



13.07.2023

To,

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort,
Mumbai – 400 001

Scrip Code: 543318

Dear Sir/Madam

National Stock Exchange of India Limited

Exchange Plaza, Plot no. C/1,
G Block, Bandra-Kurla Complex
Bandra (E),
Mumbai - 400 051

Trading Symbol: CLEAN

Subject: Notice of 20th Annual General Meeting (“AGM”), Annual Report for the Financial Year 2022-23 and Book Closure for AGM and Dividend.

Dear Sir/Madam,

Further to the intimation dated 18th May, 2023, the 20th AGM of the members of the Company will be held on Thursday, 10th August, 2023 at 3.00 p.m. (IST) through Video Conference/Other Audio Visual Means.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations, 2015”) please find enclosed the Annual Report for the financial year 2022-23 along with Notice of the 20th AGM (including e-voting instructions).

Further, pursuant to Regulation 42 of SEBI Listing Regulations, 2015, and as earlier informed the Register of Members and Share Transfer Books will remain closed from 4th August, 2023 to 10th August, 2023 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend to be declared.

The aforesaid documents are being despatched electronically to the members whose email ids are registered with the Registrar and Transfer Agents/Depository Participants.

The above information is also available on the website of the Company at –
https://cleanscience.co.in/wp-content/uploads/2023/07/1.-CSTL-AR-2022-23_Final.pdf

You are requested to take the same on record.

Thanking You.

For Clean Science and Technology Limited

Mahesh Kulkarni
Company Secretary

Encl: As above



INTEGRATING INNOVATION AND GROWTH, SUSTAINABLY

Clean Science and Technology Limited
ANNUAL REPORT 2022-23

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Disclaimer:

This document contains statements about expected future events and financials of Clean Science and Technology Limited (the Company), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

**For More Investor-related Information,
Please Visit:**

<https://cleanscience.co.in/investors/>

Or,
Simply Scan Below





INTEGRATING **Innovation and** **Growth, Sustainably**

The business landscape is undergoing a major transformation today. Rapidly escalating climate change events and other factors have led to a scenario where businesses must go beyond generating profits to ensure that their growth is also environmentally sustainable. The need of the hour is to integrate innovation in processes through cutting-edge technology development in every industry to achieve sustainable growth.

Clean Science and Technology Limited (CSTL) is committed to leading the way in sustainable solutions for the chemical industry. The Company's focus on 'Integrating Innovation and Growth, Sustainably' is aligned with its mission and values, and reflects its commitment to environmental stewardship.

In line with its long-term commitment, CSTL has increased its reliance on renewable energy to the tune of 50% that is contributed by a total installed solar capacity of 17.4 MW. CSTL's Zero Liquid Discharge (ZLD) manufacturing facilities have further contributed to sustainable chemical production. The Company is proud to follow the 3R process of reduce, recycle, and reuse, and believes that responsible corporate practices are the foundation of a successful business. By minimising its environmental impact while expanding the operations, CSTL is leading the change towards a cleaner and greener future. CSTL is among the leading companies to have commercialised the use of environment-friendly processes and 'green chemistry' to manufacture chemicals. This has been achieved by optimising or replacing the use of conventional raw materials, improving atom economy, enhancing process yields and reducing effluents. The Company is working towards a better tomorrow, where innovation and sustainability go hand in hand.

The Company understands that economic development must be balanced with social and environmental considerations. So, through innovation and sustainability and by taking responsibility for the planet and society, CSTL is working towards creating value for all stakeholders and building a more sustainable future for all.



CSTL

Integrating Innovation for Sustainable Growth

Clean Science and Technology Limited ('CSTL' or 'the Company') is a technology-driven Company, incorporated in 2003. The Company's operations are primarily focussed on critical specialty chemical manufacturing for various end-user industries and everyday product verticals. Through robust in-house R&D and advanced technologies for developing chemicals using catalytic processes, CSTL has emerged as one of the largest producers of critical specialty chemicals globally.

35+

Countries

500+

Customers Across the Globe

16+

Accreditation and Certifications

1,300+

Employees

72%

Revenue from Export

Zero

Liquid Discharge

Manufacturing Facilities



Revenue from Business Segments (2022-23)

₹ **6,389** million
Performance Chemicals

₹ **1,727** million
Pharma and Agro Intermediates

₹ **1,012** million
FMCG Chemicals

Our Purpose

Vision

To be a global chemical company most admired for our innovative processes, performance, reliability, and unparalleled service to our customers.

Mission

To create value for our customers, stakeholders, and employees by developing processes that are sustainable and cost-effective in nature.

Core Values



INTEGRITY

We believe in building long-lasting relationships with our customers and stakeholders. Our integrity is of paramount importance to us and we are always ensuring that our products reflect our thought process of having eco-friendly manufacturing systems.



INNOVATION

We believe that without innovation, a company cannot survive. Ideating innovative products and solutions to the existing problems are vital to us. With the world constantly changing, innovation is the ingredient that ensures both, customer satisfaction and success for a company.



SAFETY

The safety of our employees and customers is our top priority. We care deeply about everyone associated with us and have the most strict protocols in place when it comes to safety.



EXCELLENCE

Attaining excellence in all we do is in our DNA. We are of the opinion that if one decides to do something, they should go beyond the ordinary barriers and create something that is innovative and creates value in the market.



CARE

We believe in upholding the integrity of our Company and maintaining the safety of our customers. We care about the quality of products we give to our customers and ensure that everything we sell is of the highest value and quality.

EXPANDING CUSTOMER BASE To Grow Sustainably



- | | |
|------------------|------------------|
| 1. India | 23. Malaysia |
| 2. Canada | 24. Taiwan |
| 3. USA | 25. Thailand |
| 4. Mexico | 26. Vietnam |
| 5. Brazil | 27. Singapore |
| 6. Argentina | 28. Philippines |
| 7. UK | 29. Indonesia |
| 8. Belgium | 30. South Africa |
| 9. France | 31. Chile |
| 10. Spain | 32. Peru |
| 11. Denmark | 33. Egypt |
| 12. Poland | 34. Colombia |
| 13. Netherlands | 35. Dubai |
| 14. Germany | |
| 15. Italy | |
| 16. Turkey | |
| 17. Israel | |
| 18. Saudi Arabia | |
| 19. Japan | |
| 20. South Korea | |
| 21. China | |
| 22. Bangladesh | |



Geography wise revenue 2022-23

Geography	In %
India	28%
Americas	16%
Europe	16%
China	34%
ROW	6%

Disclaimer :

This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

INTEGRATING Innovation for Long-Term Growth

Our milestones and journey

2006

Changed name to 'Clean Science and Technology' in line with our vision and philosophy

2009

Commenced manufacturing of MEHQ and Guaiacol

2011

Commenced manufacturing of 4-MAP

2014

Commenced manufacturing of BHA

2018

Commenced manufacturing of Anisole using unique vapour phase technology

Commenced manufacturing AP

2020

Commenced manufacturing of DCC

2021

Successfully developed key products in the HALS series

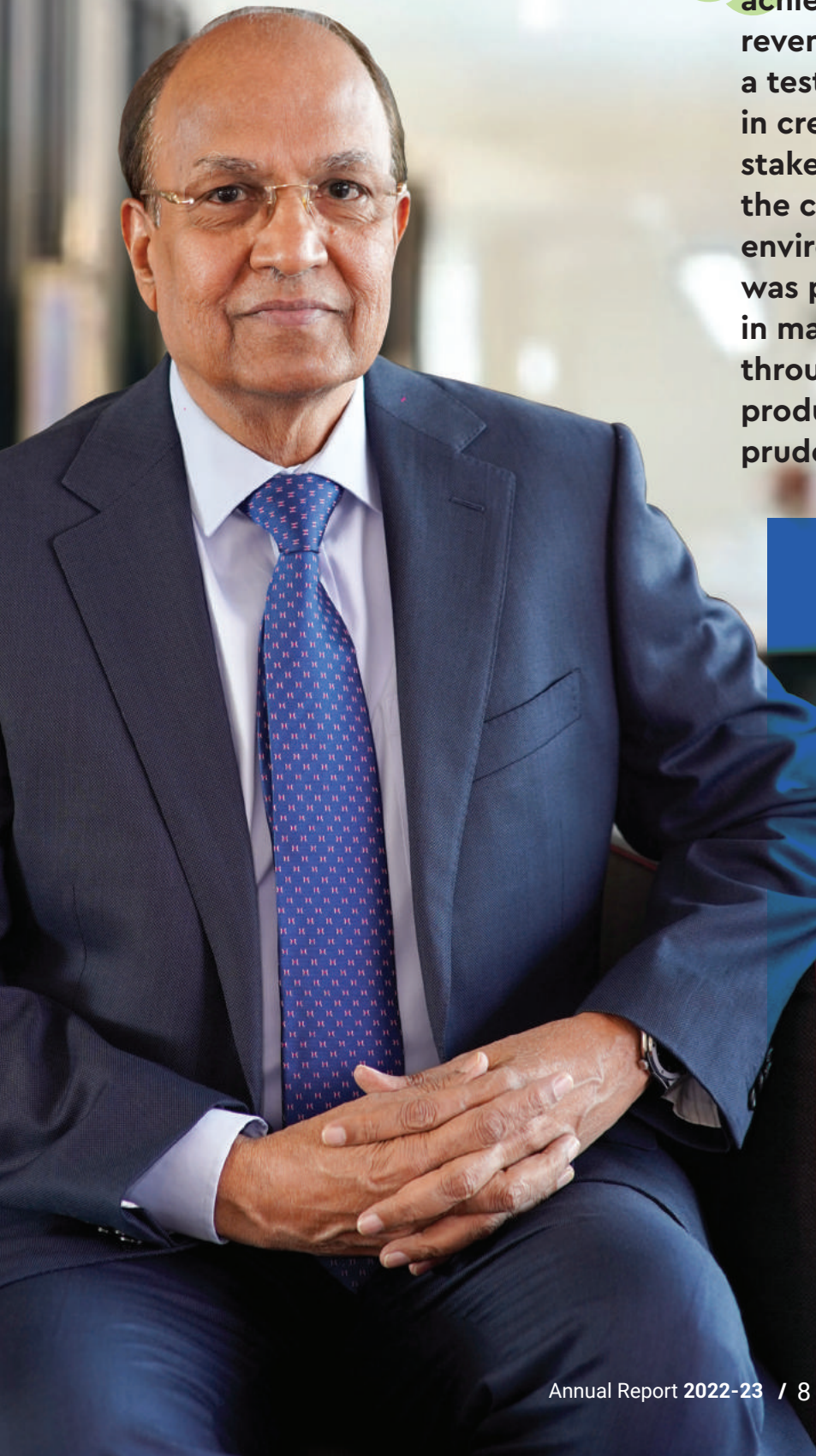
2022

Commenced manufacturing of p-BQ and TBHQ

2023

Commercialised plant to manufacture HALS 770 & 4-Hydroxy Tempo (701) at Unit-3
Expanded capacity of MEHQ, Guaiacol and BHA by 50%

MESSAGE FROM Managing Director



The year 2022-23 saw us achieve the highest-ever revenue and profitability — a testament to our efforts in creating value for our stakeholders. Despite all the challenges in the macro environment, this performance was possible due to our efforts in making the business resilient through innovation, R&D, product diversification and prudent capital allocation.

Dear Shareholders,

In the year gone by, global economies faced almost as many disruptions as caused by the Covid-19 pandemic. Continued geopolitical tensions, increase in commodity prices, signs of recession in developed countries, stubbornly high inflation, and banking sector vulnerabilities severely impacted global economies.

On the other hand, India marked its 'Azadi Ka Amrit Mahotsav' or 75th anniversary of independence by continuing its transformation journey from being a developing to a developed economy. The country has now become the fifth-largest economy in the world and continues to be the fastest-growing major economy. This could be largely attributed to the series of structural reforms undertaken in the last decade. These are further supported by a favourable demographic dividend, huge consumer base, focus on improving agricultural productivity, growing rural economy, development of infrastructure, and improvement in the ease of doing business.

There have also been various reforms undertaken for the manufacturing sector. Some of these include the 'Make in India' or 'Aatmanirbhar Bharat Abhiyaan', competitive corporate tax rates for new manufacturing companies, and various labour reforms. The Production Linked Incentive (PLI) Scheme has been the most transformative one, covering various industries.

Given that the chemical manufacturing sector caters to a wide range of end-user industries, all these initiatives have propelled the growth of this sector too. With evolving consumer preferences and the development of newer technologies, the usage of chemicals will find added applications in newer end-user industries which will further increase its per capita consumption.

In addition to the above factors, the Indian chemical sector has been witnessing strong tailwinds in the export markets as the country is viewed favourably as a reliable alternative supplier to global corporations driven by a 'China+1' strategy to de-risk their operations and diversify their supplier base.

India's cost-competitive manufacturing capabilities, strong process engineering skills, abundant availability of skilled workforce, global quality standards, and strong adherence to environmental compliance has made it a preferred manufacturing destination across the globe. The above can be validated by the major capex plans announced by all major chemical players, and in the last 2-3 years the sector has recorded the highest-ever capex expenditure incurred by companies.

Another important factor is the strong impetus provided by chemical companies to integrate R&D and sustainability. This is enabling companies to become globally competitive and gain market share by adding new revenue streams and innovative products. The emphasis is on the long-term viability of the product portfolio in terms of environmental sustainability.

Robust demand across end-user industries led by rising domestic consumption, strong export growth, and rising import substitutions are expected to be primary growth drivers for the chemical sector. The Indian chemical industry is on a growth trajectory and is one of the most important components of our economy, contributing ~ 7% of the nation's GDP. The increasing demand for specialty chemicals and petrochemicals among end-users is anticipated to drive the industry's growth, to a projected US\$ 304 billion by 2025.



Since inception, our Company has committed to the principles of green chemistry, making us one of the few businesses focussed on the concept of 'atom economy'. CSTL's sustainability culture is deeply ingrained across all levels and functions.



As we continue working towards a sustainable future, we have invested in renewable energy, primarily solar power, over the past few years. As a result, renewable energy now contributes 50% of our power requirements which is one of the highest in the industry. All our manufacturing facilities are zero liquid discharge facilities enabled by our innovative and environment-friendly catalytic processes. We prioritise the 3R of reduce, recycle and reuse to manage energy and freshwater consumption.

Additionally, as a responsible organisation, we actively engage in community development as an opportunity to serve the society and embrace inclusive growth. Promoting healthcare, education, and environment sustainability are our key focus areas aimed at empowering and transforming society. We have supported various Government-led programmes through our 'Clean Care' initiative. We have also undertaken an initiative to plant more than 11,000 trees over the next three years under our afforestation programme.

I would like to express my gratitude to our Board and our Company's talented and committed employees for their diligent efforts in driving our business forward. We remain committed to bringing innovative and distinctive technology to the market with a focus on sustainability. By leveraging our expertise in R&D and in setting up fully integrated manufacturing facilities, we are committed to sustainable growth for all our shareholders and stakeholders.

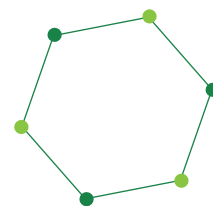
Thank you,
Ashok Boob
 Managing Director

MESSAGE FROM Executive Director



I am delighted to communicate with you during this pivotal phase of our journey. We are combining innovation and expansion while maintaining our dedication to green chemistry and sustainability, positioning ourselves as a responsible leader in the industry. By drawing from our past experiences and focussing on the future, we firmly believe that our business has reached a turning point.





Dear Shareholders,

We have traversed yet another milestone year, continuing our growth trajectory by recording the highest-ever revenues and profitability in a financial year. We have crossed a revenue milestone of US\$100 million in 2022-23. During the year, we abided by our strategic roadmap and core focus on sustainability. We also focussed on upgrading R&D, enhancing capacities, launching new products, increasing cost efficiencies, and building a diversified value-added portfolio with an expanding global footprint. Our performance has been nothing short of outstanding this year against global headwinds like the crisis in Europe and lockdown in China – it is pertinent to note that 72% of our revenues come from the export market. This underscores the functionally critical nature of our products. Further, the strong rebound in gross margin during H2 2022-23 manifests 'specialty chemical' profile of our product portfolio.

I would also like to highlight that we successfully delivered on all our commitments and promises made over the past two years within the timelines and cost considerations. (For more information please refer to page 19). After having commercialised our first plant in Unit 3, CSTL has now become the first and only company to develop and manufacture HALS series in India. We are initially looking at domestic markets as we try to address import substitution for this series of products with an aim to support the vision of 'Aatmanirbhar Bharat.'

The HALS series has an estimated global market size of approximately US\$ 1 billion, registering a CAGR of 10%. We are optimistic about establishing ourselves as a major player in this space and address the opportunity through our 100% owned subsidiary Clean Fino-Chem Limited (CFCL). Additional plants for manufacturing more margin accretive products under HALS series and other new products will be commercialised in due course. Plant construction at CFCL is on schedule and we have also received Environmental Clearance for this location. We aim to commercialise this facility in phases over the next two years starting from December 2023 onwards.

Financials

CSTL posted robust growth in 2022-23 and sustained its market leadership. This has been possible due to a robust growth in both the domestic and export markets, new customer additions, increased wallet share and gradual ramp-up of newly launched products.

Our revenues grew by 34% in 2021-22 and in 2022-23, they further advanced by 37% reaching ₹ 936 Crores, the highest as recorded by our Company in a fiscal year. Our revenue mix comprised 72% exports and 28% domestic. With the commercialisation of the HALS series and new products in the R&D pipeline, revenue from the domestic market is expected to contribute more going ahead. Our other new products are seeing increased acceptance from our global customers and they contributed to 9% of the revenue in 2022-23 as compared to 4% in 2021-22.

Our EBITDA showed a growth of 34% to reach ₹ 403 Crores, compared to last year. EBITDA margins were 43.5%. Despite the continued volatility of key input prices, we managed to keep the EBITDA margins stable. This has been possible due to effective cost management strategies, improved operational efficiencies and yield improvements and a fully integrated business.

Our PAT for the year stood at ₹ 304 Cores, growing by 33% as compared to last year.

Through our prudent capital allocation strategy, we continue to successfully manage our working capital with a debt free balance sheet and strong return ratios. During the year, our Company incurred capex of ₹ 191 Crores, the highest since inception, primarily towards Unit 3 and investment in subsidiary CFCL, all funded from internal accruals.

It is also heartening to note that CRISIL Ratings has upgraded its rating on the long-term bank facilities of our Company to 'CRISIL AA-/Stable' from 'CRISIL A+/Positive'. On the other hand, the rating for the short-term bank facilities has been reaffirmed at 'CRISIL A1+'.

Sustainability

The name CSTL epitomises 'sustainability' and 'clean chemistry.' These have also been two of the prime considerations for our Company since its inception.

As a socially responsible corporate, we are completely dedicated to sustainability and are proud to be a part of the globally growing fraternity of environmentally-conscious industries.

Against this backdrop, we consistently undertake many initiatives to improve safe manufacturing of chemicals. Our focus has always been on green chemistry with an aim to develop atom efficient technologies. This approach has helped in preventing waste formation and effluent generation, instead of devising methods of cleaning it up. Our unique and innovative route of synthesis supported by strong plant engineering capabilities have enabled us to derive minimal by-products and effluents and avoid usage of hazardous raw materials. This has helped us increase efficiency and yields in our processes. Additionally, all our facilities are zero liquid discharge facilities.

For our efforts towards ensuring sustainability in our operations, we have been awarded the GreenCo, Ecovadis and TFS (Together for Sustainability) certifications. Currently, we are working on the global chemical industry's voluntary initiative called 'Responsible Care' to drive continuous improvement and achieve excellence in environmental, health and safety performance.

We rely on renewable sources for approximately 50% of our power consumption. In March, 2023 we successfully commissioned a new solar power plant with an installed capacity of 5 MW. This takes our total operational renewable (solar) capacity to 17.4 MW. All these initiatives further reinforce our commitment to sustainability.

Innovation and Engineering

Our organic growth strategy is underpinned by our relentless commitment to innovation and a strong in-house R&D infrastructure. R&D has helped us anticipate, pursue, and develop sustainable solutions; expand our portfolio; improve product mix; and optimise conversion costs.

At CSTL, we have a dynamic R&D team of 90+ scientists (including seven doctorates) and four R&D labs, supported by state-of-the-art equipment and infrastructure. This has helped us create our intellectual property for unique chemical processes and increase our competency across 10+ different chemistries.

Our foray into HALS is one such example where we are working on newer chemistries. While our existing products are mostly derived from Phenol, the HALS series uses Acetone as the key raw material and involves the process of hydrogenation, something that we are using for the first time.

At CSTL, we have a strong R&D pipeline and are working on 8-10 new molecules across different chemistries at any given point of time. This is being done to further expand our product offerings across diverse applications like pharma, food, paints, antioxidants, and stabilisers, among others.

In terms of R&D, our focus is on three core areas: enhancing our existing catalytic processes to further optimise yield, productivity, and cost efficiencies; developing new products to expand our portfolio in the performance chemical segment; and developing products with high demand which are produced by limited manufacturers globally.

Our R&D efforts are fructified by our strong engineering and project teams, which that have helped us create global-scale and automated state-of-the-art manufacturing facilities at a very competitive cost, increasing our return on assets. As a result of the active collaboration among the R&D, engineering, design, and operations teams; our scaling from lab to pilot to plant stage is efficient and time-effective. This reduces our time to market.

We continually monitor our facilities and invest in different technologies across our manufacturing units to maintain energy efficiency. We are continuously working to optimise plant processes to reduce water consumption and emissions. We also give high priority to safety and quality while setting up an environmentally sustainable plant.

Outlook

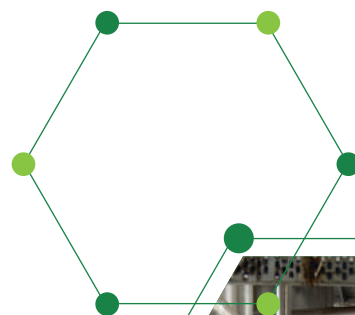
At CSTL, we are currently focussing on enhancing our leadership team by further strengthening our organogram with experienced professionals across key functions like business development, projects, finance and HR, among others. The idea is to further strengthen our governance by implementing best-in-industry practices and processes.

We have further diversified our product portfolio and believe that innovation and strategic product entry with a focus on sustainability are essential for de-risking the business. Our goal is to create a comprehensive product portfolio of specialty chemicals in the stabilisers/antioxidants space so that we can be a one-stop shop for our customers and cater to several downstream industries.

Our high-quality products, superior customer service, and value-creation approach have enabled us to gain credibility in global markets. This has further propelled us to a position of market leadership in a span of 17 years. We will make all efforts to maintain our leadership position.

I would like to take this opportunity to thank our Board and the entire workforce for their unwavering support and commitment amid all challenges. Further, I would like to express my sincere gratitude to all our shareholders and stakeholders who have been a part of our growth journey. Through all our initiatives, we strive to foster growth and prepare for the future while maintaining a strong commitment to sustainability.

Thank you,
Siddharth Sikchi
Executive Director



7S – BLENDING COMMUNITY Business and Sustainability Together

STABILITY
Financials (Strategy)

SOCIAL-CENTRIC
Well-Being (CSR)

SYNERGY
Product Portfolios (Style)

STRATEGIC
Board of Directors (System)

SCIENCE
Research and Development (Skill)

SEAMLESS
Corporate Information (Structure)

SUSTAINABILITY
Being Part of Wellness (Shared Values)

₹ **9,358** million
Revenue for 2022-23

10+
Key Product Portfolio

5
Board Committees

90+
Scientists (including PhDs)

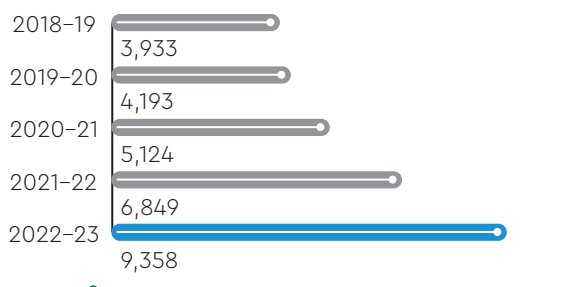
50%
Renewable Energy as % of Power Consumed

₹ **51** million
CSR Investment

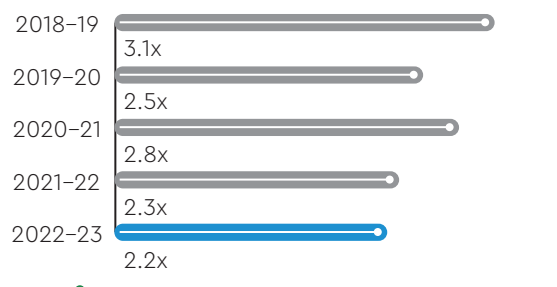
LEVERAGING

The Company's Strong Financials for Growth

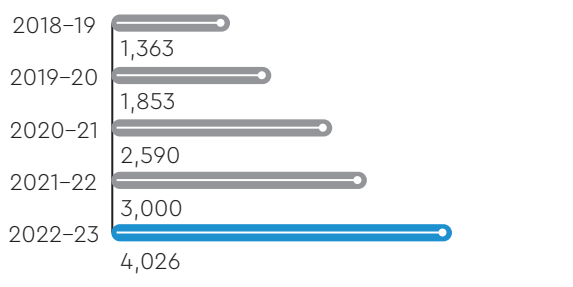
Revenue (₹ in million)



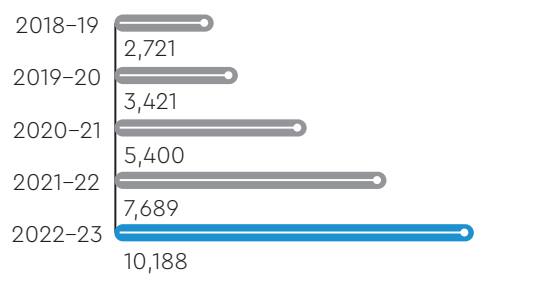
Net Fixed Assets Turnover (times)



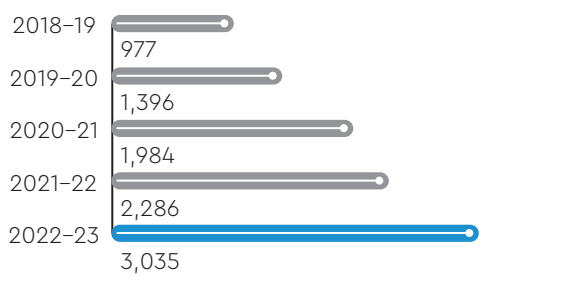
EBITDA (₹ in million)



Net Worth (₹ in million)



PAT (₹ in million)



9 %

Revenue in 2022-23 from New Products

Revenue by Geography

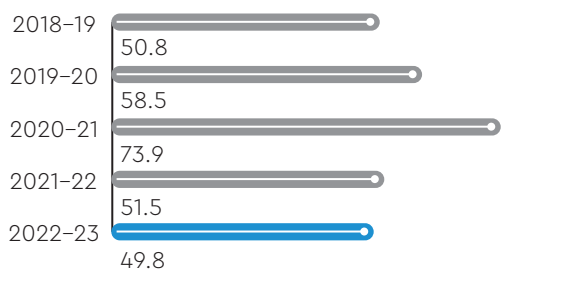
₹ **2,645** million

Domestic

₹ **6,713** million

Exports

RoCE (in %)



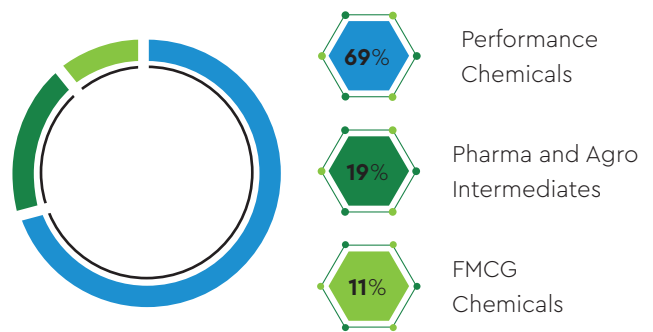
GROWING PRODUCT PORTFOLIO Through Innovative Transformation

The transformation of business processes and operational technologies has become a key need for any modern enterprise. In the chemical products industry, sustainability is intricately embedded in all efforts to ensure long-term growth for businesses. CSTL has constantly focussed on innovation with a strong emphasis on the ecological impact and needs. This has enabled the Company to build a well-diversified and high-value product portfolio.

With a dedicated in-house R&D team, CSTL consistently strives for innovation, scalability, and sustainability. This relentless pursuit has enabled the Company to build a strong foundation, empowering it to offer a diversified

range of products and solutions tailored to meet unique requirements across multiple end-user industries. With a solutions-centric approach, the Company has swiftly managed to meet global quality standards with its state-of-the-art manufacturing facilities.

Segment-Wise Revenue (in%)



Product Portfolio



PERFORMANCE CHEMICALS

- ▶ Monomethyl Ether of Hydroquinone (MEHQ)
- ▶ Butylated Hydroxy Anisole (BHA)
- ▶ Hindered Amine Light Stabilisers (HALS)
- ▶ Tertiary Butyl Hydroquinone (TBHQ)
- ▶ Ascorbyl Palmitate (AP)

Application Areas

- ▶ MEHQ is an organic compound that is a synthetic hydroquinone derivative. It is mainly used as a polymerisation inhibitor in the production of acrylic fibers, inks, paints, adhesives, and super absorbent polymers. In addition, it is also utilised in the agrochemical industry.
- ▶ AP is mainly used in cosmetics, infant food formulations, and breakfast cereals. Its use is particularly prominent in the personal care sector and cosmetic industry. CSTL's manufacturing plant is registered with the US FDA as an authorised food facility.
- ▶ Sulphur-free BHA is widely used as an antioxidant in the Animal Feed & Nutrition and Food & Feed industries. It is also commonly utilised as an antioxidant in the personal care sector.
- ▶ TBHQ is a new product that was launched in 2022-23. It is primarily used as a stabilising agent in edible oil and can be combined with other preservation agents, such as BHA.

Furthermore, it finds application in the production of chemical pharmaceutical intermediates and organic synthesis.

- ▶ HALS are light stabilisers used in a range of polymers that find application across end-user industries like automotive, agriculture, construction, and paints and pigments. Clean Light Stab 770 prevents photo-degradation and increases the life of polymers.

Product-wise Ranking

- ▶ No. 1 in the world
MEHQ, BHA and AP
- ▶ No. 2 in the world and India
TBHQ
- ▶ No. 1 in India
HALS





PHARMA AND AGRO INTERMEDIATES

- ▶ Guaiacol
- ▶ Dicyclohexyl Carbodiimide (DCC)
- ▶ Para Benzoquinone (p-BQ)

Application Areas

▶ Guaiacol is a versatile compound that finds application in various industries. It is used as a key starting material in the production of APIs like guaifenesin, carvedilol, ranolazine, and methocarbamol. Guaiacol is also utilised in the synthesis of food ingredients and fragrance goods. It is used as a precursor in the manufacturing of vanillin.

▶ DCC is a potent dehydrating agent used to synthesise amides, esters, and anhydrides. It is also an essential raw material for producing APIs, including amikacin, valacyclovir, and glutathione, among others. Additionally, DCC finds application in peptide synthesis and serves as a reagent for anti-retroviral drugs.

▶ PBQ is a new product that was introduced in 2022-23. It is used in the manufacturing of herbicides and fungicides and is utilised as an intermediate in the agrochemical and monomer industry or agrochemical and monomer industries.

PRODUCT-WISE RANKING

- ▶ No. 2 in India, largest in pharma application Guaiacol
- ▶ No. 1 in India P-BQ
- ▶ No. 2 in the world, only Indian player DCC



FMCG CHEMICALS

- ▶ 4-Methoxy Acetophenone (4-MAP)
- ▶ Anisole

Application Areas

▶ 4-MAP is an aromatic compound with a sweet, fruity, and nutty aroma that is like vanilla. It is widely used as an intermediate in the manufacturing of cosmetic additives such as avobenzene which is the most common UVA filter in sunscreens. It is also used in food flavourings and as a cigarette additive.

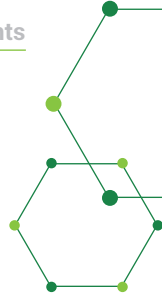
▶ Anisole is a versatile chemical used in the cosmetics, pharmaceuticals, and agrochemical industries. It is a vital raw material for the manufacturing of pesticides, fragrances, perfumes, and flavours. Anisole is also used as a precursor to perfumes, insect pheromones, and pharmaceuticals.

Leveraging the power of technology, CSTL has become the largest producer of anisole worldwide. The Company's distinction lies in its use of vapour phase technology to produce anisole.

PRODUCT-WISE RANKING

- ▶ No. 1 in the world Anisole, 4-MAP

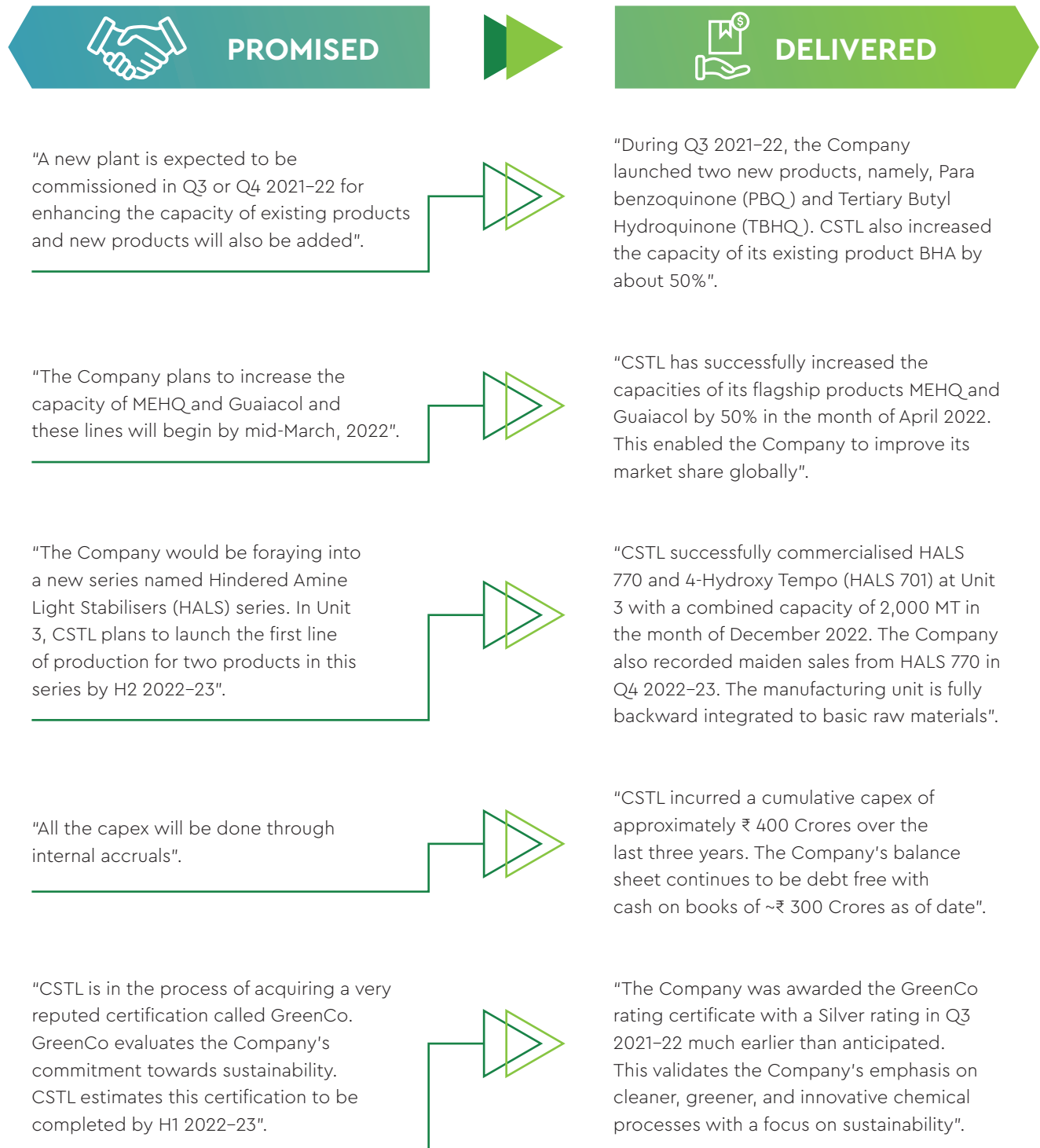


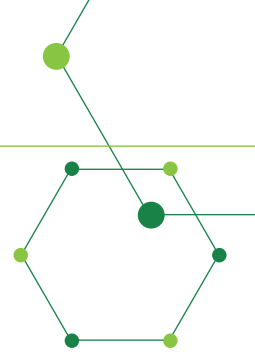


PROMISED AND DELIVERED

Our Commitment in Action

The following section highlights the commitments made by the Company over the past two years. It also showcases how it has delivered on all those commitments within the timelines and cost.





INNOVATING FOR Sustainable Growth

Integrating cutting-edge innovations has become critical for modern enterprises. This can help in mitigating the environmental impact of all business processes and facilitate the development of products and services that effectively serve market needs. CSTL has consistently focused on maintaining a strong innovation pipeline.

CSTL has significantly invested in R&D, which has further enabled it to develop innovative product chemistries and pioneering process innovation. Leveraging this unique

proposition and prowess, CSTL remains at the forefront of innovation today, setting new benchmarks in the industry. The Company has meticulously enhanced its production value chain and overall operations. Further extending its stewardship, CSTL has implemented advanced technology for recycling the waste generated during its manufacturing process.

CSTL is equipped with state-of-the-art R&D equipment and infrastructure, and robust technology. This facilitates zero liquid discharge, thereby enabling the Company to concentrate on atom economy, backward integration, global scale manufacturing capacities, and the production of high-quality products. These efforts have enabled the Company expand its market share and establish itself as a leading player in the industry.

4

Independent R&D Labs

3

Manufacturing Units

44,000 MTPA

Combined Capacity

90+

Scientists

8+

Products in R&D Pipeline

Innovation-Driven Manufacturing Units Powering Growth

CSTL's advanced manufacturing units, coupled with a strong engineering and project team, enable it to operate globally at a competitive cost. The Company is focussed on developing cleaner and greener technologies backed by separate R&D facilities in addition to warehouses, engineering, and supply areas for each unit, providing a significant advantage to the supply chain. With multiple dedicated plants for key products and independent plants for catalysts, CSTL is well-equipped to handle any challenges.

₹ 1,910 million

CAPEX Investment

Product Development and Capacity Expansion

CSTL added manufacturing facilities for two newly launched products p-BQ and TBHQ last year and expanded capacities of existing products MEHQ, Guaiacol and BHA by 50% in Unit 3. Using in-house R&D capabilities, the Company has also launched HALS 770 and 701 and set up production lines for these products in Unit 3, with additional lines to be established in the wholly-owned subsidiary, Clean Fino-Chem Ltd. The HALS series offers a range of products with wide industrial applications. The Company has developed other products in this series including CLS 944, CLS 622, CLS 119, CLS 111, CLS 2020 and various blends to serve customers which will soon be added to its product offerings.

2,000

 tonnes

Installed Capacity at Unit 3 for HALS 770 and 701



3 MAJOR FOCUS AREAS OF R&D

- ▶ Enhancing the Company's existing processes further to optimise yield and selectivity
- ▶ Expanding product portfolio
- ▶ Developing new products that are produced by limited manufacturers globally



DIVERSE TECHNOLOGY IN PROCESSES

- ▶ Vapour phase reaction
- ▶ Fixed bed reaction
- ▶ Continuous flow reaction
- ▶ Tri-phasic reaction



COMPREHENSIVE EXPERTISE IN ~10+ CHEMISTRY

- | | |
|----------------------|---------------------|
| ▶ Oxidation | ▶ Acetylation |
| ▶ Polymeric Reaction | ▶ Hydroxylation |
| ▶ Alkylation | ▶ Hydrogenation |
| ▶ Esterification | ▶ Grignard Reaction |
| ▶ Catalysis | ▶ Chlorination |

Manufacturing Units



Unit 1 – 7 Plants
Total Area – 30,000 sq.m



Unit 2 – 4 Plants
Total Area – 24,000 sq.m



Unit 3 – 5 Plants
Total Area – 41,000 sq.m

All Units are **ISO 9001, ISO 14001 and ISO 45001 Certified**



BUILDING BETTER Lives Together Sustainably

Recognising the importance of giving back to society, CSTL understands its responsibility to create a positive impact beyond its business operations. In addition to focussing on sustainable livelihoods, CSTL is dedicated to supporting quality education, healthcare, and the community's overall well-being.

At CSTL, there is a strong belief that CSR and sustainability are interdependent. This is evident from the Company's commitment towards creating a sustainable tomorrow for future generations and enhancing outcomes for society through various initiatives. All these initiatives are aligned with the UN's SDGs for 2030.

₹ **51** million

Contribution Towards CSR Initiatives in 2022-23

Fostering Community Growth and Development

Construction of a Water Tank in the Educational Institute

Provision of the centralised water tank with a storage capacity of 6 Lacs litres for use in 11 buildings.

Pimpri Chinchwad Education Trust

₹ **15** million

Donated

~ **2,500** Students

To Benefit from a Fresh Water Facility



Construction of Residential Premises for Orphan Children of Farm Labourers and Farmers

Developing rehabilitation and residential facilities to provide shelter, assistance for preventive healthcare, and educational resources.

Snehwan

₹ **10** million

Donated



100 orphan

Children Supported



Supporting Daily Living Expenses for Widows, Orphan Children, and Physically Disabled People

Assisting them financially to meet their daily living expenses and medical needs.

Shri Omkarnath Malpani Maharashtra Mahesh Seva Nidhi

₹ **2.5** million

Donated

440

Widows, Disabled Persons, and Orphans were Supported



Aai Seva Bhavi Sanstha

Assisting the Government in implementing an afforestation programme in the degraded forest land belonging to the Forest Department in Girim village, Taluka Daund, Pune District.

₹ **4.03** million

Donated

11,111+ Trees in 3 years

A Multi-Year Project with an Aim to Plant



Maha NGO Federation

~ **2,000** Patients

Benefitted from Subsidised X-Rays at Shri Prayagdham Trust



₹ **1.7** million

Donated



Maha NGO Federation

Provided 10 electric tricycles, 25 wheelchairs, 100 white canes, and 20 orthopaedic shoes to support disabled persons

₹ **0.47** million
Donated

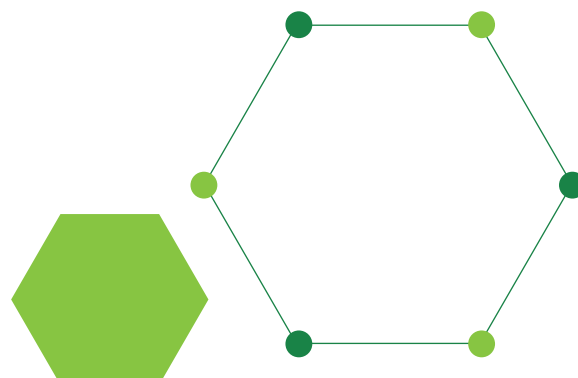


Grow with Books
Project in Five Schools

₹ **0.99** million
Donated



~ **800** Students from First to Seventh Grade
Initiated Door-Step School for the Society



INTEGRATING INNOVATION FOR Sustainability

Sustainability is the topmost priority for the organisation. CSTL believes that its facilities have adequate effluent treatment processes in place to minimise any contamination of the surrounding environment. The organisation encourages and promotes the 3R Process – Reduce, Recycle, Reuse – at all levels.

Significant Achievements in Sustainability

The Company has focussed on minimising water disposal, emissions, and the release of hazardous substances into the environment. Numerous projects have been undertaken to reduce energy consumption while increasing reliance on renewable power sources. With a total solar installed capacity of 17.4 MW, approximately 50% of the power consumed in 2022-23 was sourced from renewable solar power. Regular monitoring of emissions has resulted in the successful reduction of greenhouse gas (GHG) emissions over the years. Installation of energy-efficient equipment and process heat recovery systems has led to significant power savings. The Company has also initiated a tree plantation programme, aiming to plant more than 11,000 trees. All these initiatives contribute to the reduction of the Company's carbon footprint.

Reducing Fresh Water Consumption

The Company has implemented water conservation measures, including the use of recycled water for non-potable purposes, optimisation of water usage in production processes, and utilisation of water-efficient equipment. A robust rainwater harvesting system has been implemented. The focus is on reducing process heat utilisation to minimise water evaporation losses and overall water consumption.

Minimising Waste Disposal

The Company has implemented various waste management practices to minimise waste generation, reduce environmental impact, and promote sustainability. Comprehensive waste management guidelines cover both hazardous and non-hazardous waste across all the Company's units. State-of-the-art Effluent treatment plants are operational in all facilities, enabling the achievement of Zero Liquid Discharge (ZLD) status. The Company recycles and reuses a significant portion of solid waste generated. Continuous innovation in processes is a key focus area, aiming to minimise waste and maximise the recycling and reuse of by-products. The Company's philosophy emphasises the development of atom-efficient technologies, which prevent waste formation rather than focussing solely on waste cleanup. The in-house R&D team plays a crucial role in supporting these efforts.



Certification for Clean and Green Environment

GreenCo (Silver Rating)
 Ecovadis
 Together for Sustainability

17.4^{MW}

Solar Power Capacity

~50%

Power Consumption from Renewable Sources

11,000⁺

Tree Planting Initiative

Relationship with the SDGs

CSTL has recognised the affinity between the SDGs and itself. The Company aims to meet the 17 sustainable development goals (SDGs) in a phased manner by initially focussing on four key goals of 'Good Health and Well-being, Quality Education, Climate Action and Responsible Consumption and Production'. This will act as a key indicator to resolve and meet other SDG goals.

Particulars	Unit of Measurement	2018-19	2022-23
Total Energy Consumption	GJ/MT of Production	42.55	37.55
GHG Emission	CO ₂ MT/MT of Production	5.61	3.69
Water Consumption	m ³ /MT of Production	13.43	11.52

ACHIEVING SUSTAINABLE Growth by Nurturing Future-Ready Talent

CSTL's Programmes Enhancing Business Operations and Culture

CSTL prioritises a diverse team with different backgrounds and experiences, while offering equal opportunities to all. The Company encourages varied opinions and perspectives to foster a culture of inclusivity and equality. By unlocking the full potential of its workforce and promoting innovation, CSTL integrates its values into all aspects of operations.

1,383

Total Workforce

8%

Women Employees



EMPLOYEE WELL-BEING AND SAFETY

CSTL prioritises workplace safety through comprehensive training and proper use of PPE kits. Qualified medical staff are available at the occupational health centre, which also conducts regular check-ups. The Company maintains strict safety standards and provides medical insurance, achieving zero fatalities.



TRAINING AND DEVELOPMENT

CSTL enhances workforce capabilities through diverse training programmes conducted by experts. Training covers technical, behavioural, and managerial topics through various methods. The Company's training positively impacts performance, productivity, and quality while reducing incidents. Compliance trainings are also conducted regularly.



DIGITAL HR PROCESSES

CSTL has digitalised HR processes, improving accuracy, transparency, and accountability. Policies and practices are regularly revised to align with industry standards, prioritising employee well-being.



CLEAN CONNECT ANNUAL DAY

CSTL offers engaging employee programmes, including the Annual Day event for showcasing talent and recognising employees with long-term dedication.



ONBOARDING AND COMMUNICATION MEETING

CSTL emphasises seamless onboarding to familiarise new talent with the work environment. Communication meetings provide additional support and guidance to new hires.



TALENT ACQUISITION

CSTL recruits fresh talent through campus hiring from reputable colleges. High-potential programmes nurture talent and offer accelerated growth opportunities. Internal job rotations enable skill enhancement.

GROWING WITH Expertise in Action



PRADEEP RATHI

Chairman & Non-Executive Director



ASHOK BOOB

Managing Director



PROF. GANAPATI YADAV

Non-Executive Independent Director



SANJAY KOTHARI

Non-Executive Director



KEVAL DOSHI

Non-Executive Independent Director



MADHU DUBHASHI

Non-Executive Independent Director



KRISHNAKUMAR BOOB

Executive Director



SIDDHARTH SIKCHI

Executive Director



CORPORATE Information

Audit Committee

Keval Doshi, Chairman
Madhu Dubhashi, Member
Prof. Ganapati Yadav, Member
Sanjay Kothari, Member

Nomination and Remuneration Committee

Prof. Ganapati Yadav, Chairman
Keval Doshi, Member
Pradeep Rathi, Member

Stakeholders Relationship Committee

Madhu Dubhashi, Chairperson
Siddharth Sikchi, Member
Sanjay Kothari, Member

Risk Management Committee

Pradeep Rathi, Chairman
Ashok Boob, Member
Keval Doshi, Member
Sanjay Kothari, Member

Corporate Social Responsibility Committee

Prof. Ganapati Yadav, Chairman
Ashok Boob, Member
Krishnakumar Boob, Member

Chief Financial Officer

Sanjay Parnerkar

Company Secretary & Compliance Officer

Mahesh Kulkarni

Registrar and Share Transfer Agent

Pune Office
Link Intime India Private Limited, Block No. 202, 2nd Floor,
Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road
Pune – 411001, Maharashtra, India
Tel: 020 – 2616 1629 / 2616 0084

Bankers

HDFC Bank Limited
Kotak Mahindra Bank Limited
Axis Bank Limited

Statutory Auditors

B S R & Co. LLP

Secretarial Auditors

J. B. Bhavé & Co, Company Secretaries

Cost Auditors

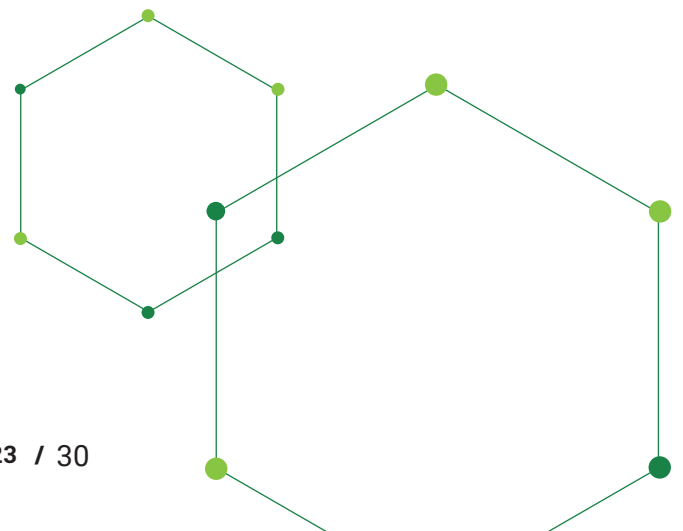
Dhananjay V. Joshi & Associates, Cost Accountants

Corporate Identity Number

L24114PN2003PLC018532

Corporate & Registered Office

Office No. 503, Pentagon Tower P 4, Magarpatta City,
Hadapsar, Pune – 411013, Maharashtra, India
Tel:- +91 020 41264761



NOTICE

CLEAN SCIENCE AND TECHNOLOGY LIMITED

Registered Office: Office No. 503, Pentagon Tower P-4, Magarpatta City, Hadapsar, Pune 411 013 Maharashtra, India.

Corporate Identification Number: L24114PN2003PLC018532

Tel:- +91 020 41264761 | **Fax:** +91 20 26898894

Website: www.cleanscience.co.in | **E-mail:** compliance@cleanscience.co.in

NOTICE IS HEREBY GIVEN THAT the Twentieth (20th) Annual General Meeting ("AGM") of the Members of Clean Science and Technology Limited (the "Company") will be held on Thursday, 10th August, 2023 at 3.00 p.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt
 - (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2023 together with the Report of the Board of Directors and the Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2023 together with the Report of the Auditors thereon.
2. To confirm payment of interim dividend of ₹ 2/- (200%) per equity share and to declare final dividend of ₹ 3/- (300%) per Equity Share of ₹ 1/- each fully paid up for the Financial Year ended 31st March, 2023.
3. To appoint a director in place of Mr. Krishnakumar R. Boob (DIN: 00410672), Whole-time Director, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s) the following Resolution as an **Ordinary Resolution:**

Ratification of remuneration to Cost Auditors for FY 2023-24.

RESOLVED THAT pursuant to Section 148 and other applicable provisions, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), and in accordance with the recommendation of the Audit Committee, the remuneration payable to M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune, (Firm Registration No. 000030)

appointed by the Board of Directors as Cost Auditors to conduct the audit of cost records of the Company for the Financial Year ending 31st March, 2024 amounting to ₹ 3,15,000/- (Rupees Three Lakhs Fifteen Thousand only) plus applicable taxes and reimbursement of out of pocket expenses as may be incurred by them during the course of Audit is hereby ratified.

RESOLVED FURTHER THAT approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to the resolution in this regard.

5. To consider and if thought fit, to pass, with or without modification(s) the following Resolution as a **Special Resolution:**

Modification in Clean Science and Technology Limited – Employee Stock Option Scheme 2021.

RESOLVED THAT in partial modification of earlier special resolution passed by the members of Company dated 27th March, 2021 and 17th March, 2022 modifying and ratifying Clean Science and Technology Limited Employee Stock Option Scheme, 2021 (CSTL ESOS 2021), and pursuant to Section 62(1) (b) of the Companies Act, 2013, ("Act"), the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act and in accordance with the Articles of Association of the Company and SEBI (Share Based Employee Benefits and Sweat Equity Regulations, 2021), ("SEBI SBEB and Sweat Equity Regulations 2021"), SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") (as amended) and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions, approvals, modifications, as may be necessary and agreed by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall deem to include any committee(s) thereof, including the Nomination and Remuneration Committee), consent of the Members of the Company

NOTICE (CONTD.)

be and is hereby accorded to amend CSTL ESOS 2021 as follows–

- 1) Increase the aggregate number of Employee Stock Options ("Options") as originally reserved thereunder from 1,00,000 (One Lakh) Options to 3,50,000 (Three Lakh Fifty Thousand) Options with an addition of 2,50,000 (Two Lakhs Fifty Thousand) options for grant to Eligible Employees under CSTL ESOS 2021;
- 2) Grant of Options to the Eligible Employees of Subsidiary Company(ies) of the Company under CSTL ESOS 2021;
- 3) Such other modifications, more specifically detailed in the Explanatory Statement to this Notice be deemed to be incorporated herein;

RESOLVED FURTHER THAT the amendments to CSTL ESOS 2021 is not prejudicial to the interest of the Options grantee.

RESOLVED FURTHER THAT the new equity shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the existing equity shares of the Company.

RESOLVED FURTHER THAT the Board, be and is hereby authorised to do all such acts, deeds, and things, as may, at its absolute discretion, deem necessary including authorising or directing to appoint Merchant Bankers, Solicitors, Registrars, and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration for modification of CSTL ESOS 2021 and also to make applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals and also to initiate all necessary actions in connection with and to settle all such questions, difficulties or doubts whatsoever which may arise and to do all such acts, deeds, matters and things as may be incidental or ancillary in this regard.

6. To consider and if thought fit, to pass, with or without modification(s) the following Resolution as a **Special Resolution**:

Grant of Employee Stock Options to the Eligible Employees of Subsidiary Company(ies) of the Company under 'Clean Science and Technology Limited Employee Stock Option Scheme 2021'

RESOLVED THAT subject to the approval of proposed amendments in Clean Science and Technology Limited Employee Stock Option Scheme, 2021 (CSTL ESOS 2021) placed at item no.5 above of the Notice of 20th AGM and pursuant to the provisions of Section

62(1)(b) of the Companies Act, 2013, ("Act") and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act and in accordance with the Articles of Association of the Company and SEBI (Share Based Employee Benefits and Sweat Equity Regulations, 2021), ("SEBI SBEB and Sweat Equity Regulations 2021") SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (as amended) ("SEBI Listing Regulations, 2015") and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals as may be necessary which may be agreed by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall deem to include any committee(s) thereof, including the Nomination and Remuneration Committee), consent of the members' of the Company be and is hereby accorded authorising the Board of Directors of the Company to create, offer and grant from time to time, in one or more tranches, such number of employee stock options not exceeding 3,50,000 (Three Lakhs Fifty Thousand) Employee Stock Options, to the Eligible Employees of the Subsidiary Company(ies) as defined under CSTL ESOS 2021 exercisable into not more than 3,50,000 (Three Lakhs Fifty Thousand) equity shares of face value of Re. 1/- (Rupee One) each fully paid-up, on such terms and in such manner as the Board may decide from time to time in accordance with the provisions of the applicable laws and the provisions of CSTL ESOS 2021.

RESOLVED FURTHER THAT, the Board, be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or incidental to give effect to this resolution.

By Order of the Board
For **Clean Science and Technology Limited**

Mahesh Arvind Kulkarni

Company secretary

Membership No ACS-19364

Date: 18th May, 2023

Place: Pune

Registered Office:

Office No. 503, Pentagon Tower P-4,
Magarpatta City, Hadapsar, Pune 411 013 Maharashtra,
India.

Tel:- +91 020 41264761

E-mail: compliance@cleanscience.co.in

Website: www.cleanscience.co.in

NOTICE (CONTD.)

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out the material facts concerning the business under Item Nos. 4, 5 and 6 of the Notice and details of the Director seeking Re-appointment at the Annual General Meeting ("AGM") is annexed and forms an integral part of the Notice.

2. The Ministry of Corporate Affairs ("MCA"), vide its General Circular Nos. 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021, 20/2021, 21/2021, 02/2022 and 10/2022 dated 8th April, 2020, 13th April, 2020, 15th June, 2020, 28th September, 2020, 31st December, 2020, 23rd June, 2021, 8th December, 2021, 14th December, 2021, 5th May, 2022 and 28th December, 2022 respectively ("MCA Circulars") and applicable circulars issued by the Securities and Exchange Board of India ("SEBI"), allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) upto 30th September, 2023.

In compliance with provisions of the Act, SEBI Listing Regulations, 2015 and MCA circulars, the 20th AGM of the Company is being held through VC/OVAM on Thursday, 10th August 2023 at 3.00 p.m. (IST)

3. In accordance with the Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI"), read with clarification/guidance on applicability of Secretarial Standards – 1 and 2 dated 15th April, 2020, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be deemed to be the venue of the AGM.

4. In terms of the MCA and SEBI Circulars, as the AGM is to be conducted through VC/OAVM, and since physical attendance of Members is dispensed with, there is no requirement of appointment of proxies. Therefore, the facility for appointment of Proxy by the Members is not available for this AGM and hence Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. Members attending through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

6. Institutional/Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) attending the meeting through VC/OAVM are required to send a scanned

copy (PDF/ JPG Format) of its Board or governing body resolution/authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorisation shall be sent to the Scrutiniser by email through its registered email address to jayavantbhave@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letters etc. by clicking "Upload Board Resolution / Authority Letter" displayed under e-voting" tab in their login.

7. Pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder, M/s BSR & Co. LLP, Chartered Accountants (Firm Registration. No.: 101248W/W-100022) were appointed as Statutory Auditors of the Company for a period of 5 (five) years i.e. from the conclusion of 16th AGM till the conclusion of 21st AGM to be held in year 2024. As per the Notification issued by MCA on 7th May, 2018 amending Section 139 of the Act and Rules made thereunder, the mandatory requirement for ratification of appointment of Statutory Auditors by the members at every AGM has been done away with, hence the Company is not proposing an agenda item for ratification of appointment of Statutory Auditors at this AGM.

8. The details of the Director seeking appointment / re-appointment as required under Regulation 36(3) of SEBI Listing Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India is annexed hereto. The Board of Directors recommend the appointment/re-appointment as proposed.

9. The Register of Members and Share Transfer Books of the Company will remain closed from Friday 4th August, 2023 to Thursday, 10th August, 2023 (both days inclusive) for the purpose of AGM and determining the eligibility of members entitled for payment of final dividend, if declared.

10. The final dividend as recommended by the Board of Directors, if declared at the AGM, will be paid on Friday, 25th August, 2023.

11. In order to enable the Company to directly credit the dividend amount in the bank accounts Members holding shares in demat account are requested to update their Bank Account details with their respective Depository Participants.

NOTICE (CONTD.)

