ARROW COATED PRODUCTS LTD.

ARROW

Solitaire Corporate Park
Bldg No 3, 7th Floor
Unit No 372,
Guru Hargovindji Marg Chakala
Andheri (E), Mumbai-400 093.
CIN No. : L21010MH1992PLC069281

Tel.:+91-22-4074 9000
Fax :+91-22-4074 9099
+91-22-6692 3377
Email : sales@arrowcoated.com
Website : www.arrowcoated.com

10th November 2015

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- ARROWCOAT

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 Coated Products Limited**

Poonam Bansal

Poonam Bansal
Company Secretary

Arrow Coated Products Limited

Investor Presentation – November 2015

Safe Harbor

This presentation and the accompanying slides (the "Presentation"), which have been prepared by Arrow Coated Products Limited (the "Company"), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

H1 FY16 Financial Highlights - Standalone

Rs. Lakhs

32%

Revenue – Rs. 1130

59%

EBITDA – Rs. 649

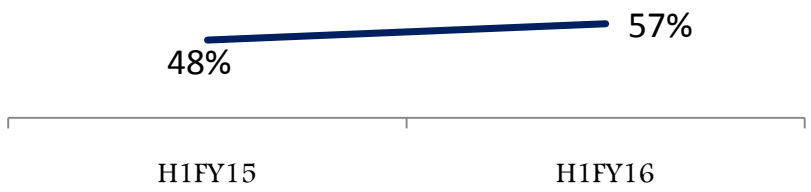
44%

PBT – Rs. 642

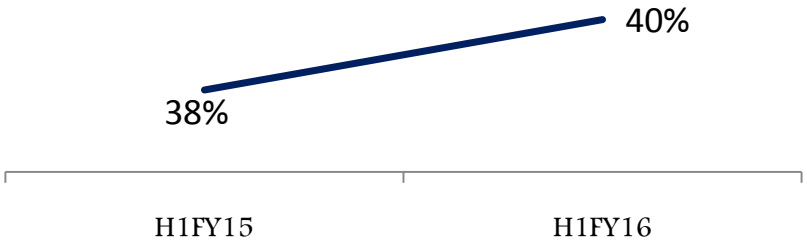
38%

PAT – Rs. 449

EBITDA Margin (%)



PAT Margin (%)



Growth Y-o-Y

Content

Particulars	S. No.
Business Overview	5
Water Soluble Film	7
Intellectual Property	12
End Products	20
Future Outlook	25
Financials	27

