



ARROW
GREENTECH LTD.

FORMERLY KNOWN AS ARROW COATED PRODUCTS LTD.

Investor Presentation — December 2017

Safe Harbor

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About the Company

Only Manufacturer of
Water Soluble Films in
India

01



05

State of the Art
Manufacturing Facility
located in Ankleshwar,
Gujarat

Vastly Experienced
Research &
Development Team

02

04

Caters to the Niche
Market

03

37 registered patents
across the globe





Mr. Shilpan P. Patel
Chairman & M.D



Mr. Neil Patel,
Whole Time Director



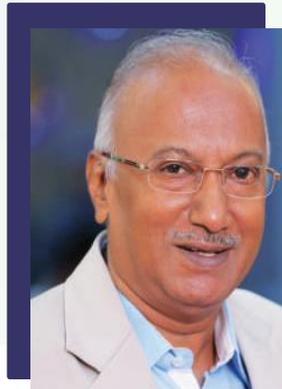
Mr. Haresh Mehta
Independent Director



Mr. Harish Mishra
Independent Director



Ms. Suneeta Thakur
Independent Director

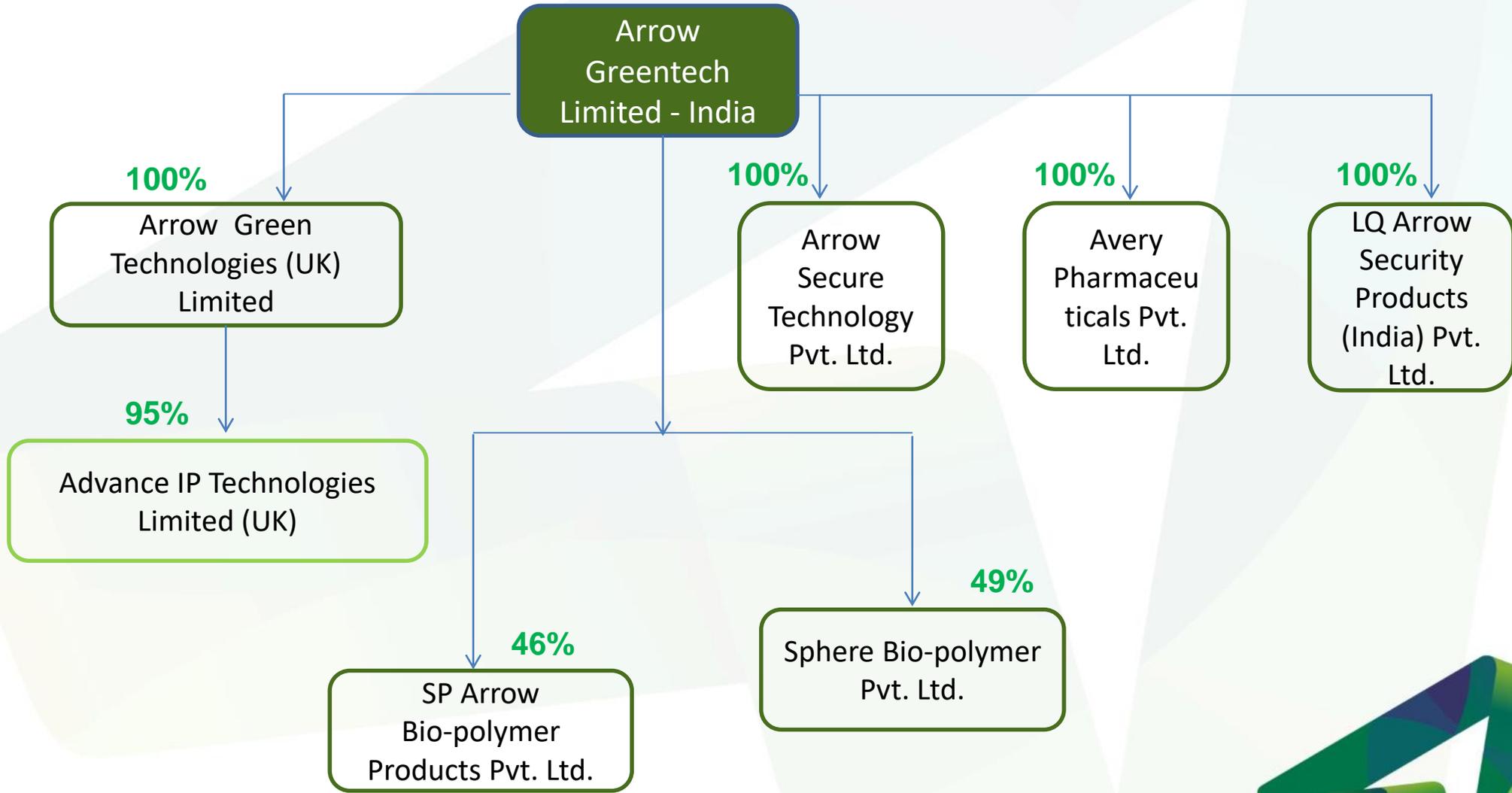


Mr. Dinesh Modi
Independent Director



Mr. Dinkar Trivedi
Independent Director

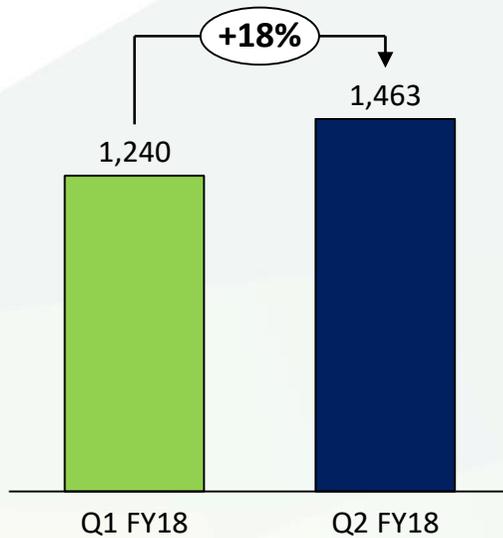




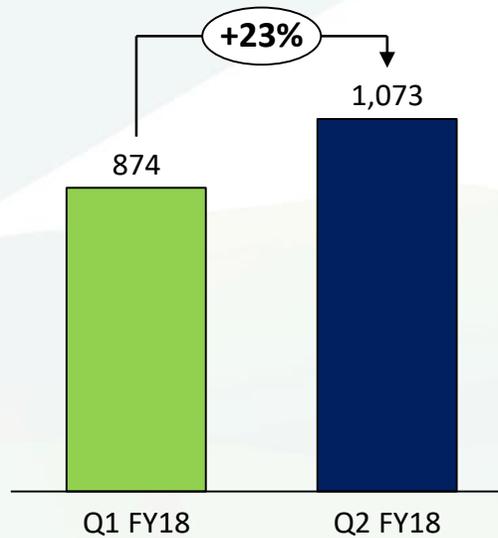


1. Result Highlights

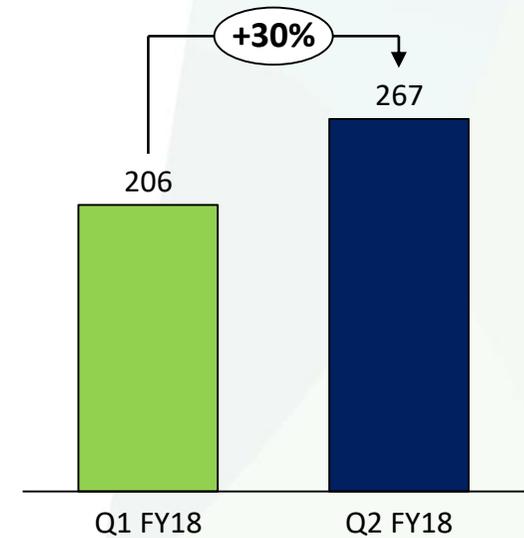
Net Revenue



Patent Income



WSF (incl. Klenz)

