



Arrow Coated Products Limited

Investor Presentation – August 2015



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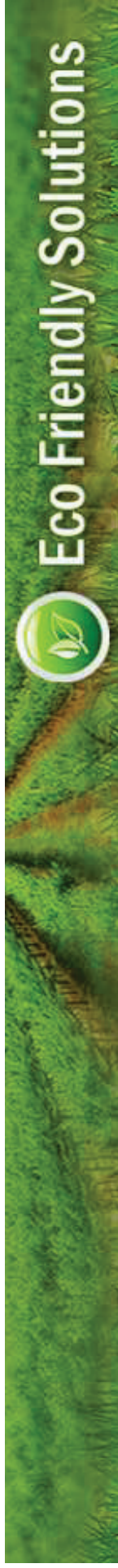


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Business Overview



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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

Water Soluble Film

Intellectual Property

End Products

3 End Products

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



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Water Soluble Film

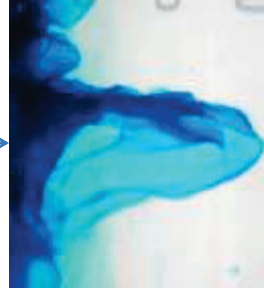


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What is Water Soluble Film (WSF) ?



**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.



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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

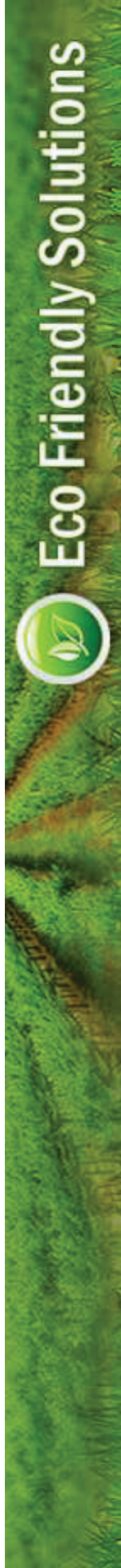
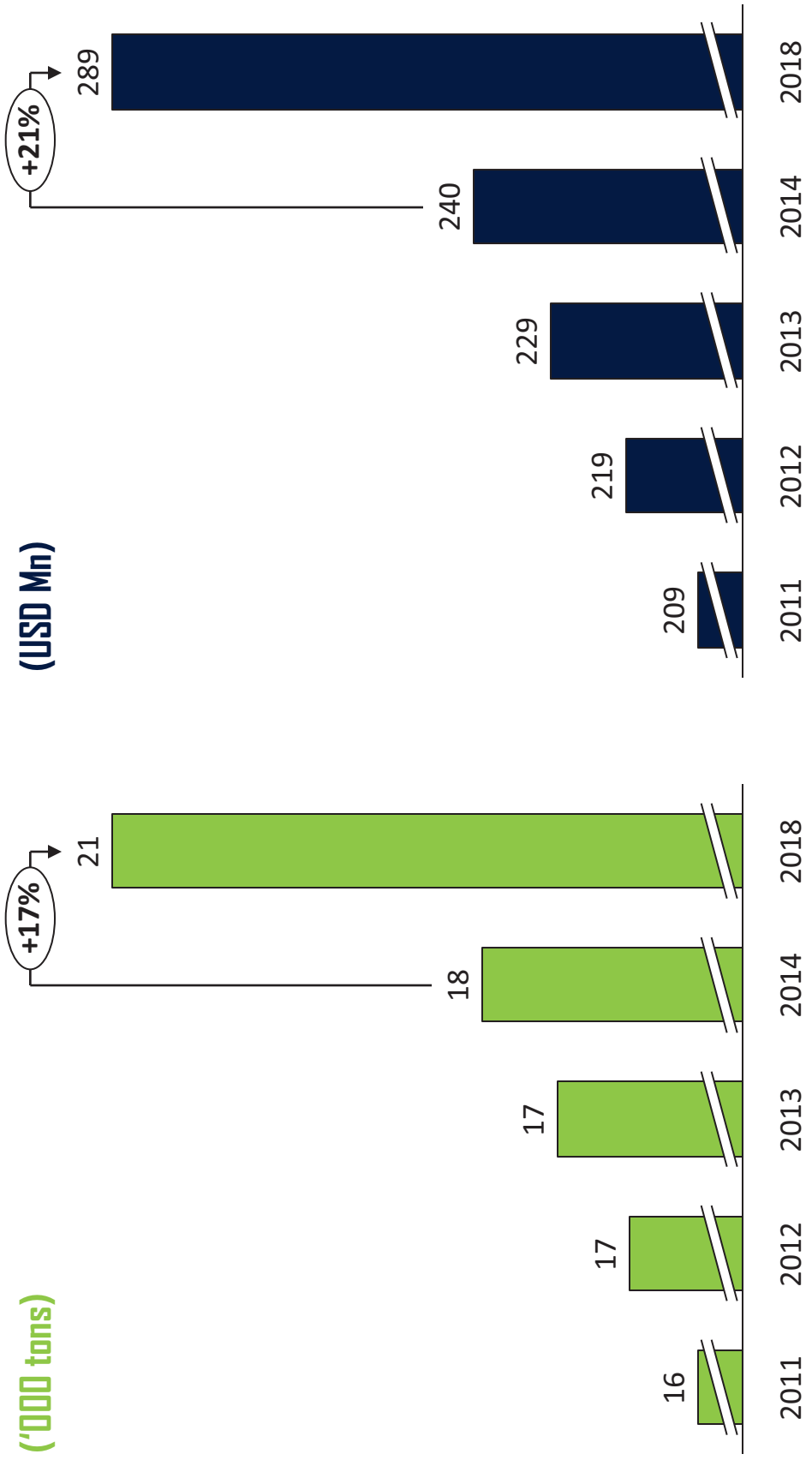
Used in varied Industries in multiple ways