Business Overview

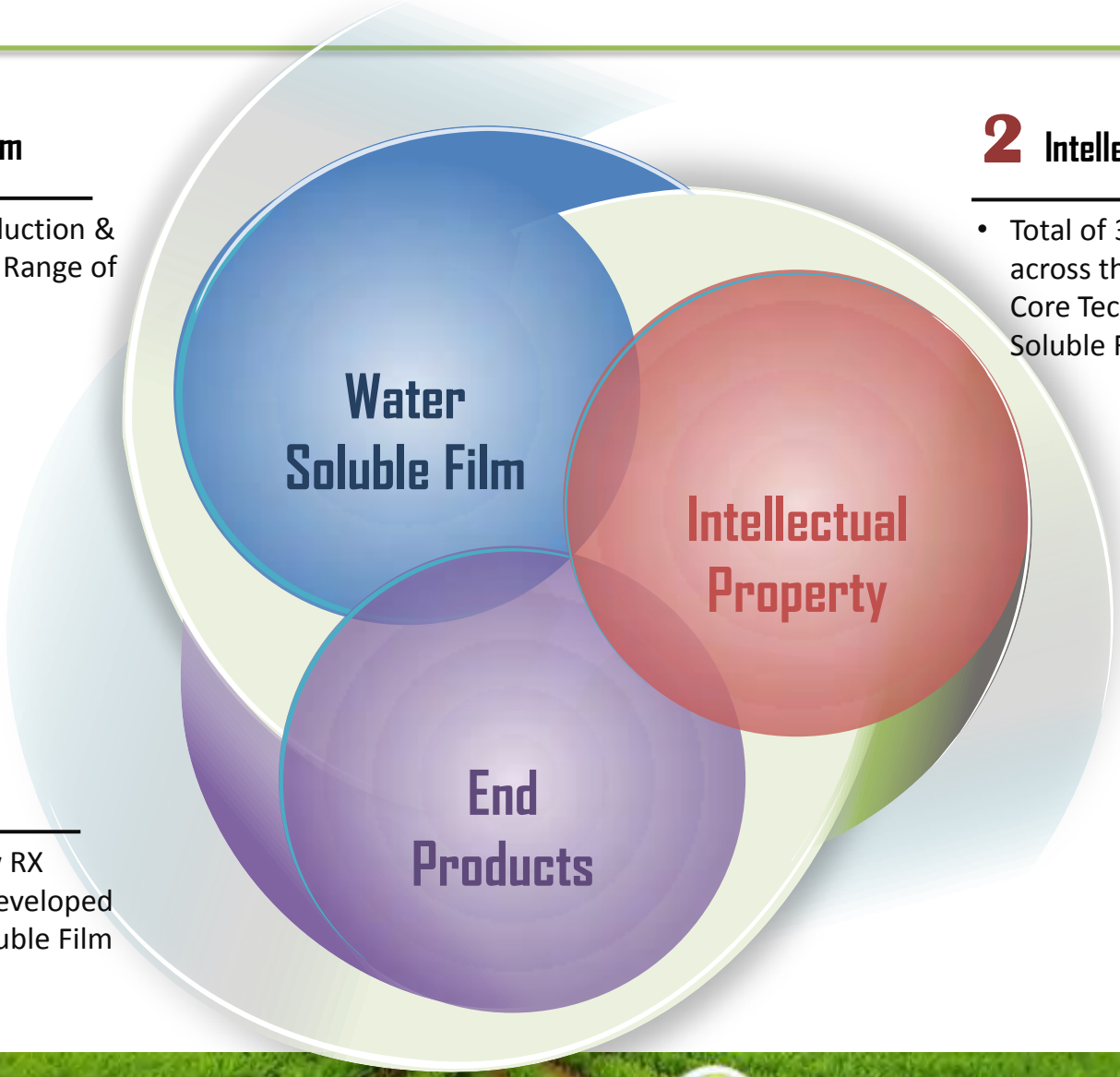
Business Overview

1 Water Soluble Film

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

2 Intellectual Property

- Total of 30 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

Eco Friendly Solutions

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

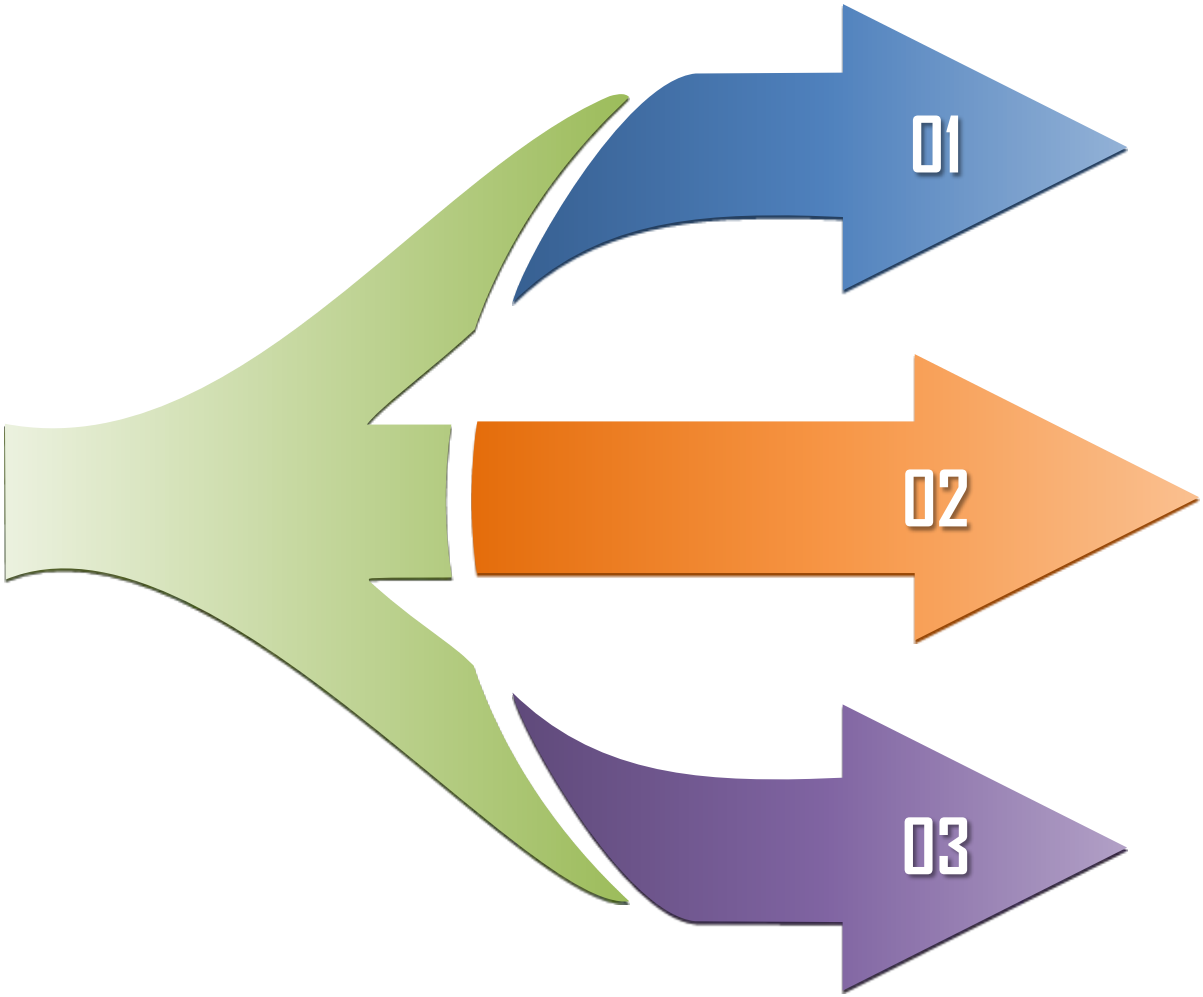
Varied Industries
Used in varied Industries in multiple ways