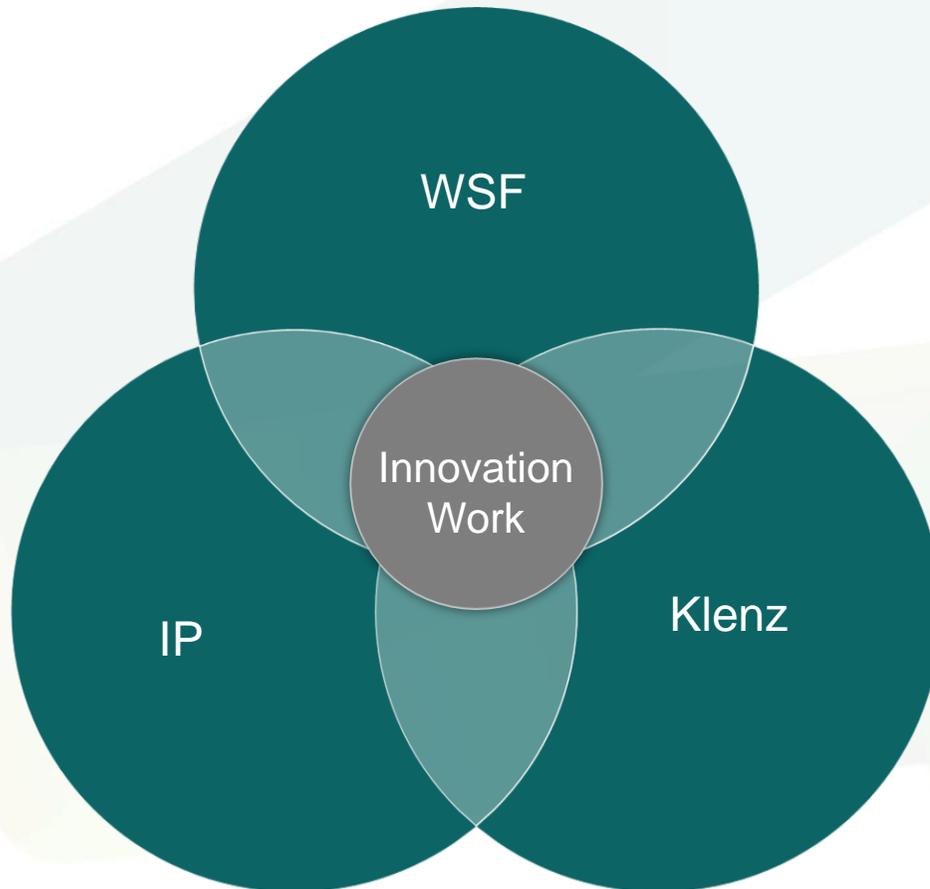


Rs. In Lakhs



- LQ Arrow Security Products (India) Private Limited (Security Business) –
 - Incorporated to manufacture, produce or to otherwise deal in all types of technologies relating to all kinds of paper layers
 - Paid-up Capital of Rs. 25 lakhs (2,50,000 equity shares of Rs. 10 each)
- Avery Pharmaceuticals Private Limited (Pharmaceuticals Business)–
 - Incorporated as wholly owned Subsidiary to manufacture, produce or to otherwise deal in pharmaceuticals and other related product
 - Paid-up Capital of Rs. 25 lakhs (2,50,000 equity shares of Rs. 10 each)





1 Water Soluble Film (WSF)

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

2 Klenz Pro

Arrow's Klenz Pro is the most concentrated range of hygiene, in water-soluble capsules. Does not generate plastic waste and is firmly committed to the environment

3 Intellectual Property

Total of 37 granted patents across the World, based on Core Technology of Water Soluble Film

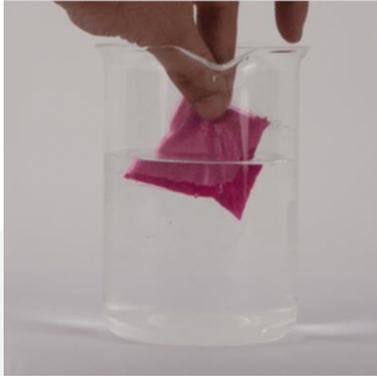




1. Water Soluble Film (WSF)

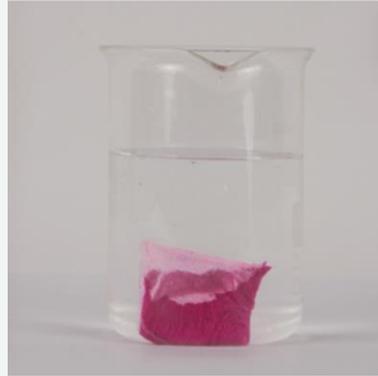
What is Water Soluble Film (WSF) ?

1



Liquid Detergent
Packed in WSF

2



3



4



Dissolves Completely

What is WSF ?

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

Properties of WSF

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



Applications of WSF

Packaging Film

Safe for the environment & fully biodegradable when disposed of in water or in waste

Soap Film

Watersol Soap Strips, 'Arrow Magic Strips' are a boon for travellers for maintaining hygiene while on the move

Water Transfer Printing Film

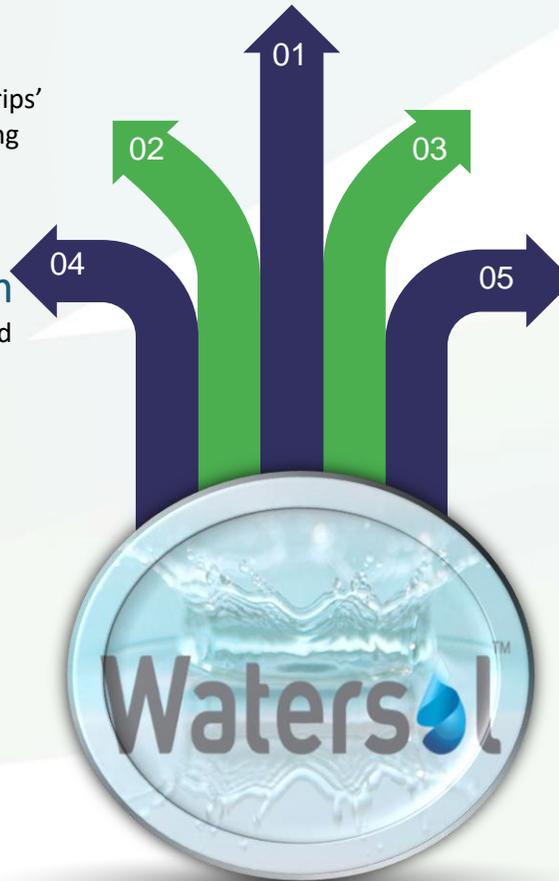
Decoration technology that uses a specialized Watersol film that is printed with a range of natural and abstract patterns to decorate complex-shaped plastics, metals and other materials

Embroidery Film

Help to avoid puckering and slipping of the fabric and make it more stable

Mould Release Film

Forms a barrier between parts and mold surfaces that are still curing. Film is resistant to solvents and yet is water-soluble



Watersol is the trademark product of Arrow Greentech Ltd.



