



INVESTOR MEET

September 2016

SUDARSHAN

- ➔ What are Pigments?
- ➔ Addressable markets
- ➔ From local dominance to global leader
 - Strategic development
 - Infrastructure
 - Competitive advantages
 - Culture
 - Financial overview
- ➔ Key Messages

What are Pigments?

Colorants

Dyes

Major Application - Textiles



Pigments

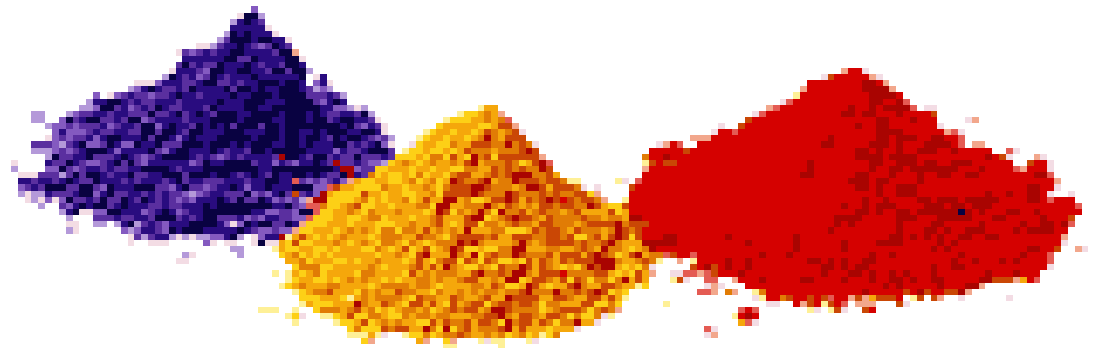
Major Applications – Plastic, Ink & Coatings



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Pigment - Definition

It is dry color powder, Insoluble in medium but easily dispersible in medium (Resin/binder)



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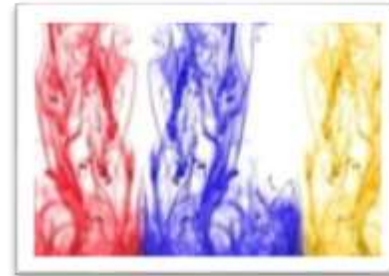
Pigment - End Markets



