



ARROW
GREENTECH LTD.

FORMERLY KNOWN AS ARROW COATED PRODUCTS LTD.

Investor Presentation – March 2017

Safe Harbor

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Arrow Greentech in a Snapshot ...

- **Environment Friendly Company**
- **Only Manufacturer of Water Soluble Films in India**
- **State of the Art Manufacturing Facility located in Ankleshwar, Gujarat**
- **Vastly Experienced Research & Development Team**
- **32 registered patents across the globe**
- **Caters to the Niche Market**



With Experienced Board Of Directors



Mr. Shilpan P. Patel, Chairman & M.D

- Holds a Master's degree in Business Administration from South Hampton University, Texas, USA
- He developed WSF in 1990 which has a strong bearing on the environment
- He is in charge of Business Development & Strategic Management of the Company



Mr. Neil Patel, Whole Time Director

- He has done M. Sc. (Bio Medical Science) from Kingston College, London
- He possesses good entrepreneurship skills and has been associated with the company since the last 7 years



Mr. Haresh Mehta, Independent Director

- Graduate in Science
- He holds a certificate in Packaging Technology and has also attended a long term programme in London
- He is the Chairman of the Shareholders/Investor Grievance Committee



Mr. Harish Mishra, Independent Director

- Graduate in Commerce and has done M.Com from Jabalpur University.
- He has vast experience in Advertising & Production, he was associated with ZEE TV
- He is the Chairman of the Nomination & Remuneration Committee and the Audit Committee



Ms. Suneeta Thakur, Independent Director

- Graduate in Science having vast experience in the banking sector
- Previously she was the Deputy Managing Director of Saraswat Bank, currently she works as a consultant to the CARE group of companies
- She is a member of the Audit Committee



Mr. Dinesh Modi, Independent Director

- He is a Company Secretary
- Graduate in commerce and completed his L.L.B from Bombay University
- He has vast experience and knowledge in Finance, Legal & Corporate Sector, currently he is a practising Corporate Law Advisor



Mr. Dinkar Trivedi, Independent Director

- Graduate in Arts (Economics Honors) and has done M.Com from Gujarat University
- He has taught at IIM, Ahmedabad, UTI Institute of Capital Markets,, Ahmedabad Management Association amongst others
- Currently he is a Consultant focussing on corporate planning, enterprise transfer & strategy formulation