Agrochemical Film



Cement / Dye Enzyme Film



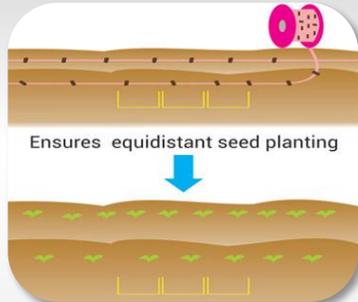
Liquid Detergents



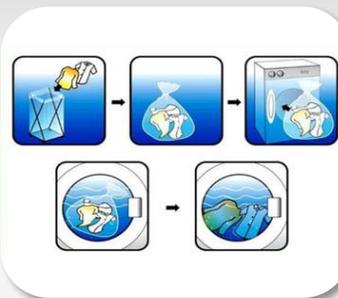
Fish Bait Film



Seed Film



Laundry Bags



Powered Detergents



Toilet Blocks





State of art Manufacturing Facilities

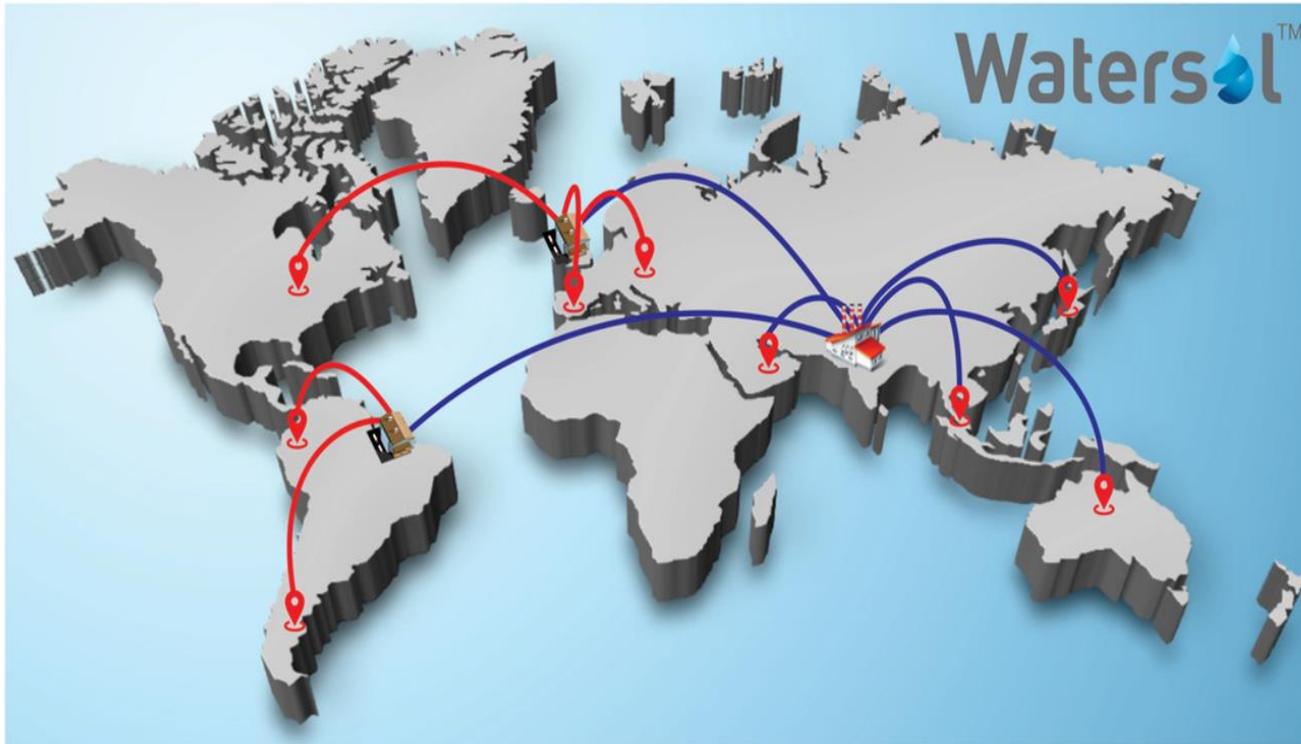
Ankleshwar, Gujarat : ~ 350 Km far from Bombay

Land on 99 years renewable lease from GIDC

R&D Centre with Modern Equipment's

Common Utilities and R&D available for future expansion



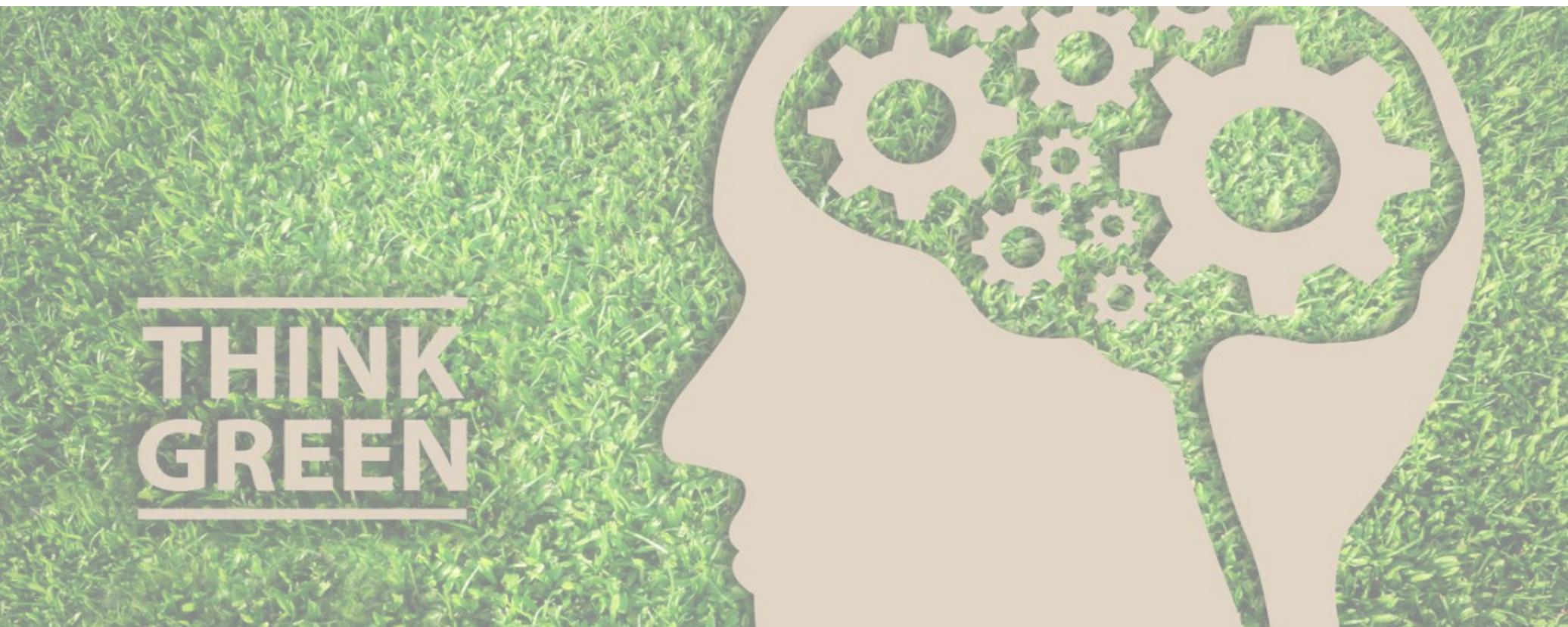


Presence in Europe, Asia, North & South America and Africa – mainly 3 supply points located in India, United Kingdom and South America

Wide Distribution channel to service our clients from around the world

-  – Factory
-  – Warehousing Facility
-  – Supply Zones
-  – Direct Supply
-  – Secondary Supply





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2. KLENZ PRO

What is Arrow Klenz Pro?