Coatings



Plastics



Inks



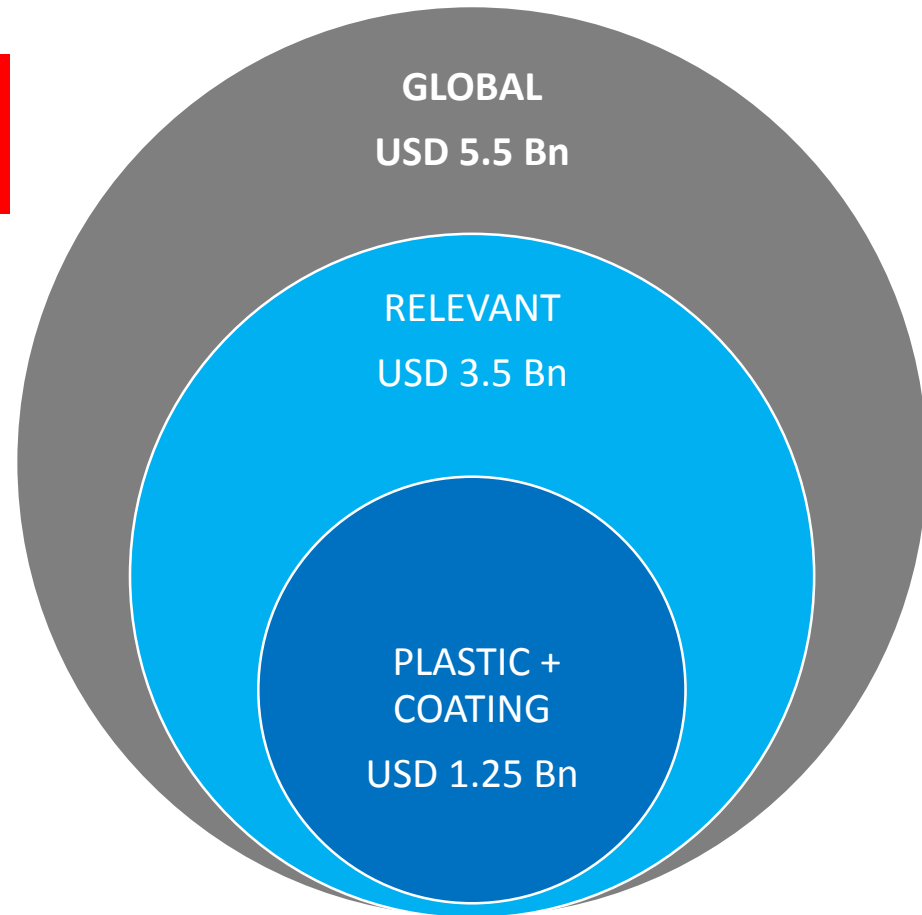
Cosmetics

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Addressable markets

Market size of Organic Pigment

India market estimated to be
USD 235 Mn = Rs. 1550 crs.



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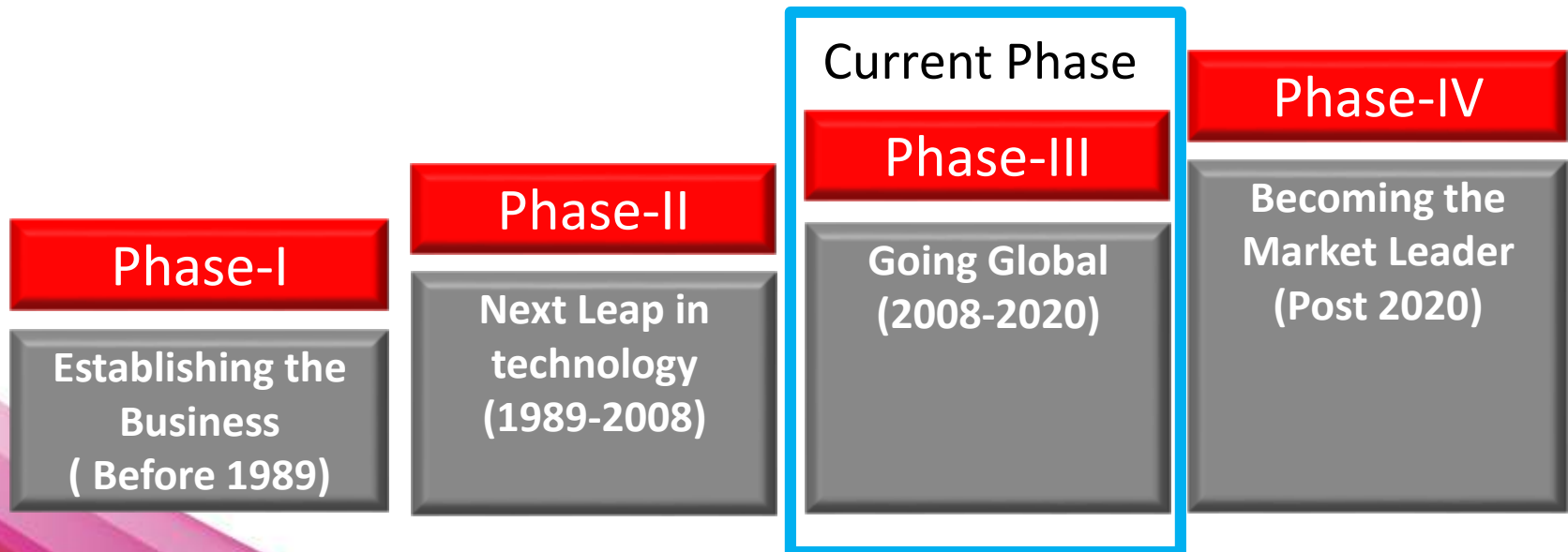


