

NOTICE CONVENING MEETING OF THE SECURED CREDITORS OF STERLITE POWER TRANSMISSION LIMITED PURSUANT TO THE ORDER OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

| MEETING | |
|--|---|
| Day | Thursday |
| Date | 16th Day of May 2024 |
| Time | 11.00 a.m. |
| Mode of Meeting | As per the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench, the meeting shall be conducted through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) |
| Venue / Mode | Through video conferencing or other audio-visual means |
| Cut-off date for e-voting | Tuesday, 30th Day of April 2024 |
| Remote e-voting start date and time | Sunday, 12 th Day of May 2024 at 9:00 a.m. (IST) |
| Remote e-voting end date and time | Wednesday, 15 th Day of May 2024 at 5:00 p.m. (IST) |

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Sterlite Power Transmission Limited

Registered Office: 4th Floor, Godrej Millennium, 9, Koregaon Road, Pune, Maharashtra – 411001, India

CIN: U74120PN2015PLC156643 | Phone: +91- 124 -4562 000 | Fax: 0124- 4562075

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| | | |
|----|--|------------|
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|----|--|------------|

The Notice of the meeting, Statement under Sections 230 – 232, Section 52 read with Section 102 and other applicable provisions of the Act and Rule 6 of the CAA Rules and all annexures thereto constitute a single and complete set of documents and should be read together as they form an integral part of this document.



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FORM NO. CAA. 2

[Pursuant to Section 230 (3) of the Companies Act, 2013 and Rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

**IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
CA(CAA)/03/MB-IV/2024**

IN THE MATTER OF SECTIONS 230 TO 232 READ WITH SECTION 52 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN STERLITE POWER TRANSMISSION LIMITED AND STERLITE GRID 5 LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**Sterlite Power Transmission Limited, a)
company incorporated under the)
provisions of the Companies Act, 2013,)
having Corporate Identification Number)
U74120PN2015PLC156643 and its)
registered office situated at 4th Floor,)
Godrej Millennium, 9 Koregaon Road,)
Pune, Maharashtra – 411 001) ... Company/ Demerged Company**

NOTICE CONVENING MEETING OF THE SECURED CREDITORS

To

The Secured Creditors of Sterlite Power Transmission Limited

1. **NOTICE** is hereby given that, in accordance with the Order dated March 28, 2024, in the above captioned Company Scheme Application, passed by the Hon'ble National Company Law Tribunal, Mumbai Bench ("**Tribunal**") ("**Tribunal Order**"), a meeting of the Secured Creditors of the Company ("**Secured Creditors**"), will be held for the purpose of their considering, and if thought fit, approving, with or without modification, the proposed Scheme of Arrangement between Sterlite Power Transmission Limited ("**Demerged Company**" or "**Company**") and Sterlite Grid 5 Limited ("**Resulting Company**") and their respective shareholders and creditors ("**Scheme**") on Thursday, 16th day of May, 2024, at 11.00 a.m., (IST) ("**Meeting**").

- Pursuant to the said Tribunal Order and as directed therein, the Meeting will be held through video conferencing (“VC”) / other audio visual means (“OAVM”) without the physical presence of the secured creditors at a common venue, following the operating procedures referred to in General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021, General Circular No. 3/2022 dated May 5, 2022, General Circular No. 11/2022 dated December 28, 2022, General Circular No. 9/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs, Government of India and any other circular as may be issued in this regard (collectively referred to as “MCA Circulars”), the applicable provisions of the Companies Act, 2013 (“Act”) and Secretarial Standard on General Meetings as issued by the Institute of Company Secretaries of India (“SS-2”) to consider, and if thought fit, to pass, with or without modification(s) the following resolution for approval of the Scheme by requisite majority as prescribed under Sections 230(1) and (6) read with 232(1) of the Act, as amended:

“RESOLVED THAT pursuant to the provisions of Sections 230 and 232 read with Section 52 of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), subject to the provisions of the Memorandum and Articles of Association of Sterlite Power Transmission Limited (“Company”) and subject to the approval of Hon’ble National Company Law Tribunal, Mumbai Bench (“Tribunal”) and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be deemed appropriate by the parties to the Scheme, at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or as may be prescribed or imposed by the Hon’ble Tribunal or by any regulatory or other authorities, while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to mean and include one or more Committee(s) constituted/ to be constituted by the Board or any other person authorized by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Scheme of Arrangement between Sterlite Power Transmission Limited and Sterlite Grid 5 Limited and their respective shareholders and creditors (“Scheme”), be and is hereby approved.

FURTHER RESOLVED THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this Resolution and effectively implement the arrangement embodied in the Scheme and to make any modifications or amendments to the Scheme at any time and for any reason whatsoever, and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon’ble Tribunal while sanctioning the arrangement

embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper.

FURTHER RESOLVED THAT the Board may delegate all or any of its powers herein conferred to any Director(s) and/or officer(s) of the Company, to give effect to this Resolution, if required, as it may in its absolute discretion deem fit, necessary or desirable, without any further approval from secured creditors of the Company.”

3. **TAKE FURTHER NOTICE THAT** the Secured Creditors shall have the facility and option of voting on the resolution for approval of the Scheme by casting their votes (a) through e-voting system available at the Meeting to be held virtually (“**e-voting at the Meeting**”); or (b) by remote electronic voting (“**remote e-voting**”) during the period as stated below:

| REMOTE E-VOTING PERIOD | |
|------------------------|--|
| Commencement of voting | Sunday, 12 th Day of May 2024 at 9:00 a.m. (IST) |
| End of voting | Wednesday, 15 th Day of May 2024 at 5:00 p.m. (IST) |

4. A secured creditor, whose name appears in the list of secured creditors available with the Company as on the cut-off date, i.e., **Tuesday, 30th Day of April, 2024 (“Cut-Off Date”)** only shall be entitled to exercise his / her / its voting rights on the resolution proposed in the Notice and attend the Meeting. A person who is not an secured creditor as on the cut-off date, should treat the Notice for information purpose only. The value and number of secured creditors shall be in accordance with the books / records maintained by the Company. Voting rights of an secured creditor shall be in proportion to the outstanding amount due by the Company as on the cut-off date.
5. A copy of the Scheme, statement under Sections 230 and 232 read with Section 52 read with Section 102 and other applicable provisions of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (“**CAA Rules**”) along with all annexures to such statement are enclosed herewith. A copy of this Notice and the accompanying documents are also placed on the website of the Company and can be accessed at <https://www.sterlitepower.com/investors> and can be accessed on the website of KFIN Technologies Limited, Registrar and Transfer Agent (“**KFintech**”): <https://evoting.kfintech.com/public/Downloads.aspx>, being the agency appointed by the Company to provide the e-voting and other facilities for convening of the Meeting.
6. The Tribunal has appointed **Mr. Shiva Kumar MD, SBBJ Bank (Rtd.)** to be the Chairperson for the said Meeting of the Secured Creditors, including for any adjournment or adjournments thereof and Ms. Mehak Gupta of M/s. Mehak Gupta & Associates, Practicing Company Secretary, (having



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Membership no- F10703 and Certificate of Practice no. 15013) failing her, Mr. Akhil Chadha of M/s. Akhil Chadha & Associates, Practicing Company Secretary, (having Membership no - F10637 and Certificate of Practice no. 23407) to be the Scrutinizer for the Meeting.

7. The Scheme, if approved in the aforesaid Meeting, will be subject to the subsequent sanction of the Tribunal and such other approvals, permissions and sanctions of regulatory or other authorities, as may be necessary.

Sd/-

Shiva Kumar

MD, SBBJ Bank (Rtd.)

Chairperson appointed by the Tribunal for the Meeting

New Delhi, Friday, the 12th Day of April, 2024

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Notes for the Meeting of Secured Creditors of the Company

1. Pursuant to the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench ("**Tribunal**"), vide its order dated March 28, 2024 ("**Tribunal Order**"), the Meeting of the Secured Creditors of the Company is being conducted through Video Conference ("**VC**") / Other Audio Visual Means ("**OAVM**") facility to transact the business set out in the Notice convening this Meeting, which does not require physical presence of the Secured Creditors at a common venue. The deemed venue for the Meeting shall be the Registered Office of the Company.
2. The statement pursuant to Sections 230 - 232 read with Section 52, Section 102 and other applicable provisions of the Companies Act, 2013 ("**Act**") and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, in respect of the business set out in the Notice of the Meeting is annexed hereto. The Meeting will be conducted in compliance with the applicable provisions of the Tribunal Order, Act, SS-2 and other applicable laws.
3. A secured creditor, whose name appears in the list of secured creditors of the Company as on the cut-off date, i.e. **Tuesday, 30th Day of April, 2024** ("**Cut-Off Date**") only shall be entitled to exercise his / her / its voting rights on the resolution proposed in the Notice and attend the Meeting. A person who is not an secured creditor as on the cut-off date, should treat the Notice for information purpose only. The value and number of secured creditors shall be in accordance with the books / records maintained by the Company.
4. Since this Meeting is being held through VC / OAVM, physical attendance of the Secured Creditors has been dispensed with. Accordingly, the facility for appointment of proxies by the Secured Creditors will not be available for the Meeting and hence the Proxy Form, Attendance Slip and Route Map are not annexed hereto.
5. Secured Creditors attending the Meeting through VC / OAVM shall be reckoned for the purpose of quorum. Quorum for the Meeting shall be in terms of the Tribunal Order and Section 103 of the Act.
6. In terms of the directions contained in the NCLT Order, the Notice convening the Meeting is being published by Company through advertisement in the '**Business Standard**' in English language, having wide circulation and in the '**Navshakti**' in Marathi language having circulation in Maharashtra, indicating the day, date and time of the Meeting.
7. As per the directions of the Tribunal Order, the Notice of the Meeting and the accompanying documents mentioned in the Index are being sent through electronic mail to the Secured Creditors as on **Sunday the 31st day of March, 2024**, whose email addresses are registered with the Company.

Sterlite Power

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8. The value and number of the Secured Creditors shall be in accordance with the books/ records maintained by the Company and where the entries in the books/ records are disputed, the Chairperson of the meeting shall determine the value and number for the purpose of the aforesaid meeting and his decision in that behalf would be final.
9. The Secured Creditors may note that the aforesaid documents are also available on the website of the Company at: <https://www.sterlitepower.com/investors> and can be accessed on the website of KFIN Technologies Limited, Registrar and Transfer Agent (“KFintech”): <https://evoting.kfintech.com/public/Downloads.aspx>, being the agency appointed by the Company to provide the e-voting and other facilities for convening of the Meeting.

If so desired, shareholders may obtain a physical copy of the Notice, Scheme, Explanatory Statement pursuant to Sections 230 - 232 read with Section 52, Section 102 and other applicable provisions of the Companies Act, 2013 (“Act”) and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the accompanying documents free of charge, between 10:00 a.m. to 3:00 p.m. on any day (except Saturday, Sunday and public holidays) up to one day prior to the date of the Meeting from the Registered office of the Company, or by email sent to secretarial.grid@sterlite.com. A written request in this regard may also be addressed, along with details of your shareholding in the Company, may be addressed to the Company Secretary at DLF Cyber Park, 9th Floor, Tower B, Udyog Vihar Phase III, Sector 20, Gurgaon, Haryana – 122 008.

10. Body Corporates are permitted to appoint authorised representative(s), in pursuance of Section 112 and 113 of the Act to attend the Meeting through VC / OAVM and cast their votes by electronic means. The voting by the said authorized representative(s) is permitted, provided that the authorization, duly signed, is emailed to the Scrutinizer at mhkgupta18@gmail.com with a copy marked to mehakgupta.associates@gmail.com and secretarial.grid@sterlite.com not later than 48 hours before the scheduled time of the commencement of the Meeting.
11. Ms. Mehak Gupta having Membership no - F10703 and Certificate of Practice no. 15013, of M/s. Mehak Gupta & Associates, failing her, Mr. Akhil Chadha having Membership no - F10637 and Certificate of Practice no. 23407, of M/s. Akhil Chadha & Associates, Practicing Company Secretaries shall act as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner for the meeting of the Secured Creditors.
12. The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer’s Report and submit the same to the Chairperson of the Meeting or to any other person so authorized by him (*in writing*), who shall countersign the same. The result of e-voting will be declared within two working

days of the conclusion of the Meeting and the same, along with the consolidated Scrutinizer's Report, will be placed on the website of the Company: <https://www.sterlitepower.com/investors> and can be accessed on the website of KFIN Technologies Limited, Registrar and Transfer Agent ("KFintech"): <https://evoting.kfintech.com/public/Downloads.aspx>. The result will also be displayed at the registered office of the Company.

13. Subject to receipt of requisite majority of votes in favour, i.e., majority in number representing three fourth in value (as per Sections 230 and 232 of the Act), the Resolution proposed in the Notice shall be deemed to have been passed on the date of the Meeting.
14. Documents for inspection as referred to in the Notice will be available electronically for inspection (without any fee) by the Secured Creditors from the date of circulation of this Notice up to the date of Meeting. Secured Creditors seeking to inspect such documents can access the same at the investors section on the website of the Company at: <https://www.sterlitepower.com/investors>
15. Secured Creditors are requested to carefully read all the Notes set out herein and in particular, instructions for joining the Meeting and manner of casting vote through electronic means.

Remote E-voting; Meeting through VC / OAVM; E-voting at the Meeting

16. The facility of attending Meeting through VC/OAVM is being provided by KFIN Technologies Limited, Registrar and Transfer Agent ("KFintech"). The facility of casting votes by the Secured Creditors using electronic means, i.e. (i) remote e-voting and (ii) e-voting at the Meeting, (hereinafter referred to as "e-voting") is also being provided by KFintech. The procedure for attending the Meeting through VC / OAVM and for e-voting is given in the Notes below.
17. Voting rights of the Secured Creditors shall be in proportion to the outstanding amount due by the Company as on the Cut-Off Date.
18. The remote e-voting period will commence at 9:00 a.m. (IST) on Sunday, 12th Day of May 2024, and end at 5:00 p.m. (IST) on Wednesday, 15th Day of May 2024 (IST). The remote e-voting module shall be disabled after 5:00 p.m. (IST) on Wednesday, 15th Day of May 2024.
19. Once the vote on a resolution is cast by the Secured Creditors, the Secured Creditors shall not be allowed to change it subsequently.
20. In case the Secured Creditors would like to express its views / ask questions during the Meeting may register themselves as speaker by sending their request on or before Wednesday, 15th Day of May 2024, mentioning their name, institution/bank they represent, email id and mobile number to



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KFintech and to the Company at secretarial.grid@sterlite.com. The Secured Creditors who do not wish to speak during the Meeting but have queries may send their queries on or before Wednesday, 15th Day of May 2024, mentioning their name, institution/bank they represent, email id and mobile number to KFintech and to the Company at secretarial.grid@sterlite.com. These queries will be addressed by the Company suitably. The Company reserves the right to restrict number of questions and number of speakers, as appropriate for smooth conduct of Meeting. The Secured Creditors are requested to restrict their questions only to matters pertaining to the business set out in the Notice convening this Meeting.

21. Those Secured Creditors who have registered themselves as speaker will only be allowed to express their views / ask questions during the Meeting.



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INSTRUCTIONS FOR E-VOTING AND JOINING THE MEETING ARE AS FOLLOWS:

A. Procedure for joining the meeting through VC / OAVM and Information and instructions for remote e-voting

1. Secured Creditors will be provided with a facility to attend the meeting through VC / OAVM platform provided by KFIN. Secured Creditors may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided along with the Notice of the Meeting sent by email. After logging in, click on the Video Conference tab and select the E-voting Event Number (EVEN). Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the Secured Creditors who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions.
2. Secured Creditors are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
3. Secured Creditors will be required to grant access to the webcam to enable VC / OAVM. Further, Secured Creditors connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
4. Secured Creditors will be allowed to attend the meeting through VC / OAVM on first come, first served basis.
5. Body Corporates are permitted to appoint authorised representative(s), in pursuance of Section 112 and 113 of the Act to attend the Meeting through VC / OAVM and cast their votes by electronic means. The voting by the said authorized representative(s) is permitted, provided that the authorization, duly signed, is emailed to the Scrutinizer at mhkgupta18@gmail.com with a copy marked to mehakgupta.associates@gmail.com, and “secretarial.grid@sterlite.com” not later than 48 hours before the scheduled time of the commencement of the Meeting.
6. Facility to join the meeting shall be opened fifteen minutes before the scheduled time of the meeting and shall be kept open throughout the proceedings of the meeting.
7. Secured Creditors who need technical assistance before or during the Meeting can contact KFin at emeetings@kfintech.com or Helpline: 1800 309 4001.



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B. Procedure for remote e-voting and e-voting at the meeting:

1. The Company is providing to its Secured Creditors, the facility to exercise their right to vote on resolution(s) proposed to be passed at meeting by electronic means. Secured Creditors may cast their votes remotely, using an electronic voting system on the dates mentioned herein below (**'remote e-voting'**).
2. The facility for voting through electronic voting system will also be made available at the Meeting and Secured Creditors attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting.
3. The Company has engaged the services of KFIN as the agency to provide remote e-voting facility.
4. The remote e-voting facility will be available during the following voting period:

| REMOTE E-VOTING PERIOD | |
|------------------------|--|
| Commencement of voting | Sunday, 12 th Day of May 2024 at 9:00 a.m. (IST) |
| End of voting | Wednesday, 15 th Day of May 2024 at 5:00 p.m. (IST) |

5. The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFIN upon expiry of the aforesaid period.
6. A person, whose name is recorded as Secured Creditor as on the cut- off date, i.e., Tuesday, the 30th day of April 2024, only shall be entitled to exercise his / her / its voting rights on the resolution proposed in the Notice and attend the meeting. Voting rights of Secured Creditor shall be in proportion to his / her / its total outstanding dues in the Company as on the cut-off date.
7. A Secured Creditor can opt for only single mode of voting per EVEN, i.e., through remote e-voting or voting at the Meeting (Insta Poll). If a Secured Creditor casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".
8. Remote E-Voting - Information and instructions for remote e-voting by Secured Creditors
 - a. Launch internet browser by typing the URL: <https://evoting.kfintech.com>
 - b. Enter the login credentials (User ID and password given in the e-mail). If required, please visit <https://evoting.kfintech.com> or contact toll-free number of KFIN 1800-309-4001 (from 9:00 a.m. to 6:00 p.m.) for assistance on your existing password.
 - c. After entering these details appropriately, click on "LOGIN".

- d. You will now reach Password Change Menu wherein you are required to mandatorily change your password upon logging- in for the first time. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- e. You need to login again with the new credentials.
- f. On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for **7960**.
- g. On the voting page, enter total outstanding dues (which represents the number of votes) as on the cut-off date (i.e. Tuesday, the 30th day of April, 2024) under either “FOR” or “AGAINST” or alternatively, you may partially enter any number under “FOR” / “AGAINST”, but the total number under “FOR” / “AGAINST” taken together should not exceed the total outstanding dues mentioned hereinabove. You may also choose to “ABSTAIN” and vote will not be counted under either head.
- h. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as “ABSTAINED”.
- i. You may then cast your vote by selecting an appropriate option and click on “SUBMIT”.
- j. A confirmation box will be displayed. Click “OK” to confirm, else “CANCEL” to modify.
- k. Once you confirm, you will not be allowed to modify your vote.

C. In case of a Secured Creditor whose e-mail address is not registered/ updated with the Company, please follow the following steps to generate your login credentials

1. Secured Creditor who have not registered their e-mail address and if they have not even received the physical copy of notice, may send an e-mail request at the email id secretarial.grid@sterlite.com along with scanned copy of the signed request letter providing the e-mail address, mobile number and self-attested PAN copy for sending the Notice of meeting and the e-voting instructions.
2. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

D. In case any Secured Creditor who has forgotten the User ID and Password, such person(s) may obtain the User ID and Password in the manner as mentioned below

1. Secured Creditor may send an e-mail request secretarial.grid@sterlite.com. After due verification of the request, User ID and password will be sent to the Secured Creditor.

