

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: 160012-0216

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 Related Party Transactions*

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 Related Party Transactions

1. The Board of Directors at its meeting held on 11th February, 2016 has formulated based on recommendation of the Audit Committee Related Party Transactions Policy in terms of Regulation 23 of the Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015).

2. Definitions:

(1) "Board" means the Board of Directors of The Industrial & Prudential Investment Co. Ltd. as constituted from time to time.

(2) "Company" means The Industrial & Prudential Investment Co. Ltd.

(3) "Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(4) "Policy" means this Related Party Transactions

(5) "Related Party" and "Related Party Transactions" as defined under the Companies Act and Listing Regulations.

3. Policy

a. The Company shall not enter into any contract or arrangement with a Related Party without the approval of the Audit Committee. Prior approval of the Audit Committee shall be obtained for all Related Party Transactions other than those with Exempted Wholly Owned Subsidiaries (whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval).

b. The Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that are repetitive in nature, subject to the following conditions:

i. The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;

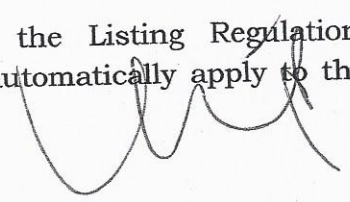
ii. The indicative base price / current contracted price and the formula for variation in the price, if any; and

iii. Such other conditions as the Audit Committee may deem fit.

- c. The Audit Committee may also, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that cannot be foreseen and for which the aforesaid details are not available up to a value of Rs. 1 crore per transaction.
- d. The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given.
- e. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- f. In the event any contract or arrangement with a related party is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.
- g. All material related party transactions, other than those with Exempted Wholly Owned Subsidiaries will be placed for approval of the shareholders of the Company. A transaction with a related party is considered material if the transaction / transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds ten percent of the annual consolidated turnover as per the last audited financial statements of the Company.

5. Amendments to the Policy

Any subsequent amendment(s)/modification(s) in the Listing Regulations and/or other applicable Laws in this regard shall automatically apply to this Policy.



Chairman