ELECTRONIC DISPATCH OF NOTICE AND ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

12. In accordance with, the General Circular No. 20/2020, 02/2021 and 10/2022 dated 5th May, 2020, 13th January, 2021 and 28th December, 2022 respectively issued by MCA and Circular No. SEBI /HO /CFD / CMD1/CIR/P/2020/79 dated 12th May, 2020, Circular No. SEBI/HO/ CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, Circular No. SEBI/HO/CFD/ CMD2/CIR/P/2022/62 dated 13th May, 2022 and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 issued by SEBI, the Financial Statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), including the Notice of AGM are being sent only in electronic mode to Members whose e-mail addresses are registered with the Company/ Registrar and Transfer Agent ("RTA") or Depository Participant(s) ("DP").

The Company will not be dispatching physical copies of such statements and Notice of AGM to any Members.

13. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs. Registration of Email-id will enable them to receive all communications from the Company in electronic mode.
14. In line with the MCA Circular, a copy of the Notice of this AGM along with Annual Report for the Financial Year 2022-23, is available on the website of the Company at www.cleanscience.co.in and on the website of Stock Exchanges i.e. BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL at www.evoting.nsdl.com

PROCEDURE FOR SPEAKER REGISTRATION, SUBMISSION OF QUESTIONS / QUERIES:

15. As the AGM is being conducted through VC/OAVM, for the smooth conduct of proceedings of the AGM, Members are requested to express their views/send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number, along with their queries/views/questions at compliance@cleanscience.co.in
16. **Members holding shares as on the cut-off date i.e. Thursday, 3rd August, 2023, and who would like to speak or express their views or ask questions during the AGM may register themselves as speakers by sending an email to compliance@cleanscience.co.in during, Friday, 4th August, 2023 from 9.00 am**

to Monday, 7th August, 2023 upto 5.00 pm. Those members who have registered themselves as speaker will only be allowed to speak/express their views/ask questions during the AGM.

17. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.
18. Pursuant to Section 108 of the Act, read with the Companies (Management and Administration) Rules, 2014 ("Rules"), as amended, and in compliance with Regulation 44 of the SEBI Listing Regulations, 2015, as amended, and the Circulars issued by the MCA, the Company is pleased to provide voting by electronic means ("remote e-voting") to the Members, to enable them to cast their votes electronically in respect of the business to be transacted at the AGM. For this the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system will be provided by NSDL. The e-voting Event Number (EVEN) for this purpose is '124162'.
19. The voting rights will be reckoned on the paid-up value of Equity Shares registered in the name of the members on **Thursday, 3rd August, 2023 (on close of business hours) ("Cut-off date")**. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date will be entitled to cast their votes by remote e-voting.
20. The details of the process and manner for remote e-voting are explained herein below:

PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM:

21. Member will be provided with a facility to attend AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned below in the Notice for access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name.

You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.





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22. Members are encouraged to join the Meeting through Laptops for better experience.
23. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
24. For convenience of the Members and proper conduct of AGM, Members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first serve basis as per the MCA Circulars. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors, Chairman/Chairperson of the Committees of the Board of Directors, as applicable, etc. who are allowed to attend the AGM without the said restriction.
25. **Members who need assistance before or during the AGM with use of technology, can send a request at evoting@nsdl.co.in or use Toll free no.: 022-4886 7000/022-2499 7000 or contact Ms.Pallavi Mhatre, Senior Manager Manager, NSDL at the designated email ID: evoting@nsdl.co.in.**
26. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
27. The details of the process and manner for remote e-voting are explained herein below:

Step 1 – Access to NSDL e-voting System:

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IdeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IdeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IdeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IdeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <p>   </p> <div style="display: flex; justify-content: space-around;">   </div>

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Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 – 4886 7000 and 022 – 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

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3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.

b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsd.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

GENERAL GUIDELINES FOR SHAREHOLDERS

28. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" option available on www.evoting.nsd.com to reset the password.
29. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsd.com or call on toll free no.: 022-4886 7000/022-2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager NSDL, at evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back),

PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to compliance@cleanscience.co.in

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to compliance@cleanscience.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
5. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. Thursday, 3rd August 2023 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsd.com or call on toll free no. **022-4886 7000/022-2499 7000** In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Thursday, 3rd August 2023, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

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30. REMOTE- E-VOTING

- a. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on Thursday, 3rd August 2023 and who continue to hold the shares as on the date of AGM will be entitled to vote at the AGM.
- b. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period will commence on Saturday, 5th August, 2023, at 9.00 a.m. (IST) and will end on Wednesday, 9th August, 2023, at 5.00 p.m. (IST)**
- c. The remote e-voting module shall be disabled for voting thereafter.
- d. In addition, the e-voting window shall be activated upon instruction of the Chairman of the meeting during the AGM.
- e. The e-voting during the AGM is integrated with the VC/OAVM platform and therefore no separate login is required.
- f. Members attending the AGM who have not cast their vote by remote e-voting and are otherwise not barred from doing so shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Once the vote on a resolution is cast by the Members, the member shall not be allowed to change it subsequently.

31. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their votes on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

32. DETAILS OF SCRUTINISER

- a. M/s. Jayavant Bhawe, Practicing Company Secretary, Pune, (ICSI Membership No FCS-4266, CP-3068) has been appointed as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- b. The Scrutinizer after scrutinising the votes cast by remote e-voting and e-voting during the AGM will make a consolidated Scrutinisers Report and submit the same not later than 48 hours from the conclusion of the AGM to the Chairman of the Company or persons authorised by him who shall countersign the same and declare the results of voting forthwith.
- c. The Results declared along with a Scrutinizer's Report shall be hosted on the Company's website at <https://www.cleanscience.co.in> and on the website of NSDL at www.nsdl.co.in immediately after the result is declared by the Chairman or a person authorised by him. The results shall be simultaneously communicated to the Stock Exchanges viz. BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively.

33. OTHER INSTRUCTIONS

- (a) Members desirous of getting any information about the accounts of the Company are requested to address their queries to the Company Secretary of the Company at compliance@cleanscience.co.in Such requests should be received at least seven days before the date of the AGM, so that the information required can be readily made available at the AGM to the best extent possible.
- (b) During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act, CSTL ESOP Scheme 2021 and other relevant documents referred to in this Notice of AGM and Explanatory Statement and the Certificate from the Secretarial Auditors of the Company certifying that ESOP Scheme of the Company is being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB and Sweat Equity Regulations, 2021") shall be available for inspection upon login at NSDL e-voting system at <https://www.evoting>.

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nsdl.com and on the website of the Company, www.cleanscience.co.in.

34. DIVIDEND

- a. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on **Thursday, 3rd August, 2023 i.e. the Cut-off Date** will be paid the Final Dividend on Friday, 25th August, 2023 for the financial year ended 31st March, 2023, as recommended by the Board, if approved at the AGM.
- b. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its R&T Agent cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participant(s) of the Members. Members holding shares in demat form are requested to intimate any change in their address and/or bank mandate immediately to their Depository Participants well before the cut-off date.

35. TDS ON DIVIDEND

Pursuant to the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend income has become taxable in the hands of the shareholders with effect from 1st April, 2020 and therefore the Company shall be required to deduct Tax at Source (TDS) at the time of making the payment of final dividend at prescribed rates. For the prescribed rates for various categories, shareholders are requested to refer to the Finance Act, 2021 and amendments thereof. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961 as mentioned in below paras.

For Resident Shareholders: - Tax shall be deducted at source under Section 194 of the Income Tax Act, 1961 @ 10% on the amount of Dividend declared and paid by the Company during 2023-24 provided PAN is registered by the Shareholder. If PAN is not registered, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961.

- a) **For Resident Individual:** No TDS shall be deducted on the Dividend payable to a resident Individual if the total dividend to be received by them during 2023-24 does not exceed ₹ 5,000.

Separately, in cases where the shareholder provides Form 15G (applicable to all individuals) / Form 15H (applicable to an Individual above the age of 60 years), no TDS shall be deducted provided that the eligibility conditions are being met.

Form 15G / Form 15H can be uploaded at below link (i.e. Link Intime India Private Limited):<https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html>

TDS will not be deducted, if the shareholder is exempted from TDS provisions through any circular(s) or notification(s) and provides an attested copy of the PAN along with documentary evidence in relation to the same.

Needless to mention, PAN will be mandatorily required. If your PAN details are available in your demat account for shares held in demat form or with the Registrar and Transfer Agent ("RTA") for shares held in physical form, then there is no need to send PAN details again to the Company. If PAN is not available or invalid, TDS would be deducted at the rate of 20% as per Section 206AA of the Income Tax Act.

- b) **For Resident Non-individual:** No tax shall be deducted on dividend payable to the following resident non-individual where they provide relevant details and documents: -
 - i. **Insurance companies:** A declaration that it has full beneficial interest in the shares along with self-attested copy of PAN and Registration Certificate with Insurance Regulatory Development Authority (IRDA) and PAN card.
 - ii. **Mutual Funds:** A declaration that it is a mutual fund governed by the provisions of Section 10(23D) of the Income Tax Act, 1961 and is covered under Section 196 of the Income Tax Act, 1961 along with self-attested copy of PAN and valid SEBI Registration Certificate.
 - iii. **Alternative Investment Fund (AIF) established in India:** A declaration that its dividend income is exempt under Section 10(23FBA) of the Income Tax Act, 1961 and it has been granted a certificate of registration as Category I or Category II AIF under the SEBI Regulations, along with self-attested copy of PAN and valid SEBI Registration Certificate.
 - iv. **National Pension Scheme:** A declaration that they are governed by the provisions of Section 10(44) of the Income Tax Act, 1961 along with self-attested copy of registration documents and PAN.

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v. Corporation established by or under a Central

Act: A declaration that it is a corporation established by or under a Central Act whereby income-tax is exempt on the income and accordingly, covered under Section 196 of the Income Tax Act, 1961 along with self-attested copy of PAN and valid SEBI Registration Certificate.

vi. Recognised Provident Fund/Approved Gratuity/

Superannuation Fund: Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes

vii. Other shareholders - Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.

viii. In case of other resident shareholder having Order under section 197 of the Income Tax Act, 1961, TDS will be deducted at the rate mentioned in the Order; provided the Shareholder submits copy of the Order obtained from the income-tax authorities.

c) For Non-resident Shareholders: - Taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at the rates in force. As per the relevant provisions of the Income Tax Act, 1961, the withholding tax shall be @ 20% (plus applicable surcharge and cess) on the amount of Dividend payable to them.

Further, in case of Foreign Institutional Investors and Foreign Portfolio Investors, tax shall be deducted at source @ 20% (plus applicable surcharge and cess) under Section 196D of the Income Tax Act.

However, as per Section 90 of the Income Tax Act, 1961 a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the tax treaty benefits, the Non-Resident Shareholder (including FII and FPI) will have to provide the following:

- Self-attested copy of PAN card, if any, allotted by the Indian income tax authorities.
- Self-attested copy of Tax Residency Certificate (TRC) issued by the tax authorities of the country of which the

shareholder is resident, evidencing and certifying shareholder's tax residency status during the financial year 2023–2024.

- Self-declaration in Form 10F duly filled and signed.
- SEBI registration certificate in case of Foreign Institutional Investors and Foreign Portfolio Investors.
- Self-declaration in the prescribed format certifying that :
 - (a) The shareholder is eligible to claim the beneficial Tax Treaty rate for the purposes of tax withholding on dividend declared by the Company;
 - (b) The transaction / arrangement / investments from which the dividend is derived by the shareholder is not arranged in a manner which results in obtaining a tax benefit, whether directly or indirectly, as one of its principal purposes. The tax benefit, if any, derived from such transaction / arrangement / investments would be in accordance with the object and purpose of the provisions of the relevant Tax Treaty ('the Principle Purpose Test', if applicable to the respective Tax Treaty);
 - (c) No Permanent Establishment / fixed base in India during the 2023-24 in accordance with the applicable tax treaty;
 - (d) The shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company.

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by a Non-Resident Shareholder.

In case of Non-resident shareholder having Order under Section 197 of the Income Tax Act, 1961 TDS will be deducted at the rate mentioned in the Order; provided the shareholder submits copy of the order obtained from the income-tax authorities

Where any entity is entitled for exemption from TDS, TDS will not be deducted provided such shareholder/entity provides valid self-attested documentary

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evidence (e.g. relevant copy of registration, notification, order, etc. issued by the Indian tax authorities).

For All shareholders

As per the provisions of section 206AB of the Income Tax Act, 1961 tax would be required to be deducted at twice the applicable rate in respect of any sum or amount or income paid or payable or credited to a 'specified person'.

Further, the Act defined 'specified person' to mean:

- A person who has not filed return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted and the time for filing tax return under section 139(1) of the Income Tax Act has expired; and
- aggregate of tax deducted at source and tax collected at source in his / her case is ₹ 50,000 or more in the said previous year.

However, the aforementioned withholding at higher rate shall not apply to a Non-Resident who does not have a Permanent Establishment / fixed base in India. Accordingly, a Non-Resident should submit a No Permanent Establishment declaration (as referred above).

Notes:

- (i) All the above referred tax rates will be enhanced by surcharge and cess, as applicable.
- (ii) For all self-attested documents, shareholders must mention on the document "certified true copy of the original". For all documents being uploaded by the shareholder, the shareholder undertakes to send the original document(s) on request by the Company/RTA.
- (iii) In case tax dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, the concerned Shareholder may still have the option of claiming refund at the time of filing the income tax return (provided a valid PAN is registered with your RTA or DP). No claim shall lie against the Company for such taxes deducted.
- (iv) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Shareholder(s), such Shareholder(s) will be responsible to indemnify the Company and

also, provide the Company with all information / documents and co-operation in any proceedings.

- (v) Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares are held under a PAN will be considered on their entire holding in different accounts.
- (vi) Documents furnished by the shareholders [such as Form 15G / 15H, TRC, Form 10F, Self-Attested Declaration etc.] shall be subject to review and examination by the Company before granting any beneficial rate or Nil Rate. The Company reserves the right to reject documents in case of any discrepancies or the documents are found to be incomplete. Decision of the Company with respect to the validity of any document will be final.
- (vii) In case of any discrepancy in documents submitted by the shareholder, the Company will deduct tax at higher rate as applicable, without any further communication in this regard.
- (viii) The Company will withhold taxes as per the stipulated tax laws prevalent at the time of deduction of taxes i.e. as on aforesaid cut-off Date.
- (ix) A declaration must be filed with the Company where the whole or any part of the dividend income is assessable, under the provisions of the Act, in the hands of a person other than the shareholder in accordance with Rule 37BA(2) of the Income-tax Rules, 1962. The declaration must consist of Name, address, PAN of the person to whom credit is to be given and payment or credit in relation to which credit has to be given and reasons for giving credit to such person.

The requisite form for claiming tax exemption can be downloaded from Registrar's website **under General Tab**. The URL for the same is: <https://web.linkintime.co.in/client-downloads.html>

To enable the Company to determine the appropriate TDS / withholding tax rate applicable, you should upload necessary documents at <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before 3rd August, 2023.

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No communication on tax determination / deduction shall be considered post 3rd August, 2023.

On clicking the above link, the user will be prompted to select/share the following information to register their request: -

1. Select the company (Dropdown)
2. Folio No./DP-Client ID
3. PAN
4. Financial year (Dropdown)
5. Form selection
6. Document attachment - 1 (PAN)
7. Document attachment - 2 (Forms)
8. Document attachment - 3 (Any other supporting document)

In case of joint shareholders, the shareholder named first in the Register of Member is required to furnish the requisite documents for claiming any applicable beneficial tax rate.

36. In terms of SEBI Circular dated 8th April, 2022 read with SEBI Circular dated 30th May, 2022 the Standard Operating Procedures for dispute resolutions under the Stock Exchange arbitration mechanism for dispute between the Company and/or Share Transfer Agents and its Shareholders/Investors has been hosted on the Company website at www.cleanscience.co.in
37. **Nomination:** SEBI, vide circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2021/601 dated 23rd July, 2021 read with SEBI Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/42 dated 27th March, 2023 had mandated providing choice of nomination details, i.e., either furnishing of nomination or declaration for

opting out of nomination for all existing eligible trading and demat account holders latest by 30th September, 2023 failing which the trading accounts shall be frozen for trading and demat account shall be frozen for debits. Shareholders are hereby suggested to contact their stock brokers/Depository Participant for updating such nomination details

38. Shareholders are requested to update their KYC details including PAN, bank account details, nomination, contact details and are suggested to contact their stock brokers/Depository Participant for updating the same.
39. Members are requested to note that dividend if not encashed for a consecutive 7 (Seven) years from the date of transfer to unpaid dividend account of the Company, amount of such dividend and its corresponding shares are liable to be transferred to IEPF.

By Order of the Board
For **Clean Science and Technology Limited**

Mahesh Arvind Kulkarni
Company Secretary

Membership No ACS-19364
Date: 18th May, 2023
Place: Pune

Registered Office:

Office No. 503, Pentagon Tower P-4,
Magarpatta City, Hadapsar, Pune 411 013 Maharashtra,
India.

Tel:- +91 020 41264761

E-mail: compliance@cleanscience.co.in

Website: www.cleanscience.co.in

NOTICE (CONTD.)

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company is required to get audit of its cost records for specified products audited by a Cost Accountant.

Accordingly, the Board of Directors at their meeting held on 18th May, 2023 upon the recommendation of the Audit Committee, appointed M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune (Firm Registration No.: 000030) as Cost Auditors of the Company for conducting audit of the cost records for the Financial Year 2023-24, at a remuneration of ₹ 3,15,000/- (Rupees Three Lakhs Fifteen Thousand Only) plus applicable taxes thereon and reimbursement of out of pocket expenses as may be incurred by them during the course of audit.

In compliance with section 148, Members are required to ratify the remuneration to be paid to the Cost Auditors of the Company.

Accordingly, consent of the Members of the Company is sought for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2023-2024.

The Board recommends the resolution set out at Item No. 4 of the notice, for the approval of members of the Company. None of the Directors or Key Managerial Personnel of the Company, or their respective relatives is in any way concerned or interested in the resolution set out at Item No. 4 of the Notice.

ITEM NO. 5 and 6

Clean Science and Technology Limited values its employee the most and believes that employees play major role in growth. Company considers its employees as one of the important stakeholders.

To reward the employees for their performance and to motivate them to contribute to the growth and profitability, the Company had implemented the Clean Science and Technology Limited Employee Stock Option Scheme 2021 (CSTL ESOS 2021). CSTL ESOS 2021 was initially approved by the shareholders in their general meeting held on 27th March, 2021 before Initial Public Offer. Post Initial Public Offer, shareholders ratified the CSTL ESOS 2021 along with

certain modifications in the scheme pursuant to SEBI SBEB and Sweat Equity Regulations, 2021 by postal ballot on 17th March, 2022.

As on 31st March, 2023, out of the total limit of 1,00,000 options 89,731 (89.73%) options had been granted to the eligible employees.

CSTL ESOS 2021 has helped the Company in retaining the talent, key employees of the Company at various levels and to compensate the employees for their effective contribution in growth of the Company. As of now, CSTL ESOS 2021 is limited to the employees of the Company.

Considering the benefits of the Employee Stock Option Schemes and to attract the new and retain the talent in the Company on the recommendation of the Nomination and Remuneration Committee, Board of Directors in their meeting held on 18th May, 2023 recommended to the Members to amend CSTL ESOS 2021 as follows –

- 1) Increase the aggregate number of Employee Stock Options ("Options") as originally approved from 1,00,000 (One Lakh) Options to 3,50,000 (Three Lakhs Fifty Thousand) Options with an addition of 2,50,000 (Two Lakhs Fifty Thousand) options for grant to Eligible Employees under CSTL ESOS 2021 ;
- 2) Grant of Options to the Eligible Employees of Subsidiary Company(ies) of the Company under CSTL ESOS 2021;
- 3) Such other modifications, more specifically detailed herein below-

The proposed increase of additional 2,50,000 Options constitutes 0.2353% of the paid-up share capital of the Company as on 31st March, 2023.

The proposed modification in the scheme is not prejudicial to the interest of the employees. In terms of Regulation 7 of SEBI (Share Based Employee Benefits and Sweat Equity Regulations), 2021 (SEBI SBEB and Sweat Equity Regulations, 2021) the Company can vary the terms of the CSTL ESOS 2021 with the approval of shareholders.

The beneficiaries of the proposed amendments are all existing options grantees and such other Eligible Employees/option grantees to whom options may be granted in the future.

Accordingly, following amendments/modifications to the existing CSTL ESOS 2021 has been proposed for shareholders' approval:

NOTICE (CONTD.)

Particulars	Old Clause	Amended Clause	Remarks
1. Name, Objective and Term of the Scheme	1.2 The objective of the CSTL ESOS 2021 is to reward the employees of the Clean Science and Technology Limited (formerly known as 'Clean Science and Technology Private Limited') ("the Company") for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to retain talent in the organisation.	1.2 The objective of the CSTL ESOS 2021 is to reward the employees of the Clean Science and Technology Limited ("the Company") and/or its Subsidiary Companies for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to attract and retain talent in the organisation	Included Subsidiary Companies which would enable the Company to grant options to eligible employees of the Subsidiary Companies to attract new talent in the organisation.
	1.3 The CSTL ESOS 2021 is established with effect from 27th March, 2021, on which the shareholders have approved the CSTL ESOS 2021 by way of a special resolution and shall continue to be in force until (i) its termination by the Board or Nomination and Remuneration Committee as per provisions of Applicable Laws, or (ii) the date on which all of the Options available for issuance under the CSTL ESOS 2021 have been issued and exercised, whichever is earlier.	1.3 The CSTL ESOS 2021 is established with effect from 27th March, 2021, on which the shareholders have approved the CSTL ESOS 2021 by way of a special resolution. The CSTL ESOS 2021 was further amended to bring it in line with the SEBI SBEB and Sweat Equity Regulations 2021 and ratified by shareholders by way of Postal Ballot vide special resolution dated 17th March, 2022 as it was formulated prior to the Initial Public Offer (IPO). It shall continue to be in force until (i) its termination by the Board or Nomination and Remuneration Committee as per provisions of Applicable Laws, or (ii) the date on which all of the Options available for issuance under the CSTL ESOS 2021 have been issued and exercised, whichever is earlier.	Statement regarding amendment in the scheme to bring it line with SEBI SBEB and Sweat Equity Regulations, 2021 and ratification of scheme by shareholders by way of postal ballot dated 17th May, 2022 has been added.
2.1 Definitions	2.1. v "Company Policies/Terms of Employment" means the Company's policies for employees and the terms of employment as stated in the Employment Letter or any other policy documents issued by the Company from time to time.	2.1. v "Company Policies/Terms of Employment" means the Company's policies for employees and the terms of employment as stated in the Employment Letter or any other policy documents issued by the Company/ Subsidiary(ies) from time to time.	Clause 2.1 v defining "Company Policies/ Terms of Employment" amended to include the word Subsidiary(ies)

NOTICE (CONTD.)

Particulars	Old Clause	Amended Clause	Remarks
	<p>2.1 ix</p> <p>“Eligible Employee” means (i) a permanent employee of the Company working in India or outside India; or (ii) a Director of the Company, whether whole time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excludes-</p> <p>a. An employee, who is a Promoter or belongs to the Promoter Group;</p> <p>b. A Director, who either by himself or through his relatives (as defined in the Companies Act, 2013) or through any body corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company;</p> <p>c. An Independent Director within the meaning of the Companies Act, 2013 and/or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p>	<p>2.1 ix</p> <p>“Eligible Employee” means (i) a permanent employee of the Company working in India or outside India; or (ii) a Director of the Company, whether whole time director or not, including a non-executive director who is not a promoter or member of the promoter group, or (iii) a permanent employee of Subsidiary Company working in India or outside India but excludes-</p> <p>a. An employee, who is a Promoter or belongs to the Promoter Group;</p> <p>b. A Director, who either by himself or through his relatives (as defined in the Companies Act, 2013) or through any body corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company;</p> <p>c. An Independent Director within the meaning of the Companies Act, 2013 and/or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p>	<p>Clause 2.1 ix defining “Eligible Employee” amended to include the permanent employees of Subsidiary Companies.</p>
	<p>2.1 xxi</p> <p>“Misconduct” means disregard of the Company’s bye-laws, rules, regulations and the Company Policies/ Terms of Employment and includes mismanagement of position by action or inaction, alleged wrong doing, misfeasance, or violation of any rule, regulation or law which was expected to be abided by the Eligible Employee or a breach of confidentiality conditions under Clause 23 of the CSTL ESOS 2021.</p>	<p>2.1 xxi</p> <p>“Misconduct” means disregard of the Company’s / Subsidiary Company’s bye-laws, rules, regulations and the Company Policies/ Terms of Employment and includes mismanagement of position by action or inaction, alleged wrong doing, misfeasance or violation of any rule, regulation or law which was expected to be abided by the Eligible Employee or a breach of confidentiality conditions under Clause 23 of the CSTL ESOS 2021.</p>	<p>Clause 2.1 xxi defining “Misconduct” amended to include the word Subsidiary Company</p>
	<p>2.1 xxviii</p> <p>“Retirement” means retirement as per the Company Policies and Terms of Employment.</p>	<p>2.1 xxviii</p> <p>“Retirement” means retirement as per the Company/Subsidiary Company Policies and Terms of Employment.</p>	<p>Clause 2.1 xxviii defining “Retirement” amended to include the word Subsidiary</p>
	---	<p>2.1 xxiii (Newly Added)</p> <p>Subsidiary Company means any present or future Subsidiary Company(ies) of the Company as defined under Section 2(87) of the Companies Act, 2013</p>	<p>Clause 2.1 xxiii has been newly added to define “Subsidiary Company.”</p>

NOTICE (CONTD.)

Particulars	Old Clause	Amended Clause	Remarks
Remaining definition clauses in Sub-clause 2.1 renumbered as xxxiv to xxxviii pursuant to insertion of new clause 2.1 xxiii Definition of Subsidiary Company.			
3. Authority and Ceiling	<p>3.1</p> <p>The shareholders by way of special resolution dated 27th March, 2021 have authorised the Nomination and Remuneration Committee to grant Options not exceeding 100,000 (One Lakh) to the Eligible Employees under the CSTL ESOS 2021, in one or more tranches, exercisable into not more than 100,000 (One Lakh) Shares of face value of Re. 1 (Rupee One) each fully paid-up, with each such Option conferring a right upon the Eligible Employee to apply for one Share of the Company, in accordance with the terms and conditions as may be decided under the CSTL ESOS 2021.</p>	<p>3.1</p> <p>The shareholders by way of special resolution dated 10th August, 2023 have authorised the Nomination and Remuneration Committee to grant Options not exceeding 3,50,000 (Three Lakhs Fifty Thousand) to the Eligible Employees under the CSTL ESOS 2021, in one or more tranches, exercisable into not more than 3,50,000 (Three Lakhs Fifty Thousand) Shares of face value of Re. 1 (Rupee One) each fully paid-up, with each such Option conferring a right upon the Eligible Employee to apply for one Share of the Company, in accordance with the terms and conditions as may be decided under the CSTL ESOS 2021.</p>	<p>Clause 3.1 containing ceiling on number of options to be granted under CSTL ESOS 2021 amended to increase the maximum number of options that can be granted under CSTL ESOS 2021 from 100,000 to 350,000 options.</p>
5. Eligibility and Applicability	<p>5.</p> <p>Only Eligible Employees of the Company are eligible for being granted Options under CSTL ESOS 2021. The specific Eligible Employees to whom the options would be granted and their eligibility criteria would be determined by the Nomination and Remuneration Committee.</p>	<p>5.</p> <p>Only Eligible Employees of the Company / Subsidiary Company(ies) are eligible for being granted Options under CSTL ESOS 2021. The specific Eligible Employees to whom the options would be granted and their eligibility criteria would be determined by the Nomination and Remuneration Committee</p>	<p>Clause 5 amended to include the word Subsidiary Company(ies).</p>
6. Vesting Schedule and Conditions	<p>6.2</p> <p>Vesting of Options would be subject to continued employment with the Company and thus the Options would Vest essentially on passage of time. In addition to this, the Nomination and Remuneration Committee may also specify certain performance criteria and Vesting schedule subject to satisfaction of which the Options would vest.</p>	<p>6.2</p> <p>Vesting of Options would be subject to continued employment with the Company/ Subsidiary Company and thus the Options would Vest essentially on passage of time. In addition to this, the Nomination and Remuneration Committee may also specify certain performance criteria and Vesting schedule subject to satisfaction of which the Options would vest.</p>	<p>Clause 6.2 amended to include the word Subsidiary company.</p>
	<p>6.3</p> <p>As a prerequisite for a valid Vesting, an Option Grantee is required to be in employment or service of the Company on the date of Vesting and must neither be serving his notice for termination of employment/ service, nor be subject to any disciplinary proceedings pending against him on such date of Vesting.</p>	<p>6.3</p> <p>As a prerequisite for a valid Vesting, an Option Grantee is required to be in employment or service of the Company/ Subsidiary Company(ies) on the date of Vesting and must neither be serving his notice for termination of employment/ service, nor be subject to any disciplinary proceedings pending against him on such date of Vesting.</p>	<p>Clause 6.3 amended to include the word Subsidiary Company(ies)</p>

NOTICE (CONTD.)

Particulars	Old Clause	Amended Clause	Remarks
7. Exercise	<p>7.2 (b) Exercise Period</p> <p>Separation due to Resignation or Termination other than due to Misconduct</p> <p>Vested Options –</p> <p>All the Vested Options as on the date of submission of resignation shall be exercisable by the Option Grantee on or before his last working day with the Company</p>	<p>7.2 (b) Exercise Period</p> <p>Separation due to Resignation or Termination other than due to Misconduct</p> <p>Vested Options –</p> <p>All the Vested Options as on the date of submission of resignation shall be exercisable by the Option Grantee on or before his last working day with the Company / Subsidiary Company(ies)</p>	<p>Clause 7.2 (b) dealing with Exercise Period in case Separation from employment amended to include the word Subsidiary Company (ies)</p>
		<p>7.6 Newly Added</p> <p>In the event of transfer of an Option Grantee from the Company to the Subsidiary Company or vice versa, the Unvested Options as on the date of transfer, will continue to vest as per the original vesting schedule and capable of being exercised by the Option Grantee subject to compliance with the Applicable Laws.</p>	<p>Clause 7.6 newly added so that eligible employee are transferred from Holding to Subsidiary Company or vice versa unvested options will continue to vest as per original vesting schedule</p>
		<p>7.7 Newly Added</p> <p>In the event that an employee who has been granted benefits under the CSTL ESOS 2021 is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing company prior to vesting or exercise, the treatment of options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the employee.</p>	<p>Clause 7.7 newly added which will apply in case of amalgamation, merger or demerger.</p>
12. Taxation	<p>12.2</p> <p>The Company shall have the right to deduct from the Option Grantee's salary, any of the Option Grantee's tax obligations arising in connection with the Options upon the Exercise thereof. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.</p>	<p>12.2</p> <p>The Company/Subsidiary Company shall have the right to deduct from the Option Grantee's salary, any of the Option Grantee's tax obligations arising in connection with the Options upon the Exercise thereof. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.</p>	<p>Clauses 12.2 amended to include the word Subsidiary Company</p>
	<p>12.3</p> <p>The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee/ Nominee of the Grantee.</p>	<p>12.3</p> <p>The Company shall have no obligation to deliver Shares until the Company's/ Subsidiary Company tax deduction obligations, if any, have been satisfied by the Option Grantee/ Nominee of the Grantee.</p>	<p>Clause 12.3 amended to include the word Subsidiary Company</p>

NOTICE (CONTD.)

Particulars	Old Clause	Amended Clause	Remarks
	12.4 Any other Income Tax Laws and Rules in force will be applicable to the Company and employee.	12.4 Any other Income Tax Laws and Rules in force will be applicable to the Company/ Subsidiary Company and employee.	Clause 12.4 amended to include the word Subsidiary Company.
14. Miscellaneous	14.4 The rights granted to an Option Grantee upon the grant of Options shall not accord the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).	14.4 The rights granted to an Option Grantee upon the grant of Options shall not accord the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company / Subsidiary Company(ies) for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).	Clause 12.4 amended to include the word Subsidiary Company(ies).
17. Governing Laws	17.2 In case any Options are granted to any employee being resident outside India belonging to the Company, working outside India, the provisions of the Foreign Exchange Management Act, 1999 and rules or regulations made thereunder as amended and enacted from time to time shall be applicable and the Company shall comply with such requirements as prescribed from time to time in connection with Grant, Vest and Exercise of Options thereof.	17.2 In case any Options are granted to any employee being resident outside India belonging to the Company / Subsidiary Company(ies), working outside India, the provisions of the Foreign Exchange Management Act, 1999 and rules or regulations made thereunder as amended and enacted from time to time shall be applicable and the Company shall comply with such requirements as prescribed from time to time in connection with Grant, Vest and Exercise of Options thereof.	Clause 17.2 dealing with Foreign Exchange Laws amended to include the word Subsidiary Company(ies).

THE MAIN FEATURES OF CSTL ESOS 2021 PURSUANT TO SEBI SBEB AND SWEAT EQUITY REGULATIONS, 2021 AND THE COMPANIES ACT, 2013 ARE AS UNDER: -

1. Brief description of the scheme –

The CSTL ESOS 2021 has been formulated and implemented by the Nomination and Remuneration Committee primarily with a view to reward the employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this scheme to attract and retain talent. The Company views ESOPs as an instrument that would enable the employees to share the value they create for the Company and align individual objectives of employees with the objectives of the Company in coming years. The CSTL ESOS 2021 contemplates grant of options to the Eligible Employees, as may be determined in due compliance of SEBI SBEB and

Sweat Equity Regulations 2021 and provisions of the CSTL ESOS 2021. After vesting of options, the Eligible Employees earn a right (but not an obligation) to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Nomination and Remuneration Committee ("Committee") of the Company shall administer CSTL ESOS 2021. All questions of interpretation of the CSTL ESOS 2021 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in CSTL ESOS 2021.

2. Total number of options to be offered and granted –

The total number of Options that may be granted under CSTL ESOS 2021 to the eligible employees of the Company / Subsidiary Company(ies) shall not exceed 3,50,000 (Three Lakhs Fifty Thousand) options

NOTICE (CONTD.)

convertible into 3,50,000 (Three Lakhs Fifty Thousand) Equity Shares of ₹ 1 (Rupees One) each fully paid-up equity share capital of the Company.

Options lapsed or cancelled due to any reason including the reason of lapse of exercise period or due to resignation of the employees/ Director(s), whether whole time or otherwise, would be available for being re-granted at a future date. The Committee is authorised to re-grant such lapsed / cancelled options as per the CSTL ESOS 2021.

Further, the SEBI SBEB and Sweat Equity Regulations, 2021 require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Committee shall adjust the number and price of the options granted in such a manner that the total value of the options granted under CSTL ESOS 2021 remain the same after any such corporate action.

3. Identification of classes of employees entitled to participate in CSTL ESOS 2021 and be beneficiaries in the scheme

The following categories of employees are entitled to participate in CSTL ESOS 2021:

- i. Employees who are in the permanent employment of the Company working in India or outside India;
- ii. Director(s), of the Company including non-executive director who are not a promoter or member of the Promoter Group.
- iii. Employees who are in the permanent employment of Subsidiary Company(ies), working in India or outside India;

The following persons are not eligible to participate in CSTL ESOS 2021:

- a. An employee, who is a Promoter or belongs to the Promoter Group;
- b. A Director, who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company;

- c. An Independent Director within the meaning of the Companies Act, 2013 and/or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Requirement of vesting and period of vesting:

Options granted under this Scheme would vest after 1 (one) year but not later than 4 (four) years from the date of Grant of such Options. Vesting of Options would be subject to continued employment with the Company / Subsidiary Company (ies) and thus Option would vest essentially on passage of time. In addition to this the Committee may also specify certain performance criteria and Vesting Schedule subject to satisfaction of which Options would vest.

As a prerequisite for a valid vesting, an Option Grantee is required to be in employment or service of the Company / Subsidiary Company (ies) on the date of Vesting and must neither be serving his notice for termination of employment/ service nor be subject to any disciplinary proceedings pending against him on such date of Vesting. The specific vesting schedule and conditions subject to which Vesting would take place would be outlined in the Grant Letter given to Option Grantee at the time of Grant of Options.

5. Maximum Period within which options shall be vested:

Options granted on any date would vest not later than 4 (Four) years from the date of grant of options as may be determined by the Committee.

6. Exercise Price or Pricing Formulas:

The exercise price per option shall be at the price determined by the Committee which in no case be less than face value of the equity shares.

7. Exercise Period/Offer Period and process of exercise/ acceptance of offer:

- (a) While in Employment: The Exercise Period shall be 5 (five) years from the date of Vesting of Options or such other shorter period as may be prescribed by the Committee from time to time and set out in the Grant Letter.

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- (b) In case of separation from employment: Options can be exercised as per provisions mentioned in CSTL ESOS 2021 as outlined below: -

S. No.	Separations	Vested Options	Unvested Options
1	Resignation or termination other than due to Misconduct	All the Vested Options as on the date of submission of resignation shall be exercisable by the Option Grantee on or before his/her last working day with the Company / Subsidiary Company (ies).	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
2	Termination due to Misconduct	All Vested Options which were not Exercised at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	Retirement	All Vested Options can be exercised by the Option Grantee immediately after, but in no event later than six months from the date of such retirement.	All Unvested Options as on the date of retirement shall vest on accelerated basis immediately on the date of retirement (subject to minimum Vesting Period of 1 year from the date of Grant) and may be exercised by the Option Grantee immediately, but in no event later than six months from the date of such retirement.
4	Death	All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 12 months from the date of Death.	All the Unvested Options as on the date of death shall be deemed to have been Vested and may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 12 months from the date of Death.
5	Permanent Incapacity	All Vested Options may be exercised by the Option Grantee or Option Grantee's nominee, immediately after, but in no event later than 12 months from the date of such incapacity.	All the Unvested Options as on the date of such Permanent Incapacity shall be deemed to have been Vested and can be exercised by the Option Grantee or Option Grantee's nominee immediately after, but in no event later than 12 months from the date of such incapacity
6	Abandonment*/leaving without any notice	All Vested Options as on the date of such termination shall stand cancelled.	All the Unvested Options as on the date of such termination shall stand cancelled.
7	Other reasons apart from those mentioned above	The Nomination and Remuneration Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

*The Nomination and Remuneration Committee at its sole discretion shall decide the date of lapse of Options and such decision shall be final and binding on all concerned.

The Options shall be exercised when an Eligible Employee makes an application in writing and pays the Exercise Price to the Company for the shares of the Company against Options vested in him. Options not exercised within the Exercise Period shall lapse and the Eligible Employee shall have no right over the lapsed or cancelled Options.

8. The Appraisal process for determining the eligibility of employees under CSTL ESOS 2021:

The appraisal process for determining the eligibility of the employee will be based on criteria such as the grade

of employee, length of service, performance record, merit of the employee, future potential contribution by the employee and/or by any such criteria that may be determined by the Committee.

9. Maximum number of options to be offered and issued per employee and in aggregate, if any:

The maximum number of options that may be granted to any Eligible Employee of the Company / Subsidiary Company (ies) under the CSTL ESOS 2021 and in aggregate shall not exceed 15,000 (Fifteen Thousand) which are convertible into 15,000 (Fifteen Thousand) shares.

NOTICE (CONTD.)

If the number of Options that may be offered to any specific Eligible Employee shall exceed 0.01412% or more of the issued share capital (excluding warrants & convertible securities) of the Company at the time of grant of Options, then the Company shall take prior approval from shareholders of the Company.

10. Maximum quantum of benefits to be provided per employee under the CSTL ESOS 2021:

The maximum quantum of benefits underlying the options issued to an Eligible Employee shall depend upon the market price of the shares as on the date of sale of shares arising out of exercise of options.

11. Whether the CSTL ESOS 2021 scheme is to be implemented and administered directly by the Company or through a trust:

The CSTL ESOS 2021 shall be implemented and administered directly by the Company without forming or involving any trust.

12. Whether the CSTL ESOS 2021 Scheme involves new issue of shares by the Company or secondary acquisition by the trust or both:

The Scheme involves issue of new shares against exercise of options. There is no involvement of trust and therefore, there will not be any secondary acquisition.

13. The amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilisation, repayment terms, etc:

The CSTL ESOS 2021 is to be implemented and administered directly by the Company without forming or involving any Trust. Therefore, provision of any loan to a Trust under the Scheme does not arise.

14. Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purpose of the scheme(s):

The CSTL ESOS 2021 is to be implemented and administered directly by the Company without forming or involving any Trust. Therefore, the scheme does not envisage any secondary acquisition.

15. Statement to the effect that Company shall conform to the accounting policies specified in the Regulation 15:

The Company shall follow the Ind AS or any relevant Accounting Standards as may be prescribed by the competent authorities from time to time, including the disclosure requirements prescribed therein.

16. The method which the Company shall use to value its options:

The Company shall adopt 'fair value method' for valuation of options as prescribed under Ind AS or under any relevant accounting standard notified by appropriate authorities from time to time. Hence the following statement mentioned in point no. 17 will not be applicable.

17. Statement with regard to disclosure in director's report:

"In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the Company shall also be disclosed in the Directors' report."

18. Period of lock-in:

No period of lock-in is applicable to the shares issued under CSTL ESOS 2021.

19. Terms and conditions for buyback, if any, of specified securities covered under SEBI SBEB and Sweat Equity Regulations, 2021:

The Committee to determine the procedure for buy-back of specified securities issued under these regulations, if to be undertaken at any time by the Company and the applicable terms and conditions, including permissible sources of financing for buy-back; any minimum financial thresholds to be maintained by the Company as per its last financial statements; and limits upon quantum of specified securities that the Company may buy-back in a financial year.

As the CSTL ESOS 2021 provides issue of equity shares to be offered to Eligible Employee, the consent of the Members is sought pursuant to Section 62 (1) (b) and all other applicable provisions, if any, of the Act and as per Regulation 6 of SEBI SBEB and Sweat Equity Regulations 2021.

Your Directors recommend passing of the Special Resolution as specified in Item No.5 and 6 of the AGM Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution except to the extent Options granted to them under the Scheme.

NOTICE (CONTD.)

ANNEXURE TO THE NOTICE

Details of Director seeking Re-appointment at the 20th Annual General Meeting -

Particulars	Details
Name	Mr. Krishnakumar Boob
DIN	00410672
Date of Birth and Age	31st May, 1955, Age-68 years
Nationality	Indian
Date of First appointment on the Board	7th November, 2003
Shareholding (including Joint Holding) in the Company	1,64,24,512 Equity Shares
Board meetings attended during financial year 2022-23	4 (Four)
Brief Profile, qualification, Nature of expertise in specific functional Areas and Experience	Mr. Krishnakumar Boob is one of the Promoter and Director since incorporation of the Company from 2003. He holds a bachelor's degree in pharmacy from the University of Bombay, India and has more than 25 years of rich experience in chemical industry. He has previously worked as Director at Mangalam Drugs and Organics Limited. He is engaged in day to day operational activities having expertise in project procurement, general management and administration, regulatory approvals, compliances, identifying, reviewing and monitoring CSR projects.
Terms and conditions of Re-appointment	He was appointed as Whole Time Director of the Company, for a term of five years with effect from 1st April, 2021 subject to retirement by rotation by the shareholders at its meeting held on 27th March, 2021. There is no change in the terms and conditions of his appointment.
Last Drawn remuneration (including sitting fees and commission)	₹ 56.17 million including 4% performance bonus on net profit before tax to be paid collectively with other Whole Time Directors in proportion to the remuneration drawn by them.
Remuneration proposed to be paid	₹ 19.84 million plus 4% performance bonus on net profits before tax to be paid collectively with other Whole Time Directors in proportion to the remuneration drawn by them.
Relationship with other Directors and Key Managerial Personnel	Brother of Mr. Ashok Boob, Promoter and Managing Director.
Directorship in Other Companies	1. Clean Fino-Chem Limited 2. Clean Organics Private Limited 3. Clean Aromatics private Limited 4. Shri Saptashringi Warehousing Private Limited 5. Clean Science Private Limited 6. CSTPL Foundation
Chairman/Member in the Committees	He is a member of Corporate Social Responsibility Committee and Finance Committee of the Company.
Listed Entities from which he has resigned in the past three years	Not Applicable

By order of Board of Director
For **Clean Science and Technology Limited**

Mahesh Arvind Kulkarni
Company Secretary

Membership No ACS-19364
Date: 18th May 2023
Place: Pune

Registered Office address:
Office No. 503, Pentagon Tower P-4,
Magarpatta City, Hadapsar,
Pune, Maharashtra, 411013.

BOARD'S REPORT

To The Members,

The Directors are pleased to present their report on the business and operations of your Company along with the Audited Financial Statements for the year ended 31st March, 2023.

1. FINANCIAL HIGHLIGHTS:

(₹ In million)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	9,357.99	6,848.86	9,357.99	6,848.86
Other Income	387.97	299.39	298.25	299.73
Total Income	9,745.96	7,148.25	9,656.24	7,148.59
Profit Before interest, tax, depreciation and amortisation	4,414.23	3,299.64	4,319.20	3,298.61
Finance Cost	1.53	1.47	1.95	1.47
Depreciation and amortisation expenses	358.21	249.18	360.90	249.18
Profit before tax (PBT)	4,054.49	3,048.99	3,956.35	3,047.96
Tax	1,019.39	762.93	1,004.59	763.01
Net Profit	3,035.10	2,286.06	2,951.76	2,284.95

2. (A) FINANCIALS

During the financial year 2022-23, on standalone basis revenue from operations were ₹ 9,357.99 million as against ₹ 6,848.86 million in the previous financial year witnessing an increase of 36.63%. Profit Before Tax was ₹ 4,054.49 million as against ₹ 3,048.99 million in the previous financial year reflecting an increase of 33%. Profit after tax was ₹ 3,035.11 million as against ₹ 2,286.06 million, an increase of 33% over the previous financial year.

During the financial year 2022-23, on consolidated basis revenue from operations were ₹ 9,357.99 million. Profit Before Tax was ₹ 3,956.35 million and Profit after tax was ₹ 2,951.76 million.

(B) BUSINESS OUTLOOK

Outlook of the Business has been discussed in the Management Discussion and Analysis which forms part of this Annual Report.

(C) HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARY/ASSOCIATE/JOINT VENTURE COMPANIES

Shareholders are requested to refer **Annexure II (Form-AOC-1)** to get the highlights of performance of subsidiaries and their contribution

to the overall performance of the Company during the year under review.

3. DIVIDEND

The Board of Directors at its meeting held on 2nd February, 2023 declared an interim dividend of ₹ 2/- (200%) per share of ₹ 1/- each which was paid by the Company to the members whose names appeared in the Register of Members as on 10th February, 2023 being the record date fixed for the payment of interim dividend. The total cash outflow was ₹ 212.47 million.

In addition, the Board of Directors at its meeting held on 18th May, 2023 has recommended a final dividend of ₹ 3/- (300%) per share of ₹ 1/- each for the financial year 2022-23. The final dividend is subject to the approval of Members at the ensuing Annual General meeting and shall be subject to tax deduction at source.

The final dividend for the financial year 2022-23 of ₹ 3/- would result in cash outflow of ₹ 318.71 million. Total dividend payout for 2022-23 would be ₹ 531.18 million which is equivalent to 17.50% of the PAT.

The payment and proposed dividend is in compliance with the Dividend Distribution Policy.

The Dividend Distribution Policy in accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations 2015") is attached to this report as Annexure I and is also available on the Company's website on web link <https://cleanscience.co.in/wp-content/uploads/2023/02/Dividend-Distribution-Policy.pdf>

4. CAPITAL STRUCTURE

The Authorised Share Capital of the Company as on 31st March, 2023 was ₹ 150,000,000 (Rupees Fifteen Crores Only) divided into 150,000,000 Equity Shares of ₹ 1 (Rupee One) each. During the year under review, your Company allotted 18,579 equity shares to the eligible employees on the exercise of stock options granted under Clean Science and Technology Limited Employee Stock Option Scheme 2021. Consequently, the issued, subscribed and paid-up equity share capital increased from ₹ 106,218,960 (Rupees Ten Crores Sixty-Two Lakhs Eighteen Thousand Nine Hundred Sixty Only) divided into 106,218,960 Equity Shares of ₹ 1/- (Rupee One) each to ₹ 106,237,539 (Rupees Ten Crores Sixty-Two Lakhs Thirty Seven Thousand Five Hundred Thirty-Nine Only) divided into 106,237,539 Equity Shares of ₹ 1 (Rupee One) each.

There were no rights issue, bonus issue or preferential issue etc. during the year under review. Also, the

BOARD'S REPORT (CONTD.)

Company has not issued shares with differential voting rights or sweat equity shares.

5. EMPLOYEE STOCK OPTION SCHEME

Employee Stock Options are recognised as an effective instrument to attract and retain talent and align the interest of employees with that of the Company, thereby providing an opportunity to the employees to participate in the growth of the Company.

a) During the year the Company made application to SEBI requesting to permit allotment of shares arising out of exercise of stock options granted under Clean Science and Technology Limited Employee Stock Option Scheme 2021 ("CSTL ESOS 2021") be counted towards compliance under Minimum Public Shareholding (MPS) requirements in terms of SEBI Circular dated 22nd February, 2018. SEBI vide its letter dated 7th June, 2022 permitted the Company to allot shares under CSTL ESOS 2021 to be counted towards meeting MPS obligations. The Company further received In-principle approval from BSE Limited (BSE) on 9th June, 2022 and National Stock Exchange of India Limited (NSE) on 16th June, 2022 for the entire pool of 100,000 Equity shares of ₹ 1/- each under CSTL ESOS 2021.

In terms of Regulation 14 read with Part F of Schedule - I of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 the details of CSTL ESOS 2021 is provided as **Annexure VII** which forms part of this report.

A certificate from the Secretarial Auditors of the Company that the Scheme had been implemented in accordance with SEBI Regulations, shall be placed at the ensuing Annual General Meeting and be available for inspection of the members. A copy of the same will be available for inspection at the Company's Registered Office.

b) Considering the benefits of the Employee Stock Option Scheme and to attract the new and retain the existing talent in the Company for sustained growth, the Nomination and Remuneration Committee and the Board of Directors at their meeting held on 18th May, 2023 had recommended the Members to amend CSTL ESOS 2021. Proposed amendments in brief are as follows-

(i) Increase the number of Employee Stock Options as originally approved from 100,000 (One Lakhs) Options to 350,000 (Three Lakhs Fifty Thousand) Options by creating additional pool for grant to the Eligible Employees;

(ii) Include an employees of Subsidiary Company(ies) as an Eligible Employee entitled for stock options;

(iii) Other miscellaneous amendments to give effect to the applicability of terms of CSTL ESOS 2021 to the subsidiary company(ies).

6. SUBSIDIARY, ASSOCIATES OR JOINT VENTURES

The Company has 4 (Four) wholly owned subsidiaries at the end of the financial year namely - Clean Science Private Limited, Clean Organics Private Limited, Clean Aromatics Private Limited and Clean Fino-Chem Limited. During the year the Company did not have any material subsidiary.

Investment in Clean Fino-Chem Limited

During the year the Company made additional ₹ 650 million equity investment in Clean Fino-Chem Limited (CFCL) a Wholly Owned Subsidiary to set up its manufacturing facility. CFCL acquired 33.17 acre land on lease from MIDC Kurkumbh, Tal. Daund, Dist. Pune to set up the state of art facility to manufacture speciality chemicals including HALS series. The progress of the project is satisfactory.

The subsidiaries of the Company function independently, with an adequately empowered Board of Directors. For more effective governance in terms of Regulation 24(3) of SEBI Listing Regulations, 2015, the minutes of the Board Meetings of subsidiaries placed before the Board of Directors of the Company for their review.

Further pursuant to Section 129(3) of the Companies Act, 2013 a separate statement containing salient features of the financial statements of subsidiaries is attached to this report in **Form AOC-1** to the Financial Statements of the Company as **Annexure II**. Policy on material subsidiary is available on weblink <https://cleanscience.co.in/wp-content/uploads/2023/02/Policy-on-Material-Subsidiaries.pdf>.

7. RESERVES

The Directors do not propose to transfer any amount to the Free Reserves.

8. DEPOSITS

During the year under review your Company has not accepted any deposits from the public in terms of Section 73 and Section 76 of the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules 2014.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors of the Company, to the best of their knowledge and belief state that:

BOARD'S REPORT (CONTD.)

- i) in the preparation of the annual accounts for the financial year ended 31st March 2023, the applicable accounting standards have been followed with proper explanation relating to material departures;
- ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of the profit of the Company for the year ended on that date;
- iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis;
- v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively for the financial year ended 31st March, 2023;
- vi) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively for the financial year ended 31st March, 2023.

10. CORPORATE GOVERNANCE

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section titled 'Report on Corporate Governance' and Shareholders' Information has been included in this Annual Report.

A Certificate from Secretarial Auditor of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Schedule V of SEBI Listing Regulation 2015 is annexed to the Report on Corporate Governance.

11. MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis Report containing details relating to Industry Trends, Company Performance, Business and Operations forms part of this Annual Report.

12. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Business Responsibility and Sustainability

Report (BRSR) for the financial year 2022-23 forms part of this Annual Report.

13. INSURANCE

The properties, insurable assets of the Company such as buildings, plants, machineries and stocks among others are adequately insured.

14. CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the financial year under review there was no change in the nature of Company's business.

15. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments, occurred from the end of the Financial Year till the date of this report, which may materially affect the financial position of the Company.

16. IMPACT OF COVID -19 AND GEOPOLITICAL ISSUES

There was no significant impact of COVID-19 pandemic and geopolitical issues during the year.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and other details stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is attached to this report as **Annexure III**.

18. SAFETY, HEALTH AND ENVIRONMENT

We at Clean Science and Technology Limited (CSTL) are committed to maintain high standards of safety, health and environment protection.

Safety

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted an occupational health and safety policy that is aimed at, inter alia, complying with applicable environmental laws and regulations. We encourage a high level of Safety awareness amongst our associates and strive for continual improvement. Employees are trained in safe practices to be followed at the workplace.

Following steps are taken by the Company for Safe work environment:

- All the manufacturing units have been equipped with self-contained breathing apparatus (SCABA), gas leak detectors, foam and water sprinkler system and other protective devices.
- Monthly review meetings are conducted by safety department for the root-cause-analysis (RCA) of

BOARD'S REPORT (CONTD.)

incidents occurred and to design corrective-and-preventive-actions (CAPA).

- Third party Safety audit is conducted every quarter and findings are shared with Board members.
- Hazardous chemicals like Phenol, DCC are handled wearing pressure suite as per the government rules.
- Automation interlocks are in place to avoid any process incidents, spillage, contamination, overflow, etc.
- Strict compliance is ensured with PESO guidelines (for inflammable solvent) and NDPS Act (Acetic anhydride).
- Training on continuous basis is imparted to the employees including tool box talk.
- Protective gears are provided to the employees for safe material handling. Plant level training and development programmes are organised regularly.

During the year Company conducted 17,250 hours of training in following departments: -

a) Safety & Environment:	1,991
b) Production:	10,088
c) Engineers and Project Engineers:	3,513
d) QC, R&D:	773
e) Admin, Purchase, Store, IT:	885

Health

Health of employees is of utmost importance and periodic medical check-up of employees is done to monitor their health. Detailed training is imparted to the employees on safe work practices and behavior along with proper safety protocols. Regular work area monitoring to check concentration of chemicals, noise level, and quality of air at manufacturing locations is carried out as per statutory requirement. The manufacturing units are equipped with Occupation Health Centre with qualified doctor, nursing staff, ambulance facility for employees to reach out for medical support. The Company has tie ups with local hospitals for required medical support. The Company has a team of employees trained in first aid facility who use their acquired skills for emergency medical treatment while on duty. The employees are also covered with adequate health and accident Insurance.

Environment

Environment protection is the topmost priority of our organisation. We believe that our facilities possess adequate effluent treatment processes and minimise any contamination of the surrounding environment

or pollution. We encourage and promote 3R Process-Reduce, Recycle, Reuse at all levels in the organisation.

- **Significant Achievements in Sustainability:** We focus on minimising the disposal of water, emissions and hazardous substances into the environment. We have implemented several sustainability initiatives that have helped in minimising environmental impacts of operations. Total energy consumption, GHG emission and water consumption in the 2022-23 was 37.55 GJ/MT, 3.69 MT CO₂/MT and 11.52.m³/MT of production respectively.
- **Reducing freshwater consumption:** We have built a robust rain water harvesting system to direct rain water to our underground water storage tank, filter and recycle it for internal consumption. We are focusing on reducing process heat utilisation thereby minimising water evaporation losses and reducing water consumption. About 85,290 MT steam is generated in 2022-23 which is almost 24% of total steam consumption.
- **Minimising Waste Disposal:** We have state-of-the-art Effluent Treatment Plants set up in all our three units. Through these plants, we have achieved ZLD status (Zero Liquid Discharge). We convert majority of our liquid effluent into clean water and recycle it back to our plants (cooling towers). For handling solid waste generated in ETP, we have installed a Glass house in all our manufacturing units. We recycle and reuse almost all of solid waste generated across the Company. One of our key focus area is to continuously innovate processes to minimise waste and achieve best possible recycle & reuse of by-products generated. A strong in-house R&D team benefits us immensely in this effort. All our manufacturing facilities are fully compliant with regulatory approvals and are ISO 14001 and ISO 45001 certified.
- **GreenCo Silver Rating:** The Company has been certified as "GreenCo Silver Rating" by Confederation of Indian Industry.

19. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with related parties during the financial year were in ordinary course of business and at arm's length basis, which were approved by the Audit Committee. The Board has approved a policy for related party transactions which is available on the Company's website at <https://cleanscience.co.in/wp-content/uploads/2023/02/Policy-on-Related-Party-Transactions.pdf>.

BOARD'S REPORT (CONTD.)

The particulars of contracts or arrangements made with related parties is covered in Notes to the Financial Statements. There are no material contracts / arrangements made with related parties as required under Section 134(3)(h) of the Companies Act, 2013 as given in **Form AOC-2** which is attached as **Annexure IV** to this report. None of the transactions with any of the related parties were in conflict with the interest of the Company.

The particulars of loans/advances/investments etc., required to be disclosed pursuant to Para A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are furnished as a part of the Financial Statements.

The transaction(s) of the Company with any person or entity belonging to the promoter / promoter group which hold(s) more than 10% shareholding in the Company as required pursuant to Para A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is disclosed separately in the Financial Statements of the Company.

20. BOARD AND ITS COMMITTEES

During the Financial Year 2022-23, 4 (Four) Board Meetings were held. For the details of composition and meetings of the Board and its Committees, please refer the Corporate Governance Report forming part of this annual report.

21. CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility ("CSR") activities of the Company are governed by the Corporate Social Responsibility Policy approved by the Board. Our CSR philosophy is interlinked with our core focus on sustainability. We endeavor to shape a better tomorrow and strive continuously to contribute to the social and economical development of the communities we operate within.

Since inception we have been deploying and supporting a host of initiatives largely in selected core area of Education, Environment Sustainability, Health and Sanitation, Skill Development and Community Development. We are sensitive to the greater needs of our nation and additionally support projects for preservation of our heritage, support disabled persons by making them Aatma Nirbhar.

Our aim is to shape a sustainable future for our generations to come so that the society as a whole is developed and uplifted from our initiatives.

During the year the Company spent ₹ 51.44 million in carrying out CSR activities in the following areas:-

- a) Promoting Health Care, and facilities for women, orphan children's day care centres,
- b) Promoting education,
- c) Environment sustainability and protection of flora and fauna,
- d) Livelihood enhancement projects.

Further, in terms of Section 135 read with Schedule VII of the Companies Act, 2013, and Rules made thereunder the details of CSR activities undertaken by the Company are attached to this report as **Annexure V**. The CSR Policy of the Company is in terms of Companies (Corporate Social Responsibility) Rules, 2014 and is available on the Company's website at <https://cleanscience.co.in/wp-content/uploads/2023/02/Corporate-Social-Responsibility-Policy.pdf>.

22. NOMINATION AND REMUNERATION POLICY

The Company has framed a Nomination and Remuneration Policy to formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (executive/ non-executive/ independent), Senior Management and other employees. Nomination and Remuneration Policy is placed on the website of the Company <https://cleanscience.co.in/wp-content/uploads/2023/04/Nomination-and-Remuneration-Policy.pdf>.

23. RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROLS

Risk Management

The Company has in place a risk management framework and policy that provides an all-inclusive approach to safeguard the organisation from strategic, operational, financial, legal and compliance risks through adequate and timely actions. The Risk Management framework is designed to identify risks, evaluate the impact and mitigate the risks that could affect the business. The potential risks are identified and mitigation measures are implemented to address the same. The Company has maintained Risk Register on the basis of impact analysis on the organisation. The risks are categorised on the basis of high, medium and low impact. For periodic review and monitoring, risk register is placed before the Risk Management Committee and the actions taken to mitigate the risks.

In terms of the of SEBI Listing Regulations, 2015, a Risk Management Committee has been constituted with responsibility to formulate a detailed risk management policy, identify, monitor, mitigate and oversee implementation of the risk management

BOARD'S REPORT (CONTD.)

policy, including evaluating the adequacy of risk management and internal control systems, ensure appropriate methodology, processes and systems are in place, review the risks considering the changing industry dynamics and evolving complexities and keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken on a regular basis.

The Risk Management Committee meeting is chaired by Non-Executive Director and Chairman of Audit Committee is also a member of the Committee. The Chairman of the Committee briefs the Board about significant discussions held in the Risk Management Committee meeting.

The Risk Management Policy of the Company is available on the Company's website at <https://cleanscience.co.in/wp-content/uploads/2023/02/Risk-Management-Policy.pdf>

Internal Financial Controls

The Company has in place adequate internal financial controls over financial reporting. It has laid down certain guidelines, policies, processes and structures which are commensurate with the nature, size, complexity of operations and business processes followed by the Company.

The Audit Committee deliberates with the members of the Management, considers the systems as laid down and met the internal auditors and statutory auditors to ascertain their views on the internal financial control systems. The Audit Committee satisfies itself as to the adequacy and effectiveness of the internal financial control systems.

Internal financial controls and their adequacy are included in the Management Discussion and Analysis, forming part of this report.

24. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant material orders were passed by the Regulators/ Court /Tribunal which would impact the going concern status of the Company and its future operations.

25. AUDITORS AND AUDITORS REPORT

a) Statutory Auditors and Audit Report

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and rules made thereunder, M/s BSR & Co., LLP, Chartered Accountants, (Firm Regn. No.: 116231W/W-100024) were appointed as the Statutory Auditors of the Company for a

period of 5 (five) years as approved at the Annual General Meeting (AGM) held on 28th September, 2019 and will complete their 5 years tenure on the conclusion of the 21st Annual General Meeting.

The Companies (Amendment) Act, 2017, has amended Section 139(1) of the Companies Act, 2013, effective from 7th May 2018, whereby first proviso to Section 139(1) has been omitted which provided for ratification of appointment of Auditors by members at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the ensuing Annual General Meeting. Pursuant to Section 139 of the Companies Act, 2013 and Rules made thereunder, the Statutory Auditors have confirmed they are eligible to continue as Auditors. The notes to the Audited Financial Statements referred to in the Auditor's Report are self-explanatory and hence do not call for any further comments.

The Auditor's Report is unmodified i.e. it does not contain any qualifications, reservations, adverse remarks or disclaimer and is enclosed with the financial statements in this Annual Report.

b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI Listing Regulations, 2015, as amended, the Board of Directors, appointed M/s J. B. Bhawe & Co., Practising Company Secretary, (Certificate of Practice Number 3068) to undertake the Secretarial Audit of the Company for the financial year ended 31st March, 2023.

The Secretarial Audit Report for financial year ended 31st March, 2023 is annexed herewith and forms part of this report as **Annexure VI**.

The report does not contain any qualification, reservation or adverse remark.

c) Cost Auditors

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Rules, 2014, the Company is required to maintain cost accounting records and have them audited every year.

The Board has on the recommendation of the Audit Committee appointed M/s Dhananjay V. Joshi & Associates, Cost Accountants, (Firm Registration No. 000030) as the Cost Auditors

BOARD'S REPORT (CONTD.)

of the Company for conducting the cost audit for the Financial Year 2022-23 and they have been re-appointed as Cost Auditors of the Company for the Financial Year 2023-24.

The remuneration payable to the Cost Auditors is required to be placed before the members in a general meeting for their ratification. Accordingly, resolution seeking members ratification for the remuneration payable to M/s Dhananjay V. Joshi & Associates as Cost Auditors for Financial Years 2023-24 is included in the Notice convening Annual General Meeting.

M/s Dhananjay V. Joshi & Associates have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and Rules made thereunder and have also certified that they are free from any disqualifications specified under Section 141(3) and other applicable provisions of the Companies Act, 2013.

Further, the Board hereby confirms that the maintenance of cost records specified by the Central Government as per Section 148(1) of the Companies Act, 2013 and rules made thereunder has been made and maintained.

d) Internal Auditors

In accordance with the provisions of Section 138 of the Companies Act, 2013, M/s. Aneja Associates, Chartered Accountants conducted the Internal Audit of the Company for the 2022-23. Further pursuant to the recommendation of Audit Committee, the Board of Directors had in their meeting held on 18th May, 2023, appointed M/s PricewaterhouseCoopers India Private Limited, as the Internal Auditors of the Company to conduct Internal Audit of the Company for the Financial Years 2023-24 and 2024-25.

26. REPORTING OF FRAUDS BY AUDITORS

During the year under review, there were no instances of fraud, which required the Statutory Auditors, Cost Auditors and Secretarial Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

27. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

During the year under review, Company has made investments, the details of which are given under Note No. 6 of the Notes to Standalone Financial Statements of the Company for the year ended 31st March, 2023.

28. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In terms of Section 152(6) of the Companies Act, 2013 and the Articles of Association of the Company Mr. Krishnakumar Ramnarayan Boob (DIN- 00410672) Whole-time Director of the Company is liable to retire by rotation in the ensuing Annual General Meeting and being eligible to offer himself for re-appointment.

Key Managerial Personnel

During the year, Mr. Pratik Bora was re-designated as Vice President Corporate Finance w.e.f. 3rd February, 2023 and thus ceased to be the Chief Financial Officer and Key Managerial Personnel effective from the close of business hours of 2nd February, 2023.

Pursuant to the recommendation of Nomination and Remuneration Committee and Audit Committee, the Board appointed Mr. Sanjay Parnerkar, as the Chief Financial Officer and Key Managerial Personnel of the Company with effect from 3rd February, 2023.

In terms of the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 following have been designated as the Key Managerial Personnel -

- a) Mr Ashok Boob- Managing Director
- b) Mr Siddhartha Sikchi- Whole-time Director
- c) Mr Krishnakumar Boob- Whole-time Director
- d) Mr Sanjay Parnerkar- Chief Financial Officer
- e) Mr Mahesh Kulkarni- Company Secretary

29. ANNUAL EVALUATION OF BOARD OF DIRECTORS, ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

A formal evaluation of the performance of the Board, its Committees and the Individual Directors was done in for Financial Year 2022-23. The evaluation was carried out using individual questionnaires covering, amongst others, contribution to areas impacting company's performance, participation in Board and Committee meetings. In addition to the above the Executive Directors were evaluated based on annual targets, financial and operational controls, risk management, strategies, expansion, maintaining corporate culture, integrity and ethics, succession planning, core governance and compliance management.

The performance of the respective Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as composition of Committee, timely inputs, open communications, meaningful participation and resolution of issues.

The performance of the Board was evaluated after seeking inputs from the members on proper mix of

BOARD'S REPORT (CONTD.)

competencies of the Board, timeliness and adequacy of information availability to take decisions, plan of actions, reporting systems, governance practices, potential conflict of interest etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors including Independent Directors, on the basis of the criteria such as the contribution of the individual Director to the Board and Committee meetings and the preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

The Board is of the opinion that during the year all Directors including the Independent Directors of the Company possess requisite qualifications, integrity, expertise and experience (including proficiency) in their respective fields.

30. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The members of the Board are familiarised with the activities of the Company. The Directors are provided with documents to enable them to have better understanding of the Company, its various operations and the industry in which it operates.

Independent Directors are made aware of their roles and responsibilities at the time of appointment through a formal letter of appointment. Directors interact with the management, senior leadership team of the Company which enables them to understand the Company's strategy, business updates and its model, group structure, operations, update on research and development, product offerings, markets, organisation structure, finance, human resources, technology, quality, facilities, risk management strategy, regulatory updates and governance policies.

During the year, the Independent Directors of the Company were familiarised and the details of familiarisation programme imparted to them are placed on website of the Company and web link thereto is <https://cleanscience.co.in/wp-content/uploads/2023/04/Familiarisation-Programme-FY-22-23.pdf>.

31. DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to the provisions of Section 149(7) of the Companies Act, 2013, the Independent Directors have submitted declarations that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, 2015. There was no change in the

circumstances affecting their status of Independent Directors of the Company.

The Board of Directors are of the view that Independent Directors fulfil the criteria of independence and they are independent from the management of the Company. All Independent Directors have confirmed that they have registered themselves with Independent Directors database of The Indian Institute of Corporate Affairs (IICA) and have cleared online proficiency test as applicable.

32. AWARDS AND RECOGNITION

Mr. Ashok Boob, Managing Director and Mr. Siddhartha Sikchi, Whole-time Director were adjudged Finalists at the EY's Entrepreneur Of The Year 2022 (India) Awards. The combining strength of their experience and energy, together have navigated Clean Science and Technology Limited onto a fast track on growth and innovation.

Mr. Pratik Bora, erstwhile CFO of the Company was awarded "FE CFO awards" in Manufacturing Small Enterprises sector.

33. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Vigil Mechanism as a part of Whistle Blower Policy required under Section 177(9) of the Companies Act, 2013 and SEBI Listing Regulations, 2015. The policy provides a mechanism for its Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud, actual violation of Company's Code of Conduct. It also provides for adequate safeguards against victimisation of persons who avails this mechanism and allows direct access to the Chairman of Audit Committee in exceptional cases. A quarterly report on the whistle blower complaints received is placed before the Audit Committee for its review. The said policy has been posted on website of the Company and web link thereto <https://cleanscience.co.in/wp-content/uploads/2023/02/Whistle-Blower-Policy.pdf>.

34. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on 31st March, 2023 is available on the Company's website at <https://cleanscience.co.in/investors/compliance/corporate-governance/annual-returns/>.

35. EMPLOYEES

The information required under section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is provided in **Annexure VIII and IX** of the Board's Report.

BOARD'S REPORT (CONTD.)

36. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has in place a policy on Prevention of Sexual Harassment at workplace. This policy is in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees, whether permanent, contractual, temporary and trainees are covered under this Policy.

The Company has duly constituted Internal Complaint Committee as required under the provisions Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no complaints were received by the Committee. The Company is committed to provide safe and conducive work environment to all its employees and associates.

To ensure all the employees are sensitised regarding issues of sexual harassment, the Company conducts regular training and awareness programmes for its employees.

37. APPLICATION MADE OR ANY PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE

During the year no application was made or any proceeding was pending under Insolvency and Bankruptcy code.

38. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF VALUATIONS

During the year no one time settlement was done accordingly the question of difference between amount of valuation done at the time of one time settlement and valuation done while taking loans from Banks or financial Institutions did not arise.

39. TRADEMARK

During the year the Company received Certificate of Registration from the Registrar of Trademark, for the below mentioned trademark.



40. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company believes that its employees are the key to drive sustainable performance and develop a competitive advantage. The HR policies and procedures of your Company are geared towards nurturing and development of Human Capital.

The Company firmly believes not just right hiring but also on boarding new joiners as an equally important

factor. We ensure our new talent is acclimatized to the new work environment and is supported through their induction in the respective departments. Our communication meeting with the new joiners further support in reaching out to them.

The Company believes that campus hiring from reputed colleges assists to attract fresh talent both from local and Premier Engineering Colleges.

With an eye to promote home grown leaders we have High Potential programmes to nurture talent and prepare them to take the next position. We also provide accelerated growth to our High Potential employees across various departments.

The organisation provides ample opportunities for employees to enhance their skills by internal job rotations as well.

As an equal opportunity employer we promote diversity and inclusion. Our women employees find this enabling environment conducive for growth. We promote women in various leadership positions in our organisation.

Your Company has transparent processes for rewarding performance and retaining talent.

The Company had 502 employees as on 31st March, 2023. Employee relations at all locations continued to remain cordial. Your Directors wish to acknowledge the sincere and dedicated efforts of the employees of the Company and would like to thank them for the same.

41. ACKNOWLEDGMENTS

Your Directors take this opportunity to thank various Government Authorities, Central and State Governments and Shareholders for their support, continuous cooperation and guidance. Your Board appreciates the relentless effort of the Management Team and employees who steers the Company in achieving its goals and gratefully acknowledge their contribution to the Company. Your Directors also take this opportunity to express their gratitude for the valuable assistance and the trust placed by the Bankers, Lenders, Vendors, Customers, Shareholders, Advisors, Rating Agencies, Stock Exchange and the general Public towards the Company.

For and on behalf of the Board of Directors
For Clean Science and Technology Limited

Ashok R. Boob
Managing Director
(DIN: 00410740)

Krishnakumar R. Boob
Whole-time Director
(DIN: 00410672)

Place: Pune

Date: 18th May 2023

ANNEXURE – I

CLEAN SCIENCE AND TECHNOLOGY LIMITED DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

Pursuant to the provisions of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015" as amended (the "Listing Regulations"), it is mandatory to have a Dividend Distribution Policy in place by the top thousand listed companies based on the market capitalisation calculated as on March 31, every year.

The board of directors (the "Board") of Clean Science and Technology Limited (the "Company") has adopted and formulated Dividend Distribution Policy, in compliance with the Listing Regulations, and has uploaded the same on the Company's website at www.cleanscience.co.in.

2. DEFINITIONS

The terms referred to in this policy ("Policy") will have the same meaning as defined under the Companies Act, 2013 (the "Act") and the rules made there under and the Listing Regulations.

3. EFFECTIVE DATE

20th March, 2021

4. OBJECT

The object of this Policy is to establish the parameters to be considered by the Board before declaring or recommending dividend. The Policy aims to strike an optimum balance between rewarding shareholders through dividend and ensuring that sufficient funds are retained for the growth of the Company.

5. SCOPE

The Policy covers the following:

a. Dividend to Equity Shareholders of the Company:

At present the Company has issued equity shares and accordingly, the Dividend will be distributed equally among all the equity shareholders based on their shareholding on the record date. Parameters for dividend payments in respect of any other class of shares will be as per the respective terms of issue and in accordance with the applicable regulations and will be determined, if and when the Company decides to issue other classes of shares.

b. Interim Dividend:

Interim Dividend(s), if any, shall be declared by the Board.

In case no final dividend is declared for any particular financial year, interim dividend paid during that year, if any shall be regarded as final dividend for the year in the Annual General Meeting ("AGM").

c. Final Dividend:

Recommendation, if any, shall be made by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.

The dividend as recommended by the Board shall be approved/declared in the AGM of the Company.

The Dividend Payout would be minimum 15% of Net Profit After Tax and the Board has the discretion to recommend higher or lower dividend considering various parameters and circumstances prevailing at that time.

6. PARAMETERS TO BE CONSIDERED

Board shall consider following parameters, factors and circumstances before declaring or recommending dividend:

a. **Statutory Requirements:** The Board shall comply with the provisions of the Companies Act, 2013 and rules applicable there under including those with respect to mandatory transfer of a certain portion of profits to any specific reserve which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

b. **Internal Factors:** The Board shall consider following internal factors:

1. Company's Liquidity position including its present and expected obligations.
2. Profits of the Company.
3. Present and Future Capital expenditure plans of the Company including organic / inorganic growth opportunities.
4. Financial commitments w.r.t. the outstanding borrowings and interest thereon.
5. Financial requirement for business expansion and/or diversification, acquisition etc of new businesses.
6. Past dividend trend of the Company and the Industry.

ANNEXURE -I (CONTD.)

7. Cost of borrowings.
8. Other Corporate Action options (For ex. Bonus issue, Buy back of shares).
9. Any other relevant or material factor as may be deemed fit by the Board.
- c. External Factors: The Board shall consider following external factors:
 1. State of economy and capital markets.
 2. Applicable taxes including dividend distribution tax.
 3. Regulatory Changes: Introduction of new or changes in existing tax or regulatory requirements (including dividend distribution tax) having significant impact on the Company's operations or finances.
 4. Any other relevant or material factor as may be deemed fit by the Board.

7. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Company may be restrained to declare dividends in following circumstances:

- a. Inadequate profits: If during any financial year, the profits of the Company are not adequate, the Board may decide not to recommend any dividend for that year.
- b. Dividend not to be declared out of reserves: As a rule, dividend for any particular financial year shall be recommended or paid out of the Profit of that financial year and the Board shall not declare or recommend any dividend out of the reserves, except for reasons to be expressly laid down. Any decision in this regard shall be reflected in the

Annual Report and website of the Company while declaring/ recommending dividend.

8. ENTITLEMENT AND TIMELINES FOR DIVIDEND PAYMENTS

- a. Entitlement: The dividend shall be paid to the shareholders entitled to receive dividend on the record date / book closure date as per applicable laws.
- b. Timelines: The payment of dividend shall be made within the time prescribed under the Act or the rules made there under. Presently, dividend is to be paid within 30 days from the date of declaration by the Board in case of Interim Dividend and within 30 days from the declaration by the shareholders in the AGM in case of Final Dividend.

9. MANNER OF UTILISATION OF RETAINED EARNINGS

The retained earnings shall be deployed in line with the objects of the Company as detailed in Memorandum of Association of the Company. The Company shall endeavour to utilise its retained earnings in a manner which shall be beneficial to the interest of the Company and also its shareholders. The decision of utilisation of the retained earning shall be based on the factors like strategic and long term plans of the Company, future equity acquisitions, diversification opportunities or any other criteria that may be considered relevant by the Board in this regard.

10. AMENDMENT

The Board may, from time to time, make amendment(s) to this Policy to the extent required due to change in applicable laws and / or regulations or as deemed fit on a review.

ANNEXURE – II

FORM AOC – I

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

(Pursuant to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

PART "A": SUBSIDIARIES

(Information in respect of each subsidiary to be presented with amounts in ₹)

(₹ in million)

Sr. No.	Details	Particulars			
		Clean Science Private Limited (Date of Incorporation 17/12/2013)	Clean Organics Private Limited (Date of Incorporation 20/03/2017)	Clean Aromatics Private Limited (Date of Incorporation 25/10/2019)	Clean Fino-Chem Limited (Date of Incorporation 22/03/2022)
1	Name of the Subsidiary				
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April, 2022 – 31st March, 2023	1st April, 2022 – 31st March, 2023	1st April, 2022 – 31st March, 2023	1st April, 2022 – 31st March, 2023
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	₹	₹	₹	₹
4	Share capital	9.82	0.20	1.00	59.79
5	Reserves & Surplus	(2.91)	(0.19)	(0.11)	1,056.52
6	Total Assets	7.15	0.03	0.91	1,166.95
7	Total Liabilities	0.24	0.02	0.02	50.64
8	Investments	7.08	-	-	452.49
9	Turnover	-	-	-	-
10	Profit /(Loss) Before Taxation	0.28	(0.04)	0.00*	(98.35)
11	Provision for Taxation	0.08	-	-	(14.87)
12	Profit / (Loss) After Taxation	0.20	(0.04)	0.00*	(83.48)
13	Proposed Dividend	-	-	-	-
14	% of Shareholding	100%	100%	100%	100%

*Amounts seen as 0.00 are below the disclosure threshold of the Company

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations - Nil
- Names of subsidiaries which have been liquidated or sold during the year – Nil

For and on behalf of the Board of Directors

For Clean Science and Technology Limited

Ashok R. Boob

Managing Director
(DIN: 00410740)

Place: Pune

Date: 18th May, 2023

Krishnakumar R. Boob

Whole-time Director
(DIN: 00410672)

Annexure III

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014)

(A) CONSERVATION OF ENERGY:

i. The steps taken or impact on conservation of energy:

During the last 3 years, the Company has undertaken numerous projects to reduce energy consumption while increasing dependence on renewable power.

1) Major emphasis on renewable energy:

- a. Roof-top solar power generation capacity across the factory units has been increased from 0.8MW to 1.8MW during 2022-23. It has generated 1.50 million kWh of electricity, resulting in total savings worth ₹ 14.40 million.
- b. A group Captive Solar Power Generation plants are operational in Solapur district at two locations with the total Open Access capacity to 10.71 MW. Indirectly through these plants, the Company was able to get solar power for its manufacturing units in Kurkumbh, Tal. Daund, Pune. Approximately 13.70 million kWh of electricity was utilised from the solar source during 2022-23, resulting in total savings of ₹ 76 million. These initiatives have also helped us reduce our carbon footprint.
- c. As a result of our initiatives in renewable energy approx. 50% of power consumed in 2022-23 was through renewable solar power.

2) Installation of energy efficient equipments:

- a. Commissioning of Mechanical Vapour Recompressor (MVR): We have installed One (1) additional energy efficient MVR in our Effluent Treatment Plant (ETP) at Unit II.
- b. Installation of energy efficient Dry Vacuum pumps and Water jet ejectors and replaced the inefficient Steam jet ejectors in Unit-I.
- c. Process heat recovery systems for steam generation are operational in all our units. In 2022-23, three more Process heat recovery systems were installed. It had saved in aggregate for all three units approx. 85,290 MT of steam per annum.

ii. The steps taken by the Company for utilising alternate sources of energy:

- a. Enhanced generation and utilisation of Solar electricity - One more plant of 5.0 MW capacity is under installation and will be commissioned in 2023-24. Capacity expansion of roof-top solar generation by 0.42 MW has been planned in 2023-24

iii. The capital investment on energy conservation equipment's:

- a. ₹ 268.74 million was invested in ground mounted captive solar power project.

(B) TECHNOLOGY ABSORPTION:

i. The efforts made towards technology absorption and the benefits derived like product improvement, cost reduction, product development or import substitution:

- a. Installation of a MVR based Plate for reducing steam consumption type falling film evaporation (PTFFE) unit for the concentration of one process stream.
- b. Installation of anaerobic digestion system for low COD effluent for reducing power consumption of aeration system.
- c. Installation of Capacitor bank and IMCC (Intelligent Motor Control Centre) in the utility area for maintaining power factor & power saving.

The said efforts have resulted in reduction of effluents, improvement of yields, reduction of costs and lower emissions.

ii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

- a) the details of technology imported: **Nil**
- b) the year of import: **Nil**
- c) whether the technology been fully absorbed: **Nil**
- d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: **Nil**.

(C) (i) Specific Areas in which Research and Development has been carried out

- a. R&D unit is engaged in research activities developing environmental friendly new

ANNEXURE III (CONTD.)

technologies for pharma, additives and speciality chemicals, which India currently depends on imports. The Company has been successful in developing key product under Hindered Amine Light Stabilisers (HALS) series. Couple of these products (770 and 4HT) went into commercial scale from lab level.

- b. Bottle necks observed in scaling up of 770 and 4HT were resolved in coordination with the project team to streamline the production. Further expansion of this series to more downstream products were being reviewed.
- c. R&D also improved the process in our current product benzoquinone (BQ) with the improvement in quality to customer's satisfaction.
- d. Process improvement for tert-butyl hydroquinone was done for ensuring quality as well as increasing the capacity utilisation

(ii) Benefits derived as a result of the above R&D

- a. Efforts of R&D resulted addition of new products such as 770 and 4HT in Clean Science portfolio, which in turn increase the revenue as well as diversify the customer base.
- b. Improvement in the BQ and TBHQ processes, resulted a better quality and improved the customer base.
- c. Developments of HALS series will diversify the Company product portfolio and help to enter into polymer/paint customer base.

(iii) Future Action Plan

- a. Further expansion of HALS portfolio and developing UV stabilisers and antioxidants having the same polymer/ paint customer base

- b. Development of downstream products from existing products Anisole and Guaiacol.
- c. Development of pharma and agro intermediates currently being imported in India.
- d. Improving the conversion and yields in our continuous process by introducing/modifying catalysts.

(D) Expenditure in Research and Development:

(₹ In millions)

Particulars	2022-23	2021-22
Capital Expenditure	32.24	17.71
Revenue Expenditure	29.83	73.37
Total Expenditure	62.07	91.08
Total R&D expenditure as % of Total Turnover	0.67%	1.32%

(E) Foreign Exchange Earnings and Outgo:

(₹ In millions)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Foreign Exchange Earnings	6,713.17	4,806.54
Foreign Exchange outgo	1,010.43	636.03
Net Foreign Exchange Earnings	5,702.74	4,170.51

For and on behalf of the Board of Directors

For Clean Science and Technology Limited

Ashok R. Boob
Managing Director
(DIN: 00410740)

Krishnakumar R. Boob
Whole-time Director
(DIN: 00410672)

Place: Pune

Date: 18th May, 2023



Annexure IV

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arms' length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.: -

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2023, which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at Arm's length basis.

There were no material contracts or arrangements or transactions for the year ended 31st March, 2023. Thus this disclosure is not applicable.

For and on behalf of the Board of Directors

For Clean Science and Technology Limited

Ashok R. Boob

Managing Director

(DIN: 00410740)

Krishnakumar R. Boob

Whole-time Director

(DIN: 00410672)

Place: Pune

Date: 18th May, 2023

Annexure V

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

CSR has been a long-standing commitment at Clean Science and Technology Limited ("Company") and forms an integral part of our activities. Being a responsible corporate citizen, the Company is committed to performing its role towards the society at large. In alignment with its vision, the Company always works towards adding value to its stakeholders by going beyond business goals and contributing to the well-being of the community. Its contribution to social sector development includes several pioneering interventions and is implemented through the involvement of stakeholders within the Company and with the broader community.

The Company's objective is to pro-actively support meaningful socio-economic development. It works towards developing an enabling environment that will help citizens realise their aspirations towards leading a meaningful life. The Company aims to identify critical

areas of development contributing to the well-being of the community and benefitting them over a period of time.

The Corporate Social Responsibility Policy ("Policy") of the Company sets out the framework guiding the Company's CSR activities. The Policy also sets out the rules that need to be adhered to while taking up and implementing CSR activities.

As per the requirement of Section 135 of the Companies Act, 2013, the Company had laid down a CSR Policy under which the Company had identified projects as per the Schedule VII of the Act in the following areas:

- Promoting Health Care
- Promoting Education
- Environment sustainability and protection of flora and fauna
- Facilities for orphan childrens, women
- Eradicating hunger, poverty and malnutrition

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Prof. Ganapati Dadasaheb Yadav	Non-Executive - Independent Director, Chairman	1	1
2	Mr. Ashok Ramnarayan Boob	Executive Director, Member	1	1
3	Mr. Krishnakumar Ramnarayan Boob	Executive Director, Member	1	1

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company:

Sr	Particulars	Weblink
i)	Composition of CSR Committee	https://cleanscience.co.in/investors/compliance/corporate-governance/board-committees/
ii)	CSR Policy	https://cleanscience.co.in/wp-content/uploads/2023/02/Corporate-Social-Responsibility-Policy.pdf
iii)	CSR Projects	https://cleanscience.co.in/csr/

4. Provide the Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: - Not applicable

5. CSR obligation for the Financial Year.

Sr.	Particulars	Amount (in million)
(a)	Average net profit of the Company as per sub-section (5) of section 135	₹ 2,475.54
(b)	Two percent of average net profit of the Company as per sub-section (5) of section 135	₹ 49.51
(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	Nil
(d)	Amount required to be set-off for the financial year, if any	₹ 2.74
(e)	Total CSR obligation for the financial year [(b)+(c) -(d)]	₹ 46.77

ANNEXURE V (CONTD.)

6. Amount spent for the Financial Year.

Sr.	Particulars	Amount (in million)
(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹ 51.44
(b)	Amount spent in Administrative Overheads	Nil
(c)	Amount spent on Impact Assessment, if applicable	Not Applicable
(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]	₹ 51.44

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹ 51.44 million	--	--	--	--	--

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹ million)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	49.51
(ii)	Total amount spent for the Financial Year	51.44
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	1.93
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	--
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	1.93

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	2021-22	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	2020-21	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	2019-20	Nil	Nil	Nil	Nil	Nil	Nil	Nil

ANNEXURE V (CONTD.)

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes/ No

If Yes, enter the number of Capital assets created/ acquired: 5

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
1	Residential premises for orphan children's at Koyali Phata, Alandi Wadgaon Road, Chakan Tal. Khed, Pune 410 501 of 9,834 sq mtr.	410501	30th March, 2023	10.00	CSR00013552	Snehwan	S. No.5/3, Namrata Housing. Society, Indrayaninagar, Thergaon Pune 411 033
2	Construction of Water tank for educational institute 776 cu. mtr with slab of 6,440 sq. ft. at Pimpri Chinchwad Education Trust Sector No. 26 Pradhikaran Nigdi, Maharashtra 411044	411044	25th March, 2023	15.00	CSR00012534	Pimpri Chinchwad Educations Trust	Sector No. 26 Pradhikaran Nigdi, Maharashtra 411044
3	Construction of one class room for ZP Primary School –village Kutbav , Tal. Daund of 320 sq ft and porch area of 200 sq.ft	412203	26th March, 2023	1.00	NA	Zilla Primary School, Khutbav	Village Khutbav, Tal Daund, Maharashtra
4	Ambulance Tata Motors Magic Express AMB 6+Type B	411030	21st March, 2023	1.00	CSR00023661	Niranjan Sevabhavi Sanstha	556, Narayan Peth Pune
5	Focus 35C Detectors (DR System) –X-Ray machine	412202	2nd March, 2023	1.70	NA	Shri. Prayagdham Trust CH. Hospital	Near Urali Kanchan, Tal. Haveli, Dist. Pune

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: Not applicable

For and on behalf of the Board of Directors

For Clean Science and Technology Limited

Ashok R. Boob

Managing Director
(DIN: 00410740)

Prof. G. D. Yadav

Chairman CSR Committee
(DIN: 02235661)

Place: Pune

Date: 18th May, 2023

Annexure - VI

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Clean Science and Technology Limited
Office No. 503, Pentagon Tower P-4, Magarpatta City,
Hadapsar, Pune 411013, Maharashtra

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Clean Science and Technology Limited** having CIN: L24114PN2003PLC018532 (Hereinafter called 'the Company')

Secretarial Audit was conducted for the financial year 2022-23, in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances of the Company and for expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to me and representations made by the Management, during the audit period covering the financial year ended on 31st March, 2023 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and legal compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of the following list of laws and regulations:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:

1. SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;
2. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
3. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
4. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
5. Securities and Exchange Board of India SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021;
6. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
7. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
8. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
9. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
10. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars/ guidelines issued thereunder;

- (vi) Other Applicable Laws: As informed by the management, there are no other laws applicable specifically to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

ANNEXURE VI (CONTD.)

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the committee and Board Meetings, agenda and detailed notes on agenda are sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

The decisions were passed by the Board members unanimously and recorded as a part of minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period: -

1. The public shareholding of the Company is 21.49% as on 31st March, 2022 To meet the criteria of Minimum Public Shareholding, the Company vide letter dated 4th May, 2022 made an application to the SEBI requesting them to allow the Company to allot shares to the employees under Clean Science and Technology Limited Employee Stock Option Scheme, 2021 ("CSTL ESOS 2021") and to list the shares so allotted with the stock exchanges i.e., BSE and NSE, by seeking in-principal approval, which would result in increase in public shareholding.

The Company received SEBI approval vide letter dated 7th June, 2022, permitting it to allot shares to employees arising out of exercise of options granted under CSTL ESOP scheme and to list on NSE and BSE

and consider it as increase in public shareholding to meet the Minimum Public Shareholding criteria.

2. Mr. Pratik Bora was re-designated as Vice President Corporate Finance w.e.f. 3rd February, 2023 thus he ceased to be the Chief Financial Officer and Key Managerial Personnel of the Company.
3. Mr. Sanjay Parnerkar was appointed as Chief Financial Officer and Key Managerial Personnel w.e.f. 3rd February, 2023
4. The Company has received in-principal approval from the BSE Limited on 9th June, 2022 and from the National Stock Exchange of India Limited on 16th June, 2022, for listing of upto a maximum of 100,000 equity shares of Re. 1/- each of Clean Science and Technology Limited to be allotted pursuant to CSTL ESOS 2021.
5. The Company has approved grant of 33,879 options to eligible employees under CSTL ESOS 2021 and allotted 18,579 equity shares under CSTL ESOS 2021 during the year.
6. The Board of Directors at its meeting held on 20th October, 2022 approved to make additional investment of upto ₹ 150 Crores in Clean Fino-Chem Limited, a Wholly Owned Subsidiary.

For J. B. Bhavé & Co.

Company Secretaries

Jayavant B. Bhavé

Proprietor

FCS: 4266 CP: 3068

UDIN: F004266E000296021

PR No.: 1238/2021

Place: Pune

Date: 18th May, 2023

ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF CLEAN SCIENCE AND TECHNOLOGY LIMITED (2022-23)**AUDITORS' RESPONSIBILITY**

My Report of even date is to be read along with this letter.

In accordance with the ICSI Auditing Standards (CSA1 to CSA4) -

- Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility as the Auditor is to express the opinion on the compliance with the applicable laws and maintenance of Records based on the Secretarial Audit conducted by me.
- The Secretarial Audit needs to be conducted in accordance with applicable Auditing Standards. These Standards require that the Auditor should comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of Records.
- I am also responsible to perform procedures to identify, assess and respond to the risks of material misstatement or non-compliance arising from the Company's failure appropriately to account for or disclose an event or transaction. However, due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit was properly planned and performed in accordance with the Standards.

Accordingly, I wish to state as under-

1. The Secretarial Audit for the financial year has been conducted as per the applicable Auditing Standards.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test

basis to ensure that correct facts are reflected in the secretarial records. I believe that the process and practices that I followed provide a reasonable basis for my opinion that the statements prepared, documents or Records maintained by the Company are free from misstatement.

3. My responsibility is limited to only express my opinion on the basis of evidences collected, information received and Records maintained by the Company or given by the Management. I have not verified the correctness and appropriateness of the financial records and books of accounts maintained by the Company.
4. Wherever required, I have obtained the Management Representation about compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of the Corporate Laws, other applicable laws, rules, regulations and standards is the responsibility of the management. My examination is limited to verification of procedure on test basis.
6. This Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For J. B. Bhave & Co.

Company Secretaries

Jayavant B. Bhave

Proprietor

FCS: 4266 CP. 3068

Place: Pune

Date: 18th May, 2023

Annexure VII

DETAILS OF ESOS

In terms of Regulation 14 read with Part F of Schedule I of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

Particulars	Details
Any material changes in the Scheme and whether the scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	No material changes in the scheme has been made during the year. The scheme is in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

- A.** Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time:
- Refer Note No. 48 Forming part of the standalone financial statements and Note No. 48 of Consolidated

financial statements for the financial year 2022-23. Please note that the said disclosures are provided in accordance with Indian Accounting Standards (Ind AS) 102- Share based Payment.

- B.** Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Indian Accounting Standard 33 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time:

Refer Note No. 37 Forming part of the standalone financial statements and Note No. 37 of Consolidated financial statements for the financial year 2022-23. Please note that the said disclosures are provided in accordance with Indian Accounting Standards (Ind AS) 33- Earnings per share.

C. Details related to ESOS

Sr. No.	Particulars	Details
i)	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including	<p>The CSTL ESOS 2021 has been formulated and implemented primarily with a view to reward the employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this scheme to retain talent. The Company views ESOPs as an instrument that would enable the employees to share the value they create for the Company and align individual objectives of employees with the objectives of the Company in coming years. The CSTL ESOS 2021 contemplates grant of options to the Eligible Employees, as may be determined in due compliance of SEBI SBEB and Sweat Equity Regulations 2021 and provisions of the CSTL ESOS 2021. After vesting of options, the Eligible Employees earn a right (but not an obligation) to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.</p> <p>The Nomination and Remuneration Committee of the Company shall administer CSTL ESOS 2021. All questions of interpretation of the CSTL ESOS 2021 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in CSTL ESOS 2021.</p>
a)	Date of shareholders' approval	<p>Shareholders at the Extraordinary General Meeting held on 27th March, 2021, approved the CSTL ESOS 2021.</p> <p>Subsequently post listing of shares the shareholders on 17th March, 2022, ratified the CSTL ESOS 2021 through Postal Ballot. The Company received In-principle approval from BSE Limited on 9th June, 2022 and National Stock Exchange of India Limited (NSE) on 16th June, 2022 for the said CSTL ESOS 2021.</p>

ANNEXURE VII (CONTD.)

Sr. No.	Particulars	Details
b)	Total number of options approved under ESOS	Nomination and Remuneration Committee to grant Options not exceeding 100,000 (One Lakh) to the Eligible Employees under the CSTL ESOS 2021, in one or more tranches, exercisable into not more than 100,000 (One Lakh) Shares of face value of ₹ 1 (Rupee One) each fully paid-up, with each such Option conferring a right upon the Eligible Employee to apply for one Share of the Company, in accordance with the terms and conditions as may be decided under the CSTL ESOS 2021
c)	Vesting requirements	Options granted under CSTL ESOS 2021 would vest after 1 (one) year but not later than 4 (four) years from the date of Grant of such Options. Vesting of Options would be subject to continued employment with the Company and thus the Options would vest essentially on passage of time. In addition to this, the Nomination and Remuneration Committee may also specify certain performance criteria and vesting schedule subject to satisfaction of which the Options would vest.
d)	Exercise Price or Pricing Formula	The Exercise Price per Option shall be the price as determined by the Nomination and Remuneration Committee which in no case shall be less than face value of the shares.
e)	Maximum Term of Options Granted	4 years.
f)	Source of shares (primary, secondary or combination)	Primary, the shares exercised will be listed on the Stock Exchanges.
g)	Variation in terms of Options	-
ii)	Method used to account for ESOS - Intrinsic or fair value	Fair Value
iii)	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	-
iv)	Option movement during the year (For each ESOS):	
a)	Number of options outstanding at the beginning of the period	55,852
b)	Number of options granted during the year	33,879
c)	Number of options forfeited / lapsed during the year	1,144
d)	Number of options vested during the year	19,612
e)	Number of options exercised during the year	18,579
f)	Number of shares arising as a result of exercise of options	18,579

ANNEXURE VII (CONTD.)

Sr. No.	Particulars	Details			
	g) Money realised by exercise of options (₹), if scheme is implemented directly by the Company.	9,289,500			
	h) Loan repaid by the Trust during the year from exercise price received	N.A.			
	i) Number of options outstanding at the end of the year	70,008			
	j) Number of options exercisable at the end of the year	1,033			
v)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted-average exercise price per option- ₹ 751/- Weighted average fair value per option- ₹ 166.92 - ₹ 1,006.97			
vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to-				
	a) Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;				
	Sr. No.	Employee Name	Designation	Number of options granted at an exercise price of ₹ 1,166/-	% of options granted during the year
	1	Vijay Jadhav	GM Operations	7,103	20.97
	2	Mahesh Kulkarni	Company Secretary	4,134	12.20
	b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and				
	Sr. No.	Employee Name	Designation	Number of options granted	% of options granted during the year
	1	Mr. Rohan Wadke	Manager Accounts	3,415	10.08
	2	Mr. Dnyaneshwar Subhedar	Scientist	4,162	12.28
	3	Mr. Vijay Ashok Kawade	Associate Manager-Maintenance	2,804	8.28
	4	Mr. Mahendra Ramesh Jadhav	Associate Manager-Maintenance	2,054	6.06
	5	Mr. Aniket Vishwas Gholap	Scientist	2,791	8.24
	6	Mr. Shatrughn Ashok Bhilare	Scientist	3,808	11.24
	7	Mr. Ajaykumar Ardhapure	Scientist	2,456	7.25
	c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.- NA				
vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:				
	a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model	Refer note 48 of Standalone Financial Statements for the year ended 31st March, 2023			

ANNEXURE VII (CONTD.)

Sr. No.	Particulars	Details
	b) the method used and the assumptions made to incorporate the effects of expected early exercise	Pricing Formula: Black-Scholes-Merton Option Pricing Formula. Significant Assumptions used during the year to estimate the fair values of options at the time of grant of the option: <ol style="list-style-type: none"> 1. Risk Free Interest Rate: 5.03% - 7.02% 2. Expected Life: 1.50 year- 6.5 years 3. Expected Volatility: 34.07% - 40.76% 4. Expected Dividend: 0.16% - 0.31% 5. Stock Price Per Share: ₹ 509.33 – ₹ 1,756.30
	c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The volatility input, measured in % per year, is how much you generally expect the underlying security to move during the life of the option. The measure of volatility used in Black-Scholes option pricing model is the annualised standard deviation of the continuously compounded rate of return on the stock over a period of time.
	d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.	Stock Price The stock price of the Company is the price as on date of grant as per valuation report. (as the options were granted prior to the date of listing.)
Risk Free Interest Rate The risk-free interest rate being considered for the calculation is the interest rate applicable for maturity approximately equal to the expected life of the options based on the zero-coupon yield curve for government securities.		
Expected Dividend Yield Expected dividend yield is dividend per share dividend by market price per share. The expected dividend yield of the Company over the life of the option is estimated considering the company's past dividend policy.		

Disclosures in respect of grants made in three years prior to IPO under each ESOS

Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made: Disclosure given above cover details of options granted prior IPO.

For and on behalf of the Board of Directors
For Clean Science and Technology Limited

Ashok R. Boob
 Managing Director
 (DIN: 00410740)

Krishnakumar R. Boob
 Whole-time Director
 (DIN: 00410672)

Place: Pune
 Date: 18th May, 2023

Annexure VIII

DISCLOSURE UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (A) the ratio of remuneration of each director to the median remuneration of the employees of the Company and the percentage increase in remuneration of each director, for the financial year.

Name	Total Remuneration (₹ in million)	Ratio	% Increase in Remuneration
Mr. Ashok Boob, Managing Director *	93.62	573:1	27%
Mr. Siddhartha Sikchi, Whole-time Director *	84.26	516:1	27%
Mr Krishnakumar Boob, Whole-time Director *	56.17	344:1	27%
Mr. Pradeep Rathi, Non-Executive Director	0.44	3:1	(24%)
Prof. G. D. Yadav, Independent Director	0.47	3:1	(30%)
Mr. Sanjay Kothari, Non-executive Director	0.44	3:1	(21%)
Mr. Keval Doshi, Independent Director	0.53	3:1	(24%)
Ms. Madhu Dubhashi, Independent Director	0.35	2:1	(40%)

* Includes 4% Performance Bonus on the net profits before tax to be paid proportionate to the remuneration drawn by them.

- (B) the percentage increase in remuneration of CFO, CS in the financial year;

- (i) Mr. Pratik Bora was Chief Financial Officer upto 2nd February, 2023 and was re-designated as VP Corporate Finance, accordingly, remuneration for 2022-23 is not comparable with previous financial year.
- (ii) Mr. Sanjay Parnerkar was appointed as Chief Financial Officer w.e.f. 3rd February, 2023 accordingly, remuneration for 2022-23 is not comparable with previous financial year.
- (iii) Mr. Mahesh Kulkarni- Company Secretary - 9%

- (C) the percentage increase in the median remuneration of employees in the Financial Year: 7%

- (D) the number of permanent employees on the rolls of Company as on 31st March, 2023: 502

- (E) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average increase in salaries of employees (other than managerial personnel)- 10%

Average increase in remuneration of managerial personnel- 26.77%

- (F) Affirmation

It is affirmed that remuneration paid to Directors, Key Managerial Personnel and Other employees is as per the Remuneration policy of the Company.

For and on behalf of the Board of Directors
For Clean Science and Technology Limited

Ashok R. Boob
Managing Director
(DIN: 00410740)

Krishnakumar R. Boob
Whole-time Director
(DIN: 00410672)

Place: Pune
Date: 18th May, 2023

Annexure IX

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF RULE 5 (2) (I) OF COMPANIES (APPOINTMENT AND REMUNERATION) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2023.

Sr. No.	Name & Age (Years)	Designation	Total Remuneration ₹ (in million)	Qualification and Experience (Years)	Date of Commencement of Service	Last employment held before joining the Company	% share-holding	Relation with any director
1	Mr. Ashok Ramnarayan Boob 71 years	Managing Director	93.62	BCE (UDCT Mumbai)	7th November, 2003	Mangalam Drugs and Organics Limited	12.80	Brother of Mr. Krishnakumar R. Boob
2	Mr. Krishnakumar Ramnarayan Boob 68 years	Whole-time Director	56.17	B. Pharma (UDCT Mumbai)	7th November, 2003	Mangalam Drugs And Organics Limited	2.65	Brother of Managing Director Mr. Ashok R. Boob
3	Mr. Siddhartha Ashok Sikchi 42 years	Whole-time Director	84.26	B. Tech (UDCT Mumbai), M. Sc Synthetic Organic Chemistry, (Canada)	15th December, 2006	-	2.97	-
4	Mr. Krishnakumar Satyanarain Saboo 59 years	President Operations	10.91	B.Tech in Science and Technology	14th August, 2014	Deepak Nitrite Limited	0.00	No relationship

- The remuneration to Sr. No. 1 to 3 includes Salary and Performance Bonus. Remuneration to Sr. No.4 includes perquisite value of ESOPs exercised.
- The conditions of employment are contractual.
- Other terms and conditions are as per the rules of the Company.
- In terms of Rule 5(2)(iii) of the of Companies (Appointment and Remuneration) Rules, 2014, it is clarified that during the Financial Year under review, no employee of the Company was in receipt of remuneration in that year, which in the aggregate or as the case may be at a rate which in the aggregate is in excess of that drawn by the Working Directors and holds himself / herself along with their spouse and dependent children not less than 2% of the equity shares of the Company.

For and on behalf of the Board of Directors
For Clean Science and Technology Limited

Ashok R. Boob
Managing Director
(DIN: 00410740)

Krishnakumar R. Boob
Whole-time Director
(DIN: 00410672)

Place: Pune
Date: 18th May, 2023

CORPORATE GOVERNANCE REPORT

The Company's Report on Corporate Governance for the financial year ended 31st March, 2023 is in compliance with the principles of Corporate Governance as prescribed in Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015").

A) BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The essence of Corporate Governance involves transparency, empowerment, accountability and integrity with a view to enhance stake holder value.

The Company is committed to maintain highest standards of Corporate Governance in its conduct towards shareholders, employees, regulators, customers, suppliers, lenders and other stakeholders. The Company strongly believes that good Corporate Governance is a journey which leads to corporate growth and long term gain in shareholder value. This philosophy adopted by the Company since its inception has contributed to the Company's sustained growth.

The Corporate Governance philosophy of the Company has been further strengthened with the adoption of the Code of Conduct of the Company and among others, the Code of Conduct for regulating, monitoring and reporting of trading by insiders, and host of other policies. The Company, through its Board and Committees endeavours to maintain high standards of Corporate Governance.

The Company ensures that its Board of Directors are well informed to discharge their overall responsibilities

and provide the Management with the strategic direction.

The Company's overall governance framework, systems and processes reflect and support its Vision, Mission and Values and it constantly strives to better them and adopt best Corporate practices.

B) BOARD OF DIRECTORS AND THEIR COMMITTEES

The Board of Directors is the apex body constituted by the Shareholders for overseeing the Company's overall functioning. The Board provides and evaluates the Company's strategic directions, management policies and their effectiveness and ensures that shareholders' long-term interests are being served. The Managing Director is assisted by other Executive Directors and Senior Managerial Personnel in overseeing the functional matters of the Company.

The Board of Directors of the Company comprises of 8 (Eight) Directors as on 31st March, 2023 which is an optimum mix of Executive, Non-Executive, Independent and Woman Director with diverse composition in terms of qualifications, competence, professional experience. Profile of the Directors is available on the Company's website at <https://cleanscience.co.in/board-of-directors/>

To enable the Board to discharge its responsibilities effectively and take informed decisions, the Executive Directors apprise the Board at every meeting through business presentations the overall performance of the Company.

a) The composition of the Board of Directors is in conformity with Regulation 17 of SEBI Listing Regulations, 2015 read with Section 149 of the Companies Act, 2013. The composition as on 31st March, 2023 is summarised below: -

Category	Names and DIN of Directors	No. of Directors	% of total strength of the Board
Non-Executive, Non-Independent Directors	Mr. Pradeep Rathi DIN: 00018577 (Chairperson)	2	25
	Mr. Sanjay Kothari DIN: 00258316 (Non-Executive Director)		
Non-Executive, Independent Directors	Prof. Ganapati Yadav DIN: 02235661 (Independent Director)	3	37.5
	Mr. Keval Doshi DIN: 03635213 (Independent Director)		
	Ms. Madhu Dubhashi DIN: 00036846 (Independent Woman Director)		

CORPORATE GOVERNANCE REPORT (CONTD.)

Category	Names and DIN of Directors	No. of Directors	% of total strength of the Board
Promoter, Managing and Executive Directors	Mr. Ashok Boob DIN: 00410740 (Managing Director)	3	37.5
	Mr. Krishnakumar Boob DIN: 00410672 (Whole Time Director)		
	Mr. Siddhartha Sikchi DIN: 02351154 (Whole Time Director)		
Total		8	100

b) Board and Committee meeting procedure and attendance is summarised below: -

The Board of Directors usually meet once in a quarter inter alia to review the Company's business performance and of its subsidiaries, update on investments, forex exposure, research and development, compliances, capital expenditure, safety, health and environment, business strategies, annual business plan, risk management, policies review and other related matters. The Committees of the Board also meet at such intervals as may be mandated by law or as per the terms of reference of such Committees, to transact the matters of business as may be delegated to such Committees by the Board. The notice of each Board or Committee Meeting along with detailed agenda, relevant notes and other material information is sent in advance to each Director or Committee Member.

This ensures timely flow of information with the Board/Committee members which enable them time to take informed decisions.

Apart from the Board members, the Chief Financial Officer, Company Secretary and other Function Heads attend the Board and Committee Meetings.

During the year 1st April, 2022 to 31st March, 2023, the Board of Directors met four times on 28th May, 2022, 27th July, 2022, 20th October, 2022 and 2nd February, 2023 respectively. The maximum time gap between two board meetings was not more than 120 days. These meetings were held with 100% attendance by all the Directors and the minutes of the meetings of all the Board and Committees were circulated to all the Directors and finalised incorporating the comments/ suggestions of the Directors.

Sr. No.	Name of Directors	Category	Date and Attendance at Board Meeting				% of Attendance	Attendance at the last AGM (8th August, 2022)
			28th May, 2022	27th July, 2022	20th October, 2022	2nd February, 2023		
1	Mr. Pradeep Rathi	Chairperson and NED	✓	✓	✓	✓	100	Yes
2	Mr. Sanjay Kothari	NED	✓	✓	✓	✓	100	No
3	Prof. Ganapati Yadav	NED and ID	✓	✓	✓	✓	100	Yes
4	Mr. Keval Doshi	NED and ID	✓	✓	✓	✓	100	Yes
5	Ms. Madhu Dubhashi	NED and Woman ID	✓	✓	✓	✓	100	Yes
6	Mr. Ashok Boob	MD	✓	✓	✓	✓	100	Yes
7	Mr. Krishnakumar Boob	WTD	✓	✓	✓	✓	100	Yes
8	Mr. Siddhartha Sikchi	WTD	✓	✓	✓	✓	100	Yes

*NED – Non-Executive Director, ID – Independent Director, MD – Managing Director, WTD – Whole-time Director

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c) Details of directorship held by the Board of Directors in other companies are as follows:

Sl. No.	Name	Category of Director	Inter-se Relationship amongst Directors	*No. of Directorships held in Companies (including ^CSTL)	# No. of Board Committees of Companies (including CSTL) in which acts as a Member or Chairperson		Name of the listed entity in which directorship is held including CSTL and category of Director
					As a Member	As a Chairperson	
1	Mr. Pradeep Rathi	Chairperson-Non-Executive Director	NA	5	ACM - 2 SRC - 2	ACM - 1 SRC - 0	1. Clean Science and Technology Limited- Non Executive –Non Independent Director 2. Sudarshan Chemical Industries Limited- Non-Executive – Non Independent Director, Chairperson 3. Sanghvi Movers Limited – Non-Executive -Independent Director 4. Finolex Industries Limited – Non-Executive – Independent Director
2	Mr. Ashok Boob	Managing Director	Brother of Mr. Krishnakumar Boob	2	-	-	1. Clean Science and Technology Limited- Managing Director
3	Mr. Krishnakumar Boob	Whole Time Director	Brother of Mr. Ashok Boob	2	-	-	1. Clean Science and Technology Limited- Whole-Time Director
4	Mr. Siddhartha Sikchi	Whole Time Director	NA	2	SRC-1	-	1. Clean Science and Technology Limited- Whole-Time Director
5	Mr. Sanjay Kothari	Non-Executive Director	NA	6	ACM -3 SRC -2	ACM -1 SRC - 1	1. Clean Science and Technology Limited- Non Executive –Non Independent Director 2. J. L. Morison (India) Limited- Non-Executive – Independent Director 3. Birla Precision Technologies Limited – Non-Executive – Non Independent Director 4. Ramkrishna Forgings Limited - Non-Executive Independent Director
6	Prof. Ganapati Yadav	Independent Director	NA	6	ACM - 4 SRC -1	ACM - 0 SRC -1	1. Clean Science and Technology Limited- Non Executive – Independent Director 2. Aarti Industries Limited- Non Executive –Independent Director 3. Bhageria Industries Limited- Non Executive –Independent Director 4. Godrej Industries Limited- Non Executive –Independent Director 5. Meghmani Organics Limited – Non Executive –Independent Director
7	Mr. Keval Doshi	Independent Director	NA	2	ACM - 2 SRC - 0	ACM - 2 SRC - 0	1. Clean Science and Technology Limited- Non Executive – Independent Director 2. Kaira Can Company Limited- Non Executive –Independent Director, Chairperson
8	Ms. Madhu Dubhashi	Independent Woman Director	NA	4	ACM -4 SRC -1	ACM -1 SRC - 1	1. Clean Science and Technology Limited- Non Executive – Independent Director 2. Pudumjee Paper Products Limited Non-Executive –Independent Director 3. Sanghvi Movers Limited- Non-Executive –Independent Director 4. Tega Industries Limited- Non-Executive –Independent Director

*For the purpose of reckoning Directorship/Committees position, all Public Limited Companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies, and companies under Section 8 of the Companies Act, 2013, have been excluded.

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#Only Audit Committee (ACM) and Stakeholders' Relationship Committee (SRC) are considered for reckoning committee positions.

^CSTL: Clean Science and Technology Limited.

d) Details of equity shares of the Company held by the Non-Executive Directors as on 31st March, 2023 are given below:

Name	Category	No. of shares
Mr. Pradeep Rathi	Chairperson- Non- Executive Director	225,120
Prof. Ganapati Yadav	Independent Director	189,098
Ms. Madhu Dubhashi	Independent Woman Director	1,500 (includes shareholding of immediate relatives)
Mr. Sanjay Kothari	Non-Executive Director	Nil
Mr. Keval Doshi	Independent Director	Nil

e) Independent Directors

Independent Directors play a vital role in promoting sound corporate governance and protecting the interests of all stakeholders. None of the Independent Director on the Board of the Company serves as Independent Director in more than 7 listed companies nor holds the position of Whole-time Director in any listed company.

In terms of Regulation 25(8) of SEBI Listing Regulations, 2015, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective of independent judgement and without any external influence. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations, 2015 and Section 149(6) of the Companies Act, 2013 and that they are independent of the management. No Independent Director resigned during the 2022-23.

• Familiarisation programme for Independent Directors:

Pursuant to Regulation 25(7) of SEBI Listing Regulations, 2015, the Independent Directors have been familiarised with their roles and responsibilities in the Company, nature of the Industry in which it operates, the Nilbusiness model of the Company, strategic investments, regulatory updates, industry outlook, related party transactions, CSR activities etc. The

details of familiarisation programme as required under Regulation 46 of SEBI Listing Regulations, 2015 have been hosted on the website of the Company and can be accessed at <https://cleanscience.co.in/wp-content/uploads/2023/04/Familiarisation-Programme-FY-22-23.pdf>

• Separate Meeting of Independent Directors:

During the year under review one (1) meeting of the Independent Directors of the Company was held on 17th March, 2023 without the attendance of Non-Independent Directors. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairperson of the Board taking into account the views of the Executive Directors and Non-Executive Directors, assessed the quality, quantity and timeliness of flow of information between the Company management and the Board required to effectively and reasonably perform their duties. All Independent Directors attended the Meeting.

f) Skills/expertise/competencies identified by the Board of Directors:

The Board comprises of members with varied experiences in different areas who bring in required skills, competencies and expertise that enable them to make effective contribution to the Board and Committees. The below matrix summarises the key skills, expertise and competencies that the Board thinks necessary for proper functioning in the context of the Company's business and industry as against the Director possessing the same: -

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Matrix of skills / expertise / competencies:

- i) **General Management:** Finance, Operations, Taxation, Legal, Risk Management and Human Resources.
- ii) **Business:** Understanding of domestic and global business dynamics, geographical markets, industry verticals and regulatory jurisdictions.
- iii) **Strategy and Planning:** Strategic thinking, Long term trends and planning, leading management teams.
- iv) **Governance:** Governance Practices serving the best interest of all stakeholders, maintaining board/management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

Director	General Management	Business	Strategy and Planning	Governance
Mr. Pradeep Rathi	✓	✓	✓	✓
Mr. Ashok Boob	✓	✓	✓	✓
Mr. Krishnakumar Boob	✓	✓	✓	✓
Mr. Siddhartha Sikchi	✓	✓	✓	✓
Mr. Sanjay Kothari	✓	✓	✓	✓
Prof. Ganapati Yadav	✓	-	✓	✓
Mr. Keval Doshi	✓	✓	✓	✓
Ms. Madhu Dubhashi	✓	-	✓	✓

C) AUDIT COMMITTEE:

The Audit Committee role is to assist the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors including the Cost Auditors, the performance of internal auditors and the risk management systems.

The Terms of References of the Audit Committee are as follows:

- (1) Oversight of Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommend for appointment, remuneration and terms of appointment of auditors of the Company;
- (3) Approval of payment to statutory auditors for any other services rendered by statutory auditors;
- (4) Reviewing with the management the annual financial statements and auditors report thereon before submission to the Board for approval with particular reference to;
 - (a) Matters required to be included in Director's Responsibility statement to be included in Board report, in terms of the Companies Act, 2013, as amended;
 - (b) Changes if any in accounting policies and practices and reasons for same;
 - (c) Major accounting entries involving estimates based on the exercise of judgement by management
 - (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions;
 - (g) Modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- (6) Examination of the financial statement and auditor's report thereon;
- (7) Monitoring the end use of funds raised through public offers and related matters;
- (8) Reviewing, with the management, the statement of uses / application of funds

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- raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (9) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - (10) Approval or any subsequent modification of transactions of the listed entity with related parties;
 - (11) Scrutiny of inter-corporate loans and investments;
 - (12) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
 - (13) Evaluation of internal financial controls and risk management systems;
 - (14) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - (15) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - (16) Discussion with internal auditors of any significant findings and follow up there on;
 - (17) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 - (18) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - (19) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - (20) To review the functioning of the whistle blower mechanism;
 - (21) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
 - (22) Carrying out any other function as may be required / mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, the listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws;
 - (23) Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
 - (24) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders."
- The Audit Committee shall mandatorily review the following information:**
- (1) Management discussion and analysis of financial condition and results of operations;
 - (2) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - (3) Internal audit reports relating to internal control weaknesses;
 - (4) The appointment, removal and terms of remuneration of the internal auditor.
 - (5) Statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) and (b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
 - (6) Review and monitor compliances under SEBI Insider Trading Regulations;
 - (7) Carrying out any other function as is mentioned in the terms of reference of the audit committee;

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The Composition and attendance of the members of Audit Committee is as follows:

Name	*Category	Attendance at Audit Committee Meetings held during the year				% of Attendance
		28th May, 2022	27th July, 2022	20th October, 2022	2nd February, 2023	
Mr. Keval Doshi	Chairperson – NED and ID	✓	✓	✓	✓	100
Ms. Madhu Dubhashi	NED and Woman ID	✓	✓	✓	✓	100
Prof. Ganapati Yadav	NED and ID	✓	✓	✓	✓	100
Mr. Sanjay Kothari	NED	✓	✓	✓	✓	100

*NED – Non- Executive Director, ID – Independent Director

All recommendations of the Audit Committee as mandatorily required were accepted by the Board. The maximum gap between any two meetings of the Committee held during the year was not more than 120 days.