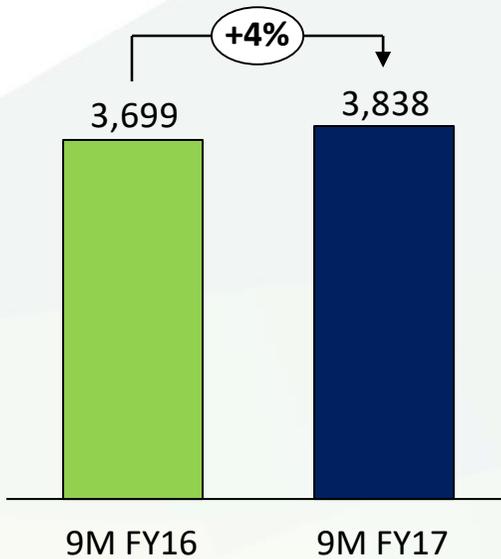


Result Highlights

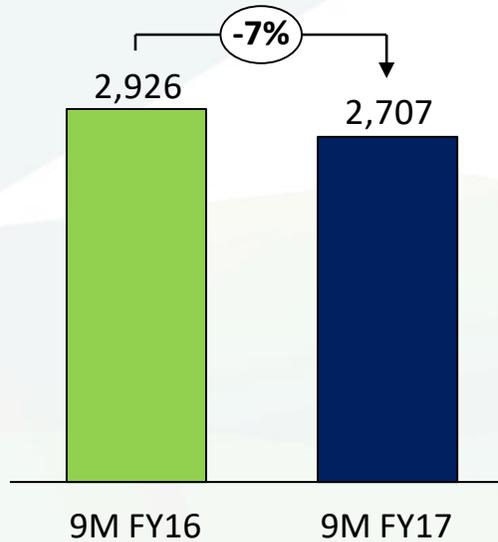


Consolidated Result Highlights – 9M FY17

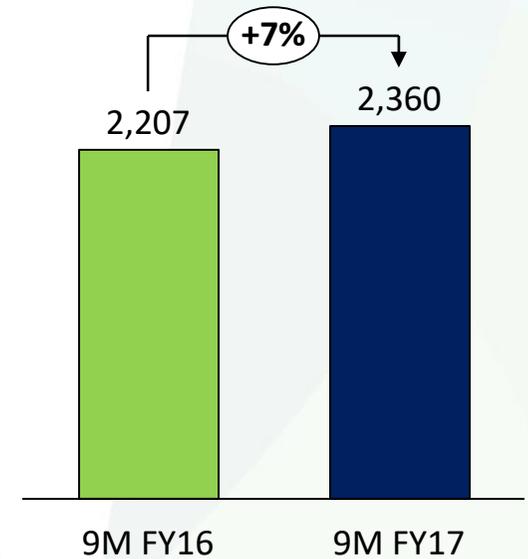
Revenue



EBITDA



PAT

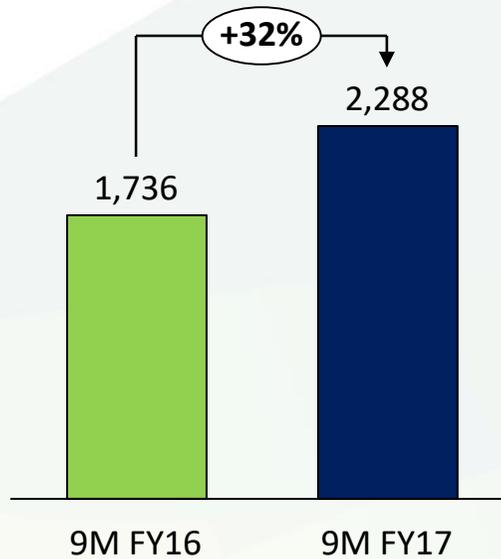


Rs. In Lakhs

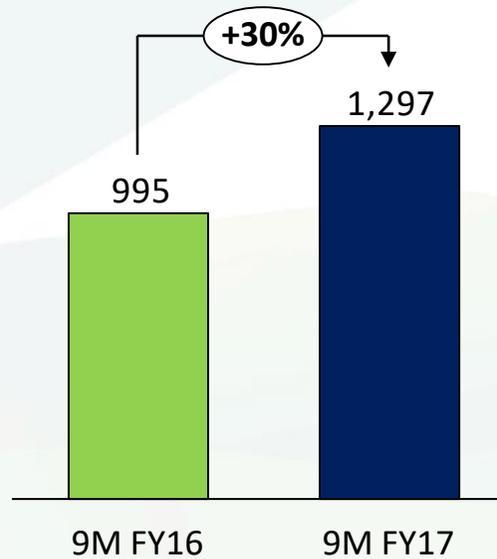


Standalone Result Highlights – 9M FY17

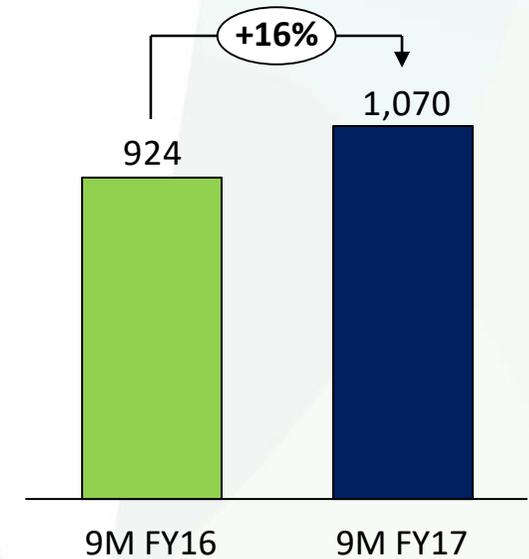
Revenue



EBITDA



PAT



Rs. In Lakhs



Business Overview



Business Overview

1 Water Soluble Film

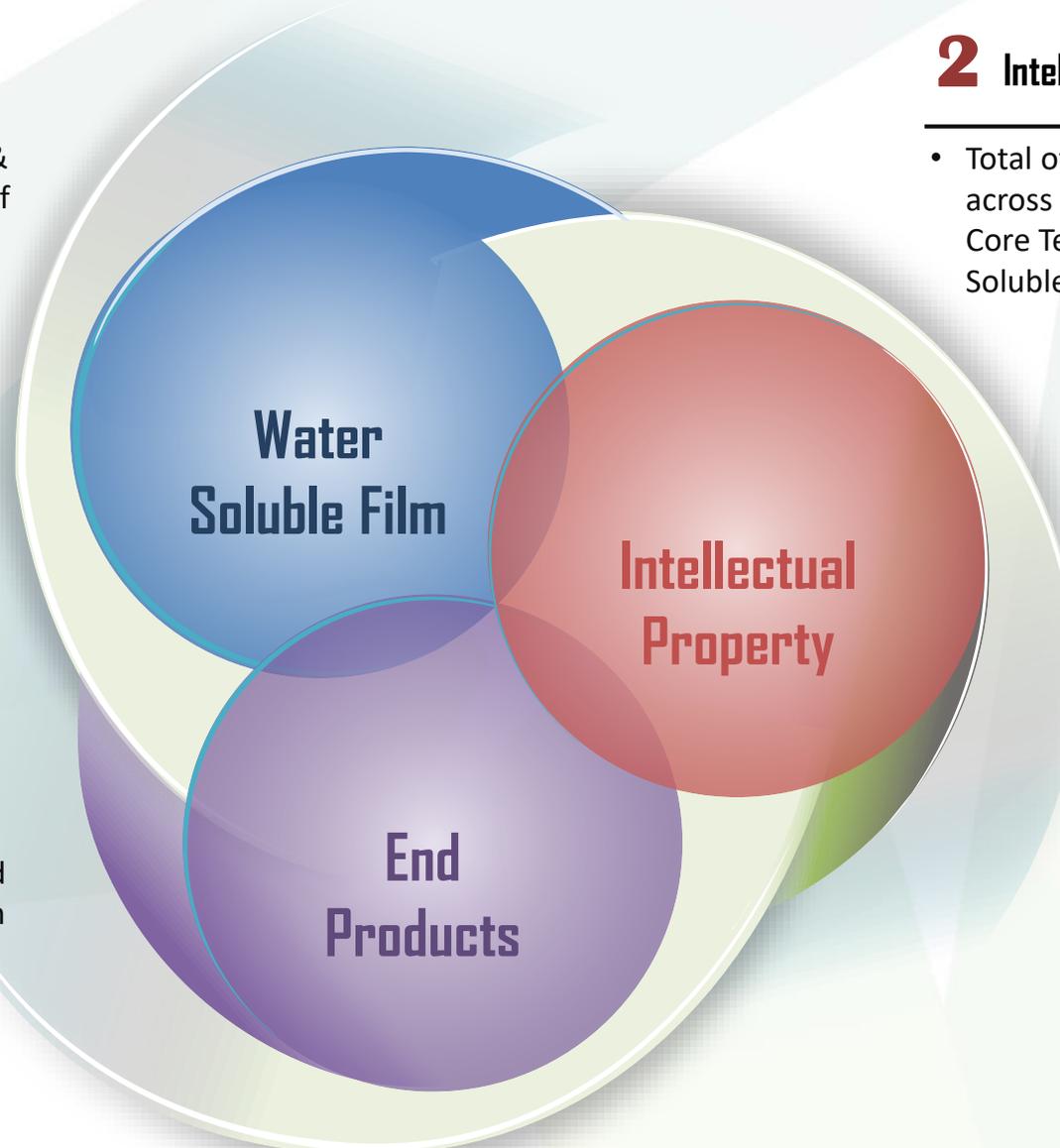
- Development, Production & Marketing of Wide Range of Water Soluble Film

