ARROW
GREENTECH LTD.

An ISO 9001:2008 Certified Company

December 18, 2017

To
Manager (CRD)
Bombay Stock Exchange Ltd. (BSE)
P.J. Towers, Dalal Street,
Mumbai 400 001

Manager (CRD)
National Stock Exchange of India Ltd. (NSE)
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai - 400051

Ref: Script Code- 516064 **Script Code- ARROWGREEN**
Sub: Presentation on Business Performance of the Company

Dear Sir,

With reference to captioned subject matter, please find enclosed herewith the presentation on business performance of the Company.

This is for your information and records.

Thanking you,

Yours faithfully,

For **Arrow Greentech Limited**

Poonam Bang

Company Secretary

ARROW GREENTECH LIMITED MUMBAI

ARROW GREENTECH LTD.
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CIN No. : L21010MH1992PLC069281

ARROW
GREENTECH LTD.
FORMERLY KNOWN AS ARROW COATED PRODUCTS LTD.

Investor Presentation – December 2017

www.arrowgreentech.com

Safe Harbor

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About the Company

Arrow Greentech in a Snapshot …

01

Only Manufacturer of Water Soluble Films in India

02

Vastly Experienced Research & Development Team

03

37 registered patents across the globe

04

Caters to the Niche Market

05

State of the Art Manufacturing Facility located in Ankleshwar, Gujarat

Experienced Board Of Directors

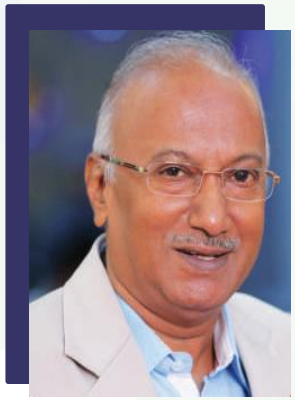
Mr. Shilpan P. Patel
Chairman & M.D

Mr. Neil Patel,
Whole Time Director

Mr. Haresh Mehta
Independent Director

Mr. Harish Mishra
Independent Director

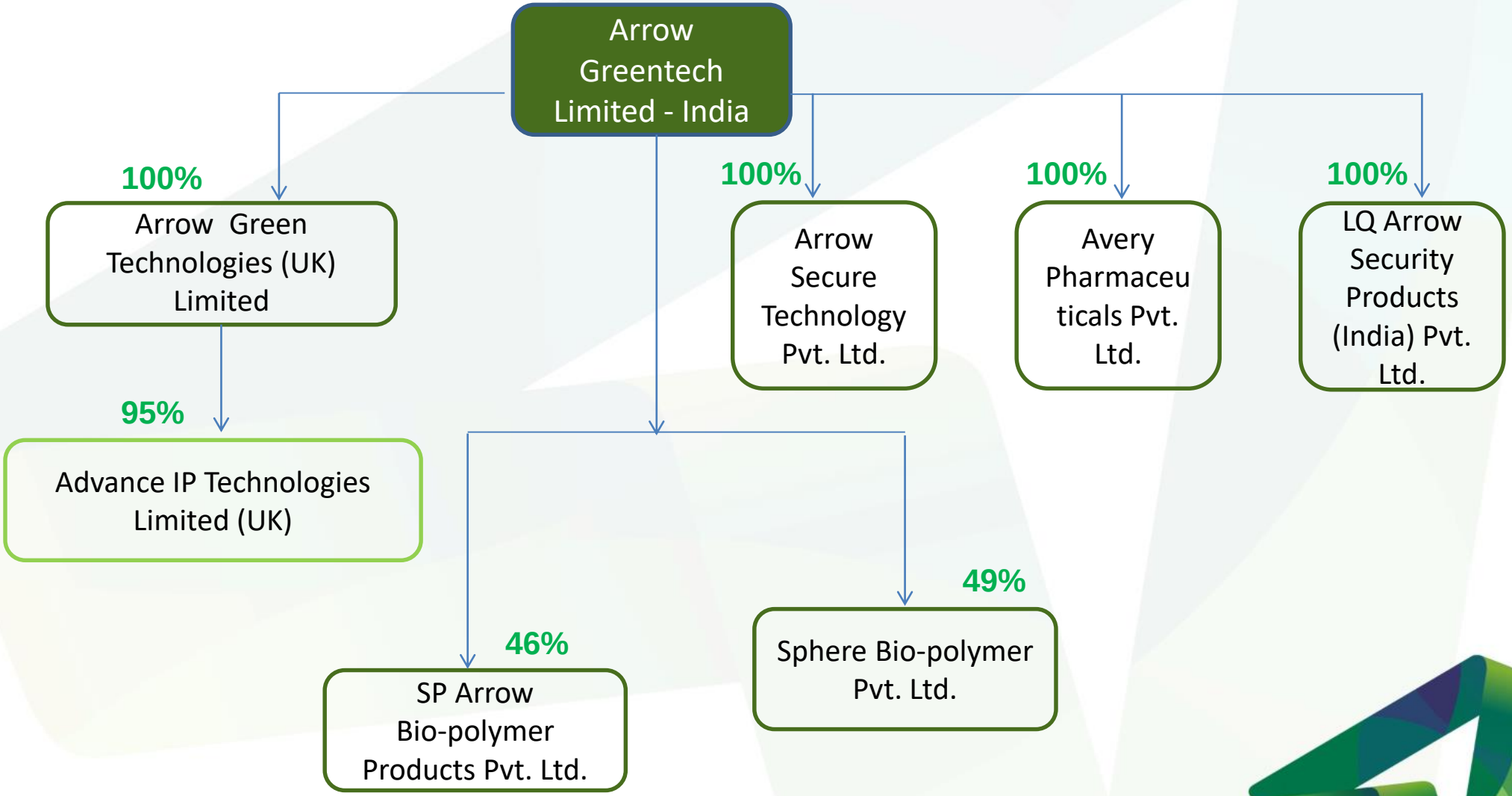
Ms.Suneeta Thakur
Independent Director



Mr. Dinesh Modi
Independent Director

Mr. Dinkar Trivedi
Independent Director

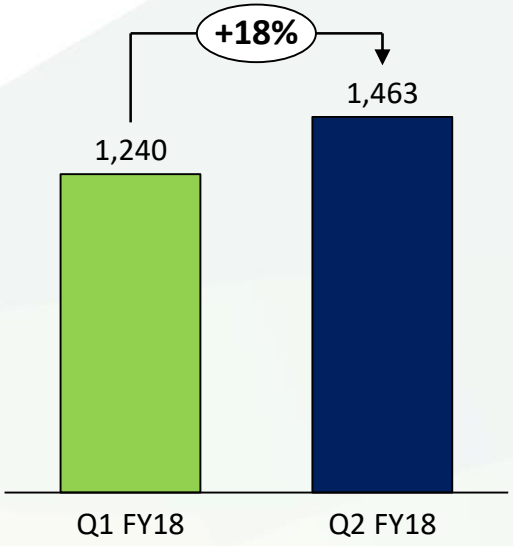
Corporate Structure



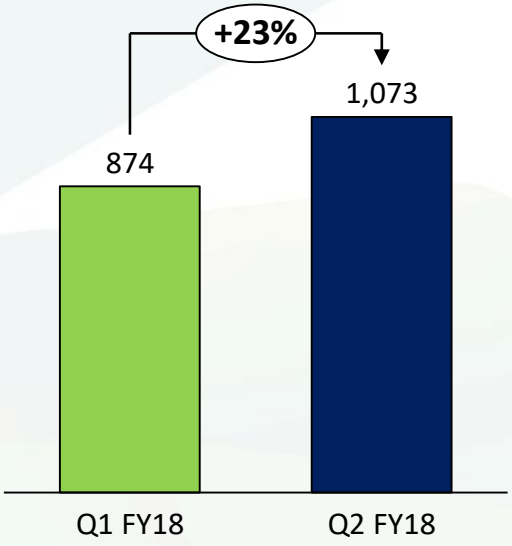
1. Result Highlights

Consolidated Result Highlights

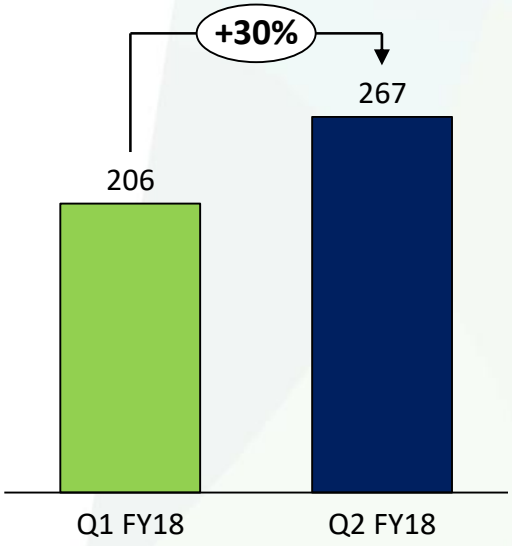
Net Revenue



Patent Income



WSF (incl. Klenz)

