



ELANTAS Beck India Ltd.

Corporate Presentation

January 2013

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Strategy Overview

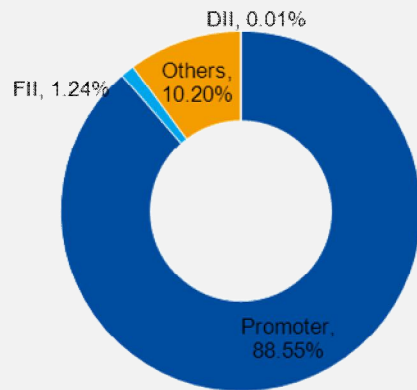
Overview

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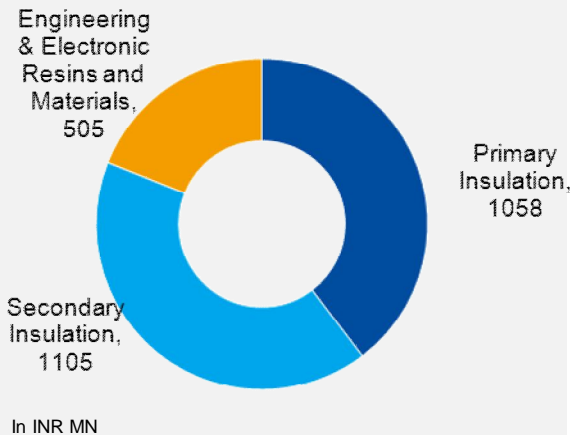
Company Highlights

ELANTAS Beck India: Overview

Shareholding Pattern (Sept 2012)

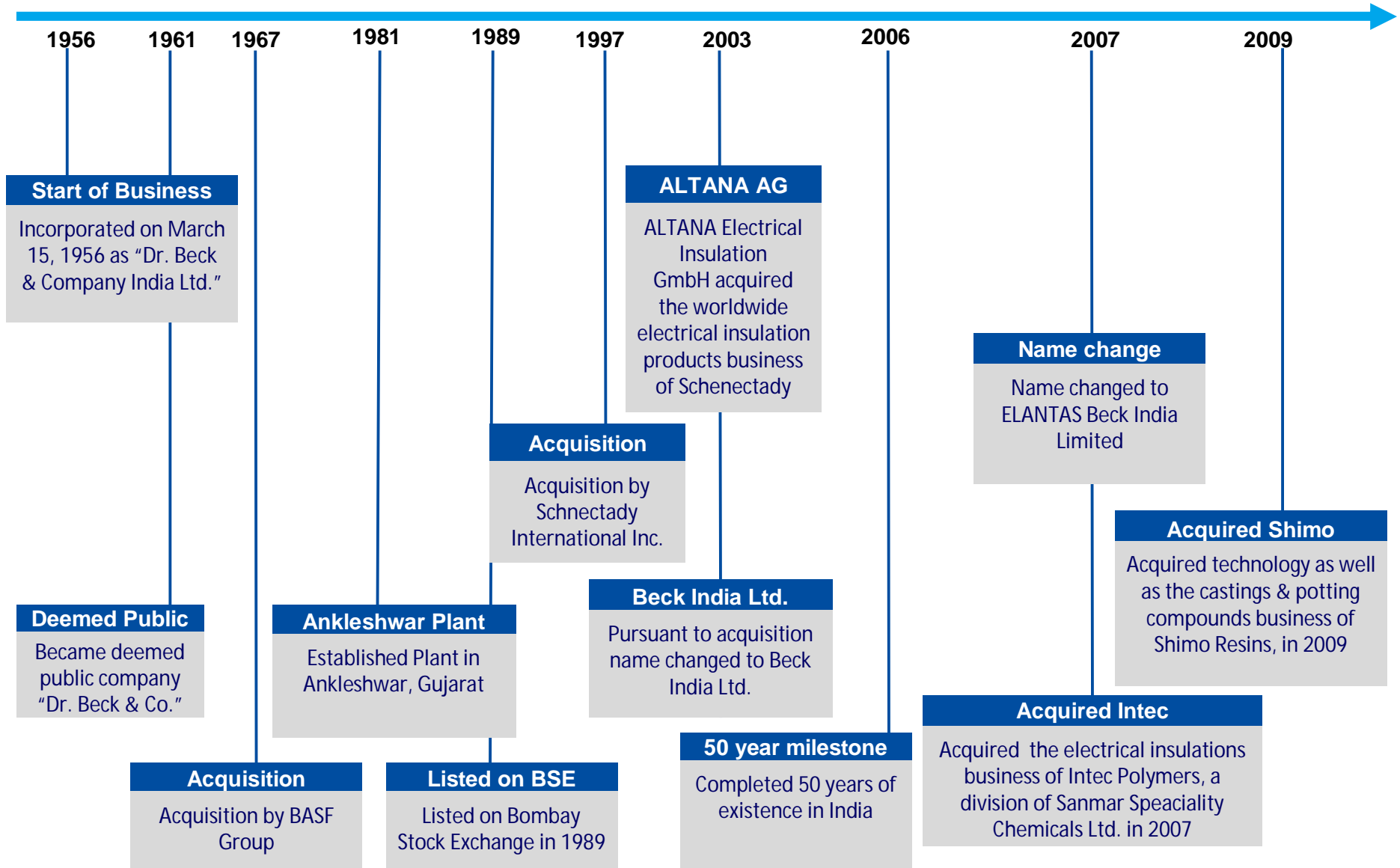


Segment-wise Revenue Split (2011)



- Incorporated in 1956 as Dr. Beck & Company India Ltd., ELANTAS Beck India Ltd. (EBIL) is present in India for 56+ years
- Acquired by World's leading company in Liquid Electrical Insulation ELANTAS GmbH, part of global specialty chemicals leader ALTANA Group, in 2003
- EBIL is engaged in the business of manufacturing and marketing of Electrical Insulation Systems and Electronic & Engineering Materials having applications in Electrical Equipment, Power and Automotive Sectors
- Market leader in all the segments of liquid insulation in India with significant market share:
 - 38.4% market share in Primary Insulation Segment
 - 41.1% market share in Secondary Insulation segment
- Manufacturing plants located at Pimpri, Pune in Maharashtra and Ankleshwar in Gujarat with manufacturing capacities of 7,400 and 16,820 MT each
- Total Employee strength of 191
- Strong R&D set-up in India with dedicated employee strength of 10 personnel

History & Milestones



Geographic Presence



Legend



Head Office



Manufacturing Sites



Regional Offices



R&D Facility



Manufacturing Facility, Ankleshwar, Gujarat



Corporate Office, Pimpri, Maharashtra



Manufacturing Facility, Pimpri, Maharashtra

Business Segments & Product Lines

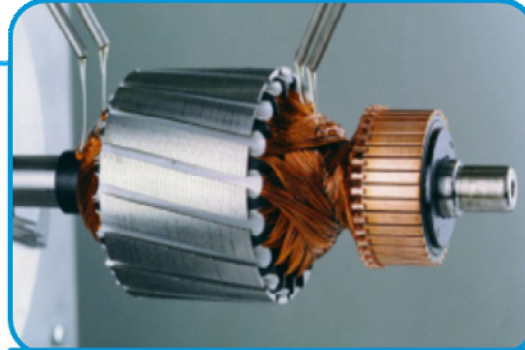


Primary Insulation

- Wire enamels for the primary insulation of magnet wire
- Magnet wire is applied in electronic motors, generators and transformers

• Products

- Theic PEI- Polyesterimide
- PEI- Including Solderable
- PAI- Polyamideimid
- Modified PE(include theic)-Polyester
- PE Low End- Polyester
- PUR- Polyurethane
- PVF/PVA- Formvar
- PA (nylon)
- Self Bonding



Secondary Insulation

- Secondary insulation of winding wire after it is mounted in a device (electric motor, generator or transformer)
- Applied through various application techniques (dip, roll-dip, hot-dip, trickle, VPI etc.)

• Products

- Unsaturated Polyester Acrylates (AC)
- Alkyds (AD)
- Auxilliaries (AUX)
- Epoxy Resins (EP)
- Insulation Fluids (IF)
- Monomer Free Resins (MF)
- Other Varnish (OV)
- Unsaturated Polyester Resins incl. Hardeners (UP)
- Water varnish - alkyd (WA)
- Water Varnish - Epoxy Emulsion (WE)
- White Unsaturated Polyester Resins (WUP)
- Solvented Varnish (SV)



Electronic and Engineering Materials

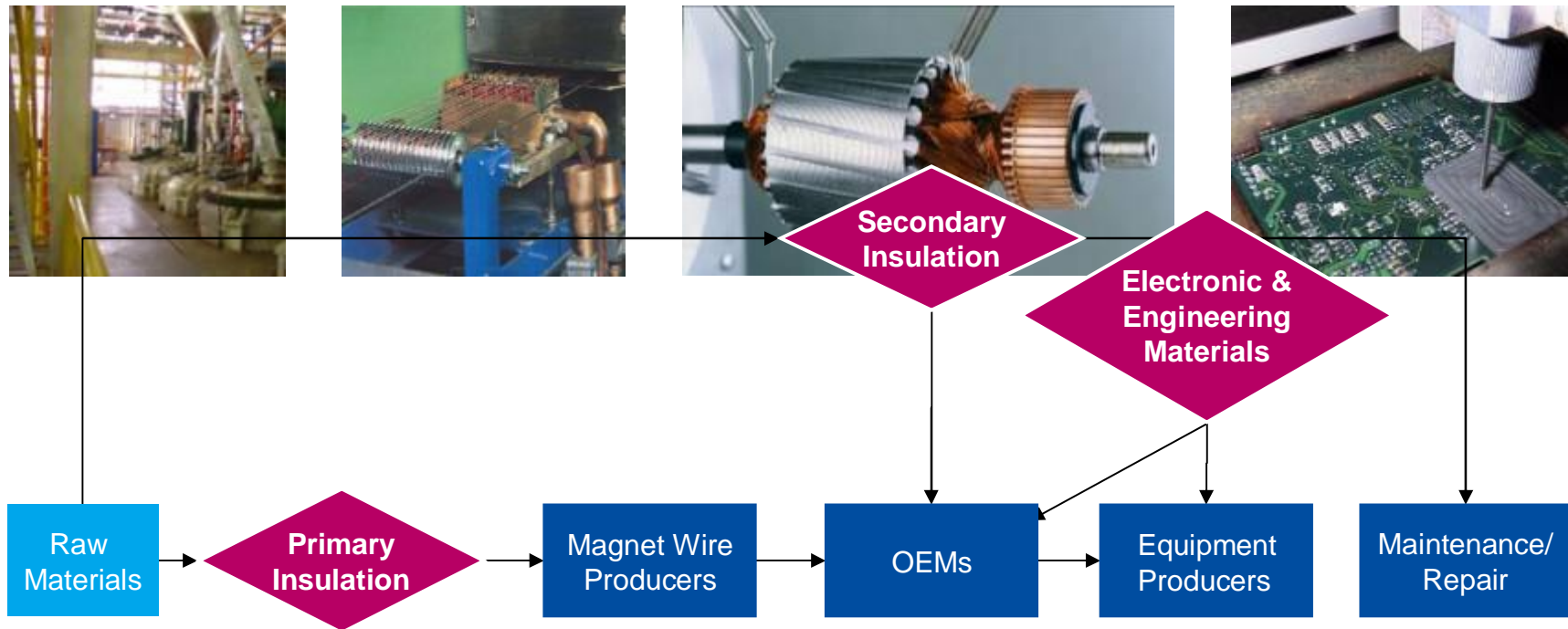
It comprises three major product lines – electronic and electrical (EL) compounds, speciality resins and construction chemicals