2 Intellectual Property

- Total of 32 granted patents across the World, based on Core Technology of Water Soluble Film

3 End Products

- Arrow Care & Arrow RX range of products developed using the Water Soluble Film Technology



Water Soluble Film



What is Water Soluble Film (WSF) ?



**Liquid Detergent
Packed in WSF**



**Dissolves
Completely**

What it is?

- Water Soluble Film
- Packaging material that is environmentally safe & fully biodegradable when disposed in water or waste

Properties

- Optimum Tensile Strength
- Flexibility for using in multiple forms of packaging
- Excellent Moisture/Heat Sealing
- Eco-friendly

Applications

- Industries like Agrochemical, Health & Hygiene, Embroidery, Dyes, Cement, Enzymes, Fish Baits, Edible Films etc.



Advantages of Water Soluble Film



Eco Friendly

Dissolves without leaving any harmful residue

Safe

Avoids direct contact with the toxic product / Cross Contamination

Easy to Dose

It is precisely dosed = no product wastage

Convenient

Doses has less storage space and easy to handle

Varied Industries

Used in varied Industries in multiple ways



Our Water Soluble Film Business

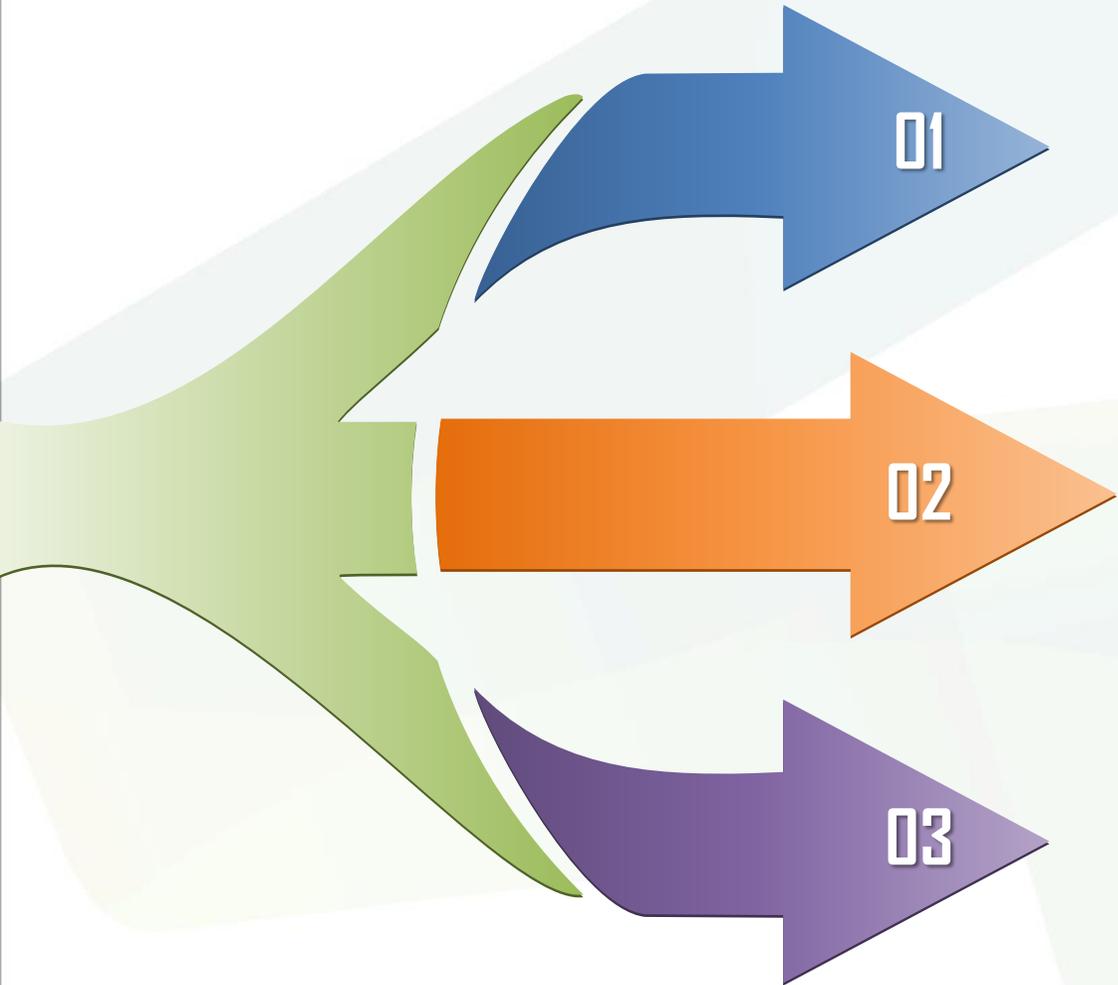
- Sole Manufacturer of Cast Water Soluble Film in India
- State of art Manufacturing Facilities
 - Ankleshwar, Gujarat : ~ 350 Km far from Bombay
 - Land on 99 years renewable lease from GIDC
 - R&D Centre with Modern Equipments
 - Common Utilities and R&D available for future expansion
- Key Industries :
 - Agrochemicals, Embroidery, Detergents, Soap Film Laundry Bags, Capsule Package, Fish Bait, Toilet Blocks, Edible Film based Pharma Films, Dyes, Cement Additives, Enzymes for Bio Toilets etc



