



SANGAM (INDIA) Q2FY16 NET PROFIT UP BY 56% TO RS. 18.65 CRORE



Mumbai, November 5, 2015: Sangam India Limited, a leading integrated textile conglomerate in India, announced its financial results for the quarter and period ended September 30, 2015. The company's total revenue for the quarter ended September 30, 2015 (Q2FY16) increased by 8.15% to Rs.401.02 crore as against Rs. 370.79 crore in the quarter ended September 30, 2014(Q2FY15).

Earnings before Interest, depreciation and Taxation (EBIDTA) registered an increase of 14.97% to Rs. 61.72 crore in Q2FY16 from Rs. 53.68 crore in Q2FY15. Net profit surged by 55.81% to Rs. 18.65 crore from Rs. 11.97 crore in the Q2FY15. The company reported earnings per share of Rs. 4.73 in Q2FY16 compared to Rs. 3.04 in Q2FY15.

The company's OPM improved by 149 bps to 15.99% in Q2FY16. Increased integration & focus on exports helped the company in maintaining realizations, despite falling input prices.

Commenting on the results, Mr. R. P. Soni, Chairman, Sangam India Ltd said "I am happy to present yet another robust quarterly performance for our company. Commodity prices continue to soften globally over the last couple of months and yet we have managed to contain its impact on our revenues.

The management's strategy to increase focus on exports seems to be yielding better-than-expected results, with our overall exports reporting a sharp jump of 46% YoY and 49% QoQ. What is even more encouraging is that this growth was witnessed in all three categories; with Yarn exports registering a growth of 18% YoY (72% QoQ), Denim exports reporting a growth of 1250% YoY (40% QoQ) & PV Fabric exports reporting a growth of 15% YoY (29% QoQ).

These results are in line with our strategy to increase the export of value added products in lieu of lower margin yarn export. Going forward our focus will continue on increased integration and higher export, enabling further margin improvement.

I am happy to share that we have received an encouraging response to our recent foray into seamless garmenting (July 2015). What enthuses us is that this response is despite the fact that we are yet to fully



roll out our brand and marketing campaigns. Till date we have already appointed 600 MBOs (Multi Brand Outlets) all over India and intend taking this network to 1000 by the end of this financial year. As also, we are on track to set up 8-10 EBOs (Exclusive Brand Outlets) by the end of this financial year. We are hopeful of a much higher revenue contribution & better operating margin from this segment going forward.

We remain committed to steer the company towards higher profitability. Our efforts are to see that the company steadily migrates to newer, value added, product segments. While the company has already started benefitting from the move into specialty denims, we intend to make aggressive inroads into the domestic lingerie retail market through our brand Channel Nine.

As a company, it has always been our endeavor to grow but without compromising on profitability. "

About Sangam(India) Limited

(Reuters Code: SANG.BO; BLOOMBERG: SNGM@IN; BSE Scrip Code: 514234)

Born of humble beginnings in the year 1984, Sangam Group is promoted by first-generation entrepreneurs R P Soni and S N Modani, Sangam (India) is a leading business conglomerate known for its strong business values and principles. The group has an extensive domestic presence and also has been exporting to more than 50 countries for over 15 years and enjoys a 3 Star Trading House Status. Sangam India is one of the largest manufacturers of polyester dyed yarn in the country. At present, Sangam India has 211,296 spindles of PV dyed yarn and Cotton yarn installed in Bhilwara along with 437 weaving machines. Besides this, the company also operates a 31 MW thermal power plant, 5 MW wind power plant and a 1 MW solar power plant for its captive use. The company also has strong presence in the Indian synthetic blended fabric segment with brands like Anmol and Sangam. The company has an established client base, like Reliance, Reid & Taylor, Siyaram and Grasim. Its fabric is marketed through a network of 100 dealers and 1000 retailers.

The Group firmly believes in sharing its success with the community and has taken strong CSR initiatives through its charitable trusts, which operate a 100 bed hospital for underprivileged people; University having world class infrastructure and an IB World School in Bhilwara, Rajasthan.

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