



Sangam India Ltd.



Investor presentation FY2016



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Contents



- Key Business Highlights
- Q4 FY16 Financial Update
- Corporate Overview
- New Product Launch
- Annual Financial Highlights
- Business Outlook

Key Business Highlights



- Company launched superior value added products under the brand name “C9” during the year
- With this, Company enters lucrative margin accretive women active life style apparels.
- Company has installed fully imported machinery with capacity to produce 3.6 million pieces per annum.
- The project is housed at existing facility at Village Atun.

Expansion Highlights



- Company consolidated its denim fabrics offering by commissioning addition capacity of 8 million meters per annum during 2015-16.
- Installation of 26,736 spindles for mfg PV Dyed Yarn at new site , village Soniyana, Chittorgarh, Rajasthan.
- Installation of 74 new weaving machines at existing unit (Atun)

Project Cost : Rs. 198 crores

Year of Execution : Sep. 2016

Q4 FY16 Financial Update



Rs. In Crores	Q4 FY16	Q4 FY15	YoY %	FY16	FY15	YoY %
Total Revenue	387	362	7.0	1511	1477	2.3
Raw Materials & change in stocks	217	197		821	848	
Employee Cost	36	31		140	119	
Other Expenses	80	74		317	293	
EBIDTA	54	60	-10.0	233	217	7.3
<i>EBIDTA margin (%)</i>	14.0	16.5		15.4	14.7	
Depreciation	18	23		76	80	
Finance Cost	15	18		64	67	
Profit Before Tax	34	20		110	73	
Income Tax	8	5		33	21	
Profit After Tax	26	15	73.3	77	52	49.0
Earning Per Share (Rs.)	6.5	3.7		19.5	13.1	

Company Overview



- Commenced operations in 1984
- Presence across the value chain:
Dyed Yarn Fabric Garments
- Market leader in PV yarn: ~25% market share
- ISO 9001:2008 certified
- Company is the largest producer of PV dyed yarn in Asia, at a single location
- Company manufactures ready to stitch PV fabric with the annual capacity to produce 24 million meters of fabric and 40 million meters of denim
- Company has introduced seamless garment manufacturing facility with 36 seamless knitting machine with capacity to produce 3.6 million pieces per annum

Net Sales
Rs. 1511 Crores

EBIDTA
Rs. 233 Crores

Net Profit
Rs. 77 Crores

EPS
Rs. 19.54

YE March 2016

Corporate Overview



Capacities

Spindles
211296

Open End Rotors
3908

Weaving Machines
437

Knitting Machine
18

Seamless Garment Knitting Machines
36

Texturising Machines
3

Denim Line
4

Process House
4

Captive Power Coal
31 MW

Wind Power
5 MW

Solar Power Plant
1 MW

Manufacturing Units

SANGAM (INDIA) LIMITED

Weaving, Processing & Seamless Garment Plant (Atun, Bhilwara)

Denim Plant (Biliya Kalan, Bhilwara)

Spinning Plant Unit - I (Biliya Kalan, Bhilwara)

Spinning Plant Unit - II (Sareri, Bhilwara)

