November 17, 2026

Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers Dalal Street,
Mumbai - 400001

Listing Department
National Stock Exchange of India Limited
C-1, Block G, Bandra -Kurla Complex
Bandra (East), Mumbai- 400051

Scrip Code: 544395, 977344 and 977517

Scrip Symbol: STLNETWORK

Subject: Intimation under Regulation 30 and 51 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding revision in credit rating.

Dear Sir/ Madam,

Pursuant to Regulation 30 and 51 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Master Circular No. HO/49/14/14(7)2025-CFDPOD2/I/3762/2026 dated January 30, 2026, we would like to inform the Exchanges about the revision in credit ratings of the Company's Non-convertible debentures and Bank Loan Facilities as communicated by India Ratings and Research Private Limited vide their Press Release dated November 16, 2026.

Facilities / Instrument	Previous Rating	Current Rating	Rating Action	Reason of Downgraded Rating
Non-convertible debentures	IND A-/Stable	IND BBB+/Stable	Downgraded	Weaker than expected performance.
Bank loan facilities	IND A-/Stable/ IND A2+	IND BBB+/Stable/IND A2+	Long-term rating downgraded; short-term rating affirmed	

The Press Release issued by India Ratings and Research Private Limited dated November 16, 2026 is enclosed herewith.

This disclosure will also be hosted on the Company's website viz. www.inveniatech.com.

You are requested to take the same on your record.

Thanking You,

For STL Networks Limited

GOPAL CHANDRA RASTOGI
Digitally signed by GOPAL CHANDRA RASTOGI
Date: 2026.11.17 14:51:49 +05'30'

Gopal Rastogi
Chief Financial Officer

India Ratings Downgrades STL Networks's NCDs and Bank Loan Facilities to 'IND BBB+'; Outlook Stable

Nov 16, 2026 | STL Networks Limited | Telecom - Infrastructure

India Ratings and Research (Ind-Ra) has downgraded STL Networks Limited's (STLN) rating to 'IND BBB+' from 'IND A-'. The Outlook is Stable. The instrument-wise rating actions are as follows:

Details of Instruments

Instrument Type	Regulator of Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (INR million)	Rating Assigned with Outlook/Watch	Rating Action
Non-convertible debentures	Refer ISIN annexure	-	-	-	3,000	IND BBB+/Stable	Downgraded
Bank loan facilities	RBI	-	-	-	25,000	IND BBB+/Stable/IND A2+	Long-term rating downgraded; short-term rating affirmed

*Details in annexure

Analytical Approach

Ind-Ra continues to take a fully consolidated view of STLN and its wholly-owned subsidiaries - Sterlite Technologies UK Ventures Limited, STL UK Holdco Limited, Clearcomm Group Limited and STL Networks DC Limited - to arrive at the ratings, in view of the strong operational and strategic linkages among them.

Detailed Rationale of the Rating Action

The downgrade reflects STLN's weaker-than-Ind-Ra-expected operating performance during FY26 and 1HFY27, coupled with a slower-than-anticipated working capital release, resulting in deterioration in credit metrics, with the interest coverage (EBITDA/finance cost) remaining below 1.0x during the period.

The Stable Outlook reflects Ind-Ra's expectation of an improvement in the consolidated operating performance over 2HFY27-FY29, supported by (a) a shift in STLN's strategic focus towards increasing contribution from technology-led businesses such as data centre network setup, maintenance and system integration orders, along with a gradual reduction in working-capital heavy projects, (b) execution of the existing order book, and (c) favourable industry tailwinds. The system integration and data center businesses offer a sizeable addressable market and relatively shorter execution timelines, with growth prospects further supported by new order wins of INR8.5 billion-10 billion since January 2026.

The ratings arealso supported by STLN's adequate liquidity buffer in the form of free liquidity and undrawn working capital lines. Furthermore, Ind-Ra expects STLN to benefit from its association with Sterlite Group.

However, the ratings are constrained by STLN's modest credit metrics, elongated working capital cycle (on a normalised basis), and lock-up of a significant chunk of working capital in a few projects. Nevertheless, Ind-Ra expects the net leverage (gross debt, including acceptances and lease liabilities less unencumbered cash and equivalent/EBITDA) and

interest coverage to improve over the medium term, supported by an improvement in the EBITDA, led by revenue growth, gradual working capital release, and promoter equity infusion of INR1,080 million over FY27-FY28, which remains key monitorable.