Klenz Pro is the most concentrated range of hygiene chemicals available in India

Product Range : General Cleaning, Kitchen Cleaning, Industrial Cleaning and Laundry Cleaning

Klenz Presence is currently in all states in West and South region of India with over 25 distributors

59 products already introduced in the market and plans to expand the range to about 90 products by 2018

First company to successfully launch cleaning chemical in water-soluble film

Designed in collaboration with Proquimia (Spain)

Caters to Hotels, Pharmaceutical plants, Manufacturing Industry, Auto Mobile Industry, Corporate offices, Facility Management companies, Government bodies



100% ECO-FRIENDLY



High concentrated bio-degradable products
Reduced use of raw materials and packaging
Reduced use of energy on the production process
75% less CO₂ emissions during transport
No plastic packaging (water soluble pouches) and carton casing

APPLICATION COST CONTROL



Precise control over product consumption, same dosage every time
No more waste management costs

OCCUPATIONAL RISKS MANAGEMENT



Safe handling, no direct contact with chemical product
85% reduction on loading weight
Easier and more convenient (pouch dissolves in water)
Dosing system not required

REDUCES 85% STORAGE ROOM AND TRANSPORT



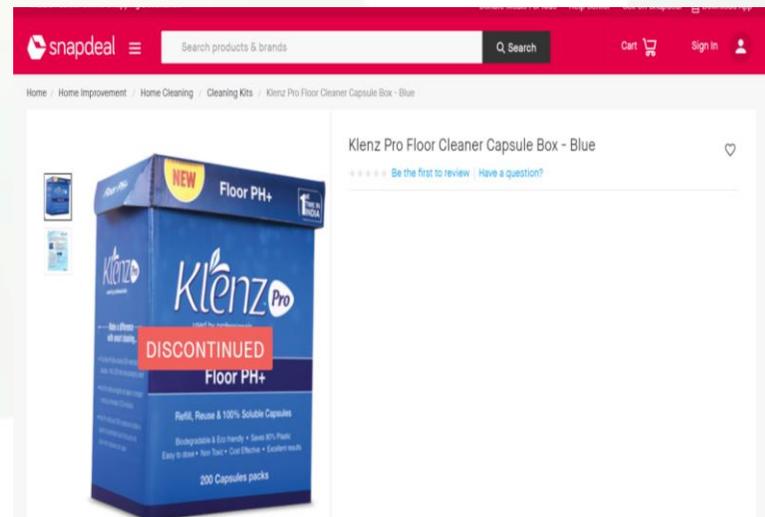
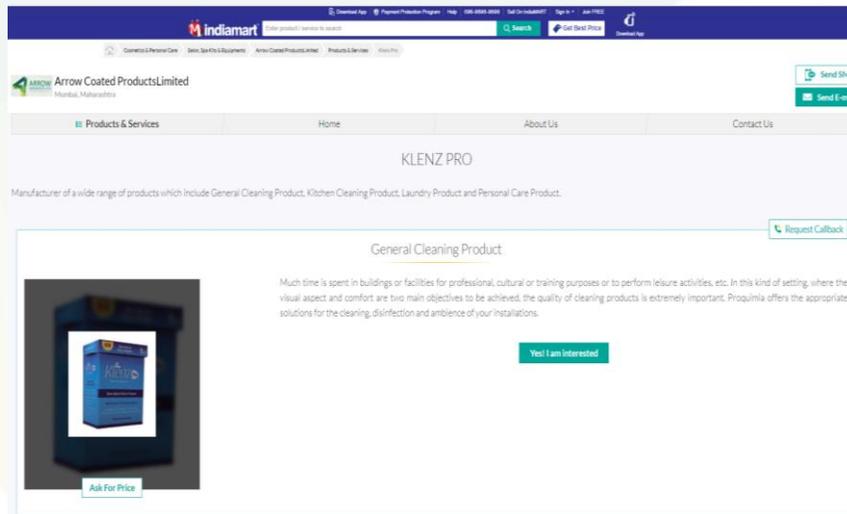
Reduced volume thanks to its high
Concentration formula

Klenz Pro Products are all compliant with European 2017 norms and have a wide range of ECO-LABELED products in the portfolio



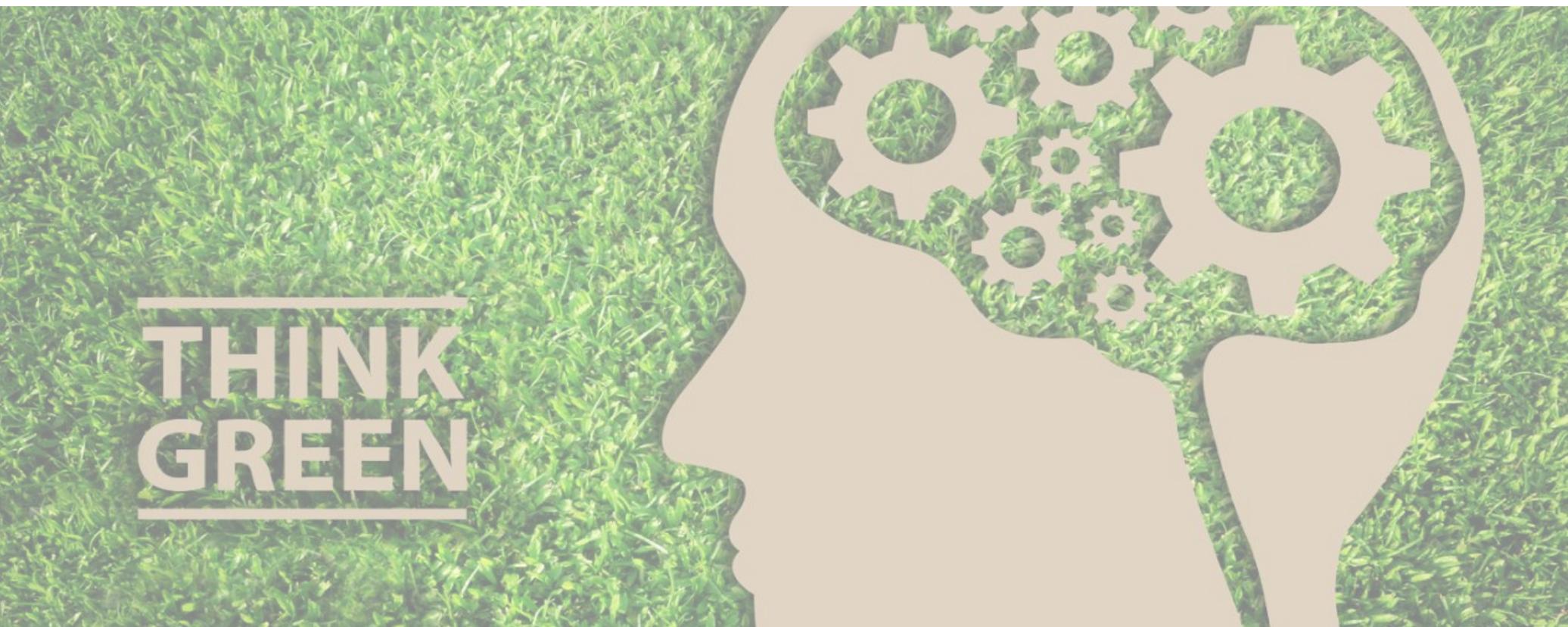


Company's website –
http://klenzpro.com/general_cleaning.html



Our Marketing & Launch Strategy along with Quality built Products made us win the “Best Innovative Chemical Product” in to build a strong Distribution and Sales team which will help our long-term vision





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3. Intellectual Property

Health

- Mouth Melting strips, Gel strips, Enzyme strips,
- Vitamins, Drugs, Medicine, Disinfectants and other Pharma ingredients
- For clinical setting like blood, serum, urine testing etc.