The Chief Financial Officer is the permanent invitee to the meetings of the Committee.

The meetings were also attended by Statutory Auditors, Internal Auditors and other invitees.

The Company Secretary acts as Secretary to the Audit Committee.

Pursuant to the terms of reference, the Audit Committee, during the year inter alia, discussed and deliberated on financial results, approved transactions with related parties including omnibus approval, reviewed reports of the Internal Auditors, Cost Auditors, Secretarial Auditors and Statutory Auditors, reviewed internal financial controls and risk management systems, auditors independence and performance, scope and effectiveness of audit process, investments, capex, forex exposure, remuneration of Auditors, recommendation for appointment of CFO. The Committee also reviewed the compliances under Code of Conduct for Prevention of Insider Trading Regulations, compliance report under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Whistle blower complaints.

Further, as required under Secretarial Standards on General Meetings, the Chairperson Mr. Keval Doshi was virtually present at the 19th Annual General Meeting of the Company held through Video Conference facility on Monday, 8th August, 2022 to address shareholder's queries pertaining to Annual Accounts of the Company.

D) NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee has been vested with the responsibility for nominations for Board Membership and Senior Management employees, evaluate the balance of skills, experience, independence, diversity on the Board and for setting up selection criteria, succession planning. Further, the committee is also responsible for formulating policies with respect to remuneration, performance evaluation, Board Diversity etc. in line with the Companies Act, 2013 and the SEBI Listing Regulations, 2015. The Committee also administers the ESOP scheme and takes appropriate decisions in terms of the said scheme from time to time.

Terms of References of the Nomination and Remuneration Committee:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees; The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:
 - I. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - II. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

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- III. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- (2) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
- use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- (3) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (4) Devising a policy on diversity of board of directors;
- (5) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its board report.
- (6) Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (7) Recommend to the board, all remuneration, in whatever form, payable to senior management.
- (8) Administering, monitoring and formulating detailed terms and conditions of the Employee Stock Option Scheme;
- (9) Carrying out any other function as may be required/ mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, the listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws; and
- (10) Performing such other functions as may be necessary or appropriate for the performance of its duties.

The Composition and attendance of Nomination and Remuneration Committee is as follows:

Name	*Category	Attendance at Nomination and Remuneration Committee Meetings held during the year				% of Attendance
		28th May, 2022	5th September, 2022	20th October, 2022	2nd February, 2023	
Prof. Ganapati Yadav	Chairperson - NED and ID	✓	✓	✓	✓	100
Mr. Keval Doshi	NED and ID	✓	✓	✓	✓	100
Mr. Pradeep Rathi	NED	✓	✓	✓	✓	100

*NED – Non- Executive Director, ID – Independent Director

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All recommendations of the Nomination and Remuneration Committee as mandatorily required, were accepted by the Board. Further, in terms of provisions of Section 178(7) of the Companies Act, 2013 and Secretarial Standards on General Meetings, the Chairperson Prof. G. D. Yadav was virtually present at the 19th AGM of the Company on 8th August, 2022 held through Video Conference facility.

Board and Directors Evaluation:

A formal evaluation of the performance of the Board, its Committees and the Individual Directors was carried out for the Financial Year 2022-23. The evaluation was carried out using individual questionnaires covering, amongst others, contribution to areas impacting company's performance, participation in Board and Committee meetings. In addition to the above the Executive Directors were evaluated based on annual targets, financial and operational controls, risk management, strategies, expansion, maintaining corporate culture, integrity and ethics, succession planning, core governance and compliance management.

The performance of the respective Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as composition of committee, timely inputs, open communications, meaningful participation and resolution of issues.

The performance of the Board was evaluated after seeking inputs from the members on proper mix of competencies of the Board, timeliness and adequacy of information availability to take decisions, plan of actions, reporting systems, governance practices, potential conflict of interest etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors including Independent Directors, on the basis of the criteria such as the contribution of the individual Director to the Board and Committee meetings and the preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairperson was also evaluated on the key aspects of his role.

E) STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The role of Stakeholders Relationship Committee is to deal with matters relating to investors grievances including complaints relating to

dematerialisation of shares, non-receipt of annual report, non-receipt of dividends, review adherence to the services being rendered by Registrar and Share Transfer Agents.

Terms of References of the Stakeholders' Relationship Committee:

- (1) Allotment of Shares, Transfer, Transmission of shares, Issue of duplicate share certificates;
- (2) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc and assisting with quarterly reporting of such complaints;
- (3) Review of measures taken for effective exercise of voting rights by shareholders;
- (4) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- (5) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- (6) Formulate policies and procedures in line with the statutory and regulatory requirements to ensure speedy disposal of various requests received from security holders/other stakeholders from time to time;
- (7) Review Company's obligation towards meeting environment, health and safety obligations towards all stakeholders;
- (8) Review the complaints/queries received from other stakeholders such as vendors, suppliers, service providers, customers etc.
- (9) Oversee the Investor relations function in the Company and suggest appropriate means to strengthen Investor relations of the Company;
- (10) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended or by any other regulatory authority.

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The composition and attendance of Stakeholders' Relationship Committee is as follows:

Name	*Category	Attendance at SRC Meeting held during the year	% of Attendance
		24th May, 2022	
Ms. Madhu Dubhashi	Chairperson – NED and Woman ID	✓	100
Mr. Siddhartha Sikchi	WTD	✓	100
Mr. Sanjay Kothari	NED	✓	100

*NED – Non- Executive Director, ID – Independent Director, WTD – Whole Time Director

During the year the Committee met on 24th May, 2022 and all members attended the meeting. Further, in terms of provisions of Section 178(7) of the Companies Act, 2013 and Secretarial Standards on General Meetings, the Chairperson Ms. Madhu Dubhashi attended virtually the 19th AGM of the Company held through Video Conference facility on 8th August, 2022.

Status of investors complaints for 2022-23 was as follows –

No. of pending complaints as on 1st April, 2022	No. of complaints received during the financial year	No. of complaints resolved during the financial year	No. of complaints not solved to the satisfaction of shareholders	No. of complaints pending as on 31st March, 2023
-	-	-	-	-

Name and Designation of Compliance Officer:

Mr. Mahesh Kulkarni,
Company Secretary and Compliance officer,
Clean Science and Technology Limited,
Office No. 503, Pentagon Tower P-4,
Magarpatta City, Hadapsar, Pune – 411013,
Maharashtra, India.
Email – compliance@cleanscience.co.in
Telephone no.: + 91-020-41264761

The Company has taken certain investor friendly activities by communicating and encouraging investors to register their email ids, file nomination forms with respective depository participant, updating their bank and other details for payment of dividend and correctly deduct tax at source.

F) RISK MANAGEMENT COMMITTEE:

Risk is an integral and inseparable component of the business operations of a Company. Risks which a Company may face include market risks, finance risk, fluctuations in foreign exchange, technological risks, human resource management and legal or compliance risks. The Company believes that identifying significant risks which the Company may face and devising risk assessment and mitigation procedures to tackle such risks would play an important

role in protecting shareholder value, improving governance processes and meeting unforeseen exigencies in the cycle of conduct of business operations of the Company.

Terms of References of the Risk Management Committee:

- (1) To formulate a detailed risk management policy
- (2) To identify, monitor, mitigate and oversee implementation of the risk management policy, including evaluating the adequacy of risk management and internal control systems;
- (3) Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the entity;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) To take steps to identify and mitigate information technology and cyber security risks that the Company is or may be exposed to, on a regular basis.

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- (7) Measures for risk mitigation including systems and processes for internal control of identified risks.
- (8) A framework for identification of internal and external risks specifically faced by the Company in particular including financial, operational, sectoral, sustainability (particularly, ESG (environmental, social and governance) related risks), information, cyber security risks or any other risk as may be determined by the Committee.
- (9) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
- (10) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.
- (11) The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary"

The Composition and attendance of Risk Management Committee is as follows:

Name	*Category	Attendance at Risk Management Committee Meetings held during the year			% of Attendance
		28th April, 2022	12th October, 2022	30th March, 2023	
Mr. Pradeep Rathi	Chairperson – NED	✓	✓	✓	100
Mr. Ashok Boob	MD	✓	✓	✓	100
Mr. Keval Doshi	NED and ID	✓	✓	✓	100
Mr. Sanjay Kothari	NED	✓	✓	✓	100

*NED – Non-Executive Director, MD – Managing Director, ID – Independent Director

The Company has in place a risk management framework and policy that provides an all-inclusive approach to safeguard the organisation from strategic, operational, financial, legal and compliance risks through adequately and timely actions. The Risk Management framework is designed to identify risks, evaluate the impact and mitigate the risks that could affect the business. The potential risks are identified and mitigation measures are implemented to address the same. The Company has maintained Risk Register on the basis of impact analysis on the organisation. The risks are categorised as high, medium and low based on their impact and likelihood of occurrence. After periodic review and monitoring, risk registers are placed before the Risk Management Committee briefing them the appropriate actions taken to mitigate the same.

G) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

Corporate Social Responsibility Committee has been constituted in accordance with the

provisions of Section 135 of the Companies Act, 2013, and rules made thereunder. The Committee has powers to make donations/ contributions to any CSR projects or programmes to be implemented directly or through implementing partners which include a company established under Section 8 of the Companies Act, 2013, or a registered public trust or registered society and reports regularly to the Board on such matters.

The CSR policy of the Company can be accessed on the website of the Company and can be accessed through web link - <https://cleanscience.co.in/wp-content/uploads/2023/02/Corporate-Social-Responsibility-Policy.pdf>

Terms of References of the Corporate Social Responsibility (CSR) Committee:

- (1) Formulation of a corporate social responsibility policy for the Board, indicating the activities to be undertaken by the Company in areas or subjects specified in the Companies Act, 2013. The activities should be within the list of permitted activities specified in the Companies Act, 2013 and the rules thereunder read with schedule VII;

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- (2) Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years.
- (3) Instituting a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company;
- (4) Monitoring the CSR policy from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- (5) Identifying CSR policy partners and corporate social responsibility policy programmes;
- (6) Identifying and appointing the CSR team of the Company, wherever required; and
- (7) Performing such other duties and functions as the Board may require the CSR committee to undertake to promote the corporate social responsibility activities of the Company or as may be required under applicable laws.

The Composition and attendance of members of CSR Committee is as follows:

Name	*Category	Attendance at CSR Committee Meeting held during the year	% of Attendance
		21st May, 2022	
Prof. Ganapati Yadav	Chairperson – NED and ID	✓	100
Mr. Ashok Boob	MD	✓	100
Mr. Krishnakumar Boob	WTD	✓	100

*NED – Non-Executive Director, ID – Independent Director, MD – Managing Director, WTD – Whole-Time Director

H) OTHER COMMITTEES CONSTITUTED BY THE COMPANY:

a) Finance Committee

The finance committee was formed in the year 2007 and the Board delegated some powers to the committee to take routine business and financial decisions like opening of bank accounts, availing credit facilities, for smooth running of business and operational needs.

The powers of the Finance Committee are mentioned below:

- (1) To take decisions regarding the matters of routine financial assistance as may be referred by the Board of Directors from time to time;
- (2) To assess the procedural and other requirements of proposal for loans, working capital finance and other financial assistance, to approve and avail the same from Banks and

Financial Institutions and Government Departments;

- (3) To assess the need and complete the formalities regarding opening of bank accounts at Pune, Kurkumbh and other places as per the requirement of Company's projects at various places;
- (4) To report the Board regarding any discrepancies / errors / frauds observed during the routine/ financial operations of the Company;
- (5) To prepare budgets, reports, presentations on costs, cash flows, etc. as demanded by the Board from time to time;
- (6) To do all other acts as may be delegated by the Board of Directors from time to time.

During the year, Finance Committee Meeting was convened on 5th September, 2022 which was attended by the Committee members except Mr. Siddhartha Sikchi.

CORPORATE GOVERNANCE REPORT (CONTD.)

Composition and attendance of Finance committee is as mentioned below –

Name	*Category	Attendance at Finance Committee Meeting held during the year	% of Attendance
		5th September, 2022	
Mr. Pradeep Rathi	Chairperson – NED	✓	100
Mr. Ashok Boob	MD	✓	100
Mr. Krishnakumar Boob	WTD	✓	100
Mr. Siddhartha Sikchi	WTD	–	–

*NED – Non-Executive Director, MD – Managing Director, WTD – Whole Time Director

b) IPO Committee

IPO Committee was formed in the year 2021 to undertake Initial Public Offer of the equity shares and to complete various legal, statutory and procedural formalities, including appointment of various intermediaries, filing of Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus with the SEBI and other matters incidental hereto.

The said committee comprised of the following members –

1. Mr. Ashok Boob
2. Mr. Siddhartha Sikchi
3. Mr. Krishnakumar Boob

Company got listed on BSE and NSE on 19th July, 2021. Since all the formalities of the IPO had been completed including refund of security deposit from stock exchanges, the said Committee was dissolved.

l) REMUNERATION OF DIRECTORS

a. Pecuniary relationship or transactions

During the year under review, there were no pecuniary relationship or transactions between the Company and any of its Non-Executive Directors apart from sitting fees and reimbursement of expenses incurred by them to attend the meetings of the Company.

b. Non-Executive Directors' compensation and disclosures

Non-Executive Directors, including Independent Directors are paid sitting fees for attending the meetings of the Board and Committees of the Board. During the year under review, the Company paid sitting fee of ₹ 50,000/- per meeting per Director for attending Board Meeting and ₹ 30,000/- per meeting per Director for attending Committee meetings.

The details of the sitting fees paid to Non -Executive Directors in FY 2022-23 is given below:

Name of Director	Category	Sitting fees (₹ in million)
Mr. Pradeep Rathi	Non-Executive - Non Independent Director	0.44
Mr. Sanjay Kothari	Non-Executive - Non Independent Director	0.44
Prof. Ganapati Yadav	Non-Executive - Independent Director	0.47
Mr. Keval Doshi	Non-Executive - Independent Director	0.53
Ms. Madhu Dubhashi	Non-Executive - Independent Woman Director	0.35

c. The Remuneration details of Managing / Executive Directors are mentioned below:

₹ in million

Component	Mr. Ashok Boob- Managing Director	Mr. Krishnakumar Boob- Whole Time Director	Mr. Siddhartha Sikchi - Whole Time Director
Basic Pay	28.75	17.25	25.88
Performance Bonus (Collectively 4% of Net Profit Before Tax)	64.87	38.92	58.38
Total	93.62	56.17	84.26

Managing Director is appointed under the contract for a period of five years and with termination notice period of 6 months and Executive Directors are appointed under the contract for a period of five years and subject to re-appointment due to retirement by rotation in the Annual General Meeting. No employee stock options were granted to Managing Director and Executive Directors.

CORPORATE GOVERNANCE REPORT (CONTD.)

J) GENERAL BODY MEETINGS:

Details of last three Annual General Meetings are given below:

Annual General Meeting:

Financial Year	Day, Date and Time	Venue	No. of Directors present	Details of Special Resolutions passed
2021-22	Monday, 8th August, 2022 at 3.00 p.m.	Meeting convened through Video Conferencing / Other Audio Visual Means Deemed Venue:- Office No. 503, Pentagon Tower P-4, Magarpatta City, Hadapsar, Pune 411013	7	—
2020-21	Tuesday, 15th June, 2021 at 3.30 p.m.	Office No. 503, Pentagon Tower P-4, Magarpatta City, Hadapsar, Pune 411013	3	i) To consider borrowing limits of ₹ 500 Crores under Section 180(1) (c) of the Companies Act, 2013 ii) To consider and approve creation of charge on the movable and immoveable properties of the Company both present and future in respect of the borrowings under Section 180(1) (a) of the Companies Act, 2013
2019-20	Thursday, 24th December, 2020 at 11.30 a.m.	Shubham Navin Nagar Road, Sangamner- 422605	3	—

Extra Ordinary General Meetings:

Details of Extra Ordinary General Meetings held during last 3 years are given below:

Financial Year	Day, Date and Time	Venue	No. of Directors Present	Details of Special Resolutions passed
2021-22	Postal ballot on 17th March, 2022	N.A	N.A	i) To consider and approve the modifications in Clean Science and Technology Limited Employee Stock Option Scheme. 2021. ii) To ratify the Clean Science and Technology Limited Employee Stock Option Scheme. 2021. iii) To approve continuation of employment of Mr. Ashok Boob Managing Director of the Company, consequent of his attaining the age of 70 years w.e.f 2nd March, 2022. iv) To approve re-appointment of Mr. Ashok Boob, as Managing Director of the Company for further term of 5 years w.e.f 28th July ,2022. v) To approve payment of aggregate annual remuneration in excess of 5% of net profits of the Company in a year collectively to all Executive Directors who are Promoters.

CORPORATE GOVERNANCE REPORT (CONTD.)

Financial Year	Day, Date and Time	Venue	No. of Directors Present	Details of Special Resolutions passed
2020-21	Saturday, 27th March, 2021 at 3.00 pm	Office No. 503, Pentagon Tower P-4, Magarpatta City, Hadapsar, Pune 411013	3	<ul style="list-style-type: none"> i) To alter object clause of Memorandum of Association. ii) To consider and approve payment of managerial remuneration to Mr. Ashok Boob for the financial year 2020-21. iii) To consider and approve payment of managerial remuneration to Mr. Krishnakumar Boob for the financial year 2020-21. iv) To consider and approve payment of managerial remuneration to Mr. Siddhartha Sikchi for the financial year 2020-21. v) To approve Employee Stock Option Scheme 2021
2020-21	Thursday, 25th February, 2021 at 11.00 am	Office No. 503, Pentagon Tower P-4, Magarpatta City, Hadapsar, Pune 411013	3	<ul style="list-style-type: none"> i) Approval for conversion of the Company into a Public Limited Company. ii) Adoption of amended Memorandum of Association. iii) Adoption of amended Articles of Association. iv) To increase investment limits for non-resident Indians
2020-21	Friday, 15th January, 2021 at 10.00 am	Hotel Westin Pune, 36/3-8, Mundhwa Rd, Koregaon Park Annexe, Ghorpadi, Pune, Maharashtra 411001	3	Shifting of Registered Office Address of The Company Outside Local/City Limits
2019-20	Thursday, 24th December, 2020 at 4.00 pm	Shubham Navin Nagar Road, Sangamner-422605	3	—

No Special Resolutions were passed through Postal Ballot during FY 2022-23.

- a) Person who conducted the postal ballot exercise - NA
- b) Whether any special resolution is proposed to be conducted through postal ballot - NA
- c) Procedure for Postal Ballot - NA

K) MEANS OF COMMUNICATION

(a) Financial Results:

The quarterly, half-yearly and annual Financial Results of the Company are generally published in Financial Express (English) and Loksatta (Marathi Edition). The financial results of the Company are put on the website of the Company after these

are submitted to the Stock Exchange at <https://cleanscience.co.in/investors-kit/>

(b) Annual Report:

Pursuant to relaxation granted by Ministry of Corporate Affairs and Securities and Exchange Board of India vide general circular no. 10/2022 dated 28th December, 2022 and circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 respectively, Company has sent an AGM Notice and copy of Annual Report through e-mails to all those Members whose e-mail ids are registered with the Company/RTA/Depository Participant. Company is once again appealing to the shareholders to register their e-mail ids with the RTA/Depository Participants if they have not done yet.

CORPORATE GOVERNANCE REPORT (CONTD.)

(c) Investor Presentations and Investors meet:

The Company participates in various investor conferences and analyst meets. Conference call with investors on Financial Results are held every quarter. Concall Transcript, Audio Recordings of Concall of the Company are available on the website of the Company. No unpublished price sensitive information is discussed in these meetings. The Annual Report of the Company, the quarterly / half yearly Financial Results and the annual audited financial statements are also disseminated on the Company's website.

General Meeting ("AGM") through video conferencing ("VC") or other audio visual means ("OAVM") upto 30th September, 2023. Accordingly, your Company will be conducting the 20th AGM through VC/OAVM facility. Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice of AGM, and this mode will be available throughout the proceedings of the AGM.

The 20th Annual General Meeting -

Date : 10th August, 2023

Day: Thursday

Time: 3.00 PM (IST)

Venue: As the meeting is through VC/OAVM it will be deemed to be registered office.

L. GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting- date, time and venue

Pursuant to General Circular No. 10/2022 issued by Ministry of Corporate Affairs ('MCA') dated 28th December, 2022 read together with MCA General Circular Nos. 14 & 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively, MCA General Circular No. 02/2022 dated 5th May, 2022, Companies are allowed to hold their Annual

(b) Financial Year

The financial year covers the period from 1st April, 2022 to 31st March, 2023.

(c) Dividend Payment date:

Friday, 25th August, 2023

(d) Name and Address of each Stock Exchange at which company shares are listed and stock code

Listing on Stock Exchanges	Name	Address	Stock Code
Equity Shares	BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001	543318
Equity Shares	National Stock Exchange of India Limited	Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra(E), Mumbai – 400 051	CLEAN

The Annual Listing Fee and custodian charges of the depositories for the Financial Year 2023-24 has been paid to both the stock exchanges and depositories respectively.

(e) Market price data – High and Low during each month in the last financial year 2022-23

Month	BSE		NSE	
	High Price ₹	Low Price ₹	High Price ₹	Low Price ₹
April 2022	2,078.95	1,886.50	2,078.85	1,887.00
May 2022	1,940.00	1,610.45	1,933.40	1,612.00
June 2022	1,842.10	1,445.00	1,846.00	1,445.00
July 2022	1,835.00	1,441.00	1,837.00	1,440.90
August 2022	1,818.00	1,595.00	1,819.00	1,595.00
September 2022	1,978.90	1,701.55	1,980.00	1,702.15
October 2022	1,778.20	1,567.00	1,778.80	1,565.00
November 2022	1,619.05	1,479.00	1,619.95	1,479.60
December 2022	1,599.90	1,410.10	1,593.00	1,410.00
January 2023	1,509.85	1,330.00	1,510.00	1,330.00
February 2023	1,540.00	1,353.70	1,539.90	1,352.50
March 2023	1,495.00	1,227.45	1,494.90	1,227.10

[Source: This information is compiled from the data available on the website of BSE and NSE]

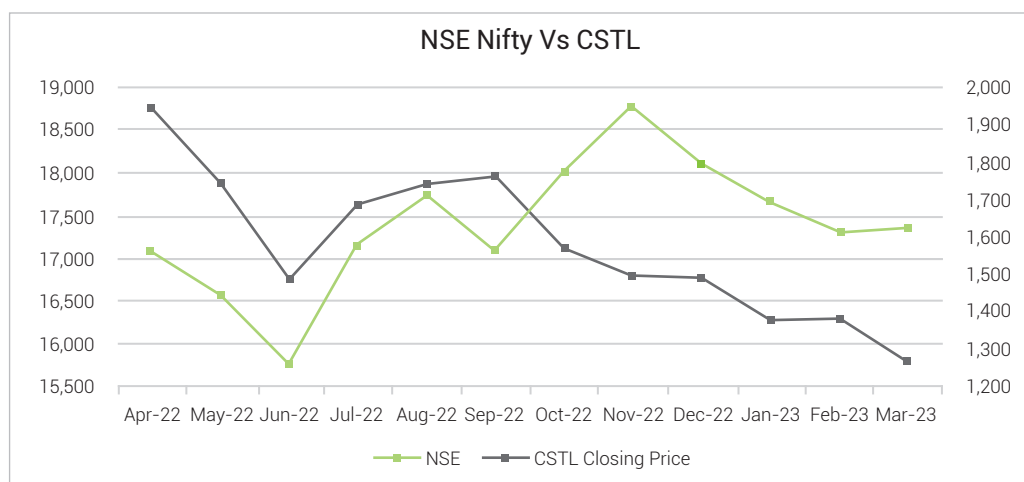
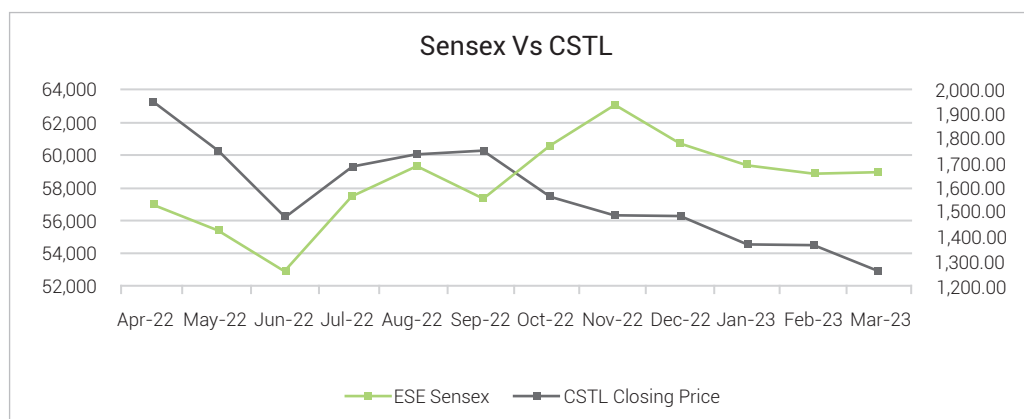
CORPORATE GOVERNANCE REPORT (CONTD.)

The market share price data of the Company in comparison to broad-based indices like BSE Sensex and Nifty are given below:

Months	Company's closing price at BSE	BSE Sensex	Company's closing price at NSE	Nifty 50
April 2022	1944.75	57,060.87	1,945.40	17,102.55
May 2022	1,753.60	55,566.41	1,748.65	16,584.55
June 2022	1,489.90	53,018.94	1,490.05	15,780.25
July 2022	1,686.60	57,570.25	1,687.35	17,158.25
August 2022	1,742.55	59,537.07	1,740.00	17,759.30
September 2022	1,757.70	57,426.92	1,759.15	17,094.35
October 2022	1,572.40	60,746.59	1,572.20	18,012.20
November 2022	1,497.55	63,099.65	1,496.30	18,758.35
December 2022	1,489.35	60,840.74	1,490.05	18,105.30
January 2023	1,381.10	59,549.90	1,376.15	17,662.15
February 2023	1,378.50	58,962.12	1,377.85	17,303.95
March 2023	1,264.35	58,991.52	1,267.90	17,359.75

[Source: This information is compiled from the data available on the website of BSE and NSE]

Performance in comparison to broad-based indices: (BSE Sensex, NSE Nifty, etc)



[Source: This information is compiled from the data available on the website of BSE and NSE]

CORPORATE GOVERNANCE REPORT (CONTD.)

(f) Registrar & Share Transfer Agents: Link Intime India Private Limited

Particulars	Address	Contact details
Link Intime India Private Limited	Block No. 202, 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune - 411 001	Contact Person: Mr. Sandip Pawar, Tel: 020-46014473 E-mail: pune@linkintime.co.in website- https://www.linkintime.co.in/

(g) Share Transfer System

According to the SEBI Listing Regulations, 2015, no shares can be transferred unless they are held in dematerialised mode. The entire share capital of the Company is in dematerialised form only and no shares are held in physical form.

(h) Shareholding Pattern

Shareholding pattern as on 31st March, 2023: -

Category	No. of shares	% of Equity Capital
Promoters & Promoter Group	83,392,300	78.50
Mutual Funds	4,607,073	4.33
Insurance Companies	394,242	0.37
Alternate Investment Funds	58,126	0.05
Foreign Portfolio Investors	4,241,278	3.99
Non-Resident Individuals	317,422	0.30
Resident Individuals	7,579,272	7.13
Bodies Corporates (including Foreign Companies)	5,372,464	5.06
Others (Trusts, HUF, Clearing Members)	275,362	0.27
Total	106,237,539	100

Distribution of Shareholding

Distribution of Shareholding as at 31st March, 2023.

Sr. no	Shares Range	Number of Shareholders*	% of total Shareholders	Total Shares For the Range	% of Issued Capital
1	1 to 500	274,100	99.52	6,342,975	5.97
2	501 to 1000	752	0.28	554,225	0.53
3	1001 to 2000	267	0.10	392,495	0.37
4	2001 to 3000	83	0.04	209,403	0.20
5	3001 to 4000	32	0.01	112,811	0.10
6	4001 to 5000	26	0.00	119,309	0.11
7	5001 to 10000	44	0.01	311,150	0.29
8	10001 and above	95	0.04	98,195,171	92.43
Total		2,75,399	100	106,237,539	100

* After consolidating the folios on the basis of PAN

(i) Dematerialisation of Shares and Liquidity

The Company's shares are presently traded on the BSE and NSE in dematerialised form. The International Securities Identification Number (ISIN) allotted to the Company's Shares under the Depository System is INE227W01023. The Company's shares are actively traded on the stock exchanges. As on 31st March, 2023, 100% of the shareholding in the Company are held in dematerialised form which includes the promoter and promoter groups shareholding of 78.50%.

(j) Outstanding GDRS/ADRS/Warrants/Convertible Instruments, Conversion Date and likely impact on equity

The Company has not issued GDRs/ADRs/Warrants or any Convertible instruments.

CORPORATE GOVERNANCE REPORT (CONTD.)

(k) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

Information with respect to 'Commodity Price Risk or Foreign Exchange Risk and Hedging Activities' is provided in Notes of the Standalone and Consolidated Financial Statements as at and for the year ended 31st March, 2023, respectively.

(l) Plant Locations:

Sr. No	Particulars	Address
1	Unit 1	Plot No. D-28, MIDC Kurkumbh, Tal. Daund, District: Pune - 413802, Maharashtra, India Ph: +91-2117-235866
2	Unit 2	Plot No. D-26/3, MIDC Kurkumbh, Tal. Daund, District: Pune - 413802, Maharashtra, India Ph: +91-2117-235867
3	Unit 3	Plot No. D-25/1/1, D-26/2, MIDC Kurkumbh, Tal. Daund, District: Pune - 413802, Maharashtra, India Ph: +91-2117-299368/299468

(m) Address for correspondence:

Clean Science and Technology Limited,

Office No. 503, Pentagon Tower P-4, Magarpatta City, Hadapsar, Pune 411013

(n) Credit Rating

The following is the list of credit ratings assigned/re-affirmed to the Company:

Long-term rating	CRISIL AA-/Stable (Upgraded from 'CRISIL A+/Positive')
Short-term rating	CRISIL A1+ (Reaffirmed)

(o) Transfer of unclaimed amounts/ shares to the Investor Education and Protection Fund (IEPF):

In terms of Section 124 of the Companies Act, 2013, if the dividend declared by the Company is not claimed by the shareholders or remains unpaid for consecutive 7 years, amount of dividend which remains unpaid and the corresponding shares are required to be transferred to the Investor Education and Protection Fund (IEPF).

During the period under review Company was not required to transfer any amount/ shares to the IEPF.

Following Table provides dates on which unclaimed dividend and their corresponding shares would become liable to be transferred to the IEPF.

Financial Year	Type of Dividend	Dividend per share (₹)	Date of Declaration of Dividend	Due date of Transfer to IEPF
2021-22	Final Dividend	3.25	8th August, 2022	8th September, 2029
2022-23	Interim Dividend	2.00	2nd February, 2023	2nd March, 2030

Members who have not encashed the dividend so far in respect of aforesaid period(s) are requested to make claim to Link Intime Private Limited (RTA) well in advance of the above due dates.

In order to enable the Company to directly credit the dividend amount in the bank accounts members holding shares in demat account are requested to update their Bank Account details with their respective Depository Participants.

M) OTHER DISCLOSURES

(a) Related Party Transactions:

All the transactions entered into by the Company with Related Parties as defined under the Companies Act, 2013 and the SEBI Listing Regulations, 2015, during the Financial Year 2022-23 were of routine nature, in the ordinary course of business and on arm's length basis. There were no material significant related party transactions entered into by the Company that may have potential conflict of interest with the Company. Statement showing disclosure of transactions with related parties during the year under review as required under Indian Accounting Standard is set out separately in this Annual Report.

CORPORATE GOVERNANCE REPORT (CONTD.)

(b) Statutory Compliance, Penalties and Strictures:

The Company has complied with the requirements of the Stock Exchanges, SEBI, and statutory authorities on all matters related to the capital markets. No penalty or strictures were imposed on the Company by these authorities.

(c) Establishment of vigil mechanism, whistle blower policy:

In accordance with the requirements of Section 177 of the Companies Act, 2013 read with SEBI Listing Regulations, 2015 the Company has a Whistle Blower Policy approved by the Board of Directors. The policy provides a mechanism for employees to report their concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and provides safeguards against the victimisation of employees who avail of the mechanism. The Company has taken measures to create awareness amongst its employees on the Code of Conduct, Whistle blower and other Governance policies through training sessions.

No personnel of the Company has been denied access to the Chairperson of the Audit Committee. The policy with the name and address of the Chairperson of the Audit Committee has been circulated to the employees. Direct complaints can be raised to the Chairperson of the Audit Committee by sending an email at vigil@cleanscience.co.in or by sending letter at the designated address. The whistle Blower policy adopted by the Company can be accessed from the website at <https://cleanscience.co.in/wp-content/uploads/2023/02/Whistle-Blower-Policy.pdf>

(d) Code of Conduct for Prevention of Insider Trading

The Company has adopted Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders of Clean Science and Technology Limited ("Code") under SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations, 2015"). The Code lays down the guidelines for

procedures to be followed and disclosures to be made by designated persons while trading in securities of the Company. The Company Secretary is the Compliance Officer for ensuring the compliance with SEBI PIT Regulations 2015 and implementation of the Code across the Company.

During the year the Company took steps to sensitise compliance requirements under SEBI PIT Regulations, 2015 with the Designated Persons by holding physical, virtual sessions and through regular communications.

(e) Structured Digital Database

The Company has in place a structured digital database wherein details of persons with whom Unpublished Price Sensitive Information is shared on a need to know basis and for legitimate purpose are entered. The database is maintained internally by the Company in accordance with SEBI PIT Regulations, 2015.

Secretarial Auditors have in their Annual Secretarial Compliance Report have affirmed compliances under Regulation 3(5) and 3(6) of SEBI PIT Regulations, 2015.

(f) Details of compliance with mandatory requirements and adoption of the non-mandatory Requirements:

The Company is compliant with all the mandatory requirements of the SEBI Listing Regulations, 2015 for 2022-23.

The following non-mandatory requirement under Part E of Schedule II of the Listing Regulations to the extent they have been adopted are mentioned below:

- **Reporting of Internal Auditor:**

The Internal Auditor reports to the Audit Committee and participates in the meetings of the Audit Committee and presents Internal Audit observations to the Audit Committee.

- **Separate posts of Chairperson and the Managing Director :**

The Chairperson of the Board is a Non-Executive Director and not related to the Managing Director of the Company.

CORPORATE GOVERNANCE REPORT (CONTD.)

(g) Disclosure of Commodity Price risks and commodity hedging activities:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated 15th November, 2018 is not required to be given

(h) Details of raising of funds through preferential allotment or qualified institutions placement:

There were no instances of raising of funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations, 2015

(i) Certificate from Practicing Company Secretary pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

The Company has obtained a certificate from M/s. J. B. Bhavé & Co, Practicing Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority. The said certificate is annexed as **Annexure III** to this report and forms part of this Annual Report

(j) Confirmation regarding acceptance of recommendation of Committee:

In terms of the SEBI Listing Regulations, 2015, the Board of Directors confirms that during the year, it has accepted recommendations received from its Committees.

(k) Consolidated Fees paid / payable to Statutory Auditors

During the year total fees paid /payable to BSR & Co. LLP, the Statutory Auditors of the Company for all services availed by the Company and its subsidiaries, on a consolidated basis, is as follows-

Type of Service/Fees	Amount in million (₹)
Statutory Audit Fees	1.65
Other Services	0.75
Reimbursement of expenses	0.15
Total	2.55

(l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has formulated a policy on prevention, prohibition, and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder for prevention and redressal of complaints of sexual harassment at workplace.

During the year awareness programmes had been conducted in the Company for the new joiners as well as for existing employees. There were no complaints relating to sexual harassment, pending at the beginning of financial year, received during the year and pending as on the end of the Financial Year 2022-23.

(m) Details of Loans and Advances by Company and its Subsidiaries:

No Loans and advances are made to firms/ companies by the Company or its subsidiary in which directors are interested.

(n) Compliance of Corporate Governance Requirements:

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations, 2015.

(o) Details of Unclaimed Suspense Account

No shares of the Company are lying in the unclaimed suspense account.

(p) Compliance with Accounting Standard

The Company has followed the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with relevant rules thereunder for the preparation of Financial Statements. The Significant Accounting Policies which are consistently applied have been set out in the notes to the financial statements.

(q) Subsidiary Companies

In terms of Regulation 24(1) of the SEBI Listing Regulations, 2015 Company has four wholly owned unlisted subsidiaries. The

CORPORATE GOVERNANCE REPORT (CONTD.)

Subsidiaries are not material subsidiaries for the financial year ended 31st March 2023. Policy to determine a material subsidiary has been framed and the same may be accessed on the Company's website at the link <https://cleanscience.co.in/wp-content/uploads/2023/02/Policy-on-Material-Subsidiaries.pdf>

(r) Green Initiative

As responsible corporate citizen, the Company welcomes and supports the "Green Initiative" undertaken by Ministry of Corporate Affairs, Government of India enabling electronic delivery of documents including the Annual Report and other correspondence to the members at their email addresses registered with Depository participants and RTA. Members who have not registered their email addresses so far are requested to do the same. Shareholders holding shares in demat mode can register

their email address with their concerned Depository Participants.

N) MD AND CFO CERTIFICATION

In terms of the provisions of Regulation 17(8) of the SEBI Listing Regulations, 2015, the Managing Director and Chief Financial Officer (CFO) have issued a certificate, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed as **Annexure I** to this report and forms part of the Annual Report.

O) CERTIFICATE ON CORPORATE GOVERNANCE

A Compliance Certificate from M/s. J. B. Bhave & Co, Practicing Company Secretary pursuant to Schedule V of the SEBI Listing Regulations, 2015 regarding the compliance of conditions of Corporate Governance is annexed as **Annexure II** to this report and forms part of the Annual Report.

P) WEBLINK FOR CORPORATE INFORMATION AND POLICIES:

Name	Website Link
Code of Conduct for Board of Directors and SMPs	https://cleanscience.co.in/wp-content/uploads/2023/02/Code-of-Conduct-for-Board-of-Directors-and-SMPs.pdf
Code of Conduct for Prohibition of Insider Trading in securities of the Company	https://cleanscience.co.in/wp-content/uploads/2023/06/Code-of-Conduct-for-Prohibition-of-Insider-Trading-in-securities-of-the-Company-updated.pdf
Policy on Related Party Transactions	https://cleanscience.co.in/wp-content/uploads/2023/02/Policy-on-Related-Party-Transactions.pdf
Policy on Prevention of Sexual Harassment at the Workplace (POSH)	https://cleanscience.co.in/company-policies-policy-on-prevention-of-sexual-harassment-at-the-workplace/
Corporate Social Responsibility Policy	https://cleanscience.co.in/wp-content/uploads/2023/02/Corporate-Social-Responsibility-Policy.pdf
Nomination and Remuneration Policy	https://cleanscience.co.in/wp-content/uploads/2023/04/Nomination-and-Remuneration-Policy.pdf
Policy to promote Diversity of Board of Directors	https://cleanscience.co.in/wp-content/uploads/2023/02/Policy-to-Promote-Diversity-of-Board-of-Directors.pdf
Whistle Blower Policy	https://cleanscience.co.in/wp-content/uploads/2023/02/Whistle-Blower-Policy.pdf
Archival Policy	https://cleanscience.co.in/company-policies-archival-policy/
Dividend Distribution Policy	https://cleanscience.co.in/wp-content/uploads/2023/02/Dividend-Distribution-Policy.pdf
Policy on Material Subsidiaries	https://cleanscience.co.in/wp-content/uploads/2023/02/Policy-on-Material-Subsidiaries.pdf
Policy for Evaluation of Performance of Board of Directors	https://cleanscience.co.in/wp-content/uploads/2023/02/Policy-for-Evaluation-of-Performance-of-Board-of-Directors.pdf

CORPORATE GOVERNANCE REPORT (CONTD.)

Name	Website Link
Terms and Conditions for Appointment of Independent Directors	https://cleanscience.co.in/company-policies-terms-and-conditions-for-appointment-of-independent-directors/
Policy for Familiarisation Programme for Independent Directors	https://cleanscience.co.in/company-policies-policy-for-familiarisation-programme-for-independent-directors/
Policy for Preservation of Documents	https://cleanscience.co.in/wp-content/uploads/2023/02/Policy-for-Preservation-of-Documents.pdf
Succession Policy	https://cleanscience.co.in/wp-content/uploads/2023/02/Succession-Policy.pdf
Policy on Anti-Bribery and Corruption	https://cleanscience.co.in/company-policies-policy-on-antibribery-and-corruption/
Risk Management Policy	https://cleanscience.co.in/wp-content/uploads/2023/02/Risk-Management-Policy.pdf
Code of Practices and Procedures for fair disclosure of UPSI	https://cleanscience.co.in/wp-content/uploads/2023/02/Code-of-Practices-and-Procedures-for-fair-disclosure-of-UPSI.pdf
Policy for Determination of Materiality	https://cleanscience.co.in/company-policies-policy-for-determination-of-materiality/

Declaration in compliance of the Code of Conduct as required under Schedule V of SEBI Listing Regulations, 2015.

I, Ashok Boob, Managing Director of the Company hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, in respect of the financial year 2022-23.

For Clean Science and Technology Limited

Sd/-

Ashok R. Boob
Managing Director
(DIN: 00410740)

Place: Pune

Dated: 18th May, 2023



ANNEXURE I

CERTIFICATE OF MANAGING DIRECTOR AND CFO

Pursuant to regulation 17(8) and Part B of Schedule II of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 For the Financial Year ended 31st March, 2023

To,
The Board of Directors,
Clean Science and Technology Limited,
Office No. 503, Pentagon Tower P-4,
Magarpatta City, Hadapsar, Pune
Maharashtra 411013

In respect of the Financial Statements of the Company for the Year ended 31st March, 2023, we hereby certify that:

- A. We have reviewed the financial statements and the cash flow statement of 'Clean Science and Technology Limited' ("the Company") for the year ended 31st March, 2023, and that to the best of our knowledge and belief, we hereby state that:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken for rectifying these deficiencies, if any.
- D. We have indicated to the Auditors and the Audit Committee:
- (1) that there were no significant changes in internal control over financial reporting during the year;
 - (2) that there were no significant changes in accounting policies made during the year except, as disclosed in the notes to the financial statements; and
 - (3) that there were no instances of significant fraud of which we have become aware of, involving the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Pune

Date: 18th May, 2023

Sd/-

Ashok Boob

Managing Director

Sd/-

Sanjay Parnerkar

Chief Financial Officer

ANNEXURE II

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

(As per Provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended from time to time)

To,
The Members
Clean Science and Technology Limited,
Office No. 503, Pentagon Tower P-4, Magarpatta City,
Hadapsar, Pune 411013, Maharashtra

Sub: Corporate Governance Compliance Certificate of Clean Science and Technology Limited

I have examined all relevant records of **Clean Science and Technology Limited** (CIN: L24114PN2003PLC018532) for the purpose of certifying compliance of the conditions of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March, 2023. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the above certification.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was carried out in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of my examination of the records produced, explanations and information furnished, I certify that the Company has complied with the mandatory conditions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable and amended from time to time for the financial year ended 31st March, 2023

For J. B. Bhave & Co.

Company Secretaries

Jayavant B. Bhave

Proprietor

FCS: 4266 CP: 3068

UDIN : F004266E000296107

PR No.: 1238/2021

Place: Pune

Date: 18th May, 2023

ANNEXURE III

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of SEBI
(Listing Obligations and Disclosure Requirements), 2015

To,
The Members,
Clean Science and Technology Limited,
Office No. 503, Pentagon Tower P-4, Magarpatta City,
Hadapsar, Pune 411013, Maharashtra

I have examined the relevant registers, record, forms, returns and disclosures received from the Directors of **Clean Science and Technology Limited** having CIN: L24114PN2003PLC018532 and having registered office at Office No. 503, Pentagon Tower P-4, Magarpatta City, Hadapsar, Pune 411013, Maharashtra (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	Designation	DIN	Date of appointment in Company
1.	Mr. Ashok Ramnarayan Boob	Managing Director	00410740	7th November, 2003
2.	Mr. Krishnakumar Ramnarayan Boob	Executive Director	00410672	7th November, 2003
3.	Mr. Siddhartha Ashok Sikchi	Executive Director	02351154	15th December, 2006
4.	Mr. Pradeep Ramwilas Rathi	Non-Executive - Non- Independent Director	00018577	15th December, 2006
5.	Mr. Sanjay Kothari	Non-Executive - Non- Independent Director	00258316	20th December, 2009
6.	Prof. Ganapati Dadasaheb Yadav	Non-Executive - Independent Director	02235661	15th December, 2006
7.	Mr. Keval Navinchandra Doshi	Non-Executive - Independent Director	03635213	6th February, 2021
8.	Ms. Madhu Dubhashi	Non-Executive - Independent Director	00036846	20th February, 2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on the same based on my verification. This certificate is specifically being issued in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For J. B. Bhave & Co.

Company Secretaries

Jayavant B. Bhave

Proprietor

FCS: 4266 CP: 3068

UDIN: F004266E000296118

PR No.: 1238/2021

Place: Pune

Date: 18th May, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

Despite the significant setback caused by the Covid-19 pandemic, the global economy has shown remarkable resilience in recent times. While the economy experienced a slowdown in 2018 and slipped into a Covid-19 pandemic induced recession in 2020, it has been on the mend since the beginning of 2022. Countries such as the US, China, and India have successfully regained their pre-Covid-19 pandemic levels, indicating a strong economic recovery. Governments have learned from the Covid-19 pandemic and are better prepared for similar events in the future. Economies that were hit hard appear to be recovering. Commodity prices that rose sharply due to geopolitical tensions have moderated and supply chain disruptions have eased out.

But early signs that the global economy would stabilise in 2023 on account of steady growth and inflation coming down have receded recently amid stubbornly high inflation and increased uncertainty due to the recent turmoil in the financial sector.

The baseline forecast is for global GDP growth to fall from 3.4% in 2022 to 2.8% in 2023, before settling at 3.0% in 2024. The tepid outlook reflects the tight policy stances needed to bring down inflation, the fallout from the recent deterioration in the banking and financial sector, ongoing geopolitical tensions and growing geo-economic fragmentation.

INDIAN ECONOMY

India's economy has made significant strides in recent years, positioning itself as a major player on the global economic stage. In a significant development, India has surpassed the United Kingdom to become the fifth-largest economy in the world based on nominal GDP (US\$). The economy has stood strong through 2022, largely due to the significant economic reforms and enterprising initiatives implemented by the Government over the past five to six years. The Government has been working to encourage and expand the manufacturing sector, taking advantage of the global trend towards diversification of supply chains. Corporate tax reductions and fiscal incentives through various schemes like PLI (Production Linked Incentive) have attracted investments in a wide range of industries. These efforts, along with macroeconomic factors such as supply chain gaps and rising trade conflicts, are expected to help the Indian economy reach its target of US\$5 trillion in nominal GDP, up from an estimated US\$3.7 trillion this year. In terms of growth, India is better positioned and remains a bright spot compared to other economies, thanks to supportive Government policies and sound macroeconomic fundamentals. The Real GDP growth for 2023-24 is projected at 6.4 percent by the RBI. Broad-based

credit growth, improving capacity utilisation, moderating commodity prices, Government's thrust on capital spending and infrastructure should bolster investment activity. Manufacturing, services and infrastructure sectors are quite optimistic about the business outlook. But, on the other hand, protracted geopolitical tensions, global financial market volatility and slowing external demand may pose downside risks to domestic output.

GLOBAL SPECIALTY CHEMICALS MARKET

Specialty chemicals are specific molecules or combinations that are designed to provide unique performance or functionality in various industries. These industries include automotive, construction, electronics, consumer goods, pharmaceuticals, food & beverage, flavours & fragrances, specialty polymers, paper & pulp, mining, and industrial sectors.

The global specialty chemicals market is projected to register a CAGR of 5.1% during the period of 2023 to 2030. The market's expansion is driven by an increasing demand for specialty chemicals in various industries on account of increased adoption in the end-user industries due to increasing population, rising disposable income and rapid urbanisation. The rising popularity of 'green chemistry' is also contributing to the market's growth as the industry focusses on sustainability.

The Asia-Pacific region has emerged as the dominant market for specialty chemicals, representing the largest proportion of revenue with a share of 48.5% in 2022. This can be attributed to the economic progress, industrialisation, and growth of major end-user sectors, with China and India being the leading contributors.

In the Middle East & Africa region, the market for specialty chemicals is expected to experience a CAGR of 3.6% by 2030, driven by rising demand for cosmetic chemicals in countries like the U.A.E., Kuwait, and Saudi Arabia. The food & beverage sector in the region is also anticipated to contribute to the market growth, propelled by changing consumer preferences, strategic geographic position, and Gulf food programmes.

In Latin America, the presence of major manufacturers is expected to drive demand for specialty chemicals, with the automotive, transportation, chemical processing, and construction industries being the key consumers.

Nevertheless, the market is susceptible to macroeconomic factors such as fluctuating energy prices and rising costs, which indicate instability in the global economy and can adversely impact the market.

(Source: <https://www.grandviewresearch.com/industry-analysis/specialty-chemicals-market#:~:text=Asia%20Pacific%20dominated%20the%20specialty,%2C%20automotive%20and%20electrical%20%26%20electronics>.)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Key Global Industry Trends in the Next Five Years

Green Chemistry:

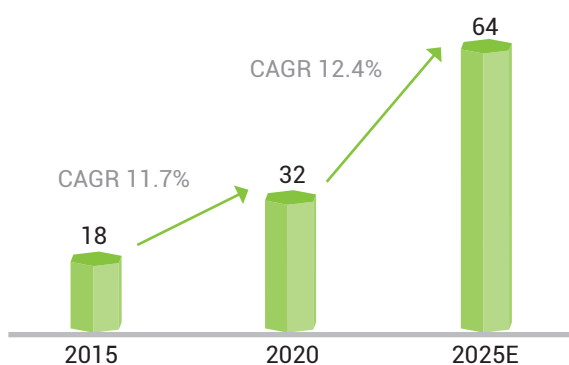
With an increasing awareness about the effects of certain hazardous chemicals on humans and the environment, there is a growing trend in the chemical industry to shift towards 'green' or sustainable chemistry. The application of green chemistry has the potential to significantly reduce the environmental footprint. One can achieve a reduction in environmental impact through two approaches: (i) curbing energy and water consumption during the process of chemical synthesis and (ii) minimising the chemical and biochemical oxygen demand of the waste generated, which consequently lowers the treatment costs of hazardous effluents and by-products. The evolution of green chemistry in the chemical industry will be a critical trend fuelling the sustainability focus of the chemical industry. The value of the green chemicals market is expected to register a CAGR of 11.6% from 2022 to 2029

Rise in the Demand of Specialty Chemicals in Different End-User Industries:

The specialty chemical manufacturing sector has witnessed significant growth in recent years. This is driven by increasing demand from end-user sectors such as textiles, agriculture, construction, food processing, personal care, pharmaceuticals, home care, autos, and consumer durables. The increasing population, improved standard of living, rise in per capita income, and busy lifestyles of people have resulted in a growing demand for a wide range of hygiene products, premium home and personal care products, and packaged foods that contain specialty chemicals. Similarly, growth in the usage of personal automobiles has boosted the demand for specialty chemicals, used in car paint and air freshener manufacturing.

INDIAN SPECIALTY CHEMICALS MARKET

Specialty Chemicals Market in India (US\$ billion)



The Indian specialty chemicals market is expanding rapidly and is estimated to attain a value of ~US\$ 64 billion by 2025. Currently, it constitutes around 22% of the total chemicals

market in India. Several factors are contributing to the growth of the Indian specialty chemicals market, including a significant demand from various end-user industries such as textiles, food, automobiles, construction, clothing, and personal cares, among others. Moreover, increasing urbanisation and growth in the number of middle-income households in the country are increasing demand for end-user segments which are further fuelling specialty chemicals demand in India.

Moreover, the Government has taken several measures to attract investments in the sector by introducing favourable policies and incentives, including the PCPIR policies, the extension of RoDTEP benefit to chemicals, and the active consideration of the PLI scheme. These initiatives are supporting the domestic manufacturing of specialty chemicals, and are expected to further boost the growth of the market.

(Source: <https://assets.kpmg.com/content/dam/kpmg/in/pdf/2022/11/Specialty-Chemicals-industry-India.pdf>)

Key Trends in Indian Specialty Chemicals Market

R&D Focus: Amidst growing uncertainty surrounding China and rising production costs in Europe, Indian chemical makers have an excellent opportunity to expand their footprint in the global market. However, to tap the existing opportunity and ensure long-term sustainability, the companies need continuous innovation through increasing focus on R&D.

The Rise of Green Chemicals: The growing pollution and damage to environment resulting from the discharge of harmful chemical effluents is raising concerns about sustainability. The adoption of green chemicals in India is rapidly evolving as India continues to prioritise sustainable development. Despite the growing awareness about sustainability in India, companies are still in the process of incorporating this new concept into their manufacturing activities, right from the input materials, the production process to the final manufactured product. A major challenge to the adoption of these environment-friendly chemicals by service providers and consumers is the high initial cost of such products.

A host of departments and ministries under the Government of India, including bodies such as the Department of Science and Technology, the Ministry of Chemicals and Fertilisers, and the Department of Pharmaceuticals, are beginning to establish various green chemistry initiatives. In some cases, they have entered into partnerships with SMEs to partially fund investments in green technology.

Make in India Initiative: On 12th May, 2020, the Government announced the 'Aatmanirbhar Bharat Abhiyan'. The initiative is aimed to combine relief, policy reforms and fiscal and

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

monetary measures to help businesses and individuals to cope with the situation created by the Covid-19 pandemic. The larger objective was to help transform India into a self-reliant economy. This campaign is especially expected to benefit the specialty chemicals sector. Several players in this sector are hoping to position themselves as an alternative to China as the Covid-19 pandemic prompts companies to diversify their supply chains. Specialty chemical companies are also set to look at import substitution along with exploring export opportunities to further drive their business.

Shift of Manufacturing Activities from China to India:

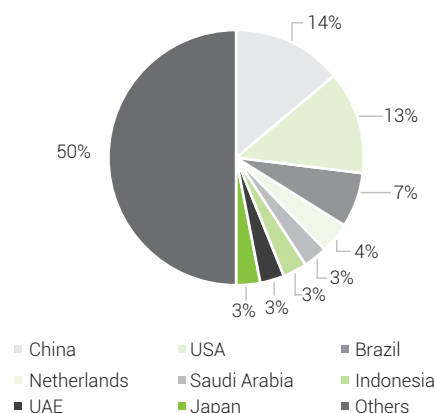
The Covid-19 pandemic has had a profound impact on global manufacturing operations, prompting many companies to reassess their dependence on China and opting for a 'China + 1 strategy'. An increasing number of companies are now exploring alternative locations for their manufacturing activities, as well as for alternate sourcing options. Taking advantage of this situation, the Indian Government has taken policy initiatives to attract companies looking to shift their manufacturing base to India in the post-Covid-19 pandemic scenario. Global manufacturers have initiated talks with Indian firms to explore the possibility of shifting a part of their supply chains from China to India as they seek to diversify their operations geographically.

The tightening of environmental protection norms in China since January 2015 has resulted in an increase in operating costs, closures and relocations of certain manufacturing facilities. Rising labour costs and the recent trade tension between China and the United States, are some of the factors that have prompted many global companies to look beyond China for their key raw materials purchases and focus on India. In addition, Indian companies, which have been heavily reliant on sourcing from China, are now starting to adopt local sourcing. Put together, the increase in local sourcing by Indian companies and the shifting of manufacturing activities by global companies from China to India are expected to boost the manufacturing sector in India, including the chemical manufacturing segment.

Outlook for Indian Specialty Chemicals Industry

The Indian specialty chemicals industry has been growing over the years. Over the last decade, there has been a significant increase in revenue and profit for specialty chemical companies. There are a host of factors, driving the India-edge. Growing competitiveness of Indian companies vis-à-vis producers from other countries has played an important role in tilting the balance in India's favour.

Country-wise share of India's chemical exports (2021-22)

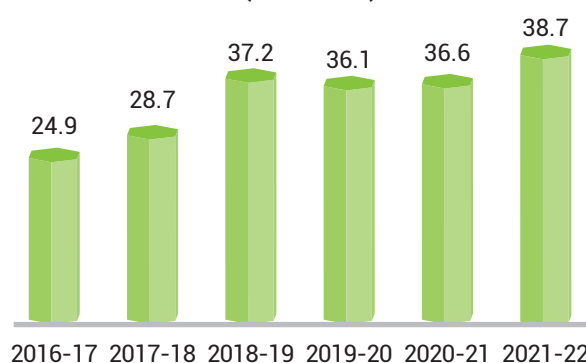


Source: Directorate General of Commercial Intelligence and Statistics (DGCI&S)

India continues to benefit from the existence of inherent growth drivers. These include a huge local demand base, significant exports with room for expansion, and substantial scope for import substitution. Competitive manufacturing costs, focus on R&D and innovation, availability of skilled and experienced workforce, strong adherence to compliance are some key differentiating enablers that have propelled the growth of the Indian specialty chemical space. Furthermore, the Indian Government has demonstrated its willingness to improve the ease of doing business and provide adequate policy support across multiple industries. This coupled with the pro-activeness of Indian companies, the global market share of India in this sector is expected to double in the coming years.

However, the industry is also susceptible to macroeconomic factors such as fluctuating energy prices, rising inflation and geopolitical uncertainties. This may lead to instability in the global economy and can adversely impact demand scenario.

India's Chemical and Petrochemical Product Exports (US\$ billion)



Source: Directorate General of Commercial Intelligence and Statistics (DGCI&S)

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

PRODUCT & SEGMENT REVIEW

CSTL manufactures functionally critical specialty chemicals across three major segments i.e. Performance Chemicals, FMCG Chemicals and Pharma & Agro Intermediates. The Company has a diversified product portfolio that find applications across various end-user industries such as personal care & hygiene, food & feed, flavours & fragrances, agriculture, pharmaceuticals, water treatment, construction and consumer goods. The Company's robust R&D capabilities help it meet global demand by formulating innovative and sustainable processes on a consistent basis.

Performance Chemicals

Performance chemicals is the largest, fastest-growing and most margin accretive segment of the Company. It

contributes 69% of revenues. The Company's flagship products MEHQ and BHA along with the newly launched HALS form part of the performance segment. Other products include AP and TBHQ.

CSTL has increased capacities of MEHQ and Guaiacol by ~50% during 2022-23.

Pharma & Agro Intermediates

The Pharma & Agro intermediate segment contributes around 19% of revenues. Three key products manufactured by the Company in this segment are Guaiacol, DCC and p-BQ.

FMCG Chemicals

The FMCG chemicals segment contributes 11% to revenues and has two key products, Anisole and 4-MAP.

