

FOR ATTENTION OF SHAREHOLDERS OF STERLITE TECHNOLOGIES LIMITED

Sub: Apportionment of Cost of Acquisition of Equity Shares of Sterlite Technologies Limited ('STL' or 'Demerged Company') and STL Networks Limited ('Resulting Company' or 'STL Networks') consequent upon demerger of Global Service Business undertaking of Sterlite Technologies Limited and STL Networks Limited.

1. The Hon'ble National Company Law Tribunal, Mumbai Bench C - IV, vide its order dated February 14, 2025, sanctioned the Scheme of Arrangement between Sterlite Technologies Limited and STL Network Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Scheme') providing, inter-alia, for demerger, transfer and vesting of the Demerged Undertaking (as defined in the Scheme) from the Demerged Company into STL Networks on a going concern basis and issue of Resulting Company Equity Shares (as defined in the Scheme) by the Resulting Company to the equity shareholders of the Demerged Company, in consideration thereof, in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961.
2. In accordance with the Clause 16 of the Scheme, the Resulting Company shall issue and allot, "1 (one) fully paid-up equity shares of Rs. 2 (Two Rupees Only) each of the Resulting Company for every 1 (one) fully paid-up equity shares of Rs. 2 (Two Rupees Only) each held in the Demerged Company", to the shareholders of the Demerged Company whose names were recorded in the register of members and / or records of the depository as on the Record Date (i.e. April 24, 2025).
3. The above-mentioned demerger envisaged under the Scheme satisfies all conditions under Section 2(19AA) of the Income-tax Act, 1961 ("IT Act") and hence, the demerger is tax neutral in the hands of shareholders of the Demerged Company under the IT Act in view of the exemption granted under Section 47(vid) of the IT Act.
4. Accordingly, for the purposes of the IT Act, the Resulting Company has been advised that for a shareholder which holds the shares of the Demerged Company as 'capital asset':
 - (a) the date of acquisition of the Resulting Company Equity Shares received by the shareholders of Demerged Company will be the date of acquisition of the original shares of Demerged Company as per Clause (g) of Explanation 1 to Section 2(42A) of the IT Act.
 - (b) the cost of acquisition of the Resulting Company Equity Shares, as per Section 49(2C) of the IT Act, shall be the amount which bears to the cost of acquisition of shares of the Demerged Company, the same proportion as the net book value of the assets transferred in the demerger bears to the net worth of the Demerged Company immediately before the demerger.
 - (c) the cost of acquisition of the original shares of the Demerged Company held by a shareholder, as per Section 49(2D) of the IT Act, shall be deemed to have been reduced by the cost of acquisition of shares of the Resulting Company as referred to in subparagraph (b) above.

5. For the purpose of determining the cost of acquisition of the equity shares of the Demerged Company and Resulting Company (post demerger), you are advised to apportion your pre-demerger cost of acquisition of equity shares in the Demerged Company in the following manner:

Sr. No.	Name of company	% of Cost of Acquisition of Equity Shares
1.	Sterlite Technologies Limited	42.23
2.	STL Networks Limited	57.77

This communication is provided solely for the general guidance of shareholders, and it should not be considered a substitute for any independent opinion that shareholders may seek, and neither Demerged Company nor Resulting Company assume any express or implied liability in relation to this guidance. Shareholders are advised to consult their own consultants to understand specific tax implications, in their respective cases. Please note that if there is a change, including changes with retrospective effects, in statutory laws and regulations, the comments expressed in this guidance may need to be re-evaluated in light of such changes, however neither Demerged Company nor Resulting Company undertake the responsibility of updating this communication at any time in the future.

Capitalized terms used herein but not defined shall have the meaning assigned to them in the Scheme.