**100% compostable, 100% degradable and
100% eco-friendly**



Key Entry Barriers



01

Product Formulation

- Special Chemistry per end use
- Customized Formulations designed for various types of parameters of WSF
- **Example** : Various Water Temperature, time of dissolution and types of Water – Hard, soft, Salty etc

02

Proprietary Information

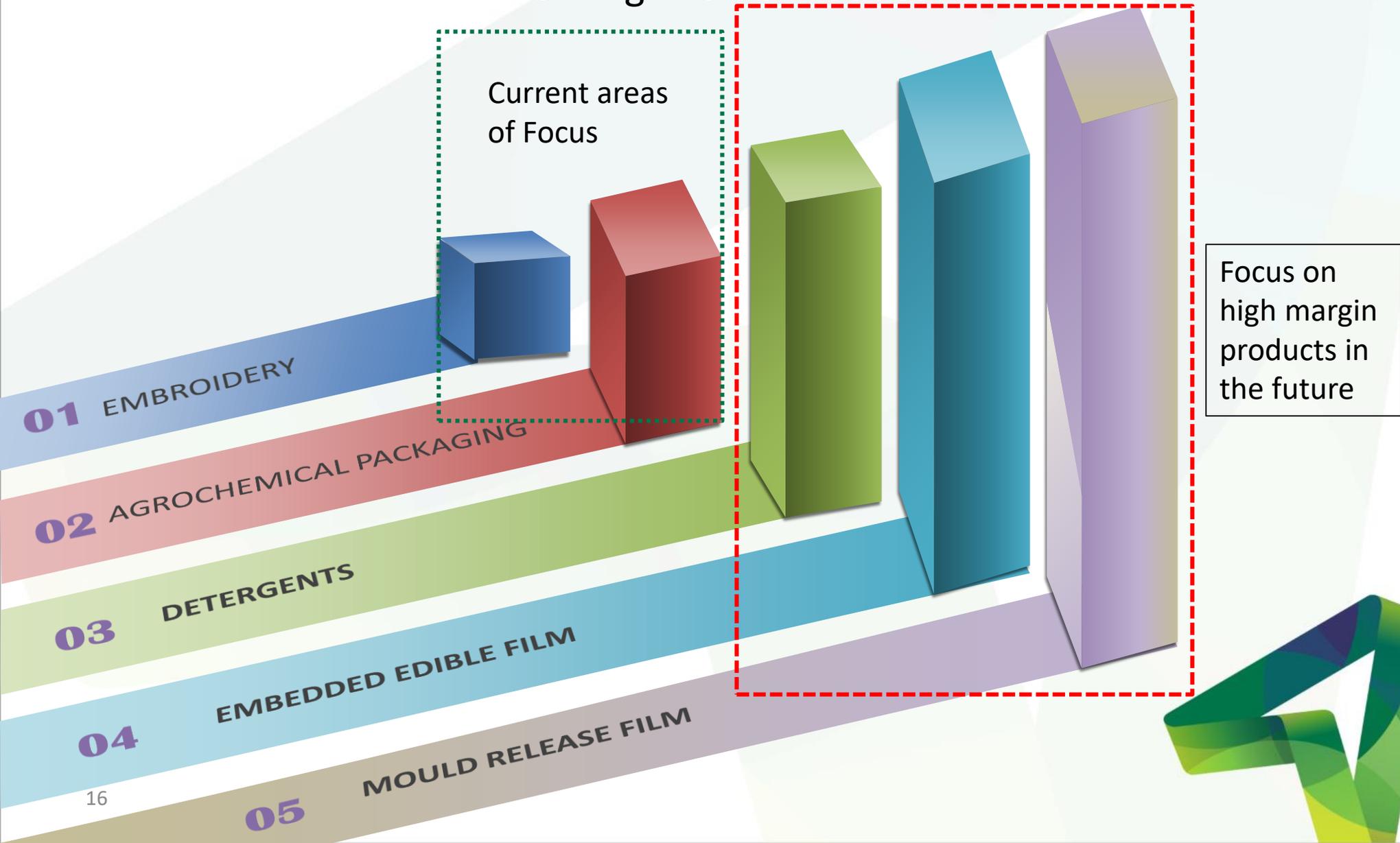
- RND outcome is privy to Arrow
- Example : Given a particular material to be packed: Under What Conditions will the WSF dissolve and the Chemical Properties of WSF once it is dissolved

03

Accelerated Ageing Test

- WSF goes through Accelerated Ageing test under accelerated ageing conditions. This matrix of information is vital to development of right WSF
- To help determine the long-term effects for the purpose of expected shelf life of packed product.

