



3 December 2012

The Manager
Listing Department
National Stock Exchange of India Ltd
'Exchange Plaza', C-1, Block G
Bandra – Kurla Complex
Bandra (E)
Mumbai 400 051

Fax : 022 – 26598237 / 38

Dear Sir,

Ref: Symbol: PRECOT
Sub: EXIT from the yarn-dyed shirting fabric business

The company, in order to diversify its product range, set up two undertakings viz.. weaving and fabric processing undertaking at Pollachi and yarn dyeing undertaking in Sipcot, Perundurai in the years 2000 and 2003 respectively (the fabric division) to manufacture yarn-dyed shirting fabric. Since inception, the division has been making a negative contribution to the profitability of the company. In the recent past, significant increases in input costs and the continuing power shortage in Tamil Nadu have added to the losses. Hence, the management recommends that it is in the long-term interest of the company to exit this business. The fabric division contributes around 12% of the Company's turnover.

The Board of Directors of the Company passed a circular resolution dated 03.12.2012 to exit from the fabric business and to sell or dispose of the fabric division subject to the approval of the secured loan creditors and approval of the members of the company under section 293(1)(a) of the Companies act 1956 through postal ballot under section 192A of the companies act, 1956 and all other applicable provisions of the Companies Act, 1956.

In this regard, the Board has appointed Mr G Vasudevan, practising Company Secretary, as scrutinizer to conduct the postal ballot.

Thanking you
Yours truly

For Precot Meridian Limited

Ashwin Chandran
Managing Director

PRECOT MERIDIAN LIMITED

Regd. Office : SUPREM, PB 7161, Green Fields, Puliakulam Road, Coimbatore - 641 045, Tamilnadu, India.
Tel : 0091 - 422 - 4321100 Fax : 0091 - 422 - 4321200 Website : www.precot.com

