

April 19, 2017

Department of Corporate Services BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai- 400 001. Scrip Code: 532374	The Listing Department National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G Bandra Kurla Complex, Bandra (East), Mumbai- 400 051. Scrip Code: STRTECH
--	--

Dear Sir/ Madam,

Sub: Intimation of Revision of Credit Rating

Pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that CRISIL has revised its rating outlook on the long-term bank facilities of the Company to '**Positive**' from 'Stable', while reaffirming the rating at 'CRISIL AA-'. The rating on the company's commercial paper programme has been reaffirmed at 'CRISIL A1+'.

The aforesaid information is also disclosed on the website of the Company - www.sterlitetech.com and on CRISIL's website at the link [https://www.crisil.com/Ratings/RatingList/RatingDocs/Sterlite Technologies Limited April 18 2017 RR.html](https://www.crisil.com/Ratings/RatingList/RatingDocs/Sterlite%20Technologies%20Limited%20April%2018%2017%20RR.html)

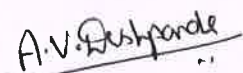
A copy of Credit Rating published on CRISIL's website and a copy of the Company's Press Release in this behalf, are enclosed herewith.

Kindly take the above on record.

Thanking you,

Yours faithfully,

For **Sterlite Technologies Limited**



Amit Deshpande
Company Secretary (ACS No. 17551)



Enclosures: as above

Ratings

Rating Rationale

April 18, 2017 | Mumbai

Sterlite Technologies Limited

Rating outlook revised to 'Positive', rating reaffirmed

Rating Action

Total Bank Loan Facilities Rated	Rs.3038.13 Crore
Long Term Rating	CRISIL AA-/Positive (Outlook revised from 'Stable' and rating reaffirmed)
Rs.450 Crore Commercial Paper Programme (Enhanced from Rs.350 crore)	CRISIL A1+ (Reaffirmed)

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL has revised its rating outlook on the long-term bank facilities of Sterlite Technologies Limited (STL) to **'Positive'** from 'Stable', while reaffirming the rating at 'CRISIL AA-'; the rating on the company's commercial paper programme has been reaffirmed at 'CRISIL A1+'.

The outlook revision reflects CRISIL's belief that STL's financial risk profile could improve over the medium term on the back of improvement in profitability and net cash accruals, given its healthy business prospects. Increased profitability without significant increase in overall debt levels is estimated to have improved STL's net debt to earnings before interest, depreciation, amortisation and taxes (EBITDA) to marginally below 2 times in fiscal 2017 (~2.5 times in fiscal 2016). Sustenance of net debt to EBITDA below 2 times will be a key monitorable.

STL's profitability is expected to improve because of strong growth prospects in all the segments the company operates in, particularly the services division. Implementation of smart cities, government's focus to improve digital connectivity of rural areas, opportunities in the defense sector, capital expenditure plans of the telecom service providers and fibre to the home connectivity in developed markets underpin these prospects. Further, STL's dominant market position and presence across the spectrum of broadband infrastructure services such as products, services and software places it in a unique position to capture the prospects.

Analytical Approach

For arriving at its ratings, CRISIL has combined the business and financial risk profiles of STL, its subsidiaries and its joint ventures (JVs), Jiangsu Sterlite & Tongguang Optical Fibers Co Ltd (JSTOFCL), and Sterlite Conduspar Industrial Ltd (Sterlite Conduspar). This is because of STL's significant control over the management of these entities, which are in the same line of business as, and strategically important to, STL.

Key Rating Drivers & Detailed Description

Strengths

*** Leadership position in Indian telecommunication (telecom) cable business:** STL has a dominant market share in India's optical fibre and optical fibre cable (OFC) market. The company has also established its footprint in the overseas market in these segments, thus increasing the diversification in its client base and reducing customer concentration risks. Its market dominance stems from technological superiority of its products, making the company one of the most preferred suppliers of OF to OFC manufacturers, and of OFC to telecom operators; thereby aiding sustenance of high market share.

Its leadership position is further aided by its presence across the spectrum of broadband infrastructure services enabling it to provide one-stop solution to many of its clients. For instance, the company can provide products (OFC), system integration services and software services to a single smart city project. CRISIL expects STL to sustain its market leadership position in the OF and OFC market on the back of superior technology as well as presence across the spectrum of broadband infrastructure services.

*** Healthy operating capabilities and potential benefits from growth prospects for end-user industries:** STL is amongst the lowest cost producer of OF and OFC in the industry, owing to high degree of backward integration. Manufacturing OF from the glass stage offers advantage in terms of both cost and quality. STL also has capabilities to produce silicon tetrachloride, the basic raw material for quartz glass manufacturing. Additionally, dual technological capabilities in fibre manufacturing offer flexibility in manufacturing and benefit via cost saving.