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



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.

Intellectual Property

Key Granted Patents across the Globe

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

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

Health & Hygiene : Active Embedded Water Soluble Film

Patent Details

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

Application

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

Grant Details

- Patent Granted in
  India (200301), 24.04.06 ;
  South Africa (2004/3259), 24.11.04 ;
  Australia (2002356417), 22.01.09 ;
- Patent being "Prosecuted to Grant" in
  Europe (EP2228431)
  USA (US20110039985)
  Australia (AU-A-2009200075)

Advantages

- 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

Patent Details

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

Application

- For Humans
- For Animals
- For Plants

Grant Details

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

Advantages

- 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

Patent Details

Relates to a Water Soluble Film based matrix for collecting

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

Application

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

Grant Details

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

Advantages

- 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

Patent Details

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)

Application

Paper based Products:

- Bank Notes
- Passports
- Postage Stamps
- Certificates etc

Grant Details

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

Advantages

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

Security : Self Destructive Irreversible Security Packaging

Patent Details

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

Application

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

Grant Details

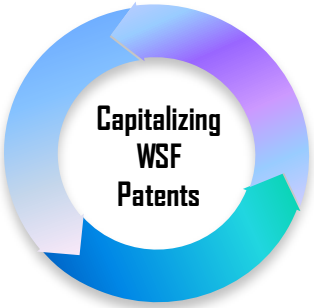
- Patent Granted in
  India (227842), 21.01.09
  Eurasia (012856), 30.12.09
  Europe (1868818), 05.05.10
- Patent being “Prosecuted to Grant” in
  USA (US20080190808)

Advantages

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 Products | SAM | Health & Hygiene | Paper | Others

Arrow Security

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

Arrow Care

- Oral Hygiene & Personal Hygiene Segment

Arrow Pharma

- Pharmaceuticals – Oral Consumption and Drug Delivery System

Partnerships & JVs

- Tsukioka, Japan
- Careli, 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 Coated Products Ltd

- **Exclusive arrangement with Trace Tag International Ltd (TTI, UK) for integration and use of Tracetag's DNA taggants within security documents**
- **TTI and ACPL 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

