



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/307/NSE & BSE/2020-21

13.8.2020

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

BSE Limited
Floor25
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

Scrip Code: BASML

Scrip Code: 532674

Dear Sir,

Sub: Audited Financial Results for the year ended 31.3.2020 and outcome of the Board Meeting.

(i) Audited Financial Results 31.3.2020:

The Board of Directors at the meeting held on 13.8.2020 have approved inter-alia the Audited Financial Results for the year ended 31.3.2020. Further the Board of Directors have not recommended any dividend for the year ended 2019-2020.

The text of the Audited Financial Results for the aforesaid period along with Auditors Report thereon pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are enclosed herewith.

We declare that the Auditors Report issued by M/s. Deloitte Haskins & Sells LLP, Statutory Auditors for Audited Financial Results of the Company for the year ended 31.3.2020 are with unmodified opinion.

(ii) Proposals for fund raising:

We wish to inform you that the Board of Directors of the Company, at their meeting held today i.e.,13.8.2020, has inter alia approved raising of funds by way of issue of equity shares or any other instrument or security including fully/partly convertible debentures through Rights issue or qualified institutions placement or private placement/public issue of equity/debt securities or preferential issue or through any other permissible mode and/or combination thereof as may be considered appropriate, subject to such approvals as may be required including the approval of the members at a general meeting or through postal ballot or through e-voting and further subject to such other statutory/regulatory approvals, as applicable for an aggregate amount of, upto Rs.225 Crore (Rupees Two hundred and twenty five crore).

Further, the Board Directors considered proposal to split the Face value of Equity shares of the company from the existing Rs.10/- into lower denomination and approved the proposal.





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In this connection the Board authorized the Managing Director to initiate necessary steps in furtherance of the above proposals.

The Board Meeting commenced at 11.30 AM and concluded at 2.15 PM.

Kindly take on record the above information.

Thanking you,

Yours faithfully,

For BANNARI AMMAN SPINNING MILLS LIMITED

**N KRISHNARAJ
COMPANY SECRETARY**

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31.03.2020

[Rs. in Lakhs except earnings per equity share data]

S.No.	Particulars	Quarter ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Refer Note 7	(Unaudited)	Refer Note 7	(Audited)	(Audited)
I	Revenue from operations	23,684.83	24,207.07	25,806.99	92,497.28	99,982.78
II	Other income	410.52	1,356.09	630.95	1,847.31	880.38
III	Total income (I + II)	24,095.35	25,563.16	26,437.94	94,344.59	100,863.16
IV	Expenses					
a)	Cost of materials consumed	13,086.93	14,943.41	15,164.88	65,750.09	69,287.92
b)	Purchases of stock-in-trade	-	36.37	110.75	217.47	110.75
c)	Changes in inventories of finished goods, stock-in-trade and work-in-progress	4,836.70	3,381.20	2,507.72	(1,009.50)	(1,659.83)
d)	Employee benefits expense	2,089.29	1,985.17	2,220.75	8,774.01	9,130.72
e)	Finance costs	1,600.98	1,725.08	1,590.90	6,495.71	6,235.74
f)	Depreciation and amortization expenses	340.89	811.78	729.60	2,831.16	3,005.32
g)	Other expenses	3,132.88	2,317.08	3,794.15	11,262.16	12,845.38
	Total expenses	25,087.67	25,200.09	26,118.75	94,321.10	98,956.00
V	Profit/(Loss) before tax (III - IV)	(992.32)	363.07	319.19	23.49	1,907.16
VI	Tax expenses / (income)					
	Current tax	-	-	20.90	-	309.00
	Deferred tax	(227.93)	240.74	64.80	3.59	(335.93)
	Total tax expenses / (income)	(227.93)	240.74	85.70	3.59	(26.93)
VII	Profit/(Loss) after tax (V-VI)	(764.39)	122.33	233.49	19.90	1,934.09
VIII	Other comprehensive income / (loss)	57.30	-	(9.29)	57.30	(9.29)
	Item that will not be reclassified to profit or loss					
i)	Remeasurements of the defined benefit plans	83.28	-	(11.19)	83.28	(11.19)
ii)	Gain/(loss) on equity instruments designated at FVTOCI	-	-	(1.01)	-	(1.01)
iii)	Income tax relating to items that will not be reclassified to profit or loss	(25.98)	-	2.91	(25.98)	2.91
IX	Total comprehensive income / (loss) for the period (VII+VIII)	(707.09)	122.33	224.20	77.20	1,924.80
X	Paid-up equity share capital (Face value of Rs.10/- per share)	1,575.43	1,575.43	1,575.43	1,575.43	1,575.43
XI	Reserves (excluding revaluation reserve) as shown in the audited balance sheet				29,096.74	29,334.00
XII	Earnings per share (EPS) (of Rs.10/- each) (not annualised for quarters)					
	Basic and Diluted	(4.85)	0.78	1.48	0.13	12.28