Hygiene

- Used to add Active ingredients of Detergents, Softeners, Cleaning Laundry, Dishes, Floorings, Walls, Furnitures and other Cleaning agents that are retained and remained intact for a longer time

Packaging

- Used in agronutrients such as fertilizers, urea, agrochemicals etc.
- Used for packaging for food products, liquid cement, shopping bags etc. or other biodegradable material

Security

- Used in making security labels or secure packaging of the products for identification
- Used in manufacturing of security documents such as cheques, bank notes, passport papers etc.

Printing

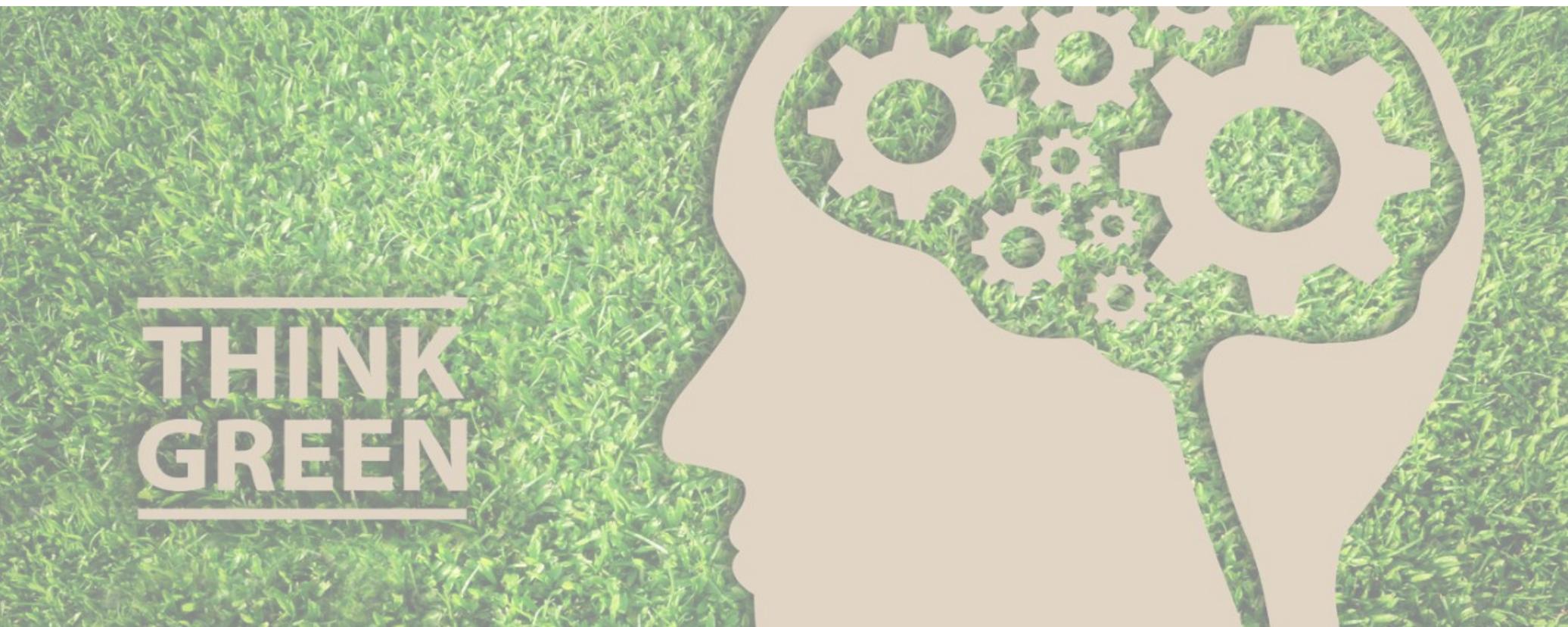
- Used for printing sarees, net or perforated cloth
- Used for printing paper, vinyl
- Used in printing of hoardings, one-way vision films

Self-Adhesive

- Used in making labels for product identification and/or advertising etc.

37 patents granted across the world





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Strategic Benefits & Growth Opportunities

Key Entry Barriers

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.