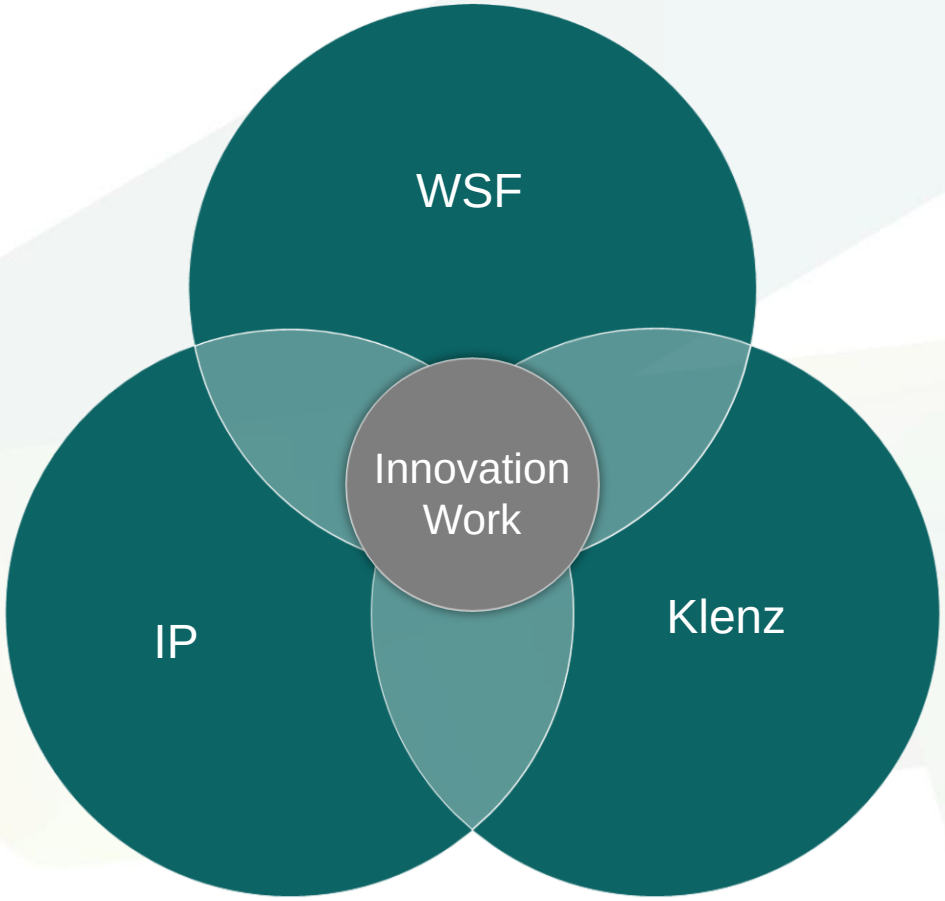


Rs. In Lakhs

Strategic Investments in Wholly owned Subsidiary

- 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)

Business Overview



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 it 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

Embroidery Film

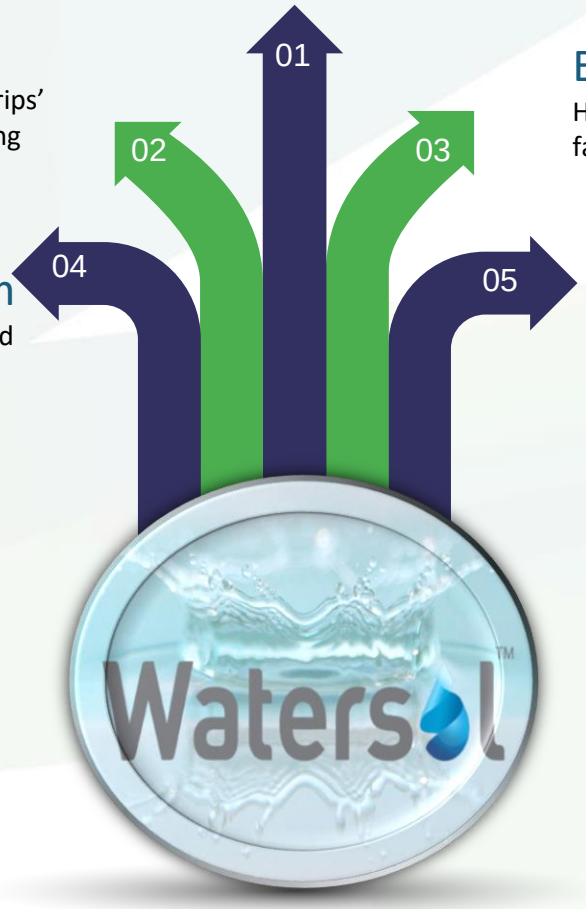
Help to avoid puckering and slipping of the fabric and make it more stable

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

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.