Focus on High Value Product Mix



Intellectual Property



Capitalizing – Key Patents

Actives Embedded Water Soluble Film

Drug Delivery Device (Controlled & Bio Digestible)

WSF Based Matrix to Collect Samples

High Security Paper

Self Destructive Irreversible Security Packaging

Key Granted Patents across the Globe

| | | | | |
|---|---|---|---|--|
| <p>A Process of manufacturing embedded water soluble film system and embedded water soluble film system manufacture by the same India</p> | <p>Water Soluble Drug delivery system U.K.</p> | <p>A water soluble film based matrix to contain samples extracted from living species Europe, India & United States</p> | <p>High security paper and process of manufacture Russia</p> | <p>Self destructive irreversible security packaging film India, Eurasia & Europe</p> |
| <p>Method of manufacturing embedded water soluble film carrier Australia & South Africa</p> | <p>Substantial Pinhole Free Multilayered Water Soluble Film and Process of manufacture the same India</p> | <p>Edible water soluble packaging film and package made out of the said film India</p> | <p>Method of producing a high security film Europe</p> | <p>A water Soluble Film based Package for Packing Aqueous Liquids India</p> |
| <p>Substrate for ink jet printing with hydrophobic solvent based ink India</p> | <p>High strength paper and process of manufacture United States</p> | <p>Cast – Extruded or Cast – Cast Combined multilayer water soluble film and process for producing the same India</p> | <p>Method of making High Strength Paper & A Paper manufactured thereof India & South Africa</p> | <p>Method of producing a high security film and high security film produced by the said method United States</p> |
| <p>Wide format printed graphics without release liner India</p> | <p>Self adhesive materials with a water soluble protective layer South Africa & United States</p> | <p>High Security Film Australia</p> | <p>A process of Preparing a Self Adhesive India</p> | |



Health & Hygiene : Active Embedded Water Soluble Film

Relates to process for manufacturing embedded/entrapped water-soluble film (WSF) system and water soluble film (WSF) system manufactured by the said process

- Pharmaceutical Industry
- Agrochemical Industry
- Hospitality Industry
- Chemical Industry

Patent Details

Application

Grant Details

Advantages

- Patent Granted in India (200301), 24.04.06 ; South Africa (2004/3259), 24.11.04 ; Australia (2002356417), 22.01.09 ; Australia (2012201719), 23.06.2016
- Patent being "Prosecuted to Grant" in Europe (EP2228431) USA (US20110039985)

- Dissolves instantly
- Drug delivery faster
- Quicker reaction
- Novel Drug Delivery System

- Cheaper than conventional technology of drug delivery
- Easy intake
- Sugar free
- Precise Delivery of nutrients to the plant (roots, leaves)



Health & Hygiene : Drug Delivery Device

Relates to a dosing system which contains active ingredients, embedded within and/or coated upon water soluble or water dispersible polymers

- For Humans
- For Animals
- For Plants

Patent Details

Application

Grant Details

Advantages

- Patent Granted in
United Kingdom (GB2421431)
India (264545), 05.01.15
- Patent being "Prosecuted to Grant" in
Europe (EP1865930)
USA (US20080038326)

- Delivers actives in a controlled manner
- Delivers actives at precise locations
- Bio -digestible
- Can deliver multiple actives
- Less chances of cross contamination in post operative care



Health & Hygiene : A WSF based matrix to contain samples

Relates to a Water Soluble Film based matrix for collecting

- Blood, Urine, Serum Samples or
- Any other type of samples extracted from living species

Health Care:

- Provide a water soluble film based matrix for collecting and storing samples extracted from living species for avoiding cross infection or spillage of samples

Patent Details

Application

Grant Details

Advantages

- Patent Granted in
India (251630), 27.03.12
USA (8673236), 18.03.14
Europe (2040921), 24.07.13

- Eliminate problem of disposal of used containers
- Non contaminating container for collecting liquid and semi solid bio waste
- Retrieve the samples collected, by dissolving the Matrix, for analysis



Security : High Security Paper

A security paper having one or more of a security feature inserted at precise locations on or within the paper by using a polymeric article as a carrier for the security feature(s)

Paper based Products:

- Bank Notes
- Passports
- Postage Stamps
- Certificates etc

Patent Details

Application

Grant Details

Advantages

- Patent Granted in Russia (2409473), 20.01.11
- Patent being "Prosecuted to Grant" in India (312/MUM/05) Europe (EP1871952)

- High – Value Security Packaging for the documents
- To maintain Secrecy of Important Documents



Security : Self Destructive Irreversible Security Packaging

A self destructive irreversible security packaging water soluble film and method for manufacturing the same.

