



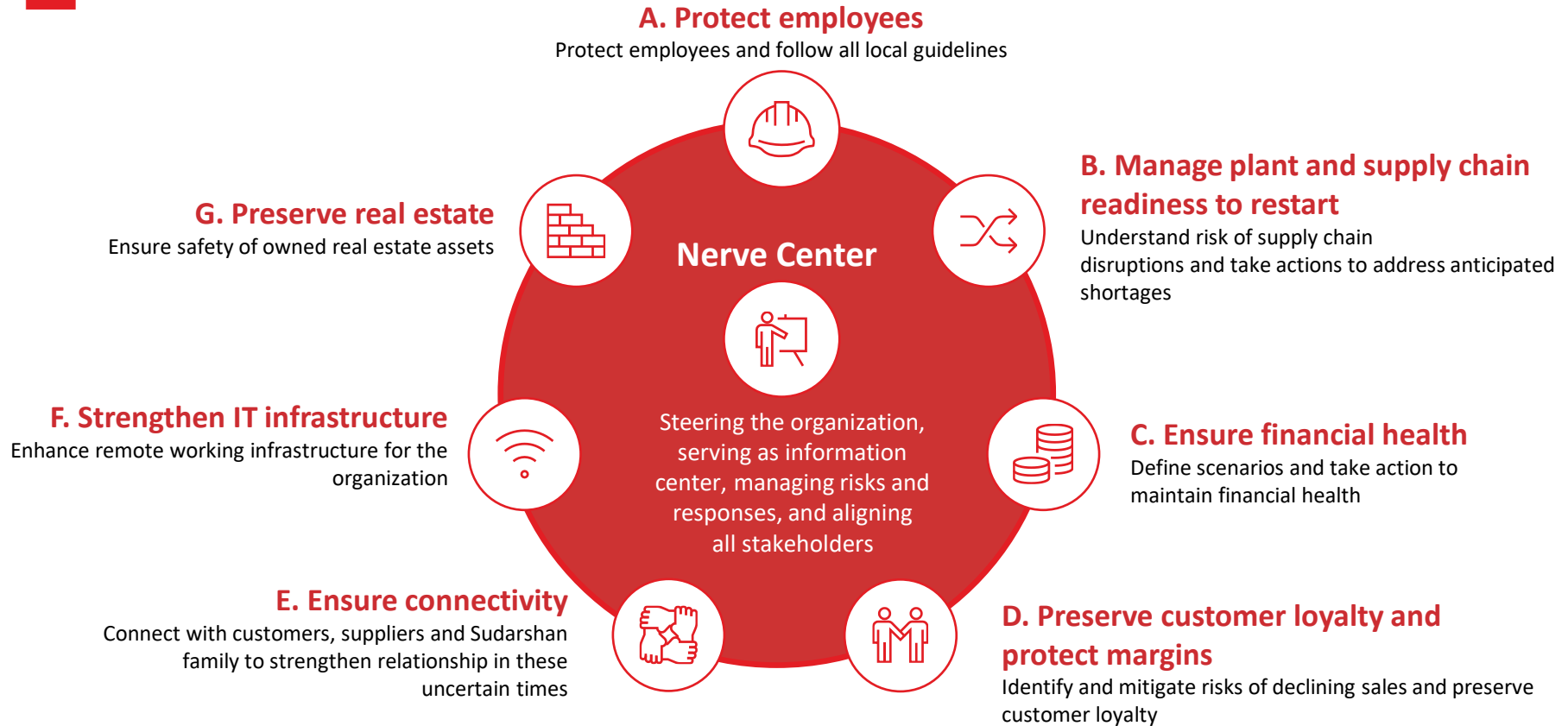
SUDARSHAN

**Investor
Presentation**

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
- The presentation was last updated on June 2020