List of Key Rating Drivers

Strengths

- Healthy business profile
- Favourable industry tailwinds
- Improvement in operating performance likely over FY28-FY29
- Adequate liquidity

Weaknesses

- Working capital lock-up in slow-moving and disputed projects
- Elongated working capital cycle
- Weak credit metrics; although gradual improvement likely over near to medium term
- Order book concentration

Detailed Description of Key Rating Drivers

Healthy Business Profile: STLN's healthy business profile is underpinned by a) its more than a decade of experience in designing, deploying, and managing secure networks for defence, enterprises, and telecom companies; b) a track record of laying of over 1,32,000 fibre route km; completion of 3,00,000 home passes, and establishing and/or managing a network of about 50 data centres; c) comprehensive end-to-end services capabilities from design and implementation to ongoing maintenance; d) robust service standards substantiated by the mission-critical projects completed in the past; and e) a reputed clientele which includes Bharti Airtel Limited (CP rated at 'IND A1+'), Bharat Sanchar Nigam Limited (debt rated at 'IND BBB+'/Stable), PowerGrid Corporation of India Limited, and RailTel Corporation of India Limited.

Favourable Industry Tailwinds: STLN is well-positioned to capitalise on the strong growth prospects in India's data centre industry, supported by accelerating digital transformation and increasing data consumption. The industry continues to witness strong structural demand, driven by increasing adoption of AI and generative AI workloads, cloud adoption, enterprise digitalisation and migration to third-party data centres, along with data localisation requirements. Separately, government initiatives such as BharatNet Phase III, the Smart Cities Mission and Digital India, coupled with the nationwide 5G rollout and increasing fibre-to-the-home penetration, are likely to drive sustained investments in high-speed connectivity and network infrastructure.

Improvement in Operating Performance Likely over FY28-FY29: STLN's revenue declined 18.7% yoy to INR9.6 billion in FY26, primarily due to slower-than-expected project execution and subdued demand from private-sector customers. This, coupled with impairment of financial assets of INR0.2 billion, led to a decline in the EBITDA margin to 4.0% in FY26 (FY25: 6.3%), translating into an EBITDA of INR0.4 billion (INR0.7 billion).

During 1HFY27, revenue grew 6.1% yoy to INR4.5 billion, with a sequential growth of 53.3% in 2QFY27, reflecting a pick-up in execution momentum. Since January 2026, STLN has won three new orders totalling INR8.5 billion-10.0 billion in technology-led business. Given the favourable demand environment and management's focus on a higher contribution from relatively shorter-tenure system integration and data centre projects, Ind-Ra expects the deal momentum to remain strong.

Ind-Ra expects average revenue growth of about 25% over FY27-FY29, primarily driven by growth in newer business segments through existing and new orders, along with the execution of the existing capex and O&M order book. The resultant increase in the scale of operations is likely to improve the EBITDA margin to high single-digit to low double-digit over the near to medium term. However, any delays in project execution and/or lower-than-expected new orders adversely impacting the likely improvement in operating performance would remain a key rating monitorable.

Adequate Liquidity: Refer to the liquidity section below.

Working Capital Lock-up in Slow-moving and Disputed Projects: STLN has been experiencing a working capital lock-

up due to delays and disputes in some projects. A major project (contributing meaningfully to the orderbook) has been delayed due to right-of-way clearance issues, resulting in a delay in milestone achievements and locking up of a sizeable amount of working capital. Additionally, disputes in a few other projects have led to receivables of INR2.5 billion-3 billion being stuck.

While STLN's management expects a significant portion of the locked-up amount to be cleared in the near term, Ind-Ra has assumed a gradual release of these funds in its base case scenario. Any receipt that is significantly greater-than-Ind-Ra-expected, leading to a substantial improvement in the credit metrics, will be positive for the ratings.

Elongated Working Capital Cycle: Although improved, STLN's gross working capital cycle remained elongated during 1HFY27, with gross working capital and net working capital accounting for 208% and 128% of the LTM revenue, respectively, compared to 235% and 141% in FY26. On a normalised basis, excluding the exceptions, the gross working capital cycle was 100%-115% during FY26 and 1HFY27.