Further, STL has strong growth prospects in all the segments it operates in, particularly in the services division. With the expected increase in the penetration of broadband services, increased government focus on rural digitisation and implementation of smart city projects on a large scale, the medium-term demand outlook for the company's business is healthy. Strong growth prospects has also translated into a healthy order book. Order book has increased to Rs 2674 crore as

on December 31, 2016 from Rs ~2,009 crore as on December 31, 2015 providing healthy revenue visibility over the medium term.

Weaknesses

*** Intense competition in the exports market for OF and OFC segments:** STL's OF and OFC business faces stiff competition from established players in the export market, while in the domestic market these segments remain exposed to capex cycles of telecom service providers. Globally, most contracts are finalised through an intensely competitive bidding process, which limits the pricing power of the players. In the domestic market, while STL is the largest player, it does face competition from other players such as Vindhya Telelinks Ltd, Aksh Optifibre Ltd and Finolex Cables Ltd.

*** Working capital-intensive operations:** Operations remain working capital intensive, with large part of the revenue expected to come from the network for spectrum project (80% of which is attributable to services segment), where working capital requirement is relatively higher. Gross current assets, receivables and inventory of around 206, 114, and 54 days, respectively, as on March 31, 2016, reflect the working capital-intensive operations. Working capital intensity is likely to remain high over the medium term as revenue contribution from services businesses is expected to increase and large part of the revenue is expected to come from the network for spectrum project, where working capital intensity is relatively higher.

Outlook: Positive

CRISIL believes that STL's financial risk profile could improve over the medium term due to increase in its operating profits without significant increase in debt levels.

Upside scenario

Significant and sustainable improvement in STL's financial risk profile most likely due to increased net cash accruals and faster debt reduction and such improvement results in sustenance of net debt to EBITDA at below 2 times despite company's capex plans over the medium term.

Downside scenario

STL's operating performance deteriorates or if the company undertakes any large, debt-funded capex programme or acquisition.

About the Company

STL is a leading manufacturer of OF and OFC. It also has a 75:25 JV, JSTOFCL, with Jiangsu Tongguang Communication Co Ltd of China. JSTOFCL, which has set up a manufacturing facility, with capacity of 4 million fibre kilometres (mfkm) of OFC in China, commenced operations in April 2013. STL has also set up a 50:50 JV with Condispar Condutores Eletricos in July 2013 for manufacturing OFC in Brazil. In fiscal 2015, STL acquired Elitecore Technologies Pvt Ltd which is a global provider of software products.

For the nine months ended December 31, 2016, STL, reported a net profit of Rs 137.7 crore on net sales of Rs 1,854 crore against a net profit of Rs 98.97 crore on net sales of Rs 1,636 crore for the previous corresponding period. For fiscal 2016, STL, reported a net profit of Rs 157 crore on an operating income of Rs 2,161 crore. The figures for fiscal 2016 reflect the demerged entity of STL, hence, these are not comparable with fiscal 2015 figures.

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Cr)	Rating Assigned with Outlook
NA	Commercial Paper Programme	NA	NA	7-365 days	450.0	CRISIL A1+
NA	Cash Credit	NA	NA	NA	560.0	CRISIL AA-/Positive
NA	Letter of Credit & Bank Guarantee	NA	NA	NA	2,310.0	CRISIL AA-/Positive
NA	Term Loan	NA	NA	30-Sep-2018	168.13	CRISIL AA-/Positive

Annexure - Rating History for last 3 Years

Instrument	Current			2017 (History)		2016		2015		2014		Start of 2014
	Type	Quantum	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Bond	LT		—		—	23-11-16	Withdrawal	26-05-15	CRISIL A+/Watch Developing		No Rating Change	CRISIL A+/Negative
Commercial Paper	ST	450	CRISIL A1+		No Rating Change	23-11-16	CRISIL A1+	26-05-15	CRISIL A1+/Watch Developing		No Rating Change	CRISIL A1
Fund-based Bank Facilities	LT/ST	728.13	CRISIL AA-/Positive		No Rating Change	23-11-16	CRISIL AA-/Stable	26-05-15	CRISIL A+/Watch Developing		No Rating Change	CRISIL A+/Negative
Non Fund-	LT/ST	2310	CRISIL		No	23-11-16	CRISIL	23-10-15	CRISIL		No	CRISIL A1

based Bank Facilities			AA-/Positive		Rating Change		AA-/Stable		A+/Watch Developing		Rating Change	
								26-05-15	CRISIL A1/Watch Developing			

Table reflects instances where rating is changed or freshly assigned. 'No Rating Change' implies that there was no rating change under the release.

Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating
Cash Credit	560	CRISIL AA-/Positive	Cash Credit	560	CRISIL AA-/Stable
Letter of credit & Bank Guarantee	2310	CRISIL AA-/Positive	Letter of credit & Bank Guarantee	2310	CRISIL AA-/Stable
Term Loan	168.13	CRISIL AA-/Positive	Term Loan	168.13	CRISIL AA-/Stable
Total	3038.13	--	Total	3038.13	--

Links to related criteria
CRISILs Approach to Financial Ratios
CRISILs Bank Loan Ratings - process, scale and default recognition
CRISILs Criteria for Consolidation
Criteria for rating Short-Term Debt (including Commercial Paper)

For further information contact:

Media Relations	Analytical Contacts	Customer Service Helpdesk
Saman Khan Media Relations CRISIL Limited D: +91 22 3342 3895 B: +91 22 3342 3000 saman.khan@crisil.com	Subodh Rai Senior Director - CRISIL Ratings CRISIL Limited B: +91 124 672 2000 subodh.raai@crisil.com	Timings: 10.00 am to 7.00 pm Toll free Number: 1800 267 1301 For a copy of Rationales / Rating Reports: CRISILratingdesk@crisil.com
Tanuja Abhinandan Media Relations CRISIL Limited D: +91 22 3342 1818 B: +91 22 3342 3000 tanuja.abhinandan@crisil.com	Manish Kumar Gupta Director - CRISIL Ratings CRISIL Limited B: +91 124 672 2000 manish.gupta@crisil.com	For Analytical queries: ratingsinvestordesk@crisil.com
Jyoti Parmar Media Relations CRISIL Limited D: +91 22 3342 1835 B: +91 22 3342 3000 jyoti.parmar@crisil.com	Saurabh Piplani Rating Analyst - CRISIL Ratings CRISIL Limited D: +91 124 672 2114 Saurabh.Piplani@crisil.com	

Note for Media:

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper / magazine / agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL. However, CRISIL alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites, portals etc.

About CRISIL Limited

CRISIL is a global, agile and innovative analytics company driven by its mission of making markets function better. We are India's foremost provider of ratings, data, research, analytics and solutions. A strong track record of growth, culture of innovation and global footprint sets us apart. We have delivered independent opinions, actionable insights, and efficient solutions to over 100,000 customers.

We are majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

Connect with us: [TWITTER](#) | [LINKEDIN](#) | [YOUTUBE](#) | [FACEBOOK](#)

About CRISIL Ratings

CRISIL Ratings is part of CRISIL Limited ("CRISIL"). We pioneered the concept of credit rating in India in 1987. CRISIL is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI"). With a tradition of independence, analytical rigour and innovation, CRISIL sets the standards in the credit rating business. We rate the entire range of debt instruments, such as, bank loans, certificates of deposit, commercial paper, non-convertible / convertible / partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 24,500 large and mid-scale corporates and financial institutions. CRISIL has also instituted several innovations in India in the rating business, including rating municipal bonds, partially guaranteed instruments and microfinance institutions. We also pioneered a globally unique rating service for Micro, Small and Medium Enterprises (MSMEs) and significantly extended the accessibility to rating services to a wider market. Over 95,000 MSMEs have been rated by us.

CRISIL PRIVACY NOTICE

CRISIL respects your privacy. We use your contact information, such as your name, address, and email id, to fulfil your request and service your account and to provide you with additional information from CRISIL and other parts of S&P Global Inc. and its subsidiaries (collectively, the "Company") you may find of interest.

For further information, or to let us know your preferences with respect to receiving marketing materials, please visit www.crisil.com/privacy. You can view the Company's Customer Privacy at <https://www.spglobal.com/privacy>

Last updated: April 2016

DISCLAIMER

This disclaimer forms part of and applies to each credit rating report and/or credit rating rationale that we provide (each a "Report"). For the avoidance of doubt, the term "Report" includes the information, ratings and other content forming part of the Report. The Report is intended for the jurisdiction of India only. This Report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary licenses and/or registration to carry out its business activities referred to above. Access or use of this Report does not create a client relationship between CRISIL and the user.

We are not aware that any user intends to rely on the Report or of the manner in which a user intends to use the Report. In preparing our Report we have not taken into consideration the objectives or particular needs of any particular user. It is made abundantly clear that the Report is not intended to and does not constitute an investment advice. The Report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind or otherwise enter into any deal or transaction with the entity to which the Report pertains. The Report should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).

Ratings from CRISIL Rating are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities / instruments or to make any investment decisions. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. CRISIL assumes no obligation to update its opinions following publication in any form or format although CRISIL may disseminate its opinions and analysis. CRISIL rating contained in the Report is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment or other business decisions. The recipients of the Report should rely on their own judgment and take their own professional advice before acting on the Report in any way.