2. In case of any query, you may refer the Frequently Asked Questions (FAQs) and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFIN on 1800 309 4001 (toll free)

E. Information and Instructions for Secured Creditors for e-voting during the meeting session:

1. During the meeting proceedings, upon instructions of the Chairperson, the e-voting 'Thumb sign' on the left hand corner of the video screen shall be activated. Secured Creditors shall click on the same to take them to the voting page.
2. Secured Creditors to click on the 'Insta Poll' icon to reach the resolution page and follow the instructions to vote on the resolution(s).
3. Only those Secured Creditors, who are present in the meeting and have not casted their vote on the Resolution(s) through remote e-voting, shall be eligible to vote through e-voting system available during the meeting.
4. The Scrutinizer will, after the conclusion of e-voting / Insta Poll, scrutinize the votes and make a consolidated Scrutinizer's Report and submit the same to the Chairperson of the Meeting. The results declared along with the report of the Scrutinizer, as per the NCLT order, shall be placed on the Company's website www.sterlitepower.com/investors and on the website of KFIN at <https://evoting.kfintech.com/public/Downloads.aspx>, immediately after the declaration of results by the Chairperson or a person authorized by him in writing. The result will also be displayed at the registered office of Amalgamated Company.
5. The Scheme shall be considered approved by the Secured Creditors of the Company if the resolution mentioned above in the Notice is approved by majority of persons representing three-fourths in value of the Secured Creditors of the Company, present and voting, in terms of Sections 230 to 232 of the Companies Act, 2013.



Sterlite Power Transmission Limited

Registered Office: 4th Floor, Godrej Millennium, 9, Koregaon Road, Pune, Maharashtra – 411001, India

CIN: U74120PN2015PLC156643 | Phone: +91- 124 -4562 000 | Fax: 0124- 4562075

Email: secretarial.grid@sterlite.com | www.sterlitepower.com

**IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
CA(CAA)/03/MB-IV/2024**

**IN THE MATTER OF SECTIONS 230 TO 232 READ WITH SECTION 52 AND OTHER APPLICABLE PROVISIONS
OF THE COMPANIES ACT, 2013**

AND

**IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN STERLITE POWER TRANSMISSION LIMITED
AND STERLITE GRID 5 LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**Sterlite Power Transmission Limited, a)
company incorporated under the)
provisions of the Companies Act, 2013,)
having Corporate Identification Number)
U74120PN2015PLC156643 and its)
registered office at 4th Floor, Godrej)
Millennium, 9 Koregaon Road, Pune,)
Maharashtra - 411001.) ... Company / Demerged Company**

**EXPLANATORY STATEMENT UNDER SECTIONS 230 – 232, SECTION 52 READ WITH SECTION 102 AND OTHER
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 (“ACT”) AND RULE 6 OF THE COMPANIES
(COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 (“CAA RULES”), ACCOMPANYING
TO THE NOTICE OF THE MEETING OF THE SECURED CREDITORS OF STERLITE POWER TRANSMISSION
LIMITED CONVENED PURSUANT TO ORDER OF THE HON’BLE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH (“TRIBUNAL”) DATED MARCH 28, 2024 (“TRIBUNAL ORDER”)**

1. MEETING FOR THE SCHEME

This is a statement accompanying the Notice convening the Meeting of the Secured Creditors of Sterlite Power Transmission Limited (“**Demerged Company**” or “**Company**”) (“**Meeting**”), for the purpose of their considering and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between the Company and Sterlite Grid 5 Limited (“**Resulting Company**”) and their respective shareholders and creditors (“**Scheme**”). The Scheme provides for (i) demerger, transfer and vesting of the Demerged Undertaking (*as defined in the Scheme*) from the Demerged Company into the Resulting Company on a going concern basis, and discharge of consideration, in form of shares by the Resulting Company to the shareholders of the Demerged Company in accordance with the provisions of Section 2(19AA) of the Income-Tax Act, 1961; and (ii) reduction and cancellation of the entire pre-scheme share capital of the Resulting Company. The Scheme also provides for various other matters consequent and incidental thereto. A copy of the Scheme is attached hereto as “**Annexure 1**”.

Capital terms not defined herein and used in the Notice and this Statement shall have the same meaning as ascribed to them in the Scheme.

2. RATIONALE AND BENEFITS OF THE SCHEME

The circumstances which justify and/or have necessitated the said Scheme and the benefits of the same are, *inter alia*, as follows:

“

1. *The Demerged Company and the Resulting Company are part of the same promoter group.*
2. *The Demerged Company proposes to demerge and transfer the Demerged Undertaking (as defined hereinafter) from the Demerged Company to the Resulting Company and in consideration thereof, the Resulting Company will issue their equity shares to the shareholders of the Demerged Company.*
3. *The said demerger will enable the Parties (as defined hereinafter) to concentrate its resources and managerial bandwidth entirely to such businesses which would enable focused strategy, better coordination and cohesiveness in their working and assist in standardization of its business processes. The proposed restructuring pursuant to the said Scheme is expected, inter alia, to result in following benefits for the Parties:*
 - (i) *unlocking the value of the Demerged Undertaking for the shareholders of the Demerged Company;*
 - (ii) *attracting investors and providing better flexibility in accessing capital;*
 - (iii) *segregating different businesses having different risk and return profiles, and providing investors with better flexibility to select investments which best suit their investment strategies and risk profile;*
 - (iv) *effective utilisation of cash flows of different businesses and limiting restrictions arising out of different terms of different lenders for different businesses;*
 - (v) *enabling focused growth strategy for each of the businesses for exploiting opportunities specific to each business;*
 - (vi) *greater visibility on performance of each of the businesses;*
 - (vii) *operational efficiency; and*

(viii) *focused management approach for pursuing the growth in the respective business verticals and de-risk the businesses from each other.*

The Scheme is therefore in the interests of the shareholders, creditors and all other stakeholders of each of the Parties.”

3. **BACKGROUND OF THE COMPANIES**

3.1 **Particulars of the Company**

- (i) The Company was incorporated on May 05, 2015 under the Act, and currently having its registered office situated at 4th Floor, Godrej Millenium, 9 Koregaon Road, Pune – 411 001, Maharashtra, India, under the name and style of “Sterlite Power Transmission Limited”. The equity shares of the Company are not listed on any stock exchange. The Corporate Identity Number of the Company is U74120PN2015PLC156643 and Permanent Account Number is AAVCS7209P. The Company’s email address is secretarial.grid@sterlite.com.
- (ii) The Company is, *inter alia*, engaged in the business of power products and solutions which mainly includes (i) manufacturing of power transmission conductors, optical ground wire cables and power cable; (ii) execution of Engineering, Procurement and Construction (“EPC”) contracts for replacement of power transmission conductors, optical ground wire cables and power cable as a part of master system integration business; (iii) execution of EPC contracts for construction of power transmission systems; and (iv) convergence services which allows for power utility infrastructure to be leveraged by telecommunication companies and other communication service providers. The Company, directly or indirectly, through its subsidiaries, acts as a developer on build own operate & maintain basis, for designing, financing, construction, and maintenance of power transmission systems for concessional periods ranging from 25 to 35 years.
- (iii) The main objects for which the Company was incorporated are set out in its Memorandum of Association which *inter alia* are as follows:
“To carry on the business of design, planning, building, development, engineering, erecting, marketing, import, export, purchase, sale, transfer, lease, assemble, install, commission, maintain, repair, operation, trading, transmission, manufacture, investment, investigation, research, contracting, sub-contracting, licensing, franchising, agency, execution, technical & education services, management, dealings related to, power transmission towers, antennae, transmitters, insulators, conductors, cables, wires and/or all kinds of equipment’s, systems, apparatus, appliances or any other articles whether electronic, electric, mechanical, digital, telephonic, satellite, wireless required in, transmission, storage of power, electricity

and/or undertake turnkey contracts, projects, arrangement for erecting power distribution network, energy conservation projects and/or to carry on the business of transmission, distribution, supply, storage, trade in power and/or electricity by conventional and/or nonconventional methods and/or to carry on all kinds of infrastructure projects including active/passive telecom infrastructure, maintenance of infrastructure of dark fibre through OPGW /cabling, right of way, duct Space and towers on lease / rent out basis and to acquire space for provision of co- location facilities for such infrastructure activities and to do all such ancillary, related or connected activities as may be considered necessary or beneficial or desirable for or along with any or all of the aforesaid purposes and/or to acquire or invest or form joint venture in companies/entities who are carrying out any of the aforesaid activities.

To carry on the business of design, planning, building, development, engineering, erecting, marketing, import, export, purchase, sale, transfer, lease, assemble, install, commission, maintain, repair, operation, trading, transmission, manufacture, investment, investigation, research, consultancy management of power transmission towers, antennae, transmitters, insulators, conductors and all kinds of equipment required in generation, transmission and storage of power and undertake turnkey contracts for erecting power distribution network, energy conservation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations.”

- (iv) There was no change in the name and registered office of the Company in the last 5 years, however, Main objects of the Company were altered pursuant to approval of Scheme of Amalgamation of Sterlite Power Grid Ventures Limited with Sterlite Power Transmission Limited and their respective Shareholders by Hon'ble National Company Law Tribunal, Mumbai Bench from the effective date of merger i.e November 15, 2020. Other than as mentioned above, there has been no change in the name, registered office and main objects of the Company in the last 5 years.

- (v) The share capital structure of the Company as on date of this Notice is as follows:

| Particulars | Amount (In INR) |
|---|-----------------------|
| Authorized Share Capital | |
| 638,02,50,000 equity shares of INR 2 each | 1276,05,00,000 |
| 47,00,00,000 optionally convertible redeemable preference shares of INR 10 each | 470,00,00,000 |
| 126,97,50,000 redeemable preference shares of INR 2 each | 253,95,00,000 |
| Total | 2000,00,00,000 |
| Issued, subscribed and paid-up share capital | |
| 12,24,29,957 equity shares of INR 2 each fully paid up | 24,48,59,914 |
| Total | 24,48,59,914 |

- (vi) The latest annual financial statements of the Company have been audited for the financial year ended on March 31, 2023. The unaudited financial statements of the Company for the period ended December 31, 2023, is appended as “**Annexure 2**”.

- (vii) The details of Promoters and Directors of the Company as on the date of this Notice along with their addresses are mentioned herein below:

| Sr No. | Name of Director | Designation | Address |
|--------------------------------------|---------------------------------------|-------------------|--|
| Promoter & Promoter Group | | | |
| 1. | Twin Star Overseas Limited, Mauritius | Promoter | C/o IQ EQ Corporate Services (Mauritius) Ltd, 33 Edith Cavell Street, Port Louis, 11324, Mauritius |
| 2. | Vedanta Limited | Promoter Group | 1 st Floor, C Wing, Unit 103, Corporate Avenue Atul Projects, Chakala, Andheri (East), Mumbai City, Mumbai, Maharashtra-400093, India |
| Directors | | | |
| 1. | Mr. Pravin Agarwal | Chairman | 117, North Main Road, Lane No. 4, Koregaon Park, Pune, Maharashtra-411001, India |
| 2. | Mr. Pratik Pravin Agarwal | Managing Director | 403-A, 3 rd Floor, Samudra Mahal, A-Wing, Opp. Lotus, Dr. |

| | | | |
|----|---|-----------------------------------|---|
| | | | A. B. Road, Worli, Mumbai, Maharashtra-400018, India |
| 3. | Mr. Alampallam Ramakrishnan Narayanaswamy | Independent Director | A-12, Archana Co-operative Society, Juhu Versova Link Road, Andheri West, Mumbai - 400053 |
| 4. | Mr. Manish Agrawal | Whole Time Director & CEO | Flat no. 202, Tower 3, Vipul Belmonte, Golf Course Road, Near HDFC Bank, Sector 53, Gurgaon, Haryana-122001 |
| 5. | Ms. Pooja Somani | Independent Director (Additional) | C-1303, Raheja Ridgewood, Shri Ram Mandir Road, Off Western Express Highway, Goregaon (East), Mumbai, Maharashtra - 400063, India |
| 6. | Mr. Anoop Seth | Independent Director (Additional) | Flat No. 220 A, Hamilton Court, Phase-4, DLF, Gurgaon, Haryana-122009, India |

3.2 **Particulars of the Resulting Company**

- (i) The Resulting Company was incorporated on September 27, 2016 under the Act and currently having its registered office situated at 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Pune, Maharashtra, India, 411001, under the name and style of “Sterlite Grid 5 Limited”. The equity shares of the Resulting Company are not listed on any stock exchange. The Corporate Identity Number of the Resulting Company is U29190PN2016PLC209044 and Permanent Account Number is AAXCS7626L. The Resulting Company’s email address is secretarial.grid@sterlite.com.
- (ii) The Resulting Company is *inter alia*, engaged in the business of developing on build, own, operate and maintain basis, for designing, financing, construction and maintenance of power transmission system. The Resulting Company is a wholly owned subsidiary of the Demerged Company.
- (iii) The main objects for which the Resulting Company was incorporated are set out in its Memorandum of Association which inter alia are as follows:
“To carry on the business of manufacture, design, planning, building, development, engineering, erecting, marketing, import and export, purchase, sale, transfer, lease, assemble, install, commission, maintain, repair, operation, trading, transmission, investment, investigation, research, consultancy management of power transmission towers, antennae,

Sterlite Power

Sterlite Power Transmission Limited

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transmitters, insulators, conductors and all kinds of equipments required in generation, transmission and storage of power and undertake turn-key contracts for erecting power distribution network, energy conversation projects and power houses plants and to carry on the business of generation, transmission, distribution, supply, storage, trade in power by conventional and nonconventional methods and to construct, establish, run power stations and to acquire or invest in companies/entities who are carrying out any of the aforesaid activities.”

- (iv) There was no change in the name and objects of the Resulting Company in the last 5 years, however, Registered Office of the Resulting Company was shifted from National Capital Territory of Delhi to State of Maharashtra at Pune pursuant to approval of members/shareholders of the Resulting Company in an Extra-Ordinary General Meeting held on February 17, 2021 and confirmed by Hon’ble Registrar of Companies, Pune on March 02, 2022. Other than as mentioned above, there has been no change in the name, registered office and main objects of the Resulting Company in the last 5 years.

- (v) The share capital structure of the Resulting Company as on date of this Notice is as follows:

| Particulars | INR |
|---|-----------------|
| Authorised Share Capital | |
| 2,50,000 equity shares of INR 2 each | 5,00,000 |
| TOTAL | 5,00,000 |
| Issued, Subscribed and Paid up Share Capital | |
| 2,50,000 equity shares of INR 2 each fully paid up | 5,00,000 |
| TOTAL | 5,00,000 |

- (vi) The details of Promoters and Directors of the Resulting Company along with their addresses are mentioned herein below:

| Sr No. | Name of Director | Designation | Address |
|--------------------------------------|-------------------------------------|-------------|--|
| Promoter & Promoter Group | | | |
| 1. | Sterlite Power Transmission Limited | Promoter | 4 th Floor, Godrej Millenium, 9 Koregaon Road, Pune, Maharashtra – 411001, India |
| Directors | | | |
| 1. | Mr. Amarendranath Tatimakula Reddy | Director | D-2/43,Gold Croft Apartment Plot No.4, Near Ashirwad Chowk, Sector-11, Dwarka, Delhi 110075, India |

| | | | |
|----|---------------------------|----------|--|
| 2. | Mr. Ashok Amrutlal Gandhi | Director | 20-D, Neelkanth Apartments, Plot No-46 I.P. Extension, Patparganj, Shakarpur, East Delhi 110092, India |
| 3. | Mr. Ankit Bhardwaj | Director | 002, Tower 10, The Close South, Nirvana Country Sector 50, Gurgaon, Haryana-122018, India |

- (vii) The latest annual financial statements of the Resulting Company have been audited for the financial year ended on March 31, 2023. The unaudited financial statements of the Resulting Company for the period ended December 31, 2023, is appended as “**Annexure 3**”.

4. SALIENT FEATURES OF THE SCHEME

The salient features of the Scheme are, *inter alia*, as stated below. The capitalized terms used herein shall have the same meaning as ascribed to them in Clause 1 of Part I of the Scheme:

- 4.1 The Scheme provides for: (i) demerger, transfer and vesting of the Demerged Undertaking (*as defined in the Scheme*) from the Company into the Resulting Company on a going concern basis, and discharge of consideration, in form of shares, by the Resulting Company to the shareholders of the Company, in accordance with the provisions of Section 2(19AA) of the Income-Tax Act, 1961; and (ii) reduction and cancellation of the entire pre-scheme share capital of the Resulting Company.
- 4.2 In consideration for the demerger, transfer and vesting of the Demerged Undertaking from the Company into the Resulting Company, the Resulting Company shall issue and allot, on a proportionate basis to each shareholder of the Company as per the following ratio:
“1 (One) Resulting Company New Equity Shares for every 1 (One) fully paid-up equity share of face value of INR 2 (Indian Rupees Two only) each of the Demerged Company.”
- 4.3 The Appointed Date for the Scheme shall be the opening business hours of 1 January 2023 or such other date as may be agreed between the Company and Resulting Company.
- 4.4 The Effective Date shall be the day on which all conditions precedent set forth in Clause 20 (Conditions Precedent) of the Scheme are fulfilled.
- 4.5 The Scheme shall become operative from the Effective Date and effective from the Appointed Date.

- 4.6 The entire pre-scheme paid up share capital of the Resulting Company as on the Effective Date shall stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Resulting Company as an integral part of the Scheme.
- 4.7 In addition to the approval of the Tribunal, the Company will obtain such necessary approvals/ sanctions/ no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, as may be required.

Note: The above details are the salient features of the Scheme. The Secured Creditors are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

5. RELATIONSHIP SUBSISTING BETWEEN PARTIES TO THE SCHEME

The Resulting Company is a wholly owned subsidiary of the Company.

6. BOARD APPROVALS

- 6.1 The Board of Directors of the Company at its meeting held on 28 September 2023 unanimously approved the Scheme, as given below:

| Name of Director | Voted in favor / against / did not participate or vote |
|---|--|
| Mr. Pravin Agarwal | Voted in favor |
| Mr. Pratik Pravin Agarwal | Voted in favor |
| Mr. Alampallam Ramakrishnan Narayanaswamy | Voted in favor |
| Mr. Anoop Seth | Voted in favor |
| Mr. Manish Agrawal | Did not participate in the meeting |
| Ms. Pooja Somani | Voted in favor |

- 6.2 The Board of Directors of the Resulting Company at its meeting held on 3rd October 2023 unanimously approved the Scheme, as given below:

| Name of Director | Voted in favor/ against/ did not participate or vote |
|------------------------------------|--|
| Mr. Amarendranath Tatimakula Reddy | Voted in favor |
| Mr. Ashok Amrutlal Gandhi | Voted in favor |
| Mr. Ankit Bhardwaj | Voted in favor |

7. **INTEREST OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (“KMP”) AND THEIR RELATIVES:**

I. **Sterlite Power Transmission Limited (“Demerged Company” or “Company”)**

None of the Directors, KMPs of the Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of their directorship and/or shareholding in the Company, if any. Save as aforesaid, none of the said Directors or the KMPs or their respective relatives has any material interest in the Scheme.

II. **Sterlite Grid 5 Limited (“Resulting Company”)**

None of the Directors, KMPs of the Resulting Company and their respective relatives (as defined under the Act and rules framed thereunder) has any interest in the Scheme except to the extent of their directorship and/or shareholding in the Resulting Company, if any. Save as aforesaid, none of the said Directors or the KMPs or their respective relatives has any material interest in the Scheme.

8. **EFFECT OF SCHEME ON STAKEHOLDERS**

The effect of scheme on various stakeholders is summarized below:

8.1 **Equity Shareholders (promoter and non-promoter shareholders) and KMP**

The effect of the Scheme on the equity shareholders and KMP of the Company and the Resulting Company, is given in the report adopted by the Board of Directors of the Company and the Resulting Company at their respective meetings held on 28 September 2023 and 3 October 2023, pursuant to the provisions of Section 232(2)(c) of the Act which is annexed hereto and marked as “**Annexure 4**”.