Product	Application	Outlook/Growth prospects
MEHQ (Monomethyl ether of Hydroquinone)	Polymerisation inhibitor in the manufacturing of acrylic acids, acrylic esters, acrylates, and super absorbent polymers. Also used as a pre-cursor in agrochemical industry	Super absorbent polymers are used in diapers, sanitary napkins and adult incontinence products. A booming personal care industry, especially in emerging economies, and growing consumer consciousness regarding personal hygiene, are projected to augment demand for super absorbent polymers
BHA (Butylated Hydroxy Anisole)	Antioxidant in food, animal feed and nutrition industry to increase shelf-life	Increased popularity and availability of convenience products are driving consumption of packaged foods and beverages in both developed and developing countries An increase in cattle farming and growing livestock industrialisation is driving increased demand for nutritious animal feed
AP (L-Ascorbyl Palmitate)	Infant food formulations, breakfast cereals and cosmetics	Increased adoption across different industries like food & beverages, pharmaceuticals, cosmetics, personal care and dietary supplements are major factors boosting demand
TBHQ (Tertiary Butyl Hydroquinone)	Antioxidant to increase shelf life in the food industry	Continuous growth in the demand for processed food products globally. Increased applications in new industries like cosmetics and the petrochemical industry
Hindered Amine Light Stabilizers (HALS) Clean Light Stab 770	Stabilisers in a range of polymers that find application across end-user industries like automotive, industrials, agriculture, construction, paints and pigments	Growth in the construction industry, rising demand in the packaging industry and increasing premiumisation of consumer products are leading to demand for plastics that can maintain product integrity
Guaiacol	Pre-cursor to manufacturing APIs for cough syrup	The increasing incidences of respiratory disorders along with the rising levels of air pollution are some of the key factors contributing to the growth of the cough syrup market
DCC (Dicyclohexyl Carbodiimide)	Reagent in anti-retroviral	Anti-retroviral are essential in treating HIV infections. Easy availability of diagnosis tests, treatments and patient awareness regarding HIV infection and treatment will boost the global anti-retroviral therapy market
p-BQ (para Benzoquinone)	Intermediate in agrochemical industry	An increased requirement for agrochemicals is triggered by the rising population and higher food demand. Agrochemicals are used to increase farm productivity and generate higher yields
4-MAP (4-Methoxy Acetophenone)	Used in UV blockers in sunscreens (cosmetics industry)	Rising concern about skin protection against detrimental UV rays of the sun and improved alertness regarding skin cancer are the major factors driving growth
Anisole	Precursor to perfumes, fragrances, insect pheromones, pharmaceuticals	Rising urbanisation and the increase in disposable income globally has led to a growing demand for cosmetics and personal care products. Also, the application of anisole in numerous other industries such as pharmaceuticals and dyes has been growing

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Clean Light Stab (CLS) 770 - Hindered Amine Light Stabiliser (HALS)

During the year 2022-23, CSTL launched its new product, Clean Light Stab (CLS) 770. Manufacturing facilities for this product were commercialised in December 2022 at Unit 3. Clean Light Stab (CLS) 770 is a part of the HALS series.

UV radiation breaks down the chemical bonds in polymers, resulting in photodegradation. This leads to cracks, colour change, and loss of physical properties, such as tensile strength, elongations, and homogeneity. HALS protects polymers from degradation due to UV radiation and helps retain their properties. Generally, HALS provide excellent resistance to photodegradation and can be synergistically used with UV Absorbers and Antioxidants to improve the light and heat resistance of polymers. HALS are efficient scavengers and function by inhibiting the degradation of polymers that have already formed free radicals. They do not absorb UV radiation, but act to inhibit degradation of the polymer. They slow down the photochemically initiated degradation reactions.

Clean Light Stab 770 prevents photodegradation and increases the life of polymers like Polypropylene, EPDM, Polystyrene, ABS, SAN & ASA, Polyurethanes, Polyacetals and Polyurethanes

CLS 770 is the first of the range of light stabilisers CSTL has developed and commercialised in India to cater to the ever-increasing applications across various end-user industries. The Company has successfully developed other products in the HALS series and will be shortly introducing them in phases over the next year to serve customers with a complete range of polymer stabilisers.

COMPANY OVERVIEW

Clean Science and Technology Limited (referred to as 'CSTL' or 'The Company'), incorporated in 2003, is a global leader in developing eco-friendly and cost-competitive in-house catalytic processes for manufacturing a variety of specialty chemicals that find applications across diverse end-user industries. The Company's commitment to product identification, research & development (R&D), process innovation, catalyst development, and significant scale of operations has led it to become the largest manufacturer of certain specialty chemicals worldwide. It has achieved this success through its strategic backward integration and in-house plant engineering capabilities. Thus, enabling CSTL to be one of the fastest-growing and profitable specialty chemical companies, globally.

CSTL has three completely operational production facilities in India, located at Kurkumbh MIDC in the state of Maharashtra. Each facility is equipped with an independent

R&D unit, quality control department, warehouse, engineering, and utility section. Additionally, all of the Company's facilities are zero liquid discharge facilities and certified to ensure compliance with its strict quality, environment and safety standards.

CSTL continually strives to push the boundaries of innovation in its field. At the same time, the Company remains steadfast in its commitment to environmental sustainability. It is confident that its focus on technology, innovation, and strategic growth will enable it to continue and thrive as a leader in the specialty chemical industry.

FINANCIAL OVERVIEW

CSTL strives to improve its financial performance by regular capacity augmentation & automation, strategic backward integration, improving yields and efficiencies of existing products, diversification of its customer base and optimising costs of sourcing raw materials and other fixed costs.

Because of the Company's strong business performance that it has been able to maintain a healthy balance sheet with zero debt and strong return ratios. CSTL's long-term ratings have been upgraded by CRISIL to AA-(Stable) & short-term ratings maintained at A1+.

Particulars (₹ Million)	2022-23	2021-22
Export Revenues	6,713	4,807
Domestic Revenues	2,552	1,968
Other Operating Income	93	74
Total Revenues	9,358	6,849
Raw Material Costs	3,260	2,247
Employee Costs	450	345
Power & Fuel Costs	898	619
Repairs & Maintenance	100	129
Other Expenses	624	509
Total Expenses	5,332	3,849
EBITDA	4,026	3,000
EBITDA (%)	43.5%	44.3%
Depreciation Costs	358	249
EBIT	3,668	2,751
EBIT (%)	39.6%	40.6%
Interest Costs	2	1
Other Income	388	299
PBT	4,054	3,049
PBT %	43.8%	45.0%
Tax Expenses	1,019	763
PAT	3,035	2,286
PAT %	32.8%	33.7%

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Financial Ratios

	2022-23	2021-22	% Change
Inventory Turnover	3.3	3.2	3

(Cost of Goods sold / Average Inventories)

	2022-23	2021-22	% Change
Current Ratio	5.1	3.9	31

(Current Assets / Current Liabilities)

	2022-23	2021-22	% change
Debtors Turnover	6.2	5.9	5

(Net Sales / Average Trade Receivables)

	2022-23	2021-22	% Change
Operating Profit Margin (%)	39.6	40.6	(2)

(Profit Before Interest and Taxes / Net Sales)

	2022-23	2021-22	% Change
Net Profit Margin (%)	32.8	33.7	(2)

(Net Profit After Tax / Net Sales)

	2022-23	2021-22	% Change
Return on Net Worth (%)	34.0	34.9	(3)

(Net Profit After Tax / Average Net Worth)

	2022-23	2021-22	% Change
Interest Coverage Ratio	-	-	-

(Earnings Before Interest and Taxes/Interest Expenses)

	2022-23	2021-22	% Change
Debt Equity Ratio	-	-	-

(Net Debt/Net Worth)

Increase in current ratio - Increased investments due to higher cash accruals and reduction in trade payables.

HUMAN RESOURCES

Employee Well-Being and Safety

CSTL maintains high safety standards to ensure workplace safety at all times. Detailed training is given to employees on safe work practices and behaviour, along with the proper use of PPE kits. The Company's occupational health centre (OHC), comprising qualified doctors and nursing staff, is available for employees to reach out for any medical support. It has ties with local hospitals for medical support, and also conducts regular health checkups for its employees.

CSTL's regular training and re-training sessions reinforce strict adherence to safety procedures and norms at all

levels and across departments. The Company provides medical insurance to its employees, and has also achieved zero fatalities at its plants and offices.

Training and Development

CSTL continuously works on enhancing the capabilities of its workforce through various training programmes conducted by in-house and external expert faculty. The trainings are not only limited to technical topics but also include behavioural and managerial topics. The trainings are imparted by way of classroom sessions, project works, and mock drills, among others. The Company's training has a positive impact on the performance by improving productivity, product quality, and reducing incidents at the workplace. Compliance trainings are also held at regular intervals.

CSTL has also digitalised most of its HR processes, leading to accuracy, transparency, and accountability in the operational system. With employee well-being at its core, the Company is revising its policies and practices to be at par with the best in the industry.

Clean Connect Annual Day

CSTL offers various employee engagement programmes for its employees. Among these initiatives is the Annual Day, which serves as an excellent platform for employees to showcase their talents. The highlight of the Annual Day activity is the felicitation of employees who have completed 10 or 5 years of dedicated service to the organisation.

Communication Meeting

CSTL firmly believes that it is equally important not only to hire the right people but also seamlessly onboard new members. The Company ensures its new talent gets accustomed to the new work environment, and is supported through their induction in the respective departments. CSTL's communication meeting with the new joiners provides additional support in reaching out to them.

Talent Acquisition

CSTL's campus hiring from reputed colleges helps in attracting fresh talent both from local and esteemed engineering colleges. With an eye towards promoting in-house leaders, the Company has high-potential programmes to nurture talent and prepare them for future positions. Moreover, it provides accelerated growth opportunities for its high-potential employees across various departments. The organisation also provides ample opportunities for employees to enhance their skills by internal job rotations.

Inclusive Workforce

As an advocate of equal opportunity, CSTL promotes diversity and inclusion. The Company provides an enabling

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

environment that supports the growth of its female employees. It encourages women in various leadership positions within the organisation.

Total employees and workers – 1,383

Women employees – 8%

CSR

CSTL's CSR philosophy is intertwined with its core focus on sustainability. The Company is committed to creating a better future and continuously endeavours to contribute to the social and economic development of the communities it operates in.

Since its inception, CSTL has deployed and supported numerous initiatives, especially in key areas, such as education, environmental sustainability, health and sanitation, skill development, and community development. The Company is sensitive to the greater needs of the nation and additionally supports projects for the preservation of heritage, and encourages disabled people to become self-reliant.

CSTL's objective is to shape a sustainable future for generations to come, with the goal of fostering the development and upliftment of society as a whole through its initiatives. The Company's employees engage actively in all its CSR initiatives, thereby enhancing its community outreach.

ENVIRONMENT, HEALTH AND SAFETY MEASURES

CSTL prioritises safety as one of its core values. The Company is committed to continuously improving its safety performance by benchmarking with industry leaders and implementing world-class environmental, health, and safety practices. The health and safety of CSTL's employees is an integral part of all its activities. The Company strives to prevent accidents and health risks through the continual improvement of its working environment and safety measures. Its efforts have resulted in a significant reduction in injury incidents across all its manufacturing plants. CSTL has implemented the ISO 45001:2018 Occupational Health and Safety Management System at all its manufacturing locations. In addition, the Company is ISO 14001:2015 certified. It is committed to reducing its environmental impact and has successfully reduced its GHG emissions and water consumption over the years. Over 50% of CSTL's power requirement is met through Company-owned, open access solar power projects.

KEY RISKS AND MITIGATION STRATEGIES

CSTL is facing multiple risks that are affecting the smooth functioning of its operations. These risks may be caused by internal and external factors. As a result, they have an

adverse impact on the achievement of the Company's strategies, operational and financial objectives, earning capacity, and financial position. The Company's risk management activities are designed to recognise, assess, and manage risks in their early stages, while implementing appropriate measures to mitigate them. At CSTL, risk management is a continuous process involving the analysis and management of all risks posed to the business, and it has adopted a structured framework to achieve this.

1. Regulatory Risk

Impact - CSTL is required to obtain, renew, or maintain statutory and regulatory permits, licences, and approvals for the operation of its business and manufacturing facilities. Any failure or delay in doing so, may adversely affect the Company's operations.

Mitigation - CSTL maintains a compliance checklist, including information on the scheduled renewal dates for various licences and approvals. The Company closely monitors this checklist, and through its regular internal audits, it ensures that its manufacturing facilities are in compliance with local and international regulatory requirements.

2. Environmental Risk

Impact - The inefficient handling of effluents is a key risk for chemical manufacturing companies. Certain environmental laws impose strict liability for accidents resulting from hazardous substances, and non-compliance with these laws may lead to penalties.

Mitigation - At CSTL, effluent treatment is one of the key criteria for product commercialisation. The Company has the lowest effluent cost across products due to its innovative technology and clean processes. Investment in ETP plant continues to be driven by advanced equipment and strong controls.

3. Raw Material Risk

Impact - The majority of the raw materials CSTL consumes are commodities and, hence, subject to high volatility in price. Any adverse movement in raw material price could have a negative impact.

Mitigation - Long-term relationships with suppliers and robust inventory management practices ensure a steady supply of raw materials at a competitive cost. Also, the Company is not dependent on a single source and has multiple suppliers for all its procurement needs.

4. Macro Risk

Impact - Given CSTL's global sales profile, it is impacted to some extent by any worldwide disruption. In the event of any adverse macro-factor, like geopolitical

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

tension or supply chain disruption, could significantly impact its business.

Mitigation - The Company's sales profile is greatly de-risked as it caters to diverse end-user industries across multiple geographies. CSTL continues to be a key player and a preferred supplier in the products it manufactures, and hence, it is relatively well-positioned to mitigate the adverse impacts of macro conditions.

5. Forex Risk

Impact - CSTL has a net forex exposure as 72% of revenue is derived from exports. There is a risk of financial loss on account of volatility in foreign exchange.

Mitigation - Under the forex policy, currency movements are tracked regularly, and all foreign currency exposure is hedged using plain vanilla forward contracts.

6. Technology Risk

Impact - CSTL faces risks generally associated with new process technologies and product introductions.

Mitigation - The Company has four R&D centres, and a strong, dedicated team of 90 individuals, including seven PhDs. CSTL is committed to strengthening its R&D capabilities, thus enabling the consistent introduction of new products and processes.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

CSTL's Board of Directors take responsibility for the implementation and assessment of effective internal financial controls. The Company has established policies, procedures, control frameworks, and management systems. These initiatives ensure compliance with regulatory requirements, internal controls, and accurate financial and operational reporting. At the entity and

process levels, internal control mechanisms are designed to promote adherence to established procedures and ethical codes of conduct. Senior management certifies the effectiveness of internal controls, ensures compliance with financial and commercial transactions, and declares any conflicts of interest. Independent internal auditors further bolster the internal control process. The Audit Committee of CSTL reviews and approves the audit plan. In addition, regular meetings are held to review auditor reports and compliance. Significant audit observations and follow-up actions are reported to the Audit Committee for further review.

CAUTIONARY STATEMENT

Statements in the Directors' Report, Management Discussion and Analysis or elsewhere in this Annual Report, may be forward-looking including, but without limitation, statements relating to the implementation of strategic initiatives and other statements relating to Clean Science and Technology Limited's future business developments and economic performance. While these forward-looking statements indicate the Company's assessment and future expectations concerning the development of its business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, Governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Clean Science and Technology Limited undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT [BRSR]

Clean Science and Technology Limited

SECTION A: GENERAL DISCLOSURE

I. Details of the Listed Entity

1	Corporate Identity Number (CIN) of the Listed Entity	L24114PN2003PLC018532
2	Name of the Listed Entity	Clean Science and Technology Limited
3	Year of incorporation	07-11-2003
4	Registered office address	Office No. 503, Pentagon Tower P-4, Magarpatta City, Hadapsar, Pune Maharashtra 411013
5	Corporate address	Office No. 503, Pentagon Tower P-4, Magarpatta City, Hadapsar, Pune Maharashtra 411013
6	E-mail	compliance@cleanscience.co.in
7	Telephone	+91 020 41264761
8	Website	https://www.cleanscience.co.in
9	Financial year for which reporting is being done	2022-2023
10	Name of the Stock Exchange(s) where shares are listed	Bombay Stock Exchange (BSE) & National Stock Exchange of India Limited
11	Paid-up Capital	₹ 106,237,539
12	Contact Person	
	Name of the Person	Mr. Mahesh Kulkarni
	Telephone	+ 91 020 41264761
	Email address	compliance@cleanscience.co.in
13	Reporting Boundary	
	Type of Reporting (Standalone/Consolidated Basis)	Standalone- Basis Reporting

II. Product/Services

14	Details of business activities	S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
		1.	Manufacture Organic and Inorganic Chemicals	The Company is mainly engaged in the business of manufacturing chemical and chemical products, pharmaceuticals, and medicinal chemical.	100%

15	Products/ Services sold by the entity	S. No.	Product/Service	NIC Code	% Of Total Turnover contributed
		1.	Performance Chemicals	20299	69%
		2.	Pharma and Agro Intermediates	20299	19%
		3.	FMCG Chemicals	20299	11%

III. Operations

16	Number of locations where plants and/or operations/offices of the entity are situated:	Location	Number of plants	No. of Offices	Total
		National	3	1	4
		International	0	0	0

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)
III. Operations (Contd.)

17	Market served by the entity	Locations	Numbers
a.	No. of Locations	National (No. of States)	19
		International (No. of Countries)	35
b.	What is the contribution of exports as a percentage of the total turnover of the entity?	72%	
c.	A brief on types of customers	The Company is involved in B2B-business and-provides a product portfolio diversified into three major segments: Performance Chemicals, Pharma & Agro Intermediates, and FMCG Chemicals. The Company's products find applications in various critical end-user industries and everyday product verticals, including precursors for agricultural chemicals, antioxidants for food and infant food formulations, precursors to manufacture APIs for cough syrup, polymers and monomers, the cosmetic industry, perfumes, and many other applications. Majority of the customers are reputed MNCs with long term relationship.	

IV. Employees
18. Details as at the end of Financial Year:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
a. Employees and workers (including differently abled)						
Employees						
1	Permanent Employees (A)	497	458	92%	39	8%
2	Other than Permanent Employees (B)	3	3	100%	0	0%
3	Total Employees (A+B)	500	461	92%	39	8%
Workers						
4	Permanent (C)	2	2	100%	0	0%
5	Other than Permanent (D)	881	880	99.9%	1	0.1%
6	Total Workers (C+D)	883	882	99.9%	1	0.1%
b. Differently abled employees and workers						
Employees						
1	Permanent Employees (E)	0	0	NA	0	NA
2	Other than Permanent Employees (F)	0	0	NA	0	NA
3	Total Employees (E+F)	0	0	NA	0	NA
Workers						
4	Permanent (G)	0	0	NA	0	NA
5	Other than Permanent (H)	2	2	100%	0	0%
6	Total Differently Abled Employees (G+H)	2	2	100%	0	0%

19. Participation/Inclusion/Representation of women

S. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	8	1	12.5%
2	Key Management Personnel	2	0	0%

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	2022-23 (Turnover rate in current FY)			2021-22 (Turnover rate in previous FY)			2020-21 (Turnover rate in the year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	29%	48%	31%	24%	41%	25%	28%	41%	29%
Permanent Workers	0%	0%	0%	40%	0%	40%	0%	0%	0%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21	Names of holding / subsidiary / associate companies / joint ventures	S. No	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether it is a holding / Subsidiary / Associate / or Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
		1	Clean Science Private Limited	Wholly Owned Subsidiary	100%	No
		2	Clean Organics Private Limited	Wholly Owned Subsidiary	100%	No
		3	Clean Aromatics Private Limited	Wholly Owned Subsidiary	100%	No
		4	Clean Fino-Chem Limited	Wholly Owned Subsidiary	100%	No

VI. CSR Details

22	a. Whether CSR is applicable as per section 135 of Companies Act, 2013:	Yes
	Turnover (in ₹ million)	9,358
	Net worth (in ₹ million)	10,188

VII. Transparency and Disclosures Compliances

23	Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct	Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No)	If yes, then provide web-link for grievance redress policy	2022-23 Current Financial Year			2021-22 Previous Financial Year		
					Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
		Communities	Yes	https://cleanscience.co.in/wp-content/uploads/2023/02/Whistle-Blower-Policy.pdf	Nil	Nil	NA	Nil	Nil	NA
		Shareholders	Yes		Nil	Nil	NA	70	Nil	NA
		Employees and workers	Yes		Nil	Nil	NA	Nil	Nil	NA
		Investors (Other than shareholders)	Yes		Nil	Nil	NA	Nil	Nil	NA
		Customers	Yes		Nil	Nil	NA	Nil	Nil	NA
		Value Chain Partners	Yes		Nil	Nil	NA	Nil	Nil	NA

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

24 Overview of the entity's material responsible business conduct issues

Material Issues	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Air Emissions and Quality	R	SOx, NOx, SPM, and particulate matter emissions from DG sets and boilers have been linked to serious health problems in India. Failure to monitor and comply with the norms prescribed by regulatory bodies' such as CPCB has a long-term negative impact on the environment and society, with heavy fines imposed.	CSTL continues to invest in state-of-the-art devices and upgrade to the latest systems used in mitigating and improving air emission quality. An in-house projects team facilitates efficient plant design and layout that has helped in optimum utilisation of energy consumption. We have implemented air emission mitigation measures like Electrostatic Precipitator and scrubbers provided to reduce stack emissions from Boilers. Innovative waste heat recovery systems are implemented that has resulted in reduction in emissions and non-renewable input sources. CSTL has also installed ~17.4 MW of solar capacity that satisfies 50% of power demand through renewable energy which is one of the highest in the chemical industry.	Negative
Climate Change	R	Over time, the effects of climate change have become more frequent and severe, and they now pose a growing risk to the entire world. Climate change-related extreme weather events put the Company's operations, infrastructure, as well as the health and safety of its employees, at physical risk. Also, the growth and profitability of the business may be hampered by economic disruptions brought on by transition risks. We must build a climate plan as the regulatory compliance requirements for carbon markets are evolving. Also, due to the nature of our operating activities, including logistics, we utilise a lot of energy. With the increasing importance of energy efficiency and to reduce energy consumption, CSTL can realize cost savings in operations while offsetting a significant amount of GHG emissions by implementing initiatives for the same.	CSTL has implemented various strategies and taken initiatives on regular basis to utilise resources efficiently, reduce waste and minimise emissions as part of our sustainability commitment. With a focus on "atom economy" and "clean chemistry", the Company has developed innovative catalytic chemical processes that have less impact on the environment. We strive towards minimising the disposal of water, emissions, and hazardous substances in nature. All manufacturing facilities of CSTL are ISO certified and we focus on investing and continuously improving our energy efficiency across all activities (manufacturing and non-manufacturing) with an aim to reduce our overall energy requirement. Innovative waste heat recovery systems are implemented that has resulted in reducing non-renewable input sources. We have installed solar power projects with a capacity of ~17.4 MW that satisfy 50% of our power consumption. We have also invested in state of the art Round Disc Reverse Osmosis (RNRO), Multiple Effect Evaporator (MEE) and Mechanical Vapor Re-compression (MVR). One of our major goals is to reduce our carbon footprint. We have reduced green house gases (GHG) emissions over the last three years. We also aim to plant 11,000+ trees which will lead to Water Rejuvenation and Restoration in the surrounding area this will also help reduce carbon footprint.	Positive

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

Material Issues	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Product Stewardship	O	It is vitally necessary for the chemical sector to address the risks related to product responsibly, given the high vulnerability of product quality and safety issues. Businesses have the chance to improve their products and address usage of hazardous raw materials, resource conservation, energy use, effluent disposal, and climate change issues. Companies may face additional costs as governments and international organisations implement numerous supply chain regulations to prevent counterfeit, substandard, or mislabeled products from entering the distribution system.	Clean and green chemistry is the bedrock on which CSTL is conceptualized. CSTL strives to manufacture products using R&D and developing innovative catalytic processes that are environmentally less impactful. The efforts made, help derive benefits like process improvement, cost reduction and less effluent generation. Using this approach CSTL can consistently launch new products. CSTL ensures the products have a proper labeling and display of information for consumer's safety. Relevant labelling on packing is also done indicating name of product, nature of hazards, prevention, storage requirements, disposal and usage of the product as identified in domestic/ international laws.	Positive
Waste Management	R	As a Chemical industry we are committed to reducing waste generation, managing it well, and following all regulations pertaining to both hazardous and non-hazardous waste. We believe that sound waste management is crucial for environmental protection. It is our responsibility to ensure that the waste generated from our facilities is segregated and disposed in the most appropriate manner.	Company strictly adheres to the 3R process of reduce, recycle, and reuse. CSTL have set up state of the art ETP's in all its manufacturing sites along with a Glass house for handling of solid waste generated in ETP.	Positive
Water and Effluents	R	The chemical industry utilises water for a variety of processes and varying levels of water purity are necessary at various stages in the manufacturing process. We view it as our responsibility to cut back on freshwater use, water effluents, and increase the water reuse/recycling.	Company strictly adheres to the 3R process of reduce, recycle, and reuse for water resources. CSTL has installed a rainwater harvesting system that stores the rainwater in underground water tanks, this water is filtered and used for internal consumption. Also, we focus on reducing process heat utilisation that has resulted in minimising the evaporation losses and reducing water consumption. All the plants of CSTL have achieved Zero Liquid Discharge (ZLD) status. Freshwater consumption has reduced over the last 3 years.	Negative

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

Material Issues	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Community Engagement	0	Establishing relationships of trust with communities and making sure they participate frequently will help CSTL to contribute to social development and minimise any potential objections from the communities.	CSTL's CSR activities are spread across various focus areas such as Education, Healthcare, Medical Relief, livelihood enhancement and Environmental Sustainability.	Positive
Human Capital Management	0	Our people are a key factor in our growth and a pathway to our success. Together, we can accomplish more by fostering a culture of safety, employee involvement, and support for diversity in our workforce. The goal of CSTL is to be a company that attracts, nurtures, and retains brilliant and enthusiastic employees. We believe that a diverse workplace is necessary for organisational growth since it recognizes employees' individual strengths and the abilities they bring to the table. CSTL recognizes the need of having employees who possess the knowledge and abilities necessary for their positions as well as the industry, to ensure the organization's long-term viability.	CSTL encourage creativity and innovation because every team member, brings their own unique background, experiences, and perspectives. Our empowering work environment encourages our employees, creating an atmosphere of togetherness and passion for innovation. Currently women form 8% of our total workforce. CSTL is continuously identifying employees internally and the Management ensures that internal employees are given a priority for growth. CSTL conduct multiple training programmes on various technical, functional, and behavioral topics for all employees to upskill them, increase engagement and boost their work opportunities. Our training programmes have led to increased productivity, fewer accidents/ incidents, improved product quality and reduced rejection. We have mandatory in-house training targets across all functions for staff and workers.	Positive

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

Material Issues	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Human Rights	R	Businesses that respect human rights show that they are dedicated to creating long-lasting, win-win partnerships with everyone who has an impact on or is influenced by their operations, including consumers, communities, employees, and investors. The Company's performance in the social domain from the perspective of the employee, workforce and community will be impacted by the absence of a comprehensive human rights governance structure from the aspects of parameters such as working conditions, child/forced labour, fair remuneration, gender diversity, prevention of sexual harassment, freedom of association, collective bargaining.	CSTL has a robust Code of Conduct, Human Rights Philosophy Policy, and POSH Policy that covers all the aspects of human rights. All these policies are applicable across vendors, subsidiaries, and affiliates.	Negative
Occupational Health and Safety	R	Employees and workers at CSTL may be exposed to hazardous chemicals while they are working. In the worst-case scenarios, failing to maintain health and safety could increase the expense of litigation, limit the amount of available manpower, lower employee morale, or even endanger the profitability of operations. A robust EHS management system combined with thorough hazard identification, mitigation strategies, root cause analysis of reported occurrences, and related corrective action plans will highlight the Company's strategy and persistent commitment to employee health and safety.	For CSTL, employee health & safety is topmost priority. All the plants have achieved Zero Fatalities and there have been no breakdowns or shutdowns due to non-availability of manpower. CSTL has tie-ups with local physicians and hospitals to ensure that medical help is quickly available to all. Also, various initiatives are implemented for safety and health management of workers such as provision of health insurance, Safety trainings, Provision of good quality PPE kits, regular third-party safety audits, free medication, and regular health check-ups. MBBS certified doctor is available round the clock at factory premises.	Negative

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

Material Issues	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Procurement and Supply Chain sustainability	R	Supply chain disruptions may result from inefficiencies in the system and a significant dependence on a small number of suppliers or vendors in the event of external shocks. By using good relationship management and encouraging ethical procurement/sourcing techniques, it is possible to maintain strong, long-lasting relationships with suppliers and vendors.	CSTL procure the raw materials from reputed manufacturers and suppliers to maintain the quality and consistency. CSTL undertake adequate steps to ensure safety during transportation and optimising the logistics to minimise environmental impact. CSTL has received sustainability certifications from EcoVadis. We maintain long-term relationship with suppliers and robust inventory management practices ensure a steady supply of raw materials at competitive cost.	Positive
Business Ethics and Conduct and Corporate governance	R	We operate in a complex environment which exposes us to risks concerning corporate governance and ethical business conduct. Any instance involving ethical business conduct may harm companies' reputation. Additionally, this could result in fines, penalties, and unfavorable financial effects.	CSTL considers Corporate Governance as an integral part of good management, and it strives to adhere to the best standards of integrity and ensure compliance and adherence to laws and internal policies. The Board of Directors has adopted a Code of Conduct Policy and Vigil Mechanism (Whistle Blower Policy) which applies to the Directors, Key Managerial Personnel, Senior Management, and other employees of the Company.	Negative
Innovation and Technology upgradation	O	Technological advancements provides an opportunity to embrace new breakthroughs that can give an advantage in the marketplace and open new possibilities for long-term expansion.	CSTL has a strong team of 90 scientists including 7 PhD's across its 4 R&D units who have expertise over different chemistries and are specialized across the value chain of research and process development. The key focus areas are developing sustainable and innovative chemical processes, further enhancing yield and selectivity in existing processes and develop novel route of synthesis with a focus on atom economy. The recently commercialized HALS series is one such example	Positive
Marketing and Labelling	R	Chemical industry produces products that need to have detailed description of the chemical components used for production to ensure safety of the users and consumers	CSTL abides to all the applicable statutory laws regarding product labelling and displays relevant information on product label. Relevant labelling on packing is also done indicating name of product, nature of hazards, prevention, storage requirements, disposal and usage of the product as identified in domestic/ international laws.	Negative

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent, and accountable.
P2	Businesses should provide goods and services in a manner that is sustainable and safe.
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
P4	Businesses should respect the interests of and be responsive towards all its stakeholders.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect, and make efforts to restore the environment.
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
P8	Businesses should promote inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	P1 Ethics & Transparency	P2 Product Responsibility	P3 Human Resources	P4 Responsiveness to stakeholders	P5 Human Rights	P6 Responsible Operations	P7 Public Policy Advocacy	P8 Inclusive Growth	P9 Customer Engagement & Data Security
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Policy and Management Processes

1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes. All mandatory policies under the Indian laws and regulations have been adopted by the Board and signed by the Managing Director. Other operational internal policies are approved by management and signed by the Managing Director.							
	c. Web Link of the Policies, if available	Mandatory Policies viz. CSR Policy, Nomination and Remuneration Policy, Code of Conduct for Prohibition of Insider Trading in Securities of the Company, Policy on Related Party Transactions. Dividend Distribution policies and Code of Conduct are available at https://www.cleanscience.co.in/company-policies . Other policies are available internally with the respective department and on internal network.							
2	Whether the entity has translated the policy into procedures. (Yes / No)	Yes							
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes							

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

Disclosure Questions	P1 Ethics & Transparency	P2 Product Responsibility	P3 Human Resources	P4 Responsiveness to stakeholders	P5 Human Rights	P6 Responsible Operations	P7 Public Policy Advocacy	P8 Inclusive Growth	P9 Customer Engagement & Data Security
4	<p>Name of the national and international codes/ certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.</p> <p>The Policies that the Company has adopted are in conformity with relevant national and international standards wherever statutorily applicable: Principle 1: ISO 9001:2015 Principle 2: Food Safety and Standards Authority of India, Feed Additives and Pre-mixtures Quality System (FAMI-QS), Food Safety System Certification 22000 (FSSC 22000), Roundtable on Sustainable Palm Oil (Mass Balance), Segregated Sustainable (SG) Palm Oil, OK Kosher, HALAL MUI, Green Co Principle 3: ISO 45001:2018 Principle 5: US FDA (Bioterrorism) Principle 6: ISO 14001:2015 Principle 9: EU REACH</p>								
5	<p>Specific commitments, goals and targets set by the entity with defined timelines, if any.</p> <p>The Company is focused on areas of climate change, energy, greenhouse gases, renewable energy, afforestation, water and waste. With a clear roadmap the Company is in process of setting up the goals and targets with defined timelines. Progress against these targets shall be disclosed in subsequent years</p>								
6	<p>Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.</p> <p>The Company is focused on areas of climate change, energy, greenhouse gases, renewable energy, afforestation, water and waste. With a clear roadmap the Company is in process of setting up the goals and targets with defined timelines. Progress against these targets shall be disclosed in subsequent years</p>								
Governance, Leadership and Oversight									
7	<p>Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievement</p> <p>The Company is proud to highlight its achievements in addressing ESG-related challenges and targets. The Company recognizes the importance of sustainability and has made significant progress in reducing its emissions and effluents, as well as ensuring ethical business practices. The Company remains committed to continuous improvement. Its focus for the coming year is to further reduce its greenhouse gas emissions and enhance its social impact initiatives. The Company understands that ESG considerations are critical to its long-term success and is dedicated to integrating them into all aspects of its business.</p>								
8	<p>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</p> <p>Board of Directors</p>								
9	<p>Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</p> <p>Yes, the Company has put in place an internal framework comprising of the Managing Director, Executive Directors, and functional heads who are responsible for decision-making on sustainability-related performance during their review meetings. The Company also has a CSR committee to review the social performance of the Company.</p>								

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10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)									
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
Performance against above policies and follow up action	Yes, the Company follows up for the performance against above policies. It is done by the Managing Director, Executive Directors, and the Functional Heads.										On a quarterly basis and as and when need arises for the review related to performance against above policies during their review meetings.
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes, the Company is compliant with all statutory requirements. The business is guided by national voluntary guidelines on social, environmental, and economic responsibilities that relate to all nine principles of NGRBC.										On quarterly basis.

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Yes, CSTL has received certification such as BVQI, ISO 9000, ISO 14001, and ISO 45001, the Policy relating to Quality, Environment, Health and Safety, Energy is evaluated internally by ISO Internal audit team as well as externally by ISO Audit authorised agencies once in a year. Other policies are evaluated internally or by respective Committees.								

12. If answer to Question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is able to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

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SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness Programmes on any of the principles during the financial year.

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%Age of persons in respective category covered by the awareness programmes
Board of Directors	4	The Board of Directors had been appraised on matters relating to business updates, regulations, economy, environment, social and governance aspects in Board and Committee meetings.	100
Key Management Personnel	4	<ul style="list-style-type: none"> ➤ Code of Conduct ➤ Prevention of Sexual Harassment ➤ Safety, Environment and Health ➤ Training on Whistle Blower Policy ➤ HR Philosophy 	100
Employees other than BODs and KMPs	38	<ul style="list-style-type: none"> ➤ Code of Conduct ➤ Prevention of Sexual Harassment ➤ Safety, Environment and Health ➤ Training on Whistle Blower Policy ➤ HR Philosophy 	93
Workers	2	<ul style="list-style-type: none"> ➤ Code of Conduct ➤ Prevention of Sexual Harassment ➤ Safety, Environment and Health ➤ Training on Whistle Blower Policy ➤ HR Philosophy 	100

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

a. Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	NIL	NIL	NA	NA
Settlement	NIL	NIL	NIL	NA	NA
Compounding fee	NIL	NIL	NIL	NA	NA

b. Non-Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/ No)
Imprisonment	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL

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3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company considers Corporate Governance as an integral part of good management. The Company strives to adhere to the best standards of integrity and behavior and ensure compliance and adherence to laws and internal policies. The Code of Conduct Policy and Vigil Mechanism (Whistle Blower Policy) applies to the Directors, Key Managerial Personnel, Senior Management, and other employees of the Company. The Company obtains an annual confirmation affirming compliance with the Code from the Directors, Key Managerial Personnel, and the Senior Management employees every year. The said Policy also applies to all levels, vendors, associates, and/or advisors, etc., of the Company, including all its subsidiaries, affiliated companies and relevant third parties. The policy is available at <https://cleanscience.co.in/company-policies-policy-on-antibribery-and-corruption/>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regards to conflict of interest:

Topic	2022-23 (Current Financial Year)		2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

NA

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year.

Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%Age of persons in value chain covered by the awareness programmes
-	-	-

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If yes, provide details of the same.

Yes, the Directors of the Company disclose their interest in entities in which they are directly or indirectly interested annually. Any change in the same is also disclosed by the Directors as and when change occurs. The same is placed before the Board meeting for its noting and shared with Finance Team. The Key Managerial Personnel and Senior Management also affirms annually that they have not entered any material financial or commercial transactions which may have a potential conflict of interest with the interest of the Company at large. Further in the meeting of the Board of Directors, the interested Director abstains from participating in the business agenda items in which they are deemed to be interested. The process to be implemented under such scenario is mentioned Code of Conduct for Board of Directors and SMPs which is available at <https://cleanscience.co.in/wp-content/uploads/2023/02/Code-of-Conduct-for-Board-of-Directors-and-SMPs>.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Type	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)	Details of improvement in social and environmental aspects
Research & Development (R&D)	100%	100%	All R&D developments are focussed on sustainable technologies and green chemistries.
Capital Expenditure (CAPEX)	22%	6%	Expenditure made for harnessing Solar Energy into electricity which has resulted in Sustainable energy sourcing, human health, and well-being.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) Supplier screening/ Criteria b. If yes, what percentage of inputs were sourced sustainably?

Yes approximately 80% of our critical suppliers are screened for sustainable sourcing. All our new suppliers are mandatorily screened as per our ESG policy.

The Company has a Vendor Policy that include policy statement on EHS that defines criteria which the suppliers must adhere to such as provision of safe and healthy workplace for the supplier’s employees & necessary trainings provided to the employees, The supplier must be compliant with all the applicable regulations and laws, and must have a mechanism to ensure that there is no violation of Human Rights, Supplier must comply with the environmental laws and ensure safe waste management, water discharge, and air emissions

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

At CSTL, the safety reclaim process for our products involves selling them to an authorised recycler. The hazardous waste generated in CSTL is sent for disposal to MEPL (Maharashtra Enviro Power Limited).

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not applicable

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

CSTL has not conducted any LCA of the products.

NIC Code	Name of Product/Service	% Of Total Turnover Contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
NA	NA	NA	NA	NA	NA

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

NA

Name of Product/Service	Description of the risk/concern	Action Taken
NA	NA	NA
NA	NA	NA
NA	NA	NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

NA

Indicate Input Material	Recycled or re-used input material to total material	
	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
--	--	--

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	2022-23 (Current Financial Year)			2021-22 (Previous Financial Year)		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA

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PRINCIPLE 3 BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	% Of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Employees											
Male	458	458	100%	458	100%	NA	0%	NA	NA	NA	NA
Female	39	39	100%	39	100%	39	100%	NA	NA	NA	NA
Total	497	497	100%	497	100%	39	100%	NA	NA	NA	NA
Other than Permanent Employees											
Male	3	3	100%	3	100%	0	0%	NA	NA	NA	NA
Female	0	0	NA	0	NA	0	NA	NA	NA	NA	NA
Total	3	3	100%	3	100%	0	0%	NA	NA	NA	NA

b. Details of measures for the well-being of workers:

Category	% Of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	%(C/A)	No.(D)	%(D/A)	No. (E)	%(E/A)	No. (F)	%(F/A)
Permanent Workers											
Male	2	2	100%	2	100%	0	0%	NA	NA	NA	NA
Female	NA	0	NA	0	NA	0	NA	NA	NA	NA	NA
Total	2	2	100%	2	100%	0	0%	NA	NA	NA	NA
Other than Permanent Workers											
Male	880	880	100%	880	100%	0	0%	NA	NA	NA	NA
Female	1	1	100%	1	100%	1	100%	NA	NA	NA	NA
Total	881	881	100%	881	100%	1	100%	NA	NA	NA	NA

Workers falling under other than permanent worker category are covered under the ESIC benefits.

2. Details of retirement benefits, for Current FY and Previous Financial Year:

S. No.	Benefits	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
1	PF	100%	100%	Y	100%	100%	Y
2	Gratuity	100%	100%	Y	100%	100%	Y
3	ESI	73%	100%	Y	61%	98%	Y
4	Others-Please Specify	0%	0%	0	0%	0%	0

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes CSTL's corporate office are accessible to differently abled employees and workers as per the requirements of the Rights of Persons with Disabilities Act, 2016, there are plans to install infrastructures at the manufacturing units for the differently abled employees and workers.

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4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Equal opportunity is covered in Code of Conduct of the Company.

Weblink to the policy is <https://cleanscience.co.in/company-policies/>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Total number of people returned after parental leave in FY 2022-23	Total Number of people who took parental leave in FY 2022-23	Return to work rate	Total Number of people retained for 12 months after returning from parental leave	Total number of people returned from parental leave in prior FY 2021-22	Retention Rate
Permanent Employees						
Male	NA	0	NA	0	0	NA
Female	0	2	0	0	0	NA
Others	0	0	NA	0	0	NA
Total	0	0	NA	0	0	NA
Permanent Workers						
Male	NA	0	NA	0	0	NA
Female	0	0	NA	0	0	NA
Others	0	0	NA	0	0	NA
Total	0	0	NA	0	0	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No	Details of the mechanism in brief
Permanent Workers	Yes	Company having grievances redressal committee and the work and follow all guideline as mentioned in policies of 1. Code of Conduct 2. Prevention of Sexual Harassment 3. Safety, Environment and Health 4. Training on Whistle Blower Policy 5. HR Philosophy
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	2022-23 (Current FY)			2021-22 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
Permanent Employees						
Male	461	0	0%	391	0	0%
Female	39	0	0%	44	0	0%
Others	0	0	0%	0	0	0%
Total	500	0	0%	435	0	0%
Permanent Workers						
Male	2	0	0%	3	0	0%
Female	0	0	0%	0	0	0%
Others	0	0	0%	0	0	0%
Total	2	0	0%	3	0	0%

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8. Details of training given to employees and workers

Category	2022-23 (Current FY)					2021-22 (Previous FY)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	%(C/A)		No. (E)	% (E/D)	No. (F)	%(F/D)
Permanent Employees										
Male	461	439	95	444	96	391	252	64	134	34
Female	39	23	59	34	87	44	21	48	23	52
Others	0	0	0	0	0	0	0	0	0	0
Total	500	462	92	478	96	435	273	63	157	36
Permanent Workers										
Male	2	2	100	2	100	3	3	100	3	100
Female	0	0	NA	0	NA	0	0	NA	0	NA
Others	0	0	NA	0	NA	0	0	NA	0	NA
Total	2	2	100	2	100	3	3	100	3	100

9. Details of performance and career development reviews of employees and worker

Category	2022-23 (Current FY)			2021-22 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	%(D/C)
Permanent Employees						
Male	461	461	100	391	391	100
Female	39	39	100	44	44	100
Others	0	0	0	0	0	0
Total	500	500	100	435	435	100
Permanent Workers						
Male	2	2	100	3	3	100
Female	0	0	NA	0	0	NA
Others	0	0	NA	0	0	NA
Total	2	2	100	3	3	100

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)	Yes, the Company has implemented ISO 45001:2018 occupational health and safety management system at all manufacturing locations.
a1. What is the coverage of such system?	The OHS management system covers all employees, subsidiaries, suppliers, contractors to the extent applicable.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	The Company believes that accidents and occupational health hazards can be significantly reduced through systematic analysis and control of risks and providing training to the employees. Regular work area monitoring to check concentration of chemicals, noise level, and quality of air at manufacturing locations is carried out as per statutory requirement. The various processes being implemented in this regard at CSTL includes HAZOP study, JSA, HIRA & safety meetings.
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)	Yes, the processes and initiatives are undertaken towards maintaining safety for both workers and employees. A suggestion scheme is in place, and the implementation of feasible suggestions is monitored and periodically reviewed. The training pertaining to safety and process safety are done on regular basis.
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes, employees and worker have access to in-house OHC and free medicine facility. Regular Health check-up is also conducted for employees and worker towards initiative pertaining to health management. The ESIC and Medclaim schemes are applicable to eligible categories.

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11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	2022-23	2021-22
		Current Financial Year	Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	1	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company is taking appropriate measures to ensure a safe and healthy workplace. The Company is working towards Responsible Care (RC) certification, in which process safety is the key parameter. In RC certification process, Process Implementation Design (PID), Hazards & Operability Study (HazOP) and all SOPs will again be reviewed. All the units are equipped with self-contained breathing apparatus (SCABA), gas leak detectors, and other protective devices. These measures have helped the Company to be prepared a mitigation plan and thereby ensure the safety of employees and workers at all manufacturing units.

13. Number of Complaints on the following made by employees and workers:

Topic	2022-23 (Current Financial Year)			2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessments for the year.

Topic	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The Company has been very proactive in any corrective action that needs to be taken upfront to address health & safety at the workplace. Monthly review meetings are conducted by safety department for the root-cause-analysis for incidents occurred. The designing of corrective and preventive actions is done. There is continuous training, third party Safety audit which are conducted every quarter. A senior third-party safety consultant has been on-boarded for conducting a quarterly safety audit of all plants and for providing safety trainings to personnel. The findings of all such measures are shared with the board members. The cumulative result of all these measures have resulted in low incidents for 2022-23.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

- Employees (Yes/No): Yes- Covered in Term Insurance, Group Personal Accident
- Permanent Workers (Yes/No): Yes- Covered in Term Insurance, Group Personal Accident
(Contractual workers are covered under group personal accident benefit)

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2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

The Company monitors remittance of statutory dues by contractors operating on the premise of CSTL as part of processing their bills on a regular basis.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	Current FY 23	Previous FY 22	Current FY 23	Previous FY 22
Employees	0	0	0	0
Workers	0	0	NA	NA

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).

Subject to requirements, the Company provides opportunities for engagement on specific projects/assignments across the organisation

5. Details on assessment of value chain partners:

Topic	% Of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	0%
Working Conditions	0%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity:

The Company firmly believes that for achieving its sustainability goal of all-round growth and development, stakeholders play a key role. At CSTL, we want to create long term value for all our stakeholders by building a better, sustainable tomorrow.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication	Frequency of engagement (Annually/ Half yearly/ Quarterly /others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	<ul style="list-style-type: none"> Company website Reports to stock exchanges, Investor/analyst meets Quarterly results earnings call. Annual General Meeting Emails 	Monthly, Quarterly, Half Yearly, annually	<ul style="list-style-type: none"> Long term value creation Transparency Good governance Socially & Environmentally Responsible

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Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication	Frequency of engagement (Annually/ Half yearly/ Quarterly /others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	<ul style="list-style-type: none"> • Emails • Distributor • Customer visits • Customer feedback form 	Need based	<ul style="list-style-type: none"> • Production • Cost • Quality • Service
Local Communities	Yes	<ul style="list-style-type: none"> • Regular engagement with local communities • Community engagement during CSR initiatives 	Need based	<ul style="list-style-type: none"> • Development initiatives • Local employment generation
Employees	No	<ul style="list-style-type: none"> • Monthly review meetings • Emails, notice board • performance appraisal meeting • campaigns • circulars 	Monthly, Quarterly, Half-Yearly	<ul style="list-style-type: none"> • Diversity • Quality of work and life • Fair wages & remuneration benefits • Training & Development • Career growth • Health & safety
Regulatory bodies and government agency	No	<ul style="list-style-type: none"> • Meetings with local, state, central government agencies, • Seminars, • Specialized programmes, conferences, • Industry bodies like (CII, MCCIA) 	Ongoing	<ul style="list-style-type: none"> • Compliance with rules and regulations • Proactive compliance • ESG practices
Suppliers and contractors	No	<ul style="list-style-type: none"> • Supplier meets • Emails • Plant visits • Discussion meetings 	Monthly Quarterly, Annually, Need based	<ul style="list-style-type: none"> • Cost • Timely delivery • Ethical behavior • Product quality • Health & safety
Financial institutions, bankers, and lenders	No	<ul style="list-style-type: none"> • Investor meets • Financial discussion meetings 	Annual, Need based	<ul style="list-style-type: none"> • Good Return on Investments (ROI)

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company management regularly interacts with key stakeholders i.e., investors, customers, suppliers, employees etc. The same is updated to the Board periodically.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into the policies and activities of the entity.

Yes, the Company has carried out requisite awareness programmes and communicated to the stakeholders. This has helped the Company to understand behavioral expectation from the stakeholders. The Company has also conducted from time to time several workshops in critical areas such as environment, health, safety trainings. This has helped further in the development of a sustainable strategy which is aligned with the Company's ESG goals & targets.

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3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

The Company has identified marginalised and disadvantaged groups through a needs assessment and engagement with local communities. The marginalised and disadvantaged communities include poor children, women, physically handicapped individuals, orphans, widow women and others. The Company has taken initiatives in specific areas of social development and continuously strives to achieve total inclusiveness by encouraging people from all sections of the community, irrespective of caste, creed, or religion, to benefit from its CSR initiatives..

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	2022-23 Current Financial Year			2021-22 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	497	497	100%	433	433	100%
Other than permanent	3	3	100%	2	2	100%
Total Employees	500	500	100%	435	435	100%
Workers						
Permanent	2	2	100%	3	3	100%
Other than permanent	881	881	100%	603	603	100%
Total Workers	883	883	100%	606	606	100%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	2022-23 Current Financial Year					2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent Employees										
Male	458	154	34%	304	66%	389	145	37%	244	63%
Female	39	18	46%	21	54%	44	25	57%	19	43%
Other than Permanent										
Male	3	0	0%	3	100%	2	0	0%	2	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Workers										
Permanent										
Male	2	0	0%	2	100%	3	0	0%	3	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other than Permanent										
Male	880	880	100%	0	0%	602	602	100%	0	0%
Female	1	1	100%	0	0%	1	1	100%	0	0%

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category (₹ in million)	Number	Median remuneration/salary/wages of respective category (₹ in million)
Board of Directors (BoD) (including Executive Directors)	7	235.93	1	0.35
Key Managerial Personnel (excluding Executive Directors)	2	5.21	0	0
Employees other than BoD and KMP	459	160.55	39	11.66
Workers	2	1.21	0	0

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The mechanism to redress grievances under human rights is same as for other grievances. On receipt of any concern through email, letter, oral or any way of communication etc. anything outside the purview of the Code of Conduct is informed back to the complainant. For complaints within the purview of the Company and which merits further investigation, an investigator either – internal or external is assigned. The investigator conducts investigation by gathering the data, validating, analysing and gives his observations and recommendations. The investigation report is further reviewed by the described person and the recommendations reviewed by MD and acted per policy.

6. Number of Complaints on the following made by employees and workers:

	2022-23 Current Financial Year			2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/ Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

As part of the Whistleblower and POSH Policy, the Company has mentioned the protection of the complainant's identity. All such matters are handled in strict confidence. Additionally, as part of the Code of Conduct, the Company does not tolerate any form of retaliation against anyone reporting legitimate concerns. Anyone involved in targeting such a person will be subject to strict disciplinary action, as per the policy and the course of the law.



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8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, as per Code of Conduct and Vendor Registration Policy.

9. Assessments for the year:

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100% by third party
Forced/involuntary labor	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

The Company follow all law and procedures as framed by government and other required authorities from time to time.

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced because of addressing human rights grievances/complaints.

No such grievances on Human Rights violations received by the Company.

2. Details of the scope and coverage of any Human rights due diligence conducted.

No Due Diligence conducted during 2022-23.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

CSTL's corporate office are accessible to differently abled employees and workers as per the requirements of the Rights of Persons with Disabilities Act, 2016, there are plans to install infrastructures at the manufacturing units for the differently abled employees and workers

4. Details on assessment of value chain partners:

	% Of value chain partners (by value of business done with such partners) that were assessed
Child labour	0%
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

NA

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PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
Total electricity consumption (A) (GJ)	107,459	83,249
Total fuel consumption (B) (GJ)	1,041,562	893,439
Energy consumption through other sources (C) (GJ)	31,869	25,992
Total energy consumption (A+B+C) (GJ)	1,180,889	1,002,680
<i>Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (GJ per million ₹)</i>	126.19	147.89

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	353,945	287,386
(iv) Seawater / desalinated water	0	0
(v) Others (Reaction water)	8,368	6,880
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	362,313	294,266
Total volume of water consumption (in kiloliters)	362,313	294,266
Water intensity per rupee of turnover (Water consumed / turnover) (kl per million ₹)	38.72	43.40

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency (Y/N) If yes, name of the external agency. No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, the entity has implemented a mechanism for ZLD. The unique and innovative chemistries using catalytic processes has enabled them to derive maximum product, minimal by-products, and effluents, avoid usage of hazardous raw materials resulting in Zero liquid discharge facility.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)
5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
NOx	kg	30,294	27,929
SOx	kg	34,283	39,903
Particulate matter (PM)	kg	60,242	67,694
Persistent organic pollutants (POP)	NA	Nil	Nil
Volatile organic compounds (VOC)	NA	Nil	Nil
Hazardous air pollutants (HAP)	NA	Nil	Nil
Others – please specify	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	105,562	90,201
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	10,374	8,025
Total Scope 1 and Scope 2 emissions per million ₹	tCO ₂ e	12.39	14.49

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide detail

Yes, the Company has devised various strategies and taken initiatives on regular basis to address global environmental issues by continuously improving processes which uses less utilities and encourages tree plantation. Striving to reduce the carbon footprint on year-by-year basis is the major goal of the Company. The Company has reduced Green House Gas emissions over the last three years.

The Company is targeting to further reduce the GHG (Green House Gas) emission over the coming years. The Company is focusing on enhancing R&D, further building efficiency, and improving processes.

8. Provide details related to waste management by the entity, in the following format:

Parameter	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.4	0
E-waste (B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G) - ETP sludge and MEE (Multiple effect evaporator) salts.	1,091	1,446
Other Non-hazardous waste generated (H).- Boiler Ash (Break-up by composition i.e., by materials relevant to the sector)	4,403	2,201
Total (A+B + C + D + E + F + G+ H)	5,494	3,647

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Parameter	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	245.06	20.68
(ii) Re-used	0	0
(iii) Other recovery operations	4,403	2,201
Total	4,648.46	2,221.68
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	12.33	30.57
(ii) Landfilling	833.63	733.83
(iii) Other disposal operations	0	0
Total	845.96	764.4

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We have implemented various waste management practices to minimise waste generation, reduce its environmental impact, and promote sustainability. The various measures to minimise the amount of waste generated has been done in its operations. Our company has implemented practices such as material reuse, recycling, and composting to minimise the amount of waste sent to landfills.

Our company has laid down guidelines on waste management for all its units, covering both hazardous as well as non-hazardous waste. The quantity of solid waste and hazardous wastes generated are being disposed of strictly in adherence to the conditions of authorisation. The generated solid wastes are sent to the authorised hazardous waste disposal facility for waste management. The waste generated by the Company is within the permissible limits given by Central or State Pollution Bodies (CPCB/SPCB). Most of solid waste generated across the Company is recycled & reused.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NA	NA	NA	NA

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

The Company has not carried out environmental impact assessment of projects undertaken by the entity based on applicable laws, in the financial year 2022-23.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-	-	-	-	-	-

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company is compliant in accordance with environmental laws, regulations, and industry standards.

S. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
From renewable sources (in GJ)		
Total electricity consumption (A)	54,798	46,606
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)- (on-site solar installation)	31,869	25,992
Total energy consumed from renewable sources (A+B+C)	86,667	72,598
From non-renewable sources (in GJ)		
Total electricity consumption (D)	52,660	36,643
Total fuel consumption (E)	1,041,561	893,438
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	1,094,221	930,081

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No.

2. Provide the following details related to water discharged:

Parameter	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(iv) Sent to third parties		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
Total water discharged (in kiloliters)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No.

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3. Water withdrawal, consumption, and discharge in areas of water stress (in kiloliters): NA

For each facility / plant located in areas of water stress, provide the following information:

- Name of the area-
- Nature of operations-
- Water withdrawal, consumption, and discharge in the following format:

Parameter	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	0	0
(iv) Seawater/ desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kiloliters)	0	0
Total volume of water consumption (in kiloliters)	0	0
Water intensity per rupee of turnover (Water consumed / turnover)	0	0
Water intensity (optional) – the relevant metric may be selected by the entity (KI/MT)	0	0
Water discharge by destination and level of treatment (in kiloliters)		
(i). Into Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii). Into Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii). Into Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv). Sent to third parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v). Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kiloliters)	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	2022-23 (Current Financial Year)	2022-22(Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	TCO ₂ e	670	540
Total Scope 3 emissions per rupee of turnover	TCO ₂ e/ ₹	0.000000072	0.000000079

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No.

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5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The Company does not operate in ecologically sensitive areas reported at Question 10 of Essential Indicators above.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Installation of an MVR based Evaporator for concentration of a high TDS stream from DCC plant	System commissioned in March 2023	Steam saving of approx. 20 MT/day, Reduction of GHG @ 8.2 MT/day
2	Started process heat recovery in Unit 3 BHA plant	System commissioned in October 2022	Steamsaving of approx. 13.2MT/day, Reduction of GHG @ 5.4 MT/day
3	Started process heat recovery in Unit 3 Anisole plant	System commissioned in December 2022	Steam saving of approx. 21 MT/day, Reduction of GHG @ 8.6 MT/day
4.	Started process heat recovery in Unit 2 Anisole plant	System commissioned in January 2023	Steam saving of approx. 21 MT/day, Reduction of GHG @ 8.6 MT/day

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has developed and adopted the Business Continuity Plan (BCP). The framework as per BCP, helps in identification of internal and external risks specifically faced including financial, operational, sectoral, sustainability (particularly, ESG (environmental, social and governance) related risks, cyber security risks or any other risk as may be determined by the committee.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Not applicable

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact

Not applicable

PRINCIPLE 7: BUSINESSES WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

ESSENTIAL INDICATORS

- 1. a) Number of affiliations with trade and industry chambers/ associations. 7
- b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S.no	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National/International)
1	Indian Chemical Council (ICC)	National
2	Mahratta Chamber of Commerce, Industries and Agriculture (MCCIA)	State
3	Chemexcil	National
4	Kurkumbh Environment Protection Co-operative Society Maryadit	State
5	Federation of Indian Export Organisation	National
6	Confederation of Indian Industry (CII)	National
7	National Safety Council	National

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2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:

Not Applicable

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA
NA	NA	NA

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity

S.no	Public policy advocated	Method resort for such advocacy	Whether the information is available in public domain? (Yes/No)	Frequency of review by board (Annually/ Half yearly/ Quarterly/ Other-please specify)	Web Link, if available
	NIL	NIL	NIL	NIL	NA

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not applicable

Name and brief details of project	SIA notification no.	Date of notification	Whether conducted by independent external agency (Yes / No)	Resulted communicated in public domain	Relevant Web Link
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

Not Applicable

S.No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% Of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
	NA	NA	NA	NA	NA	NA
	NA	NA	NA	NA	NA	NA

3. Describe the mechanisms to receive and redress grievances of the community

The Company through its Senior Management from Human Resource engages with the gram panchayat representatives. Through these discussions with them, grievances are addressed if any. This action is taken from time to time by the Company as per their CSR policy thereby helping in contributing to various development projects for child education, women health, protection of environment, water restoration & plantation activities.

4. Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:

	2022-23 Current Financial Year	2021-22 Previous Financial Year
Directly sourced from MSMEs/ Small producers	1%	1%
Sourced directly from within the district and neighboring districts	1%	1%

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LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

Details of negative social impact identified	Corrective action taken
Not applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S.no	State	Aspirational District	Amount spent (₹)
1.	Maharashtra	Daund	₹ 40 Lacs

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No such policy

- (b) From which marginalised /vulnerable groups do you procure?