MMS™ 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

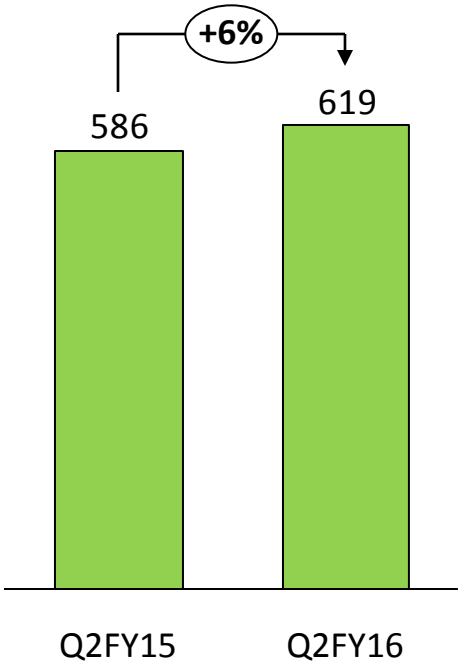
Water Soluble Film / Packaging to be provided by Arrow Coated Film Division

Financials

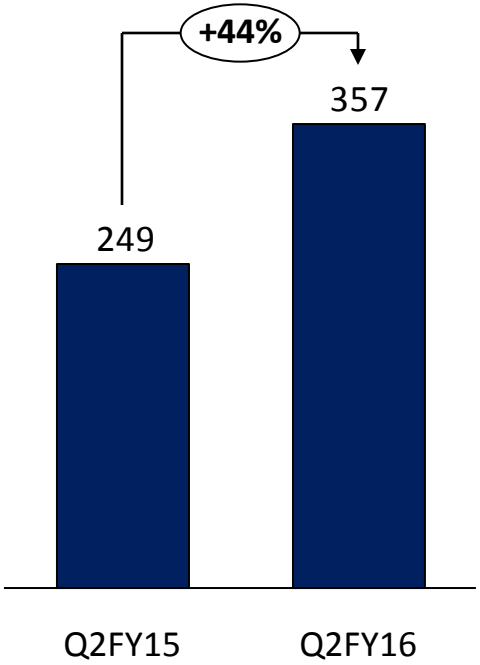
Quarterly Highlights - Standalone

Rs. Lakhs

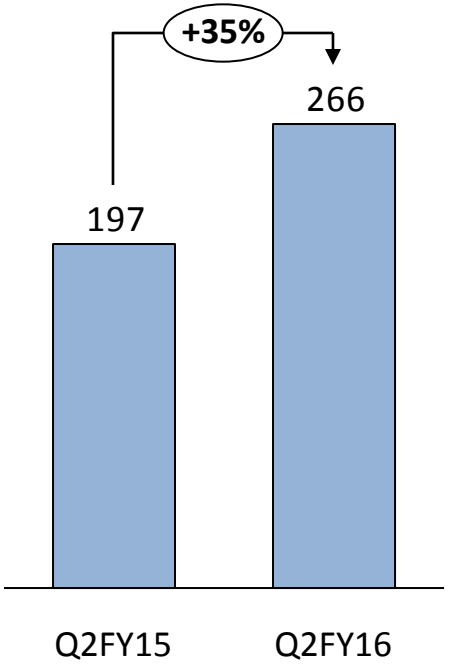
Revenue



EBITDA



PAT



Quarterly Financials - Standalone

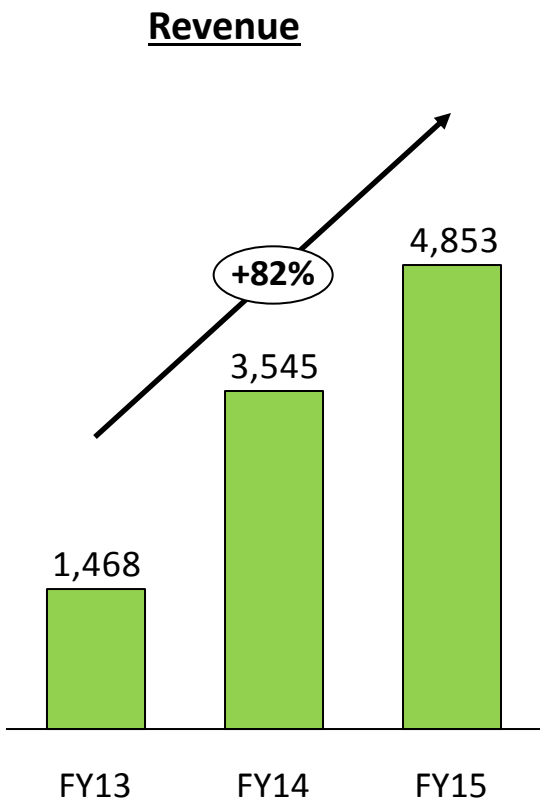
Rs . Lakhs	Q2FY16	Q2FY15	*YoY%*	Q1FY16	QoQ%
Revenue	**619.4**	**586.0**	*6%*	**510.4**	*21%*
Increase/Decrease in Stock in Trade	14.6	**136.0**		**-7.7**	
Raw Material	59.6	40.1		39.1	
Manufacturing Expenses	55.9	38.7		35.0	
Employee Cost	61.0	65.8		52.8	
Other Expenses	71.5	56.9		99.0	
EBIDTA	**356.8**	**248.5**	*44%*	**292.3**	*22%*
EBIDTA Margin	***57.60%***	***42.41%***		***57.27%***	
Other Income	27.5	33.7		13.3	
Depreciation	24.0	9.3		23.9	
EBIT	**360.4**	**272.9**	*32%*	**281.7**	*28%*
Interest	0.0	0.0		0.0	