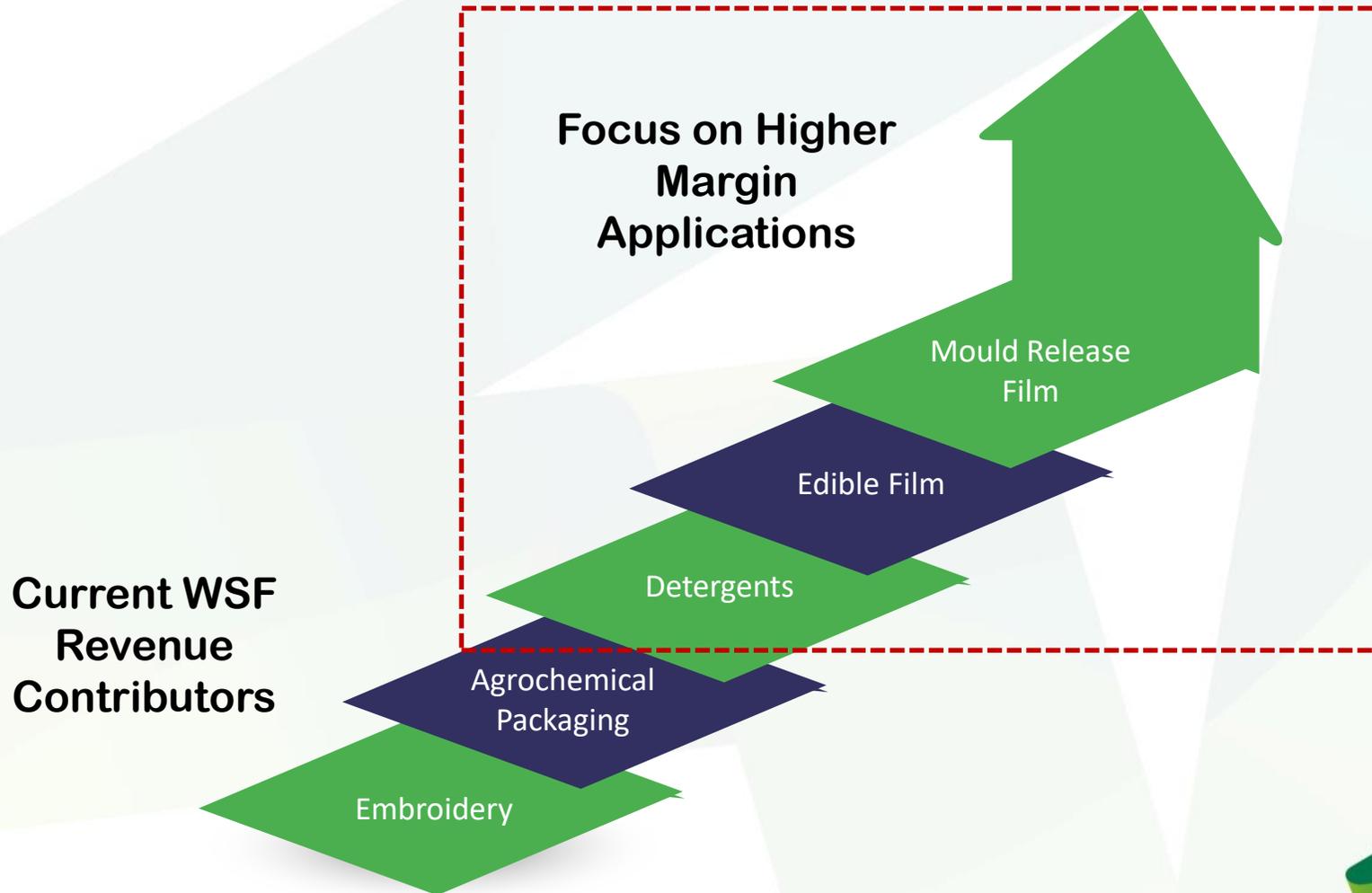
Proprietary Information

- 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

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





Growth Drivers

Intellectual Property

- Monetize the existing Patents by selling or licensing the Patents
- R&D to develop more of Products & Processes and file New Patents

Water Soluble Film

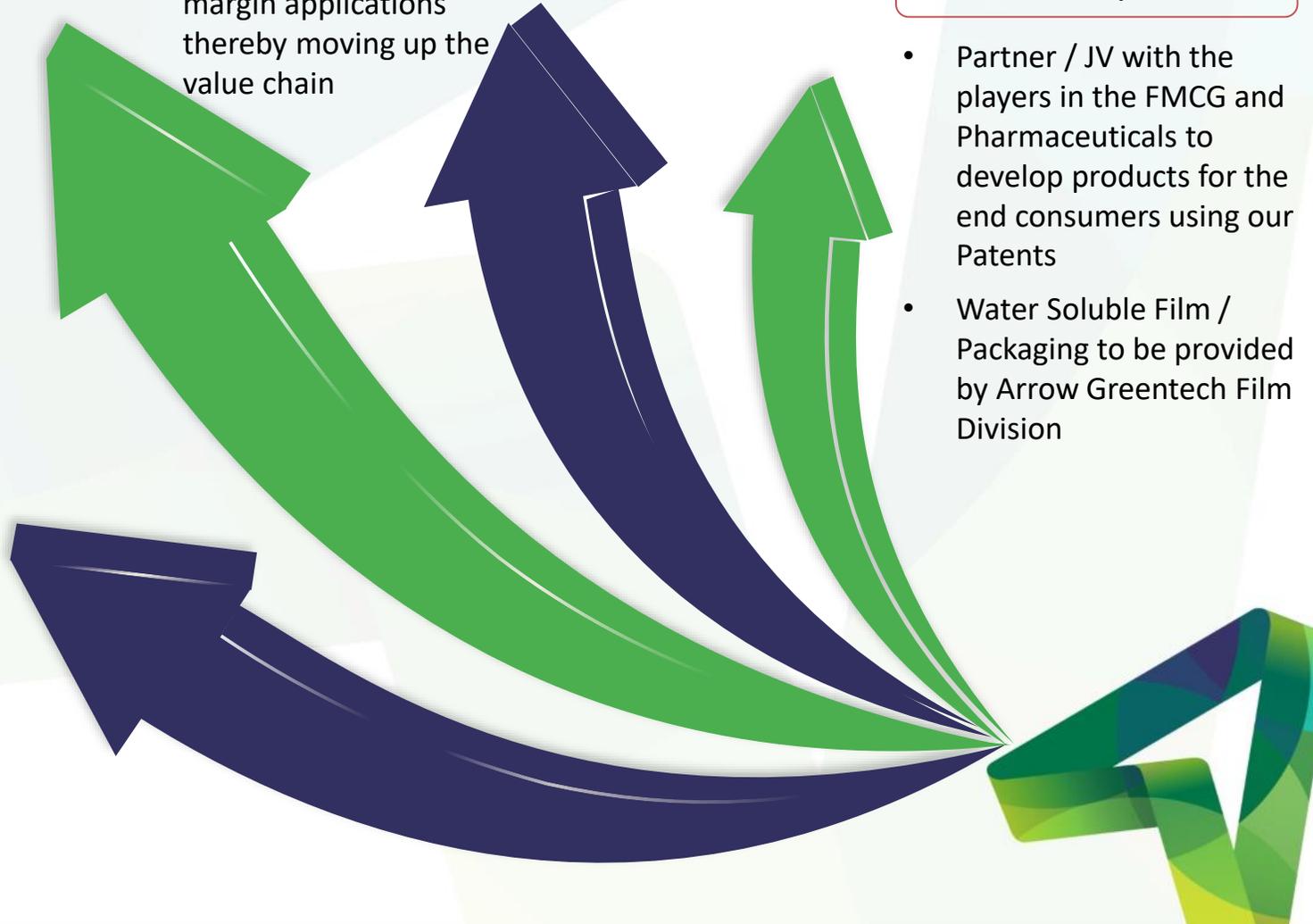
- Focussing on high margin applications thereby moving up the value chain