8.2 **Directors**

- (i) The Scheme will have no effect on the office of the existing Directors of the Company and the Resulting Company. Further, no change in the Board of Directors of the Company and the Resulting Company is envisaged on account of the Scheme. It is clarified that, the composition of the Board of Directors of the Company and the Resulting Company may change by appointments, retirements or resignations in accordance with the provisions of the Act and Memorandum and Articles of Association of the Company and the Resulting Company.
- (ii) The effect of the Scheme on Directors of the Company and the Resulting Company in their capacity as shareholders of such companies are the same as in case of other shareholders of such company, as mentioned in the aforesaid report, attached as Annexure 4.

8.3 Employees

- (i) With effect from the Effective Date, the Resulting Company undertakes to engage, without any interruption in service, all employees forming part of the Demerged Undertaking, on the terms and conditions not less favorable than those on which they are engaged by the Company immediately prior to the Effective Date.
- (ii) Apart from the above, employees engaged in the Company and the Resulting Company will continue to be employees of the Company and the Resulting Company, respectively, on the same terms and conditions, as before.

8.4 Creditors

Except as stated in the Scheme, the creditors of the Company and the Resulting Company will continue to be creditors of the Company and the Resulting Company, respectively, on the same terms and conditions, post the Scheme becoming effective. Further, pursuant to the Scheme, creditors of the Company forming a part of the Demerged Undertaking will become creditors of the Resulting Company, on the same terms and conditions as were applicable to the Company, post the Scheme becoming effective.

8.5 Debenture holders and Debenture Trustees

The Company and the Resulting Company have not issued any debentures, therefore, the requirement of appointing a debenture trustee does not arise.

8.6 Depositors and Deposit Trustees

The Company and the Resulting Company have not taken any term deposits from depositors; therefore, no deposit trustees have been appointed.

There will be no adverse effect on account of the Scheme on the aforesaid stakeholders. The Scheme is proposed to the advantage of all concerned, including the said stakeholders.

9. **NO INVESTIGATION PROCEEDINGS**

No investigation proceedings have been instituted or are pending against the Company and the Resulting Company under Sections 210 to 229 of Chapter XIV of the Act or corresponding provisions under the Companies Act, 1956.

10. **DETAILS OF SHARE CAPITAL OR DEBT RESTRUCTURING, IF ANY**

The Scheme does not in any manner adversely or prejudicially affect the rights of any creditors of the Company and the Resulting Company or contemplate any compromise or arrangement with the creditors of the Company and the Resulting Company. Further, there is no debt restructuring envisaged in the Scheme.

11. AMOUNTS DUE TO UNSECURED CREDITORS

The amounts due to unsecured creditors of the Company and the Resulting Company, as on March 31, 2024 is as follows:

| Sr. No. | Particulars | Amount in INR |
|---------|-------------------------------------|-----------------|
| 1. | Sterlite Power Transmission Limited | 22,92,36,08,948 |
| 2. | Sterlite Grid 5 Limited | 1,22,06,08,241 |

12. SHAREHOLDING PATTERN

A. The pre / post-scheme shareholding pattern of the parties to the Scheme:

i. Sterlite Power Transmission Limited (“Company” or “the Demerged Company”)

The pre & post scheme shareholding pattern of the Company is as follows (based on shareholding data as on March 31, 2024):

| Category | Pre | | Post | |
|---|--------------------|-------------------|--------------------|-------------------|
| | No. of shares | % of shareholding | No. of shares | % of shareholding |
| Promoter | 87,340,796 | 71.34 | 87,340,796 | 71.34 |
| Promoter Group | 3,229,406 | 2.64 | 3,229,406 | 2.64 |
| Public | 31,859,755 | 26.02 | 31,859,755 | 26.02 |
| Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | - | - | - | - |
| TOTAL | 122,429,957 | 100 | 122,429,957 | 100 |

ii. **Sterlite Grid 5 Limited (“Resulting Company”)**

The pre & post scheme shareholding pattern of the Resulting Company is as follows (based on shareholding data as on March 31, 2024):

| Category | Pre | | Post | |
|---|-----------------|-------------------|--------------------|-------------------|
| | No. of shares | % of shareholding | No. of shares | % of shareholding |
| Promoter | 2,50,000 | 100 | 87,340,796 | 71.34 |
| Promoter Group | | | 3,229,406 | 2.64 |
| Public | - | - | 31,859,755 | 26.02 |
| Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | - | - | - | - |
| TOTAL | 2,50,000 | 100 | 122,429,957 | 100 |

13. **VALUATION REPORT**

Share Entitlement Ratio Report dated 28 September 2023 issued by M/s. TPG & Co, Chartered Accountant Registered Valuer (Registration No. IBBI/RV/06/2018/10207) (“**Share Entitlement Ratio Report**”) is attached hereto and marked as “**Annexure 5**”.

14. **AUDITORS CERTIFICATE OF CONFORMITY OF ACCOUNTING TREATMENT IN THE SCHEME WITH ACCOUNTING STANDARDS**

The Statutory Auditors of the Demerged Company and the Resulting Company, respectively, have confirmed that the accounting treatment specified in the said Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013 and other Generally Accepted Accounting Principles in India.

15. **APPROVALS AND INTIMATIONS IN RELATION TO THE SCHEME**

- 15.1 A copy of the Scheme has been filed by the Company and the Resulting Company with the jurisdictional Registrar of Companies.
- 15.2 The notice of the Meeting along with the copy of the Scheme in the prescribed form, will be served on all concerned authorities in terms of the Tribunal Order.
- 15.3 All approvals as stated in clause 20 (Conditions Precedent) of the Scheme, in order to give effect to the Scheme, will be obtained. Additionally, the Company and the Resulting Company will obtain such approvals / sanctions / no objection(s) from the regulatory or other governmental authorities in respect of the Scheme in accordance with law, as may be required.

16. **INSPECTION OF DOCUMENTS**

In addition to the documents appended hereto, the electronic copy of following documents will be available for inspection in the investors section of the website of the Company at www.sterlitepower.com/investors or for obtaining extracts of or making copies of, by the members and creditors of the Company may write to the Company Secretary at Sterlite Power Transmission Limited, 9th Floor, Tower B, DLF Cyber Park, Udyog Vihar Phase III, Sector 20, Gurgaon, Haryana – 122008, between 11:00 a.m. to 4:00 p.m. on any working day (except Saturdays, Sundays and public holidays)

- (i) Certified copy of the Tribunal Order;
- (ii) Memorandum and Articles of Association of the Company and the Resulting Company;
- (iii) Audited financial statement of the Company and the Resulting Company for the year ended 31 March 2023;
- (iv) Copy of the Scheme;
- (v) Share Entitlement Ratio Report; and
- (vi) Certificate of the Statutory Auditor of the Company and the Resulting Company confirming that the accounting treatment prescribed under the Scheme is in compliance with Section 133 of the Act and other Generally Accepted Accounting Principles in India.



Sterlite Power Transmission Limited

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Based on the above and considering the rationale and benefits, in the opinion of the Board, the Scheme will be of advantage to, beneficial and in the interest of the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable. The Board of Directors of the Company commends the Scheme for approval of the Secured Creditors.

The Directors and KMPs, as applicable, of the Company and of the Resulting Company, and their relatives do not have any concern or interest, financially or otherwise, in the Scheme except as directors and shareholders in general, if any.

Sd/-

Shiva Kumar

MD, SBBJ Bank (Rtd.)

Chairperson appointed by the Tribunal for the Meeting

New Delhi, Friday, the 12th Day of April, 2024

Registered Office: 4th Floor, Godrej Millennium, 9 Koregaon Road,
Pune, Maharashtra – 411 001

CIN: U74120PN2015PLC156643

Website: www.sterlitepower.com

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INFORMATION AT A GLANCE

| Particulars | Notes |
|--|---|
| Cut-off date to determine those members who are eligible to vote on the resolution | Tuesday, 30 th Day of April 2024 |
| Remote e-Voting start date and time | Sunday, 12 th Day of May 2024 at 9:00 a.m. (IST) |
| Remote e-Voting end date and time | Wednesday, 15 th Day of May 2024 at 5:00 p.m. (IST) |
| Date on which the resolution is deemed to be passed | Thursday, 16 th Day of May 2024 |
| Name, address and Contact details of Registrar and Share Transfer Agent. | KFin Technologies Limited Selenium Tower B, Plot Nos. 31 & 32 Financial District Nanakramguda Serilingampally Mandal Hyderabad - 500032 India Toll Free No. 1800 309 4001 E-mail id: einward.ris@kfintech.com Toll Free No. 1800 309 4001 |
| Name, address and contact details of e-voting service provider | KFin Technologies Limited Selenium Tower B, Plot Nos. 31 & 32 Financial District Nanakramguda Serilingampally Mandal Hyderabad - 500032 India Toll Free No. 1800 309 4001 E-mail id: einward.ris@kfintech.com Toll Free No. 1800 309 4001 |
| Name and contact details for clarifications | Mr. Ashok Ganesan Company Secretary Sterlite Power Transmission Limited 9 th Floor, Tower B, DLF Cyber Park, Udyog Vihar Phase III, Sector 20, Gurgaon, Haryana – 122008. <u>Tel</u> : +91 124 -4562 000 <u>Fax</u> : 0124- 4562075 <u>Email</u> : secretarial.grid@sterlite.com <u>Website</u> : www.sterlitepower.com |

SCHEME OF ARRANGEMENT

BETWEEN

**STERLITE POWER TRANSMISSION LIMITED
("DEMERGED COMPANY")**

AND

**STERLITE GRID 5 LIMITED
("RESULTING COMPANY")**

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**UNDER SECTIONS 230 TO 232 READ WITH SECTION 52 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013**

(A) DESCRIPTION OF COMPANIES

1. Sterlite Power Transmission Limited (“**SPTL**” or “**Demerged Company**”) is a public limited company incorporated under the provisions of the Act (*as defined hereinafter*). The Demerged Company is, *inter alia*, engaged in the business of power products and solutions which mainly includes (i) manufacturing of power transmission conductors, optical ground wire cables and power cable; (ii) execution of Engineering, Procurement and Construction (“**EPC**”) contracts for replacement of power transmission conductors, optical ground wire cables and power cable as a part of master system integration business; (iii) execution of EPC contracts for construction of power transmission systems; and (iv) convergence services which allows for power utility infrastructure to be leveraged by telecommunication companies and other communication service providers. In addition to the above the Demerged Company, directly or indirectly, through its subsidiaries, acts as a developer on build own operate & maintain basis, for designing, financing, construction, and maintenance of power transmission systems for concessional periods ranging from 25 to 35 years. The equity shares of the Demerged Company are not listed on any stock exchanges.
2. Sterlite Grid 5 Limited (“**Resulting Company**”) is a public limited company incorporated under the provisions of the Act. The Resulting Company is, *inter alia*, engaged in the business of developing on build, own, operate and maintain basis, for designing, financing, construction and maintenance of power transmission system. The Resulting Company is a wholly owned subsidiary of the Demerged Company.

(B) OVERVIEW OF THE SCHEME

1. This Scheme (*as defined hereinafter*) is presented under the provisions of Sections 230 to 232 read with Section 52 and other applicable provisions of the Act and provides for the following:
 - (i) demerger, transfer and vesting of the Demerged Undertaking (*as defined hereinafter*) from the Demerged Company into the Resulting Company on a *going concern* basis, and discharge of consideration, in form of shares, by the Resulting Company to the shareholders of the Demerged Company, in accordance with the provisions of Section 2(19AA) of the Income Tax Act (*as defined hereinafter*); and
 - (ii) reduction and cancellation of the entire pre-scheme share capital of the Resulting Company.
2. This Scheme also provides for various other matters consequent and incidental thereto.

(C) RATIONALE

1. The Demerged Company and the Resulting Company are part of the same promoter group.
2. The Demerged Company proposes to demerge and transfer the Demerged Undertaking (*as defined hereinafter*) from the Demerged Company to the Resulting Company and in consideration thereof, the Resulting Company will issue their equity shares to the shareholders of the Demerged Company.
3. The said demerger will enable the Parties (*as defined hereinafter*) to concentrate its resources and managerial bandwidth entirely to such businesses which would enable focused strategy, better coordination and cohesiveness in their working and assist in standardization of its business processes as may be prevalent to the specific businesses. The proposed restructuring pursuant to the said Scheme is expected, *inter alia*, to result in following benefits for the Parties:
 - (i) unlocking the value of the Demerged Undertaking for the shareholders of the Demerged Company ;

- (ii) attracting investors and providing better flexibility in accessing capital;
- (iii) segregating different businesses having different risk and return profiles, and providing investors with better flexibility to select investments which best suit their investment strategies and risk profile;
- (iv) effective utilisation of cash flows of different businesses and limiting restrictions arising out of different terms of different lenders for different businesses;
- (v) enabling focused growth strategy for each of the businesses for exploiting opportunities specific to each business;
- (vi) greater visibility on performance of each of the businesses;
- (vii) operational efficiency; and
- (viii) focused management approach for pursuing the growth in the respective business verticals and de-risk the businesses from each other.

The Scheme is, therefore, in the interests of the shareholders, creditors and all other stakeholders of each of the Parties.

(D) PARTS OF THE SCHEME

The Scheme is divided into the following parts:

1. **PART I** deals with the definitions, share capital of the Parties, date of taking effect and implementation of this Scheme;
2. **PART II** deals with the demerger, transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company on a *going concern* basis and discharge of consideration, in form of equity shares, by the Resulting Company to the shareholders of the Demerged Company;
3. **PART III** deals with the reduction and cancellation of the entire pre-scheme share capital of the Resulting Company; and
4. **PART IV** deals with the general terms and conditions applicable to this Scheme.

PART I

DEFINITIONS, SHARE CAPITAL OF THE PARTIES, DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

1. DEFINITIONS

1.1 In this Scheme, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis shall have the meanings so ascribed; and (ii) the following expressions shall have the meanings ascribed hereunder:

“Act” means the Companies Act, 2013;

“Applicable Law” or **“Law”** means any applicable national, foreign, provincial, local or other law including applicable provisions of all (a) constitutions, decrees, treaties, statutes, enactments, laws (including the common law), bye-laws, codes, notifications, rules, regulations, policies, guidelines, circulars, press notes, clearances, approvals, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, Tribunal; (b) Permits; and (c) orders, decisions, writs, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Parties, in each case having the force of law and that is binding or applicable to a person, as may be in force from time to time;

“Appointed Date” means the opening business hours of January 1, 2023 or such other date as may be agreed between the Parties;

“Appropriate Authority” means:

- (i) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, Tribunal, central bank, commission or other authority thereof;
- (ii) any governmental, quasi-governmental or private body, self-regulatory organisation, or agency lawfully exercising, or entitled to exercise, any administrative, executive, judicial, legislative, regulatory, statutory, licensing, competition, Tax, importing, exporting or other governmental or quasi-governmental authority; and
- (iii) the Tribunal.

“Board” in relation to the Parties, means the board of directors of such Party, and shall include a committee of directors or any person authorized by such board of directors or such committee of directors duly constituted and authorized for the matters pertaining to this Scheme or any other matter relating hereto;

“Business Day” shall mean any day except Saturday or Sunday on which the banks in Mumbai are open for business;

“Demerged Company” means Sterlite Power Transmission Limited, a company incorporated under the provisions of the Act, having corporate identity number U74120PN2015PLC156643 and having its registered office at 4th Floor, Godrej Millennium 9 Koregaon Road, Pune, Maharashtra, India, 411001;

“Demerged Company RSUs” means the Restricted Stock Units Scheme 2022 as adopted by the Board of the Demerged Company;

“Demerged Undertaking” means all the assets and liabilities of the Demerged Company pertaining to the Infrastructure Business as on the Appointed Date and shall include (without limitation):

- (i) all movable and immovable properties of the Demerged Company in relation to the Infrastructure Business, whether freehold or leasehold or licensed, including tenancy rights, hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise, present, future, contingent, tangible or intangible, and associated capital costs, security deposits, capital work in progress, easmentary rights, rights of way, furniture, fixtures, office equipment, appliances, accessories, vehicles, stocks, sundry debtors, deposits, provisions, advances, recoverables, receivables, title, interest, cash and bank balances, bills of exchange, covenants, all earnest monies, or other entitlements, funds, right to use and avail of telephones, telex, facsimile, email, internet, leased lines and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever and all the rights, title, interests, goodwill, benefits, fiscal incentives, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company pertaining to the Infrastructure Business;
- (ii) investments (in form of shares or otherwise) in subsidiaries and joint ventures forming part of the Infrastructure Business;
- (iii) Demerged Undertaking Liabilities (*as defined hereinafter*);
- (iv) contracts, agreements, schemes, arrangements, know your customer (KYC) details and any other instruments pertaining to the Infrastructure Business;
- (v) all refunds, reimbursements, claims, concessions, exemptions, benefits including sales tax deferrals, income tax deducted at source, goods and service tax credit, deductions and benefits under the relevant Law or any other Taxation statute pertaining to the Infrastructure Business;
- (vi) all Permits, quotas, incentives, powers, authorities, allotments, rights, benefits, advantages, pertaining to the Infrastructure Business;
- (vii) all intellectual property and intellectual property rights, brands, logos, designs, labels, tradenames and trademarks of the Demerged Company in relation to the Infrastructure Business (including any applications for the same) of any nature whatsoever, including all books, records, files, papers, engineering and process information, computer programs, domain names, software licenses (whether proprietary or otherwise), research and studies, technical knowhow, confidential information and other benefits, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former investors, investor credit information, pricing information, and other records whether in physical or electronic form in connection with or pertaining to Infrastructure Business;
- (viii) entire experience, credentials, past record and market share of the Demerged Company pertaining to the Infrastructure Business; and
- (ix) all employees engaged in the Infrastructure Business.

Any question that may arise as to whether a specific asset (tangible or intangible) or liability or employee pertains or does not pertain to the Demerged Undertaking shall be decided mutually by the Boards of the Demerged Company and the Resulting Company;

“Demerged Undertaking Liabilities” means the liabilities as defined in Clause 4.2.6 of the Scheme;

“Effective Date” means the day on which all conditions precedent set forth in Clause 20 (Conditions Precedent) are fulfilled;

References in this Scheme to the date of **“coming into effect of this Scheme”** or **“upon the Scheme becoming effective”** shall mean the Effective Date;

“Encumbrance” means (a) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any Person; (b) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, transfer, receipt of income or exercise; or (c) any hypothecation, title retention, restriction, power of sale or other preferential arrangement; or (d) any agreement to create any of the above; and the term **“Encumber”** shall be construed accordingly;

“Infrastructure Business” means the business of engineering, procurement and construction and the business of development, construction, operation and maintenance of power transmission systems in India and Brazil including the investments of the Demerged Company;

“Income Tax Act” means the Income-tax Act, 1961;

“INR” or **“Rupee(s)”** means Indian Rupee, the lawful currency of the Republic of India;

“Parties” shall collectively mean the Demerged Company and the Resulting Company; and **“Party”** means each of them, individually;

“Permits” means all consents, licences, permits, certificates, permissions, authorisations, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, no objections, whether governmental, statutory, regulatory or otherwise as required under the Applicable Law;

“Person” means an individual, a partnership, a corporation, a limited liability partnership, a company, an association, a trust, a joint venture, an unincorporated organization or an Appropriate Authority in or outside India;

“Record Date” means the date to be fixed by the Board of the Demerged Company for the purpose of determining the equity shareholders of the Demerged Company for issue and allotment of the Resulting Company New Equity Shares, under Part II of this Scheme;

“Remaining Business of the Demerged Company” means all the business, units, divisions, undertakings, and assets and liabilities of the Demerged Company other than the Demerged Undertaking;

“Resulting Company” means Sterlite Grid 5 Limited, a company incorporated under the provisions of the Act, having corporate identity number U29190PN2016PLC209044 and its registered office at 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra, India, 411001;

“Resulting Company New Equity Shares” means fully paid up equity shares having face value of INR 2 each issued by the Resulting Company, as consideration, in terms of Clause 8.1 of this Scheme;

“RoC” means the relevant Registrar of Companies having jurisdiction over the Parties;

“Scheme” means this scheme of arrangement as modified from time to time;

“**Tax Laws**” means all the Applicable Law dealing with Taxes including but not limited to income-tax, goods and service tax, customs duty or any other levy of similar nature;

“**Taxation**” or “**Tax**” or “**Taxes**” means all forms of taxes and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, whether levied by reference to income, profits, book profits, gains, net wealth, asset values, turnover, added value, goods and services or otherwise and shall further include payments in respect of or on account of tax, whether by way of deduction at source, collection at source, dividend distribution tax, advance tax, minimum alternate tax, goods and services tax or otherwise or attributable directly or primarily to any of the Parties and all penalties, charges, costs and interest relating thereto; and

“**Tribunal**” means the relevant bench of the National Company Law Tribunal having jurisdiction over the Parties.

