

**Independent Auditor's Report on compliance of the proposed accounting treatment under Section 232(6) of the Companies Act, 2013 with the accounting standards notified under Section 133 of the Companies Act, relevant rules thereunder and other generally accepted accounting principles in India**

To,  
The Board of Directors  
Sterlite Power Transmission Limited,  
DLF Cyber Park Tower-B, 9th Floor,  
Udyog Vihar Phase-III, Sector-20,  
Gurugram, Haryana, India, 122 008.

1. This Report is issued in accordance with the terms of our service scope letter dated October 9, 2023 and master engagement agreement dated September 05, 2022, with Sterlite Power Transmission Limited (hereinafter the "Company" or "SPTL" or the "Demerged Company") for submission to National Company Law Tribunal (hereinafter the "NCLT") and any other regulatory authorities in connection with the scheme of arrangement as mentioned in paragraph 2 below.
2. We, S R B C & CO LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the management of the Company, to examine the proposed scheme of accounting given in clause 9.1 of the attached draft Scheme of Arrangement dated September 28, 2023 (the "Scheme" or "Scheme of Arrangement") between the Company and Sterlite Grid 5 Limited ("Resulting Company") and their respective shareholders and creditors in terms of the provisions of sections 230 to 232 and all other applicable provisions of the Companies Act, 2013 ("the Act"), for compliance with the applicable accounting standards prescribed under section 133 of the Companies Act, 2013, relevant rules thereunder and other generally accepted accounting principles in India (collectively referred to as 'applicable accounting standards'), read with General Circular No 09/2019 issued by the Ministry of Corporate Affairs dated August 21, 2019 (MCA Circular). The Scheme has been initialed by us for identification purposes only.

**Management's Responsibility**

3. The preparation of the Scheme is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The management of the Company is also responsible for ensuring that the Company complies with the requirements of the Act, and for providing all relevant information to the NCLT and any other regulatory authority in connection with the Scheme.

**Auditors Responsibility**

5. Pursuant to the requirements of Section 230 of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, our responsibility is to provide reasonable assurance in the form of an opinion on whether the proposed accounting treatment specified in clause 9.1 of the Scheme is in compliance with the applicable accounting standards read with MCA circular.

6. We audited the standalone and consolidated financial statements of the Company as of and for the financial year ended March 31, 2023, on which we issued an unmodified audit opinion vide our reports dated August 11, 2023. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
7. We conducted our examination of the Statements in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (“ICAI”). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion on the specified elements, accounts or items thereof for the purpose of this report. Accordingly, we do not express such opinion. Further, our examination did not extend to any aspects of legal or propriety nature of the Scheme and other compliances thereof. Nothing contained in this report, nor anything said or done in the course of, or in connection with the services that are subject to this report, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
10. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures selected depend on the auditor’s judgement, including the assessment of the risks associated with the applicable criteria. Accordingly, we have performed the following procedures:
  - a. Obtained and read the draft Scheme and the proposed accounting treatment specified in clause 9.1 therein.
  - b. Obtained copy of resolution passed by the Board of Directors of the Company dated September 28, 2023 approving the Scheme.
  - c. Examined whether the proposed accounting treatment as per clause 9.1 of the Scheme is in compliance with the applicable Accounting Standards.
  - d. Performed necessary inquiries with the management and obtained necessary representations from the management.

## **Opinion**

11. Based on our examination and according to the information and explanations given to us, read with paragraph 10 above, in our opinion, the proposed accounting as contained in the Annexure, is in compliance with Accounting Standards prescribed under section 133 of the Companies Act, 2013, relevant rules thereunder and other generally accepted accounting principles.

## **Restriction on Use**

12. This report has been issued at the request of the Company and is addressed to and provided to the Board of Directors of the Company solely for the purpose mentioned in paragraph 2 above and to be submitted to the NCLT and any other regulatory authority in connection with the Scheme, and should not be used for any other person or purpose or distributed to anyone or referred to in any document without our prior written consent. Our examination relates to the matters specified in this report, and does not extend to the Company as a whole. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S R B C & C O L L P**

Chartered Accountants

**ICAI Firm Registration Number: 324982E/E300003**

**Paul  
Alvares**

Digitally signed by Paul Alvares  
DN: cn=Paul Alvares, c=IN,  
o=Personal,  
email=paul.alvares@srb.in  
Date: 2023.10.10 17:44:32 +05'30'

**per Paul Alvares**

Partner

Membership Number: 105754

UDIN: 23105754BGQUQX8974

Place of Signature: Pune

Date: October 10, 2023

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

### 9.1 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 12 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.

For **Sterlite Power Transmission Limited**

**ASHOK  
GANESAN**

Digitally signed by ASHOK GANESAN  
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**Ashok Ganesan**  
Company Secretary