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Global PVA Films Market for Water Soluble Applications

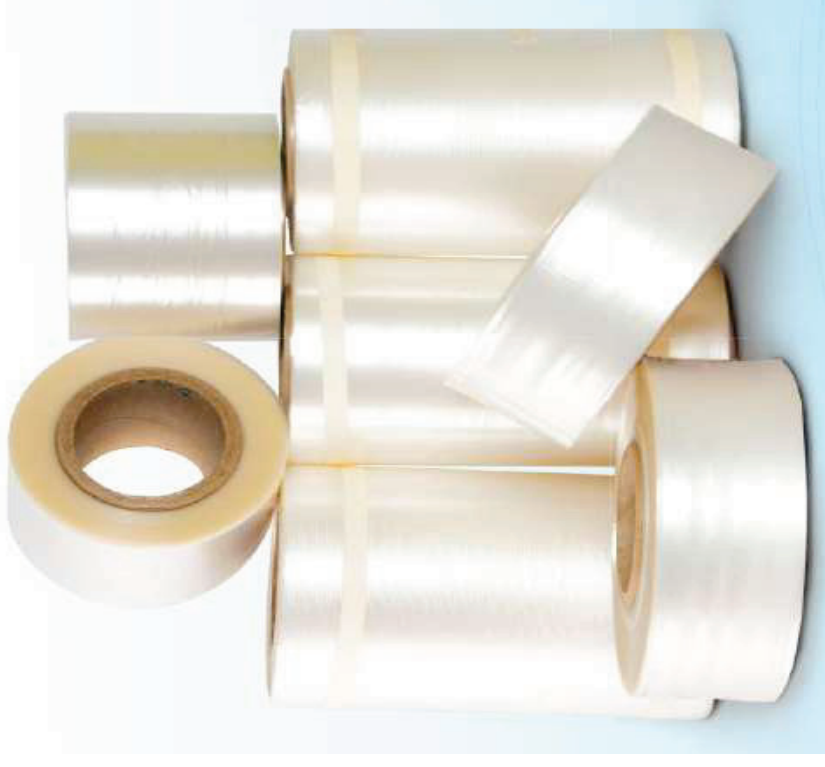




Our Water Soluble Film Business

- 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**



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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.



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Intellectual Property



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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	



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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



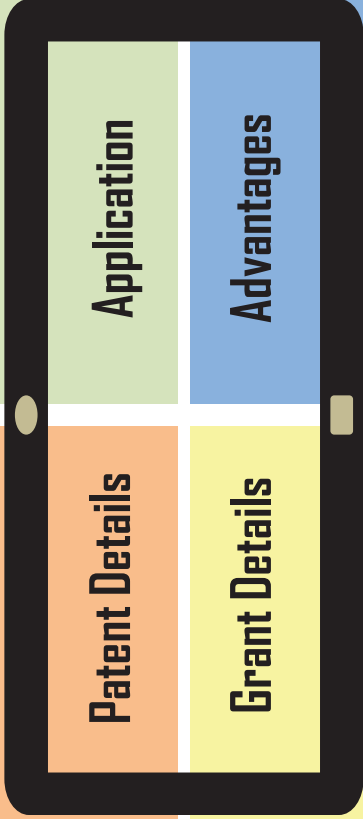
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Health & Hygiene : Active Embedded Water Soluble Film

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



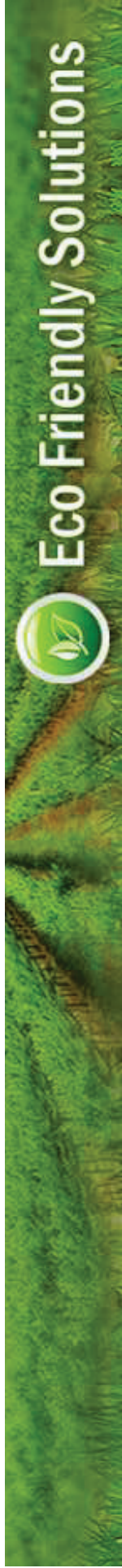
Patent Details

- 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)

