SUDARSHAN

Corporate Presentation
November - 2014

Business Snapshot

SUDARSHAN

Leading manufacturer of Pigments in India

Overview

- **Management:**
  - K. L. Rathi, Chairman
  - P. R. Rathi, Vice Chairman and Managing Director
  - R. B. Rathi, Deputy Managing Director
  - N. J. Rathi, Director
- **Key Businesses:**
  - Pigment business - manufacturing High Performance Pigments (HPP) and Commodity Pigments apart from customized pigments for niche segments catering to domestic and international customers, additionally manufacture of Effect Pigments for cosmetics, coating applications, etc.
  - Agro Chemical business manufactures products which are generic in nature
- **Manufacturing Facilities:**
  - Located at Roha and Mahad in Maharashtra
- **R&D Facility** located at Ambadwet, Pune
- **Shareholding:**
  - Promoter – 52.89%, Institutions – 0.52%, Individuals – 45.82% and Bodies Corporate – 0.77% .

Consolidate Financials (Rs. in Crore)

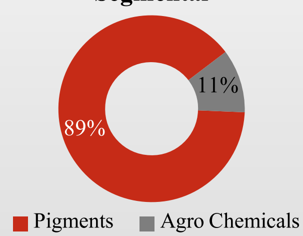
Particulars	FY10	FY11	FY12	FY13	FY14
Total Income	599.23	756.14	804.13	880.12	1,122.41
EBIDTA	85.57	88.15	88.40	85.04	132.87
EBIDTA Margins(%)	*14.28%*	*11.66%*	*10.99%*	*9.66%*	*11.84%*
PBT	61.03	71.6	47.59	26.01	55.46
PAT	41.15	48.22	33.56	22.01	35.05
PAT Margins(%)	*6.87%*	*6.38%*	*4.17%*	*2.50%*	*3.12%*
EPS	59.43	69.65	48.49	31.80	50.63
Net Fixed Assets	109.78	184.18	245.43	341.58	333.97
Net Worth	134.72	172.85	193.77	204.41	221.15
Total Debt	101.84	205.49	289.97	436.68	440.49
Cash and Cash Equivalent	10.29	14.79	37.23	44.37	15.30
Net Debt	91.55	190.70	252.74	392.31	425.19

Quick Facts

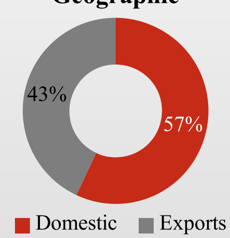
13.4%	9.2%	50.63	1.9x	3.4x
Revenue CAGR FY10 - 14	**EBITDA CAGR FY10 - 14**	**EPS FY14**	**Debt / Equity FY14**	**Net Fixed Asset Turnover FY14**

Revenue Split (FY14)

Segmental



Geographic



Diversified Presence

SUDARSHAN

Well established distribution network across the globe

6
Sales offices

80
Approx. channel partners

19
Stock points

SAP & CRM
Platforms enable to connect

Global Head Office
Pune, Maharashtra

Manufacturing Facilities
Roha, Dist. Raigad
Mahad, Dist. Raigad

R&D Facility
Ambadwet, Pune

Sales Offices
Mumbai
Delhi
Chennai
Kolkata
Bangalore
Guntur

Manufacturing facilities, R&D and Application lab located in Maharashtra

Roha

80 acres Plot
Built in 1973

Products Manufactured
AZOs
HPP
Inorganic Pigments

Mahad

33 acres Plot
Built in 1993

Products Manufactured
HPP
Phthalos

- Workforce of around 1,000 trained team members
- Certified by BSC and has won Sword of Honor for Safety
- Modern Water Treatment Facility
- Leaders in Best Practices in this belt

Both facilities were accredited with Five Star BSC Rating in 2012

Building a Global Organization

SUDARSHAN

Phase I

- Establishing the Business (Before 1989)

Phase II

- Next Leap in technology (1989-2006)

Phase III

- Going Global (2006-2016)

Evolution of Sudarshan from a local player to a global player is result of a well crafted strategy which can be divided in three phases

Vision, Mission & Values

SUDARSHAN

Vision

- To be amongst the Top 4 Pigment Players in the World.

