

Price Waterhouse Chartered Accountants LLP

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

Auditor's Certificate on compliance of the proposed accounting treatment in the Draft Scheme of Arrangement the applicable accounting standards

- 1) This certificate is issued in accordance with the terms of our agreement dated May 17, 2023.
- 2) We, the statutory auditors of STL Networks Limited (hereinafter referred to as "the Company" or the "Resulting Company"), have examined the proposed accounting treatment specified in clause 17.2 of the Draft Scheme of Arrangement between Sterlite Technologies Limited (the "Demerged Company") and the Company and their respective shareholders and creditors (the "Draft Scheme") as approved by the Board of Directors of the Company in their meeting held on May 17, 2023, in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 (the "Act") with reference to its compliance with the applicable accounting standards specified under Section 133 of the Act (the 'applicable accounting standards') and other generally accepted accounting principles. We have initialed the Clause 17.2 of the Draft Scheme for identification purpose only.

Management's Responsibility

- 3) The responsibility for the preparation of the Draft Scheme and its compliance with the Act, including the applicable accounting standards and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Company.

Auditor's Responsibility

- 4) Pursuant to the requirements of proviso to sub-section (7) of section 230 of the Act, our responsibility is to examine the Draft Scheme and certify whether the accounting treatment contained in clause 17.2 of the Draft Scheme is in compliance with the applicable accounting standards specified under Section 133 of the Act and other generally accepted accounting principles.
- 5) We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- 6) 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.

Conclusion

- 7) Based on our examination and according to the information and explanations given to us, pursuant to the requirements of proviso to sub-section (7) of section 230 of the Act, we confirm that the accounting treatment contained in clause 17.2 of the Draft Scheme is in compliance with the applicable accounting standards specified under Section 133 of the Act, and other generally accepted accounting principles.

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For Sterlite Technologies Limited
Amit Deshpande
Amit Deshpande
Company Secretary



Price Waterhouse Chartered Accountants LLP, 7th Floor, Tower A - Wing 1, Business Bay, Airport Road
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Registered office and Head office: 11-A, Vishnu Digamber Marg, Sucheta Bhawan, Gate No 2, 1st Floor, New Delhi - 110002

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Price Waterhouse Chartered Accountants LLP

Emphasis of Matter

- 8) We draw attention to the Appointed Date (April 1, 2023, as defined in clause 4 of the Draft Scheme), which is also deemed to be the 'acquisition date' and the date of transfer of control as per the Ministry of Corporate Affairs (MCA) circular dated August 21, 2019. However, clause 17.2 of the Draft Scheme requires the accounting treatment to be carried out from the beginning of the preceding year, in accordance with the principles of Appendix C to Ind AS 103 'Business Combinations'. Our conclusion is not modified in respect of this matter.

Restriction on Use

- 9) Our work was performed solely to assist you in meeting the requirements of the Act to enable the Company to file the Draft Scheme with the National Company Law Tribunal (NCLT). Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have as auditors of the Company or otherwise. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
- 10) This Certificate is issued at the request of the Board of Directors of the Company to whom it is addressed, for onward submission to the NCLT and should not be used for any other purpose. We do not accept or assume any liability or 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 save where expressly agreed by our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP
 Firm Registration Number: 012754N/N500016

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Disha Maheshwari
 Partner
 Membership No.: 110159
 UDIN : 23110159BGYVUX1731
 Place: Mumbai
 Date: May 17, 2023



Extract of Clause 17.2 of the Scheme of Arrangement between Sterlite Technologies Limited (the "Demerged Company") and STL Networks Limited (the "Resulting Company") and their respective shareholders and creditors

17.2 In the books of the Resulting Company

Notwithstanding anything to the contrary contained herein, the Transferee Company shall give effect to the demerger in its books of account by applying the principles of Appendix C to Ind AS 103, *Business Combinations* and other applicable accounting principles as prescribed under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") as notified under Section 133 of the Act and relevant clarifications issued by the Institute of Chartered Accountants of India on the date determined in accordance with Ind AS, as follows:

- resulting company shall recognise the assets and liabilities of the demerged undertaking vested in it pursuant to this Scheme, at their respective carrying amounts as appearing in the books of the demerged company.
- The difference, if any, between the carrying amount of the net assets of the demerged undertaking acquired and the consideration issued to the shareholders of the demerged company shall be adjusted to capital reserve.
- The financial statements of the resulting company shall be restated as per the requirements of Appendix C of Ind AS 103.
- The Resulting Company's capital reduction pursuant to Clause 21 of this Scheme will be transferred to the capital reserve.

