



BOARDS' REPORT

Dear Shareholders,

CLEAN SCIENCE AND TECHNOLOGY LIMITED

(Erstwhile known as Clean Science and Technology Private Limited)

On behalf of the Board of Directors, it is our pleasure to present the 18th Annual Report together with the Audited Financial Statements of Clean Science and Technology Limited for the year ended 31st March 2021.

1. FINANCIAL SUMMARY:

The summarized standalone results of your Company are given in the table below.

Rs. In Millions

Particulars	Financial Year ended		Financial Year ended	
	Standalone		Consolidated	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
Total Revenue	5,380.50	4301.65	5,380.71	4301.65
Total Expenses	2,707.59	2478.29	2,707.70	2478.49
Profit Before Tax	2,672.91	1823.36	2,673.01	1823.16
Less: Tax expense	689.16	426.85	689.21	426.85
Profit After Tax	1,983.75	1396.51	1,983.80	1396.31

(Erstwhile known as Clean Science and Technology Private Limited)

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

CIN: U24114PN2003PLC018532

2. REVIEW OF BUSINESS OPERATIONS:

A. Business Operations:

During the year, the total revenue of your Company increased from Rs. 4301.65 million to Rs. 5,380.50 million. For the Financial Year 2020-21, your Company earned a profit before tax of Rs. 2,672.91 million as against Rs. 1823.36 million in the previous year. The Company aims to closely associate with its Customers and increase operational and technical excellence, while pruning cost. Research and Development will also play a bigger role in improving the competitiveness through innovations. Barring any unforeseen circumstances, the current year's prospects look favorable.

Your Company has shown growth in revenues during the year as compared to previous year despite COVID-19 pandemic.

B. Conversion to Public Limited Company:

The Company was converted into a Public Limited company pursuant to a special resolution passed by the Shareholders at an Extraordinary General Meeting held on 25th February 2021 and a fresh certificate of incorporation dated 4th March 2021 was issued by the Registrar of Companies consequent upon conversion, recording the change in the name of your Company to Clean Science and Technology Limited.

Pursuant to the conversion of your Company from a private company to a public company, the Memorandum of association and Articles of Association were amended to bring it in line with the requirements of Companies Act, 2013 applicable to the Public Limited Company.

C. Shifting of the registered office:

The following table sets forth details of the changes in the registered office of our Company during the year:

Date of change	Details of change in the address of the registered office	Reasons for change in the address of the registered office
15 th January 2021	The registered office of the Company was changed from Shubham, Navin Nagar Road, Sangamner 422 605 to Office No. P-4-503, Pentagon, Magarpatta City, Pune 411 028.	Administrative convenience
19 th January 2021	The registered office of the Company was changed from Office No. P-4-503, Pentagon, Magarpatta City, Pune 411 028 to Office No. 503, Pentagon Tower P-4, Magarpatta City, Hadapsar, Pune 411 013, Maharashtra.	To reflect the correct pin code in the records

D. Alteration of main object of the company:

Clause III(a) of the Memorandum of Association was amended pursuant to shareholders' approval in general meeting held on 27th March 2021 to include the following main object:

To carry on the business of generation, transmission, distribution and dealing in energy and power through solar, or any other form, kind or description.

The main object as contained in Memorandum of Association enables the Company to carry on the business presently being carried out and proposed to be carried out by it.

E.Filing of Draft Red Herring Prospectus

The Company filed Draft Red Herring Prospectus with Securities and Exchange Board of India on 6th April 2021. The Company received in principal approval of BSE Limited on 22nd April 2021 and from National stock Exchange (NSE) of India Limited on 29th April 2021 for listing of its shares.

3. PRODUCT MIX:

The Current products of the company are as follows:

1. Mono Methyl Ether of Hydroquinone (MEHQ)
2. Guaiacol
3. 4- Methoxy Acetophenone (4-MAP)
4. Butylated Hydroxy Anisole (BHA)
5. Anisole
6. Ascorbyl Palmitate
7. DCC

4. DIVIDEND:

The Company has declared and paid interim dividend of Rs. 25/- per share on equity shares during the year 2020-21 and the same be confirmed as final dividend for the financial year 2020-21.

5. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

6. TRANSFER TO RESERVES

During the year under review company has not transferred any amount to reserves.

7. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT:

Except as stated below, no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and on the date of this report.