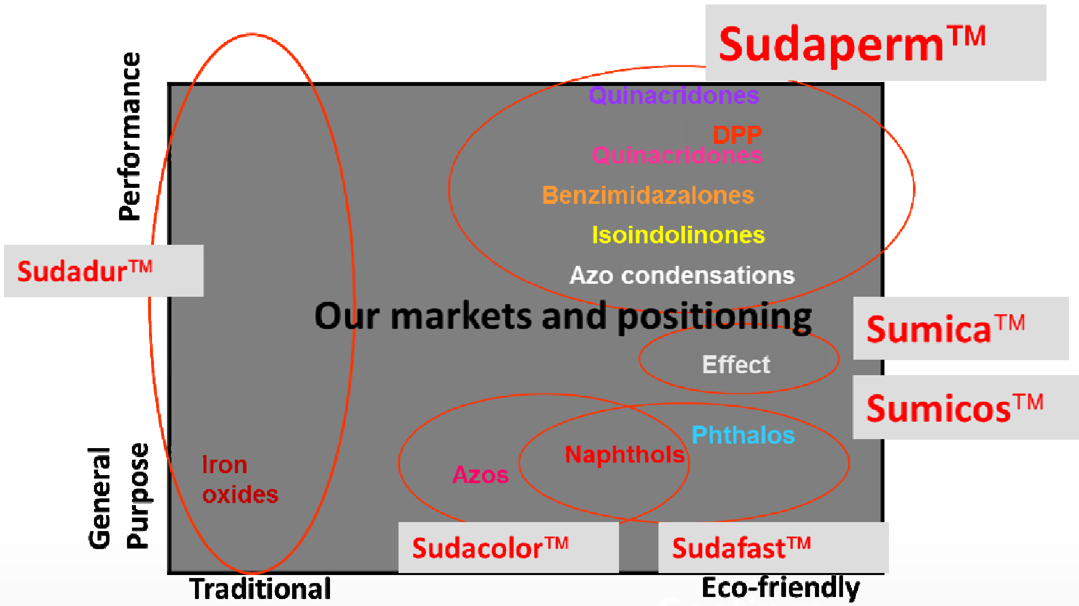
Mission

- Global World Class Color Solution Provider
- Focus on Exceptional and Sustainable Results
- Value Creation for Stakeholders
- Exciting, Vibrant and Performance Driven Work Environment

Values

- Respect
- Transparency
- Commitment & Passion
- Courage

Key Markets, Products & Brands



* Sudadur – Other than Europe & North America

Market Segments

Range of about

400 products

Key Differentiators

SUDARSHAN

Technology

Strong research, development and technical capabilities, with over 100 technicians in 3 laboratories

