

B S R and Co

Chartered Accountants

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To,
The Board of Directors,
NATCO Pharma Limited,
NATCO House, Road No. 2, Banjara Hills,
Hyderabad, Telangana, India – 500 034.

Independent Auditor’s Certificate in relation to proposed accounting treatment in the books of NATCO Pharma Limited as specified in the Proposed Scheme of Arrangement between NATCO Pharma Limited (“Demerged Company” or “Company”), NATCO Crop Health Sciences Limited (“Resulting Company”) and their respective shareholders for demerger of Agrochemicals business from NATCO Pharma Limited into NATCO Crop Health Sciences Limited pursuant to provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder.

1. This certificate is issued in accordance with the terms of our engagement letter dated 15 October 2024 read with the addendum to the engagement letter dated 23 February 2026.
2. We have been requested by the Board of Directors of NATCO Pharma Limited (“the Company” or “Demerged Company”) to issue a certificate in relation to the proposed accounting treatment specified in Clause 8 of the Draft Scheme of Arrangement amongst the Company, NATCO Crop Health Sciences Limited (“the Resulting Company”) and their respective shareholders (“Proposed Scheme”) for proposed demerger of Agrochemicals business of the Company into the Resulting Company, as reproduced in Annexure A to this certificate, in terms of the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“the Act”) with reference to its compliance with the applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder (“SEBI regulations”) and applicable Indian Accounting Standards (“Ind AS”) prescribed under Section 133 of the Act read with the relevant rules issued thereunder and other Generally Accepted Accounting Principles in India. The Statement has been prepared by the Management and is signed by us for identification purposes only.
3. The Proposed Scheme is approved by the Board of Directors of the Company and the Resulting Company on 24 March 2026 and is subject to approval of the respective Shareholders, the National Company Law Tribunal (“NCLT”) and Statutory and Regulatory Authorities, as applicable. The appointed date for the purpose of the Proposed Scheme is 01 October 2026.

Management’s Responsibility

4. The preparation of the Proposed Scheme as reproduced in Annexure A and its compliance with the relevant provision of the Act, SEBI regulations, laws and regulations, including the applicable Ind AS read with the Rules issued thereunder and the Generally Accepted Accounting Principles in India is the responsibility of the Board of Directors of the Companies involved, including the preparation and maintenance of all accounting and other relevant supporting records and documents.
5. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Proposed Scheme as reproduced in Annexure A and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Principal Office:

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

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Management's Responsibility (continued)

6. The Company's management is also responsible for ensuring that the Company complies with the requirements of the Act and SEBI regulations and providing all relevant information with respect to the Proposed Scheme to the NCLT and other regulatory authorities as applicable.

Auditor's Responsibility

7. Pursuant to the requirements of provisions of Section 232 of the Companies Act, 2013 and SEBI regulations, our responsibility is to provide a reasonable assurance whether the proposed accounting treatment specified in Clause 8 of the Proposed Scheme and as reproduced in Annexure A to this certificate is in conformity with SEBI regulations and Ind AS specified under Section 133 of the Act read with the rules issued thereunder and other Generally Accepted Accounting Principles in India.
8. We conducted our examination of the proposed accounting treatment, referred in Clause 8 of the Proposed Scheme and as reproduced in Annexure A to this certificate, in accordance with the Guidance Note on Reports or Certificates for Special Purposes ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

10. As per Section 232(6) of the Act, the Proposed Scheme has to provide for the appointed date from which the Proposed Scheme shall be deemed to be effective. The Company and the Resulting Company have accordingly proposed the appointed date as 01 October 2026.
 - Based on our examination and according to the information and explanations provided to us and appropriate representations obtained from the Company, the proposed accounting treatment specified in Clause 8 of the Proposed Scheme and as reproduced in Annexure A to this certificate and initialled by us for the purpose of identification only, is in conformity with SEBI regulations and Appendix A to Ind AS 10 'Distribution of Non-cash Assets to Owners', i.e. the applicable Accounting Standards prescribed under Section 133 of the Act read with the Rules issued thereunder and other Generally Accepted Accounting Principles in India.
 - The appointed date may be different from the date when the demerger should have been accounted for as per Appendix A to Ind AS 10 'Distribution of Non-cash Assets to Owners' and other Generally Accepted Accounting Principles in India (as per which demerger should have been accounted for on the date when the Proposed Scheme is approved by the NCLT). However, if approved by the NCLT, the appointed date shall be deemed to be the date for the purpose of accounting for the demerger of the 'Agrochemicals Business' from the Company.

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Restriction in Use

11. This certificate is issued at the request of the Board of Directors of the Company solely for the purpose of onward submission to the National Company Law Tribunal and other regulatory authorities including Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited and any other regulatory authority in relation to the Proposed Scheme pursuant to the requirements of SEBI regulations and Sections 230 to 232 of the Act and relevant rules thereunder. Our certificate should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

for B S R and Co
Chartered Accountants
Firm registration No. 128510W

Amit Kumar Bajaj
Partner

Membership No. 218685
ICAI UDIN: 26218685FGSSIE4150

Date: 24 March 2026
Place: Hyderabad



Natco Pharma Limited

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Annexure A

8. ACCOUNTING TREATMENT

Accounting treatment in the books of the Demerged Company

8.1 Upon the Scheme becoming effective, the Demerged Company shall account for the Scheme in its standalone books of accounts in accordance with Appendix A to the Indian Accounting Standard (Ind AS) 10 and Ind AS 28 notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time, and generally accepted accounting principles in India.

- i. The Demerged Company shall transfer all the assets and liabilities, at their respective carrying amounts, pertaining to the Demerged Undertaking as appearing in the books of accounts of the Demerged Company, being transferred to and vested in the Resulting Company. Accordingly, the Demerged Company shall reduce from its books of accounts, the carrying amounts appearing on such date in accordance with the provisions of Section 2(19AA) of the Income Tax Act.
- ii. Having recorded the transfer of the assets and liabilities, as aforesaid, the Demerged Company shall make necessary adjustments for the sake of compliance with Ind AS notified under Section 133 of the Companies Act, 2013, specifically Appendix A of Ind AS 10, and shall debit equity at the fair value of the Demerged Undertaking.
- iii. The Demerged Company's investment in Resulting Company shall represent its continuing interest in the carrying value of Assets and Liabilities pertaining to the Demerged Undertaking.
- iv. The difference between the book value of net assets derecognised, non-cash distribution of assets debited in equity under Clause (ii) and the investment recognised in Clause (iii) above, if any, shall be recognised in the Statement of Profit and Loss in accordance with Ind AS 10 Appendix A.

Yours faithfully
For and on behalf of **NATCO Pharma Limited**

Signed for identification purposes only

Amit Parekh
Chief Financial Officer

B S R and Co

Date: 24 March 2026
Place: Hyderabad

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Place: Hyderabad