Not Applicable

- (c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

Not Applicable

S. No	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
	NA	NA	NA	NA
	NA	NA	NA	NA

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

Name of Authority	Brief of the Case	Corrective action taken
NA	NA	NA
NA	NA	NA

6. Details of beneficiaries of CSR Projects.

S.no	CSR Project	No of persons benefited from CSR Projects	% Of beneficiaries from vulnerable and marginalised group
1	Healthcare, Safe Drinking water	6,000	100%
2	Education	2,557	100%
3	Employment enhancement, vocational skills for women and disabled children	5,300	100%
4	Eradicating hunger, poverty, and malnutrition	540	100%
5	Livelihood enhancement for disabled persons	155	100%
6	Promoting Employment enhancement vocational skills to women	161	100%

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN RESPONSIBLE MANNER

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

CSTL has a SOP for Handling of Stakeholders Complaints, SOP for Handling of Market Complaints, and Feedback forms. The SOP clearly defines the process of receiving and addressing complaints. Customer complaints are received through email/written/verbal mode of communication by the marketing department, which is forwarded to the site's Quality Assurance team, where complaints received are captured in the register with a serial number defining the type of complaint categorised under storage, quality, documentation, and packaging.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information.

information related to	As a percentage to total turnover
Environment and Social parameters relevant to product	100
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints

	2022-23 Current Financial Year			2021-22 Previous Financial Year		
	Received during the year	Pending resolution at the end of year	Remark	Received during the year	Pending resolution at the end of year	Remark
Data privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	Nil	Nil	NA
Cyber-security	Nil	Nil	NA	Nil	Nil	NA
Delivery of essential services	Nil	Nil	NA	Nil	Nil	NA
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Others	Nil	Nil	NA	Nil	Nil	NA

4. Details of instances of product recalls on account of safety issues

	Number	Reason for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. CSTL has an Information Security Management System (ISMS) which is applicable to the CSTL staff, all personnel associated with Third Party, Consultants, Vendors and Visitors that use CSTL IT infrastructure and resources. Weblink of the policy is- <https://cleanscience.co.in/company-policies/>

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT [BRSR] (CONTD.)

- 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Not applicable

LEADERSHIP INDICATORS

- 1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

<https://cleanscience.co.in/products/>

- 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The Company provides the Material Safety Data Sheet (MSDS) with each shipment.

- 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

In order to inform Customers of any disruption we send email communication to them.

- 4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. Did your entity carry out any survey about consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, the Company adheres to all applicable laws and regulations on product labellings. Apart from the mandatory declarations, additional declarations relating to safe handling and use of the product are made on the labels.

- 5. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches along-with impact: 0
- b. Percentage of data breaches involving personally identifiable information of customers: NA

INDEPENDENT AUDITOR'S REPORT

To the Members of Clean Science and Technology Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the standalone financial statements of Clean Science and Technology Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Revenue from contracts with customers

See Note 2.4 to standalone financial statements

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

KEY AUDIT MATTER(S)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
<p>Revenue is recognized when the control over the underlying products has been transferred to the customer.</p> <p>Due to the Company's sales being under various contractual terms across the country and globally, delivery to customers in different regions might take different time periods and may result in undelivered goods at the period end. We consider a risk of misstatement in the Standalone Financial Statements related to transactions occurring close to the year end, as these transactions could be recorded in the incorrect financial period (cut-off).</p> <p>There is also a risk of revenue being fraudulently overstated due to pressure on the Company to achieve performance targets throughout the period and towards the period end. Accordingly, fraud and cut-off risks in revenue recognition is considered as a key audit matter.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • Focusing on the Company's revenue recognition for compliance with Ind AS; • Testing the design, implementation and operating effectiveness of the Company's controls on recording revenue. We focused on controls around the timely and accurate recording of sales transactions; • Performing testing on selected statistical samples of revenue transactions recorded during the year. We verified terms of invoices, acknowledged delivery receipts and tested the transit time to deliver the goods. Our tests of detail focused on cut-off samples to verify only revenue pertaining to current year is recognized based on terms set out in sales invoices and delivery documents; • Assessing high risk manual journals posted to revenue to identify any unusual items.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting

unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

INDEPENDENT AUDITOR'S REPORT (CONTD.)

Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 01 April 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 51(e) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 51(f) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to

the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of this audit report is in compliance accordance with Section 123 of the Act.

As stated in Note 54 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Rahim Merchant

Partner

Place: Pune

Membership No.: 132907

Date: 18 May 2023

ICAI UDIN:23132907BGYQAK4330

ANNEXURE A to the Independent Auditor's Report on the Standalone Financial Statements of Clean Science and Technology Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- | | |
|---|--|
| <p>(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.</p> <p>(B) The Company has maintained proper records showing full particulars of intangible assets.</p> | <p>In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory</p> |
| <p>(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.</p> | <p>(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.</p> |
| <p>(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.</p> | <p>(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) and 3(iii)(c) to 3(iii) (f) of the Order are not applicable to the Company. The Company has made investment in subsidiary company. The Company has not made any investments in firms, limited liability partnership or any other parties.</p> |
| <p>(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.</p> | <p>(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investment made during the year is not prejudicial to the interest of the Company. The Company has not extended any guarantee, security or given any loans or advances in the nature of loans.</p> |
| <p>(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.</p> | <p>(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.</p> |
| <p>(ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records.</p> | <p>(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.</p> |

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF CLEAN SCIENCE AND TECHNOLOGY LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)

- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF CLEAN SCIENCE AND TECHNOLOGY LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)

- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Rahim Merchant

Partner

Place: Pune

Membership No.: 132907

Date: 18 May 2023

ICAI UDIN:23132907BGYQAK4330

ANNEXURE B to the Independent Auditor's Report on the standalone financial statements of Clean Science and Technology Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of Clean Science and Technology Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF CLEAN SCIENCE AND TECHNOLOGY LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial

statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Rahim Merchant

Partner

Place: Pune

Membership No.: 132907

Date: 18 May 2023

ICAI UDIN:23132907BGYQAK4330

**STANDALONE BALANCE SHEET**

as at 31st March, 2023

(All amounts are in rupees million, unless otherwise stated)

	Note	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	4,221.42	2,923.35
Capital work-in-progress	4	40.96	441.27
Right-of-use asset	3	38.83	29.41
Other Intangible assets	5	5.95	4.66
Financial assets			
(i) Investments	6	1,466.98	562.02
(ii) Other financial assets	7	25.83	25.57
Income tax assets (net)	36 (c)	-	13.62
Other non-current assets	8	16.43	5.68
Total non-current assets		5,816.40	4,005.58
Current assets			
Inventories	9	1,088.05	881.30
Financial assets			
(i) Investments	10	2,816.75	1,904.37
(ii) Trade receivables	11	1,477.22	1,535.44
(iii) Cash and cash equivalents	12	123.58	127.77
(iv) Bank balances other than (iii) above	13	0.12	167.07
(v) Other financial assets	14	19.36	390.35
Other current assets	15	245.77	127.43
Asset classified as held for sale	16	-	110.64
Total current assets		5,770.85	5,244.37
Total assets		11,587.25	9,249.95
EQUITY & LIABILITIES			
Equity			
Equity share capital	17	106.24	106.22
Other equity	18	10,081.68	7,582.86
Total equity		10,187.92	7,689.08
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	-	2.64
(ii) Lease liabilities	20	9.29	-
(iii) Other financial liabilities	21	4.60	-
Provisions	22	5.76	1.30
Deferred tax liabilities (net)	36 (d)	250.71	209.09
Total non-current liabilities		270.36	213.03
Current liabilities			
Financial liabilities			
(i) Borrowings	23	-	0.67
(ii) Lease liabilities	20	0.74	-
(iii) Trade payables	24		
a) Total outstanding dues of micro enterprises and small enterprises		4.76	4.96
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		799.05	1,015.97
(iv) Other financial liabilities	25	184.27	215.50
Other current liabilities	26	78.81	68.81
Provisions	27	2.39	3.99
Current tax liabilities (net)	36 (c)	58.95	37.94
Total current liabilities		1,128.97	1,347.84
Total liabilities		1,399.33	1,560.87
Total equity and liabilities		11,587.25	9,249.95
Significant accounting policies	2		

The accompanying notes form an integral part of the Standalone Financial Statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Clean Science and Technology Limited

Ashok Boob
Managing Director
DIN : 0410740

Krishnakumar Boob
Director
DIN : 0410672

Rahim Merchant
Partner
Membership No: 132907
Place: Pune
Date: 18th May, 2023

Sanjay Parnerkar
Chief Financial Officer
Place : Pune
Date: 18th May, 2023

Mahesh Kulkarni
Company Secretary
M. No: 19364
Place : Pune
Date: 18th May, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2023

(All amounts are in rupees million, unless otherwise stated)

	Note	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Income			
Revenue from operations	28	9,357.99	6,848.86
Other Income	29	387.97	299.39
Total income		9,745.96	7,148.25
Expenses			
Cost of materials consumed	30	3,383.92	2,451.12
Changes in inventories of finished goods and work-in-progress	31	(124.37)	(204.48)
Employee benefits expense	32	450.11	345.45
Finance costs	33	1.53	1.47
Depreciation and amortisation expense	34	358.21	249.18
Other expenses	35	1,622.07	1,256.52
Total expenses		5,691.47	4,099.26
Profit before tax		4,054.49	3,048.99
Tax expense:	36		
Current tax		977.77	729.47
Deferred tax		41.62	33.46
Total tax expense		1,019.39	762.93
Profit for the year (A)		3,035.10	2,286.06
Other comprehensive (loss)/ income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit liability / (asset)		1.69	(2.62)
(ii) Income tax relating to remeasurements of defined benefit (liability) / asset		(0.43)	0.66
Total Other comprehensive (loss) / income (B)		1.26	(1.96)
Total comprehensive income for the year (A+B)		3,036.36	2,284.10
Earnings per equity share (in ₹) [Face value ₹ 1/- per share]			
Basic	37	28.57	21.52
Diluted		28.56	21.52
Significant accounting policies	2		

The accompanying notes form an integral part of the Standalone Financial Statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of

Clean Science and Technology Limited

Ashok Boob

Managing Director

DIN : 0410740

Krishnakumar Boob

Director

DIN : 0410672

Rahim Merchant

Partner

Membership No: 132907

Place: Pune

Date: 18th May, 2023

Sanjay Parnerkar

Chief Financial Officer

Place : Pune

Date: 18th May, 2023

Mahesh Kulkarni

Company Secretary

M. No: 19364

Place : Pune

Date: 18th May, 2023



STANDALONE STATEMENT OF CASH FLOWS

for the year ended 31st March, 2023

(All amounts are in rupees million, unless otherwise stated)

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A. Cash flow from operating activities		
Profit before tax	4,054.49	3,048.99
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	358.21	249.18
Loss / (Gain) on sale of property, plant and equipments	0.82	(0.13)
Dividend income	(0.07)	(0.19)
Finance costs (excluding foreign exchange adjustment)	1.53	1.47
Profit on instruments designated through fair value through profit and loss (FVTPL)	(56.56)	(65.74)
Fair value gain on instruments designated through fair value through profit and loss (FVTPL)	(31.29)	(16.64)
Interest income	(4.87)	(21.66)
Interest income on investments measured at amortised cost	(55.43)	(39.24)
Mark to Market loss on forward contracts	22.62	29.34
Unrealised foreign exchange differences	(10.04)	(15.70)
Employee Stock Option Scheme expense	10.90	4.83
Operating profit before working capital changes	4,290.31	3,174.51
Movement in working capital:		
(Increase) in other non-current financial assets	(1.72)	(2.39)
Decrease in other non-current assets	-	0.68
(Increase) in inventories	(206.75)	(352.31)
Decrease / (Increase) in trade receivables	67.04	(777.62)
Decrease / (Increase) in other current financial assets	68.62	(330.43)
(Increase) in other current assets	(118.34)	(22.73)
(Decrease) / Increase in non-current provisions	4.46	(2.44)
(Decrease) / Increase in trade payables	(209.43)	411.15
Increase / (Decrease) in other current financial liabilities	26.54	(73.83)
Increase in other non current financial liabilities	4.60	-
(Decrease) / Increase in other current liabilities	10.00	(61.72)
Increase in current provisions	(0.34)	0.53
Cash generated from operations	3,934.99	1,963.40
Net income tax (paid)	(943.14)	(690.86)
Net cash from operating activities (A)	2,991.85	1,272.54
B. Cash flows from investing activities		
Purchase of property, plant and equipment, right-of-use asset, intangible assets and capital work-in-progress, net of capital creditors and advances	(1,355.35)	(1,296.55)
Sale proceeds of property, plant and equipment	3.26	0.50
Proceeds from sale of asset held for sale	104.11	-
Bank deposits matured/(placed) during the year	376.81	49.31
Investment in subsidiary	(650.00)	(551.00)
Purchase of investments	(5,889.92)	(1,713.11)
Proceeds from sale of investments	4,903.83	2,245.06
Dividend received	0.07	0.19
Interest received	60.99	29.90
Net cash used in investing activities (B)	(2,446.20)	(1,235.70)

STANDALONE STATEMENT OF CASH FLOWS (CONTD.)

for the year ended 31st March, 2023

(All amounts are in rupees million, unless otherwise stated)

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
C. Cash flows from financing activities		
Interest paid	(1.15)	(1.47)
Proceeds from issue of shares against employee stock options	9.29	-
Repayment of lease liabilities	(0.33)	-
Dividends paid	(557.71)	-
Net cash used in financing activities (C)	(549.90)	(1.47)
Net (decrease) / increase in Cash and cash equivalents (A+B+C)	(4.25)	35.37
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	0.06	0.09
Cash and cash equivalents at the beginning of the period	127.77	92.31
Cash and cash equivalents at the end of the period	123.58	127.77
Notes:-		
1. Cash and cash equivalents include		
Cash on hand	0.83	0.36
Balances with bank		
- Current accounts	122.75	127.41
	123.58	127.77
2. Change in liabilities arising from financing activities		
Balance at the beginning of the period	-	-
Additions during the year	9.98	-
Interest on lease liabilities	0.38	-
Repayment of lease liabilities	(0.33)	-
Balance at the end of the period	10.03	-
Significant accounting policies	Note 2	

The accompanying notes form an integral part of the Standalone Financial Statements

As per our report attached of even date

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of

Clean Science and Technology Limited

Ashok Boob

Managing Director

DIN : 0410740

Krishnakumar Boob

Director

DIN : 0410672

Rahim Merchant

Partner

Membership No: 132907

Place: Pune

Date: 18th May, 2023

Sanjay Parnerkar

Chief Financial Officer

Place : Pune

Date: 18th May, 2023

Mahesh Kulkarni

Company Secretary

M. No: 19364

Place : Pune

Date: 18th May, 2023



STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2023

(All amounts are in rupees million, unless otherwise stated)

(a) Equity share capital

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Equity share of ₹ 1 each issues, subscribed and fully paid				
Balance at the beginning of the reporting year	106,218,960	106.22	106,218,960	106.22
Add: Shares issued on exercise of employee stock options	18,579	0.02	-	-
Balance at the end of the reporting year	106,237,539	106.24	106,218,960	106.22

(b) Other equity

Particulars	Reserves and surplus				Total other equity
	Securities premium	General reserve	Employee Share Option Reserve	Retained earnings	
Balance at 1st April, 2021	-	42.99	-	5,250.94	5,293.93
Total comprehensive income for the year ended 31st March, 2022					
Profit for the year	-	-	-	2,286.06	2,286.06
Other comprehensive income (net of tax)					
- Remeasurements of defined benefit (Asset)	-	-	-	(1.96)	(1.96)
Total comprehensive income	-	-	-	2,284.10	2,284.10
Employee share based payment reserve	-	-	4.83	-	4.83
Balance at 31st March, 2022	-	42.99	4.83	7,535.04	7,582.86
Balance at 1st April, 2022	-	42.99	4.83	7,535.04	7,582.86
Total comprehensive income for the year ended 31st March, 2023					
Profit for the year	-	-	-	3,035.10	3,035.10
Other comprehensive income (net of tax)					
- Remeasurements of defined benefit (Asset) / Liability	-	-	-	1.26	1.26
Transfer on account of exercise of stock options (refer note 48)	12.37	-	(3.10)	-	9.27
Dividends paid	-	-	-	(557.71)	(557.71)
Total comprehensive income	12.37	-	(3.10)	2,478.65	2,487.92
Employee share based payment reserve	-	-	10.90	-	10.90
Balance at 31st March, 2023	12.37	42.99	12.63	10,013.69	10,081.68

The accompanying notes form an integral part of the Standalone Financial Statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants

Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Clean Science and Technology Limited

Ashok Boob
Managing Director
DIN : 0410740

Krishnakumar Boob
Director
DIN : 0410672

Rahim Merchant
Partner
Membership No: 132907
Place: Pune
Date: 18th May, 2023

Sanjay Parnerkar
Chief Financial Officer
Place: Pune
Date: 18th May, 2023

Mahesh Kulkarni
Company Secretary
M. No: 19364
Place: Pune
Date: 18th May, 2023

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31st March, 2023

(All amounts are in rupees million, unless otherwise stated)

1 CORPORATE INFORMATION

Clean Science and Technology Limited (erstwhile known as Clean Science and Technology Private Limited) ('the Company') is a public limited company domiciled in India and is incorporated under Companies Act, 1956 applicable in India. The shares of the Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on 19th July, 2021. The registered office of the Company is located at Pantagon Towers 4, Magarpatta City, Hadapsar, Pune. The CIN of the Company is L24114PN2003PLC018532.

The Company is engaged in manufacturing and sale of various types of chemicals mainly MEHQ, Guaiacol, 4MAP at its manufacturing plants situated at Kurkumbh MIDC, Daund, Dist: Pune. The Company caters to both domestic and international markets.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

a) Statement of Compliance

The Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under section 133 of the Companies Act, 2013 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Company.

The Standalone financial statements for the year ended 31st March, 2023 were approved for issue by the Company's Board of Directors on 18th May, 2023.

b) Basis of measurement

The Standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- ii) Asset held for sale measured at lower of carrying amount or fair value less cost to sell;

- iii) Net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of defined benefit obligations.

The accounting policies adopted for preparation and presentation of Standalone financial statements have been consistent with the previous year.

The Standalone financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest millions, upto two places of decimal, unless otherwise stated.

2.2 Current and non-current classification of assets and liabilities

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as 12 months.

2.3 Use of judgements estimates and assumptions

The preparation of the Standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, and disclosure of the contingent liabilities at the end of each reporting period. Such estimates are on a reasonable and prudent basis considering all available information, however, due to uncertainties about these judgments, estimates and assumptions, actual results could differ from estimates. Information about each of these estimates and judgements is included in relevant notes.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Standalone financial statements is included in the following notes:

- Note 43 – classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 9 – Valuation of inventories.
- Note 36 – Recognition of tax expense including deferred tax.
- Note 38 – Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.
- Note 41 – Impairment of trade receivables.
- Note 44 – Defined benefit obligation: key actuarial assumptions.

- **Going concern assumption:**

These Standalone financial statements have been prepared on a going concern basis. The management has assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of this Standalone financial statements. Based this evaluation, Management believes that the Company will be able to continue as a 'going concern' in the foreseeable future and for a period of at least twelve months from the date of this financial statement based on the following:

- i) Expected future operating cash flows based on business projections, and
- ii) Available credit facilities with its bankers.

Based on the above factors, Management has concluded that the "going concern" assumption is appropriate. Accordingly, the Standalone financial statement does not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Company be unable to continue as a going concern.

2.4 Revenue recognition:

Sales are recognised when control of the products has been transferred to the customer, being when the products are delivered to the

customer or its authorised representative and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue is measured based on the transaction price, which is the consideration, net of returns, trade discounts and volume rebates, if any.

The sales made by the Company may include transport arrangements from third parties. In such cases, revenue for the supply of such third-party transport arrangements are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue for the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue from sale of solar electricity power is recognised on a point in time basis when solar electrical power is transmitted to Alternating Current Distribution Board (ACDB).

Interest income or expense is recognised using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the Company and that the amount of the dividend can be measured reliably.

2.5 Inventories

Inventories are valued at cost or net realisable value whichever is lower after providing for cost of obsolescence. Cost is determined on a FIFO formula.

Raw materials are valued at cost of purchase net of duties (credit availed w.r.t taxes and duties) and includes all expenses incurred in bringing the materials to location of use. However, materials

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work-in-process and finished goods include conversion costs in addition to the landed cost of raw materials. Finished goods are valued at lower of cost and net realisable value. The net realisable value of the finished goods is determined with reference to the selling prices of related finished goods.

Cost of finished goods and work-in-progress comprises cost of raw material and appropriate fixed production overheads which are allocated on the basis of normal capacity of production facilities and variable production overheads on the basis of actual production of material and after deduction of the realisable value of the by-product.

Raw Materials, Components, Stores, and Spares cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Obsolete and slow-moving inventories are identified and wherever necessary, such inventories are written off/provided during the year.

2.6 Property, plant and equipment

- **Recognition and measurement**

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Property, plant and equipments are carried at cost which includes capitalised borrowing costs, less accumulated depreciation and impairment loss, if any. Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and / or accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the

asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

- **Subsequent costs**

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss as incurred.

- **Disposal**

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/ expenses in the Statement of Profit and Loss.

- **Depreciation method and estimated useful lives**

Depreciation on tangible assets is provided on the straight-line method on pro-rata basis, over the

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

useful lives of assets as prescribed in Schedule – II of the Companies Act, 2013 which is as follows:

Type of asset	Useful life (No. of years)
Factory Building	30 years
Non-Factory Buildings	60 years
Plant and Machinery	5-20 years
Office Equipment	5 years
Vehicles	8-10 years
Furniture and fixtures	10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Impairments of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount

does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.7 Other intangible assets:

- **Recognition and measurement**

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Expenditure on research activities is recognised in the Statement of Profit and Loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and to use or sell the asset.

Intangible assets which comprise of the development expenditure incurred on new product and expenditure incurred on acquisition of user licenses for computer software are recorded at their acquisition price.

- **Subsequent measurement**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

- **Amortisation**

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets i.e., computer software is amortised on a straight-line basis over the period of expected future benefits commencing from the date the asset is available for its use.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

The management has estimated the useful life for software & licenses as following,

Asset Class	Years
Software & licenses	5

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

- **Disposal**

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.8 Assets held for sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal Group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell except for those assets that are specifically exempt under relevant Ind AS. Once the assets are classified as "Held for sale", those are not subjected to depreciation till disposal.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised.

A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets classified as held for sale and the assets of a disposal group classified as held

for sale are presented separately from the other assets in the Balance Sheet.

2.9 Employee benefits:

- **Short-term employee benefits**

The distinction between short term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and are recognised in the period in which the employee renders the related service. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the year. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

- **Post-employment benefits**

Defined contribution plans

Contributions to the provident fund and superannuation schemes which is defined contribution scheme, are recognised as an employee benefit expense in the Statement of Profit and Loss in the period in which the contribution is due. Contributions are made in

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

accordance with the rules of the statute and are recognised as expenses when employees render service entitling them to the contributions. The Company has no obligation, other than the contribution payable to the provident fund.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The employees' gratuity scheme is a defined benefit plan which is administered by a trust formed for this purpose through the group schemes of Life Insurance Corporation of India (LIC). The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

In case of funded plans, the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises gains/ losses on settlement of a defined plan when the settlement occurs.

- **Other long-term employee benefits**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the Statement of Profit and Loss. The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

- **Termination benefits**

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

2.10 Employee Share-based Payments

Equity-settled share-based payments to employees are measured at the fair value of the options at the grant date.

The fair value of option at the grant date is expensed over the respective vesting period in which all of the specified vesting conditions are to be satisfied with a corresponding increase in equity as "Employee Stock Options Account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Employee Stock Options Account" are transferred to the "Retained Earnings".

When the options are exercised, the Company issues new equity shares of the Company of ₹ 1/- each fully paid-up. The proceeds received and the related balance standing to credit of the Employee Stock Options Account, are credited to share capital (nominal value) and Securities Premium Account.

See Note 48 – Employee Share-based Payments for further details.

2.11 Income taxes:

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income (OCI).

- **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- **Deferred tax**

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses (including unabsorbed depreciation) can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

2.12 Earnings per share (EPS):

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares and stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS adjust the figures used in the determination of basic EPS to consider.

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.13 Provision and contingent liabilities / assets:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Contingent liabilities are obligations arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liability is disclosed in case of

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- present obligation arising from past events, when no reliable estimate is possible
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the Standalone financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.14 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not

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paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Leasehold land is amortised over the period of lease.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the Standalone financial statements on

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.16 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Statement of Profit and Loss.

2.17 Financial instruments

2.17.1 Financial assets

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All financial assets are recognised initially at fair value plus except for trade receivables which are initially measured at transaction price, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in one of the three categories:

- a) At amortised cost
- b) At fair value through Other Comprehensive Income ('FVTOCI')

- c) At fair value through profit or loss ('FVTPL')

(a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment charge. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense/ (income) in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade receivables, security and other deposits receivable by the Company.

(b) Financial assets classified as measured at FVOCI

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, the Company makes such election on an instrument-by-instrument basis, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in other

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

(c) Financial assets classified as measured at FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a mutual fund investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

De-recognition of financial asset

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its Balance Sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date, the credit risk has not increased significantly since its original recognition. However, if credit risk has increased significantly, lifetime ECL is used. ECL impairment loss allowance (or reversal) recognised in the Statement of Profit and Loss.

2.17.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost. The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated as such upon initial recognition at the initial date of recognition if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

(a) Financial liabilities at amortised cost

The Company generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of financial liability

A financial liability (or a part of a financial liability) is derecognised from the Balance Sheet when, and only when, it is extinguished i.e., when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statement of Profit and Loss.

Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require specified payments to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as fees receivable under "other financial assets" or as a part of the cost of the investment, depending on the contractual terms.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Managing Director of the Company has been identified as being the Chief operating decision maker by the management of the Company.

2.19 Government Grants:

Grants that compensate the Company for expenses incurred are recognised in Statement of Profit and Loss as other operating income on a systematic basis in the periods in which such expenses are recognised.

Export Incentives

Export incentives under various schemes notified by the government are recognised when no significant uncertainties as to the amount of consideration that would be derived and that the Company will comply with the conditions associated with the grant and ultimate collection exist.

2.20 Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of not more than three months, which are subject to an insignificant risk of changes in value.

2.21 Cash flow statement:

Cash Flows are reported using the indirect method, whereby net Profit before tax is adjusted for the effects of transactions of a non-cash nature, such as deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. In the statements of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above net of outstanding bank overdrafts as they are considered as integral part of the Company's cash management.

2.22 Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing

standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 01st April, 2023, as below:

Ind AS 1 – Presentation of Standalone financial statements The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its Standalone financial statements.

Ind AS 12 – Income Taxes The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its Standalone financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its Standalone financial statements.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

3. PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block				Depreciation				Net Block	
	As at 01st April, 2022	Additions during the year	Disposals during the year	As at 31st March, 2023	As at 01st April, 2022	Charge for the year	Disposals during the year	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023
Land	42.52	9.68	-	52.20	-	-	-	-	42.52	52.20
Buildings	924.52	478.24	-	1,402.76	94.44	34.43	-	128.87	830.07	1,273.89
Plant and equipment	2,840.12	1,134.40	(1.27)	3,973.25	858.42	307.64	(0.47)	1,165.59	1,981.70	2,807.66
Furniture and fixtures	40.54	14.10	-	54.64	12.78	4.47	-	17.25	27.77	37.39
Computer	13.07	4.00	-	17.07	7.31	3.06	-	10.37	5.76	6.70
Vehicles	41.29	17.20	(6.06)	52.43	9.10	5.78	(2.78)	12.10	32.19	40.33
Office equipment	6.54	0.82	-	7.36	3.20	0.91	-	4.11	3.34	3.25
Total	3,908.60	1,658.44	(7.33)	5,559.71	985.25	356.29	(3.25)	1,338.29	2,923.35	4,221.42

Particulars	Gross Block				Depreciation				Net Block	
	As at 01st April, 2021	Additions during the year	Disposals during the year	As at 31st March, 2022	As at 01st April, 2021	Charge for the year	Disposals during the year	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022
Land	42.52	-	-	42.52	-	-	-	-	42.52	42.52
Buildings	475.48	449.04	-	924.52	71.29	23.15	-	94.44	404.19	830.07
Plant and equipment	1,990.08	857.94	(7.90)	2,840.12	650.73	215.40	(7.71)	858.42	1,339.35	1,981.70
Furniture and fixtures	21.09	19.45	-	40.54	10.37	2.41	-	12.78	10.72	27.77
Computer	8.37	4.70	-	13.07	5.40	1.91	-	7.31	2.97	5.76
Vehicles	30.66	11.73	(1.10)	41.29	5.58	4.44	(0.92)	9.10	25.08	32.19
Office equipment	3.83	2.71	-	6.54	2.63	0.57	-	3.20	1.21	3.34
Total	2,572.03	1,345.57	(9.00)	3,908.60	746.00	247.88	(8.63)	985.25	1,826.04	2,923.35

Right-of-use asset

Particulars	Gross Block				Amortisation				Net Block	
	As at 01st April, 2022	Additions during the year	Disposals during the year	As at 31st March, 2023	As at 01st April, 2022	Charge for the year	Disposals during the year	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023
Leasehold land	31.08	9.98	-	41.06	1.67	0.56	-	2.23	29.41	38.83
Total Assets	31.08	9.98	-	41.06	1.67	0.56	-	2.23	29.41	38.83

Particulars	Gross Block				Amortisation				Net Block	
	As at 01st April, 2021	Additions during the year	Disposals during the year	As at 31st March, 2022	As at 01st April, 2021	Charge for the year	Disposals during the year	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022
Leasehold land*	31.08	110.64	(110.64)	31.08	1.33	0.34	-	1.67	29.75	29.41
Total Assets	31.08	110.64	(110.64)	31.08	1.33	0.34	-	1.67	29.75	29.41

*Disposal during the year pertains to reclassification of Right-of-use asset as held for sale in accordance with 'Ind AS 105 - Non current asset held for sale and discontinued operations'. Refer note 16

4. CAPITAL WORK-IN-PROGRESS

Particulars	As at 01st April, 2022	Additions during the year	Capitalised during the year	As at 31st March, 2023
Buildings	118.71	107.25	(223.40)	2.55
Plant and machinery	322.56	554.22	(838.37)	38.41
Total	441.27	661.47	(1,061.77)	40.96

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

Particulars	As at 01st April, 2021	Additions during the year	Capitalised during the year	As at 31st March, 2022
Buildings	219.15	113.89	(214.33)	118.71
Plant and machinery	330.77	322.57	(330.78)	322.56
Total	549.92	436.46	(545.11)	441.27

(a) CWIP aging Schedule

As at 31st March, 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	40.96	-	-	-	40.96
Projects temporarily suspended	-	-	-	-	-
Total CWIP	40.96	-	-	-	40.96

As at 31st March, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	436.45	4.82	-	-	441.27
Projects temporarily suspended	-	-	-	-	-
Total CWIP	436.45	4.82	-	-	441.27

(b) As at 31st March, 2023 no projects under Capital Work in Progress are overdue or has exceeded its cost compared to its original plan.

5. OTHER INTANGIBLES ASSETS (OTHER THAN INTERNALLY GENERATED)

Particulars	Gross Block				Amortisation				Net Block	
	As at 01st April, 2022	Additions during the year	Disposals during the year	As at 31st March, 2023	As at 01st April, 2022	Charge for the year	Disposals during the year	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023
Computer Software	10.16	2.65	-	12.81	5.50	1.36	-	6.86	4.66	5.95
Total	10.16	2.65	-	12.81	5.50	1.36	-	6.86	4.66	5.95

Particulars	Gross Block				Amortisation				Net Block	
	As at 01st April, 2021	Additions during the year	Disposals during the year	As at 31st March, 2022	As at 01st April, 2021	Charge for the year	Disposals during the year	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022
Computer Software	7.22	2.94	-	10.16	4.54	0.96	-	5.50	2.68	4.66
Total	7.22	2.94	-	10.16	4.54	0.96	-	5.50	2.68	4.66

**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)**

(All amounts are in rupees million, unless otherwise stated)

6. INVESTMENTS - NON CURRENT

	As at 31st March, 2023	As at 31st March, 2022
A) Investment in subsidiaries - Unquoted equity shares at cost		
981,500 (31st March, 2022: 981,500) equity shares of Clean Science Private Limited; a wholly owned subsidiary, of ₹ 10 each fully paid-up	9.82	9.82
1,00,000 (31st March, 2022: 1,00,000) equity shares of Clean Aromatics Private Limited; a wholly owned subsidiary, of ₹ 10 each fully paid-up	1.00	1.00
20,000 (31st March, 2022: 20,000) equity shares of Clean Organics Private Limited; a wholly owned subsidiary, of ₹ 10 each fully paid-up	0.20	0.20
59,78,472 (31st March, 2022: 4,571,545) equity shares of Clean Fino-Chem Limited; a wholly owned subsidiary, of ₹ 10 each fully paid-up	1,201.00	551.00
	1,212.02	562.02
B) Investments carried at fair value through profit and loss (FVTPL)		
Investment in market linked debentures - Quoted		
100 (31st March, 2022: Nil) 7.70% Mahindra & Mahindra FSL - MLD	103.17	-
150 (31st March, 2022: Nil) 8.13% Shriram City Union Finance Limited MLD	151.79	-
	254.96	-
	1,466.98	562.02
Aggregate book value of unquoted investments	1,212.02	562.02
Aggregate book value of quoted investments	254.96	-
Aggregate market value of quoted investments	254.96	-

7. OTHERS FINANCIAL ASSETS - NON CURRENT

(Unsecured, considered good)

	As at 31st March, 2023	As at 31st March, 2022
Security Deposits	25.33	23.61
<i>Deposits with original maturity of more than 12 months</i>		
Balances held as margin money/security towards obtaining bank guarantees	0.50	1.96
	25.83	25.57

8. OTHER NON-CURRENT ASSETS

	As at 31st March, 2023	As at 31st March, 2022
Capital advances	16.43	5.68
	16.43	5.68

9. INVENTORIES

	As at 31st March, 2023	As at 31st March, 2022
<i>(valued at lower of cost or net realisable value)</i>		
Raw material [including stock in transit of ₹ 114.03 million (31st March, 2022 : ₹ 50.87 million)]	302.01	220.25
Work-in-progress	508.08	463.95
Finished goods [including stock in transit of ₹ 81.49 million (31st March, 2022 : ₹ 73.29 million)]	224.91	144.67
Stores and spares	53.05	52.43
	1,088.05	881.30

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

10 INVESTMENTS - CURRENT

	As at 31st March, 2023	As at 31st March, 2022
A. Investments carried at fair value through profit and loss (FVTPL)		
Investment in mutual funds - Quoted		
4,185,840 (31st March, 2022: 8,925,949) units Kotak Equity Arbitrage Fund	140.43	282.67
937,285 (31st March, 2022: 9,37,285) units IIFL Special Opportunities Fund - Series 2	7.04	9.21
1,114,668 (31st March, 2022: 1,114,668) units of Kotak Banking and PSU Debt Fund Direct Growth	63.39	60.51
19,130 (31st March, 2022: 19,130) units of Kotak Corporate Bond Fund Direct Growth	62.68	59.93
4,745,188 (31st March, 2022: 4,745,188) ICICI Corporate Bond Fund Direct Growth	123.51	116.67
18,972 (31st March, 2022: 18,972) Kotak Corporate Bond Fund Direct Growth	62.16	59.44
21,158,008 (31st March, 2022: Nil) HDFC Arbitrage Fund Direct Growth	359.47	-
5,319,224 (31st March, 2022: 3,800,757) Kotak Equity Arbitrage Fund Growth	178.45	120.37
2,036,334 (31st March, 2022: 2,036,334) Axis Short Term Fund Direct Growth	57.07	54.33
2,198,209 (31st March, 2022: 2,198,209) IDFC Bond Fund Short Term Direct Growth	112.18	107.71
6,367,813 (31st March, 2022: 6,367,813) HDFC Banking & PSU Debt Fund Direct Growth	127.50	122.00
9,97,783 (31st March, 2022: 9,97,783) Kotak Banking and PSU Debt Fund Direct Growth (New Folio)	56.75	54.16
17,304,301 (31st March, 2022: Nil) IDFC CRISIL Gilt 2027 Index Fund Direct Plan-Growth	188.97	-
6,099,785 (31st March, 2022: Nil) ICICI Prudential All Seasons Bond Fund Direct Growth	200.14	-
4,680,997 (31st March, 2022: Nil) ABSL Short Term Fund Direct Growth	200.19	-
13,351,537 (31st March, 2022 : Nil) Nippon India Nivesh Lakshya Fund Direct Growth	199.79	-
1,489,020 (31st March, 2022: Nil) SBI Arbitrage Opportunities Fund Direct Growth	45.00	-
Investment in market linked debentures - Quoted		
Nil (31st March, 2022: 100) 8.33% Shriram City Union Finance Limited MLD	-	102.39
B. Investment in others - Quoted (FVTPL)		
Investments in liquid funds *	-	153.88
	2,184.72	1,303.27
C. Investments carried at fair value through profit and loss (FVTPL)		
Investment in equity shares - Quoted		
Investment in equity shares *	-	14.61
	-	14.61
* These investments in equity shares are monitored through Aventus PMS. Refer note 47 for detailed breakup of Investment in equity shares (FVTPL)		
D. Investment at amortised cost		
Investment in bonds - Quoted		
50 (31st March, 2022: 50) 8.46% IIFCL Tax Free Bond	60.37	61.83
50 (31st March, 2022: 50) 9.56% SBI Bond	51.90	52.44
Nil (31st March, 2022: 100) 8.85% HDFC Bond	-	107.94
100 (31st March, 2022: 100) 9.37% SBI Bond	103.52	104.83
40,000 (31st March, 2022: 40,000) 9.75% IRFCLTax Free Bond	48.37	49.24

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

	As at 31st March, 2023	As at 31st March, 2022
100 (31st March, 2022: 100) 9.20% Cholamandalam Investment and Finance Company Limited Bond	53.92	53.83
100,000 (31st March, 2022: 100,000) 7.51% Muthoot Finance Bond	107.40	106.61
Nil (31st March, 2022: 100) Piramal Enterprises Limited Commercial Paper	-	49.77
100 (31st March, 2022: Nil) 7.09% HDB Financial Services 2023 Bond	103.10	-
100 (31st March, 2022: Nil) 7.70% ICICI Bank Limited Bond	103.45	-
	632.03	586.49
	2,816.75	1,904.37
(a) Aggregate book value of quoted investments	2,816.75	1,904.37
(b) Aggregate market value of quoted investments	2,818.34	1,907.50

11 TRADE RECEIVABLES

	As at 31st March, 2023	As at 31st March, 2022
<i>(Unsecured, considered good)</i>		
Receivable from related party		
From firm in which directors are members (refer note 40)	-	0.03
Receivable other than related party		
Unsecured, considered good		
Other parties	1,477.22	1,535.41
	1,477.22	1,535.44
Breakup of security details		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	1,477.22	1,535.44
Total	1,477.22	1,535.44
Less: Loss allowance	-	-
Total trade receivables	1,477.22	1,535.44

*The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 41 on financial instruments.

Trade receivables Ageing Schedule
As at 31st March, 2023

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	1,224.64	252.46	0.02	0.10	0.00	-	1,477.22

Note: Amounts seen as 0.00 are below the disclosure threshold of the Company.

As at 31st March, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	1,344.69	190.60	0.03	0.05	0.07	-	1,535.44

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

12 CASH AND CASH EQUIVALENTS

	As at 31st March, 2023	As at 31st March, 2022
Cash on hand	0.83	0.36
Balance with banks :		
In current account*	122.75	127.41
	123.58	127.77

*Includes debit balance of cash credit facility amounting to ₹ 29.18 million (31st March, 2022 : ₹ 56.67 million). These balances are not earmarked.

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31st March, 2023	As at 31st March, 2022
Balances with bank		
Deposits with remaining maturity of less than 12 months	-	167.07
In earmarked accounts		
Unpaid dividend accounts	0.12	-
	0.12	167.07

14 OTHER CURRENT FINANCIAL ASSETS

	As at 31st March, 2023	As at 31st March, 2022
<i>(Unsecured, considered good)</i>		
Security deposit	0.53	30.89
Advances to employees	0.93	0.09
Balances held as margin money/security towards obtaining bank guarantees	5.56	3.02
Gratuity fund balance (Refer note 44)	2.40	1.91
MTM Gain on outstanding forward contracts	-	29.34
Scripts Credit	1.05	11.14
Interest receivable	7.62	1.71
Other receivables	1.27	1.43
Term deposit with financial institution	-	210.82
Investment in mutual fund pending allotment	-	100.00
	19.36	390.35

15 OTHER CURRENT ASSETS

	As at 31st March, 2023	As at 31st March, 2022
Balance with government authorities	196.57	106.87
Prepayments	17.72	15.86
CSR pre-spent balance (Refer note 52)	1.93	2.74
Advance for supply of goods	29.03	1.61
Other advances	0.52	0.35
	245.77	127.43

16 ASSET CLASSIFIED AS HELD FOR SALE

	As at 31st March, 2023	As at 31st March, 2022
Right-of-use asset*	-	110.64
	-	110.64

* The Company has classified right-of-use asset (leasehold land) taken from Maharashtra Industrial Development Corporation, Kurkumbh as held for sale, pursuant to management decision to dispose such right-of-use asset. The right-of-use asset is carried at cost in accordance with 'Ind AS 105 - Non current asset held for sale and discontinued operations' being lower than the fair value less cost to sale.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

17 | SHARE CAPITAL

Particulars	As at 31st March, 2023	As at 31st March, 2022
Authorised :		
150,000,000 (31st March, 2022 : 150,000,000) equity shares of ₹ 1 each. (31st March, 2022: ₹ 1 each)	150.00	150.00
Total	150.00	150.00
Issued and subscribed and paid up:		
Equity share capital		
106,237,539 (31st March, 2022 : 106,218,960) equity shares of ₹ 1 each fully paid-up (31st March, 2022: 1 each fully paid-up)	106.24	106.22
Total	106.24	106.22

Reconciliation of number of shares outstanding at the beginning and end of the year :
Equity share :

Particulars	As at 31st March, 2023	As at 31st March, 2022
	Number of Shares	Number of Shares
Outstanding at the beginning of the year	106,218,960	106,218,960
Add: Equity Shares issued during the year pursuant to exercise of employee stock options	18,579	-
Outstanding at the end of the year	106,237,539	106,218,960

Terms / Rights attached to each classes of shares
Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares having a par value of ₹ 1 per share as on 31st March, 2023. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Shareholders holding more than 5% shares in the Company is set out below:

Equity shares of ₹ 1 each fully paid (31st March, 2022: ₹ 1 each fully paid)	As at 31st March, 2023		As at 31st March, 2022	
	Number of Shares	% of shareholding	Number of Shares	% of shareholding
1. Mr. Ashok Boob	13,605,652	12.81%	13,605,652	12.81%
2. Ms. Asha Boob	10,444,612	9.83%	10,444,612	9.83%
3. Ashokkumar Ramkishan Sikchi HUF	10,581,763	9.96%	10,581,763	9.96%
4. Mr. Parth Maheshwari	5,909,745	5.56%	5,909,745	5.56%
5. Ms. Nidhi Mohunta J/w Ashok Boob	5,909,745	5.56%	5,909,745	5.56%
6. Ashok Ramnarayan Boob HUF	5,853,538	5.51%	5,853,538	5.51%

Details of shares held by Promoters

Promoter name	No. of Shares as on 31st March, 2023	% of Total Shares	% Change during the year	No. of Shares as on 31st March, 2022	% of Total Shares	% Change during the year
Ashok Ramnarayan Boob	13,605,652	12.81	-	13,605,652	12.81	2.55
Krishnakumar Ramnarayan Boob	2,812,000	2.65	-	2,812,000	2.65	2.02
Siddhartha Ashok Sikchi	3,150,425	2.97	-	3,150,425	2.97	0.42
Parth Ashok Maheshwari	5,909,745	5.56	-	5,909,745	5.56	0.80

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

18 OTHER EQUITY

Particulars	As at 31st March, 2023	As at 31st March, 2022
Reserves and surplus		
A. Retained earnings	10,013.69	7,535.04
B. Securities premium	12.37	-
C. General reserve	42.99	42.99
D. Employee Share Option Reserve	12.63	4.83
	10,081.68	7,582.86
A. Retained earnings		
Opening balance	7,535.04	5,250.94
Profit for the year	3,035.10	2,286.06
Appropriations		
Dividend paid	(557.71)	-
Remeasurements of defined benefit (Asset)	1.26	(1.96)
Closing balance	10,013.69	7,535.04
B. Securities Premium		
Opening balance	-	-
Issue of shares pursuant to ESOP 2021 scheme	12.37	-
Closing balance	12.37	-
C. General Reserve		
Opening balance	42.99	42.99
Change during the year	-	-
Closing balance	42.99	42.99
D. Employee Share Option Reserve		
Opening balance	4.83	-
Add: Additions during the year	10.90	4.83
Less: Transfer to securities premium on exercise of stock options	(3.10)	-
Closing balance	12.63	4.83
	10,081.68	7,582.86

Nature and purpose of reserves

- (i) Securities Premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of Companies Act, 2013.
- (ii) General Reserve is created by setting aside amount from the retained earnings of the Company for general purposes which is freely available for distribution
- (iii) Employee Share Option Reserve represents the fair value of services received against employees stock options (ESOP's) outstanding as at balance sheet date. (refer note 48)

Dividends

In Board Meeting held on 18th May, 2023 Board of Director have recommended, subject to the approval of shareholders, dividend of ₹ 3/- per equity share of face value of ₹ 1/- each for the year ended 31st March, 2023 on 10,62,38,572 (including 1,033 shares issued on 5th May, 2023 under ESOP-2021 scheme) amounting to ₹ 318.72/- million. The dividend have not been recognised as liability.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

19. BORROWINGS - NON CURRENT

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
Deposits from directors*	-	2.64
	-	2.64

*Deposits from directors are interest free and are repayable after 3 years from respective receipt of deposits.

20. LEASE LIABILITIES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease liabilities - Non current	9.29	-
Lease liabilities - Current	0.74	-
	10.03	-

21. OTHER FINANCIAL LIABILITIES - NON CURRENT

Particulars	As at 31st March, 2023	As at 31st March, 2022
Other financial liabilities	4.60	-
	4.60	-

22. PROVISIONS - NON CURRENT

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Compensated absences	5.76	1.30
	5.76	1.30

23. BORROWINGS - CURRENT

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
Deposits from directors*	-	0.67
	-	0.67

*Deposits from directors are interest free and are repayable after 3 years from respective receipt of deposits.

24. TRADE PAYABLES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 39)**	4.76	4.96
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises*	799.05	1,015.97
	803.81	1,020.93

*Includes dues to related parties (Refer note 40)

**Refer note 39 for disclosures required under MSMED Act

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

Trade payable ageing schedule

As at 31st March, 2023

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding for MSME due	4.76	-	-	-	-	4.76
Total outstanding for other than MSME due	701.53	26.84	0.98	1.42	0.36	731.13
	706.29	26.84	0.98	1.42	0.36	735.89
Accrued Expense	-	-	-	-	-	67.92
Total	706.29	26.84	0.98	1.42	0.36	803.81

As at 31st March, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding for MSME due	4.95	0.01	-	-	-	4.96
Total outstanding for other than MSME due	913.29	62.60	1.40	0.34	-	977.63
	918.24	62.61	1.40	0.34	-	982.59
Accrued Expense	-	-	-	-	-	38.34
Total	918.24	62.61	1.40	0.34	-	1,020.93

25 OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Employee benefits payable		
Salaries and benefits	18.18	20.49
Bonus payable	97.07	73.32
Payable for purchase of property, plant & equipment (Refer note 38)	37.87	121.69
MTM loss on outstanding forward contracts	22.62	-
Unpaid dividend	0.12	-
Other financial liabilities	8.41	-
	184.27	215.50

26 OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Statutory dues payable		
Statutory dues including provident fund and withholding taxes		
TDS and TCS payable	76.00	60.38
Provident fund payable	1.60	1.16
ESIC payable	0.20	0.18
Professional tax payable	0.10	0.09
Advance from customer	0.91	7.00
	78.81	68.81

27 PROVISIONS - CURRENT

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Compensated absences	2.39	3.99
	2.39	3.99

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

28 REVENUE FROM OPERATIONS (REFER NOTE 45)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Sale of products	9,264.74	6,775.35
Other operating revenue		
Export incentives	76.05	62.84
Scrap sale	8.43	3.18
Sale of electricity	8.77	7.49
	93.25	73.51
Total	9,357.99	6,848.86

29 OTHER INCOME

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest income	4.87	21.66
Interest income on investments measured at amortised cost	55.43	39.24
Dividend income from current investments	0.07	0.19
Net gain on account of foreign exchange fluctuations	52.46	140.51
Profit on sale of instruments designated through fair value through profit and loss (FVTPL)	56.56	65.74
Fair value gain on instruments designated through fair value through profit and loss (FVTPL)	31.29	16.64
Reimbursement of expenses from subsidiary (Refer note no 40)	118.37	-
Miscellaneous income	68.92	15.41
Total	387.97	299.39

30 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Raw materials (including purchase components & packing material consumed)		
Opening inventories	220.25	115.28
Add : Purchases	3,465.68	2,556.09
	3,685.93	2,671.37
Less : Closing inventories	302.01	220.25
Total	3,383.92	2,451.12

31 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening Inventories		
Finished Goods	144.67	115.94
Work-in-progress	463.95	288.20
Total (A)	608.62	404.14
Closing Inventories		
Finished Goods	224.91	144.67
Work-in-progress	508.08	463.95
Total (B)	732.99	608.62
Total (A-B)	(124.37)	(204.48)

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

32 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salaries, wages and bonus	412.69	320.62
Contribution to provident and other funds (Refer note 44)	15.27	10.76
Staff welfare expenses	11.25	9.24
Employee Stock Option Scheme expense (Refer note 48)	10.90	4.83
Total	450.11	345.45

33 FINANCE COSTS

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest expense on financial liabilities		
- Working capital loan	0.01	0.02
- Interest on lease liability (Refer Note no. 46)	0.38	-
- Others	1.14	1.45
Total	1.53	1.47

34 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Depreciation of property, plant and equipment (refer note 3)	356.29	247.88
Depreciation of right-of-use asset (refer note 3)	0.56	0.34
Amortisation of intangible assets (refer note 5)	1.36	0.96
Total	358.21	249.18

35 OTHER EXPENSES

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Consumption of stores and spares	16.34	12.29
Power and fuel	898.15	619.21
Water charges	10.65	12.84
Repairs and maintenance		
Buildings	10.23	13.47
Machinery	71.65	83.73
Others	18.37	31.91
Insurance	25.95	16.52
Rent	2.26	1.77
Rates and taxes	11.68	12.04
Telephone and other communication expenses	2.91	1.86
Travelling expenses	10.06	4.32
Freight, clearing and forwarding	60.58	57.85
Sales commission	144.11	71.02
Advertising and sales promotion	0.38	0.58
Manpower supply	154.18	111.06
Legal and professional fees	24.96	29.89
Payments to auditors (Refer note (a) below)	2.55	2.56
CSR expenses (Refer note 52)	49.51	38.41
Bank charges	3.63	2.97
Effluent treatment plant expenses	39.20	29.01

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Printing and stationary	5.27	4.31
Loss on sale of property, plant and equipments	0.82	-
Miscellaneous expenses	58.63	98.90
Total	1,622.07	1,256.52
(a) Payment to auditors*		
As auditor		
Statutory audit fee including fees for limited review	2.40	2.40
Reimbursement of expenses	0.15	0.16
	2.55	2.56

* Excludes Nil (31st March, 2022 ₹ 3.39 million) towards payment made to the auditors on account of initial public offering of equity shares of face value of ₹ 1 each as these expenses have been recovered from selling shareholders in the ratio of their selling shareholding pattern. Also refer note 53.

36 TAXES
(a) Statement of profit and loss

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current tax:		
- Current income tax charge	981.12	729.47
- Adjustment for current tax of prior period	(3.35)	-
Deferred tax	41.62	33.46
Income tax expense reported in the statement of profit and loss	1,019.39	762.93

(b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during in the period

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current tax:		
Remeasurements gains and losses on post employment benefits	(0.43)	0.66
Income tax recognised in OCI	(0.43)	0.66

(c) Balance sheet
Tax assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non- current tax assets	-	13.62
Total tax assets	-	13.62

Current tax liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022
Income tax (net of advance tax)	58.95	37.94
Total current tax liabilities	58.95	37.94

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

(d) Deferred tax

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred tax liabilities (DTL)		
Excess of depreciation/amortisation on property plant and equipment under income tax act	235.81	178.59
MTM gain on outstanding forward contracts	-	7.38
Mutual funds designated at fair value through profit and loss	20.96	20.81
Bonds - Effective interest rate	1.08	2.84
	257.85	209.62
Deferred tax assets (DTA)		
Provision for employee benefits	(1.45)	(0.53)
MTM loss on outstanding forward contracts	(5.69)	-
	(7.14)	(0.53)
Net deferred tax liability	250.71	209.09

(e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Accounting profit before tax	4,054.49	3,048.99
Tax rate	25.17%	25.17%
Tax as per IT Act on above (A)	1,020.43	767.37
Tax expenses (B)		
(i) Current tax	981.55	729.47
(ii) Deferred tax	41.62	33.46
	1,023.17	762.93
Difference (C)	(2.74)	4.44
Tax reconciliation		
Adjustments:		
Effect of permanent adjustments	13.70	(11.64)
Impact as a result of capital gains included in accounting profit taxed at the applicable rates	(2.22)	4.95
Others	(8.74)	2.25
	-	-

(f) Movement in temporary differences:

	01st April, 2022	Recognised in profit or loss during the year	Recognised in OCI during the year	31st March, 2023
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax act	178.59	57.22	-	235.81
MTM gain on outstanding forward contracts	7.38	(7.38)	-	-
Mutual funds designated at fair value through profit and loss	20.81	0.15	-	20.96
Bonds - Effective interest rate	2.84	(1.76)	-	1.08
	209.62	48.23	-	257.85
Deferred tax assets (DTA)				
Provision for employee benefits	(0.53)	(0.92)	-	(1.45)
MTM loss on outstanding forward contracts	-	(5.69)	-	(5.69)
	(0.53)	(6.61)	-	(7.14)
Net deferred tax liability	209.09	41.62	-	250.71

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

	01st April, 2021	Recognised in profit or loss during the year	Recognised in OCI during the year	31st March, 2022
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax act	141.64	36.95	-	178.59
MTM gain on outstanding forward contracts	18.53	(11.15)	-	7.38
Mutual funds designated at fair value through profit and loss	14.70	6.11	-	20.81
Bonds - Effective interest rate	-	2.84		2.84
	174.87	34.75	-	209.62
Deferred tax assets (DTA)				
Provision for employee benefits	(1.26)	0.73	-	(0.53)
Equity instruments measured at fair value	2.02	(2.02)	-	-
	0.76	(1.29)	-	(0.53)
Net deferred tax liability	175.63	33.46	-	209.09

37 | EARNINGS PER SHARE

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profits attributable to equity shareholders		
Profit for basic earning per share of ₹ 1 each*		
Profit for the year (in million)	3,035.10	2,286.06
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the year	106,231,006	106,218,960
Basic EPS (₹)	28.57	21.52
Diluted Earnings Per Share		
Profit for diluted earning per share of ₹ 1 each*		
Profit for the year (in million)	3,035.10	2,286.06
Weighted average number of equity shares outstanding during the year for diluted EPS	106,260,748	106,251,390
Diluted EPS (₹)	28.56	21.52

Weighted average number of equity shares for Basic Earnings Per Share	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Balance at the beginning and at the end of the year*	106,231,006	106,218,960
Weighted average number of equity shares outstanding during the year	106,231,006	106,218,960

Weighted average number of equity shares for Diluted Earnings Per Share	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Balance at the beginning and at the end of the year*	106,260,748	106,251,390
Weighted average number of equity shares outstanding during the year	106,260,748	106,251,390

*Note: The equity shares and basic/diluted earnings per share for the comparative period has been presented to reflect the adjustments for issue of bonus shares and stock split in accordance with Ind AS 33 - Earnings per Share.

38 | CONTINGENT LIABILITIES AND COMMITMENTS:
(a) Contingent liabilities

- i) Pursuant to recent judgement by the Honorable Supreme Court dated 28th February, 2019, it was held that basic wages, for the purpose of Provident fund, to include special allowances which are common for all employees. However, there is uncertainty with respect to applicability of the Judgement and year from

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

which the same applies. The Company has assessed that there was no impact of the same for current year end since provident fund was already deducted on such special allowance for current year end. Owing the aforesaid, uncertainty and pending clarification from the authorities in this regard, the Company had not recognised any provision for the years prior to 28th February, 2019.

- ii) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on 13th November, 2020. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

(b) Commitments

Particulars	As at 31st March, 2023	As at 31st March, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for	27.92	23.79
Total	27.92	23.79

39 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Principal amount remaining unpaid to any supplier as at the end of the year		
Trade payables	4.76	4.96
Capital creditors	-	0.09
Interest due thereon remaining unpaid to any supplier as at the end of the year		
Trade payables	-	-
Capital creditors	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006.	-	-
The amount of payment made to micro and small supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

40 RELATED PARTY DISCLOSURES

(a) List of Related Parties and description of relationship:

Subsidiary Companies:

- 1 Clean Science Private Limited
- 2 Clean Organics Private Limited
- 3 Clean Aromatics Private Limited
- 4 Clean Fino-Chem Limited

Key Management Personnel (KMP)

- | | |
|-------------------------|------------------------|
| 1 Mr. Ashok Boob | Managing Director |
| 2 Mr. Siddhartha Sikhi | Whole Time Director |
| 3 Mr. Krishnakumar Boob | Whole Time Director |
| 4 Mr. Pradeep Rathi | Non-executive Director |
| 5 Ms. Madhu Dubhashi | Independent Director |

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

6	Mr. Sanjay Kothari	Non-executive Director
7	Mr. Ganapati Yadav	Independent Director
8	Mr. Keval Doshi	Independent Director
9	Mr. Sanjay Parnerkar	Chief Financial Officer (w.e.f 3rd February, 2023)
10	Mr. Pratik Bora	Chief Financial Officer (upto 2nd February, 2023)
11	Mr. Mahesh Kulkarni	Company Secretary

Relative of Key Management Personnel

1	Ms. Nandita Sikchi
2	Ashok Ramnarayan Boob HUF
3	Ms. Asha Boob
4	Mr. Parth Maheshwari
5	Mr. Ashok Sikchi
6	Ashokkumar Ramkishan Sikchi HUF
7	Krishnakumar Ramnarayan Boob HUF
8	Mr. Kunal Sikchi
9	Mr. Prasad Boob
10	Ms. Asha Sikchi
11	Ms. Nilima Boob
12	Ms. Nidhi Mohunta
13	Ms. Pooja Navandar
14	Ms. Shradha Boob

Other related parties:

Entities in which Key Management Personnel and / or their relatives exercise significant influence and with whom transactions were carried out during the year -

1	M/s Shree Pavers and Tiles
2	CSTPL Foundation
3	Anantroop Financial Advisory Services Private Limited
4	Krishnashray Foundation
5	AAB Business Trust
6	ARB Business Trust
7	Shri Ramnarayan Boob Business Trust
8	Smt. Alaknanda Boob Business Trust
9	ARS Business Trust
10	AAS Business Trust
11	Ashok Ramnarayan Boob HUF
12	Ashokkumar Ramkishan Sikchi HUF
13	Krishnakumar Ramnarayan Boob HUF
14	Wild Child Enterprises Private Limited

(b) Related party transactions:

Key management personnel compensation

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Short-term employee benefits	239.27	188.77
Director sitting fees	2.23	3.09
Employee share based payment	1.11	-
Total compensation	242.61	191.86

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

Sr. no	Nature of Transaction	For the year ended 31st March, 2023				For the year ended 31st March, 2022			
		Key Management Personnel (KMP)/ Relative of Key Management Personnel	Entities where Key Management Personnel/ Relative of Key Management Personnel has significant influence	Subsidiary Company	Total	Key Management Personnel (KMP)/ Relative of Key Management Personnel	Entities where Key Management Personnel/ Relative of Key Management Personnel has significant influence	Subsidiary Company	Total
1	Purchase of raw material, consumables and spares	-	0.18	-	0.18	-	1.82	-	1.82
2	Sale of goods	-	-	-	-	-	0.11	-	0.11
3	Donation	-	-	-	-	-	0.50	-	0.50
4	Investment in subsidiary	-	-	650.00	650.00	-	-	551.00	551.00
5	Remuneration to relative of key management personnel- Short-term employee benefits	6.53	-	-	6.53	5.17	-	-	5.17
6	Final dividend paid for 2021-22	242.85	43.07	-	285.92	-	-	-	-
7	Interim dividend paid	128.28	47.67	-	175.95	-	-	-	-
8	Expenses incurred for selling & other shareholder (Net)	-	-	-	-	473.51	29.71	-	503.22
9	Expenses (recovered) from selling other shareholder (Net)	-	-	-	-	(525.12)	(32.39)	-	(557.51)
10	Unsecured deposit received	4.60	-	-	4.60	5.10	-	-	5.10
11	Rent income	-	-	1.02	1.02	-	-	-	-
12	Management service fees	-	-	2.26	2.26	-	-	-	-
13	Research and development advisory fees	-	-	27.37	27.37	-	-	-	-
14	One time technical know-how fees	-	-	87.72	87.72	-	-	-	-
		382.26	90.92	768.37	1,241.55	(41.34)	(0.25)	551.00	509.41

(c) Related party transactions more than 10% of total transactions for the year ended :

Nature of transaction	For the year ended 31st March, 2023	For the year ended 31st March, 2022
a. Purchase of raw material, consumables and spares		
M/s Shree Pavers and Tiles	0.11	1.82
Wild Child Enterprises Private Limited	0.07	-
b. Sale of Goods		
M/s Shree Pavers and Tiles	-	0.11
c. Donation to CSTPL Foundation		
	-	0.50
d. Investment in Subsidiaries		
Clean Fino-Chem Limited	650.00	551.00

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

Nature of transaction	For the year ended 31st March, 2023	For the year ended 31st March, 2022
e. Remuneration to relative of key management personnel		
Mr. Parth Maheshwari	6.53	5.17
f. Unsecured deposits received		
Mr. Siddhartha Sikchi	4.60	-
Mr. Parth Maheshwari	-	5.10
g. Key management personnel compensation		
Mr. Ashok Boob	93.62	73.74
Mr. Siddhartha Sikchi	84.26	66.37
Mr. Krishnakumar Boob	56.17	44.24
h. Director Sitting Fees		
Mr. Ganapati Yadav	0.47	0.67
Mr. Pradeep Rathi	0.44	0.58
Mr. Sanjay Kothari	0.44	0.56
Mr. Kewal Doshi	0.53	0.70
Ms. Madhu Dubhashi	0.35	0.58
i. Expenses recovered from selling shareholders		
Mr. Ashok Boob	-	82.85
Ms. Asha Boob	-	82.85
Mr. Krishnakumar Ramnarayan Boob	-	65.55
j. Rent expense, Management service fees, R&D Advisory and Technical Advisory fees		
Clean Fino-Chem Limited	118.37	-
k. Share based payments		
Mr. Pratik Bora	1.11	-
(d) Balances outstanding at the end of the year:-		
Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
a. Trade Receivable		
M/s Shree Pavers and Tiles	-	0.03
Clean Fino-Chem Limited	15.25	-
b. Unsecured deposit		
Mr. Ashok Boob	2.64	2.64
Mr. Siddhartha Sikchi	4.60	-
Mr. Krishnakumar Boob	0.67	0.67
Mr. Parth Maheshwari	5.10	5.10
c. Directors remuneration payable (net of TDS)		
Mr. Ashok Boob	38.38	28.95
Mr. Siddhartha Sikchi	34.61	26.06
Mr. Krishnakumar Boob	23.03	17.51
d. Remuneration payable to KMP & Relatives of KMP		
Mr. Parth Maheshwari	0.50	0.28
Mr. Sanjay Parnerkar	0.11	-
Mr. Mahesh Kulkarni	0.13	0.12
Mr. Pratik Bora	-	0.13

* Refer note 53 for the expenses recovered from the selling shareholders

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

41 FINANCIAL RISK MANAGEMENT

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies. The board regularly meets to decide its risk management activities

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

The Company has exposure to the following risks arising from financial instruments:

- credit risk - see note (a) below
- liquidity risk - see note (b) below
- interest rate risk - see note (c) below
- market risk - see note (d) below"

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess impairment loss or gain. The Company uses a matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and Company's historical experience for customers.