1.2 In this Scheme, unless the context otherwise requires:

- (i) words denoting the singular shall include the plural and vice versa;
- (ii) any Person includes that Person’s legal heirs, administrators, executors, liquidators, successors, successors-in-interest and permitted assigns, as the case may be;
- (iii) reference to any law or legislation or regulation shall include amendment(s), circulars, notifications, clarifications or supplement(s) to, or replacement, re-enactment, restatement or amendment of, that law or legislation or regulation and shall include the rules and regulations thereunder;
- (iv) headings, subheadings, titles, sub-titles to clauses and sub-clauses and paragraphs are for information and convenience only and shall be ignored in construing the Scheme;
- (v) the words “include” and “including” are to be construed without limitation; and
- (vi) all terms and words not defined in this Scheme shall unless repugnant or contrary to the context or meaning thereof, have the same meaning as prescribed to them under the Act, Income Tax Act, or any other Applicable Law, rules, regulations, bye laws, as the case may be.

2. SHARE CAPITAL

2.1 The share capital of the Demerged Company as on the date of approval by its Board to the Scheme is as follows:

| Particulars | INR |
|---|-----------------------|
| Authorised share capital | |
| 638,02,50,000 equity shares of INR 2 each | 1276,05,00,000 |
| 47,00,00,000 optionally convertible redeemable preference shares of INR 10 each | 470,00,00,000 |
| 126,97,50,000 redeemable preference shares of INR 2 each | 253,95,00,000 |
| Total | 2000,00,00,000 |
| Issued, subscribed and paid-up share capital | |
| 12,23,63,804 equity shares of INR 2 each fully paid up | 24,47,27,608 |
| Total | 24,47,27,608 |

2.2 The share capital of the Resulting Company as on the date of approval by its Board to the Scheme is

as follows:

| Particulars | INR |
|---|-----------------|
| Authorised share capital | |
| 2,50,000 equity shares of INR 2 each | 5,00,000 |
| Total | 5,00,000 |
| Issued, subscribed and paid-up share capital | |
| 2,50,000 equity shares of INR 2 each | 5,00,000 |
| Total | 5,00,000 |

Entire issued, subscribed and paid-up share capital of the Resulting Company is held by the Demerged Company.

3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

This Scheme in its present form or with any modification(s) made as per Clause 19 of this Scheme, shall become operative from the Effective Date and effective from the Appointed Date.

PART II

DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

4. DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING

- 4.1 Upon coming into effect of the Scheme, with effect from the Appointed Date and in accordance with the provisions of this Scheme and pursuant to Sections 230 to 232 read with Section 52 and other applicable provisions of the Act and Section 2(19AA) of the Income Tax Act, all assets, Permits, contracts, liabilities, loan, duties and obligations of the Demerged Undertaking shall, without any further act, instrument or deed, stand transferred to and vested in or be deemed to have been transferred to and vested in the Resulting Company on a *going concern* basis, so as to become as and from the Appointed Date, the assets, Permits, contracts, liabilities, loan, duties and obligations of the Resulting Company by virtue of operation of law, and in the manner provided in this Scheme.

This demerger under Part II of the Scheme complies with the definition of “demerger” as per Section 2(19AA) and other provisions of the Income Tax Act. If any terms of this Scheme are found to be or interpreted to be inconsistent with provisions of the Income Tax Act, then this Scheme shall stand modified to be in compliance with Section 2(19AA) of the Income Tax Act.

- 4.2 Without prejudice to the generality of the provisions of Clause 4.1 above, the manner of transfer of the Demerged Undertaking under this Scheme, is as follows:

- 4.2.1 In respect of such of the assets and properties forming part of the Demerged Undertaking which are movable in nature (including but not limited to all intangible assets), intellectual property and intellectual property rights, including any applications for the same, of any nature whatsoever including but not limited to brands, trademarks forming part of the Demerged Undertaking, whether registered or unregistered trademarks along with all rights of commercial nature including attached goodwill, title, interest, labels and brand registrations, copyrights and such other industrial and intellectual property rights of whatsoever nature or are otherwise capable of transfer by delivery or possession or by endorsement, the same shall stand transferred by the Demerged Company to the Resulting Company upon coming into effect of this Scheme and shall, *ipso facto* and without any other or further order to this effect, become the assets and properties of the Resulting Company

without requiring any deed or instrument of conveyance for transfer of the same. The transfer pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or recordal, pursuant to this Scheme, as appropriate to the property being transferred, and title to the property shall be deemed to have been transferred accordingly;

- 4.2.2 Subject to Clause 4.2.3 below, with respect to the moveable assets of the Demerged Undertaking other than those referred to in Clause 4.2.1 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with any Appropriate Authority, customers and other Persons, whether or not the same is held in the name of the Demerged Company, the same shall, without any further act, instrument or deed, be transferred to and/or be deemed to be transferred to the Resulting Company, with effect from the Appointed Date by operation of law as transmission in favour of the Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required;
- 4.2.3 In respect of such of the assets and properties forming part of the Demerged Undertaking which are immovable in nature, whether or not included in the books of the Demerged Company, including rights, interest and easements in relation thereto, the same shall stand transferred to the Resulting Company with effect from the Appointed Date, without any act or deed or conveyance being required to be done or executed by the Demerged Company and/or the Resulting Company;
- 4.2.4 For the avoidance of doubt and without prejudice to the generality of Clause 4.2.3 above and Clause 4.2.5 below, it is clarified that, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings, the Demerged Company and the Resulting Company shall register the true copy of the order of the Tribunal approving this Scheme with the offices of the relevant Sub-registrar of Assurances or similar registering authority having jurisdiction over the location of such immovable property and shall also execute and register, as required, such other documents as may be necessary in this regard. For the avoidance of doubt, it is clarified that any document executed pursuant to this Clause 4.2.4 or Clause 4.2.5 below will be for the limited purpose of meeting regulatory requirements and shall not be deemed to be a document under which the transfer of any part of the Demerged Undertaking takes place and the Demerged Undertaking shall be transferred solely pursuant to and in terms of this Scheme and the order of the Tribunal sanctioning this Scheme;
- 4.2.5 Notwithstanding anything contained in this Scheme, with respect to the immovable properties comprised in the Demerged Undertaking in the nature of land and buildings situated in states other than the state of Maharashtra, whether owned or leased, for the purpose of, *inter alia*, payment of stamp duty and transfer to the Resulting Company, if the Resulting Company so decides, the Demerged Company and the Resulting Company, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Resulting Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty (if required under the Applicable Law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme;
- 4.2.6 Upon effectiveness of the Scheme, all debts, liabilities, loans, obligations and duties of the

Demerged Company as on the Appointed Date and relating to the Demerged Undertaking (“**Demerged Undertaking Liabilities**”) shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Appointed Date. The term “Demerged Undertaking Liabilities” shall include:

- 4.2.6.1 the debts, liabilities, obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Demerged Undertaking;
- 4.2.6.2 the specific loans or borrowings (including, notes and other debt securities raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking); and
- 4.2.6.3 in cases other than those referred to in Clauses 4.2.6.1 or 4.2.6.2 above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger of the Demerged Undertaking bear to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.

However, the tax liabilities and tax demands (except pertaining to Income Tax Act) of the Demerged Company for a period prior to the Appointed Date in relation to the Demerged Undertaking shall be transferred as part of the Demerged Undertaking to the Resulting Company;

- 4.2.7 Post the Effective Date, the Demerged Company may, at the request of the Resulting Company, give notice in such form as it may deem fit and proper, to such Persons, as the case may be, that any debt, receivable, bill, credit, loan, advance, or deposit, contracts or policies relating to the Demerged Undertaking stands transferred to the Resulting Company and that appropriate modification should be made in their respective books/ records to reflect the aforesaid changes;
- 4.2.8 In so far as encumbrances, if any, in respect of the Demerged Undertaking Liabilities, such encumbrance shall, without any further act, instrument or deed being required to be taken or modified, be extended to and shall operate only over the assets comprised in the Demerged Undertaking which have been encumbered in respect of the Demerged Undertaking Liabilities as transferred to the Resulting Company pursuant to this Scheme. Further, in so far as the assets comprised in the Demerged Undertaking are concerned, the encumbrance over such assets relating to any loans, liabilities, borrowings or other debts which are not transferred to the Resulting Company pursuant to this Scheme and which continue with the Demerged Company shall without any further act, instrument or deed be released from such encumbrance and shall no longer be available as security in relation to such liabilities and the Demerged Company shall provide such other security that may be agreed between the Demerged Company and the respective lenders having the encumbrance. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above;
- 4.2.9 Subject to Clause 4 and any other provisions of this Scheme, in respect of any refund, benefit, claim receivable, incentive, grant or subsidy in relation to or in connection with the Demerged Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper, stating that pursuant

to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, claim receivable, incentive, grant or subsidy be paid or made good to or held on account of the Resulting Company, as the Person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands transferred to the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;

4.2.10 On and from the Effective Date, all cheques and other negotiable instruments and payment orders received or presented for encashment which are in the name of the Demerged Company and are in relation to or in connection with the Demerged Undertaking, shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company;

4.2.11 Permits, including the benefits attached thereto of the Demerged Company, in relation to the Demerged Undertaking, shall be transferred to the Resulting Company from the Appointed Date, without any further act, instrument or deed and shall be appropriately mutated or endorsed by the Appropriate Authorities concerned therewith in favour of the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company and the Resulting Company shall be bound by the terms, obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company to carry on the operations of the Demerged Undertaking without any hindrance, whatsoever; and

4.2.12 Contracts in relation to the Demerged Undertaking, where the Demerged Company is a party, shall stand transferred to the Resulting Company pursuant to the Scheme becoming effective. The absence of any formal amendment which may be required by a third party to effect such transfer shall not affect the operation of the foregoing sentence. The Demerged Company and the Resulting Company shall, wherever necessary, enter into and/or execute deeds, writings, confirmations or novations to all such contracts, if necessary, in order to give formal effect to the provisions of this Clause.

4.3 Without prejudice to the provisions of the foregoing sub-clauses of this Clause 4 and upon the effectiveness of this Scheme, the Demerged Company and the Resulting Company may execute any and all instruments or documents and do all acts, deeds and things as may be required, including executing necessary confirmatory deeds for filing with the trademark registry and Appropriate Authorities, filing of necessary particulars and/ or modification(s) of charge with the concerned RoC or filing of necessary applications, notices, intimations or letters with any Appropriate Authority or Person to give effect to this Scheme. The Demerged Company shall take such actions as may be necessary to get the assets pertaining to the Demerged Undertaking transferred to and registered in, the name of the Resulting Company, as per the Applicable Law.

5. EMPLOYEES

5.1 With effect from the Effective Date, all employees of the Demerged Company engaged in or in relation to the Demerged Undertaking shall become the employees of the Resulting Company on terms and conditions no less favourable than those on which they are engaged by the Demerged Company and without any interruption in service.

5.2 The accumulated balances, if any, standing to the credit in favour of the aforesaid employees in the existing provident fund, gratuity fund, superannuation fund and any other fund of which they are members, as the case may be, will be transferred to the respective funds of the Resulting Company set-up in accordance with the Applicable Law and caused to be recognized by the Appropriate

Authorities or to the funds nominated by the Resulting Company. Pending the transfer as aforesaid, the dues of the said employees would continue to be deposited in the existing provident fund, gratuity fund, superannuation fund and other fund respectively of Demerged Company.

5.3 Employee restricted stock units:

- 5.3.1 Upon coming into effect of the Scheme, the Resulting Company shall formulate new employee restricted stock units plan by adopting the Demerged Company RSUs of the Demerged Company, as modified in accordance with the variations mentioned in this Clause 5.3;
- 5.3.2 With respect to the restricted stock units granted by the Demerged Company to the employees of the Demerged Company (forming part of the Demerged Undertaking) or its subsidiaries (so far as such subsidiary becomes the subsidiary of the Resulting Company) under the Demerged Company RSUs; and upon the Scheme becoming effective, the said employees shall be issued such proportionate number of restricted stock units by the Resulting Company under the new scheme(s) for restricted stock unit(s) held in the Demerged Company, whether the same are vested or not, on terms and conditions similar to the Demerged Company RSUs, as may be agreed by the Board of the Resulting Company after the effectiveness of the Scheme;
- 5.3.3 The restricted stock units granted by the Demerged Company to employees of the Demerged Company (forming part of the Demerged Undertaking) or its subsidiary (so far as such subsidiary becomes the subsidiary of the Resulting Company), under the Demerged Company RSUs would be cancelled. Upon coming into effect of the Scheme, the Demerged Company shall, if required, take necessary steps to modify the Demerged Company RSUs in a manner considered appropriate and in accordance with the Applicable Law, in order to cancel the same, subject to the approval of the relevant regulatory authorities, if any, under the Applicable Law;
- 5.3.4 The number of the restricted stock units of the Demerged Company, held by concerned employees (forming part of the Remaining Business of the Demerged Company) under the Demerged Company RSUs shall be modified consequent to the extent that the total value of the Demerged Company RSUs in the hands of the said employees shall remain the same after the effectiveness of the Scheme;
- 5.3.5 While granting restricted stock units, the Resulting Company shall take into account the period during which the employees held restricted stock units granted by the Demerged Company prior to the issuance of the restricted stock units by the Resulting Company, for determining of minimum vesting period required for restricted stock units granted by the Resulting Company, subject to the Applicable Law; and
- 5.3.6 Approval granted to the Scheme by the shareholders of the Demerged Company and the Resulting Company shall also be deemed to be approval granted for implementation of provisions of this Clause 5.3 including any modifications made to the Demerged Company RSUs of the Demerged Company and approval granted to the new employee restricted stock units plan to be adopted by the Resulting Company, respectively.

6. **LEGAL PROCEEDINGS**

- 6.1 Upon coming into effect of this Scheme, all suits, actions, administrative proceedings, tribunals proceedings, show cause notices, demands, legal and other proceedings of whatsoever nature (except proceedings under the Income Tax Act) by or against the Demerged Company pending and/or arising

on or before the Appointed Date or which may be instituted at any time thereafter and in each case relating to the Demerged Undertaking shall not abate or be discontinued or be in any way prejudicially affected by reason of this Scheme or by anything contained in this Scheme and shall be continued and be enforced by or against the Resulting Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Demerged Company. The Resulting Company shall be substituted in place of the Demerged Company or added as party to such proceedings and shall prosecute or defend all such proceedings at its own cost, in cooperation with the Demerged Company and the liability of the Demerged Company shall stand nullified. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings in relation to the Demerged Undertaking.

6.2 The Resulting Company undertakes to have all legal and other proceedings (except proceedings under the Income Tax Act) initiated by or against the Demerged Company referred to in Clause 6.1 above transferred to its name as soon as is reasonably practicable after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company on priority. The Demerged Company and the Resulting Company shall make relevant applications and take all steps as may be required in this regard.

6.3 Notwithstanding anything contained herein above, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority (except proceedings under the Income Tax Act), in each case in relation to the Demerged Undertaking, the Demerged Company shall, in view of the transfer and vesting of the Demerged Undertaking pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to replace the Demerged Company with the Resulting Company. However, if the Demerged Company is unable to get the Resulting Company replaced in its place in such proceedings, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company and at the cost of the Resulting Company and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.

7. TAXES/ DUTIES/ CESS

7.1 If the Demerged Company is entitled to any unutilized credits (including accumulated losses and unabsorbed depreciation), advance tax, tax deduction at source, tax collection at source, benefits under the state or central fiscal/ investment incentive schemes and policies or concessions relating to the Demerged Undertaking under any Tax Law or Applicable Law, the Resulting Company shall be entitled, as an integral part of this Scheme, to claim such benefit or incentives or unutilised credits, as the case may be, without any specific approval or permission and such benefit or incentives or unutilised credits, as the case may be, shall be available for utilisation to the Resulting Company in accordance with the Applicable Law.

7.2 Upon the Scheme becoming effective, the Demerged Company and the Resulting Company shall have the right to revise their respective financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws and to claim refunds and/or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of this Scheme. It is further clarified that the Resulting Company shall be entitled to claim deduction under Section 43B of the Income Tax Act in respect of unpaid liabilities transferred to it as part of the Demerged Undertaking to the extent not claimed by the Demerged Company, as and when the same are paid subsequent to the Appointed Date.

8. CONSIDERATION

- 8.1 Upon effectiveness of this Scheme and in consideration of the demerger of the Demerged Undertaking from the Demerged Company into the Resulting Company and subject to the provisions of this Scheme, the Resulting Company shall issue and allot, on a proportionate basis to each shareholder of the Demerged Company whose name is recorded in the register of members and records of the depository as members of the Demerged Company as on the Record Date, without any further application, act, deed, consent, acts, instrument or deed, as under:
- 1 (One) Resulting Company New Equity Shares for every 1 (One) fully paid-up equity share of face value of INR 2 (Indian Rupees Two only) each of the Demerged Company.
- 8.2 The Resulting Company New Equity Shares shall be subject to the provisions of the memorandum of association and articles of association of Resulting Company, as the case may be, and shall have same rights with respect to dividend, bonus, right shares, voting and other corporate benefits attached to the equity shares of the Resulting Company.
- 8.3 The issue and allotment of the Resulting Company New Equity Shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law(s) as may be applicable were duly complied with. It is clarified that the consent/ approval of the shareholders of the Resulting Company and/or the Demerged Company to this Scheme, shall be deemed to be, their consent/ approval for the issue and allotment of the Resulting Company New Equity Shares to the shareholders of the Demerged Company and compliance under provisions of Sections 42 and 62 of the Act.
- 8.4 The Resulting Company New Equity Shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. Prior to the Record Date, the eligible shareholders of the Demerged Company, who hold shares in physical form shall provide such confirmation, information and details as may be required, relating to his/ her/ its account with a depository participant, to the Resulting Company to enable it to issue the Resulting Company Share(s) in dematerialised form.
- 8.5 For the purpose of allotment of the Resulting Company New Equity Shares pursuant to this Scheme, in the event, if any eligible shareholder of the Demerged Company holds shares in physical form, the Resulting Company shall issue the relevant shares in an unclaimed suspense account which will be for the benefit of such shareholder. The Resulting Company Share(s) held in such unclaimed suspense account for the benefit of such eligible shareholders shall be transferred to the respective eligible shareholder once they provide details of his/her/its demat account to the Resulting Company, along with such other documents as may be required by the Resulting Company.
- 8.6 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Demerged Company, the Board of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares of the Demerged Company, after the effectiveness of Part II of this Scheme.
- 8.7 The Resulting Company New Equity Shares to be issued pursuant to this Scheme in respect of any shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Resulting Company.
- 8.8 The shares to be issued by the Resulting Company *in lieu* of the shares of the Demerged Company held in the unclaimed suspense account shall be issued to a new unclaimed suspense account created for

shareholders of the Demerged Company who shall become the shareholders of Resulting Company pursuant to this Scheme. The shares to be issued by the Resulting Company *in lieu* of the shares of the Demerged Company held in the investor education protection fund shall be issued to investor education protection fund in favour of such shareholders of the Demerged Company.

- 8.9 In the event, the Parties restructure their share capital by way of share split/ consolidation/ issue of bonus shares or any other corporate action during the pendency of the Scheme, the consideration, per Clause 8.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions.
- 8.10 The Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the Applicable Law for complying with the provisions stated above.
- 8.11 The register of members maintained by the Resulting Company and/or, other relevant records, whether in physical or electronic form, maintained by the Resulting Company, in terms of the Applicable Law shall (as deemed necessary by the Board) be updated to reflect the issue of the Resulting Company New Equity Shares in terms of this Scheme.

9. ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANY AND RESULTING COMPANY

Accounting treatment in the books of the Demerged Company

Notwithstanding anything else contained in the Scheme:

- 9.1.1 The Demerged Company shall account for the demerger as per Scheme in its books of accounts in accordance with Indian Accounting Standards ("**Ind AS**") notified under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time.
- 9.1.2 In case amount recognised within equity, arising due to demerger accounting prescribed under Clause 9.1.1 above, results into net debit impact, the Demerged Company shall use reduction in securities premium arising due to capital reduction as prescribed under Clause 11 of the Scheme to adjust such debit impact. The remaining debit impact, if any, will be adjusted against the retained earnings. In case impact arising due to demerger accounting prescribed under Clause 9.1.1 above results in net credit, such amount shall be recognised as capital reserve.
- 9.1.3 For accounting purpose, the Scheme shall be given effect from the date when all substantial conditions for the demerger/ transfer of assets and liabilities are completed.

9.2 Accounting treatment in the books of the Resulting Company

Notwithstanding anything else contained in the Scheme

- 9.2.1. The Resulting Company shall account for the demerger by the Demerged Company to the Resulting Company as per Scheme in its books of accounts in accordance with Ind AS notified under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time. In applying demerger accounting, the Resulting Company shall, among other matters, ensure accounting policies of demerged undertaking are aligned to the

accounting policies followed by the Resulting Company.

- 9.2.2. Due to Capital Reduction as prescribed under Clause 11 of this Scheme, the shares held by the Demerged Company in the Resulting Company shall stand cancelled. The Resulting Company shall credit the corresponding amount to the capital reserve.
- 9.2.3. For accounting purpose, the Scheme will be given effect from the date when all substantial conditions for the demerger/ transfer of assets and liabilities are completed.

10. INCREASE IN AUTHORISED SHARE CAPITAL OF THE RESULTING COMPANY

- 10.1 Upon Part II of this Scheme becoming effective, authorised share capital of the Resulting Company will automatically stand increased to INR 25,00,00,000 (Indian Rupees Twenty Five Crores only) by simply filing the requisite forms with the Appropriate Authority and no separate procedure or instrument or deed shall be required to be followed under the Act. The Resulting Company will pay necessary stamp duty and registration fees, as may be applicable, for increase in authorised equity share capital in terms of the Act.
- 10.2 Consequently, the memorandum of association and articles of association of the Resulting Company shall without any act, instrument or deed be and stand altered, modified and amended pursuant to Section 13 and other applicable provisions of the Act, and be replaced by the following clause:

“The Authorised Share Capital of the Company is INR 25,00,00,000 (Indian Rupees Twenty Five Crores only) divided into 12,50,00,00,000 (Twelve Crores Fifty Lakhs) equity shares of INR 2 (India Rupee Two only) each with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of the Company and the legislative provisions for the time being in force.”.

- 10.3 It is clarified that the approval of the members of the Resulting Company to this Scheme shall be deemed to be their consent/ approval also to alteration of the memorandum of association of the Resulting Company and the Resulting Company shall not be required to seek separate consent/ approval of its shareholders for such alteration of the memorandum of association and articles of association as required under Sections 13, 14 and other applicable provisions of the Act.

PART III

REDUCTION AND CANCELLATION OF THE ENTIRE PRE-SCHEME SHARE CAPITAL OF THE RESULTING COMPANY AND SECURITIES PREMIUM ACCOUNT OF THE DEMERGED COMPANY

11. REDUCTION AND CANCELLATION OF ENTIRE PAID UP SHARE CAPITAL OF THE RESULTING COMPANY

- 11.1 Upon allotment of the Resulting Company New Equity Shares, the entire pre-scheme paid up share capital of the Resulting Company (“**Resulting Company Cancelled Shares**”) as on the Effective Date shall stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to Sections 230 to 232 read with Section 52 of the Act as an integral part of the Scheme itself.
- 11.2 It is clarified that the approval of the members of the Resulting Company to this Scheme, shall be

deemed to be their consent/approval for the reduction of the share capital of the Resulting Company under applicable provisions of the Act.

- 11.3 Notwithstanding the reduction in the share capital of the Resulting Company, the Resulting Company shall not be required to add 'And Reduced' as suffix to its name.
- 11.4 The reduction and cancellation of the Resulting Company Cancelled Shares does not involve any diminution of liability of in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

12. REDUCTION OF SECURITIES PREMIUM ACCOUNT OF THE DEMERGED COMPANY

- 12.1 Upon the Scheme being effective, the securities premium account adjusted in accordance with Clause 9.1.2 above by the Demerged Company shall stand reduced, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to Sections 230 to 232 read with Section 52 of the Act as an integral part of the Scheme itself.
- 12.2 It is clarified that the approval of the members of the Demerged Company to this Scheme, shall be deemed to be their consent/approval for the reduction of securities premium account of the Demerged Company under applicable provisions of the Act.
- 12.3 Notwithstanding the reduction in the securities premium account of the Demerged Company, the Demerged Company shall not be required to add 'And Reduced' as suffix to its name.
- 12.4 The reduction of securities premium account of the Demerged Company does not involve any diminution of liability of in respect of any unpaid share capital or payment to any shareholder of any paid-up share capital or payment in any other form.

PART IV

GENERAL TERMS & CONDITIONS

13. REMAINING BUSINESSES

- 13.1 The Remaining Businesses of the Demerged Company and all the assets, investments, liabilities and obligations of the Demerged Company, shall continue to belong to and be vested in and be managed by the Demerged Company. With effect from the Effective Date, only the Demerged Company shall be liable to perform and discharge all liabilities and obligations in relation to the Remaining Businesses of the Demerged Company and the Resulting Company shall not have any liabilities or obligations in relation to the Remaining Businesses of the Demerged Company.
- 13.2 All legal, Tax and/or other proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and relating to the Remaining Businesses of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Businesses of the Demerged Company) shall be continued and enforced against the Demerged Company. The Resulting Company shall in no event be responsible or liable in relation to any such legal, Tax or other proceedings in relation to the Remaining Businesses of the Demerged Company.
- 13.3 If the Resulting Company is in receipt of any demand, claim, notice and/or are impleaded as a party in any proceedings before any Appropriate Authority, in each case in relation to the Remaining Businesses of the Demerged Company, the Resulting Company shall, in view of the transfer and vesting

of the Demerged Undertaking, pursuant to this Scheme, take all such steps in the proceedings before the Appropriate Authority to substitute the Resulting Company with the Demerged Company. However, if the Resulting Company, are unable to get the Demerged Company so substituted in such proceedings, it shall defend the same or deal with such demand in accordance with the advice of the Demerged Company and at the cost of the Demerged Company and the latter shall reimburse the Resulting Company, against all liabilities and obligations incurred by or against the Resulting Company, in respect thereof.

14. VALIDITY OF EXISTING RESOLUTIONS, ETC.

Upon coming into effect of this Scheme, the resolutions and power of attorney of/ executed by the Demerged Company, as are considered necessary by the Boards of the Resulting Company, pertaining to the Demerged Undertaking, and that are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions and power of attorney passed/ executed by the Resulting Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then said limits as are considered necessary by the Boards of the Resulting Company shall be added to the limits, if any, under like resolutions passed by the Resulting Company and shall constitute the aggregate of the said limits in the Resulting Company.

15. BUSINESS UNTIL THE EFFECTIVE DATE

15.1 With effect from the date of approval of this Scheme by the respective Boards of the Parties and up to and including the Effective Date:

15.1.1 The Demerged Company shall, with respect to the Demerged Undertaking, carry on its businesses with reasonable diligence and business prudence and in the same manner as the Demerged Company and the Resulting Company had been doing hitherto; and

15.1.2 The Demerged Company shall, with respect to the Demerged Undertaking shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as necessary under the Applicable Law for such consents, approvals and sanctions which the Resulting Company may require to carry on the relevant business of the Demerged Company and to give effect to the Scheme.

15.2 With effect from the Appointed Date and up to and including the Effective Date:

15.2.1 The Demerged Company with respect to the Demerged Undertaking shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of the assets for and on account of, and in trust for the Resulting Company;

15.2.2 All profits or income arising or accruing to the Demerged Company with respect to the Demerged Undertaking and all Taxes paid thereon (including but not limited to advance tax, tax deducted or collected at source, minimum alternate tax, dividend distribution tax, securities transaction tax, taxes withheld/ paid in a foreign country, etc.) or losses arising or incurred by the Demerged Company with respect to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits or income, Taxes or losses, as the case may be, of the Resulting Company; and

15.2.3 All loans raised and all liabilities and obligations incurred by the Demerged Company with respect to the Demerged Undertaking, shall, subject to the terms of this Scheme, be deemed

to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Resulting Company.

- 15.3 For the purpose of giving effect to the order passed under Sections 230 to 232 read with Section 52 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Resulting Company shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the demerger of the Demerged Undertaking, in accordance with the provisions of Sections 230 to 232 read with Section 52 of the Act. The Resulting Company shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc, as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Resulting Company shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all immovable properties, including mutation and/or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Resulting Company pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms thereof, without any further act or deed to be done or executed by the Resulting Company. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/or substitution.

16. DIVIDENDS

- 16.1 Any declaration or payment of dividend or other distribution of capital or income by the Demerged Company and/ or the Resulting Company shall be consistent with their respective past practices in this context.
- 16.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Demerged Company and the Resulting Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of Parties, and subject to approval, if required, of their respective shareholders.

17. PROPERTY IN TRUST

Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Demerged Undertaking are transferred, vested, recorded, effected and/or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Resulting Company, such company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the relevant Parties, the Demerged Company will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of the Resulting Company.

18. APPLICATIONS/ PETITIONS TO THE TRIBUNAL

The Parties shall make and file all applications and petitions under Sections 230 to 232 read with Section 52 and other applicable provisions of the Act before the Tribunal, for sanction of this Scheme under the provisions of the Act.

19. MODIFICATION OR AMENDMENTS TO THIS SCHEME

- 19.1 The Board of Parties may make any modifications or amendments to this Scheme at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or appropriate. The Board of the Parties may consent to any conditions or limitations that the Tribunal or any other Appropriate Authority may impose.
- 19.2 For the purposes of giving effect to this Scheme or to any modification thereof, the Board of the Parties may give such directions for settling any question or difficulty that may arise and such directions shall be binding on all Parties as if the same were specifically incorporated in this Scheme.

20. CONDITIONS PRECEDENT

- 20.1 Unless otherwise decided (or waived) by Parties, the Scheme is conditional upon and subject to the following conditions precedent:
- 20.1.1 approval of the Scheme by the requisite majority of each class of shareholders and/ or creditors of the Parties, if any, as applicable or as may be required under the Act and as may be directed by the Tribunal;
 - 20.1.2 the sanctions and orders of the Tribunal, under Sections 230 to 232 read with Section 52 of the Act being obtained by the Parties;
 - 20.1.3 certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the RoC; and
 - 20.1.4 the requisite consent, approval or permission of Appropriate Authority or any other Person which by the Applicable Law or contract, agreement may be necessary for the implementation of this Scheme.
- 20.2 It is hereby clarified that submission of this Scheme to the Tribunal and to the Appropriate Authorities for their respective approvals is without prejudice to all rights, interests, title, or defences that Parties may have under or pursuant to all Applicable Law(s).
- 20.3 On the approval of this Scheme by the shareholders of the Parties and/ or creditors of the Parties, if any, pursuant to Clause 20.1.1, such shareholders and creditors shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the Scheme.

21. WITHDRAWAL OF THIS SCHEME AND SEVERABILITY

- 21.1 Parties, acting jointly, shall be at liberty to withdraw the Scheme, any time before the Scheme is effective.
- 21.2 In the event of withdrawal of the Scheme under Clause 21.1 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person.
- 21.3 In the event of any of the requisite sanctions and approvals not being obtained on or before such date

as may be agreed to by the Parties, this Scheme or relevant part(s) of this Scheme shall become null and void and each Party shall bear and pay its respective costs, charges and expenses for and/or in connection with this Scheme.

21.4 In the event of revocation/ withdrawal of the Scheme under Clause 21.1 or Clause 21.2 above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other Person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

21.5 Further, it is the intention of the Parties that each part shall be severable from the remainder of this Scheme and the Scheme shall not be affected if any part of this Scheme is found to be unworkable for any reason whatsoever unless the deletion of such part shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in this Scheme or cause such part to be null and void, including but not limited to such part.

22. COSTS AND EXPENSES

All costs, charges and expenses (including, but not limited to, any taxes and duties, registration charges, etc.) of the Parties, respectively in relation to carrying out, implementing and completing the terms and provisions of this Scheme and/or incidental to the completion of this Scheme shall be borne equally by the Parties.

23. SAVING OF CONCLUDED TRANSACTIONS

Nothing in this Scheme shall affect any transaction or proceedings already concluded or liabilities incurred by the Demerged Company with respect to the Demerged Undertaking until the Effective Date, to the end and intent that the Resulting Company shall accept and adopt all acts, deeds and things done and executed by the Demerged Company with respect to the Demerged Undertaking as done and executed on behalf of the Resulting Company.

STERLITE POWER TRANSMISSION LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2023
(All amounts in Rs. million unless otherwise stated)

| Particulars | Note | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|------|--------------------------------------|-----------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 2,272.87 | 2,014.38 |
| Capital work in progress | 4 | 99.75 | 35.95 |
| Other intangible assets | 5 | 5.76 | 69.93 |
| Right-of-use assets | 3 | 376.34 | 437.45 |
| Financial assets | | | |
| i. Investments | 7 | 527.71 | 12,648.10 |
| ii. Loans | 8 | - | 1,881.97 |
| iii. Trade receivables | 9 | - | - |
| iv. Other financial assets | 10 | 2,730.61 | 1,183.39 |
| Income tax asset (net) | | 252.00 | 359.07 |
| Deferred tax asset (net) | 23 | - | - |
| Other non-current assets | 11 | 287.77 | 434.04 |
| Total non-current assets | | 6,552.81 | 19,064.28 |
| Current assets | | | |
| Inventories | 13 | 3,649.51 | 7,245.87 |
| Financial assets | | | |
| i. Investments | 7 | - | 805.00 |
| ii. Loans | 8 | 699.57 | 231.10 |
| iii. Trade receivables | 9 | 10,409.22 | 16,772.24 |
| iv. Cash and cash equivalents | 14 | 96.07 | 3,221.10 |
| v. Other bank balances | 15 | 70.00 | 978.80 |
| vi. Other financial assets | 10 | 1,250.07 | 1,845.49 |
| Other current assets | 11 | 4,681.61 | 5,611.33 |
| | | 20,856.05 | 36,710.93 |
| Assets classified as held for sale | 12 | 46,872.00 | - |
| Total current assets | | 67,728.05 | 36,710.93 |
| TOTAL ASSETS | | 74,280.86 | 55,775.21 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 16 | 244.84 | 244.72 |
| Other equity | | | |
| i. Securities premium | 17 | 4,450.46 | 4,450.46 |
| ii. Retained earnings | 17 | 18,808.73 | 17,786.19 |
| iii. Others | 17 | (3,359.65) | (4,098.77) |
| Total equity | | 20,144.38 | 18,382.60 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 19 | 430.00 | 430.00 |
| ii. Lease liabilities | 40 | 284.06 | 344.88 |
| iii. Other financial liabilities | 21 | 24.55 | 24.55 |
| Employee benefit obligations | 22 | - | 55.73 |
| Other non-current liabilities | 25 | - | - |
| Deferred tax liabilities (net) | 23 | 189.86 | 23.62 |
| Total non-current liabilities | | 928.47 | 878.78 |
| Current liabilities | | | |
| Financial liabilities | | | |
| i. Borrowings | 20 | 4,816.61 | 4,286.09 |
| ii. Lease liabilities | 40 | 106.43 | 97.16 |
| iii. Trade payables | 24 | | |
| - total outstanding dues of micro enterprises and small enterprises | | 908.41 | 908.41 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | | 10,200.55 | 16,352.10 |
| iv. Other financial liabilities | 21 | 9,997.11 | 1,167.46 |
| Employee benefit obligations | 22 | 29.65 | 77.63 |
| Other current liabilities | 25 | 5,390.30 | 13,407.71 |
| Current tax liability (net) | | - | 217.27 |
| | | 31,449.06 | 36,513.83 |
| Liabilities associated with assets classified as held for sale | | 21,758.95 | - |
| Total current liabilities | | 53,208.01 | 36,513.83 |
| TOTAL EQUITY AND LIABILITIES | | 74,280.86 | 55,775.21 |

STERLITE POWER TRANSMISSION LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in Rs. million unless otherwise stated)

| Particulars | Note | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|---|------|--------------------------------------|-----------------------------------|
| CONTINUING OPERATIONS | | | |
| INCOME | | | |
| Revenue from operations | 26 | 33,278.11 | 31,220.56 |
| Other income | 28 | 31.90 | 85.03 |
| Total income (I) | | 33,310.01 | 31,305.59 |
| EXPENSES | | | |
| Cost of raw material and components consumed | 29 | 17,023.36 | 17,384.00 |
| Purchase of traded goods | | 1,087.86 | 674.55 |
| Construction material and contract expenses | 30 | 7,299.00 | 6,123.72 |
| (Increase)/decrease in inventories of finished goods, work-in-progress and traded goods | 31 | 428.74 | (1,287.48) |
| Employee benefits expense | 32 | 913.54 | 803.26 |
| Other expenses | 33 | 3,762.89 | 3,754.06 |
| Reversal of impairment of investment/loan | 10a | - | - |
| Total expenses (II) | | 30,515.39 | 27,452.11 |
| Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II) | | 2,794.62 | 3,853.48 |
| Depreciation and amortisation expense | 34 | 244.31 | 365.29 |
| Finance costs | 35 | 1,262.13 | 1,322.33 |
| Finance income | 27 | (135.01) | (107.67) |
| Profit before tax before exceptional items and tax | | 1,423.19 | 2,273.53 |
| Exceptional items | 36 | - | - |
| Profit/(loss) before tax from continuing operations | | 1,423.19 | 2,273.53 |
| Tax expense: | | | |
| (i) Current tax | 23 | 306.16 | 830.29 |
| (ii) Income tax for earlier years (31 March 2022: refer note 56) | 23 | - | (29.69) |
| (iii) Deferred tax | 23 | 99.66 | 103.81 |
| Income tax expense | | 405.82 | 904.41 |
| Profit for the year from continuing operations | | 1,017.37 | 1,369.12 |
| DISCONTINUING OPERATIONS | | | |
| Profit before tax for the year from discontinuing operations | | (78.11) | 1,989.28 |
| Tax (income)/expense of discontinuing operations | | (57.62) | 138.29 |
| Profit for the year from discontinuing operations | | (20.49) | 1,850.99 |
| Profit for the year | | 996.88 | 3,220.11 |
| <u>Other comprehensive income</u> | | | |
| Other comprehensive income from continuing operations | | | |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods: | | | |
| Net movement on cash flow hedges | | 783.95 | (2,336.56) |
| Income tax effect | | (176.52) | 530.74 |
| Net other comprehensive income to be reclassified to profit or loss in subsequent periods | | 607.43 | (1,805.82) |
| Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods: | | | |
| Re-measurement loss on defined benefit plans | | - | (3.84) |
| Income tax effect | | - | 0.97 |
| Net gain/(loss) on FVTOCI equity securities | | (23.54) | (12.29) |
| Income tax effect | | - | - |
| Net other comprehensive gain/(loss) not to be reclassified to profit or loss in subsequent periods | | (23.54) | (15.16) |
| Other comprehensive income from discontinued operations | | | |
| Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods: | | | |
| Net gain/(loss) on FVTOCI equity securities | | 49.20 | (2,795.40) |
| Income tax effect | | - | (12.98) |
| Net other comprehensive gain/(loss) not to be reclassified to profit or loss in subsequent periods | | 49.20 | (2,808.38) |
| Other comprehensive income/(loss) for the year | | 633.09 | (4,629.36) |

Total comprehensive income for the year

1,629.97

(1,409.25)