Spinning Plant Unit III Soniyana, Chittorgarh

Corporate Overview



Products

PV Blended
Dyed/ Grey Yarn

Cotton Spun
Yarn

Cotton Open End
Yarn

Texturised Yarn

Synthetic
Blended Fabric

Seamless
Garments

Denim Fabric

Cotton Knitted
Fabrics

Generation of
Captive Power

Export Markets

USA

UK

China

Egypt

Poland

Brazil

Belgium

Chile

Italy

Spain

Australia

Japan

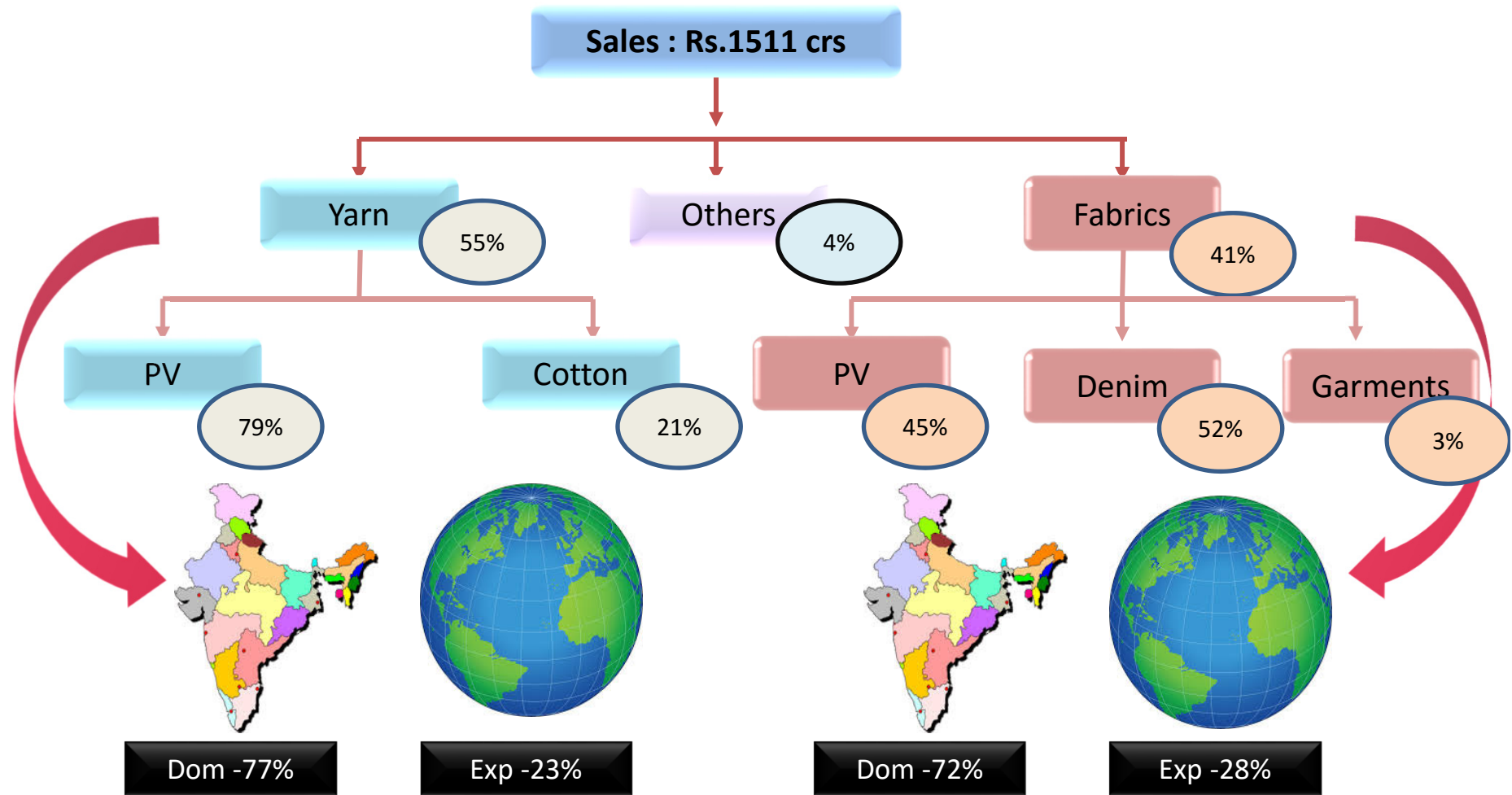
South
Africa

UAE

Turkey

Portugal

Revenue Model – FY2016



Manufacturing Capacities



Atun

PV Fabrics –
24 mln
mtrs. P.A

Processed
Fabrics – 53
mln mtrs
P.A

Seamless
Garments -
3.6 mln
mtrs. P.A

Biliya Kalan & Sareri

PV Dyed Yarn,
PV Yarn &
Cotton Yarn

1,14,432
spindles
(Sareri)
15 MW CPP

Biliya Kalan

Denim Fabric – 32 mln meters
96,864 spindles
16MW CPP

Segmental Analysis



Key Statistics

- Yarn Production
 - 44,894 MTPA
- Yarn Sales
 - 36,463 MTPA
- Net Revenues
 - Rs. 668.56 Crores

