

THE INDUSTRIAL & PRUDENTIAL INVESTMENT CO. LTD.

Regd. Office :

125, Maker Chambers III, Nariman Point,
Mumbai - 400 021 • Telephone : 2285 4243
Email : indpru@vsnl.net

Ref: 160011-0216
Date: February 11, 2016

TO
MS. BHUVANA SRIRAM
Relationship Manager,
Corporate Relationship Department,
BSE Limited,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
MUMBAI - 400 023.

Dear Sirs,

Ref: COMPANY CODE: 501298

Sub: *Policy on Material Subsidiaries*

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company have adopted the above policy.

The same will be placed on the website of the Company.

Thank you,

Yours faithfully,
For **THE INDUSTRIAL & PRUDENTIAL INVESTMENT CO. LTD.**


(A. V. SETALVAD)
CHAIRMAN
Encl: As above.

THE INDUSTRIAL & PRUDENTIAL INVESTMENT CO. LTD.
CIN: L65990MH1913PLC000374

POLICY ON MATERIAL SUBSIDIARIES

1. Introduction

The Board of Directors (The "Board") of The Industrial & Prudential Investment Co. Ltd. (the "Company") has adopted the following policy and procedures with regard to determination of Material Subsidiaries in terms of Clause 16 (c) of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").

2. Policy Objective

To determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

3. All the Words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the SEBI's LODR, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

4. Definitions

- (1) **"Board"** means the Board of Directors of The Industrial & Prudential Investment Co. Ltd., as constituted from time to time.
- (2) **"Listing Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.
- (3) **Material Non Listed Indian Subsidiary** shall mean a Material Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges whose income or net worth (i.e. paid-up capital and free reserves) exceeds 20 per cent of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding financial year.
- (4) **Policy** means Policy on Material Subsidiary.
- (5) **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 material unlisted subsidiary for the immediately preceding accounting year.
- (6) **Subsidiary** shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

5. Policy

- i. A subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied:
 - a. In which the Investment of the Company/Proposed Investments exceeds 20% of its consolidated networth as per the audited balance sheet of the previous financial year; or
 - b. which have generated twenty percent of the consolidated income of the Company during the previous financial year.
- ii. One Independent Director of the Company shall be a Director on the Board of the Material Non-Listed Indian Subsidiary Company.
- iii. The Audit Committee of the Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company on an annual basis.
- iv. The minutes of the Unlisted Subsidiary Companies shall be placed before the Board of the Company.
- v. 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 unlisted subsidiary Company.

6. Disposal of Material Subsidiary

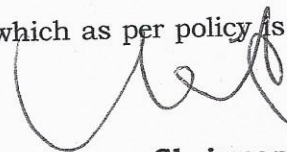
The Company shall not:

- i. dispose of the shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting, except in cases where divestment is made under a scheme or arrangement duly approved by a Court/Tribunal.
- ii. sell, dispose off and lease assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year without prior approval of shareholders by way of special resolution, unless the sale / disposal / lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

7. Policy Review

This policy shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications.

Note: At present the Company has one subsidiary which as per policy is non-material.



Chairman