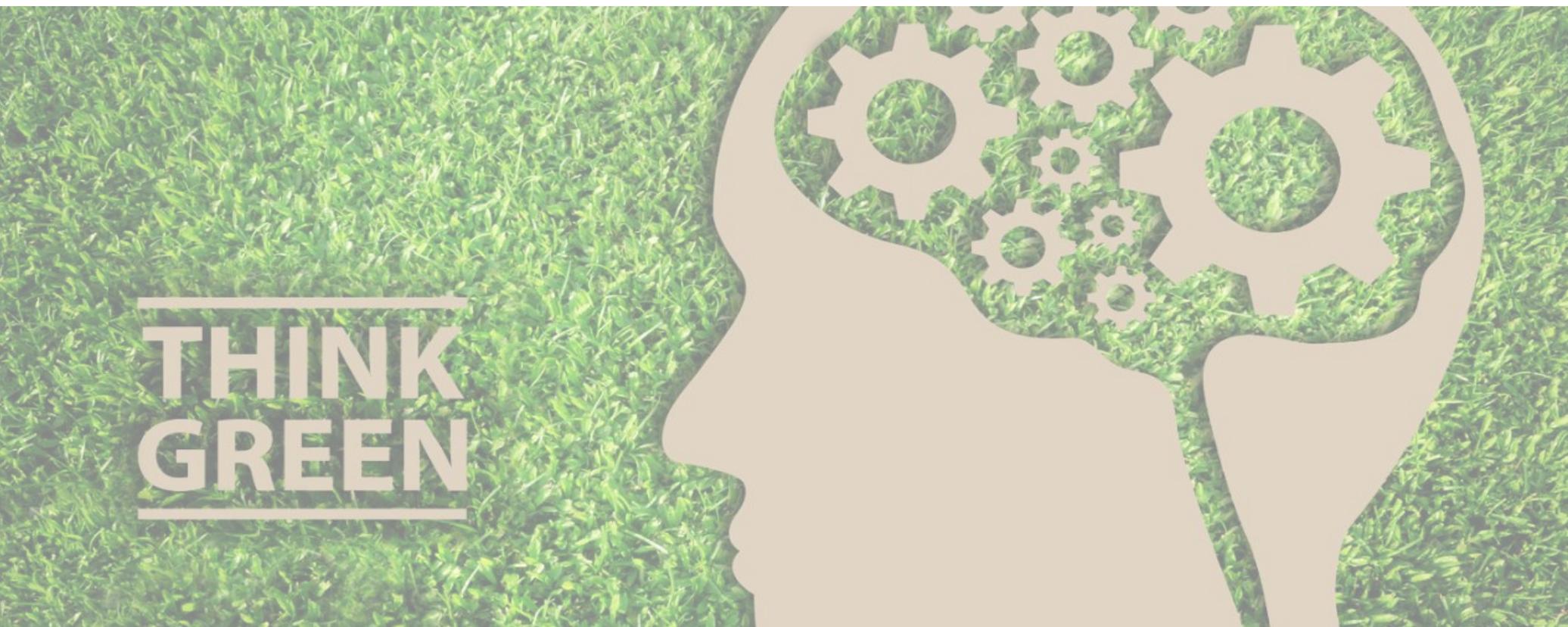
Partnerships / JV's

- 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

KLENZ

- Increase the product basket under KLENZ
- Once KLENZ reaches a sizeable turnover, we shall manufacture the chemicals ourselves

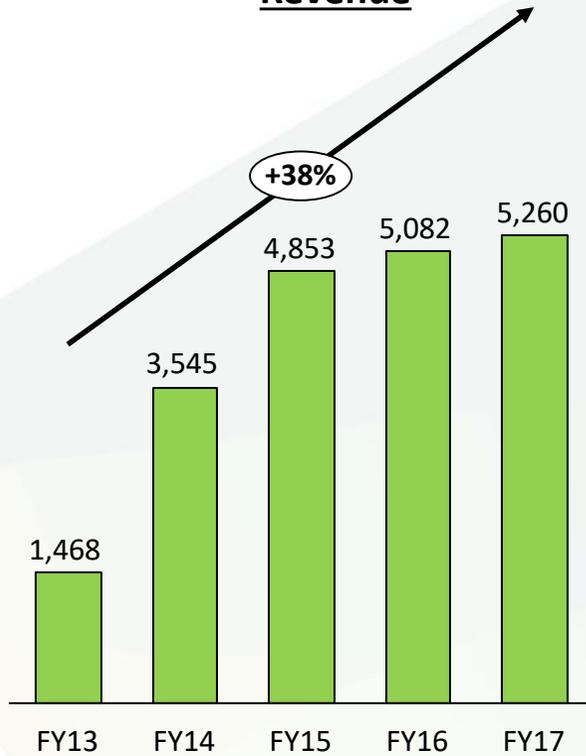




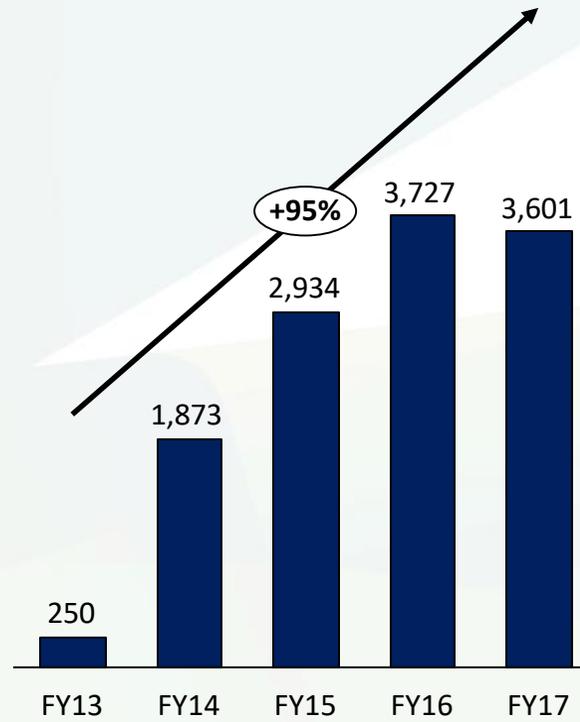
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Financials