Demand Drivers

- ❖ Increased applications
 - ❖ Earlier used predominantly for bottom wear
 - ❖ Now also used in
 - ❖ Summer suits
 - ❖ Carpets
 - ❖ Socks, Knitted fabrics

Proposed Strategy

- ✓ Increase in-house consumption (Up from ~15% currently, to 30% in the year)
 - ✓ Conversion of yarn to value added fabric
 - ✓ Improve margins
 - ✓ Increase realisations
- ✓ Increase PV yarn capacity
- ✓ Increase Focus on Institutional Supplies

PV Yarn

Cotton Yarn

PV Fabric

Denim Fabric

Segmental Analysis



Key Statistics

- Yarn Production
19,179 MTPA
- Yarn Sales
9,899 MTPA
- Net Revenues
Rs. 166.65 Crores

Demand Drivers

- ❖ Buoyancy in domestic demand
- ❖ Increased usage in Readymade Garments
- ❖ Increased consumption of denim fabric
- ❖ Growing income level and urbanization
- ❖ Penetration of organized retail.

Proposed Strategy

- ✓ Increase in-house consumption (Up from ~47% currently, to 100% in the year)
- ✓ Increase Cotton yarn capacity

PV Yarn

Cotton Yarn

PV Fabric

Denim Fabric

Segmental Analysis



Key Statistics

- Fabric Production
22.485 MMPA
- Grey fabric Production
9.139 MMPA
- Fabric Sales
22.725 MMPA
- Grey Fabric Sales
9.134 MMPA
- Net Revenues
PV Fabric Rs. 224.10 Crores
Grey Fabric Rs. 64.52 Crores

Demand Drivers

- ❖ Increasing use in summer suits
- ❖ Increasing use in women bottom wear
- ❖ Increase in use for knitted fabrics

Proposed Strategy

- ✓ Increased exports
- ✓ Introducing value added products

PV Yarn

Cotton Yarn

PV Fabric

Denim Fabric

Segmental Analysis



Key Statistics

- Fabric Production
28,084 MMPA
- Fabric Sales
28,021 MMPA
- Net Revenues
Rs. 328.47 Crores

Demand Drivers

- ❖ Favorable demographics
- ❖ Increased fashion awareness
- ❖ Denim usage extended to regular wear
- ❖ Rapid urbanization
- ❖ Demand buoyant from rural India as well

Proposed Strategy

- ✓ Increased production of fancy & value added denims
 - ✓ Higher value add
 - ✓ Better margins
- ✓ Increased exports
- ✓ In-house consumption (garmenting)