Application

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)

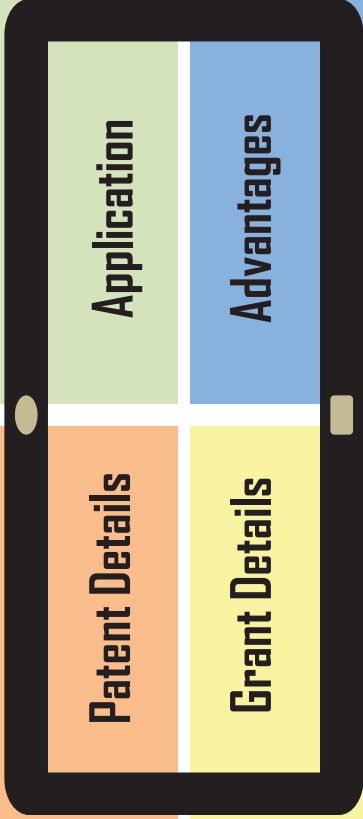




Health & Hygiene : Drug Delivery Device

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



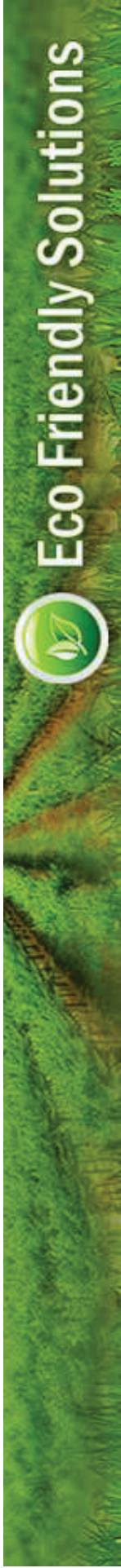
Patent Details

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

Application

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

- 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

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

Grant Details

Application

Advantages

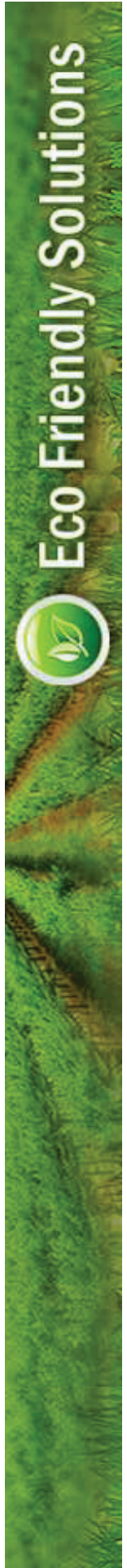
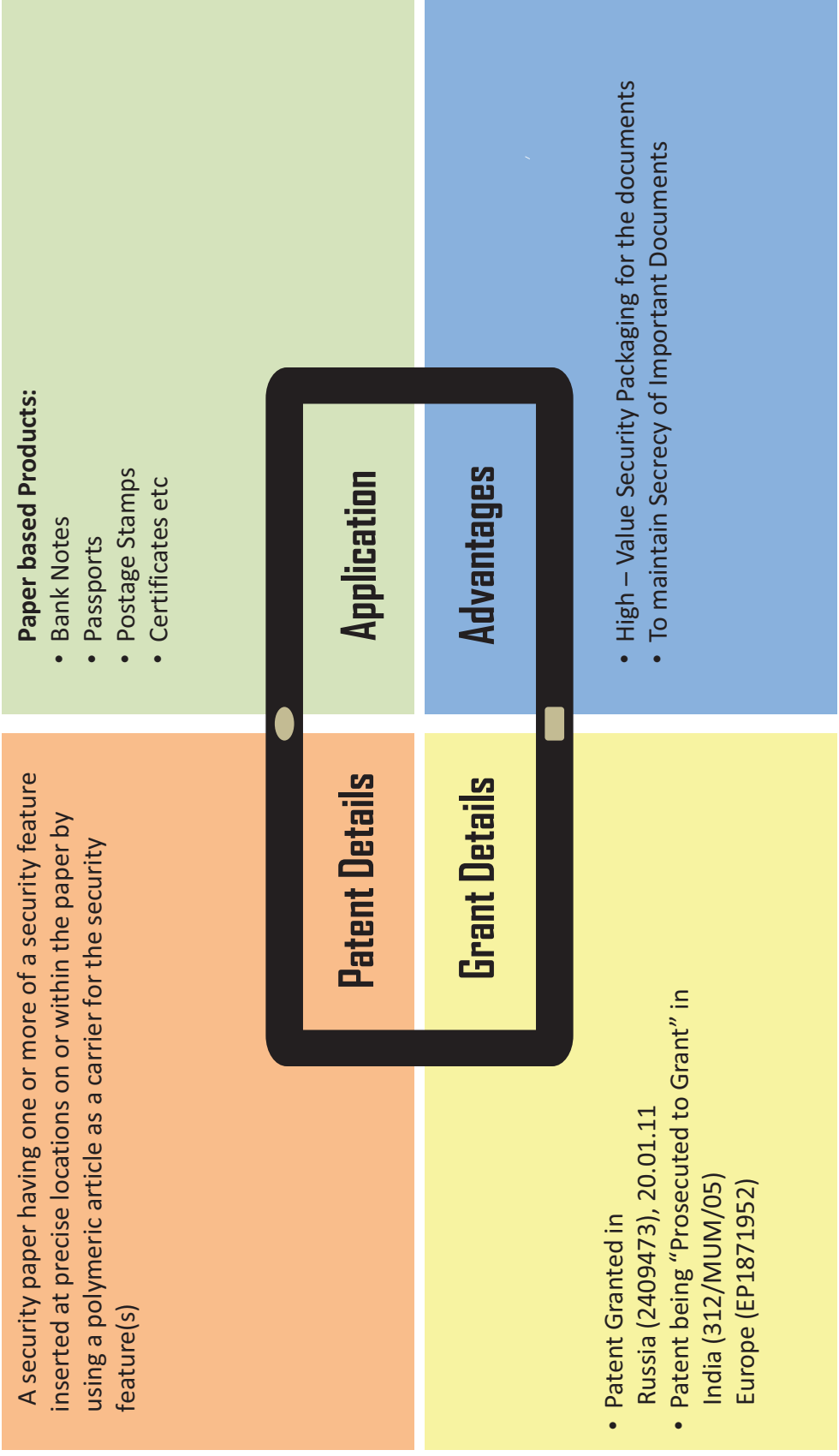
- Eliminate problem of disposal of used containers
- Non contaminating container for collecting liquid and semi solid bio waste
- Retrieve the samples collected, by dissolving the Matrix, for analysis



