



June 20, 2020

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

Dear Sir/Madam,

Sub: Disclosure related to material impact of COVID-19 pandemic – reg.

Symbol: PRECOT

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with SEBI Circular SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated 20th May, 2020, please find enclosed herewith disclosure pertaining to material impact of COVID-19 pandemic on the business operations of the company.

This is for your information and records.

Thanking you,

Yours truly,

For Precot Meridian Limited

S Kavitha
Company Secretary

PRECOT MERIDIAN LIMITED

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June 15, 2020





DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

Pursuant to the SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020, on disclosure of material impact of CoVID-19 pandemic are as follows:-

S.No.	Particulars	Disclosures
1	Impact of the CoVID-19 pandemic on the business	The Company's manufacturing facilities remained shut from 24.3.2020 due to the nation wide lockdown. Operations were partially re-started as follows with due approvals: 23.4.2020 - Hassan unit (Karnataka); 4.5.2020 - Walayar (Kerala) and Pollachi (Tamilnadu) units; 15.5.20 Kanjikode unit (Kerala); 8.6.20 Hindupur (AP) and Gowribidnur (Karnataka) units. Overall capacity utilisation was negligible in April and around 40% in May.
2	Ability to maintain operations including the factories/units /office spaces functioning and Closed down	The Company has restarted operations in all its manufacturing facilities and corporate office while adhering to the safety norms prescribed by Government of India and respective State Governments.
3	Steps taken to ensure smooth functioning of operations	The Company is taking utmost care of it's staff and work force by mandating safety measures such as sanitization, social distancing, mandatory mask wearing, and thermal check at all entry points. Supply chain and logistics are being monitored regularly to ensure availability of material and dispatch of goods.
4	Estimation of the future impact of CoVID-19 on its operations	We have been continuously evaluating the economic impact of CoVID-19 on our Company and operations. We see a gradual increase in demand and capacity utilisation starting from Q2 of this financial year and normalising by Q4.



PRECOT MERIDIAN LIMITED



5	Details of impact of CoVID-19	
5.1	Capital and Financial Resources	<p>The Company's capital and Banking facilities remain intact. The Company has continued to service its obligations to employees, suppliers and other stakeholders including statutory obligations.</p> <p>The Company has availed the additional CoVID limits sanctioned by Working Capital Banks and the 6 month Moratorium on Interest and term loan repayment. Cash flows are critical going forward as customer payments have been delayed. .</p>
5.2	Profitability	We expect to make an operating profit starting from Q2. Surplus after depreciation is only expected in Q4.
5.3	Liquidity Position	As explained above, there are no liquidity concerns currently. Going forward we are closely monitoring our receivable and collections.
5.4	Ability to service debt and other financing arrangements	The Company has availed the 6 month moratorium for interest and term loan repayments. We expect to be able to service our financial obligations post the moratorium period.
5.5	Assets	There is no change in Company's Fixed assets during the lock down period. Movement of Current Assets is slow as there is a stagnation in receivables and inventories.
5.6	Internal financial reporting and control	The Company's financial reporting and control systems remain in place.
5.7	Supply Chain	Movement of goods and logistics has returned to almost normal levels. All supply chain issues during lock-down period have been resolved.
5.8	Demand for its products/services	There is definitely a slow down in demand from all markets, both domestic and export, that we cater to. We are expecting demand to increase as retail opens up in the coming months.

For Precot Meridian Limited



S.Kavitha
Company Secretary