COVID-19 Crisis Response Team formed



COVID-19 Measures undertaken to build resilience

Initiatives undertaken

Employees

Senior Management stayed in the plant along with workforce

Redeployed workforce to maintenance activities while staying on the premises

Implemented safety measures beyond WHO and Government standards

Business

Continuous engagement with customers and suppliers

Proactively planned extra raw material and logistics capacities

Cash flow war-room helped up manage our cash flows rigorously

Community

Kept serving the community in the tough times

Distribution of food grains to communities around the plants

Health kits and safety mask distribution

Resulted in quicker restart of operations

Roha

5th April 2020

Mahad

11th April 2020

R&D

6th May 2020

Global Head Office

01st June 2020

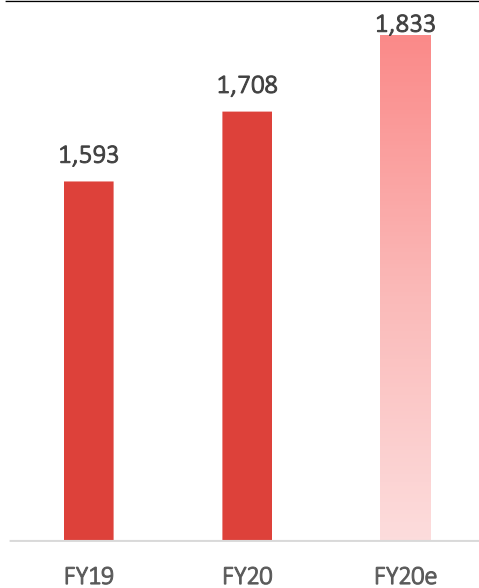
Note: Operations were restarted phase wise from these date
We were able to open some of our plants early with governments permission and necessary precautions as we supply to essential industries such food and personal care



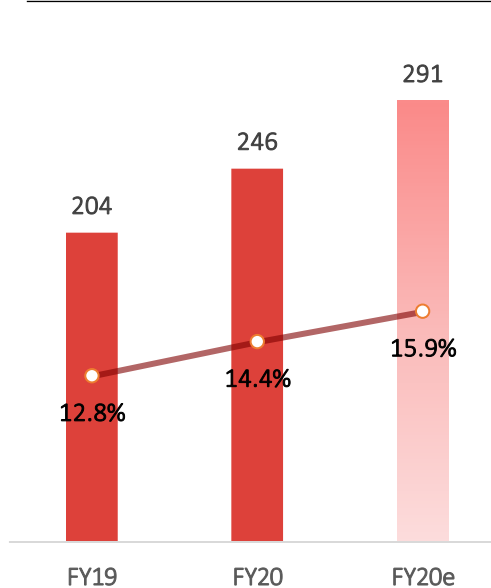
FINANCIAL OVERVIEW

FY20 Performance Highlights - Consolidated Financials

Income from Operations (In ₹ Cr)



EBITDA* (In ₹ Cr & Margin%)



Commentary

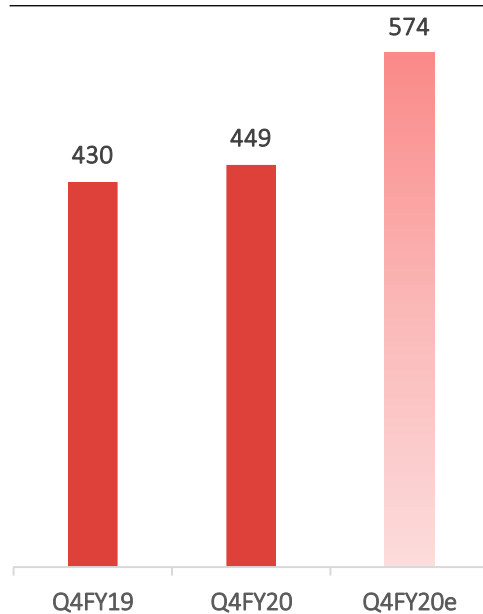
- Q4 impacted due to nationwide lockdown, however full year performance has shown good growth
- Revenue growth of 7.2% and EBITDA growth of 20.6%
- EBITDA Margin has seen expansion by 160bps
- Increase in employee cost as R&D and business teams were strengthened during the year

Note: FY20e is based on management estimates of potential Sales and EBITDA had COVID-19 and lockdown not disrupted the business. The company had confirmed orders and could not execute them given the nationwide lockdown.

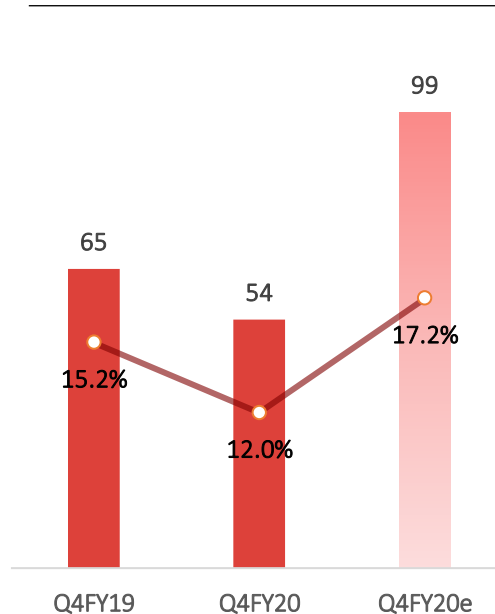
Financial results include results of the wholly owned subsidiary RIECO Industries Limited which was earlier classified under 'discontinued operations'. Previous quarter / year figures have been regrouped wherever necessary to meet current period's classification. * EBITDA as percent to Total Income from operations (excluding other income)

