



**Date: 24 March 2026**

**To**

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

Board of Directors  
**Natco Crop Health Sciences Limited**  
NATCO House, Road No-2,  
Banjara Hills,  
Hyderabad, Telangana, 500034.

**Subject: Share Entitlement Ratio for the proposed demerger of Crop Health Sciences Business from NATCO Pharma Limited into Natco Crop Health Sciences Limited**

Dear Sir / Madam,

We refer to our engagement letter dated 14 November 2025, along with the joining letter and addendum dated 10 February 2026, whereby NATCO Pharma Limited and Natco Crop Health Sciences Limited (together referred to as “Companies” or “Clients”) have appointed PwC Business Consulting Services LLP (hereinafter referred to as “PwC BCS”), to recommend a fair share entitlement ratio (“Share Entitlement Ratio”) for the proposed demerger of Crop Health Sciences Business from NATCO Pharma Limited into Natco Crop Health Sciences Limited, (hereinafter referred to as “Transaction” or “Demerger”) pursuant to a scheme of arrangement (“Scheme”).

PwC BCS is hereinafter referred to as “Valuer” or “we” or “us” in this Share Entitlement Ratio report (“Report”).

**BACKGROUND OF COMPANIES**

NATCO Pharma Limited (“NATCO” or “Demerged Company”) is a vertically integrated company engaged in the development, manufacture and supply of pharmaceutical and agrochemical products. NATCO operates globally, with presence in over 50 countries. It primarily operates in two key segments: pharmaceuticals and agrochemicals. In the agrochemicals division, NATCO manufactures and supplies agricultural input products to meet farmers’ demands, including environmentally safer biocontrol products. NATCO is listed on the National Stock Exchange (“NSE”) and Bombay Stock Exchange Limited (“BSE”).

Natco Crop Health Sciences Limited (“NATCO CHS” or “Resulting Company”) is a recently incorporated wholly owned subsidiary of NATCO which does not have any operations currently.

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## **SCOPE AND PURPOSE OF THIS REPORT**

We understand from the management of NATCO Pharma Limited (“Management”) that Management expects the demerger of Crop Health Sciences Business (“Demerged Undertaking”) to unlock value for the shareholders of NATCO, which will be listed pursuant to the Scheme, along with the option and flexibility to remain invested in a pure play agro chemical focused listed entity. Accordingly, the Crop Health Sciences Business is proposed to be demerged from NATCO into Natco Crop Health Sciences Limited, through a scheme of arrangement, under the provisions of Sections 230 to 232 of the Companies Act, 2013, other applicable laws and rules issued thereunder, as may be applicable.

In accordance with the provisions of the Scheme, we understand that as part of the Demerger, all assets and liabilities identified as pertaining to the Demerged Undertaking shall be transferred to the Resulting Company at values as appearing in the books of Demerged Company in compliance with Section 2(19AA) and other applicable provisions of the Income Tax Act, 1961 and related rules and notifications.

As per the Scheme provided to us and based on discussions with Management, we understand that upon demerger, transfer and vesting of the Demerged Undertaking of Demerged Company into Resulting Company, the equity shares of Resulting Company will be issued to all the equity shareholders of Demerged Company. Upon allotment of the equity shares by Resulting Company to the equity shareholders of Demerged Company, it is envisaged that 80% equity shareholding in Resulting Company would be directly owned by the equity shareholders of Demerged Company in the same proportion as their shareholding in Demerged Company as of the record date, with the remaining 20% equity shareholding to continue being held by the Demerged Company. We further understand from the Management, that the Resulting Company was recently incorporated as a wholly owned subsidiary of the Demerged Company on 26 December, 2025. As of 26 February 2026, NATCO has subscribed equity share capital of INR 89,554,936 (44,777,468 equity shares of face value of Re. 2 each). NATCO CHS is a wholly owned subsidiary of NATCO.

For the aforesaid purpose, and based on the information made available by the Management, the Board of Directors of NATCO and NATCO CHS Limited have appointed PwC BCS to submit a Registered Valuer Report recommending the Share Entitlement Ratio, in connection with the proposed Demerger of the Demerged Undertaking from NATCO to NATCO CHS, for the consideration of the Board of Directors of the Companies in accordance with the generally accepted professional standards.

It is clarified that any reference to this Report in any document and/ or filing with any tribunal/ judicial/ regulatory authorities/ government authorities/ stock exchanges/ courts/ shareholders/ professional advisors/ merchant bankers, in connection with the Transaction, shall not be deemed to be an acceptance by the Valuer of any responsibility or liability to any person/ party other than the Companies.