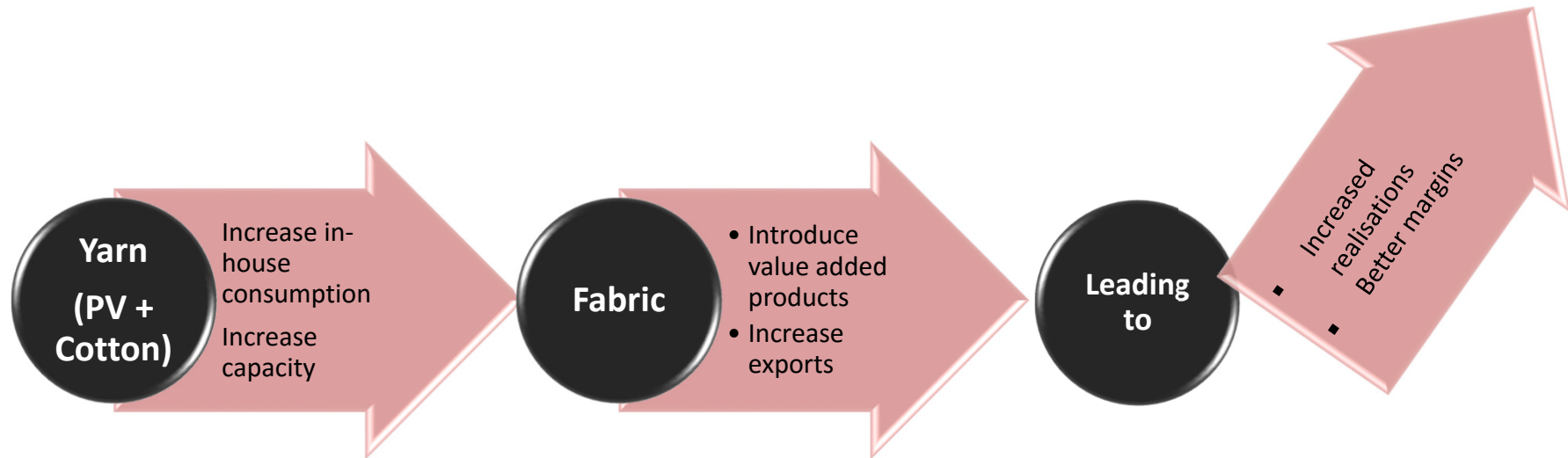
PV Yarn

Cotton Yarn

PV Fabric

Denim Fabric

Strategy for Existing Business



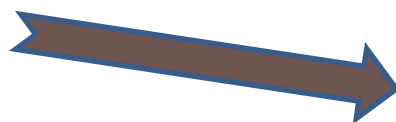
- Capacity expansion to be undertaken to augment our integration capabilities
- Prudent Capex Funding: internal cash generation + assuming low cost debt
- The company aims to be debt free over the next couple of years

Prudent Financial Management



	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	Total
PAT (Rs. Crs.)	24.78	27.02	5.37	-15.98	17.15	56.59	17.08	51.30	40.50	51.57	77.04	352.57
CFO (Rs. Crs.)	15.69	-19.83	59.30	110.16	63.73	74.85	209.04	155.29	162.60	136.02	153.23	1120.1
CFO / PAT (X)	0.63	-0.73	11.04	-6.89	3.72	1.32	12.24	3.03	4.01	2.63	1.99	3.18

Prudent cash flow management



Aids in deleveraging

	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16
Eq (Rs. Crs)	137.32	187.92	193.29	177.31	189.86	239.58	252.08	297.85	331.43	371.70	439.25
Debt (Rs. Crs.)	311.96	644.75	729.63	692.81	692.6	717.97	651.6	564.43	497.64	534.71	582.84
D/E Ratio (X)	2.27	3.43	3.77	3.91	3.65	3.00	2.58	1.90	1.50	1.43	1.32

Despite addition in gross block

	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16
Gross Block (Rs. Crs.)	354	528	705	877	891	924	1059	1087	1114	1218	1316