Health, safety & environment

Fully equipped effluent treatment plant

All plants are ISO 14000: OHSAS certified

Well established distribution network across the globe

Presence across North America, South America and Europe

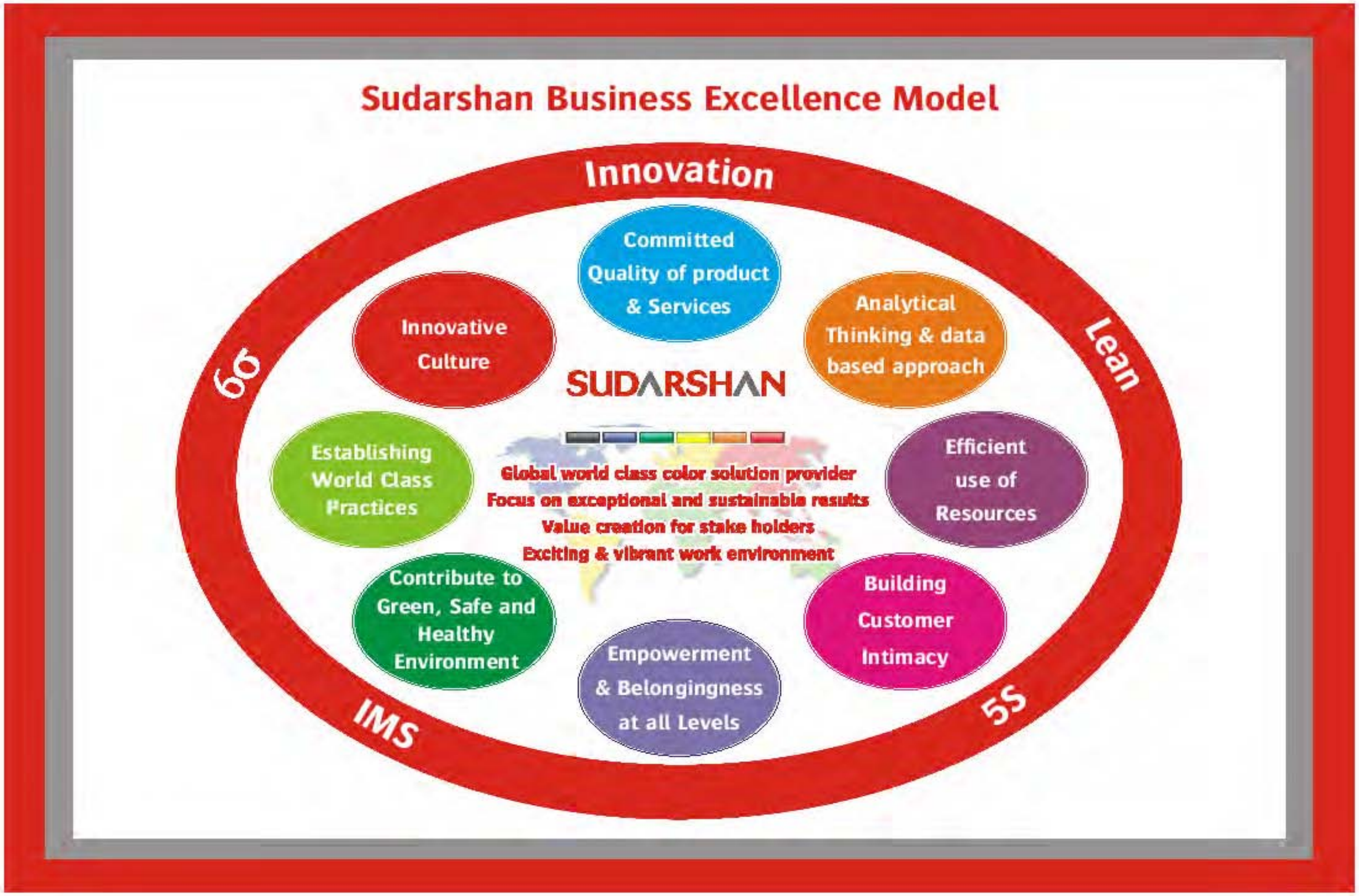
Accredited with 5 star BSC rating in 2012

Won Sword of Honour in 2012

The British Safety Council (BSC) Sword of Honour represents a pinnacle of achievement in the world of health and safety management.