From **Local dominance** to **Global Leader** – Strategic Development

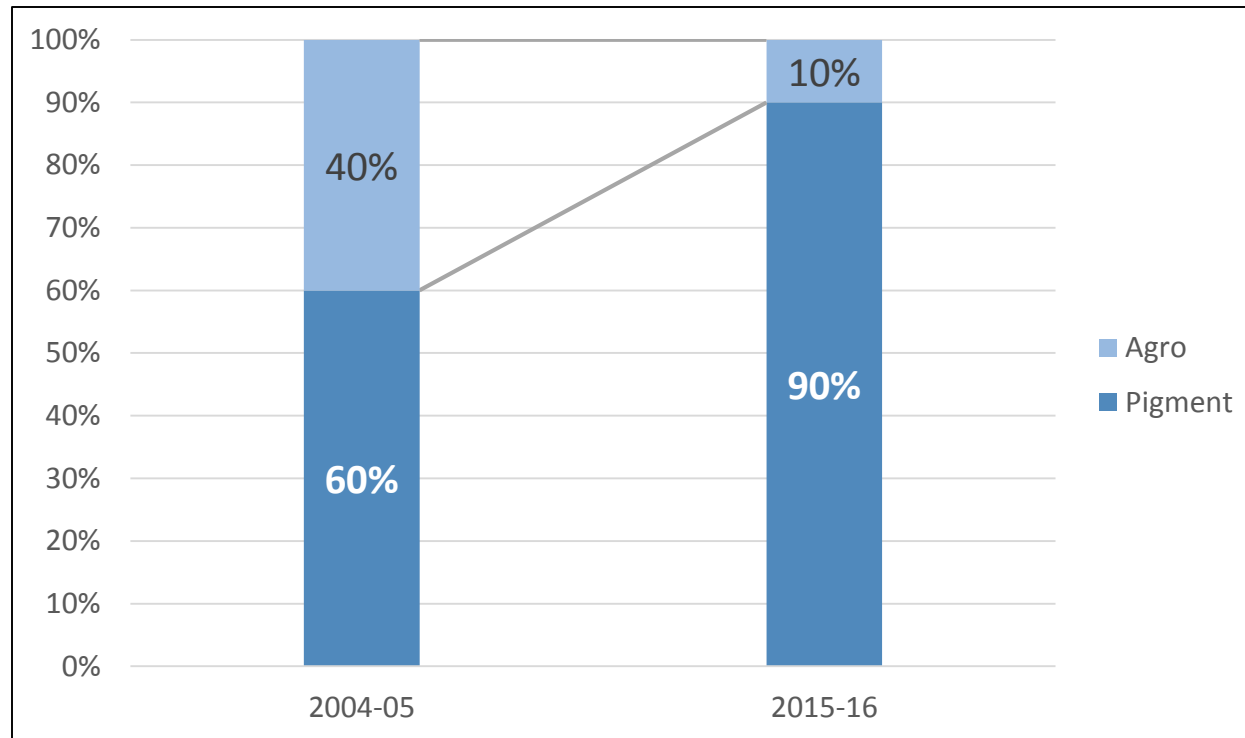


Strategic Development – Journey

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



Strategic Development – Pigment Focus



Agro business

- Margins are low
- Working capital cycle is long

Strategic Development – Phase III Objectives

Phase-III

Going Global
(2008-2020)

- Increase global share
- Become a 1st division Global player
- Be among top-4 pigment players in the world



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Strategic Development – Phase III

