

13th August, 2013

To,

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051

Dear Sir/Madam,

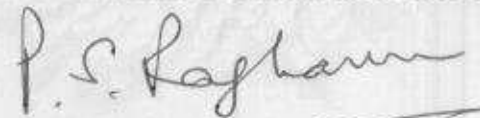
Sub : Press release

We enclose herewith a press release titled “European Court endorses Sudarshan’s stand against Clariant appeal” as given to various newspaper publications.

Kindly arrange to post the same on your notice board and website for the information of shareholders and the public at large.

Thanks,

For Sudarshan Chemical Industries Limited



P S Raghavan

Company Secretary

Encl : As above

Sudarshan Chemical Industries Limited

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European court endorses Sudarshan's stand against Clariant appeal

Pune, 12th August 2013 :

Sudarshan, a leading global producer of performance colorants & effect pigments, has won an appeal in the European Courts against Clariant. The Court of Appeal, London has dismissed an appeal raised by Clariant Produkte (Deutschland) GmbH and awarded costs & damages for wrongful threats to Sudarshan.

The appeal was in relation to an earlier judgment of the High Court of Justice in favour of Sudarshan. In terms of the earlier judgment, the court held that Sudarshan's product, Sudafast Yellow 132, did not infringe Clariant's patent; ordered an inquiry into damages and awarded the costs of the action to Sudarshan.

Clariant had issued wrongful threats to Sudarshan's customers in Nov 2009, at a crucial point when Sudarshan had commenced globalising its business and entered the European market. Sudarshan tried to resolve the matter with Clariant amicably given that Sudarshan's R&D Scientists had confidence that the Sudarshan pigment did not infringe any patent. Clariant refused to agree for an amicable settlement. Since Sudarshan respects intellectual property rights, the Company stopped promoting and selling Sudafast Yellow 132(PY191) in overseas market and in light of Clariant's unwillingness to retract their threats.

Mr.Rajesh Rathi, Director of Sudarshan Chemical Industries Limited , said that the estimated loss of turnover figure is to the tune of USD 4.8 million per year and is based on projected sales of Sudafast Yellow 132 into the countries protected by the Second Patents. The losses are wider than simply direct customer sales because in addition to this Sudarshan had invested in a new production line to produce Sudafast Yellow 132 at its Roha facility. However due to ceasing international sales we have incurred capital losses to the tune of US \$2.4million as the production line was lying vacant.

In light of above Sudarshan took the courageous action to take Clariant to court. The first court judgment was issued in June 2012 confirming that Sudarshan had not infringed the patent. Clariant went to the court of appeal and the recent appeal verdict vindicated the consistent stance taken by Sudarshan.

Mr.Rajesh Rathi, Director & head of Sudarshan's Pigment Division stated: "This is a tremendous achievement for Sudarshan and a great endorsement to our corporate value "courage", it also highlights the technical expertise of our R & D team led by R. Satya.

The entire legal battle was conducted by Anderson Strathern, Scotland on behalf of Sudarshan.



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SUDARSHAN

Mr. Rajesh Rathi, Director added "We understand that this is the first time that an Indian company has challenged a European Patent in European courts. Sudarshan showed courage in taking on a German Company and challenging the validity of its patent in the UK. We are extremely happy that we were given a fair trial in the Court of Law and this victory sets an important precedent for Indian Manufacturers and may open up trade opportunities and give them the courage to challenge patents in international courts. This case shows that where a long established European company claims that an Indian manufacturer is infringing its intellectual property rights, the Indian company should not just assume that the threat is lawfully made. In this case, the court held that the threat of patent infringement by Clariant was unlawful.



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