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[Rs. in Lakhs]

Particulars	As at March 31, 2020	As at March 31, 2019
ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	56,709.33	58,887.52
(b) Capital work-in-progress	-	131.93
(c) Right of use assets	152.97	-
(d) Financial assets		
(i) Investments	2,644.37	2,706.86
(e) Other non-current assets	1,392.26	996.59
Total non-current assets	60,898.93	62,722.90
2 Current assets		
(a) Inventories	24,872.01	25,533.39
(b) Financial assets		
(i) Trade receivables		
(A) Trade receivables considered good - Unsecured	16,411.88	17,697.70
(B) Trade receivables - Credit impaired	-	-
(ii) Cash and cash equivalents	2,656.94	566.28
(iii) Bank balances other than (ii) above	167.11	264.75
(iv) Loans	17.79	30.94
(v) Other financial assets	1,742.09	1,474.83
(c) Current tax assets	166.99	305.00
(d) Other current assets	2,322.75	3,334.03
(e) Assets classified as held for sale	56.72	56.72
Total current assets	48,414.28	49,263.64
Total assets (1+2)	109,313.21	111,986.54
EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	1,575.43	1,575.43
(b) Other equity	29,096.74	29,334.00
Total equity	30,672.17	30,909.43
Liabilities		
2 Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	18,345.81	21,479.24
(ii) Operating lease liabilities	83.15	-
(b) Deferred tax liabilities (net)	2,699.91	2,670.34
(c) Other non-current liabilities	904.30	1,083.25
Total non - current liabilities	22,033.17	25,232.83
3 Current liabilities		
(a) Financial liabilities		
(i) Borrowings	37,995.46	40,196.33
(ii) Trade payables		
(A) Total outstanding dues of micro and small enterprises	809.51	775.96
(B) Total outstanding dues of creditors other than micro and small enterprises	10,482.05	8,145.90
(iii) Operating lease liabilities	80.28	-
(iv) Other financial liabilities	6,237.22	5,438.24
(b) Provisions	135.33	552.97
(c) Other current liabilities	868.02	734.88
Total current liabilities	56,607.87	55,844.28
Total equity and liabilities (1+2+3)	109,313.21	111,986.54

[Rs. in Lakhs]

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax		23.49		1,907.16
Adjustments for:				
Depreciation and amortization expenses	2,831.16		3,005.32	
Profit on sale of property, plant and equipment	(1,709.18)		(62.06)	
Profit / (loss) on sale of investments	3.83		(7.32)	
Finance costs	6,495.71		6,235.74	
Interest income	(138.13)		(137.13)	
Allowance for doubtful trade receivables and bad debts written off	159.57		53.27	
Net unrealised exchange (gain)	(278.01)		(473.97)	
		7,364.95		8,613.85
Operating profit before working capital changes		7,388.44		10,521.01
Changes in working capital:				
Adjustments for increase / (decrease) in operating assets:				
Financial assets				
Trade receivables	1,160.75		(6,259.27)	
Loans	13.15		(8.65)	
Other financial assets	220.53		92.15	
Non-financial assets				
Inventories	661.38		2,066.69	
Other non-financial assets	698.89		558.46	
Adjustments for increase / (decrease) in operating liabilities:				
Financial liabilities				
Trade payables	2,369.70		(1,037.06)	
Other financial liabilities	(17.81)		(72.02)	
Non-financial liabilities				
Provisions	(108.64)		122.07	
Other non-financial liabilities	114.15		125.68	
		5,112.10		(4,411.95)
Net income tax paid		12,500.54		6,109.06
		(170.99)		(382.37)
Net cash flow from operating activities (A)		12,329.55		5,726.69
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on property plant and equipment, including capital advances	(1,752.77)		(2,469.48)	
Margin money deposits and other stamps	98.00		(262.00)	
Investments made in subsidiary	-		(2.00)	
Sales of other investments	58.66		32.79	
Proceeds from sale of property, plant and equipment	3,043.04		316.25	
Interest received	124.43		134.37	
Net cash flow from investing activities (B)		1,571.36		(2,250.07)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from non-current borrowings	2,200.00		1,060.00	
Repayment of non-current borrowings	(4,663.85)		(3,243.57)	
Increase / (decrease) in working capital borrowings	(2,200.87)		4,989.65	
Payment of dividend including tax thereon	(304.20)		(303.89)	
Repayment of operating lease liabilities	(101.55)		-	
Interest paid on lease liabilities	(22.08)		-	
Finance costs paid	(6,717.70)		(6,313.10)	
Net cash flow used in financing activities (C)		(11,810.25)		(3,810.91)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		2,090.66		(334.29)
Add: Cash and cash equivalents at the beginning of the year		566.28		900.57
Cash and cash equivalents at the end of the year *		2,656.94		566.28
* Comprises:				
(a) Cash on hand	6.17		7.96	
(b) Cheques/drafts on hand	3.50		161.00	
(c) Balances with banks:				
(i) In current accounts	617.27		397.32	
(ii) In deposit accounts	2,030.00		-	
Total		2,656.94		566.28

