



# Clean Science and Technology Limited

i n n o v a t i o n a t w o r k

**Date: 28.05.2022**

To,

**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Fort, Mumbai – 400 001  
**Scrip Code: 543318**

**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**

Dear Sir/Madam,

**Subject: Investor Presentation.**

In accordance with Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Financial Results presentation for quarter and year ended 31<sup>st</sup> March, 2022 is enclosed.

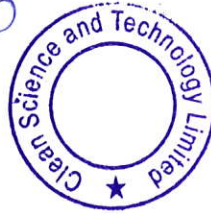
The aforesaid presentation is also available on the Company's website.

You are requested to take the same on record.

Thanking You.

**For Clean Science and Technology Limited**

**Mahesh Kulkarni**  
Company Secretary



Encl: As above

NK

**(Erstwhile known as Clean Science and Technology Private Limited)**

Regd. Office: 503, Pentagon Tower 4, Magarpatta City, Hadapsar, Pune - 411013, MS, India  
Tel: +91 20 26899953 Fax: +91 20 26898894 Email: corporate@cleanscience.co.in Website: www.cleanscience.co.in

CIN: L24114PN2003PLC018532



Clean Science and Technology Limited

innovation at work

Q4 & FY 2022 RESULTS PRESENTATION  
May 2022

## **UPDATES FOR QUARTER 4 AND FY2022**

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# SUMMARIZING FY 2022 PERFORMANCE

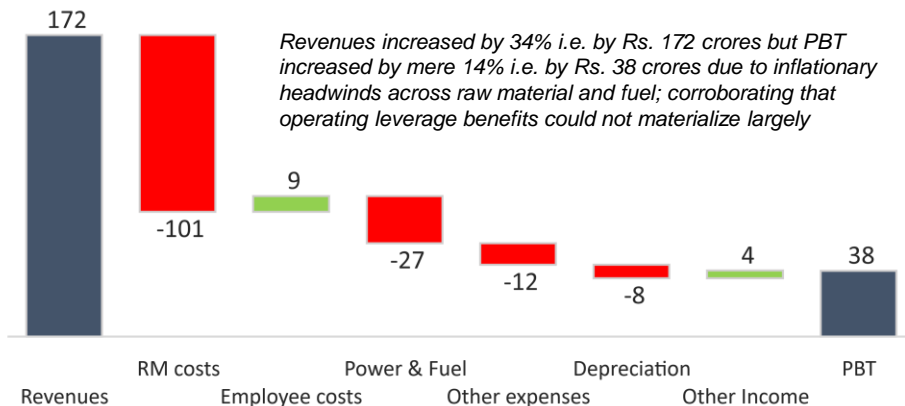


Meaningful revenue growth continues, inflationary headwind persists

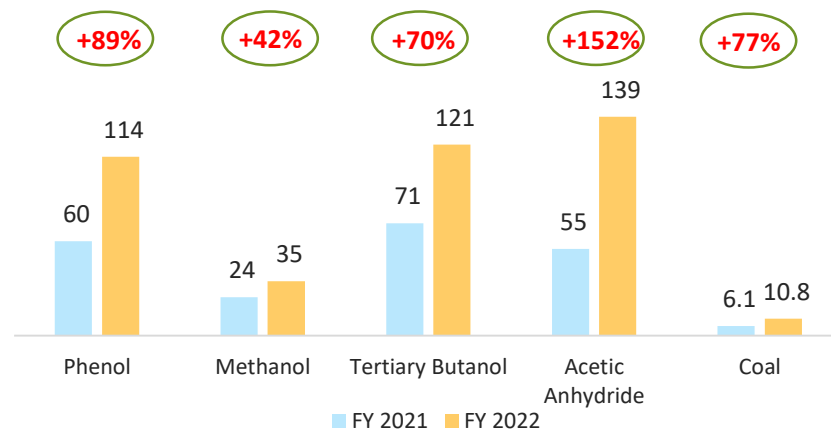
## Mixed quarter

- Recorded highest ever revenue for a financial year; sequential growth in revenues for 5th quarter now
- Margins impacted due to record prices of key inputs

FY 2022 v/s FY 2021 Difference (INR Crs.)