STERLITE POWER TRANSMISSION LIMITED
Notes to financial statements for the year ended 31 December 2023
(All amounts in Rs. million unless otherwise stated)

NOTE 6 : INVESTMENTS IN ASSOCIATE

| | (Rs. in million) | 31 March 2023 (Rs. in million) |
|---|------------------|-----------------------------------|
| Non-current | | |
| Investment in equity shares- unquoted (valued at cost) | | |
| Sterlite Interlinks Limited [refer note 7(f)] | | |
| Nil (31 March 2022: 4,900) equity shares of Rs. 10 each fully paid up | - | - |
| Total | - | - |

NOTE 7: INVESTMENTS

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|---|--------------------------------------|-----------------------------------|
| Non-current | | |
| 1.00 Investment in Subsidiaries | 425.06 | 3,164.42 |
| 1.00 Investment in Joint venture | - | 441.54 |
| 1.00 Investment in non-convertible debentures | - | 7,463.02 |
| 1.00 Investment in Compulsorily convertible debentures | - | 1,018.83 |
| 1.00 Investment in Third Party | 100.20 | 100.20 |
| 1.00 Investments in India Grid Trust | - | - |
| 1.00 Equity component of loan given to subsidiaries | 2.45 | 460.09 |
| 1.00 Provision for impairment of investments | - | - |
| | <u>527.71</u> | <u>12,648.10</u> |
| Current | | |
| Investment in mutual funds | - | 805.00 |
| | <u>-</u> | <u>805.00</u> |

is

NOTE 8: LOANS (unsecured, considered good)

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|---|--------------------------------------|-----------------------------------|
| Loans to related parties (refer note 50)* | - | - |
| Loans to subsidiaries [refer note 50 & 7(b)]# | 699.57 | 2,113.07 |
| Total | 699.57 | 2,113.07 |
| Current | 699.57 | 231.10 |
| Non-Current | - | 1,881.97 |

NOTE 9: TRADE RECEIVABLES

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|--------------------------------------|-----------------------------------|
| Non-current | | |
| Trade receivables | 286.77 | 631.06 |
| Total | 286.77 | 631.06 |
| Break-up for security details: | | |
| - Unsecured, considered good | - | - |
| - Unsecured, credit impaired receivables | 286.77 | 631.06 |
| | 286.77 | 631.06 |
| Impairment allowance (allowance for bad and doubtful debts) | | |
| - Unsecured, considered good | - | - |
| - Unsecured, credit impaired receivables | 286.77 | 631.06 |
| Total non-current trade receivables | - | - |
| Current | | |
| Trade receivables | 10,409.22 | 8,607.99 |
| Receivable from related parties (refer note 50) | - | 8,164.25 |
| Total | 10,409.22 | 16,772.24 |
| Break-up for security details: | | |
| - Unsecured, considered good | 10,409.22 | 16,772.24 |
| - Unsecured, credit impaired receivables | - | - |
| | 10,409.22 | 16,772.24 |
| Impairment allowance (allowance for bad and doubtful debts) | | |
| - Unsecured, considered good | - | - |
| - Unsecured, credit impaired receivables | - | - |
| | 10,409.22 | 16,772.24 |
| Total current trade receivables | 10,409.22 | 16,772.24 |

NOTE 10: OTHER FINANCIAL ASSETS

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|--------------------------------------|-----------------------------------|
| Non-current | | |
| Security deposits (unsecured, considered good) | 14.37 | 68.38 |
| Other bank balance* | 2,716.24 | 1,115.01 |
| Total other non-current financial assets | 2,730.61 | 1,183.39 |
| Current | | |
| IUT Balances | - | - |
| Security deposits (unsecured, considered good) | 20.35 | 41.10 |
| Advances recoverable in cash (unsecured, considered good) (refer note 50) | - | 28.40 |
| Interest accrued on fixed deposits & loans | 28.32 | 72.29 |
| Earnest money deposit with customer (unsecured, considered good) | 24.91 | 24.53 |
| Consideration receivable on sale of investments in subsidiaries (unsecured, considered good) | - | 1,050.05 |
| Other receivables from related parties (unsecured, considered good) (refer note 50) | 49.44 | 89.70 |
| | 123.02 | 1,306.07 |
| Derivative instruments | | |
| - Forward contracts | - | - |
| - Commodity futures | 1,127.05 | 539.42 |
| | 1,127.05 | 539.42 |
| Total other current financial assets | 1,250.07 | 1,845.49 |

NOTE 11: OTHER ASSETS

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|--------------------------------------|-----------------------------------|
| Non-current | | |
| Balances with government authorities | 79.21 | 202.97 |
| Deposit paid under dispute (refer note 42) | 0.89 | 98.87 |
| Prepaid expenses | 207.67 | 132.20 |
| Advance for property plant and equipment (unsecured) | - | - |
| Total other non-current assets | 287.77 | 434.04 |
| Current | | |
| Advances to vendors/contractors (unsecured) | 561.07 | 1,364.02 |
| Balances with government authorities | 1,546.42 | 2,290.71 |
| Prepaid expenses | 200.35 | 268.65 |
| Contract assets related to EPC contracts | 2,373.77 | 1,687.83 |
| Others | - | 0.12 |
| Total other current assets | 4,681.61 | 5,611.33 |

NOTE 12: ASSETS AND LIABILITIES HELD FOR SALE

Pursuant to Ind AS - 105 "Non Current Assets Held for Sale and Discontinued Operations", the Company has identified non-current assets referred to in below notes as held for sale as the carrying amount of these assets will be recovered principally through a sale transaction rather than through continuing use. These assets are available for immediate sale in its present condition and the sale transactions are highly probable.

Following assets and liabilities are classified as held for sale as at 31 March 2023 and as at 31 March 2022:

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|---|--------------------------------------|-----------------------------------|
| Investment in equity shares (unquoted and valued at fair value through other comprehensive income) | | |
| Infra Business | 46,872.00 | - |
| | (21,758.95) | - |
| Total | 25,113.05 | - |
| Assets classified as held for sale - non-current | - | - |
| Assets classified as held for sale - current | 25,113.05 | - |

NOTE 13: INVENTORIES (Valued at lower of cost and net realisable value)

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|--------------------------------------|-----------------------------------|
| Raw materials and components [includes stock in transit Rs. 325.61 million (31 March 2022: Rs. 51.49 million)] | 1,581.72 | 2,053.91 |
| Work-in-progress | 696.25 | 533.31 |
| Finished goods [includes stock in transit Rs. 1,056.42 million (31 March 2022: Rs. 175.38 million)] | 1,005.75 | 1,593.71 |
| Construction material [includes stock in transit Rs. Nil (31 March 2022: Rs. 302.77 million)] | 71.55 | 2,797.15 |
| Traded goods | 6.19 | 9.91 |
| Stores, spares, packing materials and others | 288.05 | 257.88 |
| Total | 3,649.51 | 7,245.87 |

NOTE 14: CASH AND CASH EQUIVALENTS

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|--------------------------------------|-----------------------------------|
| Balances with banks: | | |
| On current accounts | 96.06 | 1,017.99 |
| Deposits with original maturity for less than three months | - | 2,203.08 |
| Cash in hand | 0.01 | 0.03 |
| Total | 96.07 | 3,221.10 |

NOTE 15: OTHER BANK BALANCES

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|---|--------------------------------------|-----------------------------------|
| Deposits with maturity for more than 3 months but less than 12 months | 70.00 | 978.80 |
| Total | 70.00 | 978.80 |

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NOTE 16: SHARE CAPITAL

Issued, subscribed and fully paid-up equity shares (nos. million)
122.36 (31 March 2022: 61.18) equity shares of Rs. 2 each fully paid - up.
Total issued, subscribed and fully paid-up equity share capital

| | Nos. in million | Nos. in million |
|--|-----------------|-----------------|
| | 244.84 | 244.72 |
| | 244.84 | 244.72 |

NOTE 17 : OTHER EQUITY

Securities premium
Retained earnings
FVTOCI reserve
Debenture redemption reserve
Cash flow hedge reserve
Capital redemption reserve
Share based payment reserve
Total

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|--------------------------------------|-----------------------------------|
| | 4,450.46 | 4,450.46 |
| | 18,808.73 | 17,786.18 |
| | (4,430.16) | (4,430.16) |
| | 250.00 | 250.00 |
| | 629.77 | 22.34 |
| | - | - |
| | 190.75 | 59.06 |
| | 19,899.55 | 18,137.88 |

Securities premium

Balance as per last financial statements
Add: Amount utilised for issuance of bonus shares (refer note 17.1)
Closing balance

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|--------------------------------------|-----------------------------------|
| | 4,450.46 | 4,536.80 |
| | - | (86.34) |
| | 4,450.46 | 4,450.46 |

Retained earnings

Balance as per last financial statements
Add: Adjustment on merger of Sterlite Grid 4 Limited (refer note 56)
Add: Profit for the year
Add: Remeasurement of post employment benefit obligation, net of tax
Add: Realised gain on sale of investments in subsidiaries transferred from FVTOCI reserve
Add: Dividend (refer note 18)
Add: Transfer from/(to) debenture redemption reserve (refer note 17.5)
Closing balance

| | | |
|--|-----------|-----------|
| | 17,786.19 | 14,932.38 |
| | - | - |
| | 996.88 | 3,220.11 |
| | - | (2.87) |
| | 25.66 | 8.93 |
| | - | (122.36) |
| | - | (250.00) |
| | 18,808.73 | 17,786.19 |

Others

FVTOCI reserve

Balance as per last financial statements
Add: Adjustment on merger of Sterlite Grid 4 Limited (refer note 56)
Add: Change in fair value of investments through other comprehensive income, net of taxes
Add: Net realised gain on sale of investments in subsidiaries transferred to retained earnings
Closing balance

| | | |
|--|------------|------------|
| | (4,430.17) | (1,600.57) |
| | - | - |
| | 25.66 | (2,820.67) |
| | (25.66) | (8.93) |
| | (4,430.17) | (4,430.17) |

Debenture redemption reserve

Balance as per last financial statements
Add: Created during the year (refer note 17.5)
Closing balance

| | | |
|--|--------|--------|
| | 250.00 | - |
| | - | 250.00 |
| | 250.00 | 250.00 |

Cash flow hedge reserve

Balance as per last financial statements
Add: Cash flow hedge reserve created on hedging contracts, net of taxes
Add: Amount reclassified to statement of profit and loss
Closing balance

| | | |
|--|--------|------------|
| | 22.34 | 1,603.10 |
| | 607.43 | (1,805.82) |
| | - | 225.06 |
| | 629.77 | 22.34 |

Capital redemption reserve

Balance as per last financial statements
Add: Amount utilised for issuance of bonus shares (refer note 17.4)
Closing balance

| | | |
|--|---|---------|
| | - | 36.02 |
| | - | (36.02) |
| | - | - |

Share based payment reserve

Balance as per last financial statements
Add: Expense recognised during the year (refer note 17.6)
Closing balance

| | | |
|--|--------|-------|
| | 59.06 | - |
| | 131.69 | 59.06 |
| | 190.75 | 59.06 |

Total other reserves

| | | |
|--|------------|------------|
| | (3,359.65) | (4,098.77) |
|--|------------|------------|

NOTE 19 : NON CURRENT BORROWINGS

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|--------------------------------------|-----------------------------------|
| Term loan | | |
| Indian rupee loan from financial institution (secured) (refer note (a)(i) below) | - | - |
| Inter corporate deposit | | |
| Inter corporate deposit from related party (unsecured) (refer note (b) below) | 430.00 | 430.00 |
| Non convertible debenture | | |
| 1,750 (31 March 2022: Nil) Non convertible debenture from related parties (unsecured) (refer note (c) below) | - | - |
| Total non-current borrowings | <u>430.00</u> | <u>430.00</u> |
| Current maturities of long-term borrowing | | |
| Non convertible debenture from related parties (unsecured) (refer note (c) below) | - | 1,750.00 |
| 1,750 (31 March 2022: Nil) Non- convertible debentures of face value of Rs.10,00,000 each | | |
| Indian rupee loan from financial institution (secured) (refer note (a)(i) below) | - | 187.50 |
| Indian rupee loan from financial institution (unsecured) (refer note (a)(ii) below) | 1.51 | 144.60 |
| Total | <u>1.51</u> | <u>2,082.10</u> |

NOTE 20 : SHORT TERM BORROWINGS

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|---|--------------------------------------|-----------------------------------|
| Current maturities of long-term borrowings (refer note 19) | 1.51 | 2,082.10 |
| Loan from others (unsecured) (refer note (i) below) | 1,500.00 | 1,500.00 |
| Working capital loan | 1,550.00 | - |
| Customer bill discounting (secured) (refer note (ii) below) | 1,354.44 | 651.67 |
| Vendor bill discounting (secured) (refer note (iii) below) | - | - |
| Vendor bill discounting (unsecured) (refer note iv below) | 410.66 | 52.32 |
| Total | <u>4,816.61</u> | <u>4,286.09</u> |

NOTE 21 : OTHER FINANCIAL LIABILITIES

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|--------------------------------------|-----------------------------------|
| Non Current | | |
| Payable against purchase consideration (refer note 7(e)) | - | - |
| Employee benefits payable (refer note 53) | 24.55 | 24.55 |
| Others | - | - |
| Total non-current financial liabilities | <u>24.55</u> | <u>24.55</u> |
| Current | | |
| Derivative instruments | | |
| - Commodity Futures | 0.01 | - |
| - Forward contracts | 60.38 | 58.09 |
| | <u>60.39</u> | <u>58.09</u> |
| IUT Balances | 8,980.45 | - |
| Interest accrued but not due on short term borrowings | 607.71 | 490.89 |
| Interest accrued but not due on long term borrowing | - | 1.07 |
| Interest free and earnest money deposit from customers | 152.60 | 2.80 |
| Interest free and earnest money deposit from vendors | 3.81 | 5.31 |
| Payable for property, plant and equipment | 31.42 | 35.06 |
| Payable against purchase consideration (refer note 7(e)) | - | 123.34 |
| Employee benefits payable | 151.25 | 304.88 |
| Dividend payable (including unclaimed dividend, refer note 18) | 9.46 | 128.63 |
| Others | 0.02 | 17.39 |
| Total current financial liabilities | <u>9,997.11</u> | <u>1,167.46</u> |

NOTE 22 : EMPLOYEE BENEFIT OBLIGATIONS

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|---|--------------------------------------|-----------------------------------|
| Non-current | | |
| Provision for employee benefits | | |
| Provision for gratuity (refer note 39) | - | 55.73 |
| Total non-current employee benefit obligations | <u>-</u> | <u>55.73</u> |

STERLITE POWER TRANSMISSION LIMITED
Notes to financial statements for the year ended 31 December 2023
(All amounts in Rs. million unless otherwise stated)

Current

Provision for employee benefits

| | | |
|---|--------------|--------------|
| Provision for gratuity (refer note 39) | 2.15 | 16.59 |
| Provision for leave benefit | 27.50 | 61.04 |
| Total current employee benefit obligations | 29.65 | 77.63 |

NOTE 24 : TRADE PAYABLES

Current

Trade payables

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|--------------------------------------|-----------------------------------|
| - total outstanding dues of micro enterprises and small enterprises ('MSME') (refer note 45) | 908.41 | 908.41 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 10,200.55 | 16,352.10 |
| | 11,108.96 | 17,260.51 |

NOTE 25: OTHER LIABILITIES

Non-current

Advance from customers*

| | | |
|--|---|---|
| Total other non-current liabilities | - | - |
|--|---|---|

Current liabilities

Advance from customers*

| | | |
|--|-----------------|------------------|
| Goods and services tax payable | 4,630.80 | 8,634.37 |
| Withholding taxes (TDS) payable | 209.49 | 66.16 |
| Contract liabilities for EPC contracts including advances from customers | 46.93 | 119.67 |
| Others | 503.08 | 4,342.35 |
| | - | 245.16 |
| Total | 5,390.30 | 13,407.71 |

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NOTE 26: REVENUE FROM OPERATIONS

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|---|--------------------------------------|-----------------------------------|
| Revenue from contract with customers | | |
| Sale of goods and services (see notes below) | 32,747.22 | 30,486.36 |
| Other operating revenue | | |
| Sale of scrap | 180.26 | 171.28 |
| Management fees (refer note 50) | 350.63 | 562.92 |
| Total revenue from operations | 33,278.11 | 31,220.56 |
| Type of goods or service: | | |
| Revenue from sale of conductors and power cables | 22,941.99 | 21,900.62 |
| Revenue from engineering, procurement and construction (EPC) contracts | 8,372.35 | 7,987.26 |
| Revenue from engineering, procurement and construction (EPC) contracts with related parties (refer note 50) | 876.18 | (69.14) |
| Revenue from sale of traded goods | 556.70 | 667.62 |
| Revenue from project consultancy services | - | - |
| Revenue from services rendered to joint ventures (refer note 50) | - | - |
| Total revenue from contracts with customers | 32,747.22 | 30,486.36 |

NOTE 27: FINANCE INCOME

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|---|--------------------------------------|-----------------------------------|
| Interest income on | | |
| - Bank deposits | 91.81 | 77.83 |
| - Loans and non-convertible debenture given/issued to related parties (refer note 50) | 24.33 | 15.67 |
| - Income tax refund | - | 2.05 |
| Gain on sale of non-convertible debentures | - | - |
| Gain on sale of mutual funds | 8.11 | 1.86 |
| Fair value gain on financial instruments measured at fair value through profit and loss | - | - |
| Others | 10.76 | 10.26 |
| Total | 135.01 | 107.67 |

NOTE 28: OTHER INCOME

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|--------------------------------------|-----------------------------------|
| Net gain on sale of investment in an associate and units of India Grid Trust | - | - |
| Income on investment in India Grid Trust | - | - |
| Claim received from vendor | - | - |
| Reversal of impairment allowance for trade receivables | 4.37 | 31.74 |
| Guarantee commission charges (refer note 50) | - | - |
| Dividend Income | 16.84 | - |
| Miscellaneous income | 10.69 | 53.29 |
| Total | 31.90 | 85.03 |

NOTE 29: COST OF RAW MATERIAL AND COMPONENTS CONSUMED

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|---|--------------------------------------|-----------------------------------|
| Inventory at the beginning of the year | 2,053.91 | 809.56 |
| Add: Purchases during the year | 16,551.17 | 18,628.35 |
| | 18,605.08 | 19,437.91 |
| Less: Inventory at the end of the year | 1,581.72 | 2,053.91 |
| Cost of raw material and components consumed | 17,023.36 | 17,384.00 |

NOTE 30: CONSTRUCTION MATERIAL AND CONTRACT EXPENSES

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|--------------------------------------|-----------------------------------|
| Construction material consumed | | |
| Inventory at the beginning of the year | 2,797.15 | 309.98 |
| Add: Purchases during the year | 4,199.53 | 9,060.74 |
| Less: Inventory at the end of the year | (71.55) | (2,797.15) |
| Less: Cost of materials consumed pertaining to discontinued operations (refer note xx) | - | (858.90) |
| | <u>6,925.13</u> | <u>5,714.67</u> |
| Subcontracting charges* | 373.87 | 409.05 |
| Total | <u>7,299.00</u> | <u>6,123.72</u> |

NOTE 31: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|--------------------------------------|-----------------------------------|
| Opening inventories: | | |
| Traded goods | 9.91 | 11.20 |
| Work-in-progress | 533.31 | 340.83 |
| Finished goods | 1,593.71 | 497.42 |
| | <u>2,136.93</u> | <u>849.45</u> |
| Closing inventories: | | |
| Traded goods | 6.19 | 9.91 |
| Work-in-progress | 696.25 | 533.31 |
| Finished goods | 1,005.75 | 1,593.71 |
| | <u>1,708.19</u> | <u>2,136.93</u> |
| (Increase)/decrease in inventories of finished goods, work-in-progress and traded goods | <u>428.74</u> | <u>(1,287.48)</u> |