Chemical & Agro Packaging

- Water soluble packaging film is embedded with various security elements, which will get destroyed irreversibly upon final usage as the whole package along with its contents will dissolve in water

Patent Details

Application

Grant Details

Advantages

- Patent Granted in
India (227842), 21.01.09
Eurasia (012856), 30.12.09
Europe (1868818), 05.05.10
- Patent being "Prosecuted to Grant" in
USA (US20080190808)

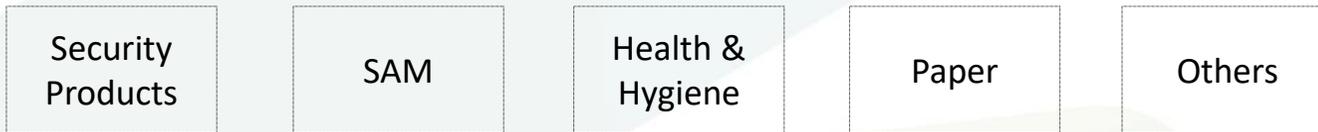
Packaged Pesticides, Chemicals(to avoid counterfeiting), Packed FMCG goods with track and trace security system (to avoid grey marketing) , Security Labels etc



End Products



End Products – Capitalizing WSF Patents



- Security Embedded Film – Readable by Light Source, Machine etc



- Oral Hygiene & Personal Hygiene Segment



- Pharmaceuticals – Oral Consumption and Drug Delivery System

Partnerships & JVs

• Tsukioka, Japan

• Proquimia, Spain

• Trace Tag , UK



Arrow Security

- Granted Patent Rights across the world and part of its security Patent Portfolio
- Security films for manufacturing of high security paper such as banknote, passport and non-judicial stamp papers, or for brand protection applications
- These patents are managed by dedicated IP cell of Arrow Greentech Ltd



- **Exclusive arrangement with Trace Tag International Ltd (TTI, UK) for integration and use of Tracetag's DNA taggants within security documents**
- **TTI and AGTL have decided to pursue their joint developments and to commercialize resulting applications to their mutual benefit in the field of security documents**



Arrow Care

- **Meltz** – It's a small breath strip which creates freshness, killing all the bad breath germs
- It dissolves instantly when placed on the tongue
- Approved from FSSAI and other licensing authorities in India



Meltz

- **Carez** – Small thin Soap Strips convenient to carry and use
- Economically priced, no wastage, and no residue left after wash
- Laboratory Tested Product



Carez

- **Klenz** – Concentrated Capsule to refill a bottle for household cleaning
- Innovative product for specialised Glass cleaner, Antibacterial & Multipurpose Cleaner
- Time Saving, Cost Saving, Space Saving



Klenz



Arrow RX

MMSTM Films – NDDS

- Mouth Melting Strips (MMS) - Thin Films loaded with Actives for Drug Delivery
- Taken Orally and melts instantaneously in the mouth when placed on or under the tongue
- The active substance enters the bloodstream directly via the oral mucosa without having to pass through the gastrointestinal tract



Novel Drug Delivery Device -NDDD

- DDD contains Actives embedded within and/or coated upon Water Soluble or Water Dispersible Polymers
- The active ingredients are released at a precise – controlled rate from a readily soluble polymer into an aqueous environment through one or more perforated bio-digestible films, post which DDD dissolves overtime and is bio absorbed over time



RX Matrix

- Novel system of collecting and storing blood samples, urine samples, serum samples or any other type of samples extracted from living species to avoid cross infection or spillage of the samples
- It eliminates the problem of disposal of used containers
- Non contaminating container for collecting liquid and semi solid bio waste



Future Outlook



Future Outlook



Capacity Expansion

Increase Capacity of High Value Water Soluble Film



Monetizing

Monetize the existing Patents by selling or licensing the Patents

R&D to develop more of Products & Processes and file New Patents



Partner / JV

Partner / JV with the players in the FMCG and Pharmaceuticals to develop products for the end consumers using our Patents