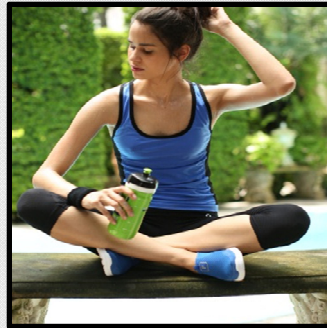
Brand Launch in FY2016



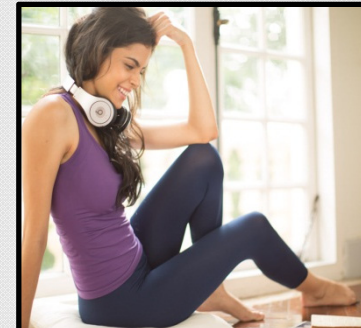
Next Big Step from B2B to B2C



Intimate Wear



Active Wear



Casual Wear

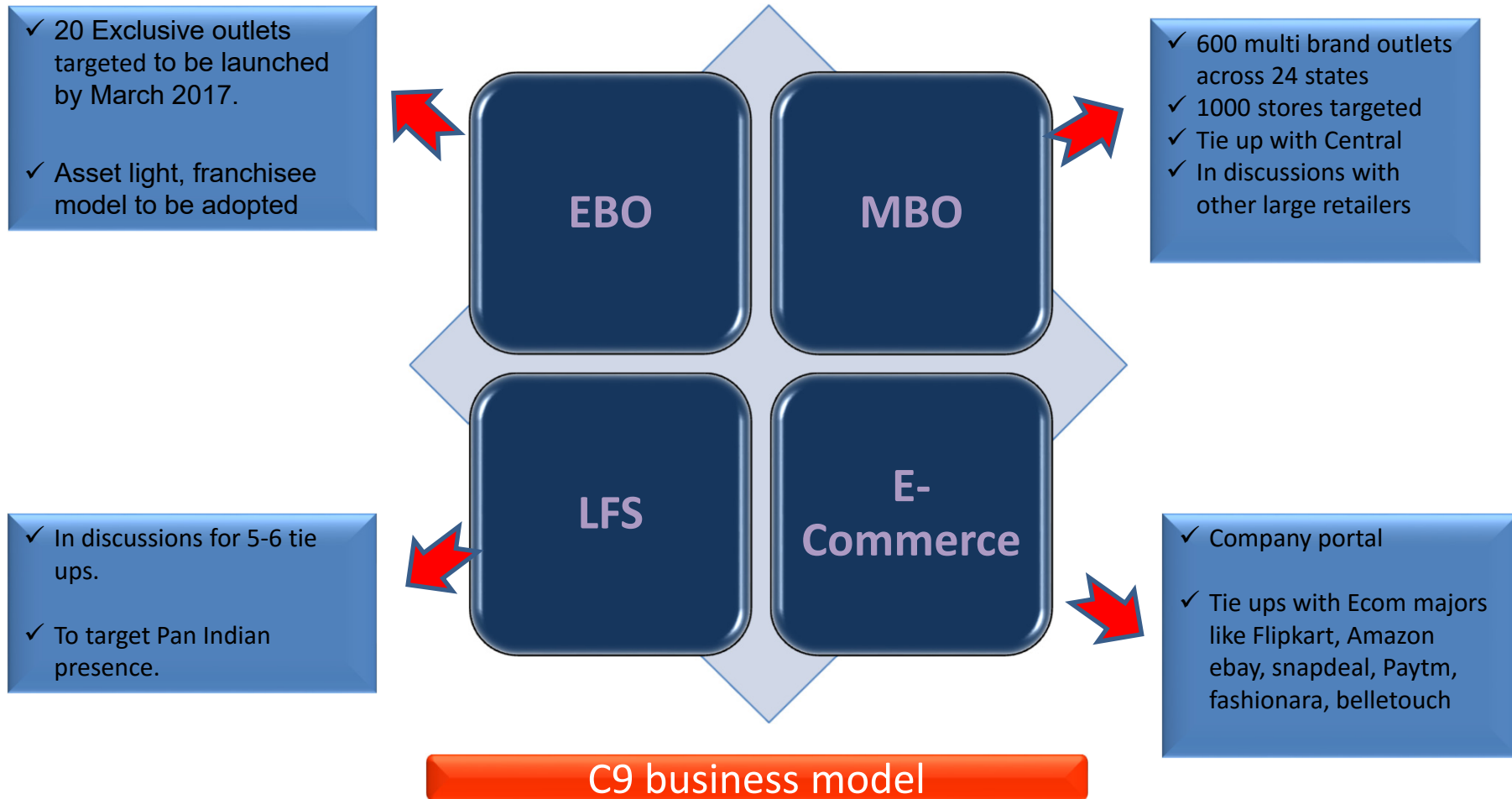
- One piece garment free of side seams
- Light , Smooth and soft to touch fabrics
- Moisture regain capacity 9 times more than polyester
- Skin friendly and high durability fabrics