Profit before Exceptional item & Tax	**360.4**	**272.9**		**281.7**	
Exceptional Items	0.7	-0.6		-0.3	
PBT	**361.0**	**272.3**	*33%*	**281.4**	
Tax	95.4	75.0		97.5	
PAT	**265.6**	**197.3**	*35%*	**183.9**	*44%*
PAT Margin	*42.88%*	*33.67%*		*36.03%*	

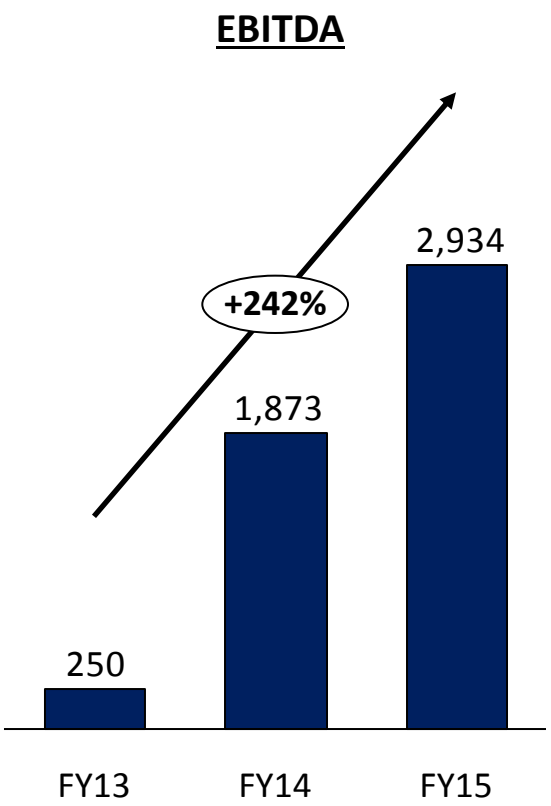
Half Yearly Financials - Standalone

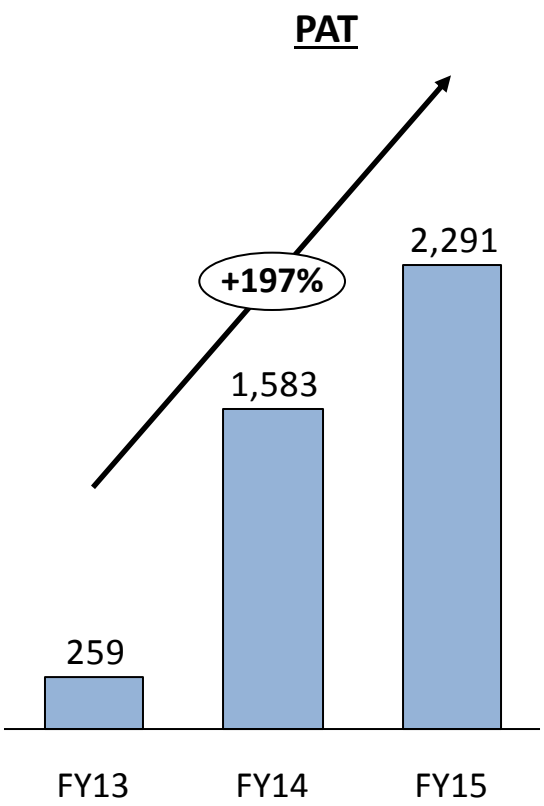
Rs . Lakhs	H1FY16	H1FY15	*YoY%*
Revenue	**1129.8**	**856.5**	*32%*
Increase/Decrease in Stock in Trade	6.9	123.1	
Raw Material	98.6	55.7	
Manufacturing Expenses	91.0	69.8	
Employee Cost	113.8	98.9	
Other Expenses	170.4	101.5	
EBIDTA	**649.1**	**407.6**	*59%*
EBIDTA Margin	***57.45%***	***47.59%***	
Other Income	40.8	56.0	
Depreciation	47.8	16.9	
EBIT	**642.1**	**446.7**	*44%*
Interest	0.0	0.0	
Profit before Exceptional item & Tax	**642.1**	**446.7**	
Exceptional Items	-0.3	-1.2	
PBT	**641.8**	**445.5**	*44%*
Tax	192.9	120.0	
PAT	**448.9**	**325.5**	*38%*
PAT Margin	*39.73%*	*38.00%*	

