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Annexure VI

**REPORT ON FAIRNESS OPINION ON
EQUITY SHARE ENTITLEMENT RATIO
FOR DEMERGER OF
THE GLOBAL SERVICES BUSINESS
OF STERLITE TECHNOLOGIES LIMITED
TO
STL NETWORKS LIMITED ("RESULTING COMPANY")**

For Sterlite Technologies Limited
A. V. Deshpande
Amit Deshpande
Company Secretary

CERTIFIED TRUE COPY



72



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Private and Confidential

Report Ref No: RCA2324AMDREPO5002

May 16, 2023

The Board of Directors
Sterlite Technologies Limited
4th Floor, Godrej Millennium,
Koregaon Road 9, STS 12/1,
Pune – 411001,
Maharashtra, India

The Board of Directors
STL Networks Limited
4th Floor, Godrej Millennium,
Koregaon Road 9, STS 12/1,
Pune – 411001,
Maharashtra, India

Subject: Fairness Opinion on Equity Share Entitlement Ratio for the Proposed Demerger of Global Services Business of Sterlite Technologies Limited to STL Networks Limited

Dear Sirs,

We refer to our engagement letter dated May 2, 2023, wherein Sterlite Technologies Limited (“STL” / “Company” / “Client” / “Demerged Company”) has requested RBSA Capital Advisors LLP (“RBSA”), a Category I Merchant Banker registered with the Securities and Exchange Board of India, to provide fairness opinion on the Equity Share Entitlement Ratio recommended by the SSPA & Co, (“SSPA” or “Valuer”), a Registered Valuer Entity registered with the Insolvency and Bankruptcy Board of India (IBBI Registration No: IBBI/RV-E/06/2020/126), as per their report dated May 16, 2023 relating to the proposed demerger of the Global Services Business (“GSB” or “Demerged Undertaking”) of Sterlite Technologies Limited, on a ‘going concern basis’, into STL Networks Limited (“SNL” or “Resulting Company”), pursuant to a scheme of arrangement under section 230-232 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013, read with Section 2(19AA) and other applicable provisions of the Income Tax Act, 1961 (the “Scheme”).

STL and the Resulting Company are together hereinafter referred to as the “Specified Companies”

The equity share entitlement ratio for the purpose of this Report refers to the number of fully paid-up equity shares of face value INR 2/- each to be issued by the Resulting Company to the equity shareholders of STL as a consideration for the proposed demerger of the Demerged Undertaking on a ‘going concern basis’ into the Resulting Company (the “Share Entitlement Ratio”)

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.



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CONTEXT AND PURPOSE OF THIS REPORT

We understand that the Board of Directors of STL propose to demerge the Demerged Undertaking of STL into the Resulting Company on a 'going concern basis' with effect from April 1, 2023, pursuant to the Scheme ("Proposed Transaction").

As consideration for the transfer of Demerged Undertaking, equity shares of the Resulting Company shall be issued to the equity shareholders of STL. Upon Scheme becoming effective and upon allotment of equity shares by the Resulting Company, the equity shares held by STL in the Resulting Company shall be cancelled, extinguished, and annulled.

In this context, the Board of Directors of STL have requested RBSA to provide an opinion on the fairness of the Share Entitlement Ratio recommended by the Valuer in connection with the Proposed Transaction. The scope of our services is to provide fairness opinion on the share entitlement ratio for the Proposed Transaction in accordance with the standards prescribed by the Institute of Chartered Accountants of India.

SOURCES OF INFORMATION

In connection with the preparation of this Report, we have relied on the following information received from the management of STL (the "Management"),

- i. Shareholding pattern of STL as of March 31, 2023;
- ii. Discussions with the Management to augment our knowledge on the operations of the Companies / Demerged Undertaking;
- iii. Management certified Balance sheet of GSB as on March 31, 2023;
- iv. Draft Scheme of Arrangement;
- v. Valuer's Report dated May 16, 2023 for recommending Share Entitlement Ratio for the Proposed Transaction;
- vi. Such other information, explanations and representations that were required and provided by the Management;
- vii. Such other analysis, inquiries, and reviews as we considered necessary.