Signature

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STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31.03.2020

[Rs. in Lakhs except earnings per equity share data]

S.No.	Particulars	Quarter ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Refer Note 7	(Unaudited)	Refer Note 8	(Audited)	(Audited)
I	Revenue from operations	27,861.67	29,244.97	29,819.19	113,387.67	117,448.94
II	Other income	420.59	1,319.98	623.74	1,849.73	885.22
III	Total income (I + II)	28,282.26	30,564.95	30,442.93	115,237.40	118,334.16
IV	Expenses					
a)	Cost of materials consumed	15,187.35	17,764.98	17,622.45	77,365.84	80,350.76
b)	Purchases of stock-in-trade	5.50	124.09	110.75	230.08	110.75
c)	Changes in inventories of finished goods, stock-in-trade and work-in-progress	4,507.90	3,136.62	2,594.47	(1,479.14)	(2,995.21)
d)	Employee benefits expense	3,494.82	3,273.41	3,444.83	14,263.96	13,699.08
e)	Finance costs	1,978.52	1,752.92	1,676.93	7,203.15	6,715.11
f)	Depreciation and amortization expenses	448.28	921.61	761.10	3,262.83	3,396.82
g)	Other expenses	3,647.80	2,930.14	4,100.05	13,387.16	14,536.92
	Total expenses	29,270.17	29,903.77	30,310.58	114,233.88	115,814.23
V	Profit/(loss) before tax (III - IV)	(987.91)	661.18	132.35	1,003.52	2,519.93
VI	Tax expenses / (income)					
	Current tax	-	-	427.76	-	428.49
	Deferred tax	(128.73)	339.37	(161.66)	413.03	(275.02)
	Total tax expenses / (income)	(128.73)	339.37	266.10	413.03	153.47
VII	Profit/(loss) after tax (V-VI)	(859.18)	321.81	(133.75)	590.49	2,366.46
VIII	Other comprehensive income / (loss)					
	Item that will not be reclassified to profit or loss					
i)	Remeasurements of the defined benefit plans	113.94	-	(70.31)	113.94	(70.31)
ii)	Gain/(loss) on equity instruments designated at FVTOCI	-	-	(1.01)	-	(1.01)
iii)	Income tax relating to items that will not be reclassified to profit or loss	(25.98)	-	2.91	(25.98)	2.91
IX	Total comprehensive income /(loss) for the period (VII+VIII)	(771.22)	321.81	(202.16)	678.45	2,298.05
	Profits / (loss) attributable to					
	Non-controlling interest	(11.07)	101.97	(113.76)	348.01	275.40
	Owners of the Company	(848.11)	219.84	(19.99)	242.48	2,091.06
	Other comprehensive income / (loss) attributable to					
	Non-controlling interest	14.92	-	(28.77)	14.92	(28.77)
	Owners of the Company	73.04	-	(39.64)	73.04	(39.64)
	Total comprehensive income / (loss) attributable to					
	Non-controlling interest	3.85	101.97	(142.53)	362.93	246.63
	Owners of the Company	(775.07)	219.84	(59.63)	315.52	2,051.42
X	Paid-up equity share capital (Face value of Rs.10/- per share)	1,575.43	1,575.43	1,575.43	1,575.43	1,575.43
XI	Reserves (excluding revaluation reserve) as shown in the audited balance sheet				29,658.21	29,657.97
XII	Earnings per share (EPS) (of Rs.10/- each) (not annualised for quarters)					
	Basic and Diluted	(5.45)	2.04	(0.85)	3.75	15.02