- (i) The Company has not made any provision on expected credit loss on trade receivables and other financial assets, based on the management estimates.
- (ii) Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation

The Company's treasury department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

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(All amounts are in rupees million, unless otherwise stated)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total current assets (A)	5,770.85	5,244.37
Total current liabilities (B)	1,128.97	1,347.84
Working capital (A-B)	4,641.88	3,896.53

Following is the Company's exposure to financial liabilities based on the contractual maturity as at reporting date.

	As at 31st March, 2023			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	-	-	-	-
Lease liabilities	10.03	0.74	22.94	23.68
Trade payables	803.81	803.81	-	803.81
Other liabilities	188.87	184.27	4.60	188.87

	As at 31st March, 2022			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	3.31	0.67	2.64	3.31
Trade payables	1,020.93	1,020.93	-	1,020.93
Other liabilities	215.50	215.50	-	215.50

(c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rates by selecting appropriate type of borrowings and by negotiation with the bankers.

The exposure of the borrowings (long term and short term) to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Variable rate borrowings	-	-
Fixed rate borrowings	-	-
Total borrowings	-	-

The Company had the following variable and fixed rate borrowings outstanding

	As at 31st March, 2023		
	Weighted average interest rate	Balance	% of total loans
Cash credit facility	0.00%	-	0.00%
Net exposure to cash flow interest rate risk	0.00%	-	0.00%

	As at 31st March, 2022		
	Weighted average interest rate	Balance	% of total loans
Cash credit facility	0.00%	-	0.00%
Net exposure to cash flow interest rate risk	0.00%	-	0.00%

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

(d) Market risk

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(e) Foreign currency unhedged exposure :

(i) Financial assets

Financial assets	As at 31st March, 2023		As at 31st March, 2022	
	Foreign currency	Equivalent amount in rupees (in million)	Foreign currency	Equivalent amount in rupees (in million)
Trade receivables				
USD	10.66	876.03	11.26	853.74
EURO	0.94	83.83	0.88	74.48
Balance with banks - in EEFC accounts				
USD	0.61	50.10	0.48	36.20
EURO	0.17	15.41	-	-
Cash on hand				
USD	0.01	0.46	0.00	0.03
EURO	0.00	0.16	0.00	0.12
CNY	0.00	0.01	0.00	0.01
SGD	0.00	0.08	0.00	0.01
AED	0.01	0.12	0.00	0.06
RUB	0.00	0.00	0.00	0.00
IDR	7.72	0.04	0.22	0.00
CHF	0.00	0.01	0.00	0.01
GBP	0.00	0.12		
		1,026.37		964.66

Note: Amounts seen as 0.00 are below the disclosure threshold of the Company.

(ii) Financial liabilities

Financial liabilities	As at 31st March, 2023		As at 31st March, 2022	
	Foreign currency	Equivalent amount in rupees (in million)	Foreign currency	Equivalent amount in rupees (in million)
Trade payables				
USD	1.98	162.43	1.14	86.33
EURO	0.00	0.27	0.00	0.24
		162.70		86.57

Note: Amounts seen as 0.00 are below the disclosure threshold of the Company.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

(iii) Currency wise net exposure (Financial assets - Financial liabilities)

Currency wise net exposure (assets - liabilities) Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Foreign currency	Equivalent amount in rupees (in million)	Foreign currency	Equivalent amount in rupees (in million)
USD	9.30	764.15	10.60	803.64
EUR	1.11	99.12	0.88	74.36
CNY	0.00	0.01	0.00	0.01
SGD	0.00	0.08	0.00	0.01
AED	0.01	0.12	0.00	0.06
RUB	0.00	0.00	0.00	0.00
IDR	7.72	0.04	0.22	0.00
CHF	0.00	0.01	0.00	0.01
GBP	0.00	0.12	-	-
Total		863.65		878.09

Note: Amounts seen as 0.00 are below the disclosure threshold of the Company.

(iv) Currency wise net exposure (Financial assets - Financial liabilities) (₹)

Currency	Amount in rupees (in million)		Sensitivity %
	As at 31st March, 2023	As at 31st March, 2022	
USD	764.15	803.64	1.00%
EUR	99.12	74.36	1.00%
CNY	0.01	0.01	1.00%
SGD	0.08	0.01	1.00%
AED	0.12	0.06	1.00%
RUB	0.00	0.00	1.00%
IDR	0.04	0.00	1.00%
CHF	0.01	0.01	1.00%
GBP	0.12	-	1.00%
	863.65	878.09	

Note: Amounts seen as 0.00 are below the disclosure threshold of the Company.

(v) Sensitivity analysis

	Impact on profit/equity (1% strengthening)		Impact on profit/equity (1% weakening)	
	Amount in rupees (in million)		Amount in rupees (in million)	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
USD	7.64	8.04	(7.64)	(8.04)
EUR	0.99	0.74	(0.99)	(0.74)
CNY	0.00	0.00	(0.00)	(0.00)
SGD	0.00	0.00	(0.00)	(0.00)
AED	0.00	0.00	(0.00)	(0.00)
RUB	0.00	0.00	(0.00)	(0.00)
IDR	0.00	0.00	(0.00)	(0.00)
CHF	0.00	0.00	(0.00)	(0.00)
GBP	0.00	-	(0.00)	-
Total	8.63	8.78	(8.63)	(8.78)

Note: Amounts seen as 0.00 are below the disclosure threshold of the Company.

The exchange rate used by the Company is that rate which is notified by the Reserve Bank of India.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

42 CAPITAL MANAGEMENT

The Company's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders.

The Company's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

43 FAIR VALUE MEASUREMENTS

(a) Categories of financial instruments -

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Trade receivables	-	1,477.22	-	1,535.44
Cash and cash equivalents	-	123.58	-	127.77
Other bank balances	-	0.12	-	167.07
Investments (other than investments in subsidiary)	2,439.68	632.03	1,317.88	586.49
Other financial assets	-	45.19	29.34	386.58
Total financial assets	2,439.68	2,278.14	1,347.22	2,803.35
Financial liabilities				
Lease liabilities	-	10.03	-	-
Borrowings	-	-	-	3.31
Trade payables	-	803.81	-	1,020.93
Other financial liabilities	22.62	166.25	-	215.50
Total financial liabilities	22.62	980.09	-	1,239.74

(b) Fair value hierarchy:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Fair values		Fair values	
	FVTPL	FVTPL	FVTPL	FVTPL
Category	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)
Financial assets				
Investment in bonds	-	254.96	-	-
Investment in mutual funds	2,184.72	-	1,303.27	-
Investment in equity shares	-	-	14.61	-
Other financial assets	-	-	-	29.34
Total financial assets	2,184.72	254.96	1,317.88	29.34
Financial liabilities				
Other financial liabilities	-	22.62	-	-
Total financial liabilities	-	22.62	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

44 POST-EMPLOYMENT BENEFIT PLANS

As per Indian Accounting Standard 19" Employee Benefits", the disclosures as defined are given below-

A. Defined Contribution Plans

The Company makes contributions, determined as a specific percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligation other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident fund and other funds for the period aggregated to ₹ 10.25 million (31st March, 2022 : ₹ 8.03 million).

B. Defined Benefit Plans

Gratuity

The Company has defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. These benefits are funded with an insurance company.

Risk exposure and asset liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1) Liability Risks

a. Asset Liability Mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralise valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c. Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

Net employee benefit expense on account of gratuity recognised in employee benefit expenses

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current service cost	4.92	2.79
Net interest (Income)/ Expense	(0.25)	(0.21)
Net benefit expense	4.67	2.58

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

Changes in the present value of the defined benefit obligation are as follows :

Particulars	As at 31st March, 2023	As at 31st March, 2022
Projected benefit obligation at the beginning of the year	14.39	8.92
Interest cost	0.94	0.50
Current service cost	4.92	2.79
Benefits paid	(0.76)	(0.26)
Remeasurements on obligation - Loss	(1.78)	2.44
Present value of obligation at the end of the year	17.71	14.39

Changes in the fair value of plan assets are as follows:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fair value of plan assets at the beginning of the year	16.30	9.13
Interest income	1.16	0.72
Contributions	3.66	7.04
Mortality charges and taxes	(0.16)	(0.16)
Benefits paid	(0.76)	(0.26)
Return on plan assets, excluding amount recognised in Interest Income - (Loss) / Gain	(0.09)	(0.17)
Fair value of Plan assets at end of the year	20.11	16.30
Actual return on plan assets	1.08	0.54

Re-measurements for the year (Actuarial (gain) / loss)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Experience gain on plan liabilities	(0.44)	2.47
Demographic gain on plan liabilities	(0.83)	0.70
Financial (loss) / gain on plan liabilities	(0.50)	(0.72)
Experience gain / (loss) on plan assets	0.25	0.13
Financial loss on plan assets	(0.16)	0.04

Note: Amounts seen as (0.00) are below the disclosure threshold of the Company.

Amount recognised in the statement of other comprehensive income

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Re-measurement for the year - obligation loss	(1.78)	2.45
Re-measurement for the year - plan assets loss / (gain)	0.09	0.17
Total re-measurements cost for the year recognised in other comprehensive income	(1.69)	2.62

Net Defined Benefit (Asset) for the year

Particulars	As at 31st March, 2023	As at 31st March, 2022
Defined Benefit Obligation	17.71	14.39
Fair value of plan assets	20.11	16.30
Closing net defined benefit (asset)	(2.40)	(1.91)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current	(2.40)	(1.91)
Non-Current	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Nature of plan assets	As at 31st March, 2023	As at 31st March, 2022
Funds managed by insurer	100%	100%

The principal assumptions used in determining gratuity obligations for the Group's plan are shown below:
Assumptions

Particulars	As at 31st March, 2023	As at 31st March, 2022
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.30%	6.60%
Rate of increase in compensation levels	10.00%	10.00%
Expected rate of return on plan assets	6.60%	5.70%
Withdrawal rate	23.00%	18.00%
Expected average remaining working lives of employees (in years)	4.26 *	5.39 *

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

A quantitative sensitivity analysis for significant assumption as at 31st March, 2023 and 31st March, 2022 is as shown below:

Particulars	Defined benefit obligation			
	As at 31st March, 2023		As at 31st March, 2022	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Discount Rate				
Discount Rate	8.30%	6.30%	7.60%	5.60%
Amount	17.03	18.43	13.68	15.20
Salary increment rate				
Salary increment rate	11.00%	9.00%	11.00%	9.00%
Amount	18.23	17.21	15.02	13.83
Withdrawal rate				
Withdrawal rate	24.00%	22.00%	19.00%	17.00%
Amount	17.59	17.83	14.25	14.56

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Expected future benefit payments

The following benefit payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Duration of defined benefit payments	As at 31st March, 2023	As at 31st March, 2022
Less than 1 year	4.13	2.65
1 to 2 years	2.88	1.72
3 to 5 years	9.82	7.46
More than 5 years	18.86	18.41

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

45 REVENUE FROM CONTRACTS WITH CUSTOMERS

A. Revenue streams

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue from operations		
Sale of products	9,264.74	6,775.35
Other operating revenue		
Export incentives	76.05	62.84
Scrap sale	8.43	3.18
Sale of electricity	8.77	7.49
	93.25	73.51
	9,357.99	6,848.86

Disaggregation of revenue streams

The Company is engaged in manufacturing of various types of chemicals mainly speciality chemical and other chemicals.

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue from contracts with customers		
Speciality Chemicals	9,061.80	6,614.02
Other Chemicals	202.94	161.33
Total Revenue	9,264.74	6,775.35

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Timing of revenue recognition		
Goods transferred at a point in time	9,264.74	6,775.35
Total Revenue	9,264.74	6,775.35

46 LEASES

The impact of Ind AS 116 on these changes is disclosed below :

A1. Right-of-use assets

Description	Right-of-use assets
	Leasehold land
Balance as at 01st April, 2021	31.08
Additions	110.64
Disposals	(110.64)
Balance as at 31st March, 2022	31.08
Balance as at 01st April, 2022	31.08
Additions	9.98
Disposals*	-
Balance as at 31st March, 2023	41.06

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

Description	Right-of-use assets
	Leasehold land
Accumulated depreciation	
Balance as at 01st April, 2021	1.33
Depreciation for the year	0.34
Depreciation on disposals	-
Balance as at 31st March, 2022	1.67
Balance as at 01st April, 2022	1.67
Depreciation for the period	0.56
Depreciation on disposals	-
Balance as at 31st March, 2023	2.23
Net block	
As at 31st March, 2022	29.41
As at 31st March, 2023	38.83

*Disposal during the year pertains to reclassification of Right-of-use Asset as held for sale in accordance with 'Ind AS 105 - Non current asset held for sale and discontinued operations'. Refer note 16

A2. Lease liabilities

Duration of defined benefit payments	As at 31st March, 2023	As at 31st March, 2022
Current	0.74	-
Non Current	9.29	-
Total	10.03	-

A3. Interest expenses on lease liabilities

	As at 31st March, 2023	As at 31st March, 2022
Interest on lease liabilities	0.38	-

A4. Expenses on short term leases / low value assets

	As at 31st March, 2023	As at 31st March, 2022
Short-term lease	-	-
Low value assets	-	-

A5. Amounts recognised in the statement of cash flow

	As at 31st March, 2023	As at 31st March, 2022
Total cash outflow for leases	0.33	-

A6. Maturity analysis – contractual undiscounted cash flows

	As at 31st March, 2023	As at 31st March, 2022
Less than one year	0.74	-
One to five years	3.36	-
More than five years	19.58	-
Total undiscounted lease liabilities	23.68	-

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

47 INVESTMENTS MADE THROUGH PMS

a) Investments designated at FVTPL comprises the following instruments

Investment in equity shares - Quoted	As at 31st March, 2023	As at 31st March, 2022
Nil (31st March, 2022 : 827) Coforge Limited	-	3.69
Nil (31st March, 2022 : 1,558) Deepak Fertilisers And Petrochemicals Corporation Limited	-	0.87
Nil (31st March, 2022 : 58,770) Idfc First Bank Limited	-	2.33
Nil (31st March, 2022 : 297) Larsen And Toubro Infotech Limited	-	1.83
Nil (31st March, 2022 : 45) Oil India Limited	-	0.01
Nil (31st March, 2022 : 4,322) Sbi Life Insurance Company Limited	-	4.86
Nil (31st March, 2022 : 60) Schaeffler India Limited	-	0.12
Nil (31st March, 2022 : 137) Ultratech Cement Limited	-	0.90
Total	-	14.61

48 EMPLOYEE SHARE BASED-PAYMENTS

The Company has formulated employee share-based payment schemes with objective to attract and retain talent and align the interest of employees with the Company as well as to motivate them to contribute to its growth and profitability. The Company views employee stock options as instruments that would enable the employees to share the value they create for the Company in the years to come.

At present, following employee share-based payment scheme is in operation, details of which are given below:

a Clean Science and Technology Limited Employee Stock Option Scheme - 2021 (CSTL ESOS - 2021):

The Company has instituted equity-settled Clean Science and Technology Employee Stock Option Scheme - 2021 (CSTL ESOS-2021) of 1,00,000 options, duly approved by the shareholders in the extra-ordinary general meeting of the Company held on 27th March, 2021, the said CSTL ESOS-2021 was subsequently amended and ratified by shareholders on 17th March, 2022. As per CSTL ESOS-2021, Nomination and Remuneration Committee evaluates the performance and other criteria of employees and approves the grant of options. These options vest with eligible employees over a specified period subject to fulfilment of certain conditions. Under the said plan, the Nomination and Remuneration Committee has granted 55,852 and 33,879 equity-settled stock options on 12th June, 2021 and 5th September, 2022 to eligible employees of the Company. The vesting period is minimum one year from the date of grant and maximum 4 years.

Particulars	Defined benefit obligation			
	As at 31st March, 2023		As at 31st March, 2022	
	Weighted average exercise price per share per option ₹	Number of options	Weighted average exercise price per share per option ₹	Number of options
Opening Balance	500	55,852	-	-
Granted during the year	751	33,879	500	55,852
Forfeited during the year	-	-	-	-
Exercised during the year	751	18,579	-	-
Expired during the year	-	-	-	-
Lapsed during the year	751	1,144	-	-
Closing Balance	751	70,008	500	55,852
No of options exercisable at the end of the year	751	1,033	-	-

Share options outstanding at the end of the period have the following expiry date and exercise prices as on 31st March, 2023 and 31st March, 2022:

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

Grant date	Expiry date	Exercise price	Options outstanding as at 31st March, 2023	Options outstanding as at 31st March, 2022
		₹		
12th June, 2021	12th June 2022	500.00	1,033	19,726
12th June, 2021	12th June 2023	500.00	12,282	12,597
12th June, 2021	12th June 2024	500.00	12,282	12,597
12th June, 2021	12th June 2025	500.00	10,532	10,932
5th September, 2022	5th September 2023	1,166.00	6,776	-
5th September, 2022	5th September 2024	1,166.00	6,776	-
5th September, 2022	5th September 2025	1,166.00	6,776	-
5th September, 2022	5th September 2026	1,166.00	13,551	-
Total			70,008	55,852
Weighted average remaining contractual life of the options outstanding at the end of the year			1.66	1.46

Weighted average share price for the period over which stock options were exercised was ₹ 1542 (Nil shares exercised during the previous year)

The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

A Grant Date:- 21st June, 2021

Particulars	1-year vesting	2-year vesting	3-year vesting	4-year vesting
Stock Price per share (₹)	509.33	509.33	509.33	509.33
Standard Deviation (Volatility)	35.54%	34.07%	34.41%	35.35%
Risk-free Rate	5.03%	5.45%	5.76%	6.02%
Exercise Price (₹)	500.00	500.00	500.00	500.00
Time to Maturity (in years)	3.50	4.50	5.50	6.50
Dividend yield	0.31%	0.31%	0.31%	0.31%
Fair value of option ₹	166.92	188.73	213.60	238.53

B Grant Date:- 5th September, 2022

Particulars	1-year vesting	2-year vesting	3-year vesting	4-year vesting
Market Price per share (₹)	1756.3	1756.3	1756.3	1756.3
Standard Deviation (Volatility)	40.76%	40.76%	40.76%	40.76%
Risk-free Rate	6.60%	6.85%	6.96%	7.02%
Exercise Price (₹)	1166	1166	1166	1166
Time to Maturity (in years)	1.5	2.5	3.5	4.5
Dividend yield	0.16%	0.16%	0.16%	0.16%
Fair value of option (₹)	750.04	849.76	934.3	1006.97

Employee benefit expenses to be recognised in the financial statements

The Group has recognised employee stock-based compensation expense of ₹ 10.90 million for the year ended 31st March, 2023 (31st March, 2022: ₹ 4.83 million) in the Consolidated Statement of Profit and Loss. The corresponding impact is recognised as 'Employee share based payment reserve' in Other Equity.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

49 RATIO ANALYSIS AND ITS ELEMENT

The following subsidiary companies are considered in the consolidated financial statements

Ratio	Numerator	Demoninator	As at 31st March, 2023	As at 31st March, 2022	% Change	Remarks
Current Ratio	Current Assets	Current Liabilities	5.11	3.89	31%	Majorly due to increase in investments and reduction in trade payable balance.
Debt-Equity Ratio	Total Debt	Shareholders Equity	-	0.00	0.00	
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	-	-	-	The Company do not have any external debt, accordingly debt service coverage ratio is nil.
Return on Equity Ratio (%)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	33.96%	34.93%	(3)%	
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	3.31	3.19	4%	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	6.15	5.95	3%	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	3.80	3.13	21%	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	2.02	1.76	15%	
Net Profit Ratio (%)	Net Profit After Tax	Net sales = Total sales - sales return	32.43%	33.38%	(3)%	
Return on Capital Employed (%)	Earnings before interest, taxes and dividend income	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	38.88%	38.64%	1%	
Return on Investment (%)	Finance Income	Average Investment	5.85	6.54%	(11)%	

50 OPERATING SEGMENT

As per Ind AS 108 Operating Segments, when a financial report contains both consolidated financial statements and separate financial statements for the parent, segment information needs to be presented only in case of consolidated financial statements. Accordingly, segment information has been provided only in the consolidated financial statements.

51 OTHER STATUTORY INFORMATION

- a) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- b) The Company do not have any transactions with companies struck off.
- c) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- d) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

- e) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- f) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- g) The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

52 | DETAILS OF CORPORATE SOCIAL RESPONSIBILITY

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A. Gross amount required to be spent by the Company during the year	49.51	38.41
B. Amount spent during the year		
a) Construction / acquisition of any asset	26.87	-
b) on purpose other than (a) on above*	21.83	41.15
Total (B)	48.70	41.15
C. Details related to CSR expenditure spent during the year		
a) Benefit of armed forces veterans	-	2.50
b) Environment sustainability and protection of flora and fauna	4.00	2.91
c) Promoting health care, facilities for woman, orphans, old day homes and day care centres	27.27	22.34
d) Promoting Education	13.60	12.30
e) Setting up Public Libraries, protection of culture	-	1.10
f) Vocational skill development & livelihood enhancement	3.83	-
Total (C)	48.70	41.15
D. Amount of excess CSR expenditure available for set off in current financial year	2.74	-
E. Excess CSR expenditure to be carried forward under section 135(5) of the Companies Act (Refer note 15) (B-A)	1.93	2.74

*includes contribution made to related party CSTPL Foundation amounting to ₹ Nil (31st March, 2022: ₹ 0.5 million) (Refer note 40)

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

53 INITIAL PUBLIC OFFER

The Company was incorporated on 7th November, 2003 and in July 2021 the Shareholders of the Company made an offer for sale of 17,184,682 equity shares aggregating to ₹ 15,466.22 million. The equity shares of the Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on 19th July, 2021. The Company has not received any proceeds from the Offer and all such proceeds (net of any Offer related expenses which are borne by Selling Shareholders) have gone to the Selling Shareholders. The Offer has been authorised by resolution of Board of Directors at their meeting held on 20th March, 2021. Further, the Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to the resolution dated 6th April, 2021.

54 EVENTS OCCURRING AFTER BALANCE SHEET DATE

In Board Meeting held on 18th May, 2023 Board of Director have recommended, subject to the approval of shareholders, dividend of ₹ 3/- per equity share of face value of ₹ 1/- each for the year ended 31st March, 2023 on 10,62,38,572 (including 1,033 shares issued on 05th May, 2023 under ESOP-2021 scheme) amounting to ₹ 318.72 million.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Clean Science and Technology Limited

Ashok Boob
Managing Director
DIN : 0410740

Krishnakumar Boob
Director
DIN : 0410672

Rahim Merchant
Partner
Membership No: 132907
Place: Pune
Date: 18th May, 2023

Sanjay Parnerkar
Chief Financial Officer
Place : Pune
Date: 18th May, 2023

Mahesh Kulkarni
Company Secretary
M. No: 19364
Place : Pune
Date: 18th May, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of Clean Science and Technology Limited
Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the consolidated financial statements of Clean Science and Technology Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated

Revenue from contracts with customers

See Note 2.4 to consolidated financial statements

changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTER(S)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
<p>Revenue is recognized when the control over the underlying products has been transferred to the customer.</p> <p>Due to the Holding Company's sales being under various contractual terms across the country and globally, delivery to customers in different regions might take different time periods and may result in undelivered goods at the period end. We consider a risk of misstatement in the Consolidated Financial Statements related to transactions occurring close to the year end, as these transactions could be recorded in the incorrect financial period (cut-off).</p> <p>There is also a risk of revenue being fraudulently overstated due to pressure on the Holding Company to achieve performance targets throughout the period and towards the period end. Accordingly, fraud and cut-off risks in revenue recognition is considered as a key audit matter.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • Focusing on the Holding Company's revenue recognition for compliance with Ind AS; • Testing the design, implementation and operating effectiveness of the Holding Company's controls on recording revenue. We focused on controls around the timely and accurate recording of sales transactions; • Performing testing on selected statistical samples of revenue transactions recorded during the year. We verified terms of invoices, acknowledged delivery receipts and tested the transit time to deliver the goods. Our tests of detail focused on cut-off samples to verify only revenue pertaining to current year is recognized based on terms set out in sales invoices and delivery documents; • Assessing high risk manual journals posted to revenue to identify any unusual items.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/consideration of audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by

the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER(S)

- a. We did not audit the financial statements of 4 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 1,158.36 million as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. Nil and total net (loss) after tax (before consolidation adjustments) of Rs. (83.32) Million and net cash outflows (before consolidation adjustments) amounting to Rs.450.63 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report/reports of the other auditor(s).
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 01 April 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:
- a. There were no pending litigations as at 31 March 2023 which would impact the consolidated financial position of the Group.
 - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.
 - c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.
 - d.
 - (i) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 52(e) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 52(f) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any

INDEPENDENT AUDITOR'S REPORT (CONTD.)

- guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in compliance accordance with Section 123 of the Act. As stated in Note 55 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Rahim Merchant

Partner

Place: Pune

Membership No.: 132907

Date: 18 May 2023

ICAI UDIN:23132907BGYQAJ3389

ANNEXURE A to the Independent Auditor's Report on the Consolidated Financial Statements of Clean Science and Technology Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Rahim Merchant

Partner

Membership No.: 132907

ICAI UDIN:23132907BGYQAJ3389

Place: Pune

Date: 18 May 2023

ANNEXURE B to the Independent Auditor's Report on the consolidated financial statements of Clean Science and Technology Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

In conjunction with our audit of the consolidated financial statements of Clean Science and Technology Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements

based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CLEAN SCIENCE AND TECHNOLOGY LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (CONTD.)

statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes

in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTER(S)

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to four subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of above matters.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Rahim Merchant

Partner

Place: Pune

Membership No.: 132907

Date: 18 May 2023

ICAI UDIN:23132907BGYQAJ3389



CONSOLIDATED BALANCE SHEET

as at 31st March, 2023

(All amounts are in rupees million, unless otherwise stated)

	Note	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	4,222.45	2,923.37
Capital work-in-progress	4	204.92	441.27
Right-of-use asset	3	372.51	29.40
Other Intangible assets	5	5.96	4.66
Financial assets			
(i) Investments	6	254.96	-
(ii) Other financial assets	7	29.17	25.57
Income tax assets (net)	36 (c)	-	13.62
Other non-current assets	8	124.86	105.68
Total non-current assets		5,214.83	3,543.57
Current assets			
Inventories	9	1,088.05	881.30
Financial assets			
(i) Investments	10	3,276.33	1,911.15
(ii) Trade receivables	11	1,461.97	1,535.44
(iii) Cash and cash equivalents	12	124.69	578.99
(iv) Bank balances other than (iii) above	13	0.12	167.87
(v) Other financial assets	14	19.36	390.34
Other current assets	15	332.96	127.43
Asset classified as held for sale	16	-	110.64
Total current assets		6,303.48	5,703.16
Total assets		11,518.31	9,246.73
EQUITY & LIABILITIES			
Equity			
Equity share capital	17	106.24	106.22
Other equity	18	9,993.75	7,578.27
Total equity		10,099.99	7,684.49
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	-	2.64
(ii) Lease liabilities	20	18.58	-
(iii) Other financial liabilities	21	4.60	-
Provisions	22	5.76	1.30
Deferred tax liabilities (net)	36 (d)	234.24	209.24
Total non-current liabilities		263.18	213.18
Current liabilities			
Financial liabilities			
(i) Borrowings	23	0.52	0.67
(ii) Lease liabilities	20	1.48	-
(iii) Trade payables	24		
a) Total outstanding dues of micro enterprises and small enterprises		4.76	4.96
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		800.37	1,016.18
(iv) Other financial liabilities	25	205.85	215.51
Other current liabilities	26	80.70	69.81
Provisions	27	2.39	3.99
Current tax liabilities (net)	36 (c)	59.07	37.94
Total current liabilities		1,155.14	1,349.06
Total liabilities		1,418.32	1,562.24
Total equity and liabilities		11,518.31	9,246.73
Significant accounting policies	2		

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of

Clean Science and Technology Limited**Ashok Boob**

Managing Director

DIN : 0410740

Krishnakumar Boob

Director

DIN : 0410672

Rahim Merchant

Partner

Membership No: 132907

Place: Pune

Date: 18th May, 2023

Sanjay Parnerkar

Chief Financial Officer

Place : Pune

Date: 18th May, 2023

Mahesh Kulkarni

Company Secretary

M. No: 19364

Place : Pune

Date: 18th May, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2023

(All amounts are in rupees million, unless otherwise stated)

	Note	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Income			
Revenue from operations	28	9,357.99	6,848.86
Other Income	29	298.25	299.73
Total income		9,656.24	7,148.59
Expenses			
Cost of materials consumed	30	3,383.92	2,451.12
Changes in inventories of finished goods and work-in-progress	31	(124.37)	(204.48)
Employee benefits expense	32	452.01	345.45
Finance costs	33	1.95	1.47
Depreciation and amortisation expense	34	360.90	249.18
Other expenses	35	1,625.48	1,257.89
Total expenses		5,699.89	4,100.63
Profit before tax		3,956.35	3,047.96
Tax expense:	36		
Current tax		979.59	729.46
Deferred tax		25.00	33.55
Total tax expense		1,004.59	763.01
Profit for the year (A)		2,951.76	2,284.95
Other comprehensive (loss)/ income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit (asset)		1.69	(2.62)
(ii) Income tax relating to remeasurements of defined benefit asset		(0.43)	0.66
Total Other comprehensive (loss) / income (B)		1.26	(1.96)
Total comprehensive income for the year (A+B)		2,953.02	2,282.99
Earnings per equity share (in ₹) [Face value ₹ 1/- per share]			
Basic	37	27.79	21.51
Diluted		27.78	21.51
Significant accounting policies	2		

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of

Clean Science and Technology Limited

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Managing Director

DIN : 0410740

Krishnakumar Boob

Director

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Sanjay Parnerkar

Chief Financial Officer

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Mahesh Kulkarni

Company Secretary

M. No: 19364

Place: Pune

Date: 18th May, 2023



CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March, 2023

(All amounts are in rupees million, unless otherwise stated)

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A. Cash flow from operating activities		
Profit before tax	3,956.35	3,047.96
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	360.90	249.18
(Gain) / Loss on sale of property, plant and equipments	0.82	(0.13)
Dividend income	(0.07)	(0.19)
Finance costs (excluding foreign exchange adjustment)	1.95	1.47
Profit on instruments designated through fair value through profit and loss (FVTPL)	(63.98)	(65.74)
Fair value gain on instruments designated through fair value through profit and loss (FVTPL)	(52.49)	(16.98)
Interest income	(4.91)	(21.66)
Interest income on investments measured at amortised cost	(55.43)	(39.24)
Mark to Market loss on forward contracts	22.62	29.34
Unrealised foreign exchange differences	(10.04)	(15.70)
Employee Stock Option Scheme expense	10.90	4.83
Operating profit before working capital changes	4,166.62	3,173.14
Movement in working capital:		
(Increase) in other non-current financial assets	(5.06)	(2.39)
Decrease in other non-current assets	-	0.68
(Increase) in inventories	(206.75)	(352.31)
Decrease / (Increase) in trade receivables	82.29	(777.61)
Decrease / (Increase) in other current financial assets	68.61	(330.42)
(Increase) in other current assets	(205.53)	(22.73)
Increase / (Decrease) in non-current provisions	4.46	(2.44)
Increase in other non-current financial liabilities	4.60	-
(Decrease) / Increase in trade payables	(208.32)	411.29
Increase / (Decrease) in other current financial liabilities	26.99	(73.82)
Increase / (Decrease) in other current liabilities	10.89	(60.70)
(Decrease) / Increase in current provisions	(0.34)	0.54
Cash generated from operations	3,738.46	1,963.23
Net income tax (paid)	(944.84)	(690.77)
Net cash from operating activities (A)	2,793.62	1,272.46
B. Cash flows from investing activities		
Purchase of property, plant and equipment, right-of-use asset, intangible assets and capital work-in-progress, net of capital creditors and advances	(1,834.05)	(1,396.55)
Sale proceeds of property, plant and equipment	3.26	0.50
Proceeds from sale of asset held for sale	104.11	-
Bank deposits matured/(placed) during the year	377.61	48.51
Purchase of investments	(6,321.52)	(1,713.12)
Proceeds from sale of investments	4,911.25	2,245.06
Dividend received	0.07	0.19
Interest received	61.03	29.89
Net cash used in investing activities (B)	(2,698.24)	(785.51)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
C. Cash flows from financing activities		
Interest paid	(1.19)	(1.47)
Proceeds from issue of shares against employee stock options	9.29	-
Repayment of lease liabilities	(0.65)	-
Dividends paid	(557.71)	-
Net cash used in financing activities (C)	(550.26)	(1.47)
Net increase in Cash and cash equivalents (A+B+C)	(454.88)	485.47
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	0.06	0.08
Cash and cash equivalents at the beginning of the period	578.99	93.44
Cash and cash equivalents at the end of the period	124.17	578.99
Notes:-		
1. Cash and cash equivalents include		
Cash on hand	0.85	0.36
Balances with bank		
- Current accounts	123.84	578.63
Cash credit and overdraft facilities from banks	(0.52)	-
	124.17	578.99
2. Change in liabilities arising from financing activities		
Balance at the beginning of the period	-	-
Additions during the year	19.95	-
Interest on lease liabilities	0.76	-
Repayment of lease liabilities	(0.65)	-
Balance at the end of the period	20.06	-
Significant accounting policies	Note 2	

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of

Clean Science and Technology Limited

Ashok Boob

Managing Director

DIN : 0410740

Krishnakumar Boob

Director

DIN : 0410672

Rahim Merchant

Partner

Membership No: 132907

Place: Pune

Date: 18th May, 2023

Sanjay Parnerkar

Chief Financial Officer

Place : Pune

Date: 18th May, 2023

Mahesh Kulkarni

Company Secretary

M. No: 19364

Place : Pune

Date: 18th May, 2023



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2023

(All amounts are in rupees million, unless otherwise stated)

(a) Equity share capital

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Equity share of Re 1 each issues, subscribed and fully paid				
Balance at the beginning of the reporting year	106,218,960	106.22	106,218,960	106.22
Add: Shares issued on exercise of employee stock options	18,579	0.02	-	-
Balance at the end of the reporting year	106,237,539	106.24	106,218,960	106.22

(b) Other equity

Particulars	Reserves and surplus				Total other equity
	Securities premium	General reserve	Employee Share Option Reserve	Retained earnings	
Balance at 01st April, 2021	-	42.99	-	5,247.46	5,290.45
Total comprehensive income for the year ended 31st March, 2022					
Profit for the year	-	-	-	2,284.95	2,284.95
Other comprehensive income (net of tax)					
- Remeasurements of defined benefit (Asset)	-	-	-	(1.96)	(1.96)
Total comprehensive income	-	-	-	2,282.99	2,282.99
Employee share based payment reserve	-	-	4.83	-	4.83
Balance at 31st March, 2022	-	42.99	4.83	7,530.45	7,578.27
Balance at 01st April, 2022	-	42.99	4.83	7,530.45	7,578.27
Total comprehensive income for the year ended 31st March, 2023					
Profit for the year	-	-	-	2,951.76	2,951.76
Other comprehensive income (net of tax)					
- Remeasurements of defined benefit (Asset) / Liability	-	-	-	1.26	1.26
- Transfer on account of exercise of stock options (refer note 48)	12.37	-	(3.10)	-	9.27
- Dividends paid	-	-	-	(557.71)	(557.71)
Total comprehensive income	12.37	-	(3.10)	2,395.31	2,404.58
Employee share based payment reserve	-	-	10.90	-	10.90
Balance at 31st March, 2023	12.37	42.99	12.63	9,925.76	9,993.75

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Clean Science and Technology Limited

Ashok Boob
Managing Director
DIN : 0410740

Krishnakumar Boob
Director
DIN : 0410672

Rahim Merchant
Partner
Membership No: 132907
Place: Pune
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Chief Financial Officer
Place: Pune
Date: 18th May, 2023

Mahesh Kulkarni
Company Secretary
M. No: 19364
Place: Pune
Date: 18th May, 2023

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March, 2023

(All amounts are in rupees million, unless otherwise stated)

1. CORPORATE INFORMATION

Clean Science and Technology Limited (erstwhile known as Clean Science and Technology Private Limited) ('the Holding Company') is a public limited company domiciled in India and is incorporated under Companies Act, 1956 applicable in India. The shares of the Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on 19th July, 2021. The registered office of the Company is located at Pantagon Towers 4, Magarpatta City, Hadapsar, Pune. The CIN of the Holding Company is L24114PN2003PLC018532.

The Group is engaged in manufacturing and sale of various types of chemicals mainly MEHQ, Guaiacol, 4MAP at its manufacturing plant situated at Kurkumbh MIDC, Daund, Dist: Pune. The Group caters to both domestic and international markets.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

a) Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under section 133 of the Companies Act, 2013 and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Group.

The Group's Consolidated financial statements for the year ended 31st March, 2023 were approved for issue by the Board of Directors on 18th May, 2023

b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- ii) Asset held for sale measured at lower of carrying amount or fair value less cost to sell;

- iii) Net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of defined benefit obligations.

The accounting policies adopted for preparation and presentation of financial statements have been consistent with the previous year.

The financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest millions, upto two places of decimal, unless otherwise stated

2.2 Current and non-current classification of assets and liabilities

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has determined its operating cycle as 12 months.

2.3 Use of judgements estimates and assumptions

The preparation of the Consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, and disclosure of the contingent liabilities at the end of each reporting period. Such estimates are on a reasonable and prudent basis considering all available information, however, due to uncertainties about these judgments, estimates and assumptions, actual results could differ from estimates. Information about each of these estimates and judgements is included in relevant notes.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 42 – classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 8 – Valuation of inventories
- Note 35 – Recognition of tax expense including deferred tax.
- Note 37 – Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.
- Note 40 – Impairment of tradereceivables.
- Note 43 – Defined benefit obligation: key actuarial assumptions.

- **Going concern assumption:**

These Consolidated financial statements of the Group have been prepared on a going concern basis. The management has assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of this Consolidated financial statements. Based this evaluation Management believes that the Group will be able to continue as a 'going concern' in the foreseeable future and for a period of at least twelve months from the date of these Consolidated financial statements based on the following:

- i) Expected future operating cash flows based on business projections, and
- ii) Available credit facilities with its bankers.

Based on the above factors, Management has concluded that the "going concern" assumption is appropriate. Accordingly, the Consolidated financial statements does not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Group be unable to continue as a going concern.

2.4 Revenue recognition

Sales are recognised when control of the products has been transferred to the customer, being when the products are delivered to the customer or its authorised representative and

there is no unfulfilled obligation that could affect the customer's acceptance of the products. Revenue is measured based on the transaction price, which is the consideration, net of returns, trade discounts and volume rebates, if any.

The sales made by the Group may include transport arrangements from third parties. In such cases, revenue for the supply of such third-party transport arrangements are recorded at gross or net basis depending on whether the Group is acting as the principal or as an agent of the customer. The Group recognises revenue for the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue from sale of solar electricity power is recognised on a point in time basis when solar electrical power is transmitted to Alternating Current Distribution Board (ACDB).

Interest income or expense is recognised using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

Dividends are recognised in the Consolidated Statement of Profit and Loss only when the right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the Group and that the amount of the dividend can be measured reliably.

2.5 Principles of consolidation

The Consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31st March, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated financial statements to ensure conformity with the Group's accounting policies.

The Consolidated financial statements of all entities used for the purpose of consolidation are drawn up to same period end date as that of the holding Company, i.e., year ended on 31st March, 2023. The subsidiaries considered in the Consolidated financial statements are summarised below.

Sr. No.	Name of the Company	Country of Incorporation	Proportion of Ownership Interest
1	Subsidiaries		
1	Clean Science Private Limited	India	100%
2	Clean Aromatics Private Limited	India	100%
3	Clean Organics Private Limited	India	100%
4	Clean Fino-Chem Limited	India	100%

In preparing the Consolidated financial statements, the Group has used the following key consolidation procedures:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the holding company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of assets and liabilities recognised in the Consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the holding Company's investment in each subsidiary and the holding Company's portion of equity of each subsidiary. Business combinations policy explains accounting for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group. Profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full. However, intragroup losses may indicate an impairment that requires recognition in the Consolidated financial statements. Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit and loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the holding Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it deconsolidates the subsidiary from the date it ceases control.

- Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively.
- Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

2.6 Inventories

Inventories are valued at cost or net realisable value whichever is lower after providing for cost of obsolescence. Cost is determined on a FIFO formula.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Raw materials are valued at cost of purchase net of duties (credit availed w.r.t taxes and duties) and includes all expenses incurred in bringing the materials to location of use. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work-in-process and finished goods include conversion costs in addition to the landed cost of raw materials. Finished goods are valued at lower of cost and net realisable value. The net realisable value of the finished goods is determined with reference to the selling prices of related finished goods.

Cost of finished goods and work-in-progress comprises cost of raw material and appropriate fixed production overheads which are allocated on the basis of normal capacity of production facilities and variable production overheads on the basis of actual production of material and after deduction of the realisable value of the by-product.

Raw Materials, Components, Stores, and Spares cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Obsolete and slow-moving inventories are identified and wherever necessary, such inventories are written off/provided during the year.

2.7 Property, plant and equipment

- **Recognition and measurement**

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Property, plant and equipment's are carried at cost which includes capitalised borrowing costs, less accumulated depreciation and impairment loss, if any. Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and / or accumulated impairment losses, if any. The cost of an item of property, plant and equipment

comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

- **Subsequent costs**

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Consolidated Statement of Profit and Loss as incurred.

- **Disposal**

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/ expenses in the Consolidated Statement of Profit and Loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

- **Depreciation method and estimated useful lives**

Depreciation on tangible assets is provided on the straight-line method on pro-rata basis, over the useful lives of assets as prescribed in Schedule – II of the Companies Act, 2013 which is as follows:

Type of asset	Useful life (No. of years)
Factory Building	30 years
Non-Factory Buildings	60 years
Plant and Machinery	5-20 years
Office Equipment	5 years
Vehicles	8-10 years
Furniture and fixtures	10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Impairments of non-financial assets:

The Group assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit and Loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.8 Other Intangible assets

- **Recognition and measurement**

Intangible assets are recognised when the asset is identifiable, is within the control of the Group, it is probable that the future economic benefits that are attributable to the asset will flow to the Group and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets acquired by the Group that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Expenditure on research activities is recognised in the Consolidated Statement of Profit and Loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to complete development and to use or sell the asset.

Intangible assets which comprise of the development expenditure incurred on new product and expenditure incurred on acquisition of user licenses for computer software are recorded at their acquisition price.

- **Subsequent measurement**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

- **Amortisation**

The useful lives of intangible assets are assessed as either finite or indefinite.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Intangible assets i.e., computer software is amortised on a straight-line basis over the period of expected future benefits commencing from the date the asset is available for its use.

The management has estimated the useful life for software & licenses as following,

Asset Class	Years
Software & licenses	5

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

- **Disposal**

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

2.9 Asset held for sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal Group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell except for those assets that are specifically exempt under relevant Ind AS. Once the assets are classified as "Held for sale", those are not subjected to depreciation till disposal.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised.

A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets classified as held for sale and the assets of a disposal Group classified as held for sale are presented separately from the other assets in the Consolidated Balance Sheet.

2.10 Employee benefits

- **Short-term employee benefits**

The distinction between short term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and are recognised in the period in which the employee renders the related service. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the year. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the period end.

- **Post-employment benefits**

- **Defined contribution plans**

Contributions to the provident fund and superannuation schemes which is defined contribution scheme, are recognised as an employee benefit expense in the Consolidated

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Statement of Profit and Loss in the period in which the contribution is due. Contributions are made in accordance with the rules of the statute and are recognised as expenses when employees render service entitling them to the contributions. The Group has no obligation, other than the contribution payable to the provident fund.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The employees' gratuity scheme is a defined benefit plan which is administered by a trust formed for this purpose through the group schemes of Life Insurance Corporation of India (LIC). The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the period end date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

In case of funded plans, the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the Consolidated Statement of Profit and Loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises gains/ losses on settlement of a defined plan when the settlement occurs.

- **Other long-term employee benefits**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the Consolidated Statement of Profit and Loss. The obligations are presented as current liabilities in the Consolidated Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

- **Termination benefits**

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the period end date, then they are discounted.

2.11 Employee Share-based Payments

Equity-settled share-based payments to employees are measured at the fair value of the options at the grant date.

The fair value of option at the grant date is expensed over the respective vesting period in which all of the specified vesting conditions are to be satisfied with a corresponding increase in

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

equity as "Employee Stock Options Account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Employee Stock Options Account" are transferred to the "Retained Earnings".

When the options are exercised, the Company issues new equity shares of the Company of ₹ 1/- each fully paid-up. The proceeds received and the related balance standing to credit of the Employee Stock Options Account, are credited to share capital (nominal value) and Securities Premium Account.

See Note 46 – Employee Share-based Payments for further details

2.12 Income taxes

Income tax expense comprises current and deferred tax. It is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income (OCI).

- **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the period end date in the country where the Group operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- **Deferred tax**

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the period end date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses (including unabsorbed depreciation) can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each period end date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each period end date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the period end date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

2.13 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares and stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS adjust the figures used in the determination of basic EPS to consider:

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.14 Provision and contingent liabilities / assets

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Contingent liabilities are obligations arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- present obligation arising from past events, when no reliable estimate is possible.
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.15 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Leasehold land is amortised over the period of lease.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly

transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the Consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.17 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the period end date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Consolidated Statement of Profit and Loss.

2.18 Financial instruments

2.18.1 Financial assets

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All financial assets are recognised initially at fair value plus except for trade receivables which are initially measured at transaction price, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in one of the three categories:

- a) At amortised cost
- b) At fair value through Other Comprehensive Income ('FVTOCI')
- c) At fair value through profit or loss ('FVTPL')

(a) Financial assets classified as measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment charge. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense/ (income) in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. This category generally applies to trade receivables, security and other deposits receivable by the Group.

(b) Financial assets classified as measured at FVTOCI

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, the Group makes such election on an instrument-by-instrument basis, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(c) Financial assets classified as measured at FVTPL.

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a mutual fund investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Consolidated Statement of Profit and Loss within other gains/ (losses) in the period in which it arises.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

De-recognition of financial asset

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Trade receivables.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each period end date, right from its initial recognition.

For recognition of impairment loss on other financial assets the Group recognises 12 month expected credit losses for all originated or acquired financial assets if at the period end date,

the credit risk has not increased significantly since its original recognition. However, if credit risk has increased significantly, lifetime ECL is used. ECL impairment loss allowance (or reversal) recognised in the Consolidated Statement of Profit and Loss.

2.18.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost. The Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the Consolidated Statement of Profit and Loss.

Financial liabilities designated as such upon initial recognition at the initial date of recognition if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the Consolidated

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Consolidated Statement of Profit and Loss.

(a) Financial liabilities at amortised cost

The Group generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the Consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

De-recognition of financial liability

A financial liability (or a part of a financial liability) is derecognised from the Consolidated Balance Sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. The Group holds

derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Consolidated Statement of Profit and Loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require specified payments to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as fees receivable under "Other financial assets" or as a part of the cost of the investment, depending on the contractual terms.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Managing Director of the Group has been identified as being the Chief operating decision maker by the management of the Group.

2.20 Government grants

Grants that compensate the Group for expenses incurred are recognised in Consolidated Statement of Profit and Loss as other operating income on a systematic basis in the periods in which such expenses are recognised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

Export Incentives

Export incentives under various schemes notified by the government are recognised when no significant uncertainties as to the amount of consideration that would be derived and that the Group will comply with the conditions associated with the grant and ultimate collection exist.

2.21 Cash and cash equivalents

Cash and cash equivalents in the Consolidated Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of not more than three months, which are subject to an insignificant risk of changes in value.

2.22 Cash flow statement

Cash Flows are reported using the indirect method, whereby net Profit before tax is adjusted for the effects of transactions of a non-cash nature, such as deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. In the statements of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above net of outstanding bank overdrafts as they are considered as integral part of the Group's cash management.

2.23 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023 MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 01st April, 2023, as below:

Ind AS 1 – Presentation of Financial Statements
The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its Consolidated financial statements.

Ind AS 12 – Income Taxes
The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its Consolidated financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its Consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

3. PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block				Depreciation				Net Block	
	As at 01st April, 2022	Additions during the year	Disposals during the year	As at 31st March, 2023	As at 01st April, 2022	Charge for the year	Disposals during the year	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023
Land	42.52	9.67	-	52.19	-	-	-	-	42.52	52.19
Buildings	924.52	478.25	-	1,402.77	94.43	34.43	-	128.86	830.09	1,273.91
Plant and equipment	2,840.12	1,134.40	(1.27)	3,973.25	858.42	307.64	(0.47)	1,165.59	1,981.70	2,807.66
Furniture and fixtures	40.54	14.26	-	54.80	12.78	4.48	-	17.26	27.76	37.54
Computer	13.07	4.72	-	17.79	7.30	3.19	-	10.49	5.77	7.30
Vehicles	41.29	17.34	(6.06)	52.57	9.10	5.79	(2.78)	12.11	32.19	40.46
Office equipment	6.55	0.97	-	7.52	3.21	0.92	-	4.13	3.34	3.39
Total	3,908.61	1,659.61	(7.33)	5,560.89	985.24	356.45	(3.25)	1,338.44	2,923.37	4,222.45

Particulars	Gross Block				Depreciation				Net Block	
	As at 01st April, 2021	Additions during the year	Disposals during the year	As at 31st March, 2022	As at 01st April, 2021	Charge for the year	Disposals during the year	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022
Land	42.52	-	-	42.52	-	-	-	-	42.52	42.52
Buildings	475.48	449.04	-	924.52	71.28	23.15	-	94.43	404.20	830.09
Plant and equipment	1,990.09	857.93	(7.90)	2,840.12	650.74	215.39	(7.71)	858.42	1,339.35	1,981.70
Furniture and fixtures	21.09	19.45	-	40.54	10.37	2.41	-	12.78	10.72	27.76
Computer	8.37	4.70	-	13.07	5.39	1.91	-	7.30	2.98	5.77
Vehicles	30.66	11.73	(1.10)	41.29	5.59	4.43	(0.92)	9.10	25.07	32.19
Office equipment	3.83	2.72	-	6.55	2.63	0.58	-	3.21	1.20	3.34
Total	2,572.04	1,345.57	(9.00)	3,908.61	746.00	247.87	(8.63)	985.24	1,826.04	2,923.37

Right-of-use asset

Particulars	Gross Block				Amortisation				Net Block	
	As at 01st April, 2022	Additions during the year	Disposals during the year	As at 31st March, 2023	As at 01st April, 2022	Charge for the year	Disposals during the year	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023
Leasehold land	31.08	346.20	-	377.28	1.68	3.09	-	4.77	29.40	372.51
Total Assets	31.08	346.20	-	377.28	1.68	3.09	-	4.77	29.40	372.51

Particulars	Gross Block				Amortisation				Net Block	
	As at 01st April, 2021	Additions during the year	Disposals during the year	As at 31st March, 2022	As at 01st April, 2021	Charge for the year	Disposals during the year	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022
Leasehold land*	31.08	110.64	(110.64)	31.08	1.33	0.35	-	1.68	29.75	29.40
Total Assets	31.08	110.64	(110.64)	31.08	1.33	0.35	-	1.68	29.75	29.40

*Disposal during the year pertains to reclassification of Right-of-use asset as held for sale in accordance with 'Ind AS 105 - Non current asset held for sale and discontinued operations'. Refer note 16

4. CAPITAL WORK-IN-PROGRESS

Particulars	As at 01st April, 2022	Additions during the year	Capitalised during the year	As at 31st March, 2023
Buildings	118.71	234.12	(223.40)	129.43
Plant and machinery	322.56	591.30	(838.37)	75.49
Total	441.27	825.42	(1,061.77)	204.92

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

Particulars	As at 01st April, 2021	Additions during the year	Capitalised during the year	As at 31st March, 2022
Buildings	219.15	113.89	(214.33)	118.71
Plant and machinery	330.77	322.56	(330.77)	322.56
Total	549.92	436.45	(545.10)	441.27

(a) CWIP aging Schedule

As at 31st March, 2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	204.92	-	-	-	204.92
Projects temporarily suspended	-	-	-	-	-
Total CWIP	204.92	-	-	-	204.92

As at 31st March, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	436.45	4.82	-	-	441.27
Projects temporarily suspended	-	-	-	-	-
Total CWIP	436.45	4.82	-	-	441.27

(b) As at 31st March, 2023 no projects under Capital Work in Progress are overdue or has exceeded its cost compared to its original plan.

5. OTHER INTANGIBLES ASSETS (OTHER THAN INTERNALLY GENERATED)

Particulars	Gross Block				Amortisation				Net Block	
	As at 01st April, 2022	Additions during the year	Disposals during the year	As at 31st March, 2023	As at 01st April, 2022	Charge for the year	Disposals during the year	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023
Computer Software	10.16	2.66	-	12.82	5.50	1.36	-	6.86	4.66	5.96
Total	10.16	2.66	-	12.82	5.50	1.36	-	6.86	4.66	5.96

Particulars	Gross Block				Amortisation				Net Block	
	As at 01st April, 2021	Additions during the year	Disposals during the year	As at 31st March, 2022	As at 01st April, 2021	Charge for the year	Disposals during the year	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022
Computer Software	7.22	2.94	-	10.16	4.54	0.96	-	5.50	2.68	4.66
Total	7.22	2.94	-	10.16	4.54	0.96	-	5.50	2.68	4.66

6. INVESTMENTS - NON CURRENT

Investment in market linked debentures - Quoted

	As at 31st March, 2023	As at 31st March, 2022
100 (31st March, 2022: Nil) Mahindra & Mahindra FSL - MLD 7.70%	103.17	-
100 (31st March, 2022: Nil) Shriram City Union Finance Limited MLD 8.1350%	151.79	-
	254.96	-
Aggregate book value of quoted investments	254.96	-
Aggregate market value of quoted investments	254.96	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

7 OTHERS FINANCIAL ASSETS - NON CURRENT

	As at 31st March, 2023	As at 31st March, 2022
Security Deposits	28.67	23.61
<i>Deposits with original maturity of more than 12 months</i>		
Balances held as margin money/security towards obtaining bank guarantees	0.50	1.96
	29.17	25.57

8 OTHER NON-CURRENT ASSETS

	As at 31st March, 2023	As at 31st March, 2022
Capital advances	124.86	105.68
	124.86	105.68

9 INVENTORIES

	As at 31st March, 2023	As at 31st March, 2022
<i>(valued at lower of cost or net realisable value)</i>		
Raw material [including stock in transit of ₹ 114.03 million (31st March, 2022 : ₹ 50.87 million)]	302.01	220.25
Work-in-progress	508.08	463.95
Finished goods [including stock in transit of ₹ 81.49 million (31st March, 2022 : ₹ 73.29 million)]	224.91	144.67
Stores and spares	53.05	52.43
	1,088.05	881.30

10 INVESTMENTS - CURRENT

	As at 31st March, 2023	As at 31st March, 2022
A. Investments carried at fair value through profit and loss (FVTPL)		
Investment in mutual funds - Quoted		
4,185,840 (31st March, 2022: 8,925,949) units Kotak Equity Arbitrage Fund	140.43	282.67
937,285 (31st March, 2022: 937,285) units IIFL Special Opportunities Fund - Series 2	7.04	9.21
1,114,668 (31st March, 2022: 1,114,668) units of Kotak Banking and PSU Debt Fund Direct Growth	63.39	60.50
19,130 (31st March, 2022: 19,130) units of Kotak Corporate Bond Fund Direct Growth	62.68	59.93
4,745,188 (31st March, 2022: 4,745,188) ICICI Corporate Bond Fund Direct Growth	123.51	116.67
18,972 (31st March, 2022: 18,972) Kotak Corporate Bond Fund Direct Growth	62.16	59.44
21,158,008 (31st March, 2022: Nil) HDFC Arbitrage Fund Direct Growth	359.47	-
6,360,598 (31st March, 2022: 3,800,757) Kotak Equity Arbitrage Fund Growth	213.39	120.37
2,036,334 (31st March, 2022: 2,036,334) Axis Short Term Fund Direct Growth	57.07	54.34
2,198,209 (31st March, 2022: 2,198,209) IDFC Bond Fund Short Term Direct Growth	112.18	107.71
6,367,813 (31st March, 2022: 6,367,813) HDFC Banking & PSU Debt Fund Direct Growth	127.50	122.00
1,122,340 (31st March, 2022: 1,122,340) Kotak Banking and PSU Debt Fund Direct Growth (New Folio)	63.83	60.92
17,304,301 (31st March, 2022: Nil) IDFC CRISIL Gilt 2027 Index Fund Direct Plan-Growth	188.97	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

	As at 31st March, 2023	As at 31st March, 2022
6,099,785 (31st March, 2022: Nil) ICICI Prudential All Seasons Bond Fund Direct Growth	200.14	-
4,680,997 (31st March, 2022: Nil) ABSL Short Term Fund Direct Growth	200.19	-
13,351,537 (31st March, 2022 : Nil) Nippon India Nivesh Lakshya Fund Direct Growth	199.79	-
1,489,020 (31st March, 2022: Nil) SBI Arbitrage Opportunities Fund Direct Growth	45.00	-
78,017 (31st March, 2022: Nil) Axis Money Market Fund Direct Growth	94.99	-
2,594,489 (31st March, 2022: Nil) Edelweiss Arbitrage Fund	45.27	-
26,819 (31st March, 2022: Nil) Nippon India Money Market Fund	95.15	-
44,996 (31st March, 2022: Nil) Tata Money Market Fund Direct Growth	182.15	-
Investment in market linked debentures - Quoted		
100 (31st March, 2022: 100) Shriram City Union Finance Limited MLD 8.33%	-	102.39
B. Investment in others - Quoted (FVTPL)		
Investments in liquid funds *	-	153.88
	2,644.30	1,310.03
C. Investments carried at fair value through profit and loss (FVTPL)		
Investment in equity shares - Quoted		
Investment in equity shares *	-	14.61
	-	14.61
* These investments in equity shares are monitored through Aventus PMS. Refer note 47 for detailed breakup of Investment in equity shares (FVTPL)		
D. Investment at amortised cost		
Investment in bonds - Quoted		
50 (31st March, 2022: 50) 8.46% IIFCL Tax Free Bond	60.37	61.83
50 (31st March, 2022: 50) SBI-9.56%	51.90	52.45
100 (31st March, 2022: 100) 8.85% HDFC Bond	-	107.94
100 (31st March, 2022: 100) 9.37% SBI Bond	103.52	104.84
40,000 (31st March, 2022: 40,000) 9.75% IRFCLTax Free Bond	48.37	49.24
100 (31st March, 2022: 100) 9.20% Cholamandalam Investment and Finance Company Limited Bond	53.92	53.83
100,000 (31st March, 2022: 100,000) 7.51% Muthoot Finance Bond	107.40	106.61
Nil (31st March, 2022: 100) Piramal Enterprises Limited Commercial Paper	-	49.77
100 (31st March, 2022: Nil) 7.09% HDB Financial Services 2023 Bond	103.10	-
100 (31st March, 2022: Nil) 7.70% ICICI Bank Limited Bond	103.45	-
	632.03	586.51
	3,276.33	1,911.15
(a) Aggregate book value of quoted investments	3,276.33	1,911.15
(b) Aggregate market value of quoted investments	3,277.92	1,914.26

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

11 TRADE RECEIVABLES

	As at 31st March, 2023	As at 31st March, 2022
<i>(Unsecured, considered good)</i>		
Receivable from related party		
From firm in which directors are members (refer note 40)	-	0.03
Receivable other than related party		
Unsecured, considered good		
Other parties	1,461.97	1,535.41
	1,461.97	1,535.44
Breakup of security details		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	1,461.97	1,535.44
Total	1,461.97	1,535.44
Less: Loss allowance	-	-
Total trade receivables	1,461.97	1,535.44

*The Group's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 41 on financial instruments.

