

RECOMMENDATION SNAPSHOT				
*CMP	MCap (Rsbn)	Recommendation	Target	Potential Upside
Rs33	2.14	BUY	Rs65	97%

*as on 03 June, 2025

About the Company:

Incorporated in the year 1989, Bannari Amman Spinning Mills Limited (BASML), is a vertically integrated textile company engaged in manufacturing cotton yarn, woven & knitted fabrics, finished garments, home textiles and wind power generation. BASML shares its heritage with the Bannari Amman group of companies which has diverse interests spanning various industries in South India. BASML is a textile conglomerate which is striving continuously over last 3 decades to create value in all capacities of textile industry from Fibre-to-Fashion. The company is engaged in spinning, weaving and manufacturing ready to wear garments. The company has two spinning units near Dindigul, Tamilnadu with an installed capacity of 145,440 spindles, weaving and home textiles units at Karanampettai near Palladam with an installed capacity of 153 looms, processing unit at SIPCOT, Perundurai with an installed capacity to process 5,400 tonnes of fabric per annum, knitting unit at Karanampettai near Palladam with installed capacity to produce 7,200 tonnes of knitted fabric per annum, garment units at Palladam Hi-tech weaving park and 27 windmills with an installed capacity of ~23.40MW green power which is entirely used for captive consumption. The business skills and operations draw strength from its strong and experienced Management team of professionals under the guidance of Mr. S.V. Arumugam, who is the Chairman & Managing Director of BASML.

Results: Quick Glance:

- The net sales for the quarter reported a de-growth of 9.2% to Rs2,255mn as compared to Rs2,482mn in the same quarter last year
- The Ebitda margins for the quarter under review stood at 9.3% as compared to (3.7%) in the comparative quarter last year
- The company reported a net profit of Rs31mn as compared to loss of Rs96mn in the same quarter last year
- The EPS (from continuing operations) for the quarter stood at Rs0.47 as compared to Rs(1.48) in the corresponding period of last year
- For the full year, the revenues and PAT de-grew by 3.9% and 90.7% respectively while the Ebitda margins stood at 7.3%

Financials:

Performance (Q4&FY25)									
Q4&FY25 Result (Rs mn)	Mar-25	Mar-24	y-o-y	Dec-24	q-o-q	FY25	FY24	y-o-y	FY26E
Total Revenue	2255	2482	(9.2%)	2131	5.8%	8874	9235	(3.9%)	9495
EBITDA	211	(91)	-	202	4.2%	646	300	-	760
Other Income	8	168	(95.0%)	2	-	24	192	(87.3%)	26
Interest	110	125	(11.9%)	110	0.6%	450	491	(8.3%)	390
Depreciation	64	74	(13.9%)	65	(1.4%)	259	299	(13.4%)	257
Tax	14	(27)	-	10	37.9%	(18)	(76)	(76.0%)	38
Net Profit	31	(96)	-	19	59.8%	(21)	(221)	-	101

Outlook and Recommendations:

The company has reported decent numbers for the quarter under review with good margin expansion. In addition to this, BASML appears to be steadily progressing in its turnaround journey, as reflected in its improved financials and operational performance in Q4FY25 and FY25. The company has managed to deliver a profitable bottom line owing to better and enhanced cost management, better product mix, and focus on operational efficiencies. The company remains focused on its core textile and related products segment while trying to add products with better margins. The company has the capability to swing between higher counts and lower counts as per the clients and markets demand. The process of streamlining the structure of the business as well as the BS continues at BASML. The pending funds from the proceeds of Young Brand Apparel Private Limited are still not reflected in the BS, these funds will help reduce the overall debt burden and improve the strength of the BS.

Outlook and Recommendations (contd.):

Going forward, some of the key factors which BASML will focus on to fetch a profitable bottomline include a blend of factors like tweaking the product mix, reduction in fixed costs/overheads/interest costs/depreciation, better inventory management and focus on home textile business. The company further reinforced its capital structure through rights issue the allotment of convertible equity warrants on a preferential basis in November 2024, the proceeds of which have already been fully utilised for planned objectives to reduce debt. To further strengthen its financial foundation, the company also approved a rights issue in April 2025, which will infuse additional equity and reduce reliance on debt, complementing the substantial repayment of long-term borrowings during the year. Once the major portion of the debt is taken care of, the overall PnL and return ratios will increase to reveal a better bottomline as well as EPS.