- Resin system for the overall protection of electronic circuits and electric devices
- Resin systems with specific functionalities in electronic components/ assemblies

• Products

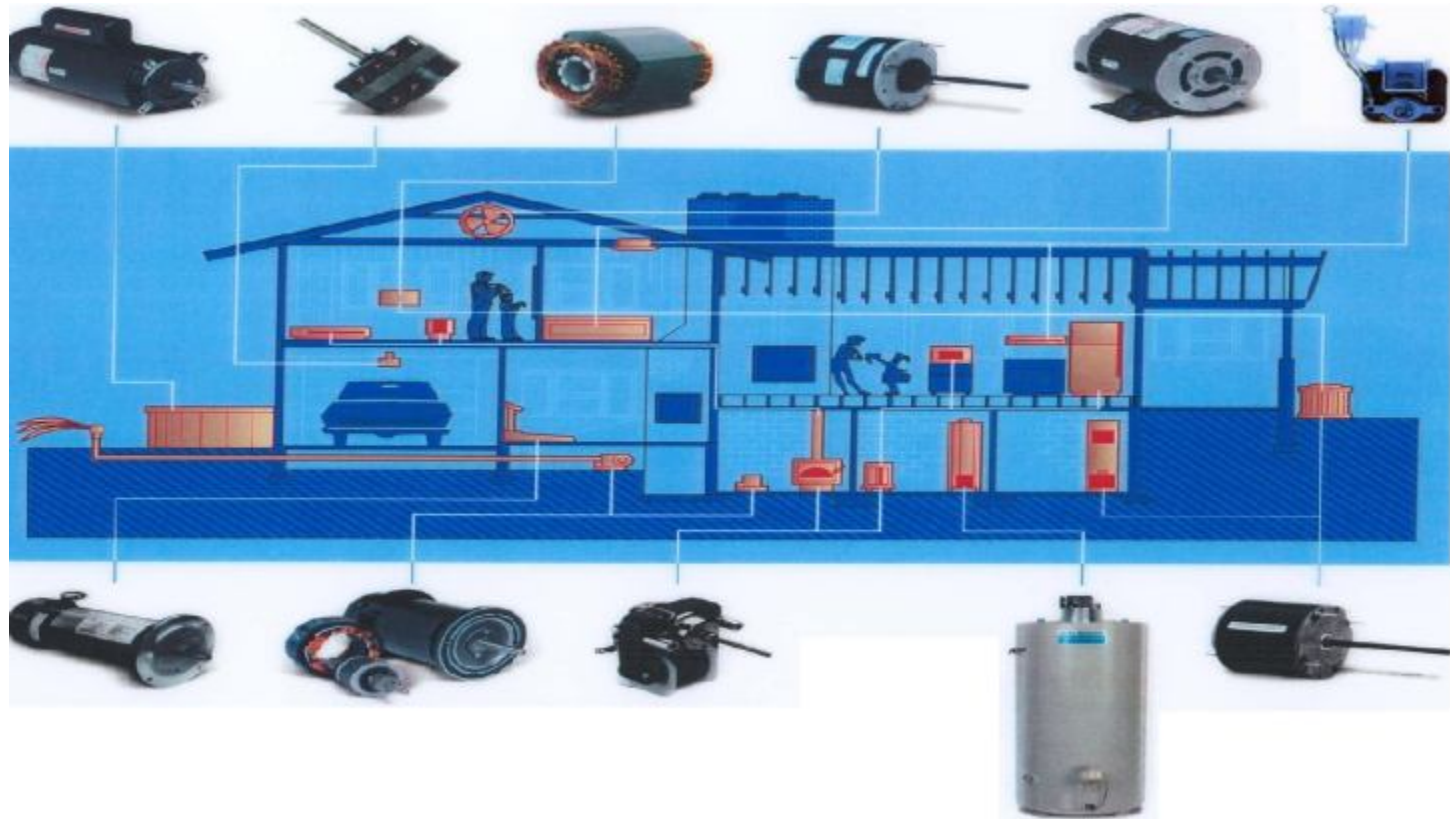
- Epoxy Compounds (EPC)
- Polyurathane Compounds (PU)
- Halogen free flame retardent
- Epoxy (New added)

Value Chain



Our products are applied in different parts of the value chain of the electrical industry

Primary Insulation, Secondary Insulation, Electronic & Engineering Materials Products and Applications



EBIL produces insulating materials for the electrical and electronics industry. Applications are found in electric motors, household appliances, cars, generators, transformers, capacitors, TV sets, wind mills, computers, lamps, circuit boards, and sensors, etc.

Plant Details: Pimpri, Maharashtra



Pimpri, Maharashtra	
Date of Inception	1956
Products Manufactured	Primary Insulations, Secondary Insulation, Electronics & Engineering Materials and Intermediates
Installed Capacity	7,400 MT (2,480 MT for Wire Enamels and Impregnating Varnishes and 4,920 for Synthetic Resins)
No. of Employees	97 (47 Managerial Staff and 50 Factory Workmen)
Land/ Built-up	87,200 Sq mts
Location	Pimpri, Maharashtra

Plant Details: Ankleshwar, Gujarat



Ankleshwar, Gujarat	
Date of Inception	1981
Products Manufactured	Primary Insulations, Air Drying Varnishes & Intermediates
Installed Capacity	16,820 MT (16,320 MT for Wire Enamels and Impregnating Varnishes and 500 MT for Synthetic Resins)
No. of Employees	47 (23 Managerial Staff and 24 Factory Workmen)
Land/ Built-up	116, 500 Sq mts
Location	Ankleshwar, Gujarat

Strong R&D Set-up

Established in 1965, department moved to an independent building in 1976

A separate Underwriter's Laboratory (UL) accredited R&D Lab was established at Pimpri

In 2011, a new R&D lab was established to cater to E&EM business line in Pimpri

In 2012, a new R&D lab focused on PI Product Line was established at Ankleshwar, Gujarat

- ✓ Team of 10 dedicated well-qualified employees
- ✓ Well equipped laboratories in Pimpri, Maharashtra and Ankleshwar, Gujarat
- ✓ Dedicated labs for each business line (PI, SI & E&EM)
- ✓ Company's R&D Department and activities have been granted recognition by the Department of Science & Technology (DST) of the Government of India, enabling Company to avail the applicable tax benefits
- ✓ Active engagement with local universities and educational institutions
- ✓ Work closely with ELANTAS's and ALTANA's global R&D teams for exchange of knowledge and research ideas

Certifications and Awards

Certifications

1996



EN ISO 9001: 2008 QMS

1997



EN ISO 14001: 2004 EMS

2009



EN ISO 18001: 2007 OHSAS

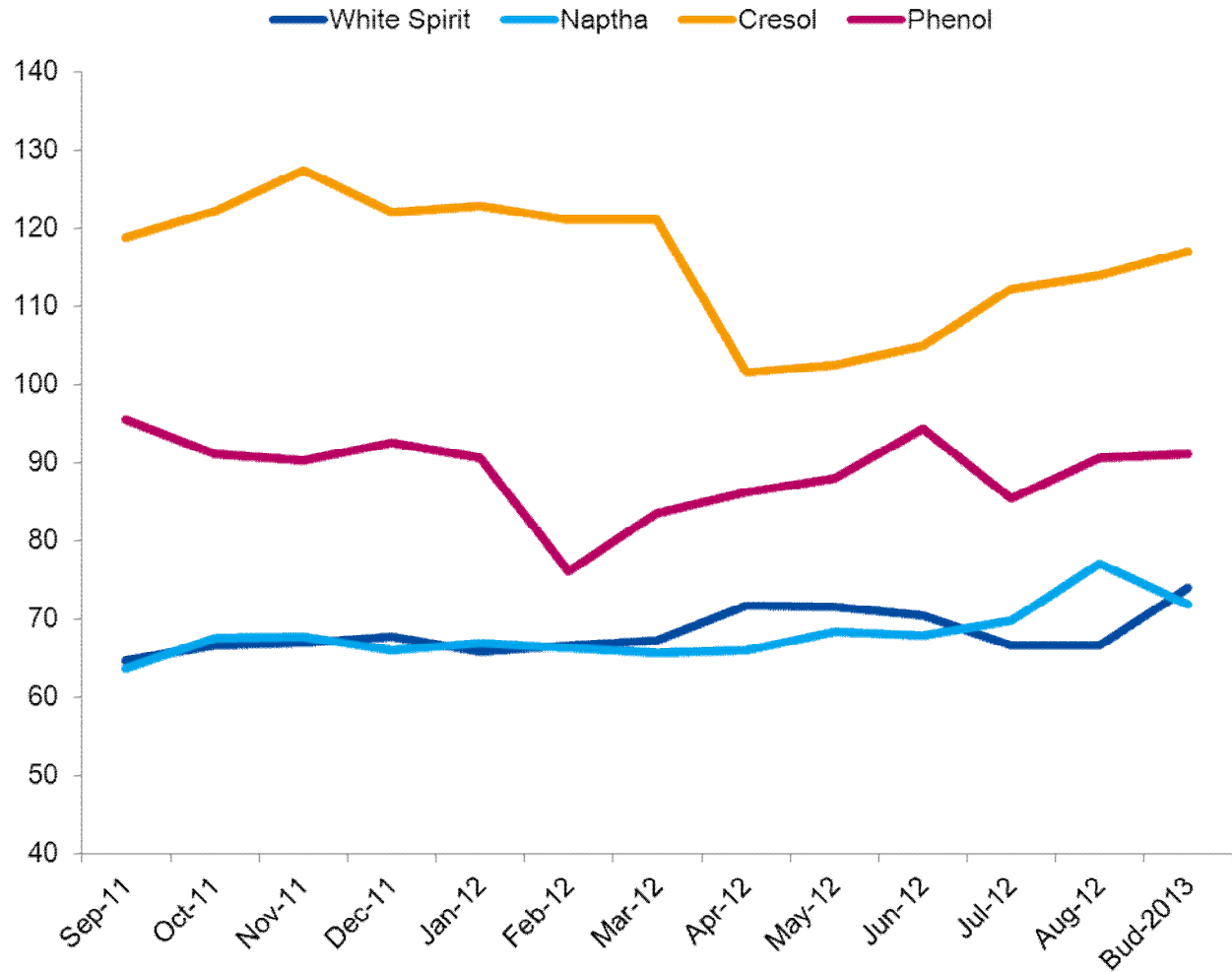
Successfully integrated into one system in 2009: IMS

