

B S R and Co

Chartered Accountants

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Private and Confidential

The Board of Directors
NATCO Pharma Limited
NATCO House, Road No.2,
Banjara Hills,
Hyderabad- 500034.

24 March 2026

Statutory Auditor’s Certificate in relation to the Non applicability of requirements prescribed in paragraph A(10)(b) read with A(10)(c) of Part I of the Master Circular number SEBI/HO/CFD/POD-2/P/CIR/2023/93, dated June 20, 2023 issued by the Securities and Exchange Board of India (“SEBI”), as amended from time to time (“SEBI Master Circular” or “SEBI Circular”), pertaining to obtaining approval of the majority of public shareholders in respect of “Proposed Scheme of Arrangement between NATCO Pharma Limited (“Demerged Company” or “the Company”) and, NATCO Crop Health Sciences Limited (“Resulting Company”) and their respective shareholders and creditors for Demerger of Agrochemicals business from the Company into Resulting Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

1. This certificate is issued in accordance with the terms of our engagement letter dated 15 October 2024 and addendum to the engagement letter dated 23 February 2026.
2. We have been requested by the Management of the Company to issue a certificate in relation to non-applicability of Paragraph A(10)(b) of Part I of the Master Circular number SEBI/HO/CFD/POD-2/P/CIR/2023/93, dated June 20, 2023 issued by the Securities and Exchange Board of India (“SEBI”), as amended from time to time (“SEBI Master Circular” or “SEBI Circular”) along with the reason thereof (‘the Undertaking’), in connection with the Proposed Scheme of Arrangement between the Company, the Resulting Company and their respective shareholders and creditors for Demerger of Agrochemicals business from the Company into Resulting Company (“Proposed Scheme”), for onward submission by the Company to the National Company Law Tribunal, Hyderabad Bench (‘NCLT’) and other regulatory authorities including Securities and Exchange Board of India (‘SEBI’), National Stock Exchange of India Ltd. (‘NSE’) and BSE Limited (‘BSE’) (collectively, ‘the Stock Exchanges’), in terms of the provisions of Sections 230 to 232 and other provisions of the Companies Act, 2013 (“the Act”). The Undertaking 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 NCLT and Statutory and Regulatory Authorities, as applicable. The appointed date for the purpose of the Proposed Scheme is 01 October 2026.

Principal Office:

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

Statutory Auditor’s Certificate in relation to the Non applicability of requirements prescribed in paragraph A(10)(b) read with A(10)(c) of Part I of the Master Circular number SEBI/HO/CFD/POD-2/P/CIR/2023/93, dated June 20, 2023 issued by the Securities and Exchange Board of India (“SEBI”), as amended from time to time (“SEBI Master Circular” or “SEBI Circular”), pertaining to obtaining approval of the majority of public shareholders in respect of “Proposed Scheme of Arrangement between NATCO Pharma Limited (“Demerged Company” or “the Company”) and, NATCO Crop Health Sciences Limited (“Resulting Company”) and their respective shareholders and creditors for Demerger of Agrochemicals business from the Company into Resulting Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (continued)

Management’s Responsibility

4. The preparation of the Proposed Scheme and the Undertaking is the responsibility of the Management of the Company including preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Proposed Scheme and the Undertaking and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The Company’s Management is also responsible for ensuring that the Company complies with the requirements of the Act and the SEBI Circular and providing all the relevant information to the NCLT and other regulatory authorities including SEBI and the Stock exchanges.

Auditor’s Responsibility

6. Pursuant to the requirements of the SEBI Circular, our responsibility is to provide reasonable assurance that whether the attached Undertaking in Annexure A prepared by the Management fairly states the reasons for non-applicability of the requirements stated in paragraph A(10)(b) read with A(10)(c) of the SEBI circular.
7. We conducted our examination of the Undertaking 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.
8. We have performed the following procedures in relation to paragraph 6 above:
 - a) Obtained and read a certified copy of the Proposed Scheme.
 - b) Read the minutes of meeting of the Board of Directors approving the Proposed Scheme.
 - c) Obtained a management certified copy of the Undertaking as per the SEBI Circular.
 - d) Compared the Undertaking with SEBI Circular and the Proposed Scheme certified by the Board to validate the facts mentioned therein.
 - e) Read and evaluated upon the legal opinion obtained by the Company from its legal advisor in respect of the requirements stated in paragraph A(10)(b) read with A(10)(c) of Part I of SEBI Circular.