Use of WSF in Packaging Film

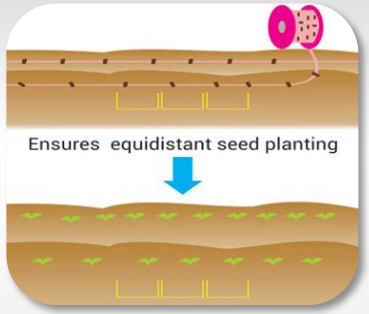
Agrochemical Film

Cement / Dye Enzyme Film

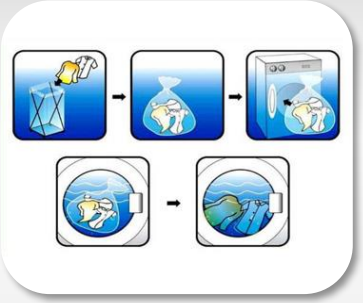
Liquid Detergents

Fish Bait Film

Seed Film



Laundry Bags



Powered Detergents

Toilet Blocks

State of the art Manufacturing Facilities

State of art Manufacturing Facilities

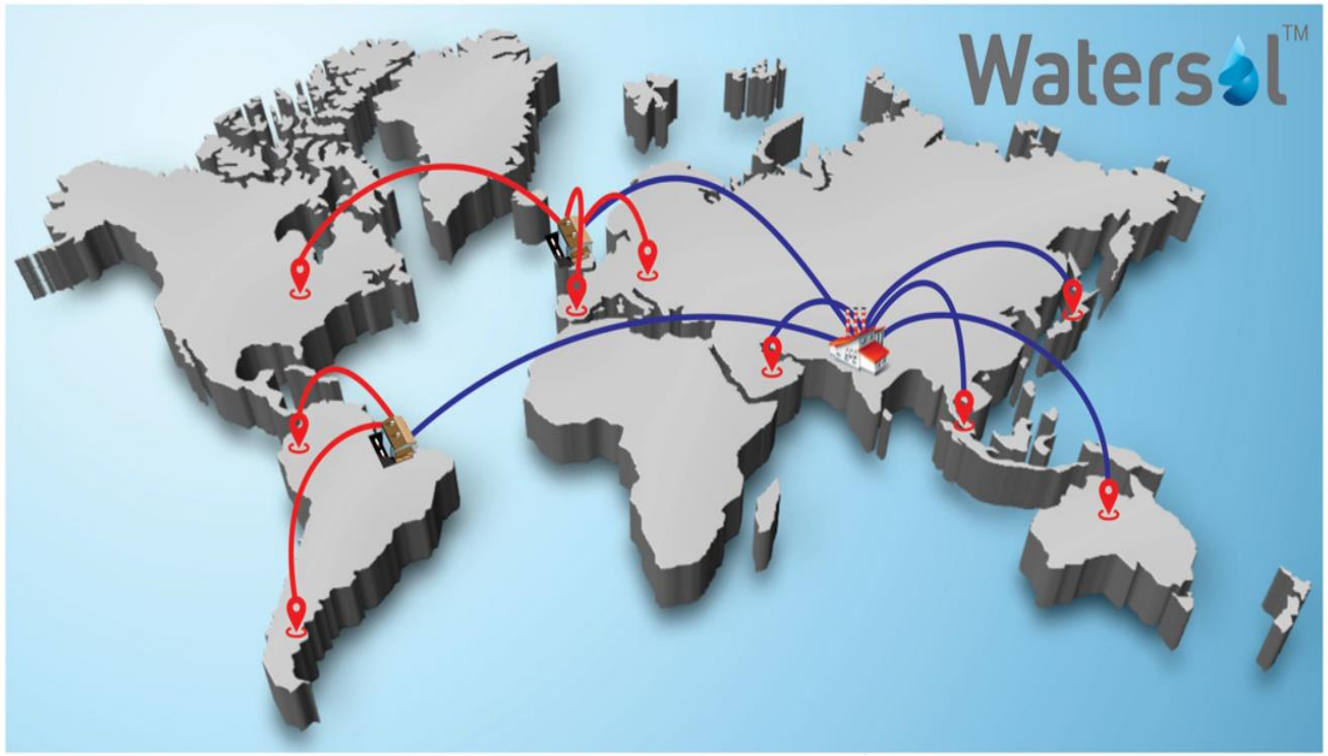
Ankleshwar, Gujarat : ~ 350 Km far from Bombay

Land on 99 years renewable lease from GIDC

R&D Centre with Modern Equipment's

Common Utilities and R&D available for future expansion

Global Presence



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

2. KLENZ PRO

What is Arrow Klenz Pro?