Present Accreditations:

- Quality System (ISO 9000)
- Environment Management System (ISO 14000)
- Occupational Health & Safety System (OHSAS 18000)

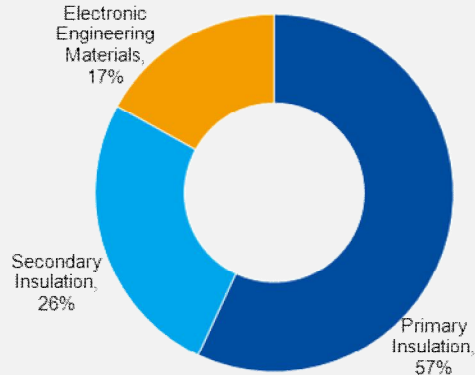
Price Movement: Key Raw Materials

- Raw materials are mainly polymer precursors (MDA, TMA, MDI) and solvents (cresol, phenol, NMP) for resin synthesis
- Top 10 raw materials account for 60% of total
- Important suppliers are BASF, Merisol, Dow Chemical, etc.
- Top 10 suppliers represent 45% of total
- Through flexible pricing strategies EBIL managed to stabilize margins during recent raw material price fluctuations

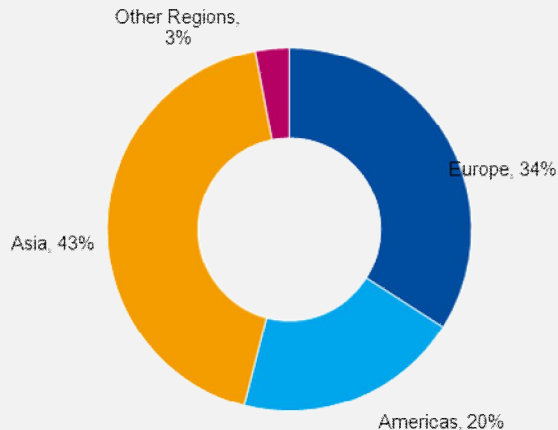


Parent Overview: Elantas Gmbh

Segment-wise Revenue Split



Region-wise Revenue Split



Parent Background

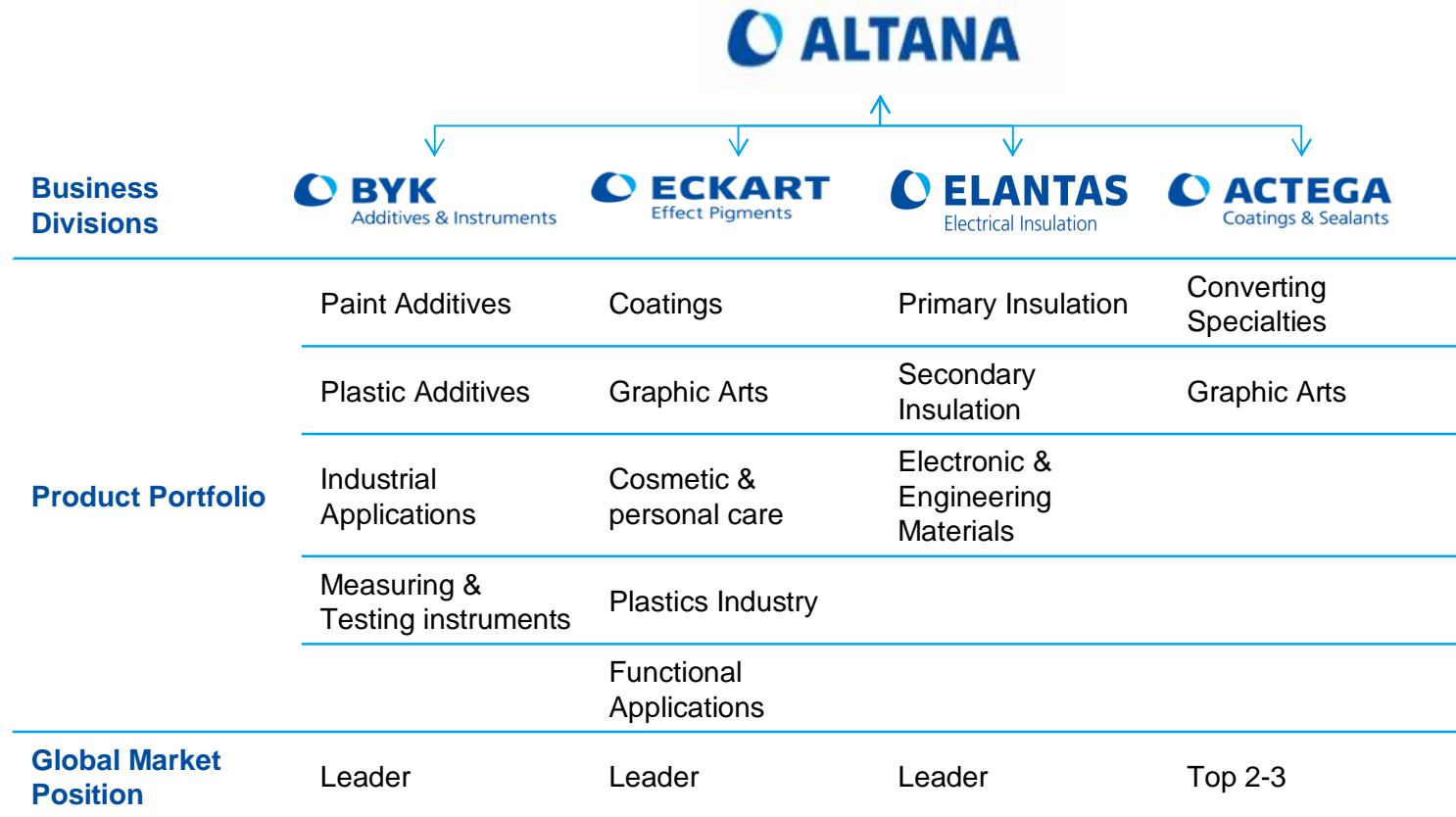
- ELANTAS GmbH, holding company of the Division Electrical Insulation within the ALTANA Group, is the Promoter of ELANTAS Beck India Ltd.
- ALTANA is a global specialty chemicals company with 41 production facilities and 48 service and research laboratories worldwide

Parent Highlights

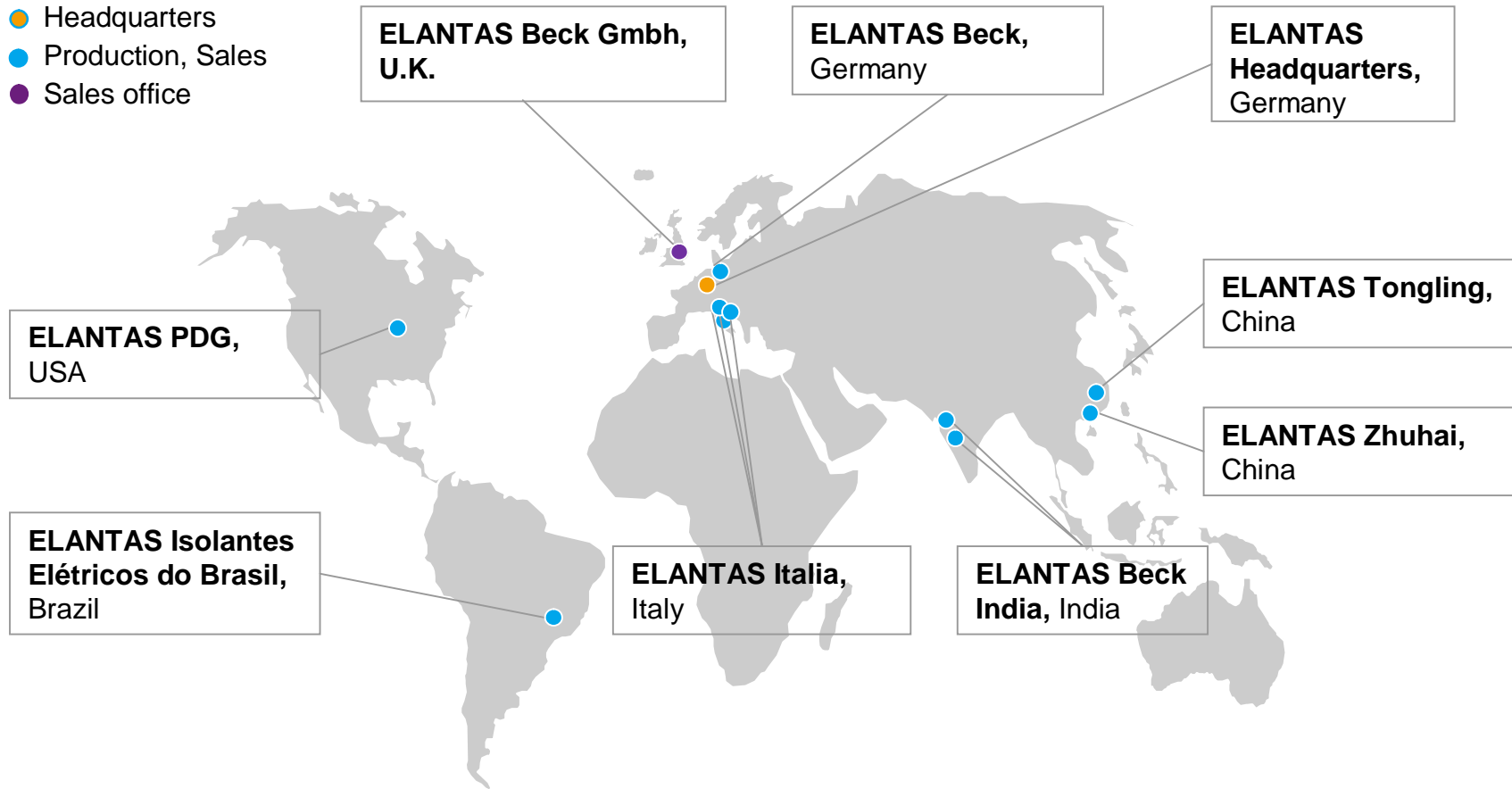
- ELANTAS GmbH, the division and its companies develops and produces wire enamels, impregnating resins, sealing compounds, conformal coatings and casting resins, which are used for the insulation of electric motors, generators, printed circuit boards, sensors and electronic modules
- It is the global market leader in primary and secondary insulation
- The company is run as a holding company headquartered in the German town of Wesel and has nine independent manufacturing companies in all major regions of the world
- In 2011, ELANTAS employed a total workforce of 1,975 and achieved sales of EUR 390.9 million