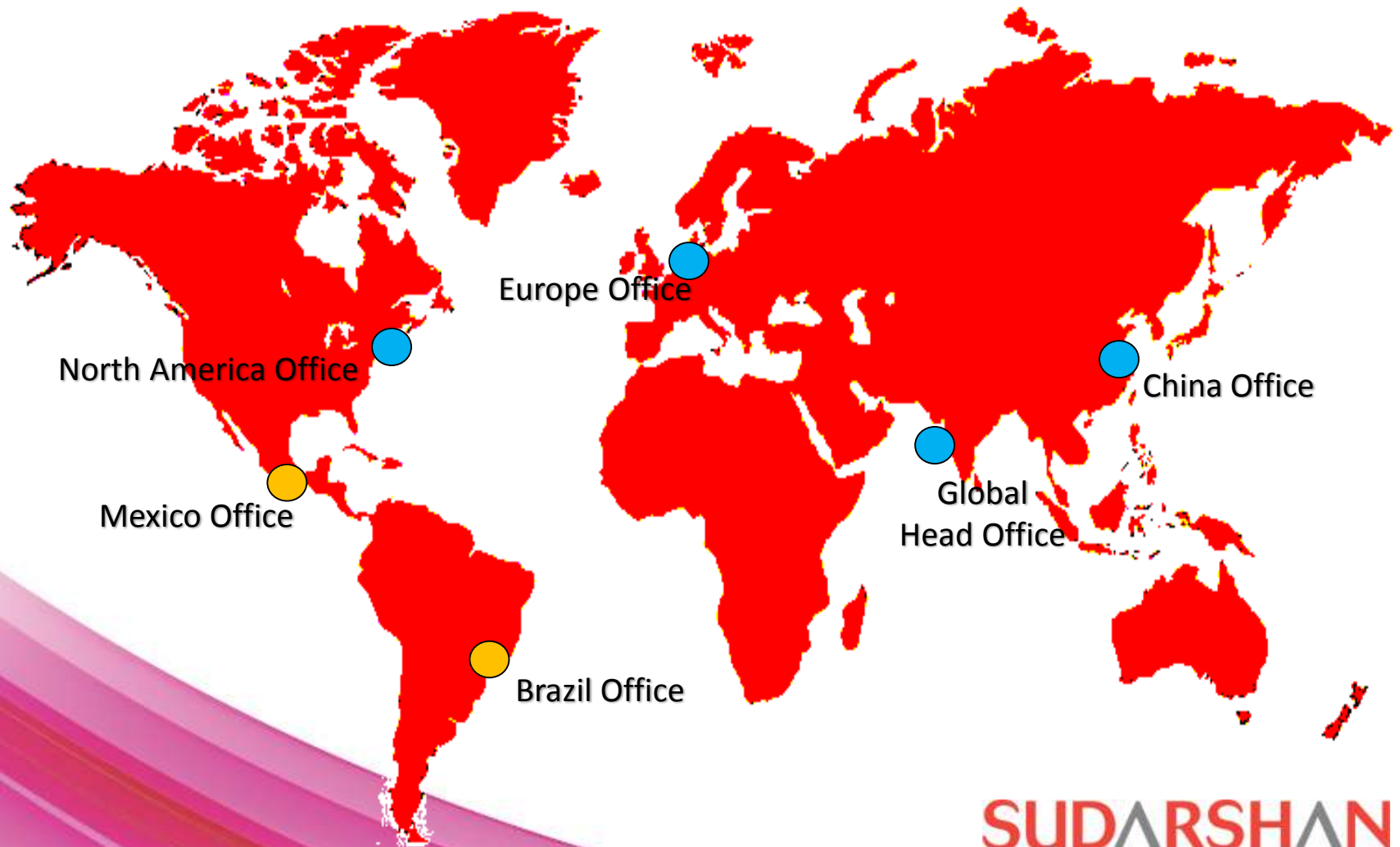




From **Local dominance** to **Global Leader** – Infrastructure



Infrastructure - Global Presence



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Infrastructure - India

- Global Head office in Pune
- R&D in Ambadwet near Pune
- India based Manufacturing
 - Roha
 - Mahad



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Infrastructure - Sales

Well established distribution network across the Globe



- 11 Sales offices
- 50+ member Sales team
(Brazil, China, Europe, India,, Mexico, Turkey,)
- 60+ channel partners
- 20+ Stocking points
- Sales across 150+ countries

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From **Local dominance**
to **Global Leader** – Competitive Advantage



Competitive Advantage – Reliability

We achieve excellent product and process reliability

Product consistency and process control	ISO 9001 Six Sigma	We conduct over 800 tests We guarantee over 4,000 specifications
Reliable technical information	ISO 17025:2001	Our laboratories are certified by the National Accreditation Board for Testing and Calibration Laboratories
Reliable service	Oliver Wight Class A Certificate	We are recognised for operational excellence in supply chain management
Easy access to order information	SAP	We use fully traceable business processes
Environment & Occupational health	ISO 14001 OHSAS 18001 British Safety Council 5 Star Rating	We ensure safety for our plant operatives.

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Competitive Advantage – R&D and EHS

Technology

We spend over \$2million every year on research, development and technical service, with over 100 technicians in 3 laboratories.



Health, safety & environment

We spend over \$4million every year on environmental compliance with a \$3.4 million effluent plant. All plants are ISO 14000: OHSAS certified.

Won 5 star BSC rating in 2012 for Roha and Mahad

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From **Local dominance** to **Global Leader** – Culture



Culture - Four Components



Culture - Higher Purpose



growing
together ...