However, STLN has initiated back-to-back arrangements and contracts with large suppliers and vendors, which partially aids in managing working capital. Additionally, an increasing share of revenue from quick turnaround projects and favourable terms in BharatNet Phase III projects, characterised by shorter milestones, is likely to moderate the working capital cycle, which remains a key monitorable for Ind-Ra.

Weak Credit Metrics; Although Gradual Improvement Likely over Near to Medium Term: At end-September 2026, the consolidated gross debt, including lease liabilities and acceptances, declined to INR9.3 billion (INR10.7 billion), while gross debt, excluding lease liabilities and acceptances, declined to INR7.8 billion (INR9.3 billion). In line with this, the net debt (including lease liabilities and acceptances) reduced to INR8.4 billion (INR9.9 billion) and net debt (excluding lease liabilities and acceptances) declined to INR6.9 billion (INR8.4 billion) during the same period. The reduction was primarily driven by favourable working capital movements and promoter infusion of INR0.3 billion towards share warrants, leading to a decline in the outstanding fund-based working capital debt to INR4.0 billion in 1HFY26 (FY25: INR5.1 billion).

Despite the reduction in debt, the debt levels remained elevated, which combined with muted profitability has resulted in continuation of weak credit metrics. Net leverage remained high at 20.8x in 1HFY27, based on annualised EBITDA (FY26: 25.7x; FY25: 9.7x), while interest coverage remained below 1.0x over FY26-1HFY27. However, Ind-Ra expects a gradual improvement in the net leverage and interest coverage over the near-to-medium term, driven by an enhanced profitability, a moderated working capital cycle, and the release of locked-up funds, which remains a key monitorable.

Order Book Concentration: STLN's top three orders accounted for over 70% of the total outstanding order book at end-March 2026. Despite this concentration, Ind-Ra draws comfort from a balanced mix in the order book between capex and O&M, where O&M carries limited execution risk. Furthermore, orders from private players and for the technology business are typically received for shorter tenors on a running basis.

Liquidity

Adequate: STLN's liquidity position is supported by its adequate free cash and equivalents, undrawn working capital limits, uncalled portion of the share warrant and a moderate capex requirement. The liquidity is partially constrained by an elongated working capital cycle, including a significant chunk being stuck in slow-moving and/or disputed projects.

On a consolidated basis, the free cash and equivalent stood at INR0.9 billion at end-September 2026. During 1HFY27, the company's cash flow from operations (gross of finance cost) turned positive to INR2.0 billion (FY26: negative INR1.1 billion; FY25: negative INR1.8 billion) owing to favourable working capital changes. The average utilisation of fund-based and non-fund-based working capital limits stood at 70% and 60%, respectively, during the 12 months ended September 2026. As of September 2026, the unutilised amount in the fund-based working capital limit stood at about INR4.0 billion. Ind-Ra also draws comfort from the company's commitment to maintain minimum free liquidity of INR1.5 billion through internal accruals, unutilised working capital lines and equity infusion, if required.

The company has scheduled repayment obligations of about INR0.2 billion in 2HFY27 and INR2.5 billion in FY28, which Ind-Ra believes would be funded through internal cash flows, existing liquidity and uncalled equity of INR0.8 billion.

Rating Sensitivities

Positive: Developments which could, individually or collectively, lead to a positive rating action include:

- a significant decline in the debt level through optimisation of the working capital cycle coupled with the timely release of working capital (fund-based and non-fund-based) from delayed/stuck projects;
- a significant improvement in profitability through the timely execution of the existing and new orders leading to an improvement in interest coverage on a sustained basis.

Negative: Developments which could, individually or collectively, lead to a negative rating action include:

- any further elongation in the working capital cycle of moving orders and/or lower-than-expected recovery in working capital from delayed/stuck projects leading to the consolidated working capital cycle remaining stretched
- a slower-than-Ind-Ra-expected execution of the order book or a lower-than-expected profitability, leading to a reduction in the overall cash flow generation and the interest coverage remaining below 1.25x on a sustained basis.