Key Input prices (INR/Kg)



## Other updates

- Incorporated wholly owned subsidiary, Clean Fino-Chem Limited, and capitalized it with c. INR 55 crores
- CRISIL reaffirmed the short term rating to CRISIL A1+ and ascribed long term rating of CRISIL A+/Positive

## Capex update

- Incurred total cash capex of ~ Rs. 140 crores during FY2022, the highest capex undertaken by the company in a fiscal year

# P&L OVERVIEW – MEANINGFUL REVENUE GROWTH



Benefits of operating leverage did not crystallize majorly due to steep increase in input prices

Particulars (INR Crore)	Q4 FY 2022	Q3 FY 2022	Q-o-Q (%)	Q4 FY 2021	Y-o-Y (%)	FY 2022	FY 2021	Y-o-Y (%)
Revenue from product sales	202.9	178.2	14%	132.4	53%	677.5	506.9	34%
Other operating income	1.7	2.6		1.5		7.4	5.5	
<b>Total Revenue</b>	<b>204.6</b>	<b>180.8</b>	<b>13%</b>	<b>133.9</b>	<b>53%</b>	<b>684.9</b>	<b>512.4</b>	<b>34%</b>
Raw material cost	71.2	63.3	12%	28.6	149%	224.7	123.6	82%
Operating expenses	49.6	41.4	20%	35.2	41%	160.2	129.9	23%
<b>EBITDA</b>	<b>83.8</b>	<b>76.1</b>	<b>10%</b>	<b>70.1</b>	<b>20%</b>	<b>300.0</b>	<b>259.0</b>	<b>16%</b>
<i>EBITDA %</i>	<i>41.3%</i>	<i>42.7%</i>		<i>52.9%</i>		<i>44.3%</i>	<i>51.1%</i>	
Depreciation costs	7.0	6.0	17%	4.3	62%	24.9	17.2	45%
Other Income	7.4	7.4		5.7		29.9	25.6	
<b>PBT</b>	<b>84.0</b>	<b>77.6</b>	<b>8%</b>	<b>71.5</b>	<b>18%</b>	<b>304.9</b>	<b>267.3</b>	<b>14%</b>
<i>PBT %</i>	<i>41.4%</i>	<i>43.5%</i>		<i>54.0%</i>		<i>45.0%</i>	<i>52.7%</i>	
<b>PAT</b>	<b>62.5</b>	<b>58.0</b>	<b>8%</b>	<b>53.1</b>	<b>18%</b>	<b>228.6</b>	<b>198.4</b>	<b>15%</b>
<i>PAT %</i>	<i>30.8%</i>	<i>32.5%</i>		<i>40.1%</i>		<i>33.7%</i>	<i>39.1%</i>	

# BALANCE SHEET SUMMARY



Return ratios impacted due to subdued margins and sizeable capex, which is yet to reach optimal utilization