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

<u>Product Range</u> : 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

PROQUIMIA
www.proquimia.com

Benefits of Klenz Pro

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 CO_2 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

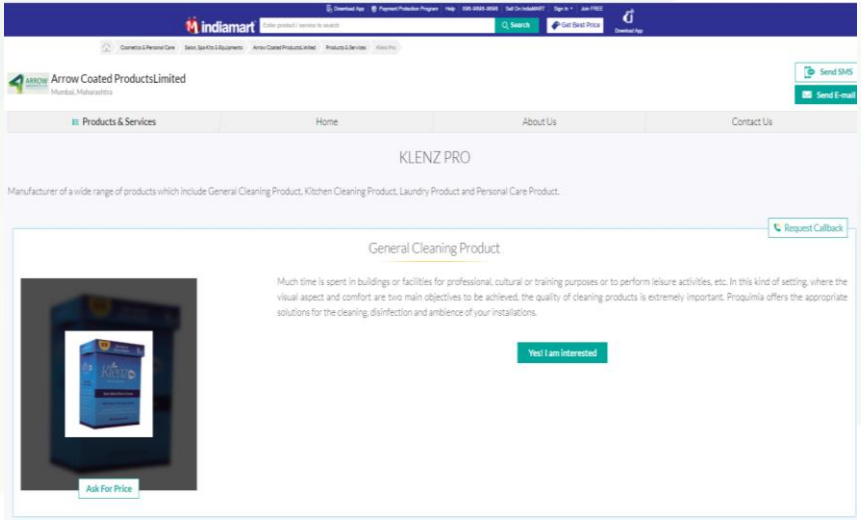
- Reduced volume thanks to its high Concentration formula

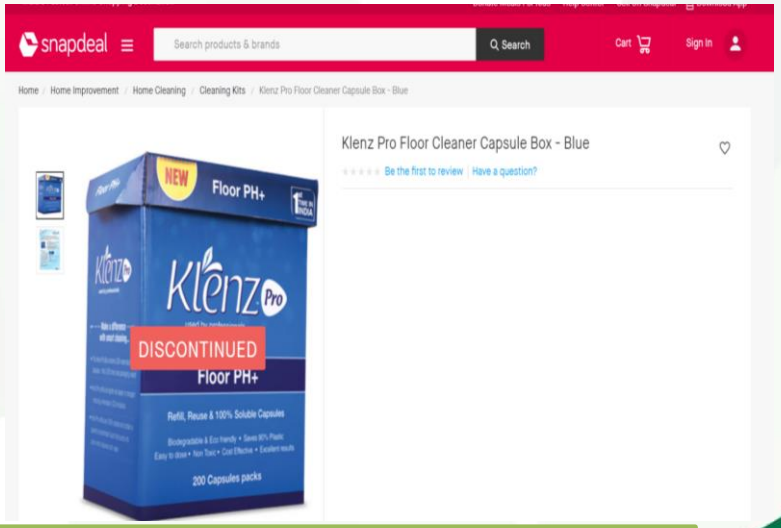
Klenz Pro Products are all compliant with European 2017 norms and have a wide range of ECO-LABELED products in the portfolio

Distribution Channel

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

3. Intellectual Property

Key Granted Patents across the Globe

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 biodegrable 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

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.