- Spiritually fulfilled
- Socially just
- Environmentally sustainable

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Culture - Vision



To be amongst the
top four pigment players in
the world

Culture - Mission



**World Class Global Colour Solution
Provider**

with an

**Innovative & vibrant
culture**

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Culture – Values



S

Seva (Serve)

C

Courage

C

Commitment & Passion

R

Respect

T

Trust

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Competitive Advantage – Why Sudarshan?

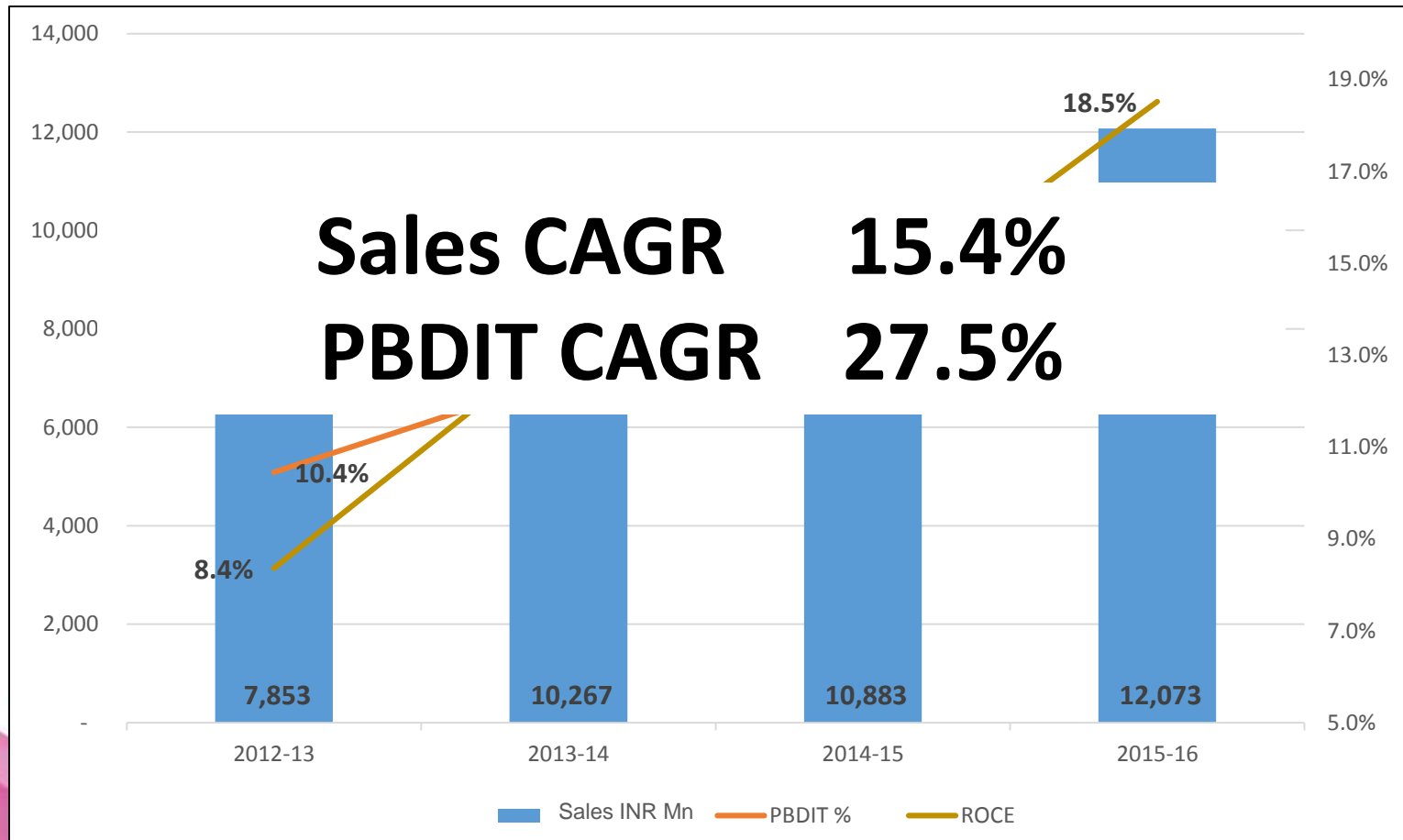
- Pigment Focus – don't compete with our customers
- Breadth of the product range
- Reliability
- Customer Partnerships
 - R&D
 - Technical Service
 - Customer Service
- Culture and Values – ease of execution and focus