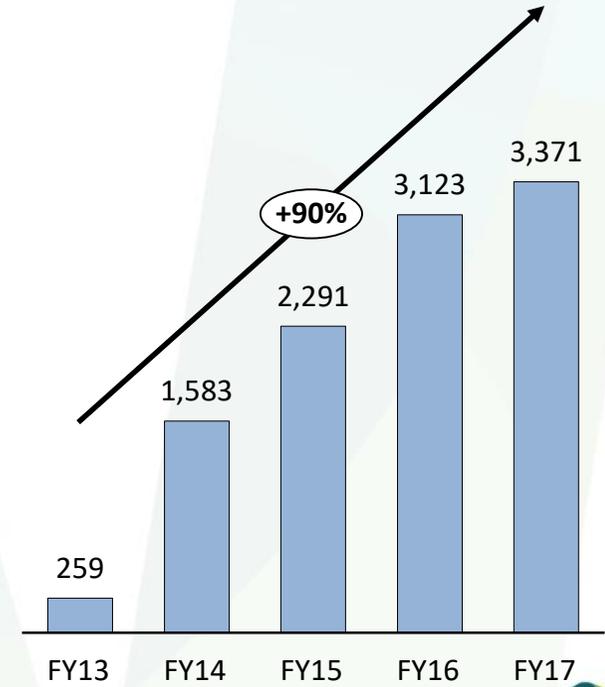
Revenue



EBITDA



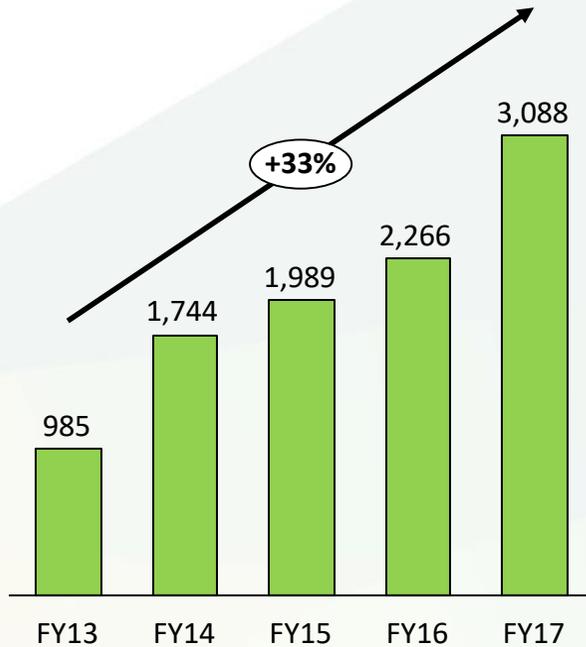
PAT



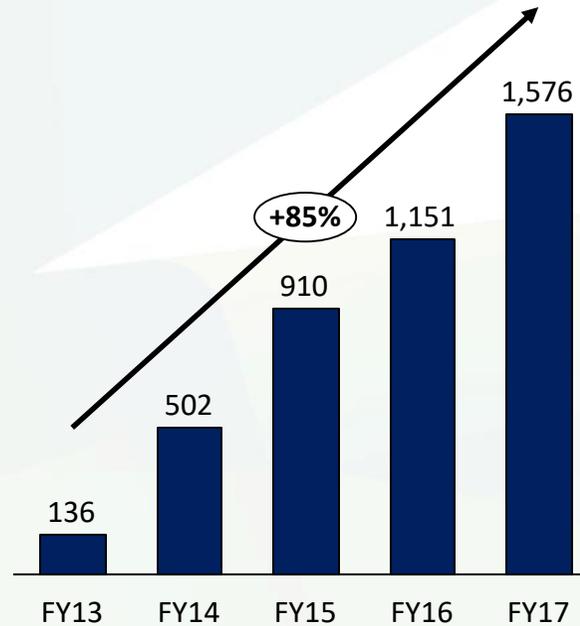
Rs. In Lakhs



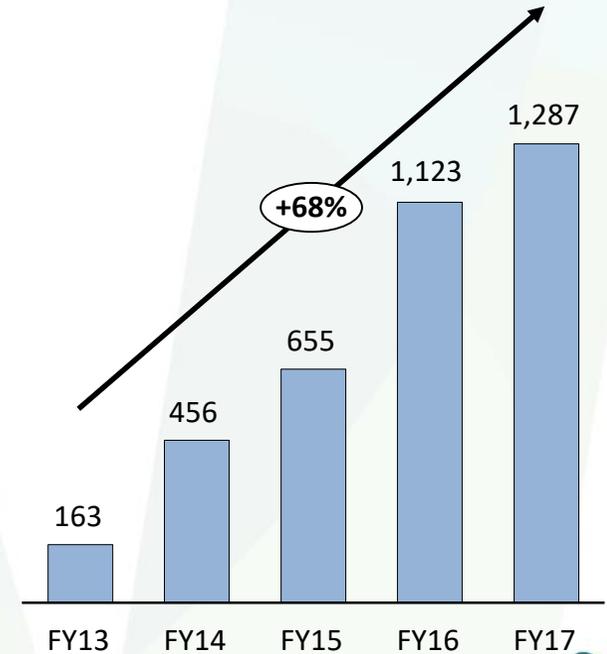
Revenue



EBITDA



PAT



Rs. In Lakhs



Consolidated Profit & Loss Statement

Particulars (Rs. In lakhs)	Q2 FY18	Q2 FY17	Y-o-Y	Q1 FY18	H1 FY18	H1 FY17	Y-o-Y
Gross Revenue from Operations	1,463	1266		1,255	2,718	2495	
Less : Excise Duty	0	30		15	15	44	
Net Revenue from Operations	1,463	1,235	18.42%	1,240	2,703	2,451	10.30%
Cost of Material Consumed	104	52		52	156	101	
Purchase of Stock-in-Trade	122	7		170	291	7	
Change in Inventories	-59	26		-29	-88	30	
Total Raw Material	167	84		193	360	138	
Employee Expenses	181	104		167	348	191	
Other Expenses	332	185		313	645	386	
EBITDA	782	862		568	1,350	1,737	
EBITDA Margin (%)	53.5%	69.8%		45.8%	49.9%	70.9%	
Other Income	64	115		97	161	274	
Depreciation	107	51		102	209	76	
EBIT	739	926		563	1,302	1,935	
EBIT Margin (%)	50.5%	75.0%		45.4%	48.2%	78.9%	
Finance Cost	0	0		0	0	0	
Profit before Tax	739	926		563	1,302	1,935	
Tax	246	61.0		83.3	330	235.4	
Profit After Tax	493	865		480	973	1,699	
PAT Margin (%)	33.7%	70.0%		38.7%	36.0%	69.3%	
Other Comprehensive Income (Net of Tax)	0.22	0		0	0.44	0.1	
TOTAL COMPREHENSIVE INCOME	493	865		480	973	1,699	
EPS	4.12	7.3		4.03	8.15	14.27	

Particulars (Rs. In lakhs)	Q2 FY18	Q2 FY17	Y-o-Y	Q1 FY18	H1 FY18	H1 FY17	Y-o-Y
Gross Revenue from Operations	979	885		923	1,902	1,616	
Less : Excise Duty	0	30		15	15	44	
Net Revenue from Operations	979	855	14.52%	909	1,888	1,572	20.09%
Cost of Material Consumed	104	52		52	156	101	
Purchase of Stock-in-Trade	112	7		164	276	7	
Change in Inventories	-55	26		-27	-82	31	
Total Raw Material	161	84		189	350	139	
Employee Expenses	178	102		165	343	186	
Other Expenses	298	151		202	500	267	
EBITDA	341	518		353	695	980	
EBITDA Margin (%)	34.9%	60.5%		38.9%	36.8%	62.3%	
Other Income	911	85		47	959	137	
Depreciation	99	38		94	192	59	
EBIT	1,154	565		307	1,461	1,058	
EBIT Margin (%)	117.9%	66.1%		33.8%	77.4%	67.3%	
Finance Cost	0	0		0	0	0	
Profit before Tax	1,154	565		307	1,461	1,058	
Tax	185	10		45	230	113	
Profit After Tax	969	555		262	1,231	945	
PAT Margin (%)	98.9%	65.0%		28.8%	65.2%	60.1%	
Other Comprehensive Income (Net of Tax)	0.2	0.1		0.0	0.44	0.1	
TOTAL COMPREHENSIVE INCOME	969	555		262	1,231	945	
EPS	8.25	4.70		2.23	10.48	8.05	

Particulars	As on Sept'17
Equity and liabilities	
Equity attributable to owners of the company	10,538
(i) Equity Share capital	1,174
(ii) Other Equity	9,364
Non controlling interest	196
Non-current liabilities	729
Financial liabilities	
(i) Other Financial liabilities	5
Long-term provisions	32
Provision for Income tax	588
Deferred tax liabilities (net)	104
Current liabilities	737
Financial liabilities	
(i) Trade payables	387
(ii) Other Financial liabilities	53
Other current liabilities	297
Total	12,199

Particulars	As on Sept'17
Assets	
Non-current assets	5,331
Property, plant and equipment	2,478
Investment property	15
Other Intangible assets	196
Intangible assets under development	50
Financial assets	
(i) Long-term loans and advances	588
(ii) Investments	1,699
(ii) Other Financial assets	116
Other non-current assets	188
Current assets	6,868
Inventories	327
Financial assets	
(i) Trade receivables	1,148
(ii) Cash and cash equivalents	5,009
(iii) Bank balances other than (ii) above	30
(iv) Other Financial assets	56
Other current assets	297
Total	12,199



Particulars	As on Sept'17	Particulars	As on Sept'17
Equity and liabilities		Assets	
Equity attributable to owners of the company	4,729	Non-current assets	3,748
(i) Equity Share capital	1,174	Property, plant and equipment	1,466
(ii) Other Equity	3,555	Investment property	15
		Other Intangible assets	194
		Intangible Assets under development	50
		Investment in subsidiaries and associates	64
		Financial assets	
Non-current liabilities	124	(i) Long-term loans and advances	139
Long-term provisions	32	(ii) Investments	1,699
Deferred tax liabilities (net)	93	(ii) Other Financial assets	116
		Other non-current assets	4
Current liabilities	701	Current assets	1,806
Financial liabilities		Inventories	317
(i) Trade payables	352	Financial assets	
(ii) Other Financial liabilities	53	(i) Trade receivables	322
Other current liabilities	297	(ii) Cash and Cash equivalents	791
Other Provisions	-	(iii) Bank Balance other than (ii) above	30
		(iv) Other Financial assets	56
		Other current assets	291
Total	5,554	Total	5,554

For further information, please contact

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