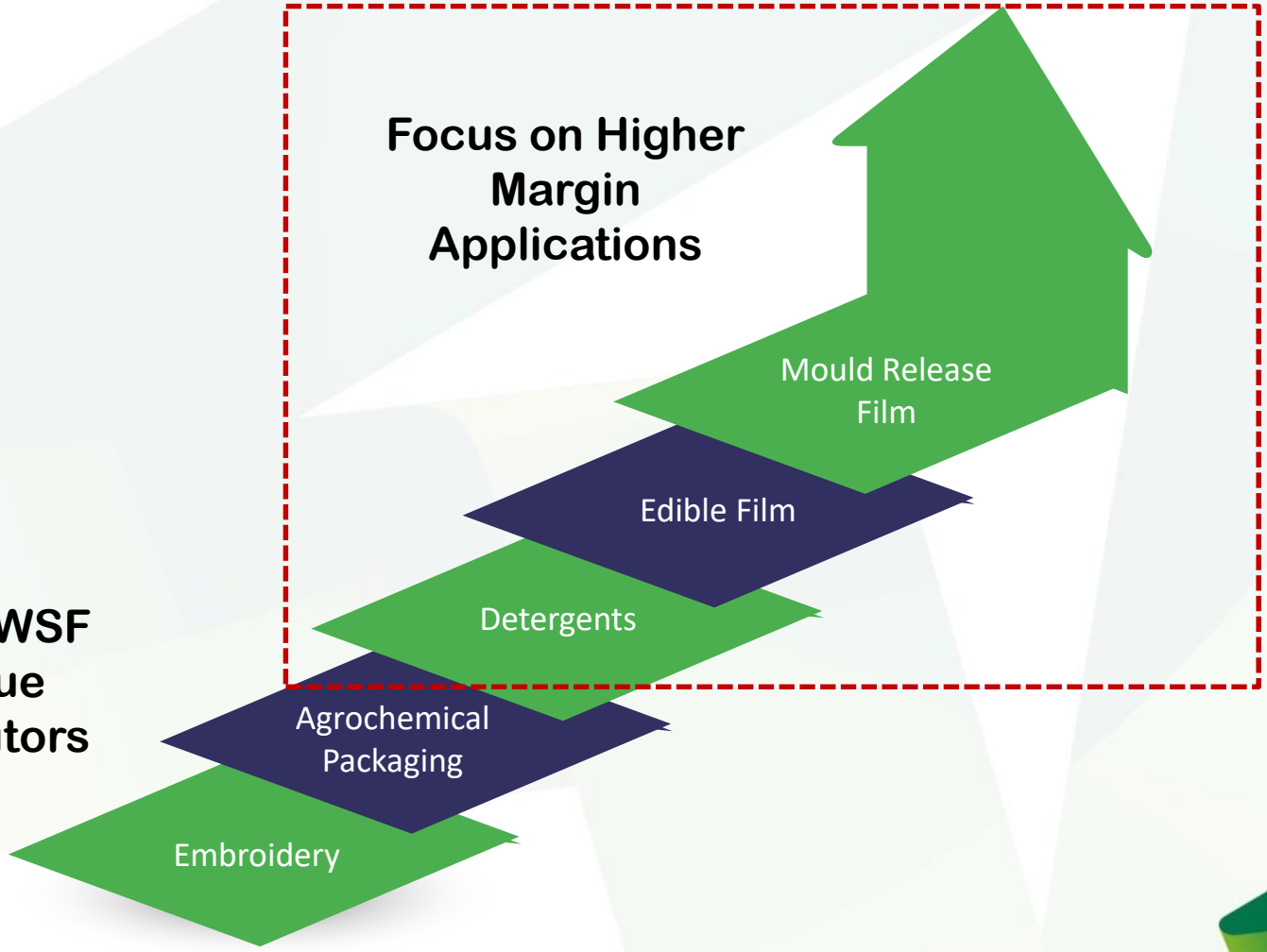
Proprietary Information

- 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

Future Potential for Water Soluble Film



Current WSF Revenue Contributors

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

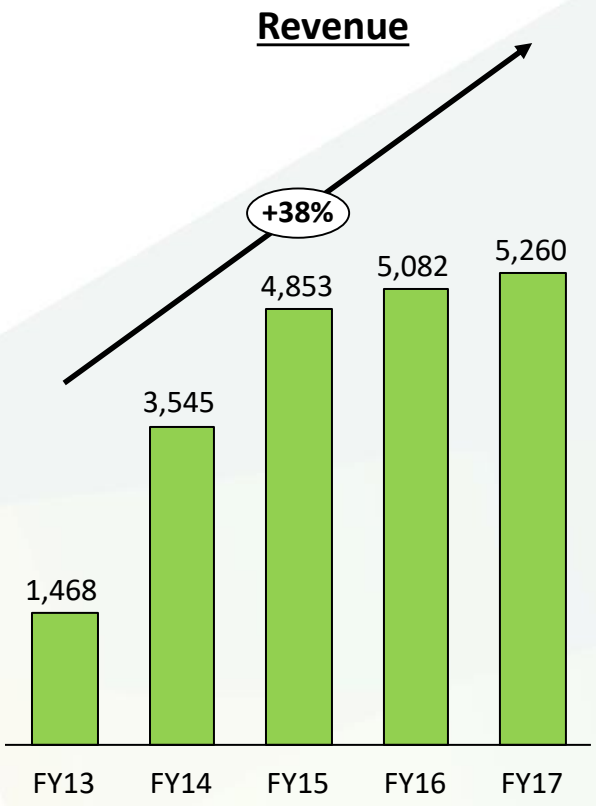
- Partner / JV with the players in the FMCG and Pharmaceuticals to develop products for the end consumers using our Patents
- Water Soluble Film / Packaging to be provided by Arrow Greentech Film Division