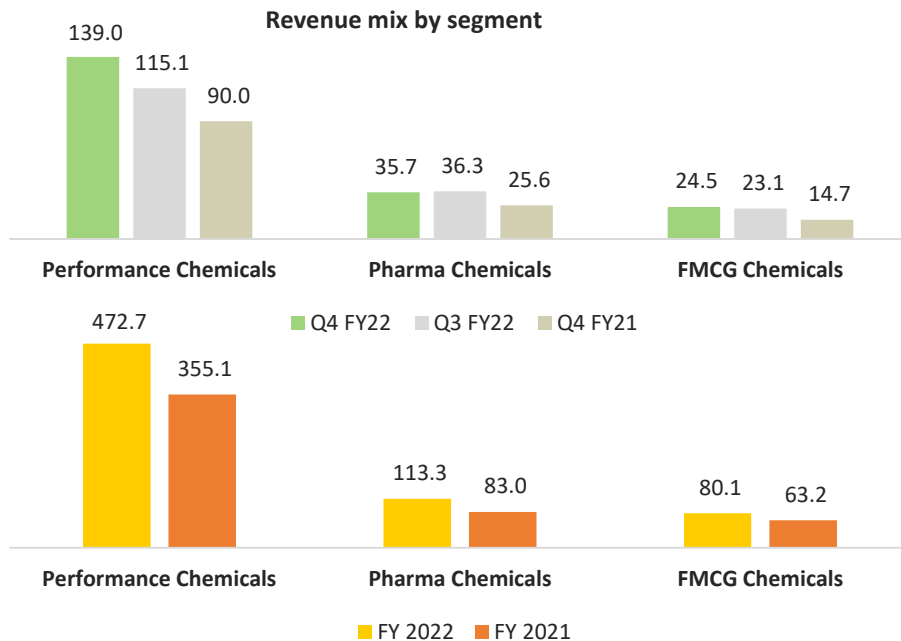
In INR Crore	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>		
Fixed Assets	292.3	182.6
Capital work-in-progress	44.1	55.0
Right of use asset	2.9	3.0
Other non-current assets	61.2	25.3
<b>Total non-current assets</b>	<b>400.6</b>	<b>265.9</b>
Inventories	88.1	52.9
Investments	190.4	231.5
Trade receivables	153.5	74.2
Cash and bank balances	29.5	15.6
Other current assets	51.8	20.2
Asset held for sale	11.1	-
<b>Total current assets</b>	<b>524.4</b>	<b>394.4</b>
<b>Total assets</b>	<b>925.0</b>	<b>660.3</b>
<b>Equity and Liabilities</b>		
<b>Net-worth</b>	<b>768.9</b>	<b>540.0</b>
Borrowings	0.3	0.3
Provisions	0.1	0.4
Deferred tax liabilities (net)	20.9	17.6
<b>Total non-current liabilities</b>	<b>21.3</b>	<b>18.3</b>
Trade payables	102.1	61.0
Other current liabilities	32.7	41.0
<b>Total current liabilities</b>	<b>134.8</b>	<b>102.0</b>
<b>Total equity and liabilities</b>	<b>925.0</b>	<b>660.3</b>

Key metrics	FY 2022	FY 2021
Return on Net Worth	29.7%	36.7%
Return on Capital Employed	51.5%	73.9%
Inventory days	115	129
Receivable days	61	51
Payable days	116	124

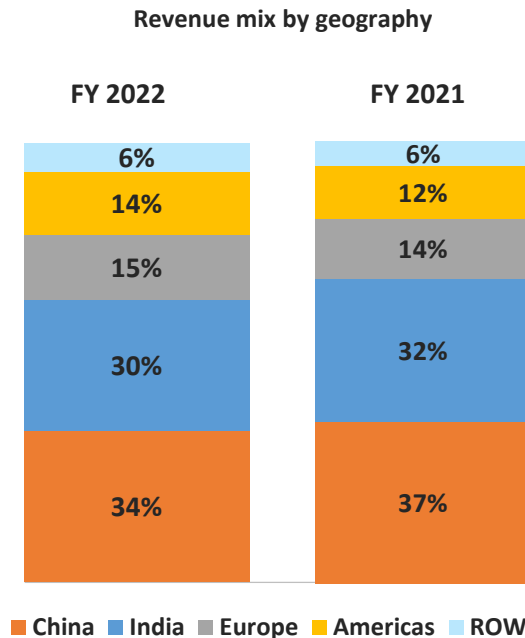
RoCE = EBIT (ex. Other income)/Capital Employed (Gross FA + Working Capital); RoNW = PAT as % of net worth  
 Receivable days=(Average Debtors/Sales)\*365; Inventory days=(Average Inventory/COGS)\*365; Payable days=(Average Payables/Raw material purchase)\*365

# SALES PROFILE – FY 2022

Strong sales growth across all segments and all geographies



- Performance chemicals - Contributing 70% of revenues. Increased realizations across all products. Added new products in the segment. Strong growth in BHA.
- Pharma chemicals – Contributing 17% of revenues. Increased volume offtake across products. Strong growth in DCC.
- FMCG chemicals – Contributing 12% of revenues. Increased realizations across all products.