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Security : High Security Paper



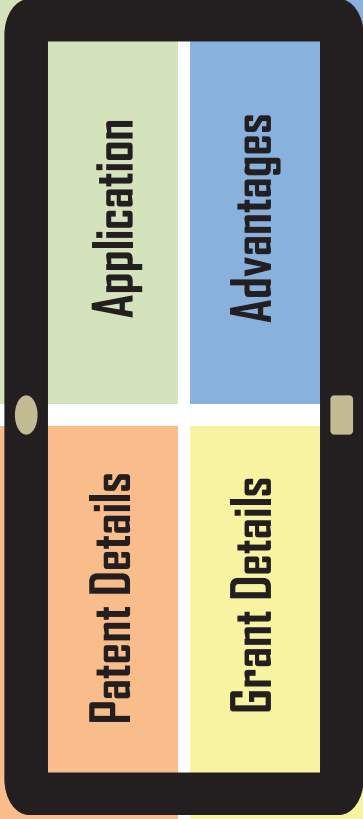


Security : Self Destructive Irreversible Security Packaging

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

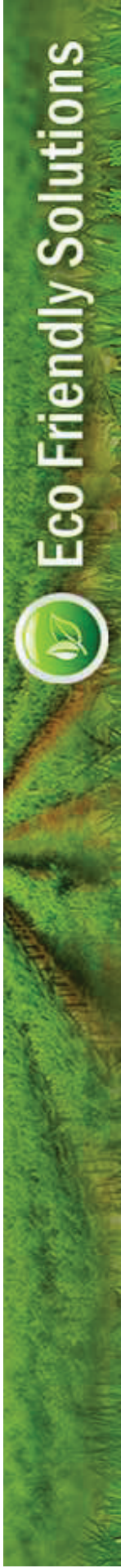


Patent Details

- 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





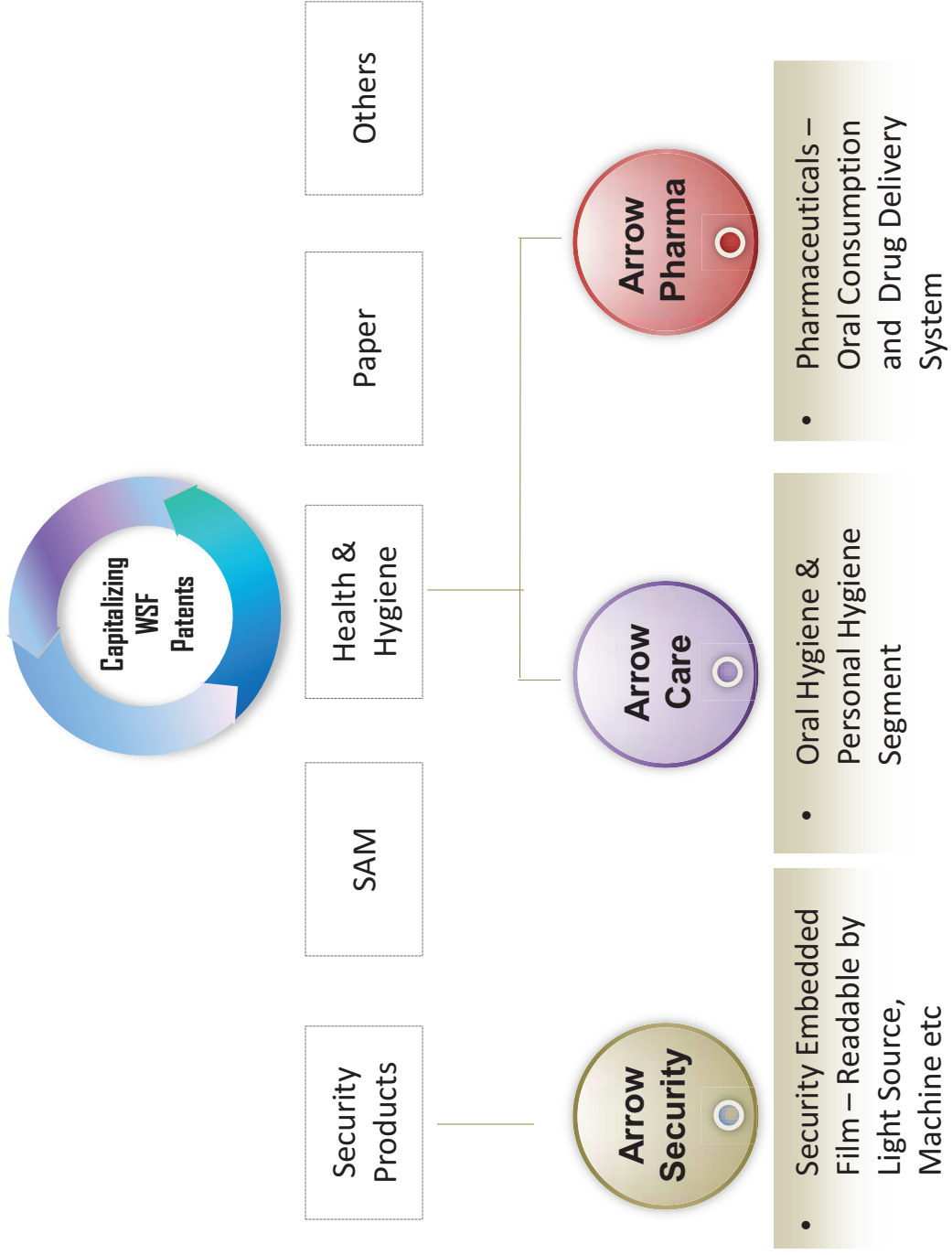
End Products



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End Products – Capitalizing WSF Patents

