



BANNARI AMMAN SPINNING MILLS LIMITED

Regd. Office : 252, Mettupalayam Road, Coimbatore - 641 043, Tamilnadu, INDIA

Telephone : 0422 - 2435555 E-mail : shares@bannarimills.com

Website : www.bannarimills.com CIN : L17111TZ1989PLC002476 GSTRN : 33AAACB8513A1ZE

BASML/SEC/83/NSE & BSE/2020-21

16.6.2020

The Manager
Listing Department
National Stock Exchange of India Limited
"Exchange Plaza"
Bandra-Kurla Complex
Bandra (East)
Mumbai 400 051

BSE Limited
Floor 25
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

Scrip Code: BASML

Scrip Code: 532674

Dear Sir,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Reg.

With reference Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20.5.2020 issued by the Securities and Exchange Board of India, we wish to inform you that, we have enclosed a report on impact of COVID - 19 in the operations of the Company.

Kindly take the same on record.

Thanking you,
Yours faithfully,

For BANNARI AMMAN SPINNING MILLS LIMITED


N KRISHNARAJ
COMPANY SECRETARY

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Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Reg.

This is with reference to the circular bearing no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20.05.2020 issued by the Securities and Exchange Board of India. The COVID 19 pandemic and the consequent lockdown restrictions imposed by Government of India and Government of Tamilnadu state have had a significant impact on the operations of the Company.

Company's Business :

The Company has manufacturing plants in Dindigul, Tirupur and Erode districts of Tamilnadu. Pursuant to the lockdown announced by the Government on account of the Covid 19 Pandemic, the manufacturing operations of the Company were suspended at the close of 24.03.2020. Necessary measures were taken for the safety of the employees in compliance of the directions issued by the State and Central Governments as well as the concerned Local Authorities.

As the Central and State Governments relaxed lock down restrictions, the Company's manufacturing plants commenced operations from the 2nd week of May' 2020 initially with 50% labour strength and from 1st June 2020 onwards steps are being taken to operate the plants with normal labour force.

Impact on Operations of the Company :

As the fall out from COVID 19 pandemic worsens, the sections most vulnerable to consumer sentiment and discretionary spending are likely to be severely affected.

During FY 2019-20, the overall exports of Textile and Apparel items from India was affected by US-China Trade war, Britain's exit from European Union, Preferential access by developed nations to competing Countries like Vietnam, Cambodia, Bangladesh etc. The COVID-19 pandemic has worsened the situation further and has disturbed the demand-supply situation of the Indian textiles industry.





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The demand for textiles will face headwinds in both the markets, domestic and international. The closure of retail stores and malls on account of lockdown situation across the nation will affect the industry's sales. Even after the lockdown is lifted, demand for textiles will take time to pick up. This is because footfalls will be low in malls and retail stores as people will avoid visiting crowded markets.

Exports constitute about 25% of the total Revenue of the Company. As a result of muted demand from domestic and International markets, India's export unit realisations and the domestic prices is likely to be affected adversely. Already some of the overseas customers who had booked orders for Yarn and Fabric from our Company have cancelled the contracts anticipating dip in demand. Hence the overall prospects for Textile Industry for FY 2020-21 look bleak as of now and our Company is no exception to this phenomenon affecting parameters like Revenue, Operating Profit etc;

Though some export orders have been cancelled, post relaxation of lock down the Company has been able to book export as well as domestic contracts for Yarn and Fabric at reduced prices which will have a bearing on the margins. Going forward the Company expects to increase the order book though there will be pressure on selling prices. In view of the delay in collection of Receivables and clearance of finished goods stock, the financial position is strained.

The adverse impact on the Company's operations due to COVID 19 Pandemic can not be reasonably estimated at this point of time and depends on the extent to which the Indian and Global economy is impacted by the pandemic.

We request you to kindly take the same on record.

Thanking you,
Yours faithfully,

For BANNARI AMMAN SPINNING MILLS LIMITED



S V ARUMUGAM

CHAIRMAN AND MANAGING DIRECTOR