BACKGROUND

STL is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. STL is primarily engaged in the business of Connectivity and Network solutions. STL is a global integrator of digital networks is primarily engaged in designing, manufacturing and marketing of a wide array of optical products and providing information technology, IT-ITES & network services. The portfolio offering of the STL can be categorized into the following business verticals:

- manufacture and sale of optical fibre ("OF"), optical fibre cable ("OFC"), Specialty cables and optical interconnect products to the telecom sector (collectively referred as "Optical Network Business" or "ONB")
- Global Service Business as defined below;
- IT-ITES solutions and services ("Digital Business")



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The issued, subscribed, and paid-up equity share capital of STL as on March 31, 2023 is INR 797.16 million consisting of 39,85,80,433 equity shares of INR 2 each fully paid-up. Equity shares of STL are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE").

The shareholding pattern of STL as of March 31, 2023, is as under,

No.	Shareholder category	No. of equity shares #	Percentage
1.	Promoter and Group	21,54,43,766	54.05%
2.	Public shareholders	18,31,36,667	45.95%
	Total	39,85,80,433	100.00%

Face value INR 2 each

Source: Information provided by the Management

GSB Undertaking is primarily engaged in offering system integration telecom network solutions directly and through its subsidiaries and joint ventures and includes laying and developing private network infrastructure on turn-key project contract basis for Government organizations, armed forces and private clients with the offerings being:

- i. Network Design & rollout and
- ii. End to End network modernization entailing Technology and OEM agnostic approach for building data communication network.

GSB offerings and areas includes fiber deployment services, managed services, system integrations services, FTTH deployment services in UK, operations and maintenance of fiber and other MPLS based networks.

The Resulting Company is a public limited company incorporated on March 26, 2021, under the provisions of the Companies Act, 2013, as a wholly owned subsidiary of STL. The main object of the Resulting Company is inter-alia, to carry out the Global Services Business. The issued, subscribed, and paid-up equity share capital of the Resulting Company as on March 31, 2023 is INR 0.5 million consisting of 50,000 equity shares of INR 10 each fully paid up.

EXCLUSIONS AND LIMITATIONS:

- This Fairness Opinion, its contents and the results herein are specific to (i) the purpose of fairness opinion agreed as per the terms of our engagement; (ii) date of this Report ("Fairness Opinion Date"); (iii) the Valuers' Reports for recommendation of Share Entitlement Ratio, and (iv) are based on the financial statements of Specified Companies as of March 31, 2023. We have been informed that no material changes have occurred in the respective operations and financial position of the Specified Companies between March 31, 2023 and the Fairness Opinion date.
- Provision of fairness opinions and consideration of the issues described herein are areas of our regular practice. These services do not represent accounting, assurance, accounting and tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.
- The scope of our services is to provide fairness opinion on the Share Entitlement Ratio for the Proposed Transaction. Valuation Standards ("ICAI VS") issued by the Institute of Chartered Accountants of India has been adopted for determining the fairness opinion.





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- This Report, its contents and the results herein are (i) specific to the purpose of valuation agreed as per the terms of our engagement; (ii) the date of the Report and other information provided by the Management.
- A fairness opinion of this nature is necessarily based on the information made available to us as of the date hereof, the prevailing market conditions, financial, economic, and other conditions in general and industry trends in particular, as of the Valuation Date. Events occurring after the date 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.
- The opinion rendered in this Report only represents our opinion based upon information till date, furnished by the Management (or its representatives) and other sources and the said opinion shall be considered to be in the nature of non-binding advice. Our opinion will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors.
- Determination of Share Entitlement Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed Share Entitlement Ratio. While we have provided our fairness opinion of the Share Entitlement Ratio based on the information available to us and within the scope of our engagement, others may have a different opinion. 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 of STL who should take into account other factors such as their own assessment of the Proposed Transaction and inputs from other advisors.
- In the course of the exercise, we were provided with both written and verbal information. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification the accuracy and completeness of information made available to us by STL. We have not carried out a due diligence or audit of the information provided for this engagement, nor have we independently investigated or otherwise verified the data provided. We do not express any form of assurance that the financial information or other information as prepared and provided by STL is accurate and no responsibility is assumed for matters of a legal nature.
- This Report does not look into the business/ commercial reasons behind the 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 such alternatives could be achieved or are available.