[Rs. in Lakhs]

Particulars	As at March 31, 2020	As at March 31, 2019
ASSETS		
1 Non-current assets		
(a) Property, plant and equipment	63,706.37	65,890.40
(b) Capital work-in-progress	439.02	131.93
(c) Right of use assets	239.90	-
(d) Other intangible assets	9.37	13.39
(e) Financial assets		
(i) Investments	25.38	87.87
(f) Deferred tax asset	0.80	58.30
(g) Other non-current assets	1,477.36	1,060.89
Total non-current assets	65,898.20	67,242.78
2 Current assets		
(a) Inventories	32,655.76	31,799.11
(b) Financial assets		
(i) Trade receivables		
(A) Trade receivable considered good - Unsecured	16,657.65	18,958.93
(B) Trade receivable - Credit impaired	-	-
(ii) Cash and cash equivalents	3,424.40	1,060.15
(iii) Bank balances other than (ii) above	167.11	264.75
(iv) Loans	37.97	47.94
(v) Other financial assets	1,820.38	1,512.81
(c) Current tax assets	166.99	305.00
(d) Other current assets	3,825.20	4,756.42
(e) Assets classified as held for sale	56.72	56.72
Total current assets	58,812.18	58,761.83
Total assets (1+2)	124,710.38	126,004.61
EQUITY AND LIABILITIES		
1 Equity		
(a) Equity share capital	1,575.43	1,575.43
(b) Other equity	29,658.21	29,657.97
Equity attributable to the owners of the Holding Company	31,233.64	31,233.40
Non-controlling interest	3,485.30	3,122.38
Total equity	34,718.94	34,355.78
Liabilities		
2 Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	19,616.95	22,561.27
(ii) Operating lease liabilities	176.13	-
(b) Deferred tax liabilities	3,274.52	2,893.81
(c) Provisions	231.21	126.27
(d) Other non-current liabilities	988.47	1,177.94
Total non-current liabilities	24,287.28	26,759.29
3 Current liabilities		
(a) Financial liabilities		
(i) Borrowings	42,010.52	44,377.78
(ii) Trade payables		
(A) Total outstanding dues of micro and small enterprises	809.51	775.95
(B) Total outstanding dues of creditors other than micro and small enterprises	13,922.97	10,454.85
(iii) Operating lease liabilities	80.28	-
(iv) Other financial liabilities	6,520.04	5,866.34
(b) Provisions	306.71	800.56
(c) Other current liabilities	2,054.13	2,614.06
Total current liabilities	65,704.16	64,889.54
Total equity and liabilities (1+2+3)	124,710.38	126,004.61

Consolidated Statement of cashflows for the year ended March 31, 2020

[Rs. in Lakhs]

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax		1,003.52		2,519.93
Adjustments for:				
Depreciation and amortization expenses	3,262.83		3,396.82	
Profit on sale of property, plant and equipment	(1,709.18)		(62.06)	
Profit / (loss) on sale of investments	3.83		(7.32)	
Finance costs	7,203.15		6,715.11	
Interest income	(97.17)		(62.98)	
Allowance for doubtful trade receivables and bad debts written off	159.57		53.27	
Net unrealised exchange (gain)	(243.51)		(473.97)	
		8,579.52		9,558.87
Operating profit before working capital changes		9,583.04		12,078.80
Changes in working capital:				
Adjustments for increase / (decrease) in operating assets:				
Financial Assets				
Trade receivables	2,141.71		(6,557.02)	
Loans	9.97		14.01	
Other financial assets	220.48		961.14	
Non-financial assets				
Inventories	(856.65)		210.17	
Other non-financial assets	628.69		(364.49)	
Adjustments for increase / (decrease) in operating liabilities:				
Financial liabilities				
Trade payables	3,501.68		(304.94)	
Other financial liabilities	(445.91)		(72.02)	
Non-financial liabilities				
Provisions	(79.91)		161.00	
Other non-financial liabilities	(589.44)		1,132.73	
		4,530.62		(4,819.42)
		14,113.66		7,259.38
Net income tax paid		(171.79)		(512.31)
Net cash flow from operating activities (A)		13,941.87		6,747.07
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on property plant and equipment, including capital advances	(2,591.98)		(2,786.72)	
Margin money deposits and other stamps	98.00		(2.49)	
Investments made in subsidiary	-		35.26	
Sale of other investments	58.66		(244.47)	
Proceeds from sale of property, plant and equipment	3,043.04		345.29	
Interest received	83.47		60.22	
Net cash flow generated / (used in) investing activities (B)		691.19		(2,592.91)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from non-current borrowings	2,200.00		1,060.00	
Repayment of non-current borrowings	(4,225.04)		(3,601.73)	
Increase / (decrease) in working capital borrowings	(2,367.26)		4,886.22	
Payment of dividend including tax thereon	(304.20)		(303.88)	
Repayment of operating lease liabilities	(117.91)		-	
Interest paid on lease liabilities	(32.62)		-	
Finance costs paid	(7,421.78)		(6,796.91)	
Net cash flow (used in) financing activities (C)		(12,268.81)		(4,756.30)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		2,364.25		(602.14)
Add: Cash and cash equivalents at the beginning of the year		1,060.15		1,662.29
Cash and cash equivalents at the end of the year *		3,424.40		1,060.15
* Comprises:				
(a) Cash on hand	8.16		10.05	
(b) Cheques/drafts on hand	3.50		161.00	
(c) Balances with banks:				
(i) In current accounts	818.00		453.39	
(ii) In deposit accounts	2,594.74		435.71	
Total		3,424.40		1,060.15