Statutory Auditor’s Certificate in relation to the Non applicability of requirements prescribed in paragraph A(10)(b) read with A(10)(c) of Part I of the Master Circular number SEBI/HO/CFD/POD-2/P/CIR/2023/93, dated June 20, 2023 issued by the Securities and Exchange Board of India (“SEBI”), as amended from time to time (“SEBI Master Circular” or “SEBI Circular”), pertaining to obtaining approval of the majority of public shareholders in respect of “Proposed Scheme of Arrangement between NATCO Pharma Limited (“Demerged Company” or “the Company”) and, NATCO Crop Health Sciences Limited (“Resulting Company”) and their respective shareholders and creditors for Demerger of Agrochemicals business from the Company into Resulting Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (continued)

Auditor’s Responsibility (continued)

- f) Verified the shareholding pattern pre and post implementation of the scheme from the Proposed Scheme.
 - g) Performed necessary inquiries with the Management.
 - h) Obtained appropriate representations from the Management.
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. Based on the information, explanations and representations provided by the management; and reading of the Proposed Scheme; and procedures performed by us as stated in paragraph 8 above, we certify that the attached Undertaking in Annexure A prepared by the management fairly states the reasons for non-applicability of the requirements stated in paragraph A(10)(b) read with A(10)(c) of the SEBI circular.

Restriction on 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 NCLT and other regulatory authorities including SEBI and the Stock exchanges, in relation to the Undertaking. 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
ICAI Firm registration No.: 128510W

Amit Kumar Bajaj
Partner

Place: Hyderabad
Date: 24 March 2026

Membership No: 218685
ICAI UDIN: 26218685FRBWCM8234



Natco Pharma Limited

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CIN : L24230TG1981PLC003201, www.natcopharma.co.in

Annexure A

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

To,
The Manager,
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, C-1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051

Sub: Undertaking in relation to the non-applicability of Paragraph A(10)(b) read with Paragraph A(10)(a) of Part I of the Master Circular dated June 20, 2023 issued by the Securities and Exchange Board of India (SEBI) bearing reference no. SEBI/HO/CFD/POD-2/P/CIR/2023/93, as amended from time to time (“SEBI Scheme Circular”), pertaining to obtaining approval of the majority of the public shareholders.

1. Background

- 1.1. This is with reference to the proposed scheme of arrangement amongst Natco Pharma Limited (“Demerged Company” or “Company”), Natco Crop Health Sciences Limited (“Resulting Company”) and their respective shareholders and creditors in accordance with Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“Scheme”).
- 1.2. The Scheme inter alia provides for demerger of the Demerged Undertaking (as defined in the Scheme) of the Company comprising the Crop Health Business (as defined in the Scheme) into the Resulting Company, which is a wholly owned subsidiary of the Company, on a going concern basis and the consequent issuance of equity shares by the Resulting Company to all the shareholders of the Company in accordance with the Share Entitlement Ratio (as defined in the Scheme).

2. Requirements under the SEBI Scheme Circular

- 2.1. The Securities and Exchange Board of India (“SEBI”) Master Circular dated June 20, 2023 bearing reference no. SEBI/HO/CFD/POD-2/P/CIR/2023/93, as amended from time to time (“SEBI Scheme Circular”), mandates listed companies to ensure that the scheme submitted to the National Company Law Tribunal (“NCLT”) for sanction shall be acted upon only in certain cases specified in Paragraph A(10)(b) of Part I of the SEBI Scheme Circular if the votes cast by the public shareholders in favour of the scheme are more than the votes cast by the public shareholders against the scheme.
- 2.2. Further, in terms of Paragraph A(10)(c) of Part I of the SEBI Scheme Circular, the listed entity is required to provide an undertaking certified by the auditor and duly approved by the Board of Directors of the company stating the reasons for non-applicability of the requirements set out in Paragraph A(10)(a) read with the conditions prescribed in Paragraph A(10)(b) of Part I of the SEBI Scheme Circular.

- 2.3. Accordingly, the Company hereby undertakes that the requirements stated at Paragraph A(10)(a) read with Paragraph A(10)(b) of Part I of the SEBI Scheme Circular pertaining to obtaining approval of the majority of public shareholders are not applicable to the Scheme for the reasons mentioned in Paragraph 3 below.
- 2.4. All capitalized terms used but not defined in this undertaking shall have the meanings assigned to them under the SEBI Scheme Circular.