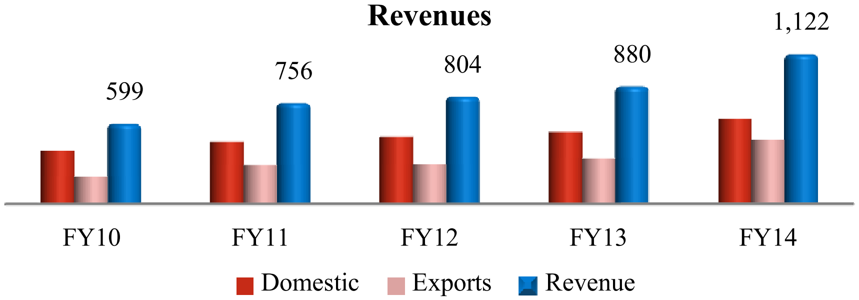
Business Excellence

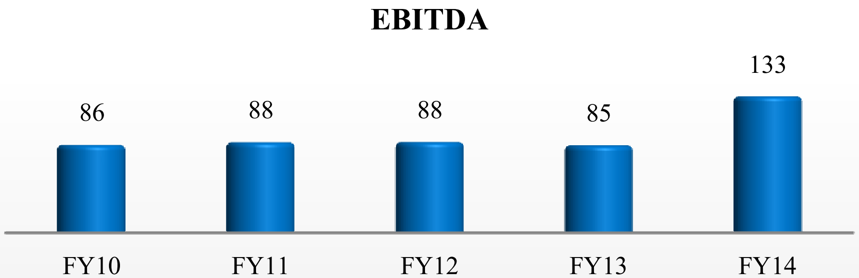
SUDARSHAN

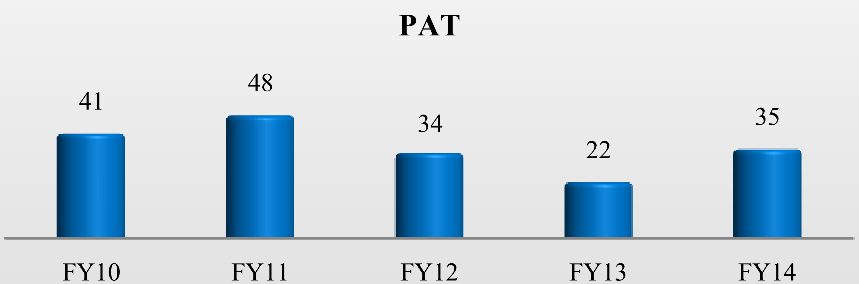


Performance Snapshot

P&L (Rs. in Crore)







- Revenues have grown at 13.4% CAGR over FY10 – 14
- Revenues Crossed Rs. 1,000 crore in FY14
- Export revenues have consistently been increasing and presently contribute 43% of total revenues

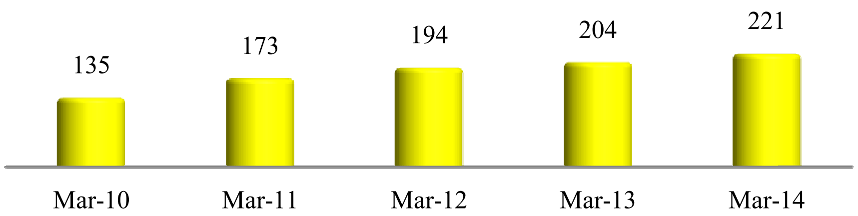
- EBITDA has increased over the previous year on account of higher utilization of facility and improvement in export revenues

- PAT has been under pressure owing to higher interest cost

Performance Snapshot

Balance Sheet (Rs. in Crore)

Networth



Net Debt

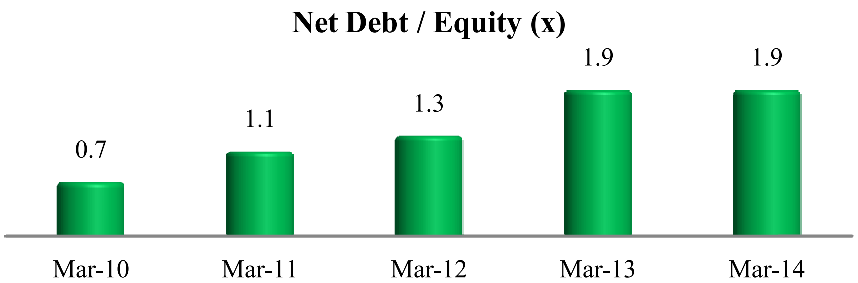
Net Fixed Assets

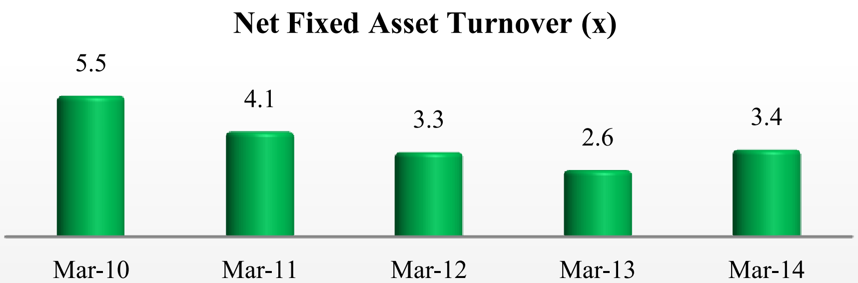
- Debt in FY13 increased as a result of capex towards brownfield expansion and increase in working capital limits