NOTE 32: EMPLOYEE BENEFITS EXPENSE

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|--------------------------------------|-----------------------------------|
| Salaries, wages and bonus | 724.02 | 716.12 |
| Contribution to provident fund and superannuation fund | 28.18 | 21.78 |
| Employee stock appreciation rights expense (refer note 52) | - | - |
| Share based payment expense (refer note 54) | 69.77 | 15.35 |
| Gratuity expense (refer note 39) | 10.35 | 8.17 |
| Staff welfare expenses | 81.22 | 41.84 |
| Total | <u>913.54</u> | <u>803.26</u> |

NOTE 33: OTHER EXPENSES

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|---|--------------------------------------|-----------------------------------|
| Consumption of stores and spares | 129.55 | 138.19 |
| Power, fuel and water | 385.68 | 377.71 |
| Repairs and maintenance | | |
| - Building | 1.55 | 30.36 |
| - Machinery | 212.34 | 180.47 |
| Service expenses and labour charges | 303.58 | 285.95 |
| Consumption of packing materials | 535.20 | 489.87 |
| Sales commission | 375.64 | 143.78 |
| Advertisement & sales promotion | 49.90 | 44.25 |
| Carriage outwards | 806.34 | 1,325.19 |
| Rent | 146.43 | 14.03 |
| Insurance | 59.81 | 60.80 |
| Rates and taxes | 31.70 | 5.61 |
| Travelling and conveyance | 212.92 | 151.50 |
| Legal and professional fees | 161.44 | 105.14 |
| Bad debts / advances written off | - | - |
| Loss on sale of property, plant & equipment (net) | (0.14) | (0.03) |
| Corporate social responsibility expenses (refer note (b) below) | 21.39 | 6.72 |
| Impairment allowance for trade receivables | - | - |
| Impairment on investment and loans | - | - |
| Directors sitting fees (refer note 50) | 3.00 | 7.99 |
| Payment to auditor (refer note (a) below) | 16.14 | 6.78 |
| Miscellaneous expenses | 310.42 | 379.75 |
| Total | <u>3,762.89</u> | <u>3,754.06</u> |

NOTE 34: DEPRECIATION AND AMORTISATION EXPENSE

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|-------------------------------------|--------------------------------------|-----------------------------------|
| Depreciation of tangible assets | 155.02 | 237.07 |
| Depreciation of right-of-use assets | 87.84 | 118.70 |
| Amortisation of intangible assets | 1.45 | 9.52 |
| Total | 244.31 | 365.29 |

NOTE 35: FINANCE COST

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|--------------------------------------|-----------------------------------|
| Interest on financial liabilities measured at amortised cost | 666.36 | 664.75 |
| Bill discounting and factoring charges | 288.01 | 270.74 |
| Bank charges | 273.90 | 333.13 |
| Interest on lease liabilities | 33.86 | 53.71 |
| Total | 1,262.13 | 1,322.33 |

NOTE 37: EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS:

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|---|--------------------------------------|-----------------------------------|
| Profit attributable to equity shareholders for continuing operations for computation of basic and diluted EPS (A) | 1,017.37 | 1,369.12 |
| Profit attributable to equity shareholders for discontinued operations for computation of basic and diluted EPS (B) | (20.49) | 1,850.99 |
| Profit attributable to equity shareholders for computation of basic and diluted EPS (C) | 996.88 | 3,220.11 |
| Weighted average number of equity shares in calculating basic EPS (D) | 122.38 | 122.36 |
| Dilutive effect on weighted average number of equity shares outstanding during the year (E) | 0.71 | 0.24 |
| Weighted average number of equity shares in calculating diluted EPS (F) | 123.09 | 122.60 |
| Earnings per share (Rs.) | | |
| - for continuing operations | | |
| Basic (on nominal value of Rs. 2 per share) (A/D) | 8.31 | 11.19 |
| Diluted (on nominal value of Rs. 2 per share) (A/F) | 8.26 | 11.17 |
| - for discontinued operations | | |
| Basic (on nominal value of Rs. 2 per share) (B/D) | (0.17) | 15.13 |
| Diluted (on nominal value of Rs. 2 per share) (B/F) | (0.17) | 15.10 |
| - for continuing and discontinued operations | | |
| Basic (on nominal value of Rs. 2 per share) (C/D) | 8.15 | 26.32 |
| Diluted (on nominal value of Rs. 2 per share) (C/F) | 8.10 | 26.27 |

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STERLITE GRID 5 LIMITED
BALANCE SHEET AS ON 31 DECEMBER 2023
(All amounts in Rs. million unless otherwise stated)

| | Notes | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|-------|--------------------------------------|-----------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Financial assets | | | |
| i. Investments | 3 | 1,497.99 | 1,497.99 |
| | | 1,497.99 | 1,497.99 |
| Current assets | | | |
| Financial assets | | | |
| i. Trade receivables | 4 | 22.73 | 22.73 |
| ii. Cash and cash equivalents | 5 | 0.94 | 0.14 |
| iii. Other financial assets | 6 | 0.11 | 0.11 |
| Other current assets | 7 | 0.13 | 0.13 |
| | | 23.91 | 23.11 |
| Total assets | | | |
| | | 1,521.90 | 1,521.10 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 8 | 0.50 | 0.50 |
| Other equity | 9 | | |
| Equity component of loan | | 652.46 | 651.70 |
| Retained earnings | | (79.58) | (0.85) |
| | | 573.38 | 651.35 |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 10 | 926.99 | 848.21 |
| | | 926.99 | 848.21 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Trade payables | 11 | | |
| - total outstanding dues of micro enterprises and small enterprises | | - | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | | 21.53 | 21.54 |
| | | 21.53 | 21.54 |
| Total equity and liabilities | | | |
| | | 1,521.89 | 1,521.10 |

STERLITE GRID 5 LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in Rs. million unless otherwise stated)

| | Notes | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|---|-------|--------------------------------------|-----------------------------------|
| Income | | | |
| Total income | | <u>-</u> | <u>-</u> |
| Expenses | | | |
| Other expenses | 12 | 2.18 | 2.33 |
| Total expenses | | <u>2.18</u> | <u>2.33</u> |
| Earning before interest, tax, depreciation and amortisation (EBITDA) | | (2.18) | (2.33) |
| Finance costs | 13 | 76.55 | 108.10 |
| Loss before tax | | <u>(78.73)</u> | <u>(110.43)</u> |
| Tax expense | | | |
| -Income tax for earlier years | 14 | - | 0.34 |
| | | <u>-</u> | <u>0.34</u> |
| Loss for the year | | <u>(78.73)</u> | <u>(110.77)</u> |
| Other comprehensive income | | | |
| Other comprehensive income/(loss) to be reclassified to profit or loss | | - | - |
| Other comprehensive income/(loss) not to be reclassified to profit or loss | | - | - |
| Other comprehensive income/(loss) for the year, net of tax | | <u>-</u> | <u>-</u> |
| Total comprehensive income/(loss) for the year, net of tax | | <u>(78.73)</u> | <u>(110.77)</u> |

STERLITE GRID 5 LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in Rs. million unless otherwise stated)

Note 3: Non-current investment

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|---|--------------------------------------|-----------------------------------|
| Non-current | | |
| Investment in fellow subsidiary | | |
| -Equity investments, at cost (unquoted) | | |
| Sterlite Brazil Participacoes S.A. | | |
| [93.02 (31 March 2023: 93.02 million shares) million equity shares of RS\$1 each fully paid up] | 1,497.99 | 1,497.99 |
| Total | 1,497.99 | 1,497.99 |

Note 4: Trade receivables

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|-------------------|--------------------------------------|-----------------------------------|
| Current | | |
| Trade receivables | 22.73 | 22.73 |
| Total | 22.73 | 22.73 |

Note 5 : Cash and cash equivalents

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|--------------------------------------|-----------------------------------|
| Balance with banks on current accounts | 0.94 | 0.14 |
| Total | 0.94 | 0.14 |

Note 6: Other financial assets

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|----------------------------|--------------------------------------|-----------------------------------|
| Current | | |
| Management fees receivable | 0.11 | 0.11 |
| Total | 0.11 | 0.11 |

Note 7: Other assets

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|-------------------------------------|--------------------------------------|-----------------------------------|
| Current | | |
| Balance with government authorities | 0.13 | 0.13 |
| Total | 0.13 | 0.13 |

STERLITE GRID 5 LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in Rs. million unless otherwise stated)

Note 8: Share capital

| | Number of shares (Rs. in million) | Amount (Rs. in million) |
|--|--------------------------------------|----------------------------|
| Issued, subscribed and fully paid-up shares | | |
| 0.05 million (31 March 2023: 0.05 million) equity shares of Rs.10 each | 0.05 | 0.50 |
| Total issued, subscribed and fully paid-up share capital | 0.05 | 0.50 |

Note 9 : Other equity

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|--------------------------------------|-----------------------------------|
| Equity component of loan | 652.46 | 651.70 |
| Retained earnings | | |
| Balance as per last financial statements | (0.85) | 109.92 |
| Add: Profit/(loss) for the year | (78.73) | (110.77) |
| Total | (79.58) | (0.85) |

Note 10: Non current borrowings

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|--------------------------------------|-----------------------------------|
| Loan from immediate holding company (unsecured)* | 926.99 | 848.21 |
| Total | 926.99 | 848.21 |

Note 11: Trade payables

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|---|--------------------------------------|-----------------------------------|
| Current | | |
| Trade payables | | |
| - total outstanding dues of micro enterprises and small enterprises (MSME) | - | - |
| - total outstanding dues of creditors other than micro enterprises and small enterprises (MSME) | 21.53 | 21.54 |
| | 21.53 | 21.54 |

STERLITE GRID 5 LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
(All amounts in Rs. million unless otherwise stated)

Note 12: Other expenses

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|--------------------------------------|-----------------------------------|
| Legal and professional fees | 0.06 | 0.08 |
| Payment to auditors | | |
| - Statutory audit fees (including tax) | 0.02 | 0.02 |
| Corporate social responsibility (CSR) expense# | 2.11 | 2.21 |
| Rates and taxes | - | 0.01 |
| Total | 2.18 | 2.33 |

Note 13: Finance cost

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|--------------------------------------|-----------------------------------|
| Interest on financial liabilities measured at amortised cost | 76.55 | 108.10 |
| Total | 76.55 | 108.10 |

Note 14: Income taxes

| | 31 December 2023 (Rs. in million) | 31 March 2023 (Rs. in million) |
|--|--------------------------------------|-----------------------------------|
| The major components of income tax expense for the year ended 31 December 2023 and 31 March 2023 are: | | |
| Current income tax charge | - | - |
| Income tax for earlier years | - | 0.34 |
| Total | - | 0.34 |

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF STERLITE POWER TRANSMISSION LIMITED AT ITS MEETING HELD ON FRIDAY, 28 SEPTEMBER 2023 EXPLAINING THE EFFECT OF THE DRAFT SCHEME OF ARRANGEMENT BETWEEN STERLITE POWER TRANSMISSION LIMITED AND STERLITE GRID 5 LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS ON ITS EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1. Background

- 1.1. The Board of Directors of Sterlite Power Transmission Limited (“**Board**”) at its meeting held on Friday, 28 September 2023, have approved the Scheme of Arrangement between Sterlite Power Transmission Limited (“**Demerged Company**” or “**Company**” or “**SPTL**”) and Sterlite Grid 5 Limited (“**Resulting Company**”) and their respective shareholders and creditors (“**Scheme**”) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Act**”).
- 1.2. Pursuant to Section 232(2)(c) of the Act, the Board of the Company is required to adopt a report explaining the effect of the arrangement on each class of shareholders, key managerial personnel (“**KMPs**”), promoters and non-promoter shareholders of the Company laying out in particular the share entitlement ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.
- 1.3. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act.
- 1.4. Under the Scheme, it is proposed to:
 - (i) demerge, transfer and vest the Demerged Undertaking (*as defined in the Scheme*) from the Company into the Resulting Company on a *going concern* basis and the Resulting Company shall issue, in the form of shares, consideration thereof, to the shareholders of the Company; and
 - (ii) reduce and cancel the entire pre-scheme share capital of the Resulting Company;
- 1.5. The following documents were, *inter alia*, placed before the Board, of the Company for the purpose of identification:
 - (a) Draft Scheme;
 - (b) Share Entitlement Ratio Report dated 28 September 2023 issued by M/s. TPG & Co, Chartered Accountants, Registered Valuer (Registration No. IBBI/RV/06/2018/10207) (“**Share Entitlement Ratio Report**”), describing the methodology adopted by them in arriving at the share entitlement ratio;
 - (c) Certificate issued by M/s. SRBC & Co LLP, Chartered Accountants (ICAI Firm Registration No. 324982E/E300003), the Statutory Auditors of the Company, confirming the accounting treatment in the prescribed manner in the Scheme is in compliance with the accounting standards prescribed under Section 133 of the Act and other generally accepted accounting principles; and

2. Share Entitlement Ratio Report | Share Entitlement Ratio

- 2.1. The share entitlement ratio for issue of consideration pursuant to Part II of the Scheme is as follows:

“1 (One) Resulting Company New Equity Share for every 1 (One) fully paid-up equity share of face value of INR 2 (Indian Rupees Two only) each of the Demerged Company.”

The Share Entitlement Ratio Report has been duly considered by the Board, and the Board has come to the conclusion that the share entitlement ratio specified in the Scheme is fair and reasonable.

- 2.2. The Resulting Company New Equity Shares (*as defined in the Scheme*) shall be subject to the provisions of the memorandum of association and articles of association of Resulting Company, as the case may be, and shall rank *pari passu* in all respects with any existing equity shares of Resulting Company, as the case may be, after the Effective Date (*as defined in the Scheme*) including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the equity shares of the Resulting Company.
- 2.3. Upon allotment of the Resulting Company New Equity Shares, the entire pre-scheme paid up share capital of the Resulting Company as on the Effective Date shall stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Resulting Company, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme itself.
- 2.4. No special valuation difficulties were reported.

3. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company

- 3.1. The existing paid-up equity share capital of the Company shall not change, pursuant to the Scheme;
- 3.2. In consideration for the transfer and vesting of the Demerged Undertaking of the Company to the Resulting Company, all the equity shareholders (promoter and non-promoter) of the Company, as on the Record Date (*as defined in the Scheme*) shall receive equity shares of the Resulting Company in the same proportion as their holding in the Company; and
- 3.3. As on the date of this Report, the Company has no other class of shareholders.

4. Effect of the Scheme on the KMPs of the Company

None of the KMPs of the Company have any interest in the Scheme except to the extent of the equity shares held by them, if any, in the Company. The KMPs of the Demerged Company, pertaining to the Demerged Undertaking, shall become employees of the Resulting Company, on terms and conditions which are same or not less favourable than existing terms. Apart from the above, there shall be no effect of the Scheme on KMPs of the Company.

In the opinion of the Board, Scheme will be of advantage and beneficial to the Company, its shareholders and other stakeholders.

By Order of the Board of Directors

For and on Behalf of **STERLITE POWER TRANSMISSION LIMITED**

Sd/-

Name: Pravin Agarwal

Designation: Chairman

DIN: 00022096

Place: Pune

Date: September 28, 2023

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF STERLITE GRID 5 LIMITED AT ITS MEETING HELD ON TUESDAY, OCTOBER 03, 2023 EXPLAINING THE EFFECT OF THE DRAFT SCHEME OF ARRANGEMENT BETWEEN STERLITE POWER TRANSMISSION LIMITED AND STERLITE GRID 5 LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS ON ITS EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

1. Background

- 1.1. The Board of Directors of Sterlite Grid 5 Limited (“**Board**”) at its meeting held on Tuesday, October 03, 2023, have approved the Scheme of Arrangement between Sterlite Power Transmission Limited (“**Demerged Company**”) and Sterlite Grid 5 Limited (“**Resulting Company**” or “**Company**” or “**SGL5**”) and their respective shareholders and creditors (“**Scheme**”) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Act**”).
- 1.2. Pursuant to Section 232(2)(c) of the Act, the Board of the Company is required to adopt a report explaining the effect of the arrangement on each class of shareholders, key managerial personnel (“**KMPs**”), promoters and non-promoter shareholders of the Company laying out in particular the share entitlement ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.
- 1.3. This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act.
- 1.4. Under the Scheme, it is proposed to:
 - (i) demerge, transfer and vest the Demerged Undertaking (*as defined in the Scheme*) from the Demerged Company into the Resulting Company (SGL5) on a *going concern* basis and the Company shall issue, in the form of shares, consideration thereof, to the shareholders of the Demerged Company; and
 - (ii) reduce and cancel the entire pre-scheme share capital of the Company;
- 1.5. The following documents were, *inter alia*, placed before the Board of the Company for the purpose of identification:
 - (a) Draft Scheme;
 - (b) Share Entitlement Ratio Report dated September 28, 2023, issued by M/s. TPG & Co, Chartered Accountants, Registered Valuer (Registration No. IBBI/RV/06/2018/10207) (“**Share Entitlement Ratio Report**”), describing the methodology adopted by them in arriving at the share entitlement ratio;
 - (c) Certificate issued by M/s. KNPS & Associates, Chartered Accountants (ICAI Firm Registration No. 024073N), the Statutory Auditors of the Company, confirming the accounting treatment in the prescribed manner in the Scheme is in compliance with the accounting standards prescribed under Section 133 of the Act and other generally accepted accounting principles.

1. Share Entitlement Ratio Report | Share Entitlement Ratio

- 1.1. The share entitlement ratio for issue of consideration pursuant to Part II of the Scheme is as follows:

“1 (One) Resulting Company New Equity Share for every 1 (One) fully paid-up equity share of face value of INR 2 (Indian Rupees Two only) each of the Demerged Company.”

The Share Entitlement Ratio Report has been duly considered by the Board, and the Board has come to the conclusion that the share entitlement ratio specified in the Scheme is fair and reasonable.

- 1.2. The Resulting Company New Equity Shares (*as defined in the Scheme*) shall be subject to the provisions of the memorandum of association and articles of association of Company (SGL5), as the case may be, and shall rank pari passu in all respects with any existing equity shares of Company, as the case may be, after the Effective Date (*as defined in the Scheme*) including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the equity shares of the Company.
- 1.3. Upon allotment of the Resulting Company New Equity Shares, the entire pre-scheme paid up share capital of the Company as on the Effective Date shall stand cancelled and reduced, without any consideration, which shall be regarded as reduction of share capital of the Company, pursuant to Sections 230 to 232 of the Act as an integral part of the Scheme itself.
- 1.4. No special valuation difficulties were reported.

2. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company

- 2.1. The existing paid-up equity share capital of the Company shall stand cancelled and reduced on new shares being issued to the shareholders of the Demerged Company; and
- 2.2. Pursuant to the Scheme, all the equity shareholders (promoter and non-promoter) of the Demerged Company, as on the Record Date (*as defined in the Scheme*) shall receive equity shares of the Company in the same proportion as their holding in the Demerged Company;
- 2.3. As on the date of this Report, the Company has no other class of shareholders.

3. Effect of the Scheme on the KMPs of the Company

There are no KMPs of the Company (SGL5) as on the date of this Report. There shall be no effect of the Scheme on KMPs of the Company, if any, as on the Effective Date of the Scheme, pursuant to the Scheme.

In the opinion of the Board, Scheme will be of advantage and beneficial to the Company, its shareholders and other stakeholders.

