Fairness Opinion Report on 'Certificate' issued for

Proposed Scheme of Arrangement between

Sterlite Technologies Limited

And

Speedon Network Limited

And

Their Respective Shareholders and Creditors

Prepared by

SAFFRON
energising ideas

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SEBI Registered Category I Merchant Banker

SEBI Registration No: INM000011211

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Notice to Reader

This report is prepared by Saffron Capital Advisors Private Limited ("Saffron") solely for the purpose of giving a fairness opinion on "Certificate" issued for the proposed "Scheme of Arrangement" between Speedon Network Limited and Sterlite Technologies Limited and their respective shareholders and creditors. The fairness opinion report is required to be submitted to the stock exchanges to facilitate the companies under regulations 11, 37 and 94 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Securities Exchange Board of India ("SEBI") Circular No CIR/CFD/CMD/16/2015 dated 30th November 2015. This report is not to be used, circulated, and quoted otherwise than for the purpose stated herein. This report is subject to the scope of limitations detailed hereinafter. As such the report is to be read in totality and not in parts. This report has been prepared solely for the purpose set out in this report and should not be reproduced (in part or otherwise) in any other document whatsoever without Saffron's written consent.

For the purpose of this assignment, Saffron has relied on the Certificate dated October 24, 2016 prepared by M/s V. A. Dudhedia & Co., Chartered Accountants (FRN.: 112450W) represented by CA Vijaykumar Dudhedia, Partner, (Membership No.: 013898) having their office at 1249/1250, Good Luck Chowk, Above Lifestyle, Deccan, Pune-411004, for the proposed "Scheme of Arrangement" between Speedon Network Limited and Sterlite Technologies Limited and their respective shareholders and creditors, and information and explanation provided to it, the accuracy whereof has not been evaluated by Saffron. Saffron's work does not constitute certification or due diligence of the past working results and Saffron has relied upon the information provided to it as set out in audited and working results of the aforesaid reports.

Saffron has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification of such assets and liabilities.

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We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders of Speedon Network Limited and Sterlite Technologies Limited, to the Stock Exchanges and to the Registrar of Companies.

Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed scheme of arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The information contained in this report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for the purpose of giving a fairness opinion on Certificate issued for the proposed Scheme of Arrangement of Speedon Network Limited and Sterlite Technologies Limited, and their respective shareholders and creditors and may not be applicable or referred to or quoted in any other context.

For **Saffron Capital Advisors Private Limited**

Amit 26/10/2018

Amit Wagle
Vice President
Equity Capital Markets

Introduction and Scope of Assignment

1. **Demerged Company – Speedon Network Limited or "SNL":**

   Speedon Network Limited was incorporated on the July 11, 2011 under the Companies Act, 1956. The registered office of SNL is situated at Survey No. 68/1, Rakholi Village, Madhuban Dam Road, Silvassa-396230, Dadra and Nagar Haveli, India.

   SNL is inter alia engaged in the business of (i) deployment of passive telecom infrastructure network for providing last mile access to various Telecom Service Providers ('TSPs') and Internet Service Providers ('ISPs') to deliver high speed broadband services to ultimate consumers; and (ii) equipment leasing. The entire issued, subscribed and paid-up share capital of SNL is held by "Sterlite Technologies Limited", making it a wholly-owned subsidiary of Sterlite Technologies Limited.

2. **Resulting Company – Sterlite Technologies Limited or "STL":**

   Sterlite Technologies Limited was incorporated on March 24, 2000 under the Companies Act, 1956. The Registered office of STL is situated at E1, MIDC Industrial Area, Waluj, Aurangabad-431136, Maharashtra, India. Equity shares of Resulting Company are presently listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

   It is a pure-play telecom focused company that develops & delivers optical communication products, network & system integration services and software solutions. It designs, builds and manages smarter data networks for telecoms globally. Projects undertaken by Resulting Company include intrusion-proof secure network for the Armed Forces, rural broadband for BharatNet, Smart Cities' development, and establishing high-speed Fibre-to-the- Home (FTTH) networks. *(Source: Certified copy of the Scheme of Arrangement)*

