INVESTOR PRESENTATION

August 2018

SUDARSHAN

Safe-harbor statement

This presentation may contain statements which reflect Management's current views and estimates and could be construed as forward looking statements.

These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements.

These risks and uncertainties include, but are not limited to our exposure to changes in general economic conditions, market, Foreign currency and other risks, changes in government policies/regulations, tax regimes as also technological changes.

The company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of subsequent development, information or events or otherwise.

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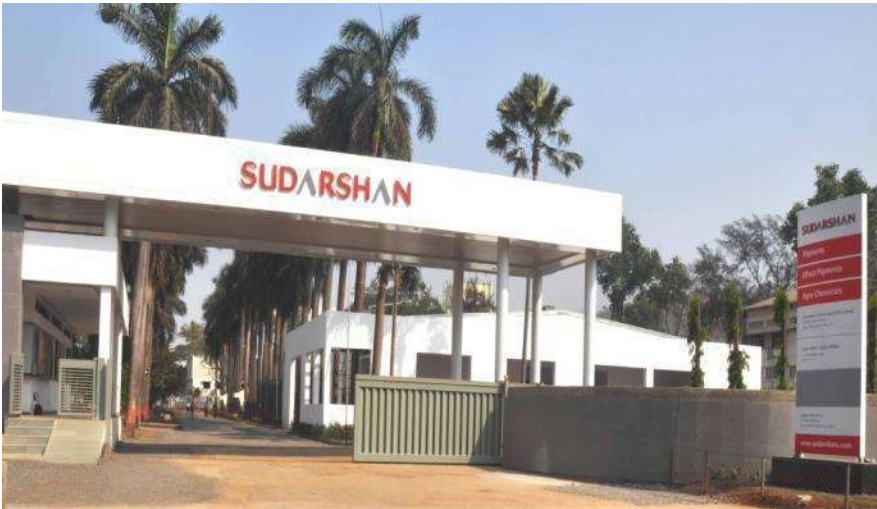
Business outlook

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Sudarshan at glance

Incepted in 1952

Manufacturer of Pigments & Effect pigments

Largest pigment producer in India with 35% market share

5th largest pigment producer in the world

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Highlights

- **Growth engine - in pursuit of the vision**

  o   From a non existent to the **5th largest producer** in the last 7 years

  o   Major capacity expansion lined up over next 5 years' under MOU signed with Government of Maharashtra for ₹ 1,000 crores investment

- **Cutting Edge Technology**

  o   Introduced 100+ new products - High Performance range, Cosmetic range

  o   Best in class infrastructure for Analytical and Application testing

  o   Best in class R&D professionals

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Highlights

- **Reliability and Sustainability**

  o British Safety Council - Sword of Honor

  o Amongst the top suppliers in the world, which meet the stringent social compliance norms of the Cosmetic Industry

- **Culture**

  o Among "Top 50 Dream Companies to Work"

  o Certified as "Great place to Work"

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Fiscal year highlights

Consolidated revenue at ₹ 16,461 mill (FY18)

Entire group revenue

Pigment global revenue at ₹ 13,293 mill (FY18)

YoY growth of 17%

FY18 PBDIT 13.3%

Continuing operations margins at consol level

India CSR Award

Total CSR spend at ₹ 19 mill, increase of 32%

Recognitions

Socially Responsible Exporter & World HRD for innovation in recruitment

DMAI award

Excellent performance in Energy conservation by large scale unit

Lowering carbon emissions

Reduction in utility usage saving ₹ 57 mill

Credit rating upgrade

Short term debt rating 'IND A1+'

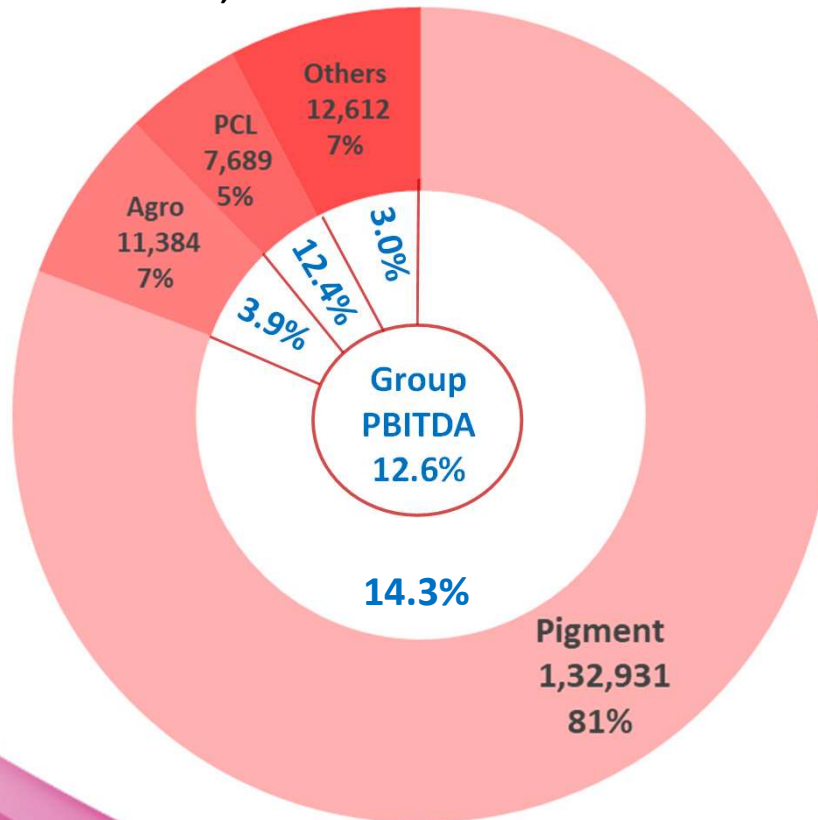**R&D spend crosses ₹ 100 mill**

Launch of 15 new products

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Group Revenue : INR 164,616 lakhs