3. Reasons for non-applicability

The reasons for non-applicability of obtaining approval of majority of public shareholders to the Scheme are as follows:

3.1. Paragraph A(10)(b)(i) of Part I of the SEBI Scheme Circular

Where additional shares have been allotted to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary(ies) of Promoter / Promoter Group of the listed entity.

Reason for non-applicability:

The Resulting company is a wholly owned subsidiary of the parent listed entity and it has not allotted any additional shares to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary(ies) of Promoter / Promoter Group of the parent listed entity. Accordingly, the provisions of Paragraph A(10)(b)(i) of Part I of the SEBI Scheme Circular are not applicable to the Scheme.

3.2. Paragraph A(10)(b)(ii) of Part I of the SEBI Scheme Circular

Where the Scheme of Arrangement involves the listed entity and any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary(ies) of Promoter / Promoter Group.

Reason for non-applicability:

The Scheme of Arrangement does not involve any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary(ies) of Promoter / Promoter Group. Accordingly, the provisions of Paragraph A(10)(b)(ii) of Part I of the SEBI Scheme Circular are not applicable to the Scheme.

3.3. Paragraph A(10)(b)(iii) of Part I of the SEBI Scheme Circular

Where the parent listed entity has acquired, either directly or indirectly, the equity shares of the subsidiary from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary(ies) of Promoter / Promoter Group of the parent listed entity, and if that subsidiary is being merged with the parent listed entity under the Scheme.

Reason for non-applicability:

The Resulting company is a wholly owned subsidiary of the parent listed entity and it has not acquired either directly or indirectly, the equity shares of the subsidiary from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary(ies) of Promoter / Promoter Group of the parent listed entity. The Scheme does not involve merger of the unlisted company i.e., the Resulting Company into the Demerged Company. Accordingly, the provisions of Paragraph A(10)(b)(iii) of Part I of the SEBI Scheme Circular are not applicable to the Scheme.

3.4. Paragraph A(10)(b)(iv) of Part I of the SEBI Scheme Circular

Where the scheme involving merger of an unlisted entity results in reduction in the voting share of pre scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity.

Reason for non-applicability:

The Scheme does not involve merger of the unlisted company i.e., the Resulting Company into the Demerged Company. Accordingly, the provisions of Paragraph A(10)(b)(iv) of Part I of the SEBI Scheme Circular are not applicable to the Scheme.

3.5. Paragraph A(10)(b)(v) of Part I of the SEBI Scheme Circular

Where the scheme involves transfer of whole or substantially the whole of the undertaking of the listed entity and the consideration for such transfer is not in the form of listed equity shares.

For the purpose of this clause, the expression “substantially the whole of the undertaking” in any financial year shall mean twenty per cent or more of value of the company in terms of consolidated net worth or consolidated total income during the previous financial year as specified in Section 180(1)(a)(ii) of the Companies Act, 2013.

Reason for non-applicability:

The Scheme envisages a demerger of the Agrochemicals Business of the Demerged Company into its wholly owned subsidiary, i.e., the Resulting Company. As per the audited consolidated financials of the Demerged Company as on 31 December 2025, the value of the Agrochemicals is less than 20% of the consolidated net worth and consolidated total income during the previous financial year in terms of Section 180(1)(a)(ii) of the Companies Act, 2013. Further, the consideration for the demerger is in the form of equity shares of the Resulting Company, which are proposed to be listed on the stock exchanges. Accordingly, the provisions of Paragraph A(10)(b)(v) of Part I of the SEBI Scheme Circular are not applicable to the transaction contemplated pursuant to the Scheme.

In view of the aforesaid, the requirement of obtaining approval of majority of public shareholders, as stated at Paragraph A(10)(b) of Part I of the SEBI Scheme Circular, is not applicable to the Scheme.

This undertaking is being issued pursuant to the requirement under Paragraph A(10)(c) of Part I of the SEBI Scheme Circular.

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

Signed for identification purposes only

Chekuri Venkat Ramesh
Company Secretary &
Compliance Officer

B S R and Co

Date: 24 March 2026
Place: Hyderabad

Date: 24 March 2026
Place: Hyderabad