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CIN No. : L17115PB1980PLC004341 GST No. : 03AAACN5710D1Z6

NSML/SD/2020/

August 11, 2020

1. The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1, G-Block
Bandra-Kurla Complex, Bandra (E)
MUMBAI – 400 051
2. The BSE Limited
25th Floor, P.J. Tower,
Dalal Street, Mumbai
MUMBAI – 400 001

SUB: INTIMATION OF REVISION IN CREDIT RATING

Dear Sir,

Pursuant to the provisions of Regulation 30(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations"), we would like to inform you that the CRISIL vide its letter dated August 05, 2020 (received by us on 11th day of August, 2020) has downgraded Company's rating on the long term bank facilities from CRISIL A /Negative to CRISIL A- /Negative and from CRISIL A1 to CRISIL A2+ for short term facilities.

The rating reflects moderation in operating performance and weakening of business profile in two consecutive fiscals 2020 and 2021 due to weakening export demand, higher priced cotton inventory and the resultant drop in demand and realizations owing to the nationwide lockdown imposed from March 25th, 2020 to June 8th, 2020 to contain spreads of COVID-19. The CRISIL also expects recovery in operating margins from the second half of fiscal 2021 owing to likely improvement in demand scenario and expectations of subdued cotton prices. Going forward, performance is expected to normalize in fiscal 2022 to pre COVID-19 levels.

They have also mentioned in the said letter that the ratings continue to reflect Nahar's established position in the cotton yarn and knitted garments segments, its large scale and moderately integrated operations across the textile value chain, and healthy financial flexibility. These strengths are partially offset by susceptibility to volatile cotton and cotton yarn prices, and foreign exchange rates, the average financial risk profile, and working capital-intensive operations.

This is for your information and taking the same on record.

Thanking you,

Yours faithfully,
For NAHAR SPINNING MILLS LTD.


(BRIJ SHARMA)

COMPANY SECRETARY