By Order of the Board of Directors

For and on Behalf of **STERLITE GRID 5 LIMITED**

sd/-

Name: Amarendranath Tatimakula Reddy

Designation: Director

DIN: 07107290

Place: Gurugram

Date: September 28, 2023



28th September, 2023

**Sterlite Power Transmission Limited
Recommendation of Share Entitlement Ratio**

**TPG & CO, CHARTERED ACCOUNTANTS AND
REGISTERED VALUER, SFA, IBBI**

THANE

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Recommendation of Share Entitlement Ratio

September 2023

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Private and Confidential

28th September 2023

To,

Board of Directors

Sterlite Power Transmission Limited
5th Floor, 5 North Avenue,
Maker Maxity, Bandra Kurla Complex,
Bandra (East), Mumbai, Maharashtra - 400 051

Board of Directors

Sterlite Grid 5 Limited
4th Floor, Godrej Millenium,
Koregaon Road 9,
STS 12/1, Pune, Maharashtra - 411 001

Subject: Recommendation of the Share Entitlement Ratio pursuant to the Scheme of Arrangement ('Scheme') between Sterlite Power Transmission Limited and Sterlite Grid 5 Limited

Dear Sirs/ Madams,

We refer to our engagement letter dated 22nd June 2023 and addendum to the engagement letter dated 29th August 2023 whereby the management ('Management') of Sterlite Power Transmission Limited ('SPTL'/ 'Demerged Company') has requested TPG & Co./ Tejal Praful Gupta, Chartered Accountant and Registered Valuer (hereinafter referred to as 'TPG', 'We' or 'us' or 'our' or 'Valuer') for recommendation of Share Entitlement Ratio for the proposed demerger of infrastructure business undertaking ('Demerged Undertaking') into Sterlite Grid 5 Limited ('SGL 5'/ 'Resulting Company') pursuant to Scheme of Arrangement under sections 230 to 232 read with section 52 and other applicable provisions of the Companies Act, 2013 ('Scheme'). The appointed date for the Scheme is 1st January 2023.

SCOPE AND PURPOSE OF THIS REPORT

We understand that pursuant to the Scheme, SPTL proposes to demerge and transfer the Demerged Undertaking into SGL 5 ('Transaction') as specified in the Scheme. Under the Scheme, all the equity shareholders of SPTL will be issued equity shares of SGL 5 as consideration for the transfer of Demerged Undertaking.

TPG has been requested by SPTL to submit a letter recommending an equity share entitlement ratio ('Share Entitlement Ratio'), as at the date of this report, in connection with the Transaction. We understand that this Share Entitlement Ratio report ('Report') will be used by SPTL and SGL 5 for the abovementioned purpose only and to the extent mandatorily required under applicable laws of India, may be produced before, or shared with judicial, regulatory or government authorities, in connection with the Transaction.

SPTL and SGL 5 are together referred to as Specified Companies.

TPG has been hereafter referred to as 'Valuer' or 'we' in this Report.

Registered Office:

A-303, Prafulla Paradise, Behind Gagangiri Enclave, Khadakpada, Kalyan (West) -421301, Maharashtra
☎ +91 9320203434 📧 : tejalpgupta@gmail.com

TRANSACTION BACKGROUND

Sterlite Power Transmission Limited, a public company, is inter alia, engaged in the business of power products and solutions which mainly includes

- (i) manufacturing of power transmission conductors, optical ground wire cables and power cable;
- (ii) execution of Engineering, Procurement and Construction ('EPC') contracts for replacement of power transmission conductors, optical ground wire cables and power cable as a part of master system integration business; and
- (iii) execution of EPC contracts for construction of power transmission systems; and
- (iv) convergence services which allows for power utility infrastructure to be leveraged by telecommunication companies and other communication service providers.

SPTL, directly or indirectly, through its subsidiaries, acts as a developer on build own operate & maintain basis, for designing, financing, construction, and maintenance of power transmission systems for concessional periods ranging from 25 to 35 years.

SPTL is also referred to as Demerged Company. The equity shares of the SPTL are not listed on any stock exchanges.

Sterlite Grid 5 Limited, wholly owned subsidiary of SPTL, is inter alia engaged in the business of developing on build, own, operate and maintain basis, for designing, financing, construction and maintenance of power transmission system. SGL 5 is also referred to as The Resulting Company.

Demerged Undertaking means the all the assets and liabilities of the Demerged Company pertaining to the Infrastructure Business as on the Appointed Date.

As part of the Scheme, it is envisaged to demerge, transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company on a going concern basis.

(Demerger of Demerged Undertaking into Resulting Company is referred to as 'Transaction').

The above Scheme of Arrangement ('Scheme') is to be implemented under the provisions of sections 230 to 232 read with section 52 and other applicable provisions of the Companies Act, 2013.

Transaction intends to achieve the following benefits for the stakeholders:

- (i) unlocking the value of the Demerged Undertaking for the shareholders of the Demerged Company;
- (ii) attracting investors and providing better flexibility in accessing capital;
- (iii) segregating different businesses having different risk and return profiles, and providing investors with better flexibility to select investments which best suit their investment strategies and risk profile;
- (iv) effective utilisation of cash flows of different businesses and limiting restrictions arising out of different terms of different lenders for different businesses;

- (v) enabling focused growth strategy for each of the businesses for exploiting opportunities specific to each business;
- (vi) greater visibility on performance of each of the businesses;
- (vii) operational efficiency; and
- (viii) focused management approach for pursuing the growth in the respective business verticals and de-risk the businesses from each other

As per the Scheme, the appointed date for the Transaction would be 1st January 2023.

As a consideration of demerger, all the equity shareholders of SPTL would be issued equity shares of SGL 5.

Share Entitlement Ratio for this Report refers to number of equity shares of face value of INR 2/- each of SGL 5, which would be issued to the shareholders of SPTL, as a consideration for demerger of Demerged Undertaking.

We understand that consequent to the above Transaction, there will be no impact on the economic beneficial interest of the shareholders of SPTL.

For the aforesaid purpose, the Board of Directors of SPTL, has appointed TPG to recommend a Share Entitlement Ratio to be placed before the Audit Committee/ Board of Directors of SPTL as required under the provisions of sections 230 to 232 read with section 52 and other applicable provisions of the Companies Act, 2013.

The scope of our services is to provide an opinion on the Share Entitlement Ratio for issue of equity shares of SGL 5 to the equity holders of SPTL, for demerger of Demerged Undertaking in accordance with generally accepted professional standards.

The current valuation does not factor impact of any event which is unusual or not in normal course of business.

This Report is our deliverable for the above engagement.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. The final written report shall supersede all previous oral, written, draft or interim advice or report and no reliance will be placed by you on any such oral, draft or interim advice or report other than at your own risk. No such previous versions of the report should be relied on or used by you for any purpose. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

REGISTERED VALUER – TPG & Co., Chartered Accountants

TPG & Co., Chartered Accountants, is a proprietorship firm, located at A-303, Prafulla Paradise CHS, Behind Gagangiri Enclave, Khadakpada, Kalyan (West) – 421 301, District - Thane, Maharashtra, India. TPG & Co. is providing valuation advisory services.

We are practicing Chartered Accountants firm and I am also registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV/06/2018/10207.

Disclosure of Valuer Interest or Conflict

We hereby declare that we are independent of the Specified Companies for valuation and have not been under any direct or indirect influence, which may affect the valuation exercise. We also state that we have no financial interest in the Specified Companies under valuation. We also confirm that this engagement shall be in compliance with the model code of conduct issued by IBBI vide valuation rules.

SOURCES OF INFORMATION

In connection with this exercise, we have considered the following information received from the Management:

- Draft Scheme of Arrangement;
- Shareholding pattern of the Specified Companies as at latest available date;
- Interviews and correspondence with the Management to augment our knowledge on the operations of the Specified Companies and Demerged Undertaking;
- Other information, explanations and representations that were required and provided by the Management;
- Such other analyses and inquiries, as considered necessary.

The Management has been provided with the opportunity to review the draft report as part of our standard practice to make sure that factual inaccuracies/ omissions are avoided in the final report.

PROCEDURES ADOPTED FOR ARRIVING AT FAIR VALUATION

In connection with this exercise, we have adopted the following procedures for recommendation of Share Entitlement Ratio:

- Requested and received following from the Management
 - Draft Scheme of Arrangement;
 - Shareholding pattern of the Specified Companies as at latest available date
- Discussions with the Management on understanding of the businesses of the Specified Companies and Demerged Undertaking
- Obtained and analysed data available in public domain, as considered relevant by us;
- Selection of valuation approach and valuation methodology/ (ies), in accordance with ICAI Valuation Standards ('IVS'), as considered appropriate and relevant by us
- Determination of relative values of the equity shares of the Specified Companies and Demerged Undertaking

COMPANY BACKGROUND

SPTL

Sterlite Power Transmission Limited, a public company, is inter alia, engaged in the business of power products and solutions which mainly includes

- (i) manufacturing of power transmission conductors, optical ground wire cables and power cable;
- (ii) execution of Engineering, Procurement and Construction ('EPC') contracts for replacement of power transmission conductors, optical ground wire cables and power cable as a part of master system integration business; and
- (iii) execution of EPC contracts for construction of power transmission systems; and
- (iv) convergence services which allows for power utility infrastructure to be leveraged by telecommunication companies and other communication service providers.

SPTL, directly or indirectly, through its subsidiaries, acts as a developer on build own operate & maintain basis, for designing, financing, construction, and maintenance of power transmission systems for concessional periods ranging from 25 to 35 years.

Demerged Undertaking means the all the assets and liabilities of the Demerged Company pertaining to the Infrastructure Business and shall include investments (in form of shares or otherwise) in subsidiaries and joint ventures including investments in Sterlite Grid 13 Limited, Sterlite Grid 14 Limited, Sterlite Grid 18 Limited, Sterlite Grid 24 Limited, Sterlite Grid 26 Limited, Sterlite Grid 29 Limited and Sterlite Brazil Participacoes, S.A., Brazil.

Shareholding of SPTL

The issued and subscribed equity share capital of SPTL as at current date is INR 244.7 million consisting of 122.4 million equity shares of face value of INR 2 each. The shareholding pattern as at 22nd September 2023 is as follows:

| Particulars | No. of Shares of Face Value INR 2 each | % Holding |
|-----------------------------|---|------------------|
| Promoter and Promoter Group | 90,620,202 | 74.1% |
| Public | 31,743,602 | 25.9% |
| Total | 12,23,63,804 | 100.0% |

Source: Management Information

The Management has represented that SPTL does not have any warrants, options or other convertible instruments issued and outstanding as at the Report Date.

SGL 5

Sterlite Grid 5 Limited, wholly owned subsidiary of SPTL, is inter alia engaged in the business of developing on build, own, operate and maintain basis, for designing, financing, construction and maintenance of power transmission system.

Shareholding of SGL 5

The issued and subscribed equity share capital of SGL 5 as at current date is INR 0.5 million consisting of 2,50,000 equity shares of face value of INR 2 each and entirely held by SPTL.

The Management has represented that SGL 5 does not have any warrants, options or other convertible instruments issued and outstanding as at the Report Date.

SCOPE, LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, financial / tax due diligence, consulting or tax related services.

Our report is subject to the scope limitations 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.

This Report, its contents and the results herein are specific to:

- (i) the purpose of valuation agreed as per the terms of our engagement;
- (ii) the date of this Report;

Other than as stated above, the Management has represented that

- The business activities of Specified Companies have been carried out in the normal and ordinary course between 31st March 2023 and the Report Date and no material adverse change has occurred in their respective operations and financial position between 31st March 2023 and the Report Date.
- There would be no material variation between the draft Scheme of Arrangement and the final scheme approved and submitted with the relevant authorities.

The user to which this Report is addressed should read the basis upon which the Report has been issued and be aware of the potential for later variations due to factors that are unforeseen at the Report date. An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of the date hereof. Events and transactions 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.

In the ultimate analysis, valuation will have to capture the exercise of judicious discretion by the Valuer and judgment taking into accounts all the relevant factors. There will always be several factors, e.g. quality and integrity of the management, group support, long term contracts, size of the company, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions.

This recommendation rendered in this Report only represents our recommendation based on information furnished by the Management (or their executives/ representatives) till 28th September 2023 and other sources as at report date and the said recommendation 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). We have no obligation to update this Report.

Further, the determination of equity share entitlement ratio is not a precise science and the conclusions arrived at, in many cases will be subjective and dependent on the exercise of individual judgement. There is therefore no indisputable single equity share entitlement ratio. While our recommendation of Share Entitlement Ratio is based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Share Entitlement Ratio of the equity shares of SGL 5 to equity shareholders of SPTL. You acknowledge and agree that the you have the final responsibility for the determination of the Share Entitlement Ratio at which the 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 Transaction and input of other professional advisors.

In the course of this exercise, we were provided with both written and verbal information, including financial data. In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification:

- (i) the accuracy of the information that was publicly available and formed a substantial basis for this Report; and
- (ii) the accuracy of the information made available to us by the Specified Companies.

In accordance with our engagement letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated or verified the historical financial information of Specified Companies and Demerged Undertaking, provided to us by SPTL.

We have evaluated the information provided to us by the SPTL through broad inquiry, analysis and review. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements/carved out financial statements/ provisional income statements/MIS and statements of assets and liabilities of the Specified Companies and Demerged Undertaking. Also, with respect to explanations and information sought from SPTL, we have been given to understand by them that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of SPTL and reliance on publicly available information. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/ results. Accordingly, we assume no responsibility for any errors in the information furnished by and on behalf of SPTL and their impact on the Report. Nothing has come to our attention to indicate that the information provided was materially misstated/ incorrect or would not afford reasonable grounds upon which to base the Report. Also, we assume no responsibility for technical information (if any) furnished by SPTL.

We have carried out valuation in accordance with the principles laid in ICAI Valuation Standards, as applicable to the purpose and terms of this engagement.

The Report assumes that the Specified Companies complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Specified 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/ provisional/ carved out financial statement of Specified Companies/ Demerged Undertaking. Our conclusion assumes that the assets and liabilities of Specified Companies and Demerged Undertaking, reflected in their respective latest balance sheets remain intact as of the Report date.

We are not advisors with respect to legal, tax and regulatory matters for the Transaction.

This Report does not look into the business/ commercial reasons behind the Transaction. Similarly, it does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

No investigation of the Management claims to title of assets has been made for the purpose of this Report and the Management claims to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

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

We owe responsibility to only the Boards of Directors of SPTL and SGL 5 that has 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 a Valuer or her employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer 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.

This Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement. Further, it can not be used for purpose other than in connection with the Scheme, without our prior written consent except for the disclosures to be made to relevant regulatory authorities including Registrar of Companies, NCLT, MCA etc. In addition, we express no opinion or recommendation as to how the shareholders of either company should vote at any shareholders' meeting(s) to be held in connection with the Transaction.

APPROACH & METHODOLOGY

Valuation Bases

Valuation base means the indication of the type of value being used in an engagement. Different Valuation bases may lead to different conclusions of value.

The Valuation bases used for the Report is 'Relative Value' as per IVS 103 issued by ICAI RVO. In transactions of the nature of merger or amalgamation of companies or merger or demerger of businesses, the consideration is often discharged primarily by issue of securities in the nature equity of the acquirer or transferee entity with references to an exchange ratio or entitlement ratio, considering the relative values. Such relative values are generally arrived at by applying an appropriate valuation approach or a combination of valuation approaches.

Premise of Value

Premise of value refers to the conditions and circumstances how an asset is deployed. Considering the nature of this exercise, we have adopted 'Going Concern' Value as the premise of value.

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control.

The three main valuation approaches are the asset approach, income approach and market approach. There are several commonly used and accepted methods within the asset approach, income approach and market approach, for determining the relative fair value of equity shares, such as:

1. Asset Approach - Net Asset Value method
2. Income Approach - Discounted Cash Flows method
3. Market Approach
 - a. Market Price method
 - b. Comparable Companies Quoted Multiples method ('CCM')
 - c. Comparable Transaction Multiples method ('CTM')

Asset Approach - Net Asset Value (NAV) Methodology

The asset base valuation technique is based on the value of underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in case where the firm is to be liquidated that is, it does not meet 'going concern' criteria or in case where the assets base dominates earning capability.

Income Approach - Discounted Cash Flows ('DCF') Method

Income approach is a valuation approach that converts maintainable or future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted or capitalized) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

Using the DCF analysis involves determining the following:

- ***Estimating future free cash flows:***

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

- ***Appropriate discount rate to be applied to cash flows i.e. the cost of capital:***

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

Market Approach

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.

Market Price ('MP') Method

The market price of an equity shares as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

Comparable Companies' Quoted Multiple ('CCM')

Under CCM, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers incorporate all factors relevant to valuation. Further, relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Comparable Companies' Transaction Multiple ('CTM')

Under this method, value of the equity shares of a company/ business is arrived at by using multiple derived from valuation in comparable companies as manifest through transaction valuations. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

This valuation arrived at under the abovementioned methods could fluctuate with lapse of time, changes in prevailing market conditions and prospects, industry performance and general business and economic condition, financial and otherwise, of businesses/ companies, and other factors which generally influence the valuation of companies and their assets.

In the current case, on the basis of proposed capital structure of SGL 5 and considering the fact that shareholders of SPTL would be ultimate beneficial holders in SGL 5, there is no valuation exercise being undertaken and Share Entitlement Ratio is determined based on the intended capital structure of SGL 5. Kindly refer to below paras for further details.

SHARE ENTITLEMENT RATIO

Here, the Management proposes demerger of Infrastructure Business Undertaking of SPTL into SGL 5. The effect of demerger is that each shareholder of SPTL becomes owner of shares in two companies i.e. SPTL and SGL 5, instead of one i.e. SPTL. The Scheme does not envisage the dilution of the holding of any one or more shareholders as a result of the demerger.

Considering the above, any entitlement ratio can be considered for the above demerger, as the proportionate shareholding of any shareholder would not change.

We understand that,

- In consideration for the demerger of Demerged Undertaking, the Management proposes to issue 1 (One) equity share of SGL 5 (of INR 2/- each fully paid up) for 1 (one) equity share of SPTL (of INR 2/- each fully paid up), to the shareholders of SPTL. Once the Scheme is implemented, the existing shares of SGL 5 held by SPTL would be cancelled and the shareholding in SGL 5 would mirror the shareholding of SPTL.

The proposed demerger of Infrastructure Business Undertaking from SPTL into SGL 5 shall entail entitlement of equity shares of SGL 5 to all the equity shareholders of SPTL on a proportionate basis.

In the current instance, the issue of adjusting equity values between different shareholders that usually forms the prime consideration for determining fair entitlement ratio is not relevant and hence no valuation has been carried out.

Based on the aforementioned, and considering that all the shareholders of SPTL shall, upon demerger, be the ultimate beneficial economic owners of SGL 5 and that upon allotment of equity shares by SGL 5, in the proposed Share Entitlement Ratio, the shareholding pattern of the SGL 5 will be the same as that of SPTL and hence their economic ownership will remain unchanged, the proposed Share Entitlement Ratio of **1 (one)** equity share of SGL 5 of INR 2/- each fully paid up for every **1 (one)** equity share of the SPTL of INR 2/- each fully paid up for the demerger of Infrastructure Business Undertaking is fair.

Our Report and Share Entitlement Ratio is based on the envisaged equity share capital structure of SGL 5. Any material variation in the equity capital structures of Specified Companies apart from the abovementioned Scheme may impact the Share Entitlement Ratio.

Respectfully submitted,

For TPG & Co
Chartered Accountants
ICAI FRN 141265W

SD/-

Tejal Gupta
Proprietor
Membership No: 128157
Registered Valuer, SFA – IBBI/RV/06/2018/10207
UDIN: 23128157BGYGDP4111

Annexure I – Computation of Share Entitlement Ratio

On the basis of proposed capital structure of SGL 5 and considering the fact that shareholders of SPTL would be ultimate beneficial holders in SGL 5, there is no valuation exercise being undertaken and Share Entitlement Ratio is determined based on the intended capital structure of SGL 5.

Accordingly, valuation approaches as indicated in the format as prescribed by circular number LIST/COMP/02/2017-18 of BSE has not been undertaken as they are not relevant in the instant case.

| Valuation Approach | SGL 5* | | Demerged Undertaking * | |
|---|-----------|---------------|------------------------|---------------|
| | INR | weightage (%) | INR | weightage (%) |
| Asset Approach | NA | 0% | NA | 0% |
| Income Approach | NA | 0% | NA | 0% |
| Market Approach | | | | |
| - Market Price | NA | 0% | NA | 0% |
| - CCM | NA | 0% | NA | 0% |
| - CTM | NA | 0% | NA | 0% |
| Relative Value Per Share (INR) (Rounded) | NA | | NA | |

* face value INR 2 per share

NA: Not Applicable / Not adopted

Share Entitlement Ratio for demerger of Demerged Undertaking into SGL 5

1 (one) equity share of SGL 5 of INR 2 each fully paid up for each **1 (one)** equity share of SPTL INR 2 each fully paid up