

P. N. GADGIL & SONS LTD.

POLICY ON IDENTIFICATION OF GROUP COMPANIES

A. INTRODUCTION

Securities Exchange Board of India (“SEBI”), vide its notification dated August 14, 2015, notified the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations (Fourth Amendment) Regulations, 2015 (“4th Amendment Regulations”) whereby SEBI modified the definition of the ‘group companies’. Accordingly, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“SEBI Regulations”) stands amended to this extent.

B. OBJECTIVE

In view of the 4th Amendment Regulations, the Board of Directors (“**Board**”) of P. N. Gadgil and Sons Limited (“**Company**”) has adopted this policy and procedures for determination of Companies which are considered to be material as a group company of the Company within the meaning of ‘Group Company’ defined under the SEBI Regulations;

This policy shall be called the ‘**Policy on Identification of Group Companies (“Policy”)**. The Policy shall be come into effect from the date of its approval by our Board.

C. INTERPRETATION

In this Policy, unless the context otherwise requires:

- (i) words denoting the singular shall include the plural and vice versa.
- (ii) references to the words “include” or “including” shall be construed without limitation.

D. POLICY PERTAINING TO THE IDENTIFICATION OF GROUP COMPANIES

The policy with respect to the identification of the group companies of our Company shall be as follows:

Identification of the Group Companies

In terms of the 4th Amendment Regulations, our Company is required to disclose certain matters in relation to its “group companies” in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus. The SEBI Regulations define “group companies” as: “The words “group companies”, wherever they occur, shall include such companies as covered under applicable accounting standards and also other companies as considered material by the board of the issuer.”

The Board discussed the matter and in its opinion ‘group companies’ shall mean and include only those companies which constitute part of the related parties of the Company under the applicable accounting standards issued by the Institute of Chartered Accountants of India, being Indian Accounting Standard 24 (“Ind AS 24”), as per the restated consolidated financial statements of the Company for the last financial year (and any stub period in respect of which, audited financial statements are included in the relevant offer documents in connection with the proposed initial public offering of equity shares of the

Company (the “**Offer Documents**”), such period collectively referred to as the “**Relevant Period**”) and also any other companies considered material by the Board.

E. APPROVAL

This policy has been approved by our Board in its meeting held on 18th April, 2018.

F. AMENDMENT

The Board (including its duly constituted committees wherever permissible), shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. This Policy shall automatically stand amended to reflect any changes to the SEBI Regulations, to the extent the same is the subject matter of this Policy.