Financial Highlights - Consolidated

Rs. Lakhs





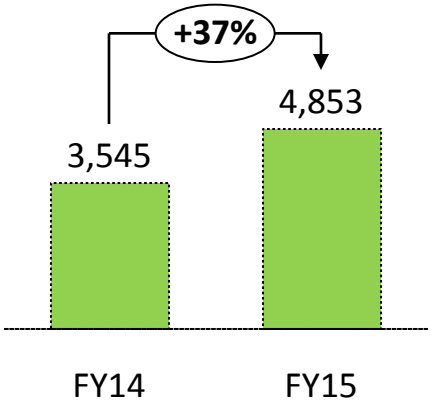


FY2015 : Dividend @ 25% on Equity share of Rs. 10/- each

Consolidated Profit & Loss

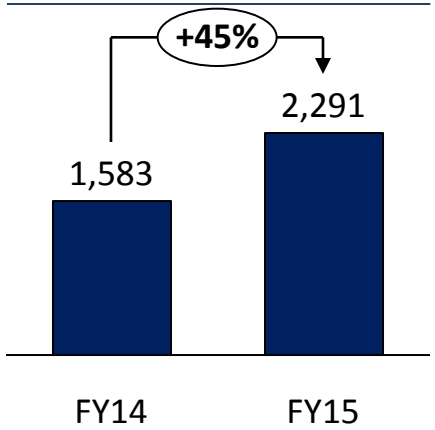
Rs. Lakhs	FY15	FY14
Net Sales	4853.17	3545.4
EBIDTA	2933.6	1872.7
Margin %	*60.4%*	*52.8%*
PBT	2952.2	1959.9
Tax	661.3	376.8
PAT	2290.9	1583.1
PAT Margin %	***47.2%***	***44.7%***

Net Sales



Rs. Lakhs	H1FY16
Revenue	2450.62
Expenses	559.36
Profit Before tax	1891.26
Income tax	408.24
Profit after Tax	1483.02

PAT



Standalone Balance Sheet

Rs. Lakhs	Sep-15	Mar-15
Shareholder's Fund	**2,650.0**	**2,198.8**
Share Capital	1,174.0	1,174.0
Reserves & Surplus	1,476.0	1,024.8
Non Current Liabilities	**49.1**	**51.3**
Long-term borrowings	0.0	0.0
Deferred tax liabilities (Net)	26.2	30.4
Other Long term liabilities	17.6	15.2
Long-term provisions	5.3	5.8
Current Liabilities	**1,123.6**	**854.6**
Short-term borrowings	0.0	0.0
Trade payables	261.4	166.3
Other current liabilities	17.5	41.9
Short-term provisions	844.7	646.4
TOTAL	**3,822.7**	**3,104.8**

Rs. Lakhs	Sep-15	Mar-15
Non-current Assets	**2,687.3**	**2,566.5**
Fixed Assets	**504.9**	**545.8**
Tangible assets	431.3	468.4
Intangible assets	73.7	77.4
Intangible assets under development	109.1	110.7
Non-current investments	1,584.5	1,544.9
Long-term loans and advances	477.4	352.8
Other non-current assets	11.4	12.2
Current assets	**1,135.4**	**538.3**
Inventories	100.8	70.2
Trade receivables	160.5	49.9
Cash and cash equivalents	430.3	236.6
Short-term loans and advances	441.3	179.9
Other current assets	2.5	1.6
TOTAL	**3,822.7**	**3,104.8**