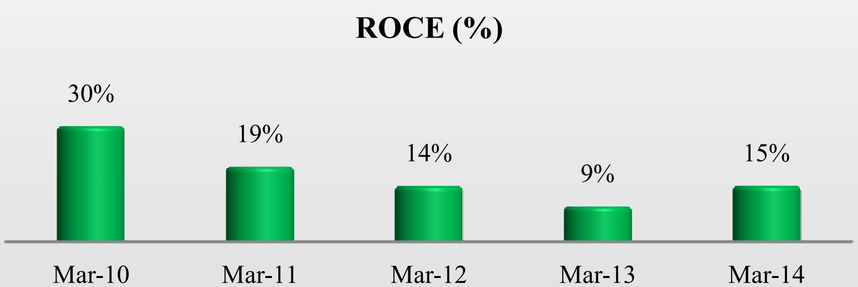
- Consequently, capitalization of brownfield projects led to increase in fixed assets

Performance Snapshot

Key Ratios







- D/E maintained at healthy levels
- ECB availed reduce blended interest rates
- The Company is a net exporter

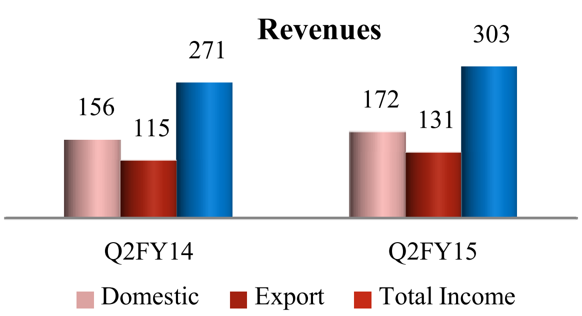
- Net Fixed Asset turnover is under pressure due to long gestation involved for customer approvals and under utilisation of assets owing to the slowdown in overseas and domestic markets

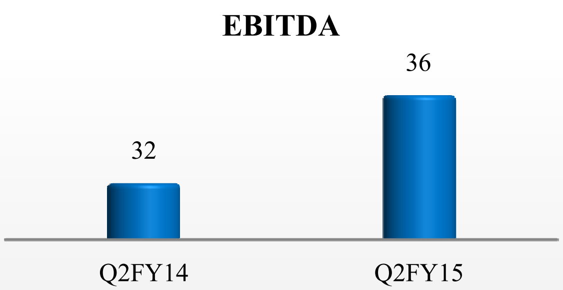
- ROCE decline in FY 2013 was on account of capex incurred towards brown field expansion at Roha

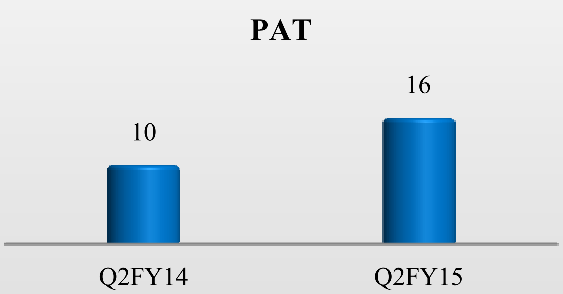
Performance Snapshot – Q2&H1FY15

SUDARSHAN

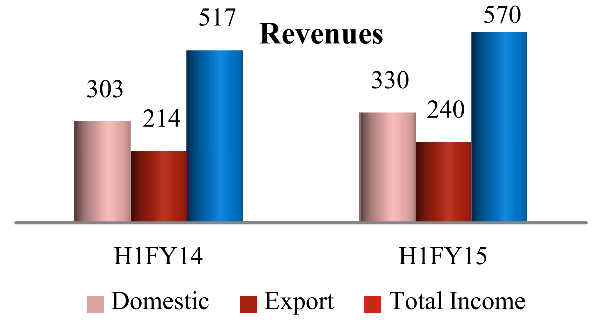
P&L (Rs. in Crore)