Part of Global Specialty Leader: ALTANA Group

Group Business Entities



Global Footprint



With production, R&D and technical service in Americas, Europe and Asia, ELANTAS is well positioned to benefit from ongoing globalization

Overview

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Segment Details & Key Financials

Primary Insulation Segment

Description

To manufacture enameled wires which are further used in transportation, automotive, White goods, Consumer Goods HVAC, Motors & Transformers, Power Generation & Distribution, Lighting, Aerospace/ Defense



Market Size & Trends

Market Size & Growth Expectations

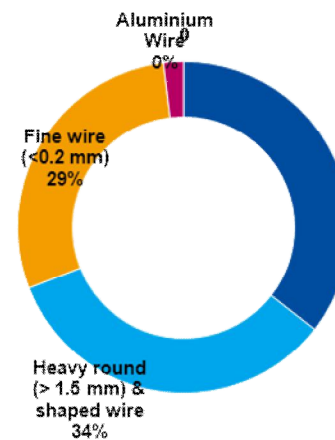
- Current market size is ~ €42.2 million, it is expected to grow at a CAGR of 4.7% (2012-16) and reach ~ €50.7 million in 2016
- EBIL currently has 38.4% market share in India for Primary Insulation products

Key Trends

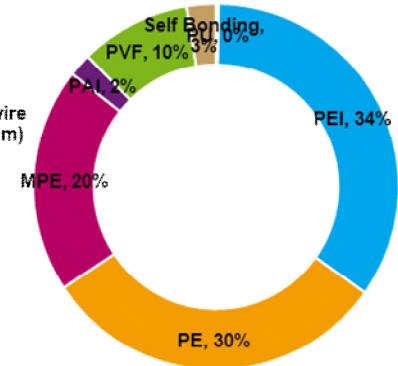
- Market is seeing a shift towards PEI wire enamels and PEI + PAI wire enamels
- There is increase in use of Solderable enamels, CTC and dual coated wires
- There is increase in demand for high speed enamels

Sales Breakdown

By Business-line*



By Product Group



*Sales breakdown per Business-Line is for South Asia which comprises of India, Bangladesh, Sri Lanka, Nepal and Pakistan

Secondary Insulation Segment

Description

Secondary insulation or impregnation involves replacing air trapped inside the wire windings with insulation material; it is used in manufacturing Motors, Transformers, used in Industrial Drives, Power generation & distribution, Automotive, HVAC, Lightning, etc.



Market Size & Trends

Market Size & Growth Expectations

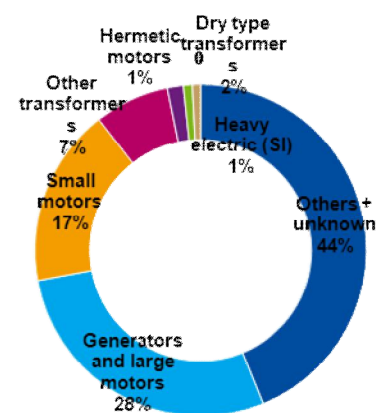
- Current market size is ~ € 45.4 million, it is expected to grow at a CAGR of 7.2% (2012-16) and reach ~ € 60 million in 2016
- EBIL has ~41% market share in Secondary Insulation segment in India

Key Trends

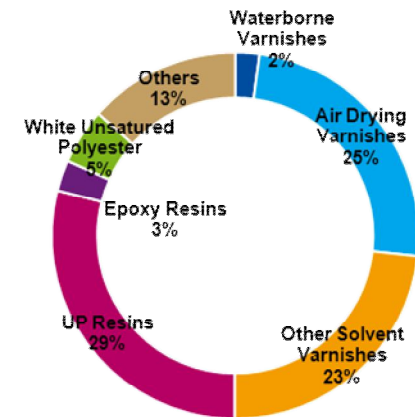
- There is increased usage of specialty products including UPR/ EPR/ Low VOC/ MF Resins
- There is higher demand for UL approved/ RoHS compliant products
- Increased use of low cured temperature & shorter curing time products
- Increased demand for value added services

Sales Breakdown

By Business-line*



By Product Group

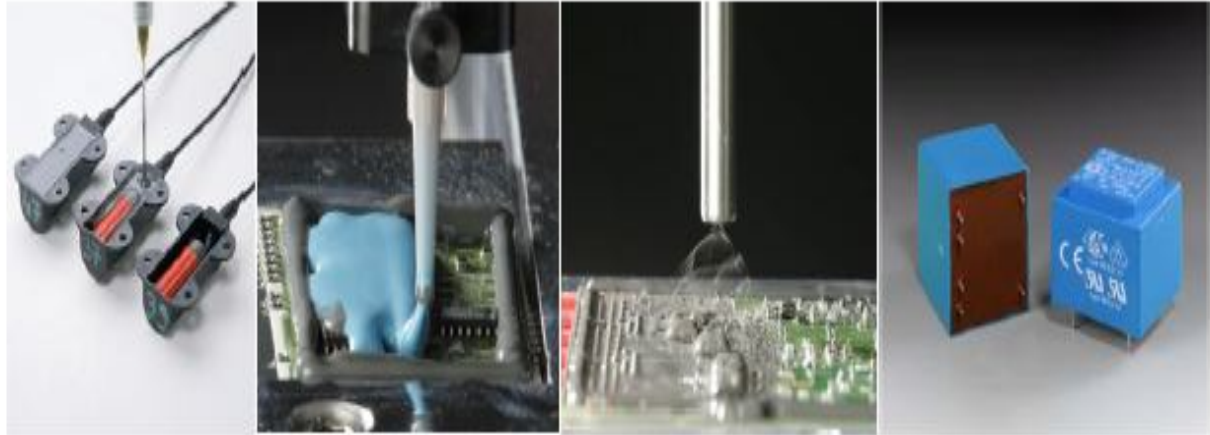


*Sales breakdown per Business-Line is for South Asia which comprises of India, Bangladesh, Sri Lanka, Nepal and Pakistan

Electronic and Engineering Materials

Description

For a range of electrical equipment's such as sensors, instrument transformers, induction systems, and printed wiring boards, additional properties are desired such as improved heat dissipation, much greater mechanical stability at high vibrational forces, noise reduction, and often the complete exclusion of environmental influences



Market Size & Trends

Market Size & Growth Expectations

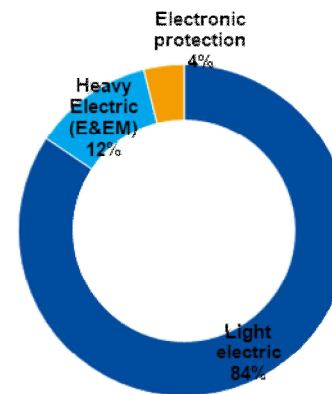
- Current market size is ~ €58.9 million, it is expected to grow at a CAGR of 8.5% (2012-16) and reach ~ €81.6 million in 2016
- EBIL has ~15.4% market share in India for Electronic and Engineering Materials Segment

Key Trends

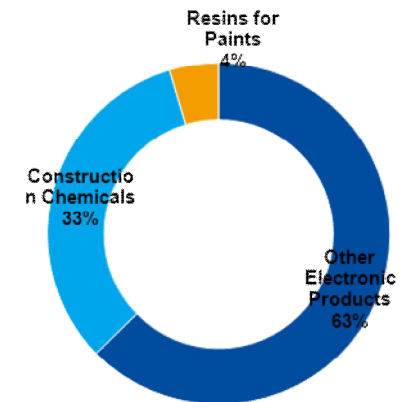
- There is higher potential for customized products
- Increased use of automatic dispensing equipment's

