key Managerial Personnel	Designation
1	Mr. Hari Krishan Agarwal	Chairman and Managing Director
2	Mr. Nikhil Aggarwal	Whole-time Director and CEO
3	Mr. Sanjay Chhabra	Chief Financial Officer
4	Ms. Archana Maini	General Counsel and Company Secretary

Details of above KMPs shall be also disclosed to the Stock Exchange(s) and as well as on Company's website.

## 9. Amendments

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

## 10. Scope & Limitations

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

In the event of any conflict between the provisions of this Policy and the Act or Listing Regulations or any other statutory enactments or rules, the provisions of Listing Regulations/ Act or statutory

enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force. All other provisions of the Act or Listing Regulations or any other statutory enactments or rules, the provisions of Listing Regulations/ Act or statutory enactments, rules; which are not dealt with/ mentioned under this Policy shall also be applicable.

## **11. Dissemination of Policy**

This Policy shall be hosted on the website of the Company.

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