Neither CRISIL nor its affiliates, third party providers, as well as their directors, officers, shareholders, employees or agents (collectively, "CRISIL Parties") guarantee the accuracy, completeness or adequacy of the Report, and no CRISIL Party shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the Report. EACH CRISIL PARTY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall any CRISIL Party be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Report even if advised of the possibility of such damages.

CRISIL Ratings may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors. CRISIL's public ratings and analysis are required to be disclosed under the regulations of the Securities and Exchange Board of India (and other applicable regulations, if any) are made available on its web sites, www.crisil.com (free of charge). Reports with more detail and additional information may be available for subscription at a fee – more details about CRISIL ratings are available here: www.crisilratings.com.

CRISIL and its affiliates do not act as a fiduciary. While CRISIL has obtained information from sources it believes to be reliable, CRISIL does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives and / or relies in its Reports. CRISIL keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of CRISIL may have information that is not available to other CRISIL business units. CRISIL has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process. CRISIL has in place a ratings code of conduct and policies for analytical firewalls and for managing conflict of interest. For details please refer to: <http://www.crisil.com/ratings/highlightedpolicy.html>

CRISIL's rating criteria are generally available without charge to the public on the CRISIL public web site, www.crisil.com. For latest rating information on any instrument of any company rated by CRISIL you may contact CRISIL RATING DESK at CRISILratingdesk@crisil.com, or at (0091) 1800 267 1301.

This Report should not be reproduced or redistributed to any other person or in any form without a prior written consent of CRISIL.

All rights reserved @ CRISIL

PRESS RELEASE

FOR IMMEDIATE DISSEMINATION

CRISIL upgrades Sterlite Tech's long-term rating outlook to CRISIL AA-/Positive

Pune, India – April 19, 2017: Sterlite Tech [BSE: 532374, NSE: STRTECH], an end-to-end global technology leader in smarter digital networks, has received CRISIL's rating upgrade to CRISIL AA-/Positive on its long-term bank facilities while reaffirming the rating at 'CRISIL AA-'. The rating on the Company's commercial paper programme has been reaffirmed at 'CRISIL A1+'.

The outlook revision reflects CRISIL's belief that Sterlite Tech's financial risk profile could improve over the medium term on the back of improvement in profitability and net cash accruals, given its healthy business prospects. Elaborating on the business outlook, **Anupam Jindal, CFO, Sterlite Tech**, said, "Based on our integrated design, build and manage strategy, we are uniquely positioned to cater to the Rs 1.3 lakh-crore opportunities arising across key Digital India initiatives like BharatNet, Smart Cities and Defence space. With the focus of the global telecom industry shifting towards smarter networks that address the challenges of hyper-connectivity and broadband network requirements of 5G and IoT, we are leading the industry with our breakthrough digital technologies."

With a pure-play telecom focused business that develops and delivers smarter optical communication products, network and system integration services and OSS/BSS software solutions, Sterlite Tech is a global player in enabling the internet economy through the creation of future-proof digital infrastructures for urban and rural areas, last-mile connectivity and monetization requirements across all smarter networks.

More details on the rating upgrade and rationale can be accessed on:

<https://www.sterlitetech.com/pdf/other-disclosure/Sterlite-Technologies-RR-120417.pdf>

About Sterlite Technologies:

Sterlite Technologies Ltd [BSE: 532374, NSE: STRTECH], is a global technology leader in smarter digital networks. With a pure-play telecom focused business that develops & delivers optical communication products, network & system integration services and OSS/BSS software solutions, Sterlite Tech has a sales network in six continents. The Company has manufacturing presence in India, China & Brazil, and aims to transform everyday living by delivering smarter networks. With a strong portfolio of over 130 patents, Sterlite Tech is home to India's only Centre of Excellence for broadband research. Projects undertaken by the company include intrusion-proof smarter data network for the Armed Forces, rural broadband for BharatNet, Smart Cities' development, and establishing high-speed Fibre-to-the-Home (FTTH) networks.

For more details, visit www.sterlitetech.com





Sterlite Technologies Ltd

Godrej Millenium,
9, Koregaon Road, Pune 411 001,
Maharashtra, India
Phone: +91-20-30514000
Fax: +91-20-30514113
www.sterlitetech.com

Contacts:

Investor Relations

Vishal Aggarwal

Phone: +91.20. 30514000

Email: vishal.aggarwal@sterlite.com

Corporate Communications

Sumedha Mahorey

Phone: +91. 22. 30450404

Email: sumedha.mahorey@sterlite.com