Q4FY20 Performance Highlights - Consolidated Financials

Income from Operations (In ₹ Cr)



EBITDA* (In ₹ Cr & Margin%)



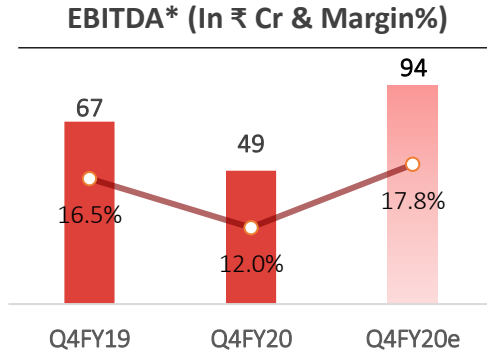
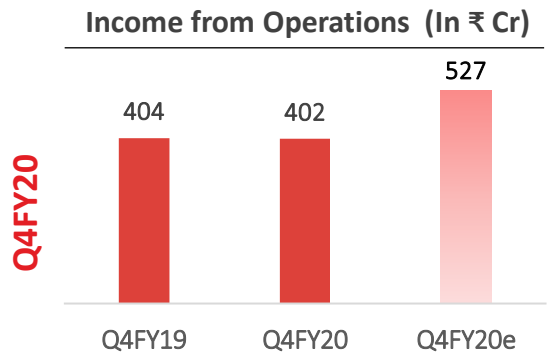
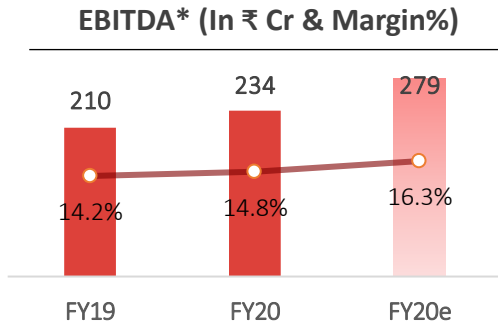
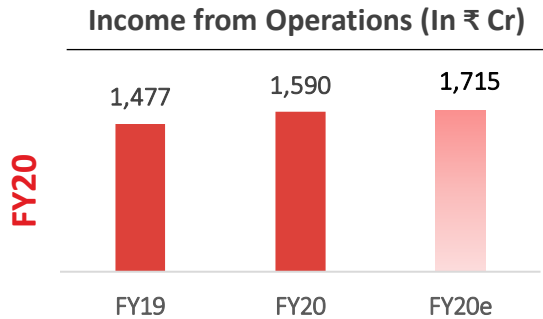
Commentary

- Quarterly performance impacted as certain orders could not be executed due to the nationwide lockdown
- Revenue growth of 4.4% despite this challenging environment

Note: FY20e is based on management estimates of potential Sales and EBITDA had COVID-19 and lockdown not disrupted the business. The company had confirmed orders and could not execute them given the nationwide lockdown.

Financial results include results of the wholly owned subsidiary RIECO Industries Limited which was earlier classified under 'discontinued operations'. Previous quarter / year figures have been regrouped wherever necessary to meet current period's classification. * EBITDA as percent to Total Income from operations (excluding other income)

Pigment Business Performance Highlights



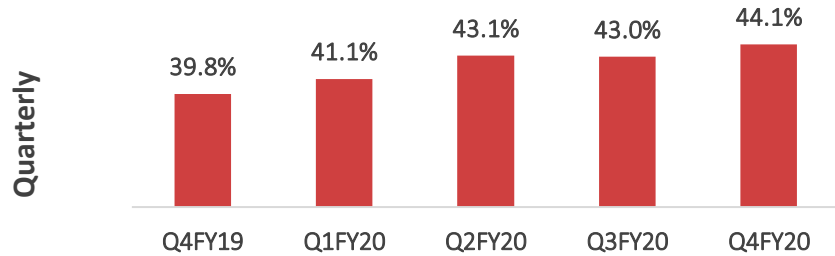
- FY20 exports as a % of revenue were ~48% and domestic revenue was ~52%
- Capex for the year FY20 stands at INR 255 cr.
- For Q4FY20, Specialty and Non-Specialty portfolio did not see any growth this quarter owing to the fact that we were not able to complete considerable part of sales this quarter

Note: FY20e is based on management estimates of potential Sales and EBITDA had COVID-19 and lockdown not disrupted the business. The company had confirmed orders and could not execute them given the nationwide lockdown.