C9 Merchandise Mix



Intimate Wear (50%)	Active Wear (20%)	Fashion wear (30%)
Bra – 20%	Sports bra – 4%	Tops – 10%
Panties – 25%	Tank Tops – 3%	T-shirts – 5%
Shape wear – 5%	T-shirt – 3%	Legging – 10%
	Leggings – 5%	Capri's – 5%
	Capri's – 3%	
	Camisole – 2 %	

Omni Channel Strategy



Annual Financials - Income



(Rs. Crs)	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16	Syr CAGR
Sales	1,171.52	1,417.22	1,478.84	1,432.61	1,476.94	1511.46	1.23%
Expenses	970.60	1,269.36	1,270.47	1,244.18	1,259.55	1278.12	
OP	200.92	147.86	208.37	188.43	217.39	233.34	10%
Other Income	8.01	12.53	12.56	13.10	2.74	5.12	
EBIDT	208.93	160.39	220.93	201.53	220.13	238.46	8.4%
Depreciation	64.00	67.85	76.98	74.32	80.40	76.19	
EBIT	144.93	92.54	143.95	127.21	139.38	162.27	
Interest	56.50	66.53	68.67	66.06	67.22	63.96	
PBT	88.42	26.01	75.28	61.15	72.16	110.43	
Tax	26.70	8.93	23.53	20.65	20.59	33.39	
PAT	56.59	17.08	51.30	40.50	51.57	77.04	35%