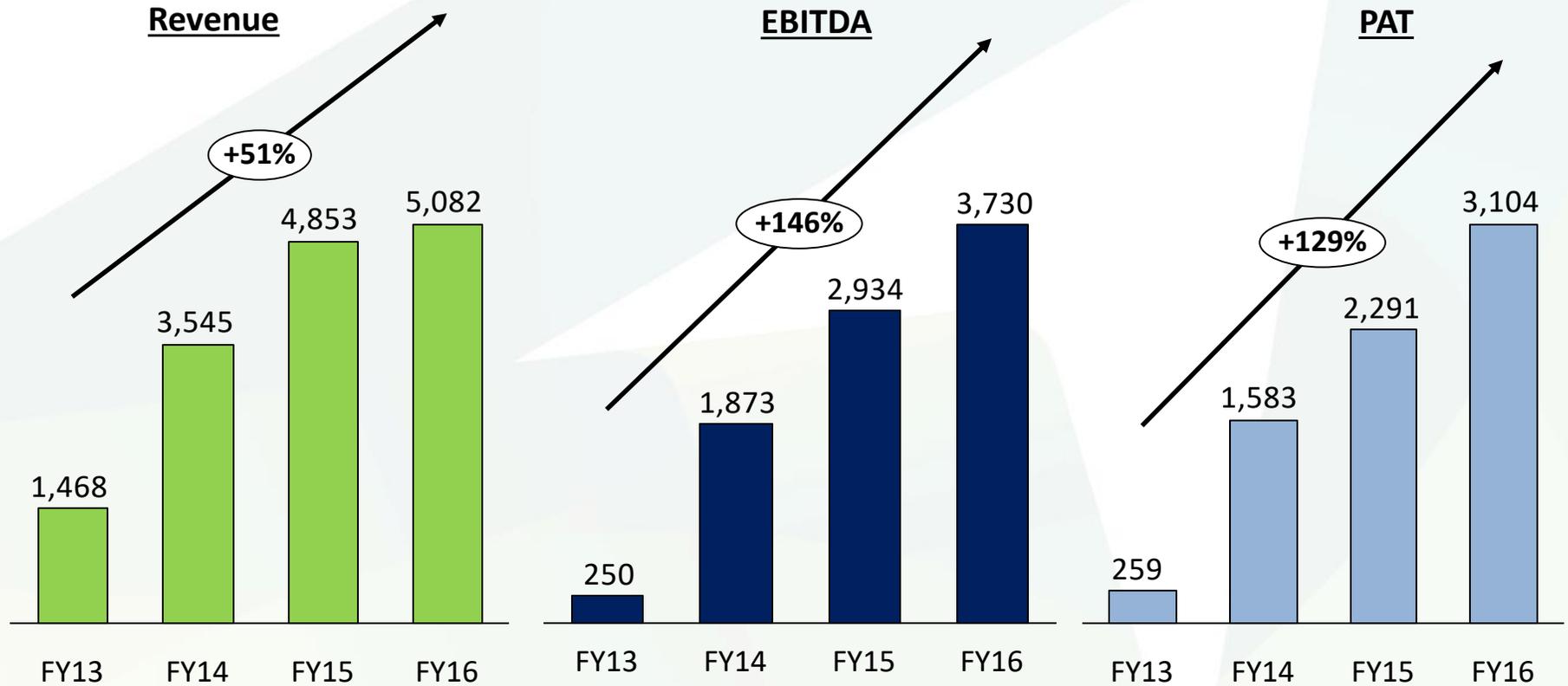
Water Soluble Film / Packaging to be provided by Arrow Greentech Film Division



Financials



Financial Highlights - Consolidated



Rs. In Lakhs



Consolidated Profit & Loss Statement

| Particulars (Rs. in lakhs) | Q3FY17 | Q3FY16 | Y-o-Y | 9MFY17 | 9MFY16 | Y-o-Y | FY16 |
|--|----------------|----------------|-------------|----------------|----------------|------------|----------------|
| Total Revenue | 1,387.4 | 1,326.1 | 5% | 3,838.3 | 3,698.8 | 4% | 5,081.6 |
| Cost of Material Consumed | 50.1 | 62.4 | | 158.3 | 161.1 | | 189.2 |
| Purchase of Stock In Trade | 75.1 | 0.0 | | 75.3 | 0.0 | | 58.4 |
| Changes in Inventories | -62.9 | 18.2 | | -30.2 | 24.6 | | -15.4 |
| Employee Expenses | 123.2 | 65.3 | | 314.0 | 183.4 | | 273.4 |
| Other Expenses | 216.8 | 121.9 | | 613.7 | 404.0 | | 849.0 |
| EBITDA | 985.2 | 1058.3 | -7% | 2,707.2 | 2,925.7 | -7% | 3,727.0 |
| EBITDA % | 71.0% | 79.8% | | 70.5% | 79.1% | | 73.3% |
| Other Income | 13.5 | 25.2 | | 222.2 | 140.0 | | 467.7 |
| Depreciation | 62.8 | 26.3 | | 138.8 | 77.8 | | 105.7 |
| EBIT | 935.9 | 1057.2 | -11% | 2,790.6 | 2,987.9 | -7% | 4,089.0 |
| EBIT (%) | 67.5% | 79.7% | | 72.7% | 80.8% | | 80.5% |
| Finance Cost | - | - | | - | - | | - |
| Profit before Tax | 935.9 | 1057.2 | -11% | 2,790.6 | 2,987.9 | -7% | 4,089.0 |
| Tax | 187.8 | 335.7 | | 394.3 | 739.1 | | 984.7 |
| Profit after Tax | 748.1 | 721.6 | 4% | 2,396.3 | 2,248.8 | 7% | 3,104.3 |
| PAT % | 53.9% | 54.4% | | 62.4% | 60.8% | | 61.1% |
| Minority Interest | 11.3 | 15.4 | | 35.9 | 41.8 | | 67.4 |
| PAT after Minority Interest | 736.7 | 706.2 | 4% | 2,360.4 | 2,207.0 | 7% | 3,036.9 |
| PAT after Minority Interest (%) | 53.1% | 53.3% | | 61.5% | 59.7% | | 59.8% |
| EPS | 6.28 | 6.02 | | 20.11 | 18.80 | | 25.87 |