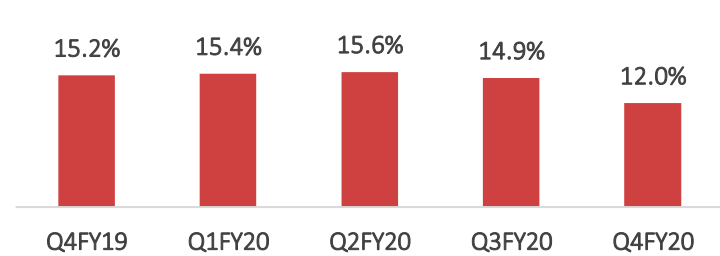
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Margin Performance - Consolidated Financials

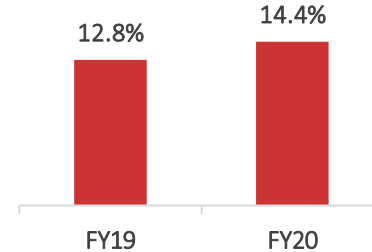
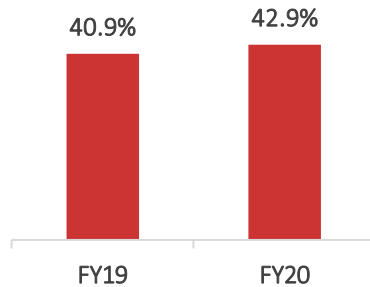
Gross Margin



EBITDA Margin



Full Year



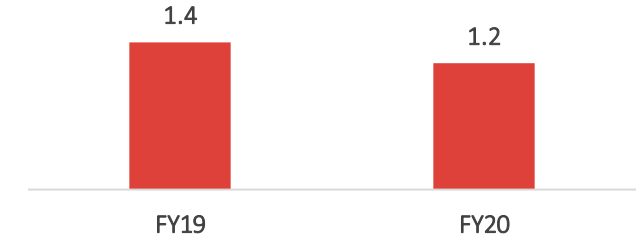
Note: Based on Consolidated Financials

Key Ratios - Consolidated Financials

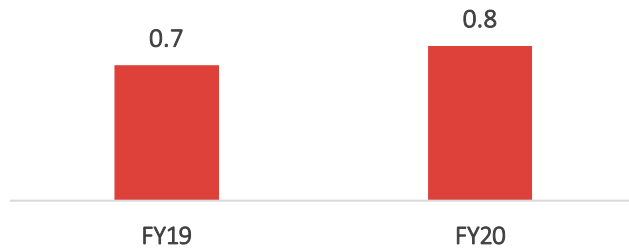
Return on Capital Employed



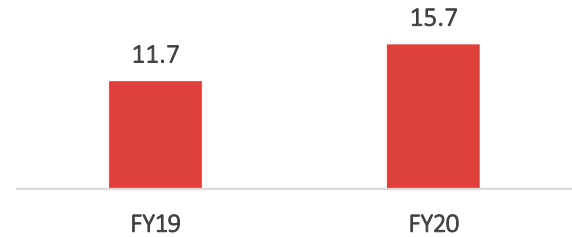
Current Ratio



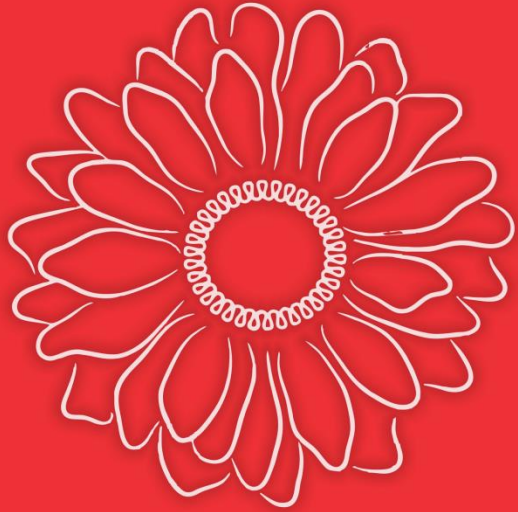
Debt to Equity Ratio



Earnings per Share*



* Earnings per share calculated excluding exceptional items



ABOUT SUDARSHAN

Our Company at Glance

We are a leading world-class color solutions provider with a focus on exceptional and sustainable results



CONSOLIDATED REVENUES

\$223 Mn
(FY20)



INFRASTRUCTURE

2 Manufacturing plants
in Mahad & Roha and a
dedicated R&D center in
the outskirts of Pune



PEOPLE

50+ sales team
60+ channel partners
2,000+ global workforce



BUSINESS FOCUS

Pigment
Focus. Don't compete
with customers



GEOGRAPHIC REACH

Largest pigment producer
in India.
Exports to 85+ countries

Our Vision, Mission & Values

Our growth is fueled by an immense drive to be a leading player in our field



MISSION

World class Global
Color Solution provider
with an innovative and
vibrant culture