From **Local dominance** to **Global Leader** – Financial Overview

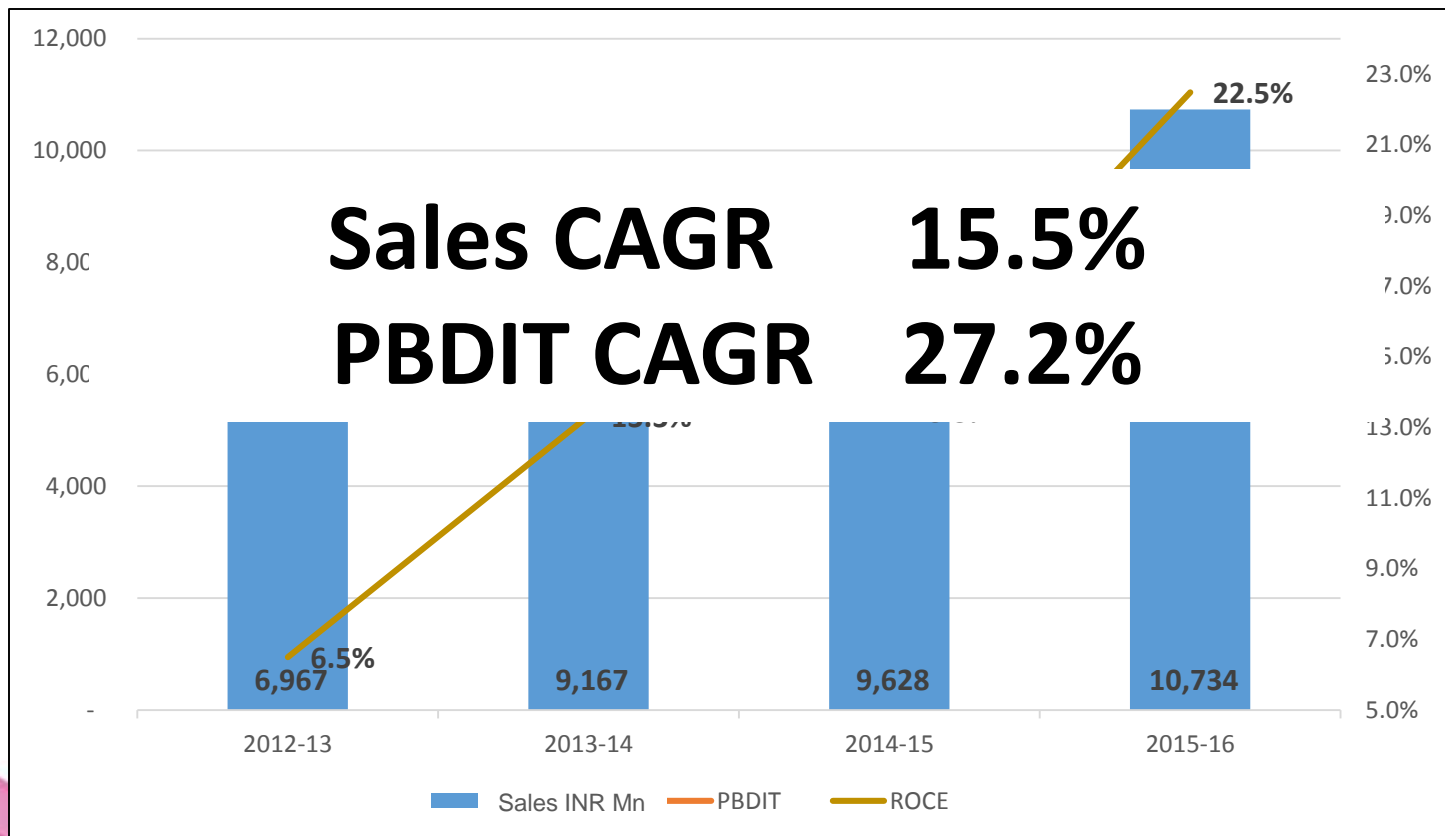


Financial overview - Overall



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Financial overview - Pigments