Annual Financials – Balance Sheet

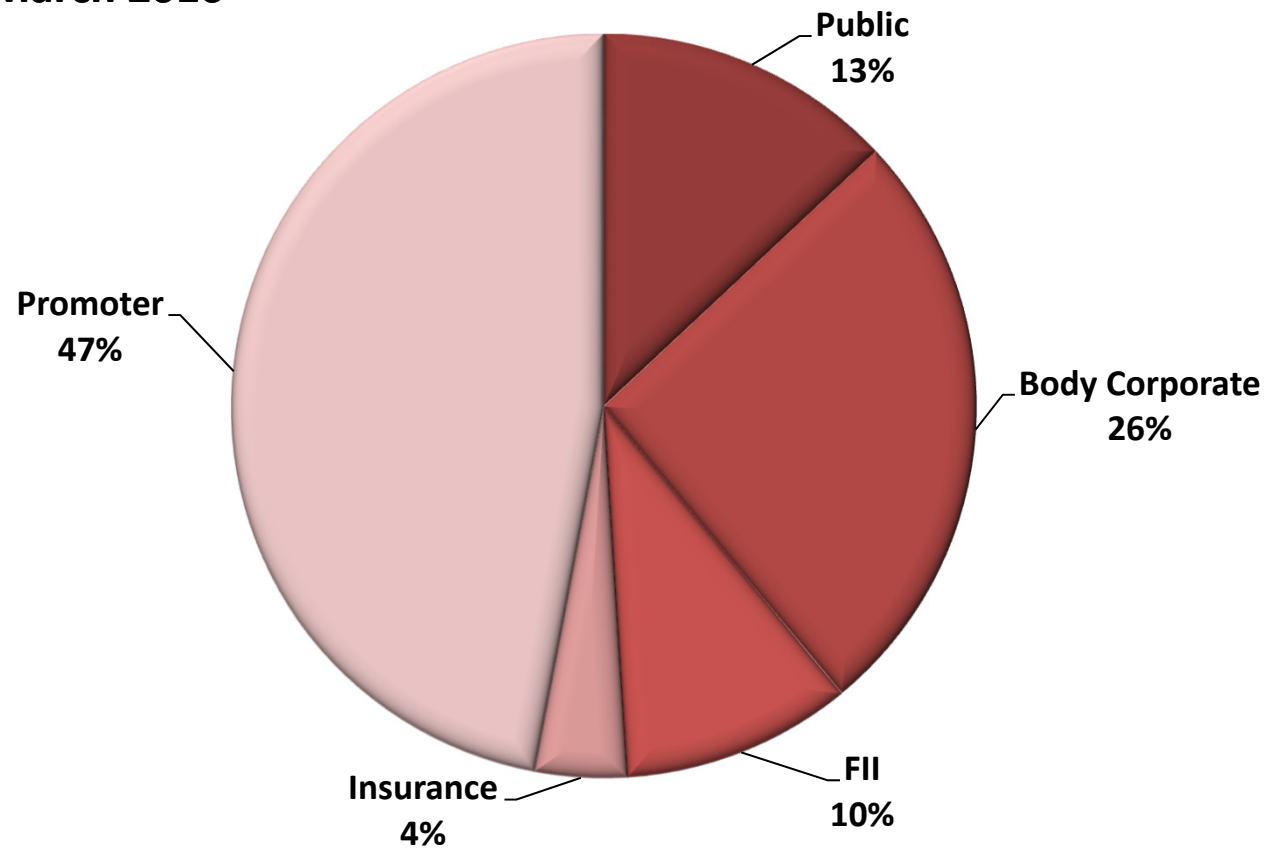


(Rs. Crs)	Mar-11	Mar-12	Mar-13	Mar-14	Mar -15	Mar-16
Equity Share Capital	39.42	39.42	39.42	39.42	39.42	39.42
Reserves	200.16	212.66	258.43	292.01	332.28	399.83
Secured Loans	672.97	576.64	564.43	497.64	534.71	582.84
Unsecured Loan	45.00	74.96	-	-		
Total	957.55	903.68	862.28	829.07	906.41	1022.09
Debtors	159.38	125.10	175.46	200.85	251.71	271.10
Inventory	238.02	201.50	213.55	233.73	265.09	294.49
Debtor Days	49.66	32.22	43.31	51.17	62.21	65.76
Inventory Turnover	4.92	7.03	6.93	6.13	5.57	5.10
RoE	26%	7%	19%	13%	15%	18%
RoCE	16%	10%	16%	15%	16%	21%

Shareholding Pattern



As on 31st March 2016



Annexure

Weaving & Processing plant - Atun



- Production began in 1985
- 253 Looms for Synthetic 30 Million Meters Fabric Weaving
- 53.40 Million Meters Fabric Processing P.A.
- 36 Knitting Machine for Seamless Garment Manufacturing



1985

- 8 Looms for Synthetic Fabric Weaving.



2000

- 227 Looms for Synthetic Fabric Weaving.



2015

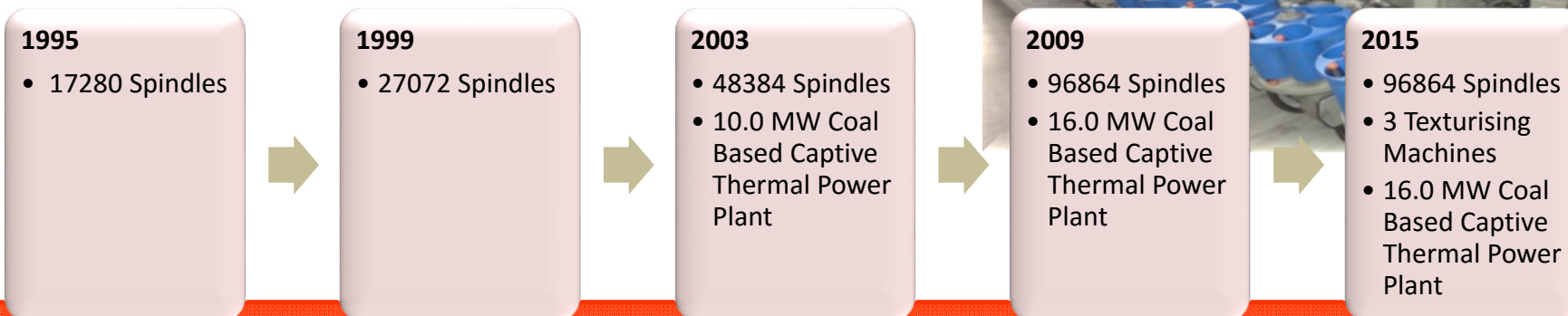
- 253 Looms for Synthetic Fabric Weaving
- 36 Knitting Machine for Seamless Garment Manufacturing
- 53.40 Million Meters. Fabric Processing P.A.