For STL Networks Limited

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Ankit Agarwal
Director
Date: 17 May 2023



STL NETWORKS LIMITED

Registered office- 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune 411001, Maharashtra, India
CIN - U72900PN2021PLC199875

Price Waterhouse Chartered Accountants LLP

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

Auditor's Certificate on compliance of the proposed accounting treatment in the Draft Scheme of Arrangement with SEBI Listing Regulations and the applicable accounting standards

- 1) This certificate is issued in accordance with the terms of our agreement dated May 17, 2023.
- 2) We, the statutory auditors of Sterlite Technologies Limited (hereinafter referred to as "the Company" or the "Demerged Company"), have examined:
 - a) the proposed accounting treatment specified in clause 17.1 of the Draft Scheme of Arrangement between the Company and STL Networks Limited (the "Resulting Company") and their respective shareholders and creditors (the "Draft Scheme") as approved by the Board of Directors of the Company in their meeting held on May 17, 2023, in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 (the "Act") with reference to its compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), the Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 (the "Master Circular") and the Operational Circular no. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022 (the "Operational Circular"), both issued by SEBI (together referred to as the "SEBI Circulars"), and the applicable accounting standards specified under Section 133 of the Act (the 'applicable accounting standards') and other generally accepted accounting principles; and
 - b) the accompanying Undertaking prepared by the management of the Company, stating the reasons for non-applicability of the requirement to certify the Resulting Company's capability of payment of interest/repayment of principal of Non-convertible Debentures ("NCDs"), as per the Operational Circular (the "Undertaking").

We have initialed Clause 17.1 of the Draft Scheme in relation to Proposed Accounting Treatment and the Undertaking for identification purpose only.

Management's Responsibility

- 3) The responsibility for the preparation of the Draft Scheme, the Undertaking and its compliance with the Act and SEBI Listing Regulations and the SEBI Circulars, including the applicable accounting standards and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Company.

Auditor's Responsibility

- 4) Pursuant to the requirements of proviso to sub-section (7) of section 230 of the Act read with the SEBI Circulars, our responsibility is to examine the Draft Scheme and the Undertaking and certify:
 - a) whether the accounting treatment contained in clause 17.1 of the Draft Scheme is in compliance with Regulation 11, 37 and 94 of the SEBI Listing Regulations and the Master Circular and the applicable accounting standards specified under Section 133 of the Act and other generally accepted accounting principles; and
 - b) the Resulting Company's capability of payment of interest/ repayment of principal of NCDs as per Operational Circular.

For Sterlite Technologies Limited
A. V. Deshpande

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- 5) We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- 6) 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.

Conclusion

- 7) Based on our examination and according to the information and explanations given to us, pursuant to the requirements of proviso to sub-section (7) of section 230 of the Act read with the SEBI Circulars, we confirm that:
 - a) the accounting treatment contained in clause 17.1 of the Draft Scheme is in compliance with Regulation 11, 37 and 94 of the SEBI Listing Regulations and the Master Circular and the applicable accounting standards specified under Section 133 of the Act, and other generally accepted accounting principles; and
 - b) as mentioned in the Undertaking, there are no NCDs being transferred to or being issued by the Resulting Company pursuant to the Draft Scheme. Accordingly, the question of our commenting on the Resulting Company's capability of payment of interest/ repayment of principal of NCDs as per the Operational Circular does not arise.