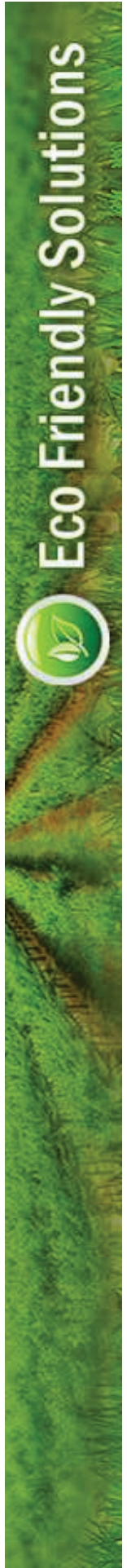


Partnerships & JVs

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**



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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

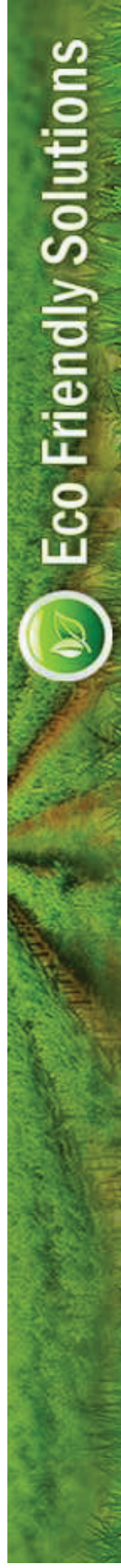
- **Klenz** – Concentrated Capsule to refill a bottle for household cleaning
- Innovative product for specialised Glass cleaner, Antibacterial & Multipurpose Cleaner
- Time Saving, Cost Saving, Space Saving