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3. Capital Structure

3.1 The authorized, issued, subscribed and paid-up share capital of STL as on March 31, 2016 is as under:

Share Capital	Amount (Rs. in Cr.)
Authorized Share Capital	
75,00,00,000 Equity Shares of Rs. 2/-each	150.00
Total	**150.00**
Issued Share Capital	
39,51,88,396 Equity Shares of Rs. 2/-each.	79.04
Total	**79.04**
Subscribed and Fully Paid up Capital	
39,51,88,396 Equity Shares of Rs. 2/-each.	79.04
Total	**79.04**

(Source: Annual Report of STL, for the FY ended 2015-16 and www.bseindia.com)

3.2 The authorized, issued, subscribed and paid-up share capital of SNL as on March 31, 2016 is as under:

Share Capital	Amount (Rs. In Lacs)
Authorized Share Capital	
50,00,000 Equity Shares of Rs. 10/-each	500.00
Total	**500.00**
Issued Share Capital	
15,50,000 Equity Shares of Rs. 10/-each.	155.00
Total	**155.00**
Subscribed and Fully Paid up Capital	
15,50,000 Equity Shares of Rs. 10/-each.	155.00
Total	**155.00**

(Source: Audited Financials of SNL, for the FY ended 2015-16)

4. The Scheme of Arrangement provides for demerger, transfer and vesting of the Passive Infrastructure Business of the Demerged Company ("Demerged Undertaking")

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to the Resulting Company on a going concern basis, in accordance with the provisions of section 391 to 394 and other applicable provisions of the Companies Act, 1956, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") and such other approval/permissions, as may be required under applicable law, regulations, listing agreements and guidelines issued by the regulatory authorities.

5. The demerger of the Demerged Undertaking from the Demerged Company and consolidation of the same with the Telecom Product and Solutions business currently carried out by the Resulting Company would be in the best interest of the shareholders, creditors, employees and all other stakeholders of STL and SNL and is envisaged to yield specific benefits as follows:
   - Synergy benefits from integration of operations;
   - Optimal utilization of resources and better administration;
   - Rationalization and optimization of administrative expenses for both the companies by eliminating duplication of efforts.

6. Since the Resulting Company holds the entire share capital of the Demerged Company, upon the Scheme becoming effective, the Resulting Company shall not issue any shares or pay any consideration, directly or indirectly, to either the Demerged Company or its shareholders

7. Valuation has been decided based on the Certificate dated October 24, 2016 prepared by M/s V. A. Dudhedia & Co., Chartered Accountants (FRN.: 112450W) represented by CA Vijaykumar Dudhedia, Partner, (Membership No.: 013898) having their office at 1249/1250, Good Luck Chowk, Above Lifestyle, Deccan, Pune-411004 ("Certificate").

8. We, Saffron Capital Advisors Private Limited, a SEBI registered Category-I Merchant Banker, have been engaged by STL to give a fairness opinion on Certificate issued for the proposed Scheme of Arrangement between Speedon Network Limited and Sterlite Technologies Limited and their respective shareholders and creditors. The opinion mentioned herein reflects our independent opinion which is arrived at based on the information provided to us.

Exclusions and Limitations

- In this connection, Saffron has been requested by STL to submit a report by giving a fairness opinion on Certificate issued for the proposed proposed Scheme of Arrangement between Speedon Network Limited and Sterlite Technologies Limited and their respective shareholders and creditors.

- We have prepared the Fairness Opinion on the basis of the following information provided to us by STL and SNL/ collated by us from publicly available sources, like website of BSE/NSE & MCA:

  a) Certified copy of Scheme of Arrangement.
  b) Certificate issued by M/s V. A. Dudhedia & Co., Chartered Accountants (FRN.: 112450W).
  c) Annual Report for the period ended March 31, 2016 of STL.
  d) Audited Financials for the period ended March 31, 2016 of SNL.
  e) Such other information and explanations as we required and which have been provided by the management of STL and SNL.

- Our valuation exercise and conclusions reached by us are dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our report.

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- Our report will not be offered to any section of the public to subscribe for or purchase any securities in or assets or liabilities of any company or business valued by us. This report is prepared with a limited purpose/ scope as identified/ stated earlier and will be confidential being for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.

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Conclusion and Opinion on the Chartered Accountant's Certificate

Conclusion:

We have reviewed the Certificate dated October 24, 2016 issued by M/s V. A. Dudhedia & Co., Chartered Accountants and based on the information made available to us, to best of our knowledge and belief, in our opinion, the Certificate issued by them is **Fair and Reasonable.**

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