VISION

To be amongst the top
three pigment players
in the world



VALUES

Seva (Service), Courage,
Commitment and
Passion, Respect,
Trust

Our Journey

Evolution of Sudarshan from a local player to a global player is result of a well crafted strategy

**Establishing the Business
1952 - 1989**

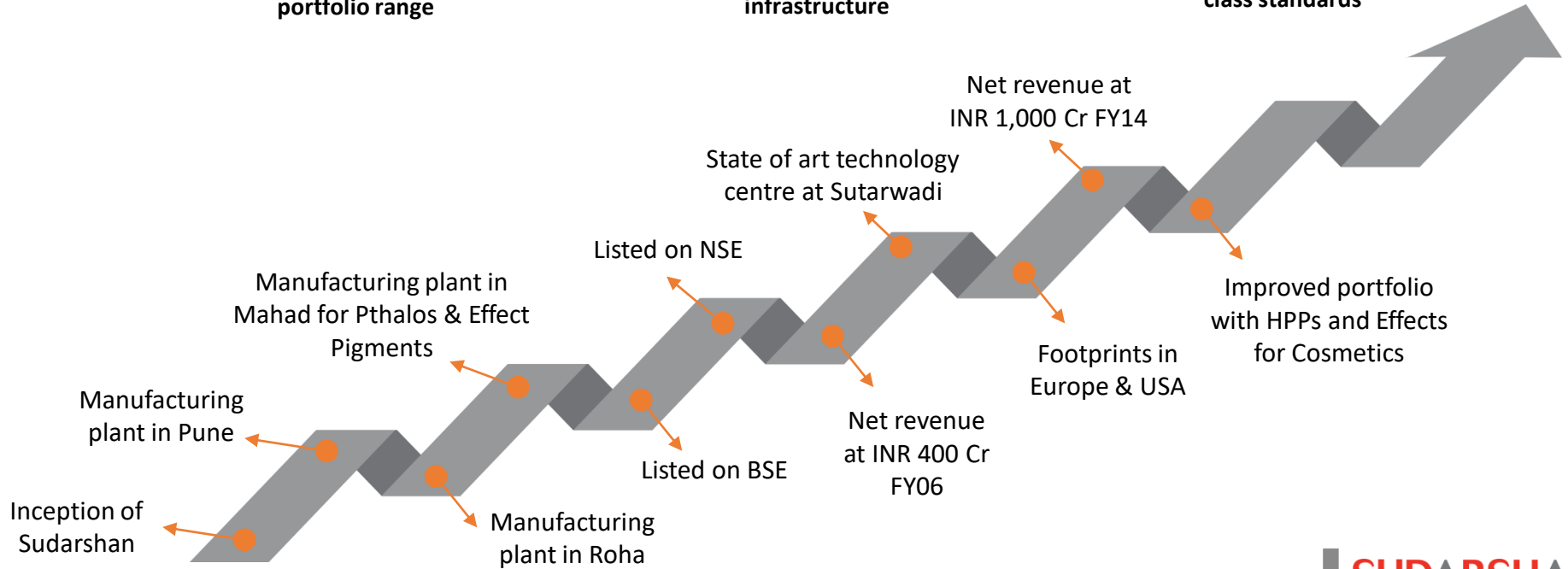
Efforts largely domestic with limited portfolio range

**Next leap in Technology
1989 - 2006**

Building technical capabilities & infrastructure

**Going Global
2006 - 2018**

Scaled up infrastructure to world class standards



Our Governance Structure - Board Of Directors

Mr. Pradeep Rathi
(Chairman)

Mr. Rajesh Rathi
(Managing Director)

Mr. Ashish Vij
(Whole Time Director)

Mr. S. N. Inamdar
(Non-Executive,
Independent Director)

Mr. D. N. Damania
(Non-Executive,
Independent Director)

Mr. S. Padmanabhan
(Non- Executive,
Independent Director)

Mrs. Shubhalakshmi A. Panse
(Non-Executive,
Independent Director)

Mr. Naresh T. Raisinghani
(Non-Executive,
Independent Director)

Mr. Sanjay K. Asher
(Non-Executive,
Independent Director)