- Exports continue to be key growth driver (Y-o-Y growth of 38%)
- De-risking of geographical revenue aided by new customer additions

# **CORPORATE PRESENTATION**

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# COMPANY EVOLUTION



Focus on R&D and innovation has led to new product launches on a consistent basis

- In line with our vision, changed name to Clean Science and Technology

- Started manufacturing 4-MAP

- Started manufacturing Anisole using liquid phase technology

- Started manufacturing DCC

- Started manufacturing p-BQ and TBHQ
- Expanded BHA capacity by 50%



- Started manufacturing MEHQ and Guaiacol

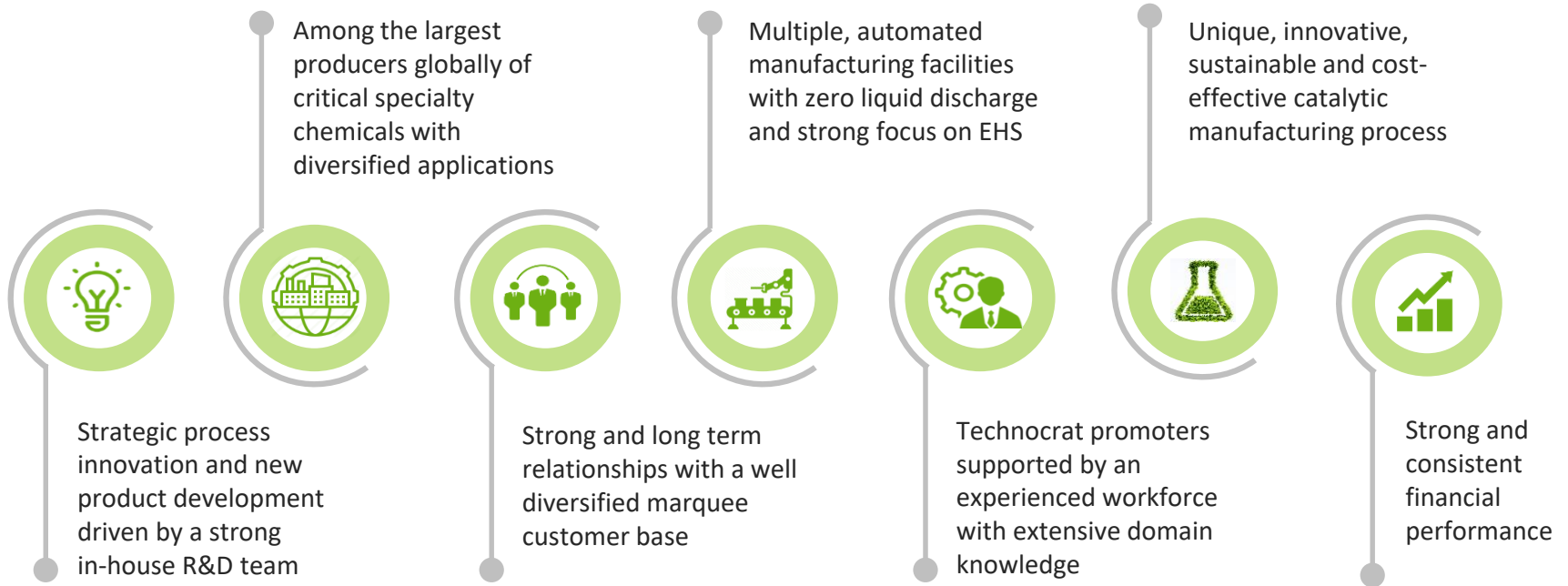
- Started manufacturing BHA

- Started manufacturing Anisole using vapor phase technology in UNIT-2
- Started manufacturing AP

- Started manufacturing Anisole using vapor phase technology in UNIT-3

# KEY DIFFERENTIATORS

Helped company develop into a global supplier of critical specialty chemicals in just 15 years



