



August 21, 2020

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

Dear Sir/Madam

Sub : Credit rating updates- Disclosure under Regulation 30 of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015

Ref : Our Letter Dated 10.08.2020

Symbol: PRECOT

CARE- Credit rating agency has downgraded its ratings on the Bank facilities of the Company on 10th of August 2020. The reasons given by CARE for downgraded rating are given below for your records.

"The revision in ratings assigned to the bank facilities of Precot Meridian Limited (Precot) takes into account the weak operating performance of the company with higher losses being reported year on year. The weak operating performance has led to a higher dependence on asset monetisation/promoter support to meet its debt service commitments in the past. Further, with demand distortions caused by the Covid-19 pandemic, the cash flow from operations are expected to be weak in relation to the higher debt service commitments given the back ended nature of repayments.

The ratings continue to be constrained by Precot's relatively lower profitability margins in the spinning division and vulnerable to volatility in cotton/yarn price.

The ratings, however, derive strength from company's long track record of operations of nearly six decades, long-standing experience of the promoters in the textile industry as well as the improvement of performance of Technical Textile Division."

Kindly take the information on record.

Thanking you,

Yours truly,

For Precot Meridian Limited

S. Kavitha

Company Secretary

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