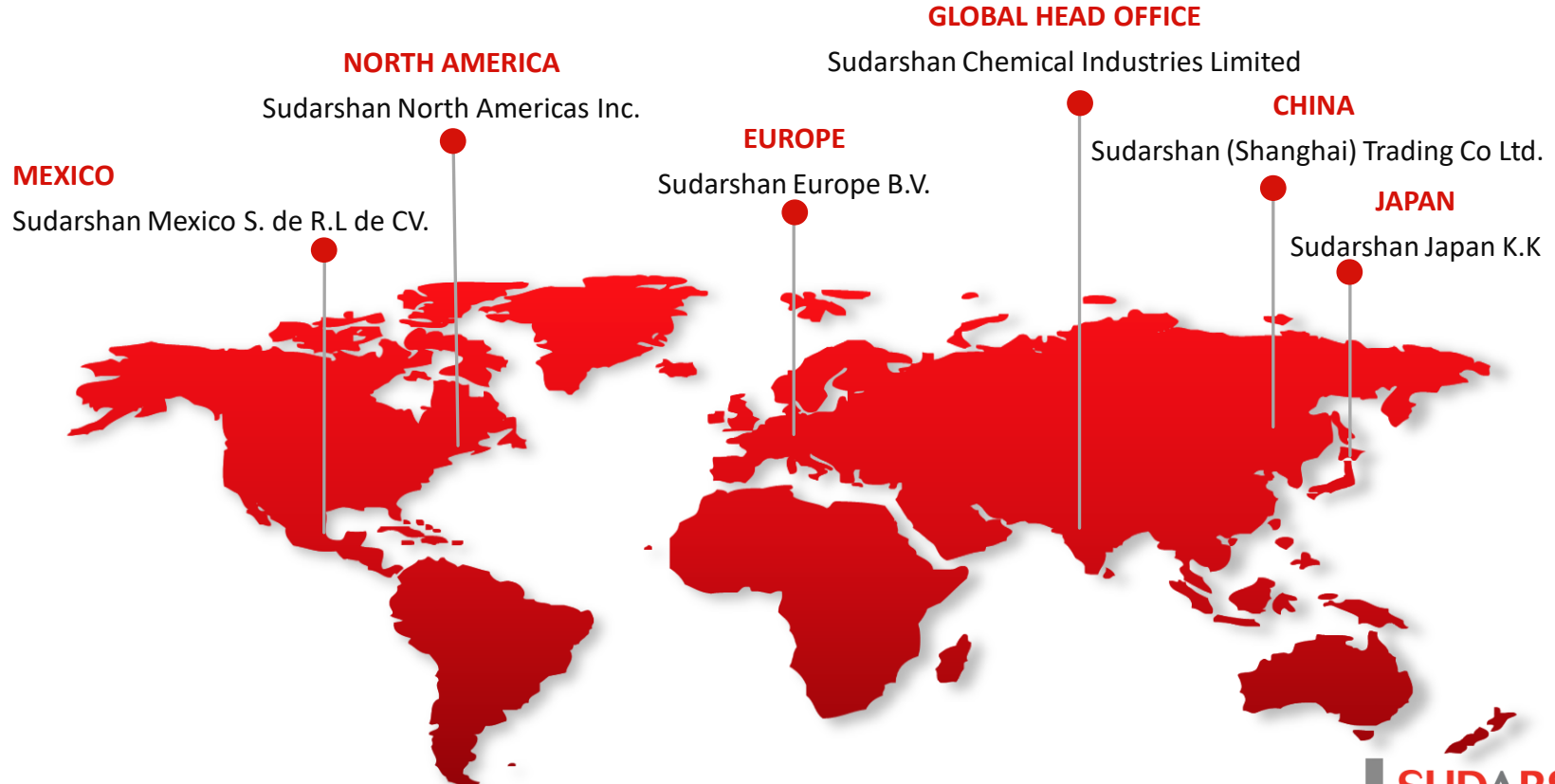
Mr. Anuj N. Rathi
(Non-Executive,
Non-Independent Director)

Mrs. Rati F. Forbes
(Non-Executive,
Independent Director)

Dr. Deepak Parikh
(Non-Executive,
Independent Director)

Our Global Presence

We Exports to 85+ countries with 50+ sales members



Our Products Portfolio

Organic Pigments

Azo
Phthalos
HPPs
Dispersions

Coloured material made of organic compound with pigment properties. Commonly used for Coatings, plastics, Inks & Textile applications

Inorganic Pigments

Chromes
Cadmiums
Iron Oxides

Made up of mineral compounds. Are mainly oxides, sulphides of one or more than one metals. Used for plastics and industrial coatings

Effect Pigments

Mica base for
industrial and
cosmetics

Pigments with mica base and coated with oxides to give shimmer and glow. Mainly used in plastics, automotive coatings, cosmetics applications

Pigments Application – a global \$8.6bn market opportunity

We are uniquely placed to offer a comprehensive range high performance and speciality pigments