Sales Breakdown

By Business-line*



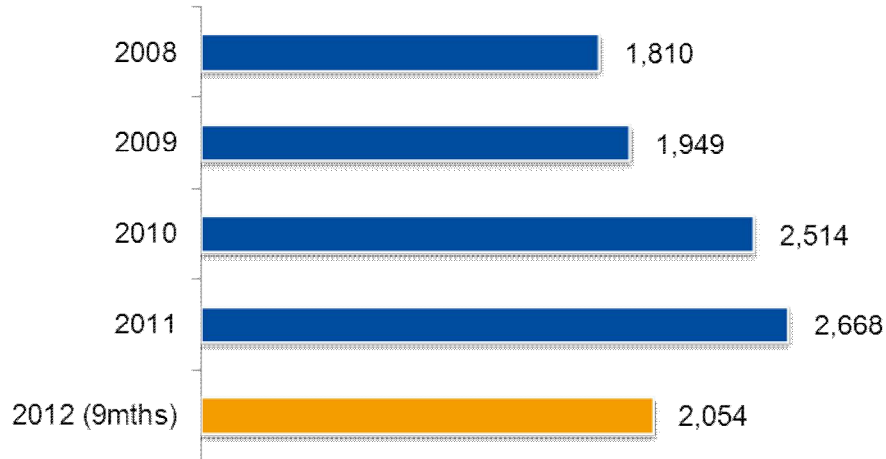
By Product Group



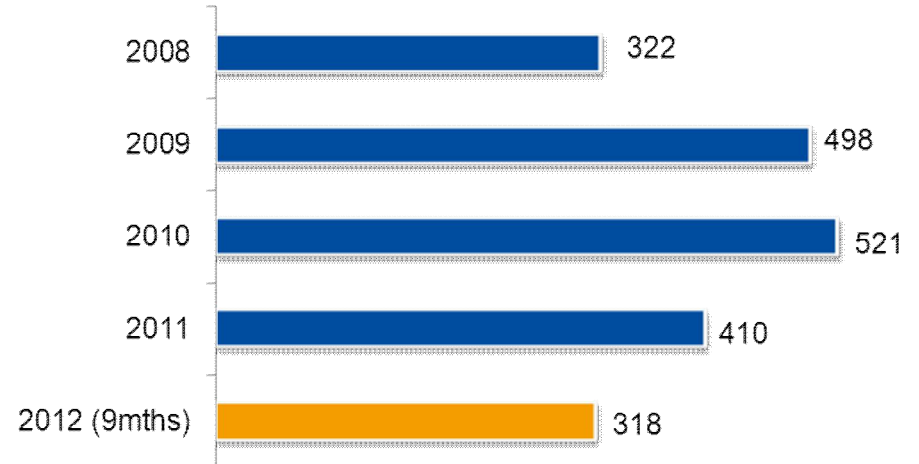
*Sales breakdown per Business-Line is for South Asia which comprises of India, Bangladesh, Sri Lanka, Nepal and Pakistan

Key Financials

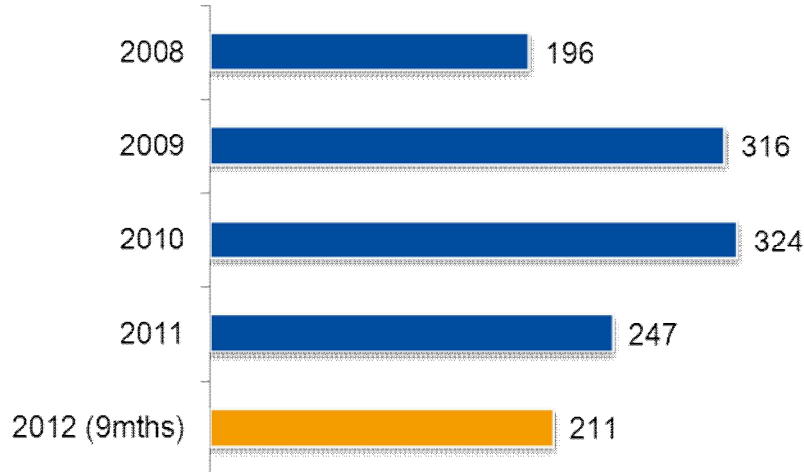
Net Operating Revenue (INR MN)



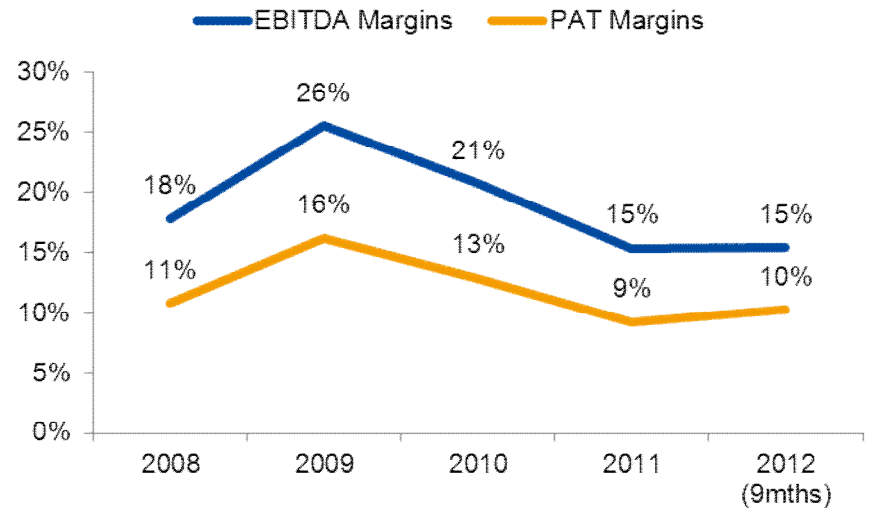
EBITDA (INR MN)



Profit After Tax (INR MN)

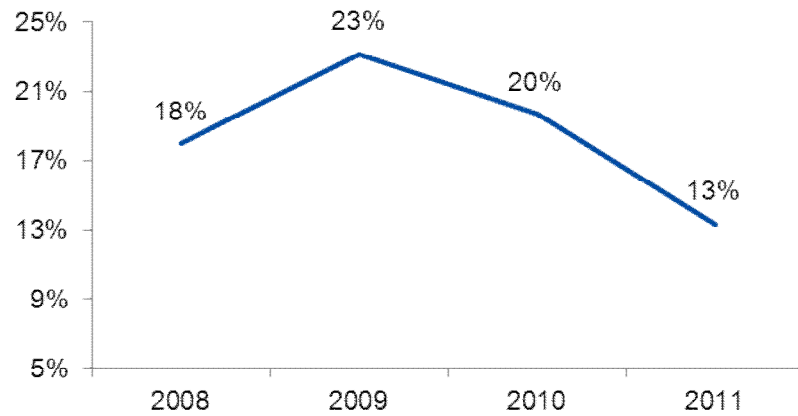


Margins (%)

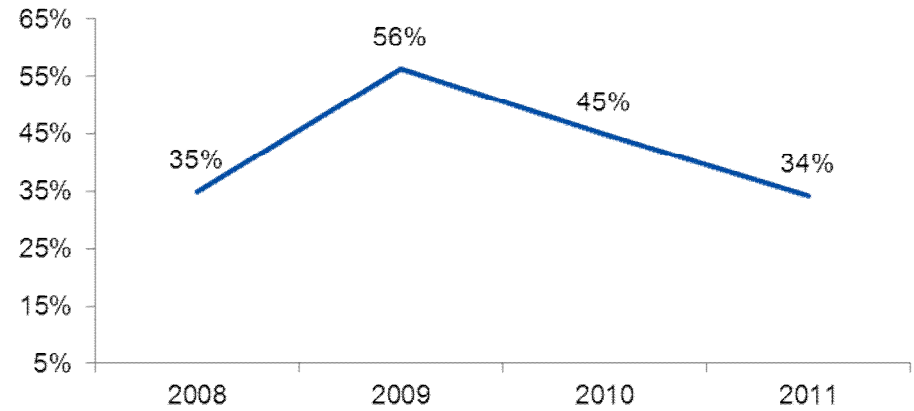


Key Financials

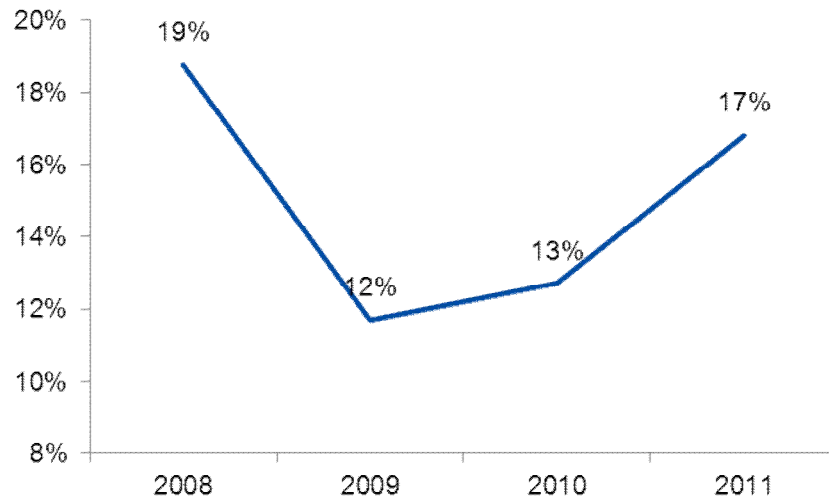
Return on Equity



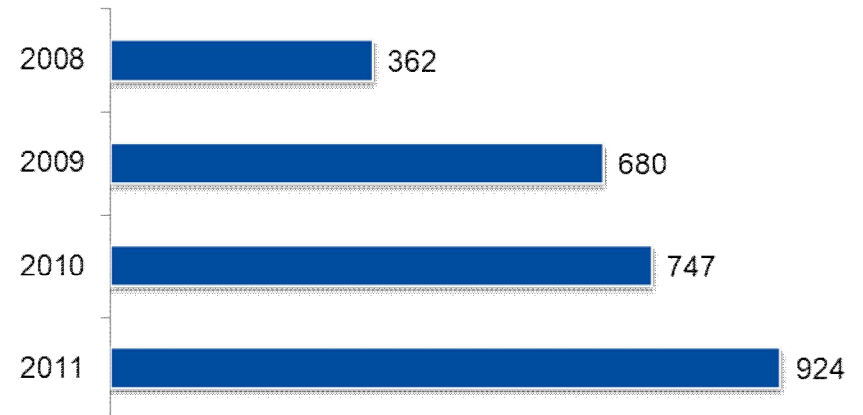
Return on Invested Capital



Dividend Payout



Cash & Liquid Investments (INR MN)



Overview

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Key Investment Highlights

ELANTAS Beck India Strongly Positioned to Achieve Growth

Strong Parentage

- Part of ALTANA Group, global leader in specialty chemicals
- Global market leader in all the operating segments
- ELANTAS Beck India leverages upon the Group's established global position and technological supremacy