BASML is a one-stop-solution for its customers in the textile space and with the dynamic changes seen in the overall industry gradually shifting towards asset light model. These strategic moves, coupled with improved inventory and receivable management, indicate a focused approach towards financial discipline and operational efficiency. On the operational side, the company continues to prioritise margin-focused volumes over top-line expansion, and remains actively engaged in enhancing its home textiles segment and export presence (through a proposed subsidiary), while also adapting to market trends that favour asset-light and integrated players. All these developments, backed by continuous internal optimisation, minimum growth capex with targeted machinery upgrades, and evolving demand patterns, positions the company well to capitalise on improving conditions in the spinning sector and fortify sustainable long-term growth. All the triggers mentioned above augur well for the company in the long run with support from strong operational foundations and we continue to maintain our target price.

DISCLAIMERS AND DISCLOSURES-

Progressive Share Brokers Pvt. Ltd. and its affiliates are a full-service, brokerage and financing group. Progressive Share Brokers Pvt. Ltd. (PSBPL) along with its affiliates are participants in virtually all securities trading markets in India. PSBPL started its operation on the National Stock Exchange (NSE) in 1996. PSBPL is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) for its stock broking services and is Depository Participant with Central Depository Services Limited (CDSL) and is a member of Association of Mutual Funds of India (AMFI) for distribution of financial products.

PSBPL is SEBI registered Research Analyst under SEBI (Research Analysts) Regulations, 2014 with SEBI Registration No. INH000000859/Research Analyst BSE Enlistment No. 5049. PSBPL hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in last five years. PSBPL has not been debarred from doing business by any Stock Exchange/SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

PSBPL offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Other disclosures by Progressive Share Brokers Pvt. Ltd. (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company (s) covered in this report:-

- PSBPL or its associates financial interest in the subject company: NO
- Research Analyst (s) or his/her relative's financial interest in the subject company: NO
- PSBPL or its associates and Research Analyst or his/her relative's does not have any material conflict of interest in the subject company. The research Analyst or research entity (PSBPL) has not been engaged in market making activity for the subject company.
- PSBPL or its associates actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report: NO
- Research Analyst or his/her relatives have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report: NO
- PSBPL or its associates may have received any compensation including for brokerage services from the subject company in the past 12 months. PSBPL or its associates may have received compensation for products or services other than brokerage services from the subject company in the past 12 months. PSBPL or its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. Subject Company may have been client of PSBPL or its associates during twelve months preceding the date of distribution of the research report and PSBPL may have co-managed public offering of securities for the subject company in the past twelve months.
- The research analyst has served as officer, director or employee of the subject company: NO
- Registration granted by SEBI and certification from NISM is in no way guarantee performance of the intermediary or provide any assurance of returns to investors

PSBPL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our sales people, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses (if any) may make investment decisions that may be inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution publication, availability or use would be contrary to law or regulation or which would subject PSBPL or its group companies to any registration or licensing requirement within such jurisdiction. If this document is sent or has reached any individual in such country, especially, USA, the same may be ignored. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of PSBPL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of PSBPL or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Terms & Conditions:

This report has been prepared by PSBPL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of PSBPL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and its at the discretion of the clients to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. PSBPL will not treat recipients as customers by virtue of their receiving this report.

Registered Office Address:

Progressive Share Brokers Pvt. Ltd,
122-124, Laxmi Plaza, Laxmi Indl Estate,
New Link Rd, Andheri West,
Mumbai—400053, Maharashtra
www.progressiveshares.com | Contact No.:022-40777500.

Compliance Officer:

Ms. Neha Oza,
Email: compliance@progressiveshares.com,
Contact No.:022-40777500.

Grievance Officer:

Email: grievancecell@progressiveshares.com