Standalone Profit & Loss Statement

| Particulars (in lakhs) | Q3FY17 | Q3FY16 | Y-o-Y | 9MFY17 | 9MFY16 | Y-o-Y | FY16 |
|-----------------------------------|--------------|---------------|-------------|----------------|----------------|------------|----------------|
| Net Income from Operations | 716.5 | 606.6 | 18% | 2,288.5 | 1,736.4 | 32% | 2,266.3 |
| Cost of Material Consumed | 50.1 | 62.4 | | 158.3 | 161.1 | | 189.2 |
| Purchase of Stock In Trade | 75.1 | 0.0 | | 75.3 | 0.0 | | 58.4 |
| Changes in Inventories | -62.8 | 18.0 | | -29.2 | 24.9 | | -15.7 |
| Employee Expenses | 121.2 | 65.3 | | 307.3 | 179.0 | | 264.6 |
| Other Expenses | 200.8 | 115.8 | | 479.5 | 376.8 | | 618.5 |
| EBITDA | 332.2 | 345.1 | -4% | 1,297.3 | 994.6 | 30% | 1,151.3 |
| EBITDA % | 46.4% | 56.9% | | 56.7% | 57.3% | | 50.8% |
| Other Income | -1.3 | 334.6 | | 70.4 | 375.4 | | 534.1 |
| Depreciation | 53.3 | 24.5 | | 112.3 | 72.3 | | 97.5 |
| EBIT | 277.6 | 655.3 | -58% | 1,255.5 | 1,297.7 | -3% | 1,587.9 |
| EBIT (%) | 38.7% | 108.0% | | 54.9% | 74.7% | | 70.1% |
| Finance Cost | - | - | | - | - | | - |
| Profit before Tax | 277.6 | 655.3 | -58% | 1,255.5 | 1,297.7 | -3% | 1,587.9 |
| Tax | 101.6 | 181.1 | | 185.4 | 374.0 | | 484.0 |
| Profit after Tax | 176.0 | 474.3 | -63% | 1,070.1 | 923.8 | 16% | 1,104.0 |
| PAT % | 24.6% | 78.2% | | 46.8% | 53.2% | | 48.7% |
| EPS | 1.50 | 4.04 | | 9.12 | 7.87 | | 9.40 |

Income from operations for Q3FY17 includes Rs.557 lacs (Previous Quarter Rs 566 lacs) for assigning of patents marketing rights.



Consolidated Balance Sheet

| Equity & Liabilities (in lakhs) | Sep-16 | Mar-16 |
|---------------------------------------|--------------|--------------|
| Share Capital | 1,174 | 1,174 |
| Total Reserves | 7,267 | 5,764 |
| Minority Interest | 151 | 126 |
| Shareholder's Funds | 8,592 | 7,064 |
| Long Term Borrowings | 5 | 5 |
| Deferred Tax Liabilities (net) | 8 | 24 |
| Other Long Term liabilities | 0 | 0 |
| Long Term Provisions | 11 | 10 |
| Total Non-Current Liabilities | 25 | 39 |
| Short Term Borrowings | 0 | 0 |
| Trade Payables | 293 | 323 |
| Other Current liabilities | 329 | 207 |
| Short Term Provisions | 505 | 932 |
| Total Current Liabilities | 1,127 | 1,462 |
| Total Equity & Liabilities | 9,743 | 8,565 |

| Assets (in lakhs) | Sep-16 | Mar-16 |
|---------------------------------|--------------|--------------|
| Tangible Assets | 1,439 | 1,494 |
| Intangible Assets | 123 | 100 |
| Capital work-in-progress | 244 | 6 |
| Intangible Assets under dev. | 108 | 126 |
| Fixed Assets | 1,914 | 1,726 |
| Non-Current Investments | 1,733 | 1,525 |
| Long Term Loans and Advances | 573 | 248 |
| Other Non Current Assets | 23 | 11 |
| Total Non-Current Assets | 4,243 | 3,510 |
| Inventories | 85 | 99 |
| Trade Receivables | 906 | 559 |
| Cash and Cash Equivalents | 4,215 | 4,071 |
| Short Term Loans and Advances | 186 | 322 |
| Other Current Assets | 108 | 4 |
| Total Current Assets | 5,500 | 5,055 |
| Total Assets | 9,743 | 8,565 |



Standalone Balance Sheet

| Liabilities (in lakhs) | Sep-16 | Mar-16 |
|---------------------------------------|--------------|--------------|
| Share Capital | 1,174 | 1,174 |
| Total Reserves | 2,467 | 1,573 |
| Shareholder's Funds | 3,641 | 2,747 |
| Deferred Tax Liabilities (net) | 9 | 24 |
| Other Long Term liabilities | 0 | 0 |
| Long Term Provisions | 11 | 8 |
| Total Non-Current Liabilities | 20 | 32 |
| Trade Payables | 255 | 206 |
| Other Current liabilities | 311 | 137 |
| Short Term Provisions | 35 | 212 |
| Total Current Liabilities | 601 | 555 |
| Total Equity & Liabilities | 4,263 | 3,335 |

| Assets (in lakhs) | Sep-16 | Mar-16 |
|---------------------------------|--------------|--------------|
| Tangible Assets | 408 | 442 |
| Intangible Assets | 93 | 70 |
| Capital work-in-progress | 244 | 6 |
| Intangible Assets under dev. | 108 | 126 |
| Fixed Assets | 853 | 644 |
| Non-Current Investments | 1,794 | 1,585 |
| Long Term Loans and Advances | 480 | 160 |
| Other Non Current Assets | 22 | 18 |
| Total Non-Current Assets | 3,149 | 2,407 |
| Inventories | 77 | 94 |
| Trade Receivables | 339 | 57 |
| Cash and Cash Equivalents | 461 | 544 |
| Short Term Loans and Advances | 129 | 128 |
| Other Current Assets | 108 | 105 |
| Total Current Assets | 1,114 | 927 |
| Total Assets | 4,263 | 3,335 |

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