Klenz



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Arrow RX

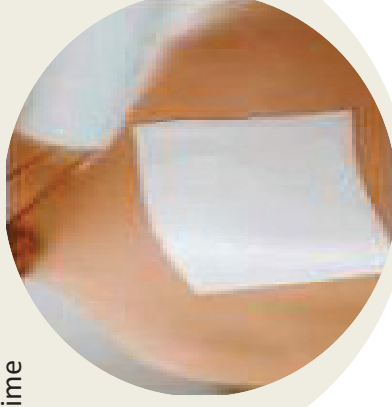
MMSTM Films – NDDS

- 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



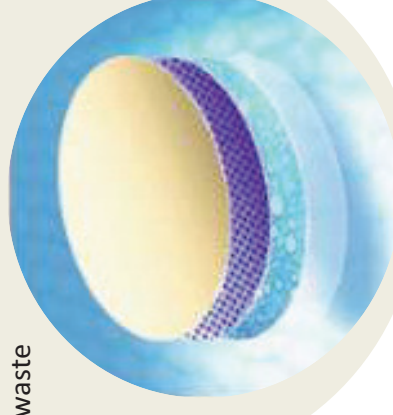
Novel Drug Delivery Device - NDDD

- 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



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Future Outlook



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Future Outlook



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



Monetizing

Monetize the existing Patents by selling or licensing the Patents

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



Capacity Expansion

Increase Capacity of High Value Water Soluble Film



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Financials



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Quarterly Highlights

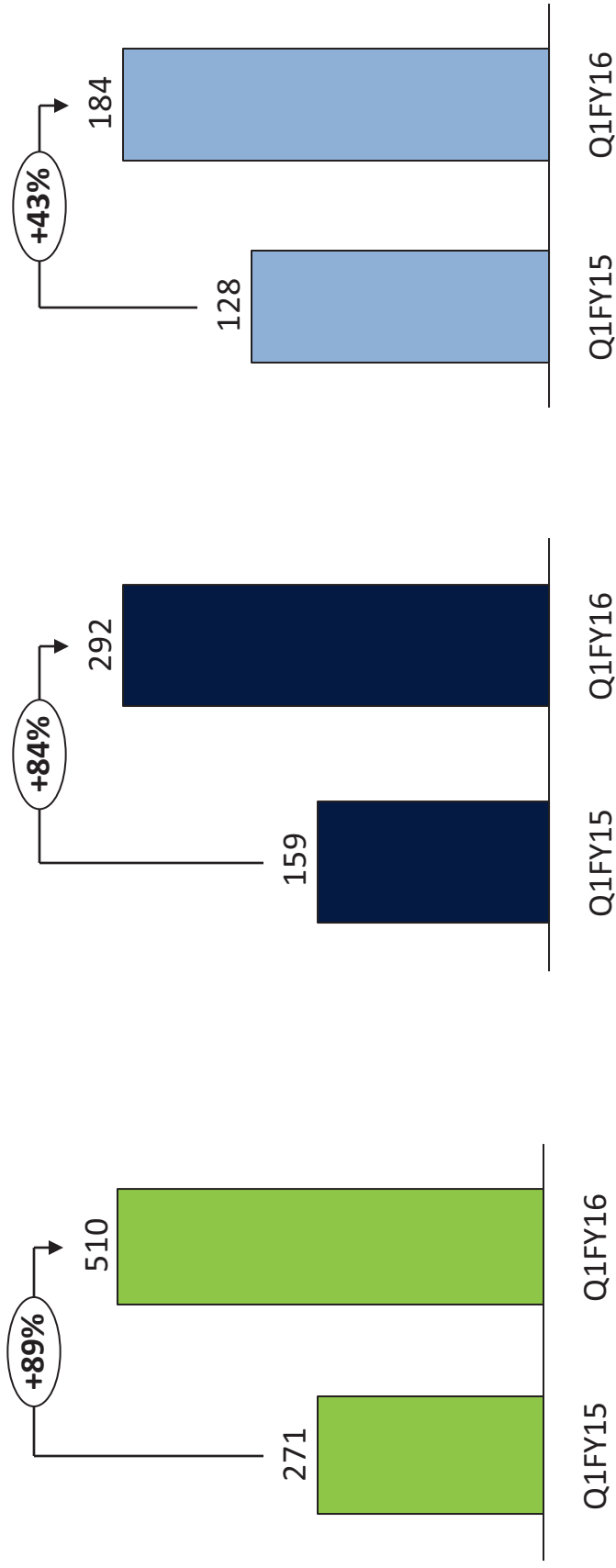


Rs. Lakhs

Revenue

EBITDA

PAT

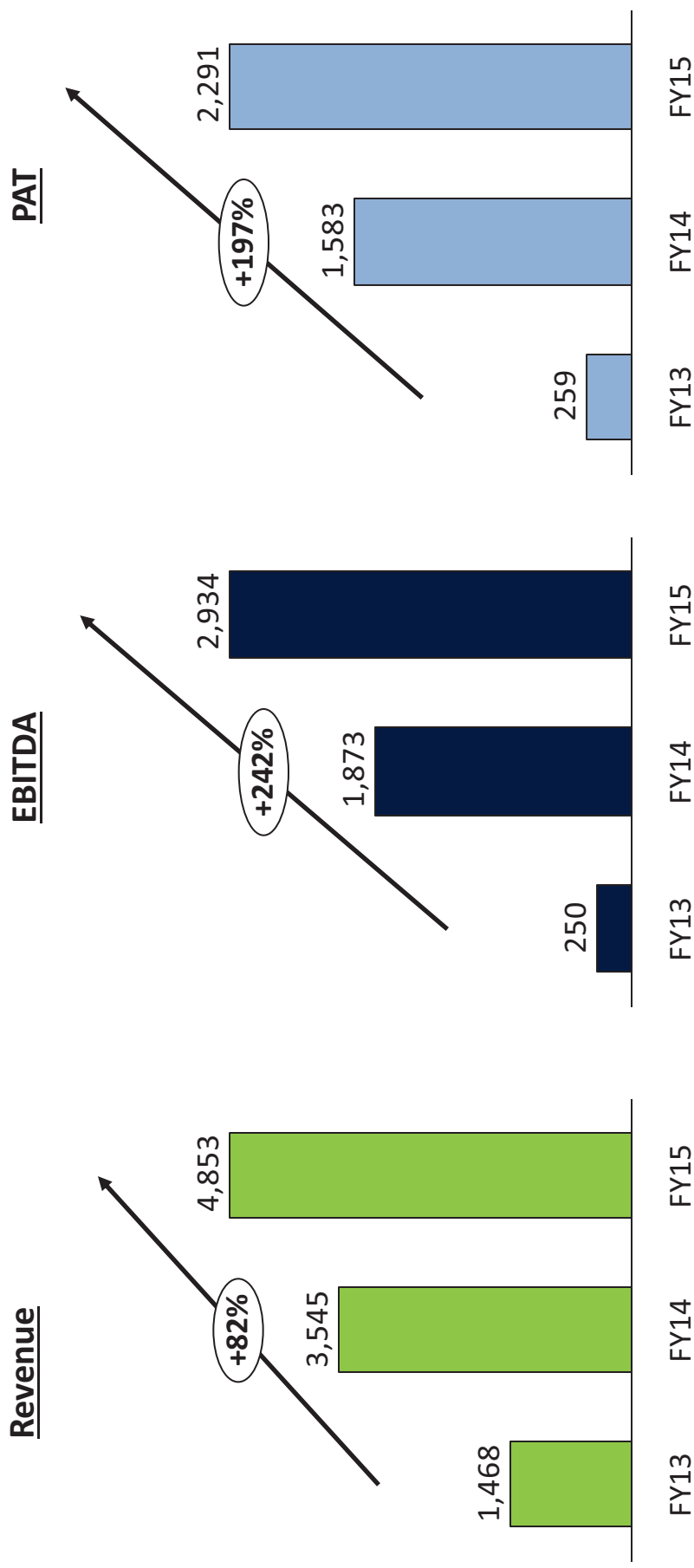