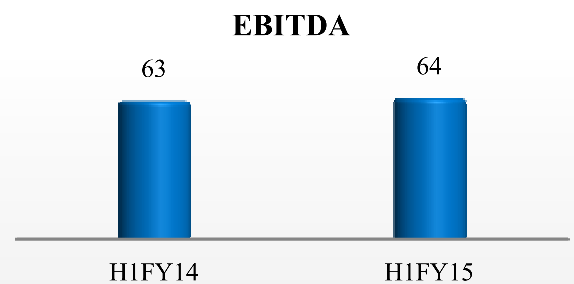


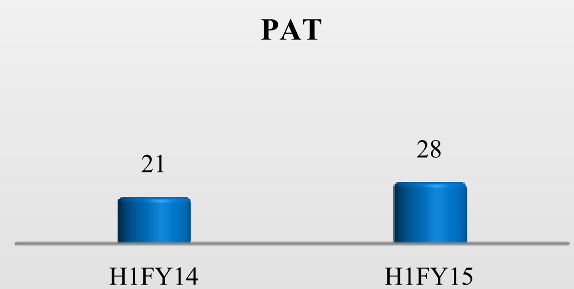




- Pigments segment was the key contributor to the performance
- Traction in revenues was driven by exports which increased by 13.9% while domestic markets sales expanded by 10.1% during the quarter
- Demand driven across industries led to growth of 12.2% in Pigments due to a turnaround in the macroeconomic environment and owing to the festival season
- Based on end user industries, there was strong demand for products catering to the coatings, inks and plastics industries