# STRONG IN-HOUSE R&D

Pioneered commercialization of catalytic-reactions in production processes



## R&D Strategy

- Designing catalysts to create novel manufacturing processes
- Develop eco-friendly processes by optimizing use of toxic starting materials
- Focus on enhanced atom economy to minimize wastage

## R&D Focus

- Improve yields and selectivity in our existing processes
- Expanding product portfolio across existing segments and adding new segments
- Identifying products with high demand that only limited manufacturers produce globally

## R&D Capabilities

- State of the art technological equipment to develop, test and evaluate products
- 3 independent R&D units with 45 personnel (including 6 PhD's)

# TECHNOCRAT PROMOTERS



Promoters' sole business interest remains Clean Science and Technology with 78.51% stake



**Ashok Boob**  
Managing Director

Key functions: Projects,  
Manufacturing Capabilities

Over 26 years of work experience in the chemical industry.

Previously worked as an Executive Director at Mangalam Drugs and Organics Ltd.

B.Chem. Engg. - ICT,  
Mumbai, India



**Siddharth Sikchi**  
Executive Director

Key functions:  
Marketing, R&D

Over fifteen years of experience in the chemical industry.

M.Sc. –  
University of Manitoba,  
Canada.

B.Tech - ICT, Mumbai



**Krishna Boob**  
Executive Director

Key functions:  
Public relations, Purchase

Close to two decades of expertise in the chemical industry.

Previously, worked as Director at Mangalam Drugs and Organics Ltd.

B.Pharma - University of  
Mumbai, India



**Parth Maheshwari**  
Vice President

Key functions:  
Business operations

Over 6 years of work experience in the chemical industry.

MBA – Babson College  
B.Chem. Engg., Savitribai  
Phule University, India

# ROBUST CORPORATE GOVERNANCE

Distinguished Board of Directors and reputed financial market reviewers



## Pradeep Rathi

Chairman and  
Non-Executive Director

B.Sc, M.S. (MIT, USA),  
MBA (Columbia, USA)

Chairman – Sudarshan Chemicals



## Prof. G. D. Yadav

Non-Executive,  
Independent Director

B.Chem. Engineering,  
Ph.D Technology



## Sanjay Kothari

Non-Executive,  
Non-Independent Director

B.Com (University of Calcutta)  
Member of ICAI and ICSI



## Keval Doshi

Non-Executive,  
Independent Director

B.Com. (University of Mumbai),  
Member of ICAI

Erstwhile Partner at Ernst & Young LLP



## Madhu Dubhashi

Non-Executive,  
Independent Director

PG in Business Administration (IIM  
Ahmedabad)

Mr. Pradeep Rathi, Prof. G. D. Yadav, and Mr. Sanjay Kothari have been Board members for over a decade, reflecting our commitment towards long-term value creation for our business

Statutory Auditor

**BSR & Co. LLP**



Long term A+ (Positive)

Short term A1+



Commercial Banking Partners



ERP System



# DIVERSIFIED PRODUCT PROFILE

De-risked business model with product applications across various critical end-user industries