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Financial Highlights



Rs. Lakhs



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



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Quarterly Financials - Standalone

Rs . Lakhs	Q1FY16	Q1FY15	Y-o-Y	Q4FY15	Q-o-Q	FY15
Revenue	510.4	270.6	89%	528.9	-3%	1988.8
Raw Material	31.3	2.7		82.3		354.7
Employee Cost	52.8	33.1		65.6		218.9
Other Expenses	134.0	75.7		124.7		505.1
EBIDTA	292.3	159.1	84%	256.3	14%	910.2
EBIDTA Margin	57.27%	58.80%		48.47%		45.76%
Other Income	13.3	22.3		36.5		116.7
Depreciation	23.9	7.6		54.4		84.3
EBIT	281.7	173.8	62%	238.5	18%	942.6
Interest	0.0	0.0		0.0		0.0
Profit before Exceptional item & Tax	281.7	173.8		238.5		942.6
Exceptional Items	-0.3	-0.6		-4.4		-2.8
PBT	281.4	173.2	62%	234.1		939.7
Tax	97.5	45.0		119.7		284.7
PAT	183.9	128.2	43%	114.4	61%	655.0
PAT Margin	36.03%	47.38%		21.63%		32.94%



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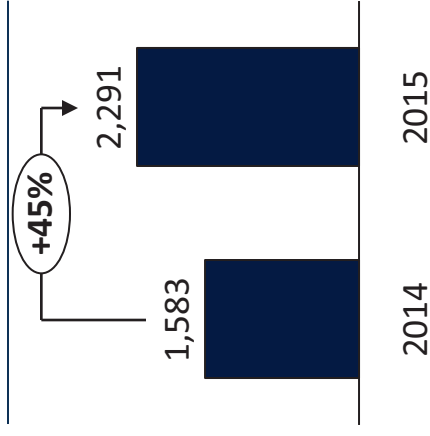
Consolidated Profit & Loss