FY17-18 Consolidated Revenue from Operations in INR Lakhs (net of excise duty)

Others 12,612 7%

PCL 7,689 5%

Agro 11,384 7%

3.0%

12.4%

3.9%

Group PBITDA 12.6%

14.3%

Pigment 1,32,931 81%

Agro Chemical Division

o Agro business was low margin and non-strategic

o Manufacturing business has been discontinued since Apr'18

o Business Transfer Agreement has been entered into for transfer of its Formulation Brand Business; transaction expected to be closed in second quarter

Prescient Color Limited (PCL)

o Divestment of master batch business demonstrates commitment of Pigment business to grow aggressively in plastics industry through no-conflict approach with customers

o Subsidiary business was sold to Americhem Inc. & transaction concluded on 1st June 2018
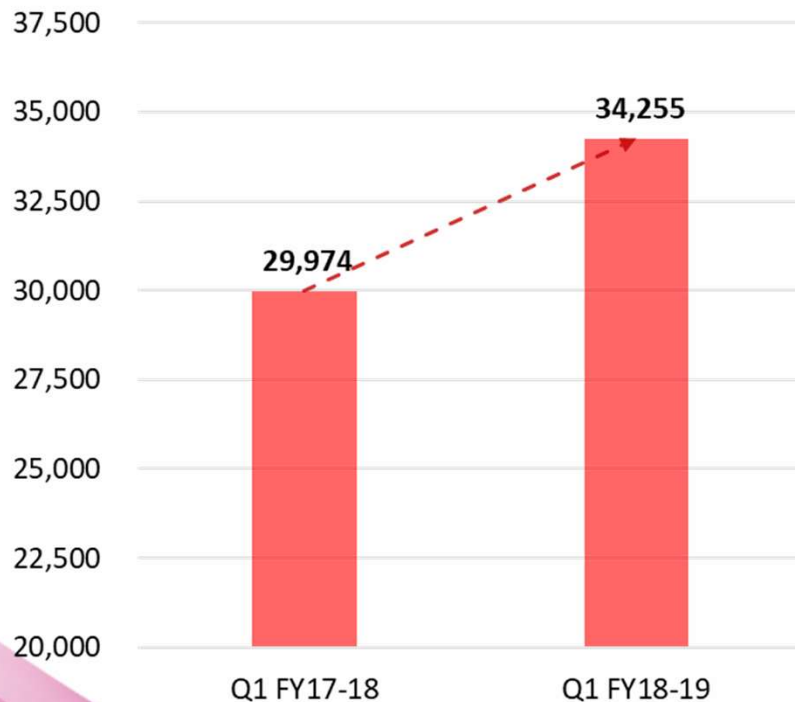
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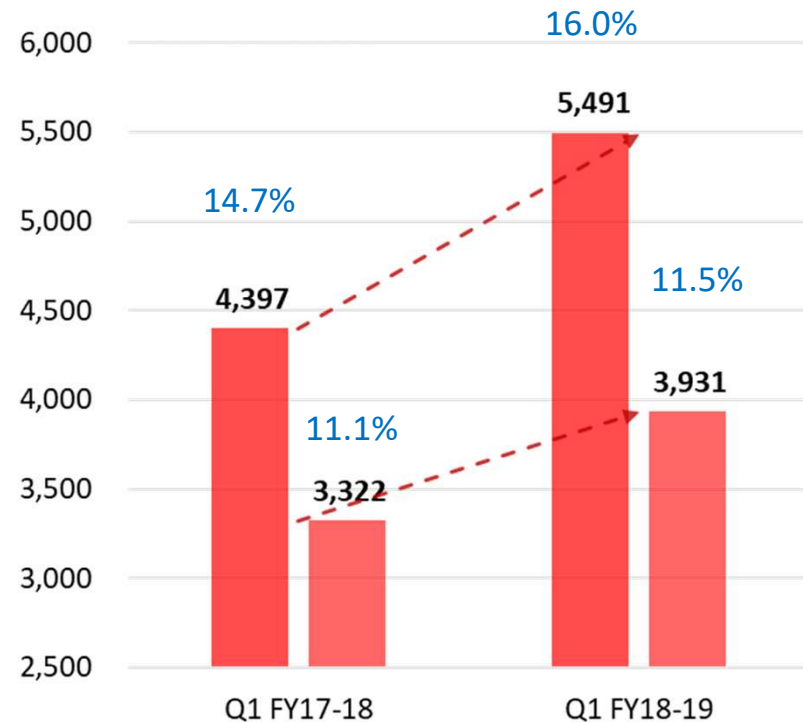
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Quarterly financial update

In INR lakhs

Income from operations
grew at 14%
(net of excise duty)

PBDIT growth   25%
PBT growth   18%

PBDIT as percent to
Income from operations

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Key ratios

	As on	
	31.03.2018	30.06.2018
Debt-Equity	0.81	0.46
Current ratio	1.31	1.61
EPS (basic & diluted - Annualised)	12.40	14.30

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- Raw materials continued at elevated levels and selling price increases pursued

- Operational excellence projects have given cost reductions which reflect in PBDIT margin increase

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Customer price increase and tighter cost control to help maintain profitability

Expect stability on raw materials pricing to come in by end of Q3

Gains from divestment of masterbatch business to be deployed in capex for expansion of Pigment business

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Thank You

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growing
together ...

- Spiritually fullfilled - Socially just - Environmentally sustainable -

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