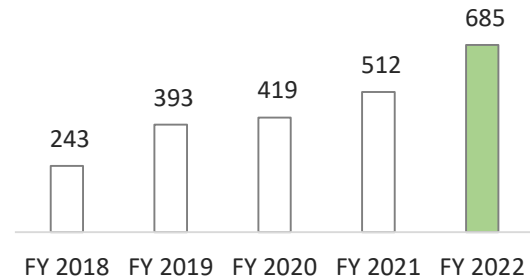
PRODUCT	APPLICATION	REVENUE (INR Crore)												
<b>PERFORMANCE CHEMICALS</b>														
➤ MEHQ (Monomethyl ether of hydroquinone)	<ul style="list-style-type: none"> <li>• Polymerization inhibitor in acrylic acids, acrylic esters, super absorbent polymers (diapers and sanitary pads)</li> <li>• Pre-cursor for agrochemical industry</li> </ul>	<table border="1"> <tr><th>FY</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th></tr> <tr><td>Revenue (INR Crore)</td><td>147</td><td>249</td><td>272</td><td>355</td><td>473</td></tr> </table>	FY	2018	2019	2020	2021	2022	Revenue (INR Crore)	147	249	272	355	473
FY	2018		2019	2020	2021	2022								
Revenue (INR Crore)	147		249	272	355	473								
➤ BHA (Butylated Hydroxy Anisole)	<ul style="list-style-type: none"> <li>• Anti-oxidant in food and animal feed industry</li> </ul>													
➤ TBHQ (Tertiary Butyl Hydroquinone)	<ul style="list-style-type: none"> <li>• Stabilizer in oil industry</li> </ul>													
➤ PBQ (Para Benzoquinone)	<ul style="list-style-type: none"> <li>• Intermediate in agrochemical industry</li> </ul>													
➤ AP (L-Ascorbyl Palmitate)	<ul style="list-style-type: none"> <li>• Infant food formulations, breakfast cereals and cosmetics</li> </ul>													
<b>PHARMACEUTICAL CHEMICALS</b>														
➤ Guaiacol	<ul style="list-style-type: none"> <li>• Pre-cursor to manufacture APIs for cough syrup</li> </ul>	<table border="1"> <tr><th>FY</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th></tr> <tr><td>Revenue (INR Crore)</td><td>50</td><td>68</td><td>64</td><td>83</td><td>113</td></tr> </table>	FY	2018	2019	2020	2021	2022	Revenue (INR Crore)	50	68	64	83	113
FY	2018		2019	2020	2021	2022								
Revenue (INR Crore)	50	68	64	83	113									
➤ DCC (Dicyclohexyl Carbodiimide)	<ul style="list-style-type: none"> <li>• Reagent in anti-retroviral</li> </ul>													
<b>FMCG CHEMICALS</b>														
➤ 4-MAP (4-Methoxy Acetophenone)	<ul style="list-style-type: none"> <li>• Used in UV blocker in sunscreens (cosmetics industry)</li> </ul>	<table border="1"> <tr><th>FY</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th></tr> <tr><td>Revenue (INR Crore)</td><td>33</td><td>61</td><td>67</td><td>63</td><td>80</td></tr> </table>	FY	2018	2019	2020	2021	2022	Revenue (INR Crore)	33	61	67	63	80
FY	2018		2019	2020	2021	2022								
Revenue (INR Crore)	33	61	67	63	80									
➤ Anisole	<ul style="list-style-type: none"> <li>• Precursor to perfumes, insect pheromones, pharmaceuticals</li> </ul>													

# STRONG FINANCIALS

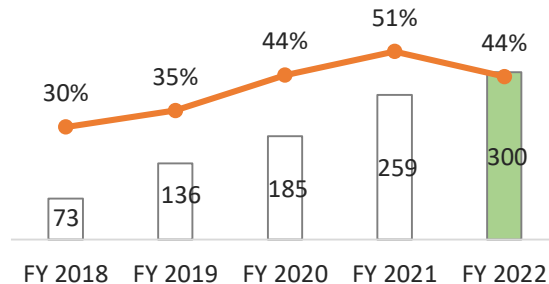
Resilient performance demonstrated over business cycles



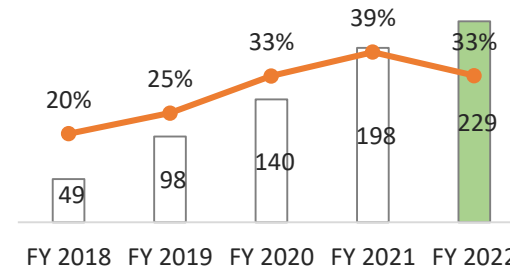
**REVENUE**  
CAGR of 30%



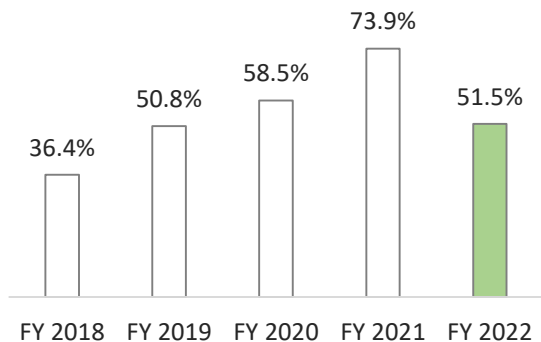
**EBITDA & EBITDA%**  
EBITDA CAGR of 42%



