Sector: Other Textile Products | **RESULT REVIEW Q2FY27** | **Declared On: 11 Nov 2026**

Bannari Amman Spinning Mills Ltd

RECOMMENDATION SNAPSHOT				
*CMP	Target	Potential Upside	MCap (Rsbn)	Recommendation
Rs23	Rs38	66%	1.83	Buy

**as on 17th Nov, 2026*

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 weaving and home textiles units at Karanampettai near Palladam processing unit at SIPCOT, Perundurai, knitting unit at Karanampettai near Palladam. 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 growth of 15.5% to Rs2637mn as compared to Rs2283mn in Q2FY26
- The Ebitda margins for the quarter under review stood at 10.4% as compared to 9.9% in the comparative quarter last year
- The company reported a net profit of Rs70mn as compared to Rs52mn in the same quarter last year
- The EPS (from continuing operations) for the quarter stood at Rs0.88 as compared to Rs0.65 in the corresponding period of last year
- For H1FY27, the revenues came in at Rs4802mn as compared to Rs4457mn; growth of 7.7% while the PAT stood at Rs207mn as against Rs100mn. The EPS (from continuing operations) came in at Rs2.59 as against Rs1.31 in H1FY26

Financials:

Performance (Q2FY27)									
Q2FY27 Result (Rs mn)	Sept-26	Sept-25	y-o-y	Jun-26	q-o-q	H1FY27	H1FY26	y-o-y	FY27E
Total Revenue	2637	2283	15.5%	2165	21.8%	4802	4457	7.7%	9492
EBITDA	273	225	21.3%	188	45.6%	461	454	1.6%	949
Other Income	2	9	-	15	(84.2%)	17	23	-	35
Interest	107	98	9.0%	103	4.0%	210	205	2.3%	346
Depreciation	74	69	8.5%	76	(2.3%)	150	135	11.2%	300
Tax	24	16	-	(114)	-	(89)	36	-	34
Net Profit	**70**	**52**	**35.8%**	**137**	**(48.8%)**	**207**	**100**	**-**	**304**

Outlook and Recommendations:

The overall quarterly performance was quite encouraging on the revenue as well as operational efficiency levels. Despite of a slight increase in the overall raw material cost for the quarter, the gross margins have seen an improvement on a y-o-y basis which have translated into better Ebitda margins when compared sequentially as well as y-o-y; this ideally give indications that the company has been able to grow its operating earnings slightly faster than the overall sales. Although finance costs continue to remain relatively high, the reduction in debt (which is seen in the steady reduction of total borrowings in H1FY27 when compared to March 2026 levels) is expected to gradually lower the interest burden and further improve profitability in the upcoming quarters. The sequential decline at the profitability level must be viewed keeping in mind during that period the company had a deferred tax savings/credit in Q1FY27 as compared to an outflow reported in Q2FY27 and rightly so, the H1FY27 profitability too witnessed a net deferred tax savings effect which is why the PAT has surged almost double. In the financial footnote, the company has stated of adopting to a new tax regime. Inspite of an inventory build-up, for H1FY27, the company has reported a meaningful CFO at Rs404mn as against Rs245mn in H1FY26; this was favoured due to movements in working capital.

Outlook and Recommendations (contd.):

The ongoing modernization initiatives undertaken by the company is expected to improve the overall productivity, enhance the operational efficiency and reduce the manufacturing costs over the long term. The company continues to retain its focus on increasing the value-added products and specialized textile offerings which could provide better realizations and reduce earnings volatility associated with commodity textile products. India's ongoing trade agreements with various countries may improve long-term export opportunities for integrated textile manufacturers. The key monitorable over the coming quarters would be targeted towards yarn volume growth, average selling price realisations, cotton-to-yarn conversion spreads, inventory normalisation and debt reduction. We thus continue to maintain our target price of Rs38.

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