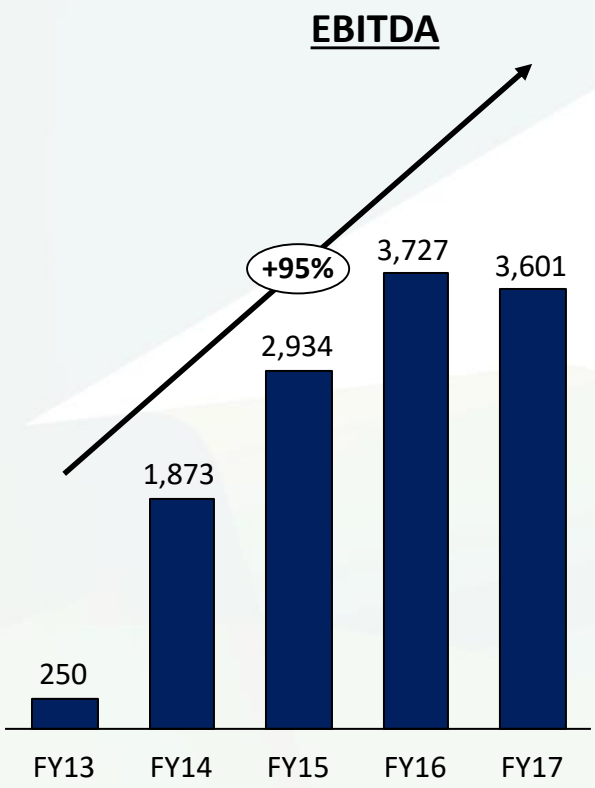
KLENZ

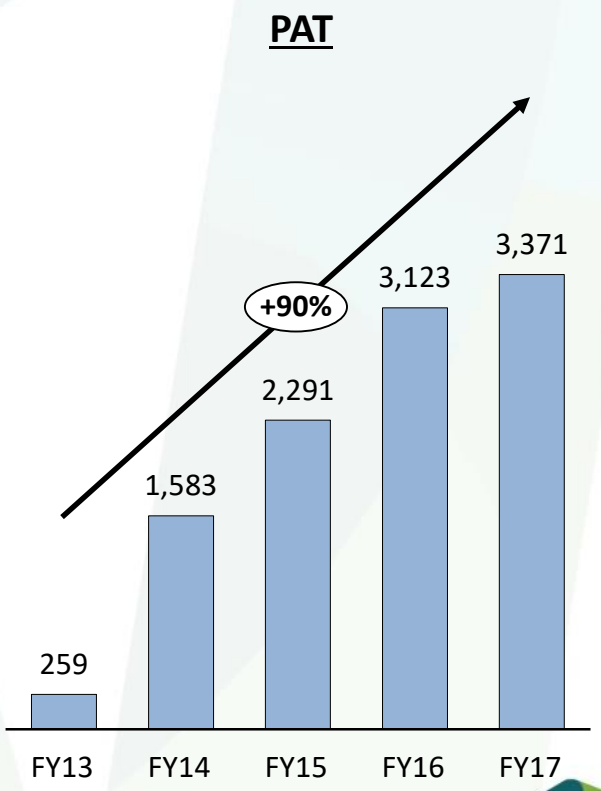
- Increase the product basket under KLENZ
- Once KLENZ reaches a sizeable turnover, we shall manufacture the chemicals ourselves