COATINGS



High performance and special effect for the coating industry

Our key focus area with targeted significant growth in the automotive and decorative segments

PLASTICS



A palette with a wide spectrum of colors and performance for plastic applications

Enjoy leadership position in plastics segment in multiple geographies; attributed to our detailed know-how of the industry

INKS



General purpose and high performance pigments for inks

Focus on niche applications in the ink industry with necessary expertise in offset and liquid ink segments

COSMETICS



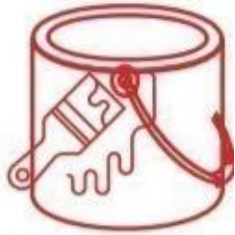
Effect pigments for cosmetics & personal care applications

A strategically important growth area for Sudarshan; we continue building capabilities in end application

The Pigment Approval Cycle

Approval cycle for pigment sales varies across products and Sudarshan Chemicals is well placed in this regard

COATINGS



Coatings remains a prominent focus area with Automotive and Decorative being the key segments

Automotive: 1 to 5 years

Decorative: 6 months to 1 year

PLASTICS



Market leaders in multiple geographies offering wider spectrum of colours and pigment grades.

Plastics: 3 to 6 months

INKS



Focus on niche applications like liquid inks to build competency and strong market share

Inks: ~ 1 month

COSMETICS



Proven track record with significant growth for Sudarshan's progress

Cosmetics: 1 to 2 years

Our Unmatched Technical Capability

PEOPLE

- 100+ Scientists & Technical resources
- Global experts' panel for competency enhancement
- Analytical & Application Lab experts



INFRASTRUCTURE

- Dedicated site for R&D with investments > USD 10Mn
- State of art equipment for characterization and composition analysis
- Ability to handle crystal modification & surface treatments
- Ability to ensure reproducibility in end application

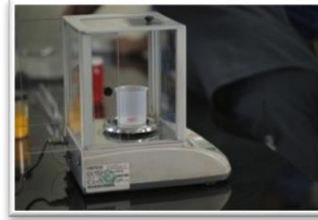


PROCESS

- Stage Gate Process
- DOE approach to solutions



Our Infrastructure



SCIL is focused on building capabilities across research, development & technical service.

Manufacturing Site: Roha

Built in 1973; 1100+ trained team members.

Products Manufactured: AZO, HPP, Effect Pigments, Dispersions



Manufacturing Site: Mahad

Built in 1993; 500+ trained team members.

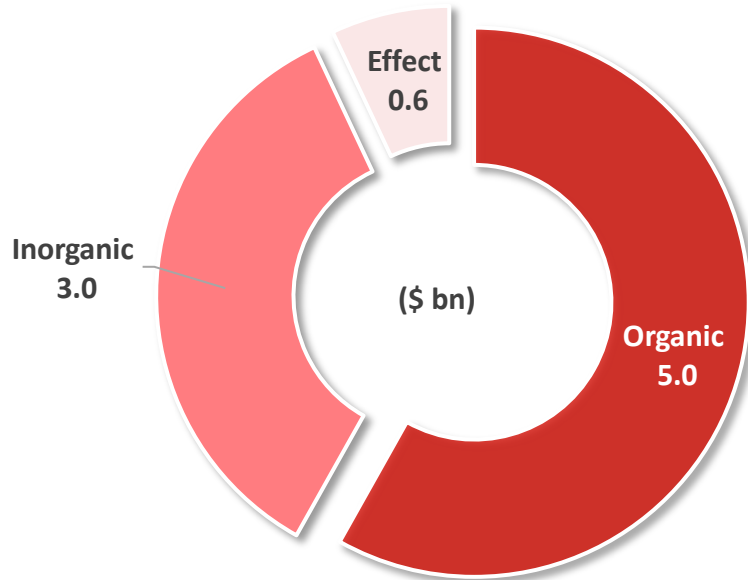
Products Manufactured: B&G, HPP, Effect Pigments



Our Manufacturing Plants with Modern Water Treatment Facility and Certified by BSC and having won Sword of Honour for Safety

Global Pigments Market Overview

Global Colour Pigment Market* - Relevant to Sudarshan



- Our estimate of the Global Colour Pigments Market is ~\$ 10B, market opportunities open to Sudarshan are ~\$ 8.6B.
- Global Organic Pigment market is expected to grow at ~3% CAGR over the next 5 years.
- India is set for strong, sustainable growth in pigment manufacturing with substantial export opportunities.
- Sudarshan is well placed to expand market share for all its applications.
- We expect this strong growth to come from our coatings, inks, plastics and cosmetics segments.