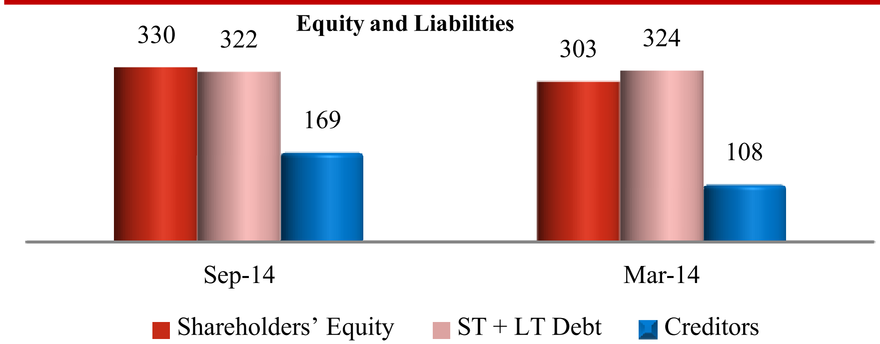


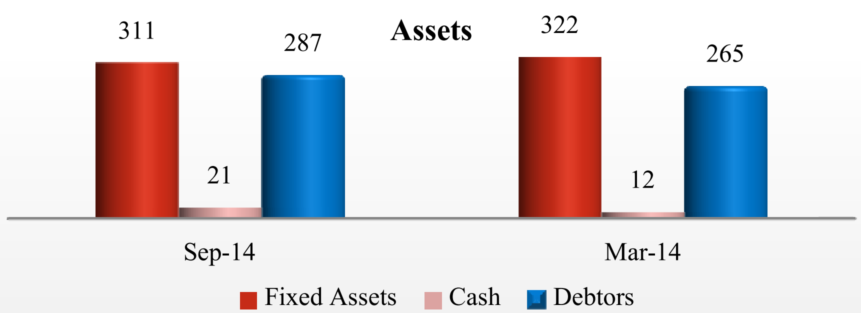


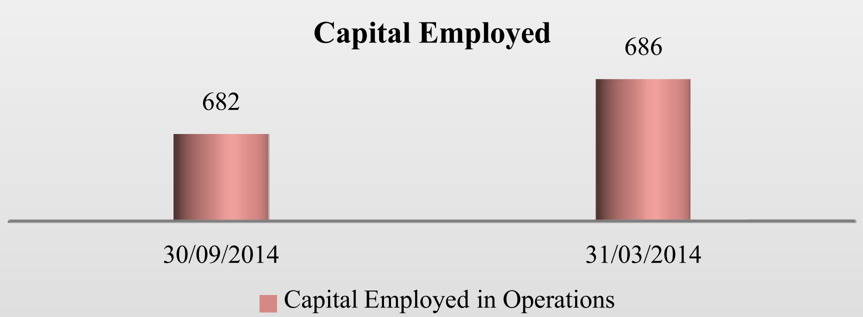
Performance Snapshot – Q2&H1FY15

SUDARSHAN

Balance Sheet (Rs. in Crore)







- Debt / Equity during the quarter and half year ended September 30, 2014 stood at 1.30
- The Company has also raised External Commercial Borrowings (ECB) of Euros 13 million at competitive rate
- The benefits of this borrowing is visible in lower finance costs

SUDHA – Sudarshan's Holistic Aspirations

SUDARSHAN

SUDHA

Spiritually fulfilling • Socially just • Environmentally sustainable

To impact lives of people not only in our community but also the outside world

An aspiration to create holistic awareness that matches Sudarshan's vision

A movement by Sudarshan to involve its people and community to create a better living standard and environment for ourselves and the people around us

CS initiative by Sudarshan

SUDARSHAN

SUDHA
CS initiative by Sudarshan
SUDARSHAN

Vision:

Aspiring Wholesome Sustainable Growth for Women and Children of communities around Sudarshan's plants.

Mission:

Reach out to communities by engaging in projects in Health, Education, Community Development and Livelihood.

SUDHA'S Initiatives

People Initiatives:

- Women empowerment
- Promotion of health & hygiene
- Holistic development of children & youth
- Sustainable source of livelihood
- Generating awareness

Environment Initiatives:

- Organic farming
- Tree plantation
- Composting
- Waste management
- Cleanliness drive

CS initiative by Sudarshan

Environment


- **Tree Plantation -**
  - 25,000 + trees have been planted.
  - Plan for 2014 to 2015 - Ten thousand trees
- **Waste Management –**
  - Vermi Culture is operational in villages around us

Education


- **JM Rathi English Medium School, Roha**
  - Student Strength: + 2,000

Community Development


- **Multipurpose Community Center**
- **Self Employment for women**
  - Paper Bags making - Material & Marketing support is provided by Sudarshan employees
- **Bus Stops for villagers**
- **Training Programs and Safety Equipment Exhibition**

Sudha's Contribution to Society

Earning Livelihood

Child development

Organic farming

Wholesome growth

Awards and Accolades

SUDARSHAN

Won “**Global CSR Excellence & Leadership Award for Women Empowerment**” at the World CSR Congress 2014

Mrs. Rachna Rathi won “**World Women in Leadership Award in CSR**” in the World Women Leadership Congress 2014

Dyestuffs Manufacturers’ Association of India (DMAI) award for excellent performance in FY 2013-14 in:

- Pollution control for Large Scale Unit
- Safety and Hazards control (Second Award for Large Scale Unit)
- Exports of Pigments (Award for Large Scale Unit)

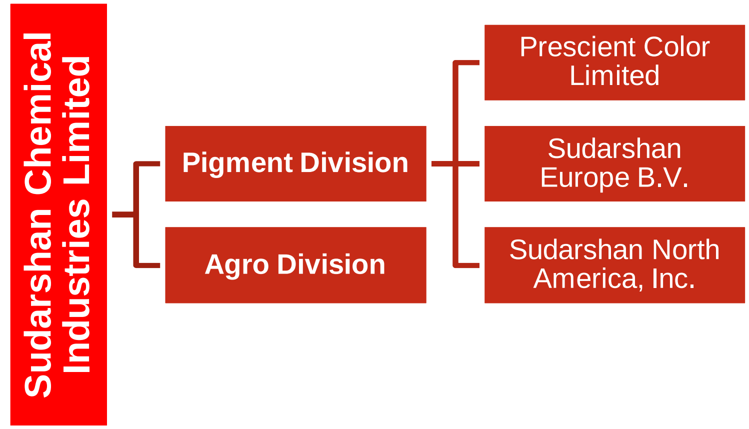
These awards signify Sudarshan’s commitment towards the Environment, Health, Safety and significant contribution in exports.