Rs. Lakhs	FY15	FY14
Net Sales	4853.17	3545.4
Raw Material	501.5	372.4
Employee Cost	218.9	98.9
Other Expenses	1199.1	1201.4
EBIDTA	2933.6	1872.7
Margin %	60.4%	52.8%
Other Income	116.9	124.7
Depreciation	95.5	36.7
EBIT	2955.1	1960.8
Margin %	60.9%	55.3%
Interest	0.0	0.0
Profit Before Exceptional item & tax	2955.1	1960.8
Exceptional Exp	-2.8	-0.9
PBT	2952.2	1959.9
Tax	661.3	376.8
PAT	2290.9	1583.1
PAT Margin %	47.2%	44.7%

Net Sales



PAT



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Consolidated Balance Sheet

Rs. Lakhs	FY15	FY14	Rs. Lakhs	FY15	FY14
Share Capital	1174.0	1174.0	Net Block	1196.1	906.0
Reserves	3489.4	1808.4	Non Current Investments	1484.9	682.8
Total Shareholding	4663.4	2982.4	Long Term Loans & Advances	352.9	294.1
Minority Interest	58.66	0.6	Other Non Current Assets	12.7	14.7
Long Term Borrowings	5.1	14.5	Total non Current Assets	3046.6	1897.6
Deferred Tax Assets / Liabilities	30.4	12.4	Inventories	76.3	318.6
Other Long Term Liabilities	21.0	26.2	Sundry Debtors	49.9	44.1
Total Non Current Liabilities	56.4	53.1	Cash and Bank	2635.3	1520.5
Trade Payables	148.9	417.8	Other Current Assets	1.7	1.0
Other Current Liabilities	41.9	58.2	Short Term Loans and Advances	198.2	323.2
Short Term Borrowings	0.0	3.5	Total Current Assets	2961.4	2207.4
Short Term Provisions	1038.7	589.3	Total Assets	6008.0	4105.0
Total Current Liabilities	1229.5	1068.8			
Total Liabilities	6008.0	4105.0			

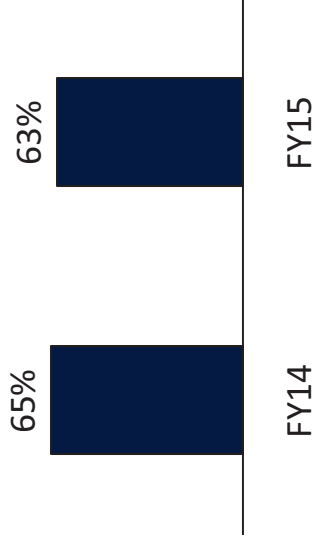


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Ratio Analysis

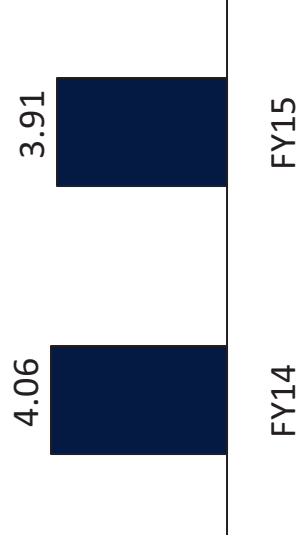
ROCe (%)



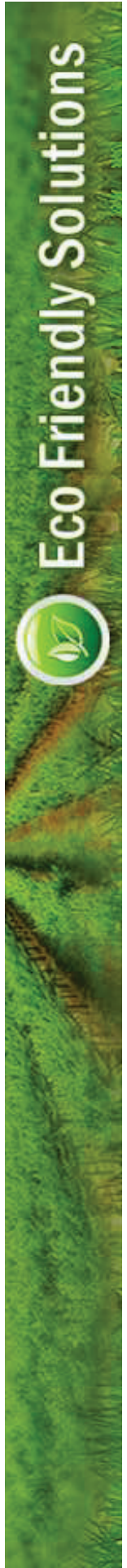
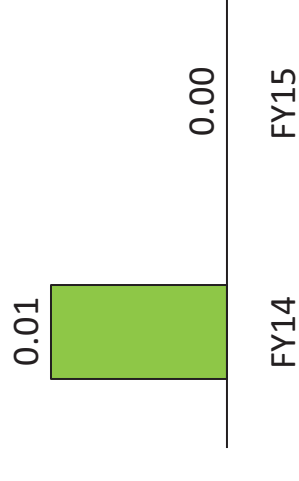
ROE (%)



Fixed Asset T/O (x)



Total Debt/Equity (x)



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