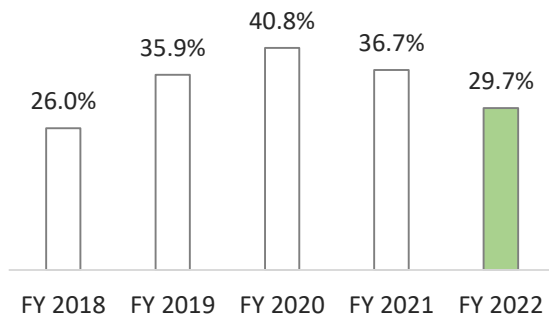
**PAT & PAT%**  
PAT CAGR of 47%



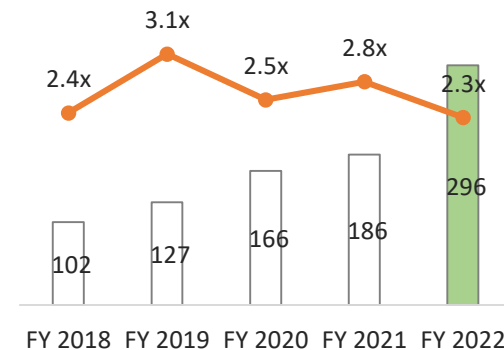
**RoCE**



**RoNW**



**Net FA & Net FA turnover(x)**



Note: RoCE = EBIT (ex. Other income)/capital employed (Gross FA + Working Capital); RoNW = PAT as % of net worth  
 Net Fixed Asset Turnover = Revenue from Operations/Net Fixed Assets; Net Fixed Assets include Property, plant and equipment, Right-of-use asset & Intangible Assets  
 (Nos. in INR crore)



## ENVIRONMENT (E)

- ✓ Awarded the “**Greenco Silver**” rating by GreenCo - Green Company Rating System. First specialty chemical company in the country to be given the “Greenco” certification
- ✓ Eco-friendly production processes ensures zero liquid discharge sites or only water as effluent
- ✓ Not received any material observations from pollution control board in India
- ✓ Power consumption from captive solar plants and investments in renewable energy projects



## SOCIAL (S)

- ✓ Total contribution towards CSR activities during last 3 years is INR 10.5 crore
- ✓ Focus Areas -
  - Education
  - Healthcare
  - Medical Relief
  - Vocational Skills
  - Environment Sustainability



## CORPORATE GOVERNANCE (G)

- ✓ More than 1/3rd Board members are independent
- ✓ Statutory auditors BSR & Co.
- ✓ Long term & short term ratings by CRISIL are A+ (Positive) and A1+ respectively



# DISCLAIMER



Certain statements and opinions with respect to the anticipated future performance of the company in the presentation (“forward - looking statements”), which reflect various assumptions concerning the strategies, objectives and anticipated results may or may not prove to be correct. Such forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward - looking statements. These include, among other factors, changes in economic, political, regulatory, business or other market conditions. Such forward - looking statements only speak as at the date the presentation is provided to the recipient and the company is not under any obligation to update or revise such forward -looking statements to reflect new events or circumstances. No representation or warranty (whether express or implied) is given in respect of any information in this presentation or that this presentation is suitable for the recipient’s purposes. The delivery of this presentation does not imply that the information herein is correct as at any time subsequent to the date hereof and the company has no obligation whatsoever to update any of the information or the conclusions contained herein or to correct any inaccuracies which may become apparent subsequent to the date hereof