“Global HR Excellence Award for Organization with Innovative HR Practices” for Induction and on boarding process at the World HRD Congress – 2014 for having aligned our HR practices as per Global Standards.

Group & Board Structure

Promoter Directors :	
K.L.Rathi Chairman	Mr. K.L.Rathi is B.Sc, B.Sc.(Tech) and M.A.(Chem) from Columbia University, USA and has been associated with the Company for more than four decades.
P.R.Rathi Vice Chairman and Managing Director	Mr. P.R.Rathi is MS in Chemical Engineering from MIT, USA and MBA from Columbia University, USA and has been associated with the Company for more than three decades.
R.B.Rathi Deputy Managing Director	Mr. R.B.Rathi is B.E.Mech.Engg from MIT, Pune, B.S.Chem. Engg. from Ohio University USA and M.B.A.from Pittsburgh University, USA. Mr. R.B. Rathi has been associated with the Company for the past two decades.
N.J.Rathi Director	Mr. N.J.Rathi is M.Com from University of Pune and M.B.A. from USA. Mr. N.J.Rathi has been associated with the Company for the past four decades.

Non-Executive Independent Directors :	
S.N.Inamdar	Mr. S.N.Inamdar is a leading advocate and an expert in Income Tax matters. Mr. S.N.Inamdar is also on the Board of several other Companies.
P.P.Chhabria	Mr. P.P.Chhabria is the original Promoter of Finolex companies coming under Finolex Group. Mr.P.P.Chhabria is also on the Board of several other Companies.
D.N.Damania	D.N.Damania is B.E Mechanical Engineering from Pune University and a renowned technocrat. Mr.D.N.Damania is also on the Board of several other Companies.
S.Padmanabhan	Mr. S.Padmanabhan is M.Sc. (Physics) from Delhi University and Bachelor of General Law from Mumbai University. Mr. S.Padmanabhan has a diploma in Development Economics from University of Cambridge, U.K. and a Diploma in Management Accounting from Bajaj Institute of Management, Mumbai. A former IAS Officer, Mr. S.Padmanabhan has wide experience in industrial projects, finance and administration. Mr. S.Padmanabhan is also on Board of several other Companies.
S.K.Asher	Mr. S.K.Asher is a Fellow member of the Institute of Chartered accountants of India and Commerce & Law graduate from the Bombay University. Mr. Sanjay Asher is senior partner of Crawford Bayley & Co., Mumbai and is also on the Board of several other Companies.
Rati Forbes	Mrs. R.F.Forbes, is a Graduate in Psychology and Sociology from Bombay University and has further done special courses on Women in Leadership, Human Resources and Organisational Behaviour and Social Entrepreneurship and Philanthropy from IIM Ahmedabad and Stanford University. She is also on the Board of other companies including Forbes Marshall Private Ltd. (since 1999).



- **Prescient Color Limited** – A wholly owned subsidiary of Sudarshan Chemical Industries Limited which provides spinners and plastic processors the best option in masterbatches
- **Sudarshan Europe B.V.** – A wholly owned overseas subsidiary of Sudarshan Chemical Industries Limited incorporated in the Netherlands
- **Sudarshan North America, Inc.** – Incorporated in the State of Delaware, USA. A wholly owned subsidiary of Sudarshan Europe B.V. and a step down subsidiary of Sudarshan Chemical Industries Limited
  - Caters to both North and South American markets

Safe Harbour

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Investor Contact

Spiritually fulfilling • Socially just • Environmentally sustainable

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