Financials

Financial Highlights - Consolidated



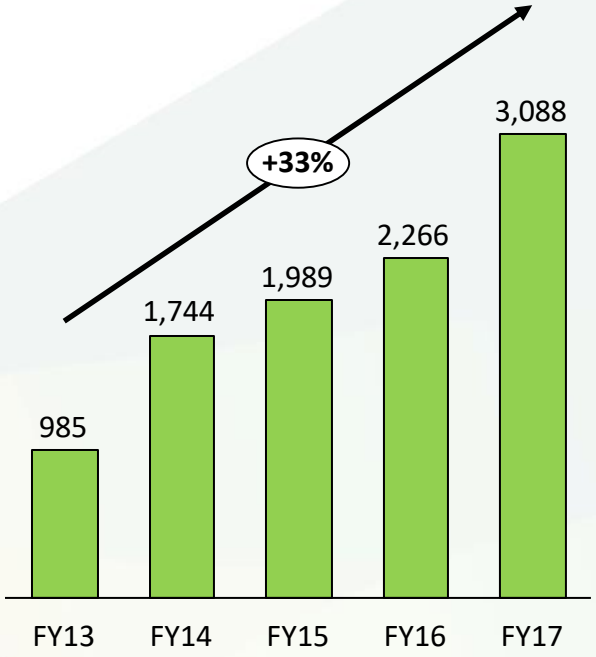




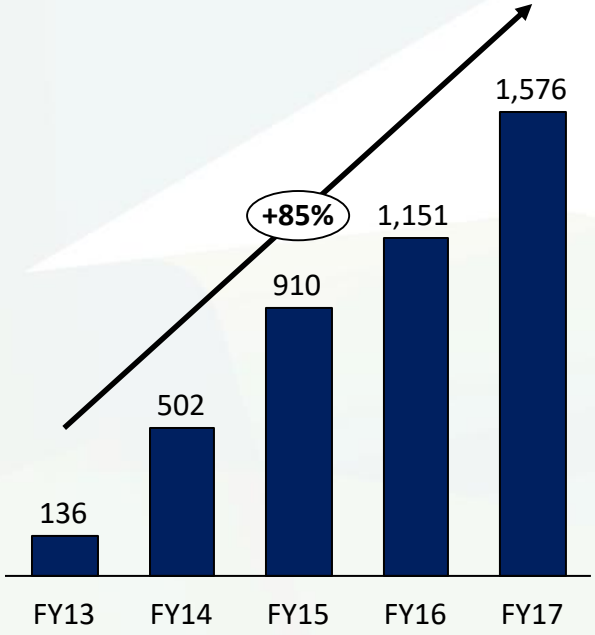
Rs. In Lakhs

Financial Highlights - Standalone

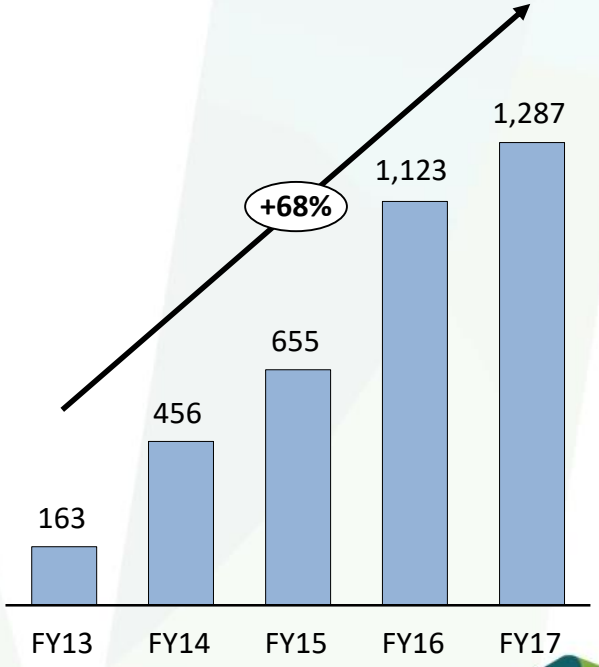
Revenue



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**	

Standalone 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	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**	

Consolidated Balance Sheet

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**

Standalone Balance Sheet

Particulars	As on Sept'17
Equity and liabilities	
Equity attributable to owners of the company	**4,729**
(i) Equity Share capital	1,174
(ii) Other Equity	3,555
Non-current liabilities	**124**
Long-term provisions	32
Deferred tax liabilities (net)	93
Current liabilities	**701**
Financial liabilities	
(i) Trade payables	352
(ii) Other Financial liabilities	53
Other current liabilities	297
Other Provisions	-
Total	**5,554**

Particulars	As on Sept'17
Assets	
Non-current assets	**3,748**
Property, plant and equipment	1,466
Investment property	15
Other Intangible assets	194
Intangible Assets under development	50
Investment in subsidiaries and associates	64
Financial assets	
(i) Long-term loans and advances	139
(ii) Investments	1,699
(ii) Other Financial assets	116
Other non-current assets	4
Current assets	**1,806**
Inventories	317
Financial assets	
(i) Trade receivables	322
(ii) Cash and Cash equivalents	791
(iii) Bank Balance other than (ii) above	30
(iv) Other Financial assets	56
Other current assets	291
Total	**5,554**

For further information, please contact

Company :	Investor Relations Advisors :
Arrow Greentech Ltd CIN: L21010MH1992PLC069281 Ms. Poonam Bansal poonam@arrowgreentech.com	Strategic Growth Advisors Pvt. Ltd. CIN: U74140MH2010PTC204285 Ms. Neha Shroff / Mr. Vishal Nair payal.dave@sgapl.net / neha.shroff@sgapl.net +91 22 61146600 / +91 22 61146603
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