Financial Overview – Q1 2016-17

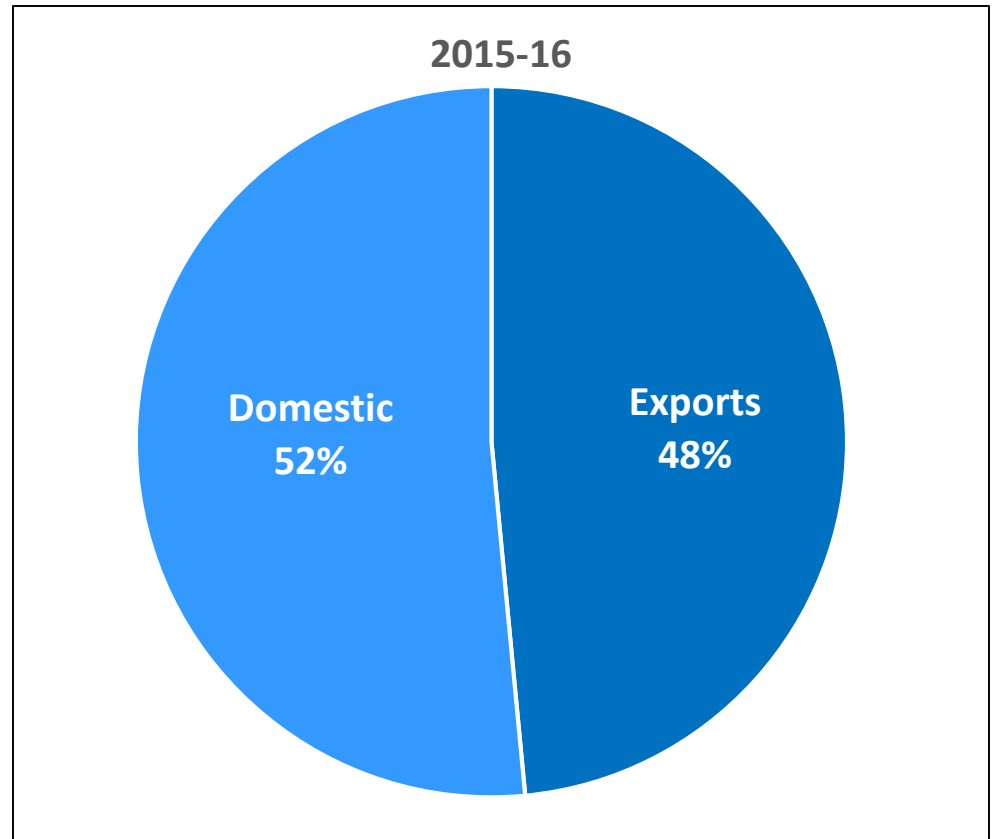
Q1 2016-17	Corporate	Pigment
Sales INR Million	3,368	2,835
PBDIT %	18.2%	23.4%

- Strategic Sourcing initiatives
- Manufacturing cost reduction
- Firm budgetary control

Financials - Sales Split

CAGR over 4 years

- Exports CAGR 19.2%
- Domestic CAGR 12.0%



Financial overview – ROCE

- Capital investment towards high margin and high growth product lines
- Consistent focus on reduction of working capital; NWC as percent to sales reduced from 34% to 22%
- Margins are improved with various strategic initiatives



From **Local dominance** to **Global Leader** – Key Messages



Key Messages

- **Growth engine – in pursuit of the vision**
 - a. From a non existent to the **5th largest producer** in the last 7 years
 - b. Received Government permission and signed a MOU for Rs. 1000 crs investment
- **Customer Partnership**

Top global coatings, plastics and cosmetic players have engaged us as a strategic partner

Key Messages

- **Reliability and Sustainability**
 - a. British Safety Council – Sword of Honor
 - b. Amongst the top suppliers in the world, which meet the stringent social compliance norms of the Cosmetic Industry

- **Cutting Edge Technology**
 - Introduced 100+ new products – High Performance range, Cosmetic range

- **Culture**
 - a. Among “Top 50 Dream Companies to Work”
 - b. Strong culture enables ease of execution and focus

Questions



growing
together ...

- Spiritually fulfilled • Socially just • Environmentally sustainable •

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