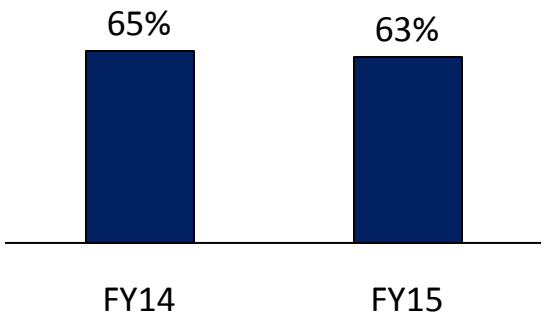
Consolidated Balance Sheet

Rs. Lakhs	FY15	FY14
Share Capital	1174.0	1174.0
Reserves	3489.4	1808.4
Total Shareholding	4663.4	2982.4
Minority Interest	**58.66**	**0.6**
Long Term Borrowings	5.1	14.5
Deferred Tax Assets / Liabilities	30.4	12.4
Other Long Term Liabilities	21.0	26.2
Total Non Current Liabilities	**56.4**	**53.1**
Trade Payables	148.9	417.8
Other Current Liabilities	41.9	58.2
Short Term Borrowings	0.0	3.5
Short Term Provisions	1038.7	589.3
Total Current Liabilities	**1229.5**	**1068.8**
Total Liabilities	**6008.0**	**4105.0**

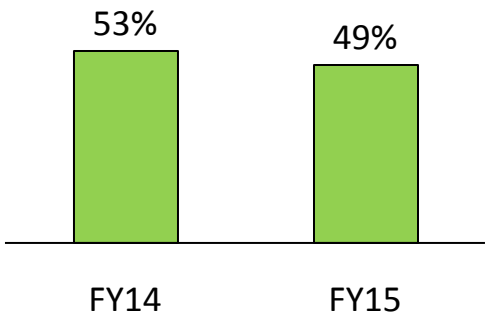
Rs. Lakhs	FY15	FY14
Net Block	1196.1	906.0
Non Current Investments	1484.9	682.8
Long Term Loans & Advances	352.9	294.1
Other Non Current Assets	12.7	14.7
Total non Current Assets	**3046.6**	**1897.6**
Inventories	76.3	318.6
Sundry Debtors	49.9	44.1
Cash and Bank	2635.3	1520.5
Other Current Assets	1.7	1.0
Short Term Loans and Advances	198.2	323.2
Total Current Assets	**2961.4**	**2207.4**
Total Assets	**6008.0**	**4105.0**

Ratio Analysis

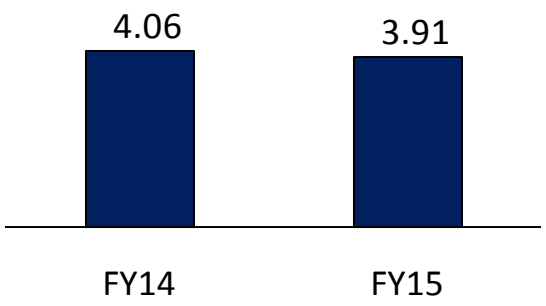
ROCe (%)



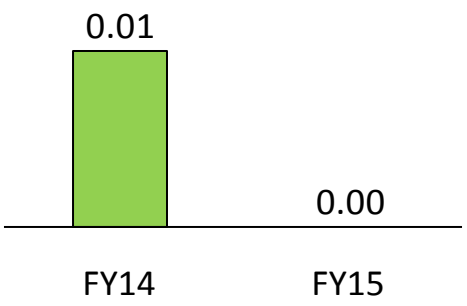
ROE (%)



Fixed Asset T/O (x)



Total Debt/Equity (x)



For further information, please contact

Company :	Investor Relations Advisors :
Arrow Coated Products Ltd CIN: L21010MH1992PLC069281 Ms. Poonam Bansal poonam@arrowcoated.com www.arrowcoated.com	Strategic Growth Advisors Pvt. Ltd. CIN: U74140MH2010PTC204285 Ms. Neha Shroff / Ms. Ruchi Rudra sneha@sgapl.net / rruchi@sgapl.net www.sgapl.net