Significant Barriers to Entry

- ELANTAS is the global market leader in the liquid insulation segment
- Due to the experience and expertise established by the Company over the years it is extremely difficult for other companies to enter and compete with them in this segment

Leading Position in Key Markets

- 38% & 41% market share in Primary and Secondary Insulation Segments
- Leading position also in terms of quality, innovation and service

Technology Advantage

- ELANTAS is recognized as innovation driver in the operating segments
- Strong focus on R&D globally for further strengthening

Strong Client Relationships

- Present in India since 56 years, has established strong Client Relationships
- Leveraging Key Clients globally who are entering India for expansion
- Pioneer customization and localization for developing solutions based on customer needs leading to further penetration

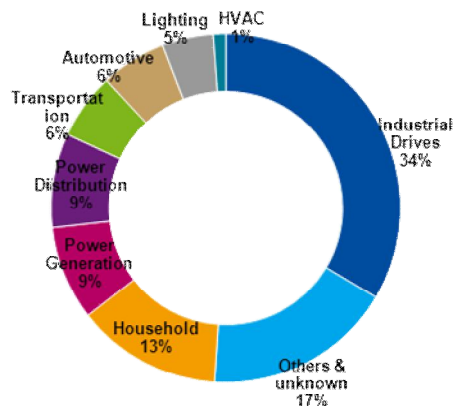
Management Expertise & Skilled Manpower

- Highly skilled and experienced management team with long standing relationship with the Company
- More than 68% of the employees have been working with the Company for more than 5 years; More than 53% of the total employee strength has been employed for more than 10 years

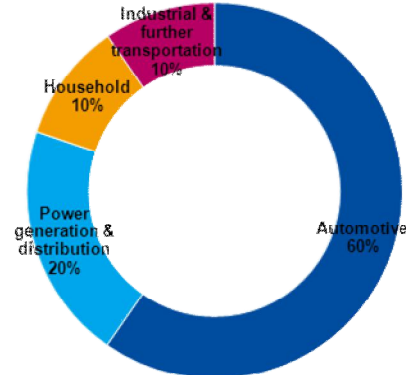
Strong Industry Growth Expectations

- The demand for Primary/ Secondary Insulation and Electronic and Engineering Materials is a derived demand from several industries including Electronic Equipment's, Power Segment and Automotive Component Industries
- All these industries are in high growth trajectory with FY13-17E CAGRs as ~14% for Household Equipment's Industry, 9-10% for Power Supply and ~15-17% for Auto Components industry
- One of the direct customers of the Company, the Electric Wire industry is expected to grow at a CAGR of 15% for the next five years

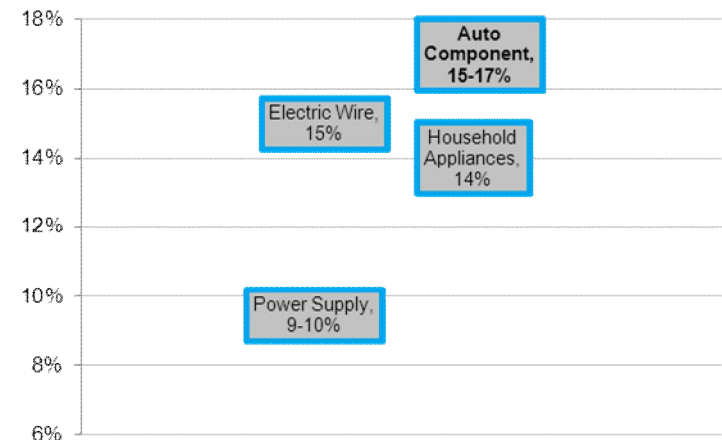
Secondary Insulation: Industry-wise Sales



E&M: Industry-wise Sales



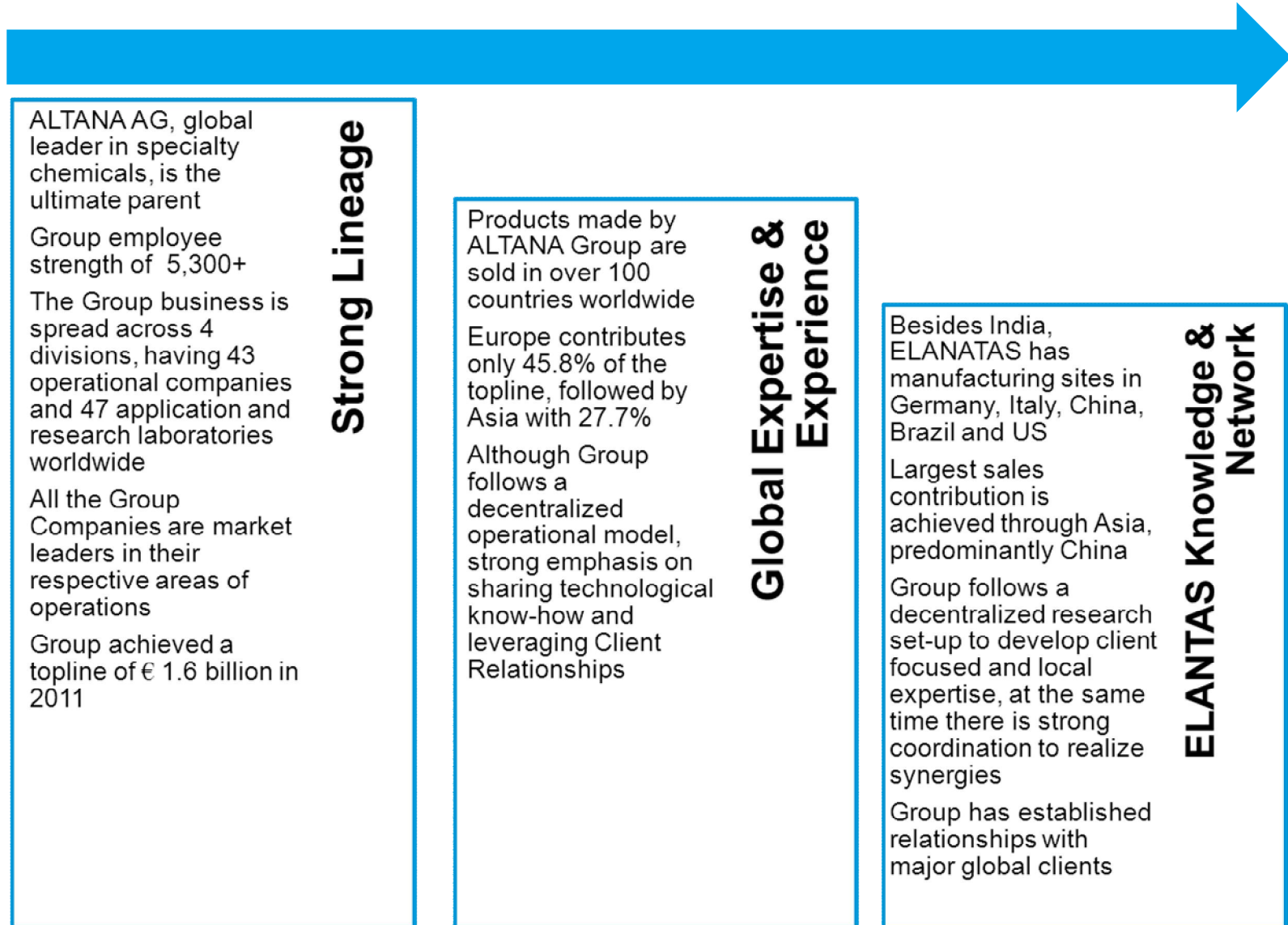
Industry Growth CAGR (FY13-17E)



Source: Company Information

Source: CRISIL

Strong Parentage



Significant Barriers to Entry

High-tech/Niche Focus	<ul style="list-style-type: none">• Well defined niches with very specific performance requirements
Strong R&D Investments	<ul style="list-style-type: none">• Successful players need to have application technology capabilities close to their customers• Important technologies patent protected
Technology	<ul style="list-style-type: none">• Underwriter Laboratories' approvals and testing capacity are essential for accessing export markets• Wide array of chemistries need to be mastered to cover the whole market
Customer Relationships	<ul style="list-style-type: none">• Proven joint development with customers fosters customer loyalty• Capacity to market both globally and locally is growing in importance
Leading Position with no significant competitor	<ul style="list-style-type: none">• Leader across product segments• Major competitors focus on narrower product portfolios and/ or region• A strong, dedicated & growing distribution network having pan India reach
Well Invested Facilities	<ul style="list-style-type: none">• Possession of multiple plants with world class technology and systems is important to secure supply to A-customers

Leading Position in Key Markets

Market Leader in all Operating Segments

Primary Insulation

- Market Leader in Primary Insulation segment in India with ~38% share (Sales-wise) and ~40% market share in FY12; it has grown from 37% from FY11 (volume-wise)
- Rest of the market is fragmented with no other dominant competitor in the segment
- Segment growth has been negative however EBIL Sales Volumes have increased by 4%

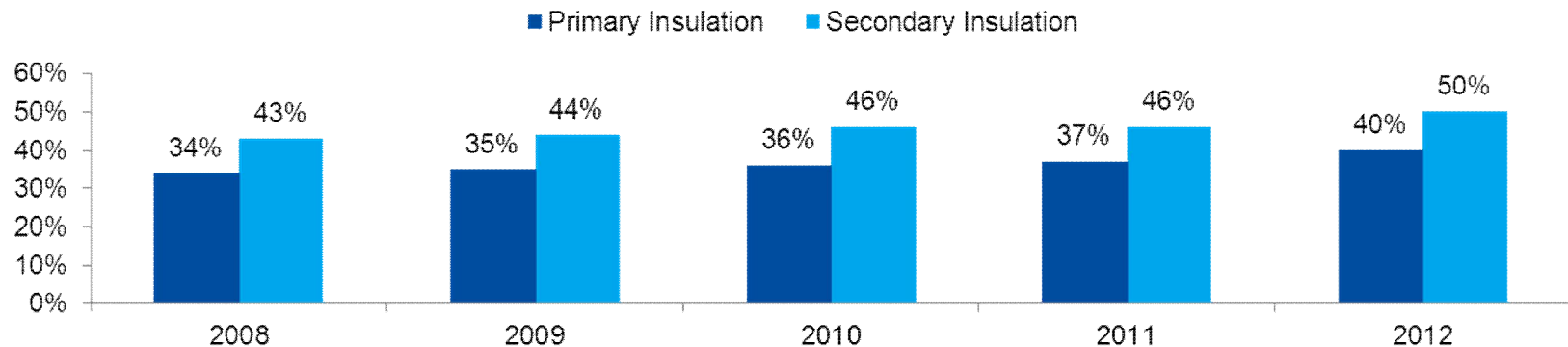
Secondary Insulation

- Market Leader in Secondary Insulation segment with ~41% market share (Sales-wise) and ~50% market share in FY12, from 46% in FY11 (volume-wise)
- Rest of the market is fragmented with no dominant competitor
- EBIL has grown by 5%, vis a vis stagnant Industry Growth