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BANNARI AMMAN SPINNING MILLS LIMITED

Notes:

- 1 The above standalone and consolidated financial results ('the statement') for the quarter and year ended March 31, 2020 have been reviewed by the Audit Committee and have been approved by the Board of Directors at their meeting held on August 13, 2020. The Statutory Auditors have audited the financial results for the year ended March 31, 2020 and reviewed the financial results for the quarter ended March 31, 2020 and given unmodified opinion.

The Consolidated results include results of subsidiaries - Young Brand Apparel Private Limited, Bannari Amman Retails Private Limited, Bannari Amman Trendz Private Limited, Accel Apparels Private Limited and Abirami Amman Designs Private Limited. The Company along with its subsidiaries is herein-after referred to as 'the Group'.

- 2 The Group operates in one segment (i.e) Textile business, and hence there are no reportable segment in accordance with Ind AS 108 on "Operating Segments".

- 3 The Group has adopted Ind AS 116 " Leases" with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 "Leases" and related interpretation and guidance. On transition to Ind AS 116, Right-of-use assets as at April 1, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to lease liability (adjusted for related prepayments/accruals), as a result, the comparative information has not been restated. The Group has discounted lease payments using the incremental borrowing rate as at April 1, 2019 for measuring the lease liability.

On transition to Ind AS 116, the Company recognized right-of-use asset amounting to Rs. 254.73 lakhs and a lease liability of Rs. 264.98 lakhs in the financials. During the year ended, the Company has recognised depreciation on right-of-use assets amounting to Rs. 101.76 lakhs, finance cost amounting to Rs. 22.08 lakhs in the Standalone financial results.

On transition to Ind AS 116, the Group has recognised right-of-use asset amounting to Rs. 363.27 lakhs and a lease liability of Rs. 374.32 lakhs in the financials. During the year, the Group has recognised depreciation on right-of-use assets amounting to Rs. 123.37 lakhs, finance cost amounting to Rs. 32.62 lakhs in the Consolidated financial results.

- 4 The outbreak of COVID-19 pandemic and the resulting lockdown enforced from March 23, 2020 has affected the Company's regular operations. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Property, plant and equipment, Inventories, Receivables and Other assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company. The Company has evaluated its liquidity position, recoverability and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these financial results.
- 5 The Statement of Assets and Liabilities as at March 31, 2020 is given as Annexure A and Statement of Cash Flows for the year ended March 31, 2020 is given as Annexure B.
- 6 The Company elected not to exercise the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income tax for the year ended March 31, 2020 using the erstwhile rates.
- 7 The figures for the quarter ended March 31, 2020 are the balancing figure between audited figures for the full financial year ended March 31, 2020 and published year to date figures up to the third quarter ended December 31, 2019.
- 8 Consolidated results for the quarter ended March 31, 2019 are extracted from the financial statements prepared by the management and approved by the parent company directors which are not subjected to limited review by the statutory auditors.
- 9 Previous period figures have been regrouped / reclassified, wherever necessary.