As per the Scheme, we understand that the Appointed Date for the Transaction is 01 October 2026 or such other date as may be decided or approved by the National Company Law Tribunal or such other appropriate authority.

The scope of our services is to recommend the Share Entitlement Ratio for the proposed Demerger in accordance with International Valuation Standards.

The Report will be used by the Companies only for the purpose, as indicated in this Report, for which we have been appointed. The Report cannot be used or relied by the Clients for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person/ party for any decision of such person/ party based on this Report.

We have been informed by the Management that:

- a) there would not be any capital variation in the Companies till the proposed Scheme becomes effective, except issuance and/ or conversion of employee stock options/ units in normal course of the business of the Companies. In the event that either of the Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares before the proposed Scheme becomes effective, the issue of shares pursuant to the Share Entitlement Ratio recommended in this Report shall be adjusted accordingly to take into account the effect of any such corporate actions.
- b) there are no unusual /abnormal events in the Companies materially impacting their operating performance/financials after 31 December 2025 till the Report date.

We have relied on the above while arriving at the Share Entitlement Ratio for the proposed Demerger.

This Report is our deliverable for the above engagement. This Report is subject to the scope, assumptions, exclusions, limitations, and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

#### **SOURCES OF INFORMATION AND PROCEDURES ADOPTED**

In connection with this exercise, we have used the following information received from the Management and gathered from public domain:

- Considered the capital structure of NATCO CHS i.e. equity shares held by NATCO in NATCO CHS as on the Report date;
- Management representation on the planned equity stake of NATCO in NATCO CHS pursuant to the proposed Demerger in accordance with the Scheme;
- Considered the Scheme;
- Discussions with Management including requisite explanation and clarification of data provided.

During discussions with the Management, we have also obtained explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise. The Clients have been provided with the opportunity to review the draft report as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Report.

#### **SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS**

Our Report will be used solely in connection with the objective outlined earlier. It is not to be used (other than for the objective outlined), referred to or distributed for any other purpose or to any other person, without our written permission. This Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose.

Management represented to us that the information it supplied was complete, accurate and true and correct to the best of its knowledge. We have relied upon the representations of the Management, concerning the financial data, operational data and other information, except as specifically stated to the contrary in the Report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the Companies, their directors, employee or agents.

Management has represented that the business activities of the Demerged Company have been carried out in the normal and ordinary course between 31 December 2025 and the Report date and that no material adverse change has occurred in the operations and financial position between 31 December 2025 and the Report date. Further, as discussed earlier, NATCO CHS, on a standalone basis, currently has no business operations. Management has confirmed that there

were no active operations between 31 December 2025 and the Report date, accordingly, there are no material changes in its financial position or business activities during this period.

Any person/ party intending to provide finance/ invest in the shares/ businesses of the Companies/ their holding companies/ subsidiaries/ joint ventures/ associates/ investee/ group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Clients) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to us. It is understood that this analysis does not represent a fairness opinion.

This Report is subject to the limitations detailed in our engagement letter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Companies. No investigation of the Companies' claims to title of assets has been made for the purpose of this Report and the Companies' claims to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. We have not carried out any physical verification of the assets and liabilities of the Companies and take no responsibility for the identification of such assets and liabilities.

This Report does not look into the business/ commercial reasons behind proposed Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

An analysis of this nature is necessarily based on the prevailing financial, economic, industry and other conditions in general and the information made available to us as of 31 December 2025. Events occurring after the 31 December 2025 hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

By its very nature, the determination of Share Entitlement Ratio cannot be regarded as an exact science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single Share Entitlement Ratio. While we consider our recommendation on Share Entitlement Ratio to be both reasonable and defensible based on the information available to us, others may have a different opinion as to the Share Entitlement Ratio.

The final responsibility for the determination of the Share Entitlement Ratio at which the proposed Transaction shall take place will be with the Board of Directors who should take into account other factors such as their own assessment of the proposed Scheme and input of other advisors.

This Report will not be used to determine the carrying value of the relevant asset (or liability) in any financial statements that PwC network entities would be auditing.

We are independent of the Companies and have no current or expected interest in the Companies or its assets. The fee for the engagement is not contingent upon the results reported.



Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our PwC network firms.

Any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

Our analysis and result are governed by concept of materiality.

This Report is subject to the laws of India.