Any Other Information

Not applicable

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on STLN, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

About the Company

STLN represents the Global Services Business of Sterlite Technologies Limited, which was demerged from the latter with an effective date of 31 March 2025. STLN is involved in providing comprehensive solutions across fibre network services, system integration, IT infrastructure management, setting up of data centre network, network operations centres, and security operations centres. It undertakes end-to-end network services ranging from designing to fibre deployment to O&M.

Key Financial Indicators

Particulars (Consolidated)	FY26	FY25
Revenue (INR billion)	9.6	11.8
EBITDA (INR billion)	0.4	0.7
EBITDA margin (%)	4.0	6.3
Interest coverage (x)	0.4	0.9
Net leverage (x)	25.7	9.7
Source: STLN; Ind-Ra		

Particulars (Standalone)	FY26	FY25
Revenue (INR billion)	8.5	10.6
EBITDA (INR billion)	0.6	1.0
EBITDA margin (%)	6.5	9.5
Interest coverage (x)	0.6	1.4
Net leverage (x)	17.0	6.6
Source: STLN; Ind-Ra		

Status of Non-Cooperation with Previous Rating Agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook	
	Rating Type	Rated Limits (INR million)	Current Rating	17 November 2025	13 August 2025
Non-convertible debentures	Long-term	3,000	IND BBB+/Stable	IND A-/Stable	
Bank loan facilities	Long-term/Short-term	25,000	IND BBB+/Stable/IND A2+	IND A-/Stable/ IND A2+	IND A-/Stable/ IND A2+

Disclosure on instruments / activities and names of regulators:

A list of products/activities or ratings of instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by Ind-Ra on its website. A link to the same has been provided below for ready reference:

Rating Activities

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Bank wise Facilities Details

The details are as reported by the issuer as on (16 Nov 2026)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	Axis Bank Limited	Fund-based working capital limits	250	IND BBB+/Stable / IND A2+
2	CTBC Bank	Fund-based working capital limits	800	IND BBB+/Stable / IND A2+
3	Doha Bank	Fund-based working capital limits	500	IND BBB+/Stable / IND A2+
4	ICICI Bank	Fund-based working capital limits	500	IND BBB+/Stable / IND A2+
5	IDFC First Bank	Fund-based working capital limits	1000	IND BBB+/Stable / IND A2+
6	IndusInd Bank Limited	Fund-based working capital limits	170	IND BBB+/Stable / IND A2+
7	RBL Bank	Fund-based working capital limits	400	IND BBB+/Stable / IND A2+

8	Union Bank of India	Fund-based working capital limits	500	IND BBB+/Stable / IND A2+
9	Axis Bank Limited	Non-fund-based working capital limits	1000	IND BBB+/Stable / IND A2+
10	ICICI Bank	Non-fund-based working capital limits	2500	IND BBB+/Stable / IND A2+
11	IDFC First Bank	Non-fund-based working capital limits	750	IND BBB+/Stable / IND A2+
12	IndusInd Bank Limited	Non-fund-based working capital limits	1700	IND BBB+/Stable / IND A2+
13	RBL Bank	Non-fund-based working capital limits	350	IND BBB+/Stable / IND A2+
14	Union Bank of India	Non-fund-based working capital limits	650	IND BBB+/Stable / IND A2+
15	Yes Bank Ltd	Non-fund-based working capital limits	1500	IND BBB+/Stable / IND A2+
16	NA	Bank loan facilities	12430	IND BBB+/Stable / IND A2+

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low
Non-convertible debentures	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

Annexure

Instrument Type	ISIN	Regulator of Instruments	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (INR million)	Rating/Outlook
Non-convertible debentures	INE1VXE07015	SEBI	2 December 2025	10.25	2 September 2027	1,500	IND BBB+/Stable
Non-convertible debentures	INE1VXE07023	SEBI	30 January 2026	10.35	30 June 2028	1,000	IND BBB+/Stable
Non-convertible debentures	Unutilised	SEBI	-	-	-	500	IND BBB+/Stable
Total						3,000	

Instrument Type	ISIN	Regulator of Instruments	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (INR million)	Rating/Outlook
Source: STLN, NSDL							

Contact

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About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

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APPLICABLE CRITERIA AND POLICIES

Corporate Rating Methodology

Parent and Subsidiary Rating Linkage

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process

Evaluating Corporate Governance

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