Trade receivables Ageing Schedule

As at 31st March, 2023

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	1,209.39	252.46	0.02	0.10	0.00	-	1,461.97

Note: Amounts seen as 0.00 are below the disclosure threshold of the Group.

As at 31st March, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	1,344.69	190.60	0.03	0.05	0.07	-	1,535.44

12 CASH AND CASH EQUIVALENTS

	As at 31st March, 2023	As at 31st March, 2022
Cash on hand	0.85	0.36
Balance with banks :		
In current account*	123.84	578.63
	124.69	578.99

*Includes debit balance of cash credit facility amounting to ₹ 29.18 million (31st March, 2022 : ₹ 56.67 million). These balances are not earmarked.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31st March, 2023	As at 31st March, 2022
Balances with bank		
Deposits with remaining maturity of less than 12 months	-	167.87
In earmarked accounts		
Unpaid dividend accounts	0.12	-
	0.12	167.87

14 OTHER CURRENT FINANCIAL ASSETS

	As at 31st March, 2023	As at 31st March, 2022
<i>(Unsecured, considered good)</i>		
Security deposit	0.53	30.89
Advances to employees	0.93	0.09
Balances held as margin money/security towards obtaining bank guarantees	5.56	3.02
Gratuity fund balance (Refer note 44)	2.40	1.91
MTM Gain on outstanding forward contracts	-	29.34
Scripts Credit	1.05	11.14
Interest receivable	7.62	1.71
Other receivables	1.27	1.42
Term deposit with financial institution	-	210.82
Investment in mutual fund pending allotment	-	100.00
	19.36	390.34

15 OTHER CURRENT ASSETS

	As at 31st March, 2023	As at 31st March, 2022
Balances with government authorities	283.65	106.87
Prepayments	17.79	15.86
CSR pre-spent balance (Refer note 53)	1.93	2.74
Advance for supply of goods	29.07	1.61
Other advances	0.52	0.35
	332.96	127.43

16 ASSET CLASSIFIED AS HELD FOR SALE

	As at 31st March, 2023	As at 31st March, 2022
Right-of-use asset*	-	110.64
	-	110.64

*The Group has classified right-of-use asset (leasehold land) taken from Maharashtra Industrial Development Corporation, Kurkumbh as held for sale, pursuant to management decision to dispose such right-of-use asset. The right-of-use asset is carried at cost in accordance with 'Ind AS 105 - Non current asset held for sale and discontinued operations' being lower than the fair value less cost to sale.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

17 SHARE CAPITAL

	As at 31st March, 2023	As at 31st March, 2022
Authorised :		
150,000,000 (31st March, 2022 : 150,000,000) equity shares of Re.1 each. (31st March, 2022: Re. 1 each)	150.00	150.00
TOTAL	150.00	150.00
Issued and subscribed and paid up:		
Equity share capital		
106,237,539 (31st March, 2022 : 106,218,960) equity shares of Re.1 each fully paid-up (31st March, 2022: Re. 1 each fully paid-up)	106.24	106.22
TOTAL	106.24	106.22

Reconciliation of number of shares outstanding at the beginning and end of the year :

	As at 31st March, 2023	As at 31st March, 2022
	Number of Shares	Number of Shares
Equity share :		
Outstanding at the beginning of the year	106,218,960	106,218,960
Add: Equity Shares issued during the year pursuant to exercise of employee stock options	18,579	-
Outstanding at the end of the year	106,237,539	106,218,960

Terms / Rights attached to each classes of shares

Rights, preferences and restrictions attached to equity shares

The Holding Company has a single class of equity shares having a par value of Re. 1 per share as on 31st March, 2023. Accordingly, all equity shares rank equally with regard to dividends and share in the Holding Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company.

On winding up of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Shareholders holding more than 5% shares in the Company is set out below:

	As at 31st March, 2023		As at 31st March, 2022	
	Number of Shares	% of shareholding	Number of Shares	% of shareholding
Equity shares of Re. 1 each fully paid (31st March, 2022: Re. 1 each fully paid)				
1. Mr. Ashok Boob	13,605,652	12.81%	13,605,652	12.81%
2. Ms. Asha Boob	10,444,612	9.83%	10,444,612	9.83%
3. Ashokkumar Ramkishan Sikchi HUF	10,581,763	9.96%	10,581,763	9.96%
4. Mr. Parth Maheshwari	5,909,745	5.56%	5,909,745	5.56%
5. Ms. Nidhi Mohunta J/w Ashok Boob	5,909,745	5.56%	5,909,745	5.56%
6. Ashok Ramnarayan Boob HUF	5,853,538	5.51%	5,853,538	5.51%

Details of shares held by Promoters

Promoter name	No. of Shares as on 31st March, 2023	% of Total Shares	% Change during the year	No. of Shares as on 31st March, 2022	% of Total Shares	% Change during the year
Ashok Ramnarayan Boob	13,605,652	12.81	-	13,605,652	12.81	2.55
Krishnakumar Ramnarayan Boob	2,812,000	2.65	-	2,812,000	2.65	2.02
Siddhartha Ashok Sikchi	3,150,425	2.97	-	3,150,425	2.97	0.42
Parth Ashok Maheshwari	5,909,745	5.56	-	5,909,745	5.56	0.80

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

18 OTHER EQUITY

	As at 31st March, 2023	As at 31st March, 2022
Reserves and surplus		
A. Retained earnings	9,925.76	7,530.45
B. Securities premium	12.37	-
C. General reserve	42.99	42.99
D. Employee Share Option Reserve	12.63	4.83
	9,993.75	7,578.27
A. Retained earnings		
Opening balance	7,530.45	5,247.46
Profit for the year	2,951.76	2,284.95
Appropriations		
Dividends paid	(557.71)	-
Remeasurements of defined benefit (Asset)	1.26	(1.96)
Closing balance	9,925.76	7,530.45
B. Securities Premium		
Opening balance	-	-
Issue of shares pursuant to ESOP 2021 scheme	12.37	-
Closing balance	12.37	-
C. General Reserve		
Opening balance	42.99	42.99
Change during the year	-	-
Closing balance	42.99	42.99
D. Employee Share Option Reserve		
Opening balance	4.83	-
Add: Additions during the year	10.90	4.83
Less: Transfer to securities premium on exercise of stock options	(3.10)	-
Closing balance	12.63	4.83
	9,993.75	7,578.27

Nature and purpose of reserves

- (i) Securities Premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of Companies Act, 2013.
- (ii) General Reserve is created by setting aside amount from the retained earnings of the Company for general purposes which is freely available for distribution
- (iii) Employee Share Option Reserve represents the fair value of services received against employees stock options (ESOP's) outstanding as at balance sheet date. (refer note 48)

Dividends

In Board Meeting held on 18th May, 2023 Board of Director have recommended, subject to the approval of shareholders, dividend of ₹ 3/- per equity share of face value of Re 1/- each for the year ended 31st March, 2023 on 106,238,572 (including 1,033 shares issued on 05th May, 2023 under ESOP-2021 scheme) amounting to ₹ 318.72/- million. The dividend have not been recognised as liability.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

19. BORROWINGS - NON CURRENT

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
Deposits from directors*	-	2.64
	-	2.64

*Deposits from directors are interest free and are repayable after 3 years from respective receipt of deposits.

20. LEASE LIABILITIES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non current lease liabilities	18.58	-
Current lease liabilities	1.48	-
	20.06	-

21. OTHER FINANCIAL LIABILITIES - NON CURRENT

Particulars	As at 31st March, 2023	As at 31st March, 2022
Other financial liabilities	4.60	-
	4.60	-

22. PROVISIONS - NON CURRENT

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Compensated absences	5.76	1.30
	5.76	1.30

23. BORROWINGS - CURRENT

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
Deposits from directors*	-	0.67
Cash credit and overdraft facilities from banks	0.52	-
	0.52	0.67

*Deposits from directors are interest free and are repayable after 3 years from respective receipt of deposits.

24. TRADE PAYABLES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 39)**	4.76	4.96
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises*	800.37	1,016.18
	805.13	1,021.14

*Includes dues to related parties (Refer note 40)

**Refer note 39 for disclosures required under MSMED Act

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

Trade payable ageing schedule
As at 31st March, 2023

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding for MSME due	4.76	-	-	-	-	4.76
Total outstanding for other than MSME due	702.92	26.84	0.98	1.42	0.36	732.52
	707.68	26.84	0.98	1.42	0.36	737.28
Accrued expenses	-	-	-	-	-	67.85
	707.68	26.84	0.98	1.42	0.36	805.13

As at 31st March, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding for MSME due	4.95	0.01	-	-	-	4.96
Total outstanding for other than MSME due	913.50	62.60	1.40	0.34	-	977.84
	918.45	62.61	1.40	0.34	-	982.80
Accrued expenses	-	-	-	-	-	38.34
	918.45	62.61	1.40	0.34	-	1,021.14

25 | OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Employee benefits payable		
Salaries and benefits	18.64	20.50
Bonus payable	97.07	73.32
Payable for purchase of property, plant & equipment (Refer note 38)	58.99	121.69
MTM loss on outstanding forward contracts	22.62	-
Unpaid dividend	0.12	-
Other financial liabilities	8.41	-
	205.85	215.51

26 | OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Statutory dues payable		
Statutory dues including provident fund and withholding taxes		
TDS and TCS payable	77.86	61.38
Provident fund payable	1.63	1.16
ESIC payable	0.20	0.18
Professional tax payable	0.10	0.09
Advance from customer	0.91	7.00
	80.70	69.81

27 | PROVISIONS - CURRENT

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Compensated absences	2.39	3.99
	2.39	3.99

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

28 REVENUE FROM OPERATIONS (REFER NOTE 45)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Sale of products	9,264.74	6,775.35
Other operating revenue		
Export incentives	76.05	62.84
Scrap sale	8.43	3.18
Sale of electricity	8.77	7.49
	93.25	73.51
Total	9,357.99	6,848.86

29 OTHER INCOME

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest income	4.91	21.66
Interest income on investments measured at amortised cost	55.43	39.24
Dividend income from current investments	0.07	0.19
Net gain on account of foreign exchange fluctuations	52.46	140.51
Profit on sale of instruments designated through fair value through profit and loss (FVTPL)	63.98	65.74
Fair value gain on instruments designated through fair value through profit and loss (FVTPL)	52.49	16.98
Miscellaneous income	68.91	15.41
Total	298.25	299.73

30 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Raw materials (including purchase components & packing material consumed)		
Opening inventories	220.25	115.28
Add : Purchases	3,465.68	2,556.09
	3,685.93	2,671.37
Less : Closing inventories	302.01	220.25
Total	3,383.92	2,451.12

31 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Opening Inventories		
Finished Goods	144.67	115.94
Work-in-progress	463.95	288.20
Total (A)	608.62	404.14
Closing Inventories		
Finished Goods	224.91	144.67
Work-in-progress	508.08	463.95
Total (B)	732.99	608.62
Total (A-B)	(124.37)	(204.48)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

32 EMPLOYEE BENEFITS EXPENSE

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Salaries, wages and bonus	414.59	320.62
Contribution to provident and other funds (Refer note 44)	15.27	10.76
Staff welfare expenses	11.25	9.24
Employee Stock Option Scheme expense (Refer note 48)	10.90	4.83
Total	452.01	345.45

33 FINANCE COSTS

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Interest expense on financial liabilities		
-Working capital loan	0.05	0.02
- Interest on lease liability (Refer Note no. 46)	0.76	-
-Others	1.14	1.45
Total	1.95	1.47

34 DEPRECIATION AND AMORTISATION EXPENSE

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Depreciation of property, plant and equipment (refer note 3)	356.45	247.87
Depreciation of right-of-use asset (refer note 3)	3.09	0.35
Amortisation of intangible assets (refer note 5)	1.36	0.96
Total	360.90	249.18

35 OTHER EXPENSES

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Consumption of stores and spares	16.34	12.29
Power and fuel	898.15	619.22
Water charges	10.65	12.84
Repairs and maintenance		
Buildings	10.23	13.47
Machinery	71.65	83.73
Others	18.37	31.91
Insurance	25.95	16.52
Rent	2.26	1.77
Rates and taxes	12.46	12.04
Telephone and other communication expenses	2.91	1.86
Travelling expenses	10.06	4.32
Freight, clearing and forwarding	60.58	57.85
Sales commission	144.11	71.02
Advertising and sales promotion	0.38	0.58
Manpower supply	154.18	111.06
Legal and professional fees	27.97	30.01
Payments to auditors (Refer note (a) below)	2.55	2.56
CSR expenses (Refer note 53)	49.51	38.42
Bank charges	3.63	2.97
Effluent treatment plant expenses	39.20	29.01
Printing and stationary	5.27	4.31
Loss on sale of property, plant and equipments	0.82	-
Miscellaneous expenses	58.25	100.13
Total	1,625.48	1,257.89

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
(a) Payment to auditors*		
As auditor		
Statutory audit fee including fees for limited review	2.40	2.40
Reimbursement of expenses	0.15	0.16
	2.55	2.56

* Excludes Nil (31st March, 2022: ₹ 3.39 million) towards payment made to the auditors on account of initial public offering of equity shares of face value of Re. 1 each as these expenses have been recovered from selling shareholders in the ratio of their selling shareholding pattern. Also refer note 54.

36 TAXES

(a) Statement of profit and loss

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current tax:		
- Current income tax charge	982.94	729.46
- Adjustment for current tax of prior period	(3.35)	-
Deferred tax	25.00	33.55
Income tax expense reported in the statement of profit and loss	1,004.59	763.01

(b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during in the period

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current tax:		
Remeasurements gains and losses on post employment benefits	(0.43)	0.66
Income tax recognised in OCI	(0.43)	0.66

(c) Balance sheet

Tax assets

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non-current tax assets	-	13.62
Total tax assets	-	13.62

Current tax liabilities

Particulars	As at 31st March, 2023	As at 31st March, 2022
Income tax (net of advance tax)	59.07	37.94
Total current tax liabilities	59.07	37.94

(d) Deferred tax

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred tax liabilities (DTL)		
Excess of depreciation/amortisation on property plant and equipment under income tax act	235.82	178.59
MTM gain on outstanding forward contracts	-	7.38
Mutual funds designated at fair value through profit and loss	26.44	20.95
Bonds - Effective interest rate	1.08	2.84
	263.34	209.76
Deferred tax assets (DTA)		
Provision for employee benefits	(1.45)	(0.52)
Preliminary Expenses	(0.12)	-
Carry forward of losses	(21.84)	-
MTM loss on outstanding forward contracts	(5.69)	-
	(29.10)	(0.52)
Net deferred tax liability	234.24	209.24

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

(e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Accounting profit before tax	3,956.35	3,047.96
Tax rate	25.17%	25.17%
Tax as per IT Act on above (A)	995.73	767.11
Tax expenses (B)		
(i) Current tax	982.94	729.46
(ii) Deferred tax	25.00	33.55
	1,007.94	763.01
Difference (C)	(12.21)	4.10
Tax reconciliation		
Adjustments:		
Effect of permanent adjustments	13.70	(11.64)
Impact as a result of capital gains included in accounting profit taxed at the applicable rates	(1.67)	4.95
Effect of tax rate differential in group company entities	7.88	-
Others	(7.69)	2.59
	-	-

(f) Movement in temporary differences:

	01st April, 2022	Recognised in profit or loss during the year	Recognised in OCI during the year	31st March, 2023
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax act	178.59	57.23	-	235.82
MTM gain on outstanding forward contracts	7.38	(7.38)	-	-
Mutual funds designated at fair value through profit and loss	20.95	5.49	-	26.44
Bonds - Effective interest rate	2.84	(1.76)	-	1.08
	209.76	53.58	-	263.34
Deferred tax assets (DTA)				
Provision for employee benefits	(0.52)	(0.93)	-	(1.45)
Preliminary Expenses	-	(0.12)	-	(0.12)
Carry forward of losses	-	(21.84)	-	(21.84)
MTM loss on outstanding forward contracts	-	(5.69)	-	(5.69)
	(0.52)	(28.58)	-	(29.10)
Net deferred tax liability	209.24	25.00	-	234.24

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

	01st April, 2021	Recognised in profit or loss during the year	Recognised in OCI during the year	31st March, 2022
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax act	141.64	36.95	-	178.59
MTM gain on outstanding forward contracts	18.53	(11.15)	-	7.38
Mutual funds designated at fair value through profit and loss	14.76	6.19	-	20.95
Bonds - Effective interest rate	-	2.84	-	2.84
	174.93	34.83	-	209.76
Deferred tax assets (DTA)				
Provision for employee benefits	(1.26)	0.74	-	(0.52)
Equity instruments measured at fair value	2.02	(2.02)	-	-
	0.76	(1.28)	-	(0.52)
Net deferred tax liability	175.68	33.55	-	209.24

37 EARNINGS PER SHARE

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Profits attributable to equity shareholders		
Profit for basic earning per share of Re. 1 each*		
Profit for the year (in millions)	2,951.76	2,284.95
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the year	106,231,006	106,218,960
Basic EPS (₹)	27.79	21.51
Diluted Earnings Per Share		
Profit for diluted earning per share of Re. 1 each*		
Profit for the year (in millions)	2,951.76	2,284.95
Weighted average number of equity shares outstanding during the year for diluted EPS	106,260,748	106,251,390
Diluted EPS (₹)	27.78	21.51

Weighted average number of equity shares for Basic Earnings Per Share	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Balance at the beginning and at the end of the year*	106,231,006	106,218,960
Weighted average number of equity shares outstanding during the year	106,231,006	106,218,960

Weighted average number of equity shares for Diluted Earnings Per Share	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Balance at the beginning and at the end of the year*	106,260,748	106,251,390
Weighted average number of equity shares outstanding during the year	106,260,748	106,251,390

38 CONTINGENT LIABILITIES AND COMMITMENTS :

(a) Contingent liabilities

- i) Pursuant to recent judgement by the Honorable Supreme Court dated 28th February, 2019, it was held that basic wages, for the purpose of Provident fund, to include special allowances which are common for all employees. However, there is uncertainty with respect to applicability of the Judgement and year from which the same applies. The Group has assessed that there was no impact of the same for current year end since provident fund was already deducted on such special allowance for current year end.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

Owing the aforesaid, uncertainty and pending clarification from the authorities in this regard, the Group had not recognised any provision for the years prior to 28th February, 2019.

- ii) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on 13th November, 2020. The Group will assess the impact and its evaluation once the subject rules are notified. The Group will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

(b) Commitments

Particulars	As at 31st March, 2023	As at 31st March, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for	27.92	23.79
Total	27.92	23.79

39 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Principal amount remaining unpaid to any supplier as at the end of the year		
Trade payables	4.76	4.96
Capital creditors	-	0.09
Interest due thereon remaining unpaid to any supplier as at the end of the year		
Trade payables	-	-
Capital creditors	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006.	-	-
The amount of payment made to micro and small supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

40 RELATED PARTY DISCLOSURES

(a) List of Related Parties and description of relationship:

Subsidiary Companies:

- 1 Clean Science Private Limited
- 2 Clean Organics Private Limited
- 3 Clean Aromatics Private Limited
- 4 Clean Fino-Chem Limited

Key Management Personnel (KMP)

- | | | |
|---|-----------------------|------------------------|
| 1 | Mr. Ashok Boob | Managing Director |
| 2 | Mr. Siddhartha Sikchi | Whole Time Director |
| 3 | Mr. Krishnakumar Boob | Whole Time Director |
| 4 | Mr. Pradeep Rathi | Non-executive Director |
| 5 | Ms. Madhu Dubhashi | Independent Director |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

Key Management Personnel (KMP)

6	Mr. Sanjay Kothari	Non-executive Director
7	Mr. Ganapati Yadav	Independent Director
8	Mr. Keval Doshi	Independent Director
9	Mr. Sanjay Parnerkar	Chief Financial Officer (w.e.f 3rd February, 2023)
10	Mr. Pratik Bora	Chief Financial Officer (upto 2nd February, 2023)
11	Mr. Mahesh Kulkarni	Company Secretary

Relative of Key Management Personnel

1	Ms. Nandita Sikchi
2	Ashok Ramnarayan Boob HUF
3	Ms. Asha Boob
4	Mr. Parth Maheshwari
5	Mr. Ashok Sikchi
6	Ashokkumar Ramkishan Sikchi HUF
7	Krishnakumar Ramnarayan Boob HUF
8	Mr. Kunal Sikchi
9	Mr. Prasad Boob
10	Ms. Asha Sikchi
11	Ms. Nilima Boob
12	Ms. Nidhi Mohunta
13	Ms. Pooja Navandar
14	Ms. Shradha Boob

Other related parties:

Entities in which Key Management Personnel and / or their relatives exercise significant influence and with whom transactions were carried out during the year -

1	M/s Shree Pavers and Tiles
2	CSTPL Foundation
3	Anantroop Financial Advisory Services Private Limited
4	Krishnashray Foundation
5	AAB Business Trust
6	ARB Business Trust
7	Shri Ramnarayan Boob Business Trust
8	Smt. Alaknanda Boob Business Trust
9	ARS Business Trust
10	AAS Business Trust
11	Ashok Ramnarayan Boob HUF
12	Ashokkumar Ramkishan Sikchi HUF
13	Krishnakumar Ramnarayan Boob HUF
14	Wild Child Enterprises Private Limited

(b) Related party transactions:

Key management personnel compensation

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Short-term employee benefits	239.27	188.77
Director sitting fees	2.23	3.09
Employee share based payment	1.11	-
Total compensation	242.61	191.86

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

Sr. no	Nature of Transaction	For the year ended 31st March, 2023			For the year ended 31st March, 2022		
		Key Management Personnel (KMP)/ Relative of Key Management Personnel	Entities where Key Management Personnel/ Relative of Key Management Personnel has significant influence	Total	Key Management Personnel (KMP)/ Relative of Key Management Personnel	Entities where Key Management Personnel/ Relative of Key Management Personnel has significant influence	Total
1	Purchase of raw material, consumables and spares	-	0.18	0.18	-	1.82	1.82
2	Sale of goods	-	-	-	-	0.11	0.11
3	Donation	-	-	-	-	0.50	0.50
4	Remuneration to relative of key management personnel- Short-term employee benefits	6.53	-	6.53	5.17	-	5.17
5	Final dividend paid for FY 2021-22	242.85	43.07	285.92	-	-	-
6	Interim dividend paid	128.28	47.67	175.95	-	-	-
7	Expenses incurred for selling shareholder	-	-	-	473.51	29.71	503.22
8	Expenses (recovered) from selling shareholder	-	-	-	(525.12)	(32.39)	(557.51)
9	Unsecured deposit received	4.60	-	4.60	5.10	-	5.10
	Total	382.26	90.92	473.18	(41.34)	(0.25)	(41.59)

(c) Related party transactions more than 10% of total transactions for the year ended :

Nature of transaction	For the year ended 31st March, 2023	For the year ended 31st March, 2022
a. Purchase of raw material, consumables and spares		
M/s Shree Pavers and Tiles	0.11	1.82
Wild Child Enterprises Private Limited	0.07	-
b. Sale of Goods		
M/s Shree Pavers and Tiles	-	0.11
c. Donation to CSTPL Foundation		
	-	0.50
d. Remuneration to relative of key management personnel		
Mr. Parth Maheshwari	6.53	5.17
e. Unsecured deposits received		
Mr. Siddhartha Sikchi	4.60	-
Mr. Parth Maheshwari	-	5.10
f. Key management personnel compensation		
Mr. Ashok Boob	93.62	73.74
Mr. Siddhartha Sikchi	84.26	66.37
Mr. Krishnakumar Boob	56.17	44.24
g. Director Sitting Fees		
Mr. Ganapati Yadav	0.47	0.67
Mr. Pradeep Rathi	0.44	0.58
Mr. Sanjay Kothari	0.44	0.56
Mr. Kewal Doshi	0.53	0.70
Ms. Madhu Dubhashi	0.35	0.58
h. Expenses recovered from selling shareholders		
Mr. Ashok Boob	-	82.85
Ms. Asha Boob	-	82.85
Mr. Krishnakumar Ramnarayan Boob	-	65.55
i. Share based payments		
Mr. Pratik Bora	1.11	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

(d) Balances outstanding at the end of the year:-

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
a. Trade Receivable		
M/s Shree Pavers and Tiles	-	0.03
b. Unsecured deposit		
Mr. Ashok Boob	2.64	2.64
Mr. Siddhartha Sikchi	4.60	-
Mr. Krishnakumar Boob	0.67	0.67
Mr. Parth Maheshwari	5.10	5.10
c. Directors remuneration payable (net of TDS)		
Mr. Ashok Boob	38.38	28.95
Mr. Siddhartha Sikchi	34.61	26.06
Mr. Krishnakumar Boob	23.03	17.51
d. Remuneration payable to KMP & Relatives of KMP		
Mr. Parth Maheshwari	0.50	0.28
Mr. Sanjay Parnerkar	0.11	-
Mr. Mahesh Kulkarni	0.13	0.12
Mr. Pratik Bora	-	0.13

* Refer note 54 for the expenses recovered from the selling shareholders

41 FINANCIAL RISK MANAGEMENT

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors is responsible for developing and monitoring the Group's risk management policies. The board regularly meets to decide its risk management activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

The Group has exposure to the following risks arising from financial instruments:

- credit risk - see note (a) below
- liquidity risk - see note (b) below
- interest rate risk - see note (c) below
- market risk - see note (d) below"

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

of adoption of Ind AS 109, the Group uses expected credit loss model to assess impairment loss or gain. The Group uses a matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and Group's historical experience for customers.

- (i) The Group has not made any provision on expected credit loss on trade receivables and other financial assets, based on the management estimates.
- (ii) Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's treasury department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management.

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total current assets (A)	6,303.48	5,703.16
Total current liabilities (B)	1,155.14	1,349.06
Working capital (A-B)	5,148.34	4,354.10

Following is the Group's exposure to financial liabilities based on the contractual maturity as at reporting date.

	As at 31st March, 2023			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Lease liabilities	20.06	1.48	45.88	47.36
Borrowings	0.52	0.52	-	0.52
Trade payables	805.13	805.13	-	805.13
Other liabilities	210.45	205.85	4.60	210.45

	As at 31st March, 2022			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Lease liabilities	-	-	-	-
Borrowings	3.31	0.67	2.64	3.31
Trade payables	1,021.14	1,021.14	-	1,021.14
Other liabilities	215.51	215.51	-	215.51

(c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. The Group manages its interest rates by selecting appropriate type of borrowings and by negotiation with the bankers.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

The exposure of the borrowings (long term and short term) to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Variable rate borrowings	-	-
Fixed rate borrowings	-	-
Total borrowings	-	-

The Group had the following variable and fixed rate borrowings outstanding

	As at 31st March, 2023	
	Weighted average interest rate	Balance
Cash credit facility	8.65%	0.52
Net exposure to cash flow interest rate risk	8.65%	0.52

	As at 31st March, 2022	
	Weighted average interest rate	Balance
Cash credit facility	0.00%	-
Net exposure to cash flow interest rate risk	0.00%	-

(d) Market risk

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(e) Foreign currency unhedged exposure :

(i) Financial assets

Financial assets	As at 31st March, 2023		As at 31st March, 2022	
	Foreign currency	Equivalent amount in rupees (in million)	Foreign currency	Equivalent amount in rupees (in million)
Trade receivables				
USD	10.66	876.03	11.26	853.74
EURO	0.94	83.83	0.88	74.48
Balance with banks - in EEFC accounts				
USD	0.61	50.10	0.48	36.20
EURO	0.17	15.41	-	-
Cash on hand				
USD	0.01	0.46	0.00	0.03
EURO	0.00	0.16	0.00	0.12
CNY	0.00	0.01	0.00	0.01
SGD	0.00	0.08	0.00	0.01
AED	0.01	0.12	0.00	0.06
RUB	0.00	0.00	0.00	0.00
IDR	7.72	0.04	0.22	0.00
CHF	0.00	0.01	0.00	0.01
GBP	0.00	0.12		
		1,026.37		964.66

Note: Amounts seen as 0.00 are below the disclosure threshold of the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

(ii) Financial liabilities

Financial liabilities	As at 31st March, 2023		As at 31st March, 2022	
	Foreign currency	Equivalent amount in rupees (in million)	Foreign currency	Equivalent amount in rupees (in million)
Trade payables				
USD	1.98	162.43	1.14	86.33
EURO	0.00	0.27	0.00	0.24
		162.70		86.57

Note: Amounts seen as 0.00 are below the disclosure threshold of the Group.

(iii) Currency wise net exposure (Financial assets - Financial liabilities)

Currency wise net exposure (assets - liabilities)	As at 31st March, 2023		As at 31st March, 2022	
	Foreign currency	Equivalent amount in rupees (in million)	Foreign currency	Equivalent amount in rupees (in million)
USD	9.30	764.15	10.60	803.64
EUR	1.11	99.12	0.88	74.36
CNY	0.00	0.01	0.00	0.01
SGD	0.00	0.08	0.00	0.01
AED	0.01	0.12	0.00	0.06
RUB	0.00	0.00	0.00	0.00
IDR	7.72	0.04	0.22	0.00
CHF	0.00	0.01	0.00	0.01
GBP	0.00	0.12	-	-
Total		863.65		878.09

Note: Amounts seen as 0.00 are below the disclosure threshold of the Group.

(iv) Currency wise net exposure (Financial assets - Financial liabilities) (₹)

Currency	Amount in rupees (in million)		Sensitivity %
	As at 31st March, 2023	As at 31st March, 2022	
USD	764.15	803.64	1.00%
EUR	99.12	74.36	1.00%
CNY	0.01	0.01	1.00%
SGD	0.08	0.01	1.00%
AED	0.12	0.06	1.00%
RUB	0.00	0.00	1.00%
IDR	0.04	0.00	1.00%
CHF	0.01	0.01	1.00%
GBP	0.12	-	1.00%
	863.65	878.09	

Note: Amounts seen as 0.00 are below the disclosure threshold of the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

(v) Sensitivity analysis

	Impact on profit/equity (1% strengthening)		Impact on profit/equity (1% weakening)	
	Amount in rupees (in million)		Amount in rupees (in million)	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
USD	7.64	8.04	(7.64)	(8.04)
EUR	0.99	0.74	(0.99)	(0.74)
CNY	0.00	0.00	(0.00)	(0.00)
SGD	0.00	0.00	(0.00)	(0.00)
AED	0.00	0.00	(0.00)	(0.00)
RUB	0.00	0.00	(0.00)	(0.00)
IDR	0.00	0.00	(0.00)	(0.00)
CHF	0.00	0.00	(0.00)	(0.00)
GBP	0.00	-	(0.00)	-
Total	8.63	8.78	(8.63)	(8.78)

Note: Amounts seen as 0.00 are below the disclosure threshold of the Group.

The exchange rate used by the Group is that rate which is notified by the Reserve Bank of India.

42 CAPITAL MANAGEMENT

The Group's capital comprises equity share capital, surplus in the statement of profit and loss and other equity attributable to equity holders.

The Group's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

43 FAIR VALUE MEASUREMENTS

(a) Categories of financial instruments -

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Trade receivables	-	1,461.97	-	1,535.44
Cash and cash equivalents	-	124.69	-	578.99
Other bank balances	-	0.12	-	167.87
Investments (other than investments in subsidiary)	2,899.26	632.03	1,324.64	586.51
Other financial assets	-	48.53	29.34	386.57
Total financial assets	2,899.26	2,267.34	1,353.98	3,255.38
Financial liabilities				
Lease liabilities	-	20.06	-	-
Borrowings	-	0.52	-	3.31
Trade payables	-	805.13	-	1,021.14
Other financial liabilities	22.62	187.83	-	215.51
Total financial liabilities	22.62	1,013.54	-	1,239.96

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

(b) Fair value hierarchy:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Fair values		Fair values	
	FVTPL	FVTPL	FVTPL	FVTPL
Category	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)
Financial assets				
Investment in bonds	-	254.96	-	-
Investment in mutual funds	2,644.30	-	1,324.64	-
Investment in equity shares	-	-	-	-
Other financial assets	-	-	-	29.34
Total financial assets	2,644.30	254.96	1,324.64	29.34
Financial liabilities				
Other financial liabilities	-	22.62	-	-
Total financial liabilities	-	22.62	-	-

44 POST-EMPLOYMENT BENEFIT PLANS

As per Indian Accounting Standard 19 "Employee Benefits", the disclosures as defined are given below-

A. Defined Contribution Plans

The Group makes contributions, determined as a specific percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Group has no obligation other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident fund and other funds for the period aggregated to ₹ 10.25 million (31st March, 2022 : ₹ 8.03 million).

B. Defined Benefit Plans
Gratuity

The Group has defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. These benefits are funded with an insurance company.

Risk exposure and asset liability matching

Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1) Liability Risks
a. Asset Liability Mismatch risk

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Group is successfully able to neutralise valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

c. Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The Group has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The Group has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

Net employee benefit expense on account of gratuity recognised in employee benefit expenses

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Current service cost	4.92	2.79
Net interest (Income)/ Expense	(0.25)	(0.21)
Net benefit expense	4.67	2.58

Changes in the present value of the defined benefit obligation are as follows :

Particulars	As at 31st March, 2023	As at 31st March, 2022
Projected benefit obligation at the beginning of the year	14.39	8.92
Interest cost	0.94	0.50
Current service cost	4.92	2.79
Benefits paid	(0.76)	(0.26)
Remeasurements on obligation - Loss	(1.78)	2.44
Present value of obligation at the end of the year	17.71	14.39

Changes in the fair value of plan assets are as follows:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fair value of plan assets at the beginning of the year	16.30	9.13
Interest income	1.16	0.72
Contributions	3.66	7.04
Mortality charges and taxes	(0.16)	(0.16)
Benefits paid	(0.76)	(0.26)
Return on plan assets, excluding amount recognised in Interest Income - (Loss) / Gain	(0.09)	(0.17)
Fair value of Plan assets at end of the year	20.11	16.30
Actual return on plan assets	1.08	0.54

Re-measurements for the year (Actuarial (gain) / loss)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Experience gain on plan liabilities	(0.44)	2.47
Demographic gain on plan liabilities	(0.83)	0.70
Financial (loss) / gain on plan liabilities	(0.50)	(0.72)
Experience gain / (loss) on plan assets	0.25	0.13
Financial loss on plan assets	(0.16)	0.04

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

Amount recognised in the statement of other comprehensive income

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Re-measurement for the year - obligation loss	(1.78)	2.45
Re-measurement for the year - plan assets loss / (gain)	0.09	0.17
Total re-measurements cost for the year recognised in other comprehensive income	(1.69)	2.62

Net Defined Benefit (Asset) for the year

Particulars	As at 31st March, 2023	As at 31st March, 2022
Defined Benefit Obligation	17.71	14.39
Fair value of plan assets	20.11	16.30
Closing net defined benefit (asset)	(2.40)	(1.91)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current	(2.40)	(1.91)
Non-Current	-	-

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Nature of plan assets	As at 31st March, 2023	As at 31st March, 2022
Funds managed by insurer	100%	100%

The principal assumptions used in determining gratuity obligations for the Group's plan are shown below:

Assumptions

Particulars	As at 31st March, 2023	As at 31st March, 2022
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	7.30%	6.60%
Rate of increase in compensation levels	10.00%	10.00%
Expected rate of return on plan assets	6.60%	5.70%
Withdrawal rate	23.00%	18.00%
Expected average remaining working lives of employees (in years)	4.26*	5.39*

*It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

A quantitative sensitivity analysis for significant assumption as at 31st March, 2023 and 31st March, 2022 is as shown below:

Particulars	Defined benefit obligation			
	As at 31st March, 2023		As at 31st March, 2022	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Discount Rate				
Discount Rate	8.30%	6.30%	7.60%	5.60%
Amount	17.03	18.43	13.68	15.20
Salary increment rate				
Salary increment rate	11.00%	9.00%	11.00%	9.00%
Amount	18.23	17.21	15.02	13.83
Withdrawal rate				
Withdrawal rate	24.00%	22.00%	19.00%	17.00%
Amount	17.59	17.83	14.25	14.56

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Expected future benefit payments

The following benefit payments, for each of the next five years and the aggregate five years thereafter, are expected to be paid:

Duration of defined benefit payments	As at 31st March, 2023	As at 31st March, 2022
Less than 1 year	4.13	2.65
1 to 2 years	2.88	1.72
3 to 5 years	9.82	7.46
More than 5 years	18.86	18.41

45 REVENUE FROM CONTRACTS WITH CUSTOMERS

A. Revenue streams

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue from operations		
Sale of products	9,264.74	6,775.35
Other operating revenue		
Export incentives	76.05	62.84
Scrap sale	8.43	3.18
Sale of electricity	8.77	7.49
	93.25	73.51
	9,357.99	6,848.86

Disaggregation of revenue streams

The Company is engaged in manufacturing of various types of chemicals mainly speciality chemical and other chemicals.

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Revenue from contracts with customers		
Speciality Chemicals	9,061.80	6,614.02
Other Chemicals	202.94	161.33
Total Revenue	9,264.74	6,775.35

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Timing of revenue recognition		
Goods transferred at a point in time	9,264.74	6,775.35
Total Revenue	9,264.74	6,775.35

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

46 LEASES

The impact of Ind AS 116 on these changes is disclosed below :

A1. Right-of-use assets

Description	Right-of-use assets
	Leasehold land
Balance as at 01st April, 2021	31.08
Additions	110.64
Disposals	(110.64)
Balance as at 31st March, 2022	31.08
Balance as at 01st April, 2022	31.08
Additions	346.20
Disposals*	-
Balance as at 31st March, 2023	377.28
Accumulated depreciation	
Balance as at 01st April, 2021	1.33
Depreciation for the year	0.35
Depreciation on disposals	-
Balance as at 31st March, 2022	1.68
Balance as at 01st April, 2022	1.68
Depreciation for the period	3.09
Depreciation on disposals	-
Balance as at 31st March, 2023	4.77
Net block	
As at 31st March, 2022	29.40
As at 31st March, 2023	372.51

*Disposal during the year pertains to reclassification of Right-of-use Asset as held for sale in accordance with 'Ind AS 105 - Non current asset held for sale and discontinued operations'. Refer note 16

A2. Lease liabilities

Duration of defined benefit payments	As at 31st March, 2023	As at 31st March, 2022
Current	1.48	-
Non Current	18.58	-
Total	20.06	-

A3. Interest expenses on lease liabilities

	As at 31st March, 2023	As at 31st March, 2022
Interest on lease liabilities	0.76	-

A4. Expenses on short term leases / low value assets

	As at 31st March, 2023	As at 31st March, 2022
Short-term lease	-	-
Low value assets	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

A5. Amounts recognised in the statement of cash flow

	As at 31st March, 2023	As at 31st March, 2022
Total cash outflow for leases	0.65	-

A6. Maturity analysis – contractual undiscounted cash flows

	As at 31st March, 2023	As at 31st March, 2022
Less than one year	1.48	-
One to five years	6.72	-
More than five years	39.16	-
Total undiscounted lease liabilities	47.36	-

47 INVESTMENTS MADE THROUGH PMS

a) Investments designated at FVTPL comprises the following instruments

Investment in equity shares - Quoted	As at 31st March, 2023	As at 31st March, 2022
Nil (31st March, 2022 : 827) Coforge Limited	-	3.69
Nil (31st March, 2022 : 1,558) Deepak Fertilisers And Petrochemicals Corporation Limited	-	0.87
Nil (31st March, 2022 : 58,770) Idfc First Bank Limited	-	2.33
Nil (31st March, 2022 : 297) Larsen And Toubro Infotech Limited	-	1.83
Nil (31st March, 2022 : 45) Oil India Limited	-	0.01
Nil (31st March, 2022 : 4,322) Sbi Life Insurance Company Limited	-	4.86
Nil (31st March, 2022 : 60) Schaeffler India Limited	-	0.12
Nil (31st March, 2022 : 137) Ultratech Cement Limited	-	0.90
Total	-	14.61

48 EMPLOYEE SHARE BASED-PAYMENTS

The Holding Company has formulated employee share-based payment schemes with objective to attract and retain talent and align the interest of employees with the Holding Company as well as to motivate them to contribute to its growth and profitability. The Holding Company views employee stock options as instruments that would enable the employees to share the value they create for the Holding Company in the years to come.

At present, following employee share-based payment scheme is in operation, details of which are given below:

a Clean Science and Technology Limited Employee Stock Option Scheme - 2021 (CSTL ESOS - 2021):

The Holding Company has instituted equity-settled Clean Science and Technology Employee Stock Option Scheme - 2021 (CSTL ESOS-2021) duly approved by the shareholders in the extra-ordinary general meeting of the Holding Company held on 27th March, 2021, the said CSTL ESOS-2021 was subsequently amended and ratified by shareholders on 17th March, 2022. As per CSTL ESOS-2021, Nomination and Remuneration Committee evaluates the performance and other criteria of employees and approves the grant of options. These options vest with eligible employees over a specified period subject to fulfilment of certain conditions. Under the said plan, the Nomination and Remuneration Committee has granted 55,852 and 33,879 equity-settled stock options on 12th June, 2021 and 05th September, 2022 to eligible employees of the Company. The vesting period is minimum one year from the date of grant and maximum 4 years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

Particulars	Defined benefit obligation			
	As at 31st March, 2023		As at 31st March, 2022	
	Weighted average exercise price per share per option ₹	Number of options	Weighted average exercise price per share per option ₹	Number of options
Opening Balance	500	55,852	-	-
Granted during the year	751	33,879	500	55,852
Forfeited during the year	-	-	-	-
Exercised during the year	751	18,579	-	-
Expired during the year	-	-	-	-
Lapsed during the year	751	1,144	-	-
Closing Balance	751	70,008	500	55,852
No of options exercisable at the end of the year	751	1,033	-	-

Share options outstanding at the end of the period have the following expiry date and exercise prices as on 31st March, 2023 and 31st March, 2022:

Grant date	Expiry date	Exercise price	Options outstanding as at 31st March, 2023	Options outstanding as at 31st March, 2022
		₹		
12th June, 2021	12th June, 2022	500.00	1,033	19,726
12th June, 2021	12th June, 2023	500.00	12,282	12,597
12th June, 2021	12th June, 2024	500.00	12,282	12,597
12th June, 2021	12th June, 2025	500.00	10,532	10,932
05th September, 2022	05th September, 2023	1,166.00	6,776	-
05th September, 2022	05th September, 2024	1,166.00	6,776	-
05th September, 2022	05th September, 2025	1,166.00	6,776	-
05th September, 2022	05th September, 2026	1,166.00	13,551	-
Total			70,008	55,852
Weighted average remaining contractual life of the options outstanding at the end of the year			1.66	1.46

Weighted average share price for the period over which stock options were exercised was ₹ (Nil shares exercised during the previous year)

The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

A Grant Date:- 21st June, 2021

Particulars	1-year vesting	2-year vesting	3-year vesting	4-year vesting
Stock Price per share (₹)	509.33	509.33	509.33	509.33
Standard Deviation (Volatility)	35.54%	34.07%	34.41%	35.35%
Risk-free Rate	5.03%	5.45%	5.76%	6.02%
Exercise Price (₹)	500.00	500.00	500.00	500.00
Time to Maturity (in years)	3.50	4.50	5.50	6.50
Dividend yield	0.31%	0.31%	0.31%	0.31%
Fair value of option ₹	166.92	188.73	213.60	238.53

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

B Grant Date:- September 05, 2022

Particulars	1-year vesting	2-year vesting	3-year vesting	4-year vesting
Market Price per share (₹)	1756.3	1756.3	1756.3	1756.3
Standard Deviation (Volatility)	40.76%	40.76%	40.76%	40.76%
Risk-free Rate	6.60%	6.85%	6.96%	7.02%
Exercise Price (₹)	1166	1166	1166	1166
Time to Maturity (in years)	1.5	2.5	3.5	4.5
Dividend yield	0.16%	0.16%	0.16%	0.16%
Fair value of option (₹)	750.04	849.76	934.3	1,006.97

Employee benefit expenses to be recognised in the financial statements

The Group has recognised employee stock-based compensation expense of ₹ 10.90 million for the year ended 31st March, 2023 (31st March, 2022: ₹ 4.83 million) in the Consolidated Statement of Profit and Loss. The corresponding impact is recognised as 'Employee share based payment reserve' in Other Equity.

49 DETAILS OF SUBSIDIARIES

The following subsidiary companies are considered in the consolidated financial statements

Sr. No.	Name of Subsidiary	Country of incorporation	% holding	
			As at 31st March, 2023	As at 31st March, 2022
	Direct Subsidiary			
1	Clean Science Private Limited	India	100%	100%
2	Clean Aromatics Private Limited	India	100%	100%
3	Clean Organics Private Limited	India	100%	100%
4	Clean Fino-Chem Limited	India	100%	100%

50 ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

As at 31st March, 2023

Sr. no	Name of Subsidiary	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	₹ million	As % of consolidated profit or (loss)	₹ million	As % of consolidated other comprehensive income	₹ million	As % of consolidated total comprehensive income	₹ million
	Parent Company								
1	Clean Science and Technology Limited	100.87%	10,187.92	102.82%	3,035.10	100%	1.26	102.82%	3,036.36
	Domestic Company								
1	Clean Science Private Limited	(0.03)%	(2.91)	0.01%	0.19	0%	-	0.01%	0.19
2	Clean Aromatics Private Limited	0.00%	(0.12)	0.00%	(0.00)	0%	-	0.00%	(0.00)
3	Clean Organics Private Limited	0.00%	(0.19)	0.00%	(0.04)	0%	-	0.00%	(0.04)
4	Clean Fino-Chem Limited	(0.84)%	(84.71)	(2.83)%	(83.49)	0%	-	(2.83)%	(83.49)
	Total	100.00%	10,099.99	100.00%	2,951.76	100.00%	1.26	100.00%	2,953.02

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

As at 31st March, 2022

Sr. no	Name of Subsidiary	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	₹ million	As % of consolidated profit or (loss)	₹ million	As % of consolidated other comprehensive income	₹ million	As % of consolidated total comprehensive income	₹ million
Parent Company									
1	Clean Science and Technology Limited	100.06%	7,689.08	100.04%	2,286.06	100%	(1.96)	100.05%	2,284.10
Domestic Company									
1	Clean Science Private Limited	(0.04)%	(3.11)	0.01%	0.19	0%	-	0.01%	0.19
2	Clean Aromatics Private Limited	0.00%	(0.11)	0.00%	(0.04)	0%	-	0.00%	(0.04)
3	Clean Organics Private Limited	0.00%	(0.15)	0.00%	(0.04)	0%	-	0.00%	(0.04)
4	Clean Fino-Chem Limited	(0.01)%	(1.22)	(0.05)%	(1.22)	0%	-	(0.05)%	(1.22)
Total		100.00%	7,684.49	100.00%	2,284.95	100.00%	(1.96)	100.00%	2,282.99

51 | OPERATING SEGMENT

- (a) The Group is exclusively engaged in the business of manufacturing of organic and inorganic chemicals. These in the context of the Ind AS 108 Operating Segments, are considered to constitute one single primary segment. Geographically, primary segment in India and secondary segment is rest of the world, details of which are given below:-

	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Sales revenue		
India	2,644.82	2,042.31
Rest of the World	6,713.17	4,806.55
	9,357.99	6,848.86
Carrying amount of assets*		
India	502.11	607.22
Rest of the World	959.86	928.22
	1,461.97	1,535.44
*Segment assets represent trade receivables		
Additions to property, plant and equipment and other intangible assets		
India	1,662.27	1,348.51
	1,662.27	1,348.51

(b) Information about major customers (external customers):

The following is the transactions by the Group with external customers individually contributing 10 % or more of revenue from operations:

- For the year ended 31st March, 2023, revenue from operations of one customer of the Group represented approximately 11.33% of revenue from operations.
- For the year ended 31st March, 2022, revenue from operations of one customer of the Group represented approximately 12.50% of revenue from operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

52 OTHER STATUTORY INFORMATION

- a) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- b) The Group do not have any transactions with companies struck off.
- c) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- d) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- e) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- f) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- g) The Group have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

53 DETAILS OF CORPORATE SOCIAL RESPONSIBILITY

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A. Gross amount required to be spent by the Company during the year	49.51	38.41
B. Amount spent during the year		
a) Construction / acquisition of any asset	26.87	-
b) on purpose other than (i) on above*	21.83	41.15
Total (B)	48.70	41.15
C. Details related to CSR expenditure spent during the year		
a) Benefit of armed forces veterans	-	2.50
b) Environment sustainability and protection of flora and fauna	4.00	2.91
c) Promoting health care, facilities for woman, orphans, old day homes and day care centres	27.27	22.34
d) Promoting Education	13.60	12.30
e) Setting up Public Libraries, protection of culture	-	1.10
f) Vocational skill development & livelihood enhancement	3.83	-
Total (C)	48.70	41.15
D. Amount of excess CSR expenditure available for set off in current financial year	2.74	
E. Excess CSR expenditure to be carried forward under section 135(5) of the Companies Act (Refer note 15) (B-A)	1.93	2.74

*includes contribution made to related party CSTPL Foundation amounting to ₹ Nil (previous year ₹ 0.5 million) (Refer note 40)



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

(All amounts are in rupees million, unless otherwise stated)

54 INITIAL PUBLIC OFFER

The Holding Company was incorporated on 07th November, 2003 and in July 2021 the Shareholders of the Holding Company made an offer for sale of 17,184,682 equity shares aggregating to ₹ 15,466.22 million. The equity shares of the Holding Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on 19th July, 2021. The Holding Company has not received any proceeds from the Offer and all such proceeds (net of any Offer related expenses which are borne by Selling Shareholders) have gone to the Selling Shareholders. The Offer has been authorised by resolution of Board of Directors at their meeting held on 20th March, 2021. Further, the Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to the resolution dated 06th April, 2021.

55 EVENTS OCCURRING AFTER BALANCE SHEET DATE

In Board Meeting held on 18th May, 2023 Board of Director have recommended, subject to the approval of shareholders, dividend of ₹ 3/- per equity share of face value of ₹ 1/- each for the year ended 31st March, 2023 on 10,62,38,572 (including 1,033 shares issued on 05th May, 2023 under ESOP-2021 scheme) amounting to ₹ 318.72 million.

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of

Clean Science and Technology Limited

Ashok Boob

Managing Director

DIN : 0410740

Krishnakumar Boob

Director

DIN : 0410672

Rahim Merchant

Partner

Membership No: 132907

Place: Pune

Date: 18th May, 2023

Sanjay Parnerkar

Chief Financial Officer

Place : Pune

Date: 18th May, 2023

Mahesh Kulkarni

Company Secretary

M. No: 19364

Place : Pune

Date: 18th May, 2023

ABBREVIATION

Sr. No.	Abbreviation	Particulars
1	4-MAP	4-Methoxy Acetophenone
2	ABS	Acrylonitrile butadiene styrene
3	ACM	Audit Committee Meeting
4	ADRS	American Depository Receipts
5	AGM	Annual General Meeting
6	AP	Ascorbyl Palmitate
7	API	Active Pharmaceutical Ingredients
8	ASA	Acrylonitrile styrene acrylate
9	B2B	Business-to-Business
10	BCP	Business Continuity Plan
11	BHA	Butylated Hydroxy Anisole
12	BIS	Bureau of Indian Standards
13	BOD	Board of Directors
14	CAGR	Compound Annual Growth Rate
15	CAPA	Corrective-and-preventive-actions
16	CAPEX	Capital Expenditure
17	CFCL	Clean Fino-Chem Limited
18	CFO	Chief Financial Officer
19	CII	Confederation of Indian Industry
20	CIN	Corporate Identification Number
21	CO ₂	Carbon Dioxide
22	COD	Chemical Oxygen Demand
23	CP	Certificate of Practice
24	CPCB	The Central Pollution Control Board
25	CS	Company Secretary
26	CSR	Corporate Social Responsibility
27	CSTL	Clean Science and Technology Limited
28	CSTL ESOS 2021	Clean Science and Technology Limited Employee Stock Option Scheme 2021
29	DC	Designated consumer
30	DCC	Dicyclohexyl Carbodiimide
31	DGCI&S	Directorate General of Commercial Intelligence and Statistics
32	DIN	Directors Identification Number
33	DTAA	Double Tax Avoidance Agreement
34	EBIT	Earnings Before Interest and Taxes
35	EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
36	EHS	Environment, Health, and Safety
37	EMS	Energy Monitoring System
38	EPDM	Ethylene Propylene Diene Monomer
39	ESG	Environmental, Social and Governance
40	ESOS / ESOP	Employee Stock Option Scheme
41	ETP	Effluent Treatment Plant
42	FCS	Fellow Company Secretary
43	FMCG	Fast Moving Consumer Goods
44	FSSC 22000	Food Safety System Certification 22000
45	FY	Financial Year
46	GC	Green Chemicals
47	GDRS	Global Depository Receipts
48	GHG	Greenhouse Gas
49	GJ	Gigajoule
50	HALS	Hindered Amine Light Stabilizers
51	HAP	Hazardous Air Pollutant
52	HazOP	Hazards & Operability Study
53	HFCs	Hydrofluorocarbon
54	ICC	Indian Chemical Council
55	ID	Independent Director
56	IEPF	Investor Education and Protection Fund
57	IICA	Indian Institute of Corporate Affairs
58	IMCC	Intelligent Motor Control Centre
59	Ind AS	Indian Accounting Standards
60	IPO	Initial Public Offer
61	ISIN	International Securities Identification Number
62	ISO	International Organization for Standardization
63	IST	Indian Standard Time
64	KMP	Key Managerial Personnel
65	KWH	Kilowatt-hour
66	LCA	Life Cycle Assessments
67	LTIFR	Lost Time Injury Frequency Rate
68	MCA	Ministry of Corporate Affairs
79	MCCIA	The Maratha Chamber of Commerce Industries and Agriculture
70	MD	Managing Director
71	MEE	Multiple Effect Evaporator
72	MEHQ	Monomethyl Ether of Hydroquinone

ABBREVIATION (CONTD.)

Sr. No.	Abbreviation	Particulars
73	MIDC	Maharashtra Industrial Development Corporation
74	MNC	Multinational Corporations
75	MOEF	Ministry of Environment & Forests
76	MPS	Minimum Public Shareholding
77	MSDS	Material Safety Data Sheet
78	MSME	Micro, Small and Medium Enterprises
79	MVR	Mechanical Vapour Recompressor
80	MW	Megawatt
81	N ₂ O	Nitrous oxide
82	NA	Not Applicable
83	NDPS Act	The Narcotic Drugs and Psychotropic Substances Act, 1985
84	NED	Non-Executive Director
85	NF ₃	Nitrogen Trifluoride
86	NO _x	Nitrogen Oxides
87	NRC	Nomination and Remuneration Committee
88	NSE	National Stock Exchange of India Limited
89	OAVM	Other Audio Visual Means
90	OHC	Occupational Health Committees
91	OHS	Occupational Health and Safety
92	OHSAS	Occupational Health and Safety Assessment Series
93	PAN	Permanent Account Number
94	PAT	Profit after Tax
95	PBQ	Para Benzoquinone
96	PBT	Profit Before Tax
97	PCPIR	Petroleum, Chemicals & Petrochemical Investment Regions
98	PESO	The Petroleum and Explosives Safety Organization
99	PID	Process Implementation Design
100	PIT	Prohibition of Insider Trading
101	PLI	Production Linked Incentive
102	PM	Particulate Matter
103	POP	Persistent Organic Pollutants
104	POSH	The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.
105	PR	Peer Reviewed
106	PTFFE	Plate type falling film evaporation
107	R&D	Research and Development
108	RBI	Reserve Bank of India
109	RC	Responsible Care
110	RCA	Root-cause-analysis
111	RM	Raw Material
112	RMC	Risk Management Committee
113	RNRO	Round Disc Reverse Osmosis
114	RoDTEP	Remission of Duties or Taxes on Export Products
115	ROI	Return on Investments
116	RTA	Registrar and Transfer Agent
117	SAN	styrene-acrylonitrile copolymer
118	SCABA	Self-contained breathing apparatus
119	SDG	Sustainable Development Goals
120	SEBI	Securities and Exchange Board of India
121	SEBI LODR	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
122	SEBI SBEB	SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
123	SF ₆	Sulfur hexafluoride
124	SMEs	Small and Medium Enterprises
125	SMP	Senior Management Personnel
126	SOP	Standard Operating Process
127	SO _x	Sulphur Oxides
128	SPM	Suspended particulate matter
129	SRC	Stakeholders' Relationship Committee
130	TBHQ	Tertiary Butyl Hydroquinone
131	UAE	United Arab Emirates
132	UDIN	Unique Document Identification Number
133	UN	United Nations
134	US FDA	United States Food and Drug Administration
135	UV	Ultraviolet
136	VC	Video Conferencing
137	VFDs	Variable Frequency Devices
138	VOC	Volatile Organic Pollutants
139	WOS	Wholly Owned Subsidiary
140	WTD	Whole Time Director
141	ZLD	Zero Liquid Discharge



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