For and on behalf of the Board of Directors

Place: Coimbatore
Date : 13.08.2020


S.V. Arumuqam
Managing Director
DIN: 00002458



INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF BANNARI AMMAN SPINNING MILLS LIMITED

Opinion and Conclusion

We have (a) audited the Standalone Financial Results for the year ended March 31, 2020 and (b) reviewed the Standalone Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Standalone Financial Results for the Quarter and Year Ended March 31, 2020" of **BANNARI AMMAN SPINNING MILLS LIMITED** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2020:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2020

With respect to the Standalone Financial Results for the quarter ended March 31, 2020, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Standalone Financial Results for the year ended March 31, 2020

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.



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Management's Responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2020 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities

(a) Audit of the Standalone Financial Results for the year ended March 31, 2020

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2020 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.



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- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(b) Review of the Standalone Financial Results for the quarter ended March 31, 2020

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2020 in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Other Matters

- As stated in Note 8 of the Statement, the figures for the corresponding quarter ended March 31, 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended December 31, 2018. We have not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019. Our report on the Statement is not modified in respect of this matter.
- The Statement includes the results for the Quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.
- Due to the COVID-19 related lock-down we were not able to participate in the physical verification of inventory that was carried out by the management subsequent to the year end. Consequently, we have performed alternate procedures to audit the existence of inventory as per guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Standalone Financial Results. Our report on the Statement is not modified in respect of this matter.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Balaji M. N.
(Partner)
(Membership No. 202094)
(UDIN:20202094AAAACH4383)

Place : Bengaluru
Date : August 13, 2020

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF BANNARI AMMAN SPINNING MILLS LIMITED

Opinion and Conclusion

We have (a) audited the Consolidated Financial Results for the year ended March 31, 2020 and (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Consolidated Financial Results for the Quarter and Year Ended March 31, 2020" of **BANNARI AMMAN SPINNING MILLS LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter and year ended March 31, 2020, ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Consolidated Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Results for the year ended March 31, 2020:

- (i) includes the results of the following entities:
 - Young Brand Apparel Private limited (Subsidiary)
 - Abirami Amman Designs Private Limited (formerly Abirami Amman Mills Private Limited) (Subsidiary)
 - Accel Apparels Private Limited (Subsidiary)
 - Bannari Amman Retails Private Limited (Subsidiary)
 - Bannari Amman Trendz Private Limited (Subsidiary)
- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and

gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended March 31, 2020.

(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended March 31, 2020

With respect to the Consolidated Financial Results for the quarter ended March 31, 2020, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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Basis for Opinion on the Audited Consolidated Financial Results for the year ended March 31, 2020

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Statement

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended March 31, 2020, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities

(a) Audit of the Consolidated Financial Results for the year ended March 31, 2020

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2020 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.



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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results/ Financial Information of the entities within the Group to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Annual Consolidated Financial Results of which we are the independent auditors. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Consolidated Financial Results.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2020

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2020 in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SA specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Statement includes the results of the entities as listed under paragraph (a)(i) of Opinion and Conclusion section above.

Other Matters

- Attention is drawn to Note 8 to the Statement which states that the consolidated figures for the corresponding quarter ended March 31, 2019, as reported in the accompanying Statement have been approved by the Parent's Board of Directors, but have not been subjected to audit/ review. Our report is not modified in respect of this matter.
- The Statement includes the results for the Quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report is not modified in respect of this matter.
- The consolidated financial results includes the unaudited financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 10.46 lakhs as at March 31, 2020 and total revenues of Rs. NIL and Rs. NIL for the quarter and year ended March 31, 2020 respectively, total net loss after tax of Rs. 0.41 lakhs and Rs. 0.56 lakhs for the quarter and year ended March 31, 2020 respectively and total comprehensive loss of Rs. 0.41 lakhs and Rs. 0.56 lakhs for the quarter and year ended March 31, 2020 respectively and net cash outflows (net) of Rs. 0.56 lakhs for the year ended March 31, 2020, as considered in the Statement. These financial statements are unaudited and have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Group.

Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the financial statements certified by the Board of the Directors.

- Due to the COVID-19 related lock-down we were not able to participate in the physical verification of inventory that was carried out by the management subsequent to the year end. Consequently, we have performed alternate procedures to audit the existence of inventory as per guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Standalone Financial Results. Our report on the Statement is not modified in respect of this matter.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Balaji M. N.
(Partner)

(Membership No. 202094)
(UDIN:202094AAAAC12553)

Place : Bengaluru
Date : August 13, 2020