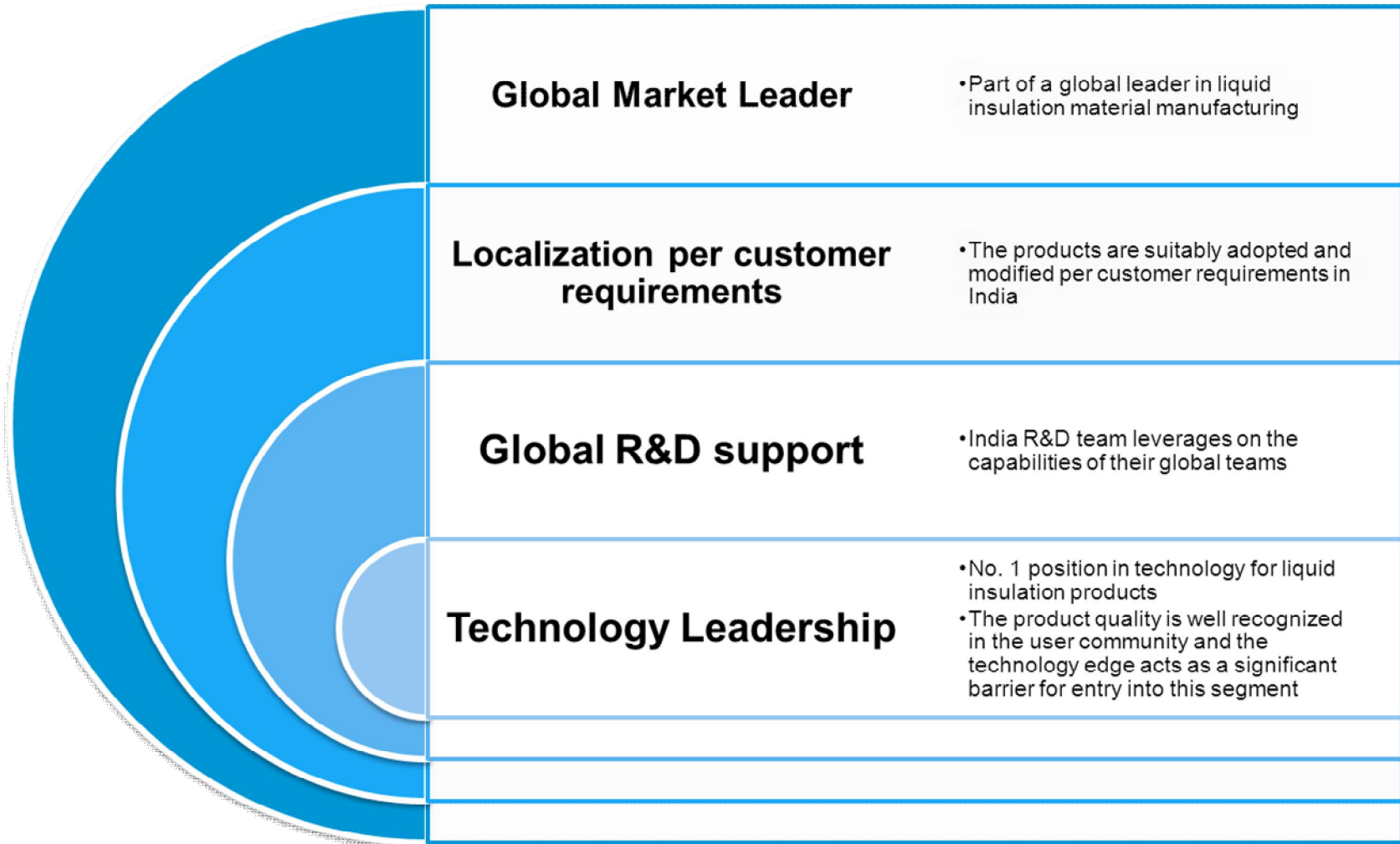
Electronic and Engineering Materials

- Significant presence in the E&EM segment with ~15% market share (sales wise)
- EBILL's current low base offers excellent potential for leadership
- Well supported by E&EM being a global focus growth area for ELANTAS

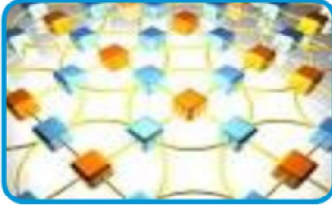
Consistently Increasing Market Share (volume-wise)



Technology Leadership



Strong Focus on Research & Innovation



Decentralized Research Structure

Although the fundamental product needs are the same, local market requirements can differ between regions. This is due to different worker safety and environmental regulations, climatic conditions, norms, etc. It is essential to know these local needs and taking these into consideration, develop new, customized products together with our customers. For this reason, ELANTAS maintains a network of local research centers rather than a globally responsible central R&D unit



Local projects: Customer focused development and timely market introduction

Customer specific projects, such as the adaptation of a formulation to the specific needs of a customer application, the use of locally available raw materials, or the development of formulations specific to only one region, are carried out under the direction of the local site. Market potential and project definition are determined by the local sales and R&D departments



Global Coordination to realize synergies

The Chief Technology Officer of ELANTAS is accountable for the global coordination and transparency of our R&D portfolio, which results in high efficiency within our decentralized structures. The R&D directors of all sites meet regularly in the "Technical Steering Committee (TSC)" to discuss the progress of our global projects and to determine the next steps



Use of specialized external networks

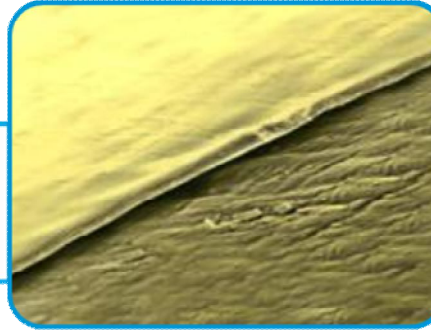
ELANTAS collaborates, if it is expedient and adds value, with external partners under the condition that we can protect our know-how. The choice of commercial R&D tank, university, or other company is dependent upon the individual topic. Besides this, ELANTAS, as part of ALTANA, is also a member of various networks and industry associations.

Innovation in Application



Special application: Wind Turbines

As global technology leader for impregnating resins, ELANTAS supplies the producers of wind generators worldwide. A special challenge for wind generators are the strongly varying torques – depending on the wind – and the wide range of strongly varying temperatures (from $-40\text{ }^{\circ}\text{C}$ to $+80\text{ }^{\circ}\text{C}$) in which the generators must work reliably for many years.



Nanomaterials for high performance Polymers

ELANTAS has extensively investigated which new or improved properties can be obtained through the use of nanomaterials. The result are new wire enamels with increased corona resistance, better heat and abrasion resistance, as well as impregnating resins and casting materials with increased heat conductivity.



Monomer free unsaturated polyester resin

ELANTAS has developed unsaturated polyester resins which can be applied without reactive diluents such as styrene or similar monomers. These systems, in which the low viscosity can be reached simply by a smart chain length distribution, are distinguished by their excellent properties and extremely low evaporation losses

Established Client Relationships



Marquee Client Base across Industries



Salasar Group

Management Expertise



Mr. Rajeev Bhide
Managing Director

Over 31 years of experience across corporate finance, accounting procurement and business administration. He has been working with ELANTAS Beck India Ltd. since 2000, he became the Managing Director in 2008, prior to that he was the Chief Financial Officer. He is a FCA, Diploma in Marketing Management and B. Com (Hons.) from Bombay University (Sydenham College).



Mr. Sharadkumar Shetye
Director- Manufacturing

Over 41 years of experience across Project Management & Execution, Process Automation & Instrumentation, factory management and manufacturing. He has been working with EBIL since 1970.



Mr. Sanjay Deosthali
Business Line Manager

Over 28 years of experience across Sales, Marketing and Logistics Management. He is a B.E (Electrical), MMM and a Certified SAP Consultant. He joined EBIL in this position in 2012.



Dr. Vinayak Bhanu
General Manager- R&D

Over 23 years of experience, areas of specialization include synthesis, characterization & formulation development of polymeric resins. He has been working with the Company for over 7 years. He is a Ph.D in Polymer Chemistry.



Mr. Sanjay Kulkarni
General Manager- Finance & Materials

Over 23 years of experience across various domains of finance and accounting. Has been working with the Company since 2008. He is an ICWAI, ACA and B. Com by qualification.



Mr. Shirish Dabir
Company Secretary & Head Legal, HRM

Over 25 years of experience across corporate law, corporate governance, litigation management, Industrial & Labour Laws and Human Resource Management. He has been working with EBIL for ~7 years. He is a L.L.B., ACS and B.Com by qualification.