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- We owe responsibility to only the Boards of Directors of STL and the Resulting Company who have appointed us under the terms of our engagement letter and nobody else. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions of or advice given by any other advisor to the Specified Companies. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or willful default on part of the Specified Companies, their directors, employees, or agents. In no circumstances shall the liability of RBSA, its partners, its directors, or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to RBSA in respect of the fees charged by it for these services. We do not accept any liability to any third party in relation to the issue of this Report. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.
- The Report assumes that the Specified Companies and the Demerged Undertaking comply fully with relevant laws and regulations applicable in all its area of operations and usage unless otherwise stated, and that they will be managed in a competent and responsible manner. Further, unless 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 litigations and other contingent liabilities that are not recorded/ reflected in the provisional financial statements provided to us. Our assumption for the fairness opinion assumes that the assets and liabilities of the Specified Companies and the Demerged Undertaking, reflected in the respective latest balance sheets remain intact as of this Report date.
- Neither this Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties other than in connection with the Scheme, without our prior written consent. This Report does not in any manner address the prices at which equity shares of the Specified Companies will trade following the consummation of the Proposed Transaction and we express no opinion or recommendation as to how the shareholders of STL should vote at the shareholders' meeting(s) to be held in connection with the Proposed Transaction.
- This Report is intended only for the sole use and information of the Board of Directors of STL in connection with the Proposed Transaction to comply with SEBI Master Circular and applicable SEBI Regulations and it shall not be valid for any other purpose. Without limiting the foregoing, we understand that STL may be required to share this Report with their shareholders, regulatory or judicial authorities, in connection with the Proposed Transaction (together, "Permitted Recipients"). We hereby give consent to such disclosure of this Report, on the basis that the Merchant Banker owes responsibility only to STL and the Resulting Company who have engaged us, under the terms of the engagement, and to no other person; and that, to the fullest extent permitted by law, the Merchant Banker accepts no responsibility or liability to any other party, in connection with this Report. It is clarified that reference to this Report in any document and / or filing with Permitted Recipients, in connection with the Proposed Transaction, shall not be deemed to be an acceptance by the Merchant Banker of any responsibility or liability to any person/ party other than STL and the Resulting Company.



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- The Management has informed us that there are no unusual / abnormal events in the Specified Companies till the Report Date materially impacting their operating / financial performance. Further, the Management has informed us that all material information impacting the Specified Companies has been disclosed to us and that there would be no variation between the draft Scheme of Arrangement and the final scheme approved and submitted with the relevant authorities.
- The fee for the engagement is not contingent upon the results reported.
- This Report is subject to the laws of India.

OPINION AND CONCLUSION

The Proposed Transaction contemplates:

- Demerger of the Demerged Undertaking of STL and transfer to the Resulting Company, its wholly owned subsidiary, pursuant to the Scheme.
- As a consideration for the transfer of Demerged Undertaking, the Resulting Company shall issue its equity shares to the equity shareholders of STL.
- Further, upon the Scheme becoming effective and upon allotment of equity shares by the Resulting Company to STL shareholders, the equity shares held by STL in the Resulting Company shall be cancelled, extinguished, and annulled.

The shareholders of STL are and will, upon demerger, be ultimate economic beneficial shareholders of the Resulting Company and their shareholding in the Resulting Company will mirror their shareholding in STL.

Valuers' Recommendation

The Valuer has recommended the following Share Exchange Ratio for the Proposed Transaction as per their valuation report:

[1] (One) equity share of Resulting Company of face value INR 2/- each fully paid up for every [1] (One) equity share of Sterlite Technologies Limited of face value INR 2/- each fully paid up.





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Our Comment on the Share Exchange Ratio

In the circumstance, having regard to the relevant factors and on the basis of information and explanations provided to us and considering that all shareholders of STL, upon Demerger, be the ultimate economic and beneficial owners of the Resulting Company and that upon allotment of equity shares by the Resulting Company in the Proposed Share Entitlement Ratio, the economic and beneficial interest of the shareholders in the equity of the Resulting Company will be the same as it is in the equity of STL, in our opinion, the Share Entitlement Ratio as recommended by the Valuer, which forms the basis for the Proposed Transaction, is fair, to the shareholders of STL, from a financial point of view.

Thanking you

For RBSA Capital Advisors LLP
SEBI Registered Category I Merchant Banker
Registration Code: INM000011724

Ravishu



Ravishu Vinod Shah
Partner

May 16, 2023

A.V. Deshpande
For Sterlite Technologies Limited
Amit Deshpande
Company Secretary