Emphasis of Matter

- 8) We draw attention to the Appointed Date (April 1, 2023, as defined in clause 4 of the Draft Scheme), which is also deemed to be the date of transfer of control as per the Ministry of Corporate Affairs (MCA) circular dated August 21, 2019. However, clause 17.1 of the Draft Scheme requires the demerger to be accounted for prospectively on the date determined as per the principles of Indian Accounting Standards (Ind AS).
Our conclusion is not modified in respect of this matter.

Restriction on Use

- 9) Our work was performed solely to assist you in meeting the requirements of the Act and the Master Circulars to enable the Company to file the Draft Scheme with the Stock Exchanges and the National Company Law Tribunal (NCLT). Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have as auditors of the Company or otherwise. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.



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- 10) This Certificate is issued at the request of the Board of Directors of the Company to whom it is addressed, for onward submission to the Stock Exchanges and the NCLT and should not be used for any other purpose. We do not accept or assume any liability or 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 save where expressly agreed by our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

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Neeraj Sharma

Partner

Membership No.: 108391

UDIN : 23108391BGTBUS1357

Place: Mumbai

Date: May 17, 2023



Extract of Clause 17.1 of the Scheme of Arrangement between Sterlite Technologies Limited (the “Demerged Company”) and STL Networks Limited (the “Resulting Company”) and their respective shareholders and creditors

17.1 Accounting treatment in the books of the Demerged Company:

Notwithstanding anything to the contrary contained herein, the Demerged Company shall give effect to the demerger in its books of account in accordance with applicable accounting principles as prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (“Ind AS”) as notified under Section 133 of the Act and relevant clarifications issued by the Institute of Chartered Accountants of India on the date determined under Ind AS, as follows:

- The Demerged company shall derecognise from its books of accounts, the carrying amount of assets and liabilities pertaining to the demerged undertaking transferred to and vested in the Resulting company.
- The excess of the carrying amount of assets transferred over the carrying amount of liabilities transferred shall be debited to reserves within equity.
- The Demerged Company's investment in the Resulting Company, cancelled pursuant to Clause 21 of this Scheme will be adjusted in the reserves of the Demerged Company.

For Sterlite Technologies Limited

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Ankit Agarwal
Managing Director
Date: 17 May 2023

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Sterlite Technologies Limited

Registered office: 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra- 411 001, India.
CIN - L31300PN2000PLC202408

Undertaking stating the reasons for non-applicability of the requirement to certify that the resultant entity is capable of payment of interest/repayment of principal as per SEBI circular no. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/0000000103 dated July 29, 2022 (the "SEBI Circular")

Pursuant to Paragraph 6.1 of Part I of Chapter XII – Scheme(s) of Arrangement by entities who have listed their NCDs/ NCRPS56 of SEBI Circular, Sterlite Technologies Limited hereby confirms that the requirement to certify that the resultant entity is capable of payment of interest/repayment of principal is not applicable to the proposed Scheme of Arrangement under Section 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, between Sterlite Technologies Limited ('the Demerged Company' or 'STL' or 'the Company') and STL Networks Limited (the "Resultant Company") and their respective shareholders and creditors ('Scheme' or 'the Scheme' or 'this Scheme'), as per the details given below:

Annex-XII-B of the SEBI Circular provides for the format of the statutory auditor certificate. The format, inter-alia, requires the statutory auditor to certify that the "resultant entity is capable of payment of interest/ repayment of principal".

In this connection, we hereby clarify and confirm that the non-convertible debentures ('NCDs') issued by the Company (and Listed on the stock exchange) do not form part of the Demerged Undertaking under the Proposed Scheme. In other words, the same shall not be transferred to Resultant Company and shall continue with the Company. Hence, the phrase "resultant entity is capable of payment of interest/ repayment of principal" is not applicable in the present case as no Listed debt of the Company shall transfer to the Resulting Company consequent to the Scheme.

For Sterlite Technologies Limited

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Ankit Agarwal
Managing Director
Date: 17 May 2023



Sterlite Technologies Limited

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CIN - L31300PN2000PLC202408