Spinning Plant – 1 (Biliya Kalan)



- Production began in 1995
- Biggest PV Dyed Yarn Plant at single location in Asia
- Spindles – 96864
- Texturising - 3 Machines
- 16.0 MW Coal Based Captive Thermal Power Plant



Spinning Plant – 2 (Sareri)



- Production began in 2006
- 53856 Spindles - For Production of Cotton Yarn
- 60576 Spindles - For Production of P/V Dyed/Grey Yarn
- 18 nos. - Knitting Machines
- 3908 - Open End Rotors
- 15.0 MW Coal Based Captive Thermal Power Plant.



**15.0 MW Coal Based
Captive Thermal Power
Plant at Spinning Plant
– II (Sareri)**



Denim Weaving & Processing Plant (Biliya Kalan)



- Production began in 2009
- 184 Looms – For Denim Fabric Weaving with 4 Processing Lines.
- Production Capacity: 32 Million Meters P.A



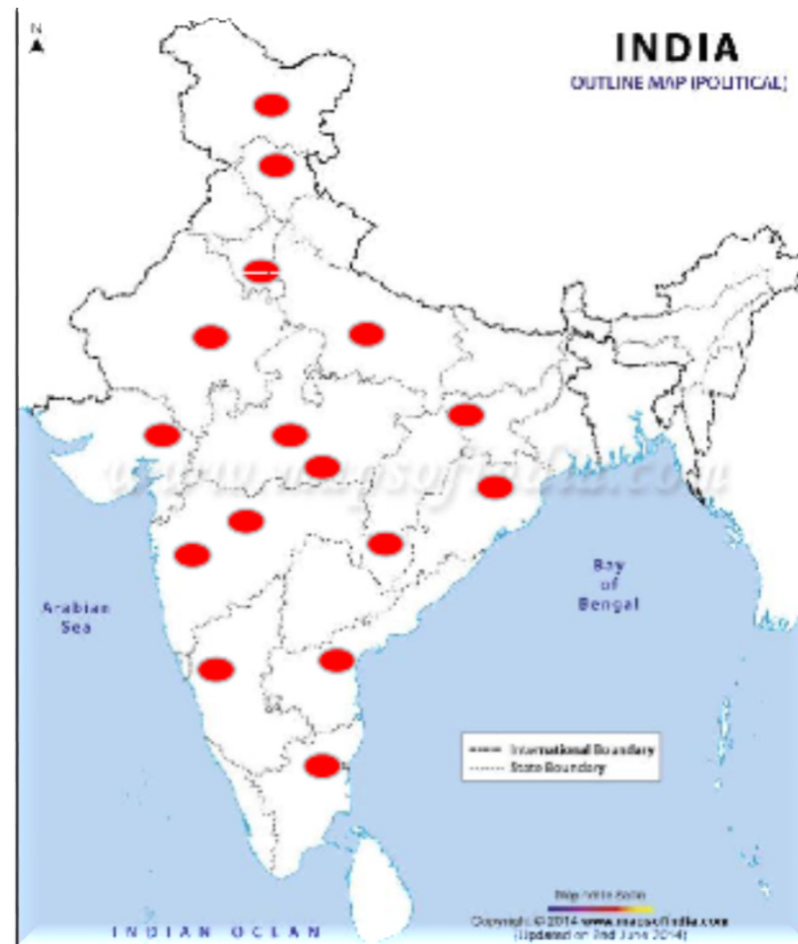
Wind power 5 MW
plant - Jaisalmer



Distribution Network in India



Value through values





Thank You