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## SHARE CAPITAL DETAILS

### NATCO Pharma Limited

The issued and subscribed equity share capital of NATCO Pharma Limited as at 31 December, 2025 is ~INR 358.2 million consisting of 179,109,870 ordinary shares of face value of INR 2/- each. The equity shareholding pattern of NATCO is as follows:

Shareholders	Number of ordinary shares	% Share Holding
Promoter and Group	88,630,126	~49.5%
Public	90,479,744	~50.5%
<b>Grand Total</b>	<b>179,109,870</b>	<b>100.0%</b>

Source: NATCO Pharma Limited Shareholding Pattern available on website of BSE as of 31 December 2025

### Natco Crop Health Sciences Limited

Natco Crop Health Sciences Limited is a wholly owned subsidiary of NATCO Pharma Limited. The issued and subscribed equity share capital of Natco Crop Health Sciences Limited as of 26 February 2026 is ~INR 89,554,936 consisting of 44,777,468 equity shares of face value of INR 2/- each.

The Management has informed us that without the approval of shareholders, there would not be any variation in the equity capital of the Companies other than the issuance of equity shares on exercise of ESOPs in NATCO, if any, as part of the normal business operations till the proposed Scheme becomes effective. Accordingly, our Report and recommendation of the Share Entitlement Ratio considers the above shareholding pattern of the Companies.

## SHARE ENTITLEMENT RATIO

In view of the above and considering that the Demerged Company intends to hold 20% equity stake in the Resulting Company, and the Resulting Company should issue such number of equity shares to the shareholders of the Demerged Company in proportion to their shareholding in the Demerged Company so that they own the balance 80% equity stake in the Resulting Company, and on consideration of the relevant factors and circumstances as outlined hereinabove, the table below summarizes the Share Entitlement Ratio as recommended by us:

Particulars	Value
(A) Existing number of equity shares having face value of INR 2 each and fully paid up, held by NATCO in NATCO CHS (Source: Management)	44,777,468
(B) Post the Demerger, equity stake NATCO intends to hold in NATCO CHS (Source: Management)	20%
(C) Expected total number of equity shares of INR 2 of NATCO CHS. This considers the existing number of equity shares of NATCO CHS (as stated in A above) and the proposed equity stake corresponding to such existing equity shares (as stated in B above) (i.e. A / B)	223,887,340
(D) Number of equity shares of NATCO CHS to be issued to shareholders of NATCO for the balance 80% equity stake in NATCO CHS pursuant to the proposed demerger in accordance with the Scheme (C – A)	179,109,872
(E) Total number of outstanding ordinary shares of NATCO (Source: Management and NATCO Pharma Limited Shareholding Pattern available on website of BSE as of 31 December 2025)	179,109,870

<b>Share Entitlement Ratio:</b> Number of ordinary shares of NATCO for which 1 equity share of NATCO CHS is proposed to be issued (rounded off) (E/D)	1
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**Share Entitlement Ratio:** for every 1 (One) fully paid up ordinary shares(s) having face value of Re.2 each of NATCO, 1 (One) fully paid up equity shares(s) having face value of Re. 2 each of NATCO CHS.

The Share Entitlement Ratio has been determined based on the capital structure of NATCO CHS as on the date of issuance of this Report and the proposed equity stake to be held by NATCO in NATCO CHS pursuant to the proposed Demerger.

In view of the above, we note that the proposed Demerger will not have any impact on the beneficial economic interest of the shareholders of NATCO as the equity shareholders of NATCO would continue to have the same beneficial economic interest in CHS Business and NATCO CHS, now by way of indirect ~20% equity ownership of NATCO CHS through NATCO and direct ~80% equity ownership of NATCO CHS. As the proposed Demerger will not affect the beneficial economic interest of the equity shareholders of NATCO, valuation of NATCO, NATCO CHS and CHS Business has no bearing on the recommended Share Entitlement Ratio and accordingly, we have not carried out any valuation in the instant case.

In light of the above, the Share Entitlement Ratio as indicated above is fair and reasonable considering that the proposed Demerger will not have any impact on the economic and beneficial interest of the equity shareholders of the NATCO and is value neutral.

Respectfully submitted,

For and on behalf of  
**PwC Business Consulting Services LLP**  
IBBI Registered Valuer No.: IBBI/RV-E/02/2022/158



Vishnu Giri  
Partner  
IBBI Membership No.: IBBI/RV/02/2021/14260  
Date: 24 March 2026  
VRN No.: IOVRVF/PWC/2025-2026/6886