* Excludes Black, White and Metallic Pigments.
Based on internal Pigment industry study and various market research reports

Our Pillars Of Growth

We believe Growth will come from a focused approach to broaden product portfolio and renewed application focus

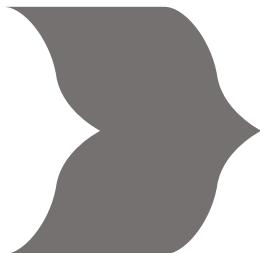
01



Product Portfolio

- Enhance Product Portfolio across
 - Organic (especially HPPs and Inks)
 - Inorganic HPPs
 - Effect Pigments
 - Solvent Dyes
-

02



Application Focus

- Continued focus on decorative coatings and plastics
 - Additional focus on automotive coatings, industrial effects & cosmetics
-

03



Geographic Presence

- Expand global footprint to newer geographies, and gain market shares in US, EU and China

Building Capabilities

We focus on building capabilities across functions to achieve our vision



STRENGTHEN R&D

Faster launch of new and innovative products, faster turnaround time on technical issues.



MANUFACTURING & OPERATIONS EXCELLENCE

Lean & Six Sigma, Capex expansion, strengthening supply chain



COMMERICAL EXCELLENCE

Improving reach, channel management and customer experience



ENVIORNMEMNT SUSTAINABILITY

Best in class safety practices, continued efforts towards sustainable energy sources such as solar, windmill etc.

Our Competitive Advantage

We achieve excellent product and process reliability

Product Consistency & Process Control

800+ tests
4000+ specifications

Reliable technical information

Laboratories certified by the National Accreditation Board for Testing & Calibration Laboratories

Reliable Service

Recognized for operational excellence in Supply Chain Management

Environment & Occupational Health

Ensure safety of our plant operatives

Our Certifications

ISO 9001
Six Sigma

Oliver Wight Class
A Certificate

ISO 17025:2001

ISO 14001
OHSAS 18001
British Safety Council
5 Star Rating Sword of Honour

Empowering our society and safeguarding our environment

“SUDHA” (Sudarshan’s Holistic Aspiration)

Women Empowerment

1,000+ women

8+ villages

Livelihood initiatives through Paper Bags making projects, Stitching Projects

Health and Community Development

20 Asha Workers (Health Workers) working in 22 villages

Distribution of water purifiers to 38+ rural schools

Clean and safe drinking water facilities to 38+ rural schools

Sanitary Napkins Vending machines in 4 Girls schools

Education

The J. M. Rathi High School provides education to over 2,000 students

Providing education to 376 children in Pune Slum area

Digitalization of 28 rural schools

Environment

Waste Management – Working with 4,000+ families and 9 villages

Our EHS initiatives

Effluent Treatment

Our state of the art effluent treatment facilities and the standards of operation are recognized throughout the region as most stringent

Co-Gen Facility (Steam & power co-generation plant)

Estimated CO2 emission reduction approx. 480,000 Kg/Day

Suspended Particulate matter less than 50mg/Nm3

Uninterrupted power supply to process consistent quality of product

High efficiency will result in less fuel consumption

Wealth Out of Waste

Reduction in green house gases due to installation of Anaerobic Hybrid Reactor

Installed both primary and secondary sludge where secondary sludge is used in cogen plant as a fuel

Sudarshan Received Global CSR Award 2020 in Platinum Category for an outstanding achievement in implementing CSR Programme for strengthening core business with Social Commitment

Shareholder Information

Share Information (as at 31st March 2020)

NSE Ticker	SUDARSCHEM
BSE Ticker	506655
Market Cap (INR mn)	25,773
% free-float	39.0%
Free-float market cap	10,052
Total Debt	45,12
Cash & Cash Equivalents	156
Enterprise Value	30,129
Shares Outstanding	6,92,27,750
3M ADTV (Shares)	2,43,727
3M ADTV (INR mn)	107.4
Industry	Specialty Chemicals

Shareholding Pattern (as at 31st March 2020)

Promoters	42.7%
FII and FPIs	8.2%
Mutual Funds	2.5%
Others	46.6%

Sudarshan has outperformed broader indices over the last 12 months (as of 1st April 2020)



Awards And Accolades



Global CSR Award 2020
Platinum Category



HR Excellence Award 2018
1st in Chemicals & Fertilizer Sector



'Dream Company to Work For' in
Chemical Sector
World HRD Congress 2017



Global WasteMet Award 2018
- Gold Category



DMAI Award for Energy
Conservation Initiative 2017-18



India CSR Award for CSR
Community Initiative 2017-18

THANK YOU

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CIN: L24119PN1951PLC008409

www.sudarshan.com

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162, Wellesley Road, Pune, Maharashtra - 411001



- Spiritually fulfilling
- Socially just
- Environmentally sustainable