Overview

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Strategy Overview

Strategy Overview

Core Strategy

- Retain overall market share in the electrical insulations segments
- Grow market share in the highly specialized Electrical Insulations applications

Focus on Electrical Products and Engineering Segment

- Attain market leadership in electrical & engineering products segment within India through:
 - Widening of product portfolio
 - Increasing the reach through focusing on key markets and targeting new markets

New Product Innovation & Introduction

- Introducing new and innovative Products suiting customer requirements
- Further focus on customization to meet client specific needs

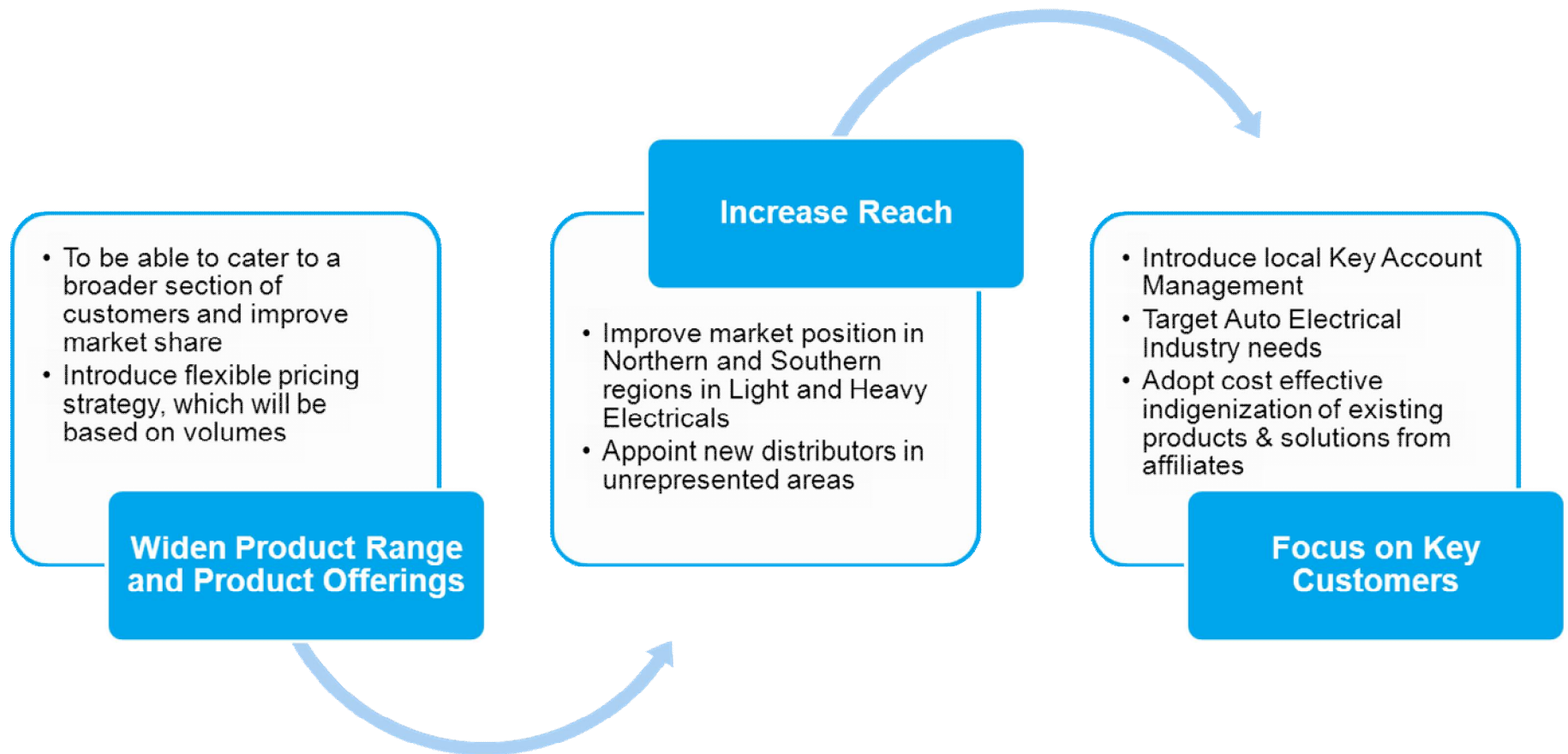
In-organic Growth Plans

- Acquisition of firms in India with technology expertise, in order to maintain their leadership position

Focus on Expanding Margins

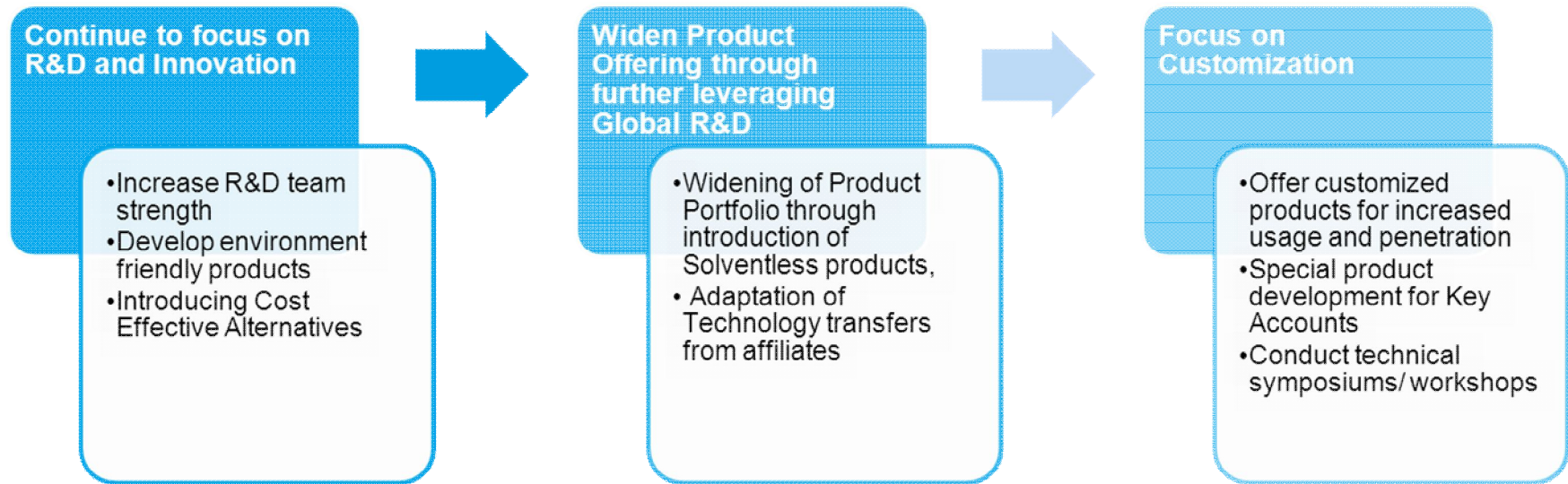
- Focus on input costs
- Focusing on high-end products/ solutions

Focus on Electronic & Engineering Material Segment

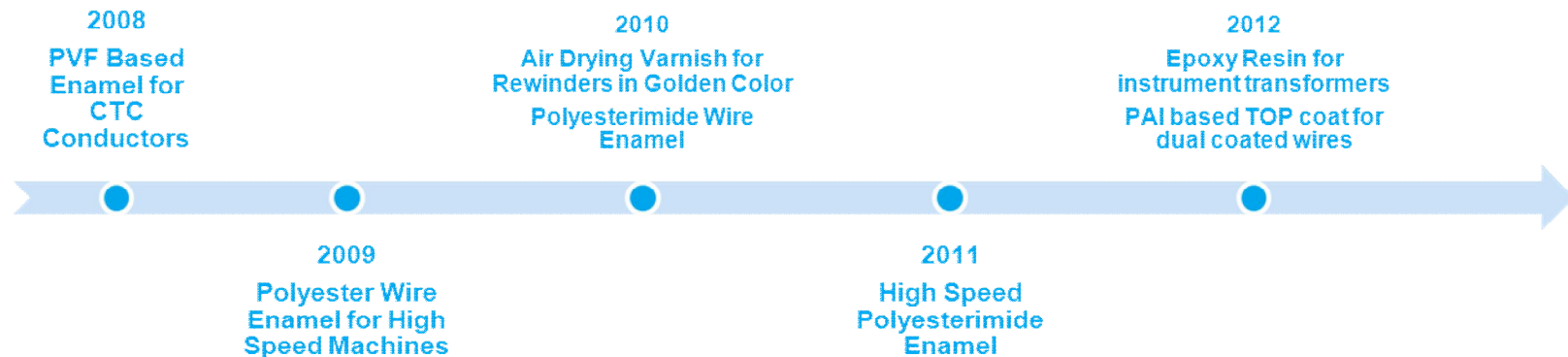


New Product Innovation & Introduction

Focus on New Product Innovation & Introduction



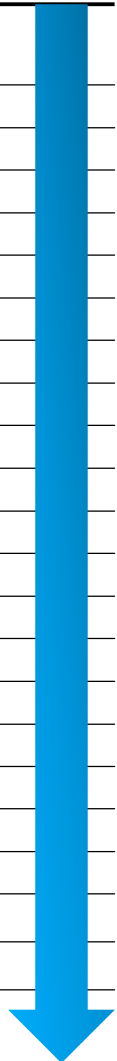
Major Products Introduced in India since 2008



In-Organic Growth Plans

Growth of ELANTAS through acquisitions

Year of Acquisition	Company	Country
1988	Wiedeking	Germany
1993	Dea Tech	Italy
1994	PPG Wire Enamels	Italy
1995	Rhenatech	Germany
1996	P.D. George	US
1998	Camattini	Italy
	Siva	Italy
	Tongling Siva	China
2000	Phelps Dodge Wire Enamels	US
	Syntel	Italy
2001	Sterling	GB
	EpoxyLite	US/GB
2002	Guardian	US
2003	Underwood Industries (Viking)	US
	Schenectady	US
2004	Ranbar	US
2006	INVEX	Brazil
	Kunststoff-Chemische-Produkte	Germany
2007	Intec Polymers	India
2009	Shimo Resins	India
2009	Quadrant Chemical	US
2010	ABB Micafil	Switzerland



Focus on Expanding Margins

Focus on Input Costs

- Enter into global purchasing contracts
- Develop alternative sources of input supplies
- Introducing countertypes/ alternatives
- Reduce packaging cost through increasing bulk procurement

Improvement in Present Cost Structure

- Comprehensive analysis of all cost positions to find out synergies, improvements and cost reductions

Focus on high-end Products/ Solutions

- Replacement of PE wire enamel by PEI, high speed enamels
- This is in line with global trends and would translate into higher margins
- The Company's speciality high speed range of enamels well positioned to meet the emerging requirement for use in high speed enameling machines
- Solvent less and fast curing products in the product range are better positioned, being environment friendly and energy efficient

**Thank you for
your attention.**