The Company intends to make an Initial Public Offer (IPO) and has filed Draft Red Herring Prospectus with the Securities and Exchange Board of India (SEBI) on 6th April 2021. Since the IPO is through the Offer For Sale (OFS) route there will not be any increase in the paid up capital of the Company.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year Prof. Ganapati D. Yadav resigned as Non-Executive Director, Thereafter Prof. Ganapati D. Yadav and Mr Keval Doshi were appointed as Non-Executive Independent Directors of the Company w.e.f. 6th February 2021 and Ms. Madhu Dubhashi, Non-Executive Independent Woman Director was appointed w.e.f. 20th February 2021 for a term of five consecutive years. Mr Krishnakumar Boob and Mr Siddhartha Sikchi were appointed as Whole-time Directors w.e.f. 1st April 2021 and Key Managerial Personnel. Mr Ashok R. Boob was appointed as Key Managerial Personnel w.e.f. 4th March 2021.

Mr. Pradeep Rathi Director (DIN:00018577) shall be liable to retire by rotation and being eligible offer himself for re-appointment.

Mr Pratik Bora was appointed as Chief Financial Officer and Key Managerial Personnel w.e.f. 6th February 2021. Mr Mahesh Kulkarni was appointed as Company Secretary and Compliance Officer and Key Managerial Personnel w.e.f. 11th March 2021.

9. DECLARATION BY INDEPENDENT DIRECTOR

Pursuant to the provisions of Section 149 of the Companies Act, 2013 the Independent Directors have submitted declarations that each of them meet the criteria of Independence as provided under Section 149 of the Act.

The Independent Directors have also given declaration of compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their name appearing in the data bank of Independent Directors maintained by The Indian Institute of Corporate Affairs, Manesar ("IICA").

10. DETAILS OF BOARD & COMMITTEES

(a) The Board of Directors

During the year the Company appointed 3 Independent Directors including 1 women director thus the composition of Board consists of 8 directors out of which 1 is a Managing director, 2 are Executive Directors 3 are Independent Directors (with one-woman Independent Director) and 2 are Non-Independent Non-Executive Directors. The Board met 11 times and there has not been a time gap of more than 120 days between any two meetings of the Board. The composition of the Board is in accordance with the Companies Act, 2013 is as follows:

Sr.	Name of Director	Designation
1	Mr P R Rathi	Chairman- Non-Executive
2	Mr Ashok Boob	Managing Director
3	Prof. G D. Yadav#	Independent Director
4	Mr Sanjay Kothari	Non-Executive Director
5	Mr. Keval Doshi*	Independent Director
6	Ms. Madhu Dubhashi**	Independent Director
7	Mr. Krishnakumar R. Boob	Executive Director
8	Mr. Siddhartha Sikchi	Executive Director

Earlier Non-Executive Director Appointed as Independent Director w.e.f. 6th February 2021

* Appointed as Independent Director w.e.f. 6th February 2021

** Appointed as Independent Director w.e.f. 20th February 2021

The Board is of the opinion that the Independent Directors have adequate skills, expertise, experience, proficiency and high integrity to carry out their duties and responsibilities.

The details of the Board Meetings held and their attendance is as follows:

Sr No.	Date of the Board meeting	No. of Directors attended the meeting
1	3 rd April 2020	3
2	15 th May 2020	6
3	6 th August 2020	6
4	11 th November 2020	5
5	3 rd December 2020	3
6	24 th December 2020	5
7	19 th January 2021	3
8	6 th February 2021	5
9	20 th February 2021	6
10	20 th March 2021	7
11	27 th March 2021	6

(b) Audit Committee

The Company constituted the Audit Committee on 20th March 2021 in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing (Obligations and Disclosure Requirement) Regulations 2015. The Company was a Private Limited Company and converted into Public Limited Company with effect from 4th March 2021. The Audit Committee met two times in the last year on 20th March 2021 and 27th March, 2021 and not more than 120 days have elapsed between two meetings. The Composition of the Audit Committee is as follows-

Sr	Name of Director	Designation
1	Mr. Keval Doshi	Chairman- Independent Director
2	Ms Madhu Dubhashi	Independent Director
3	Prof. G. D. Yadav	Independent Director
4	Mr Sanjay Kothari	Non-Executive Director

(c) Nomination and Remuneration Committee

The Company constituted a Nomination and Remuneration Committee of the Board on 20th March 2021 as per the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing (Obligations and Disclosure Requirement) Regulations 2015. The Nomination and Remuneration Committee met on 20th March 2021. The Composition of the Nomination and Remuneration Committee is as follows-

Sr	Name of Director	Designation
1	Prof. Ganapati Dadasaheb Yadav	Chairman- Independent Director
2	Mr. Keval Doshi	Independent Director
3	Mr. Pradeep Ramwilas Rathi	Non-Executive Director – Chairman Board

		of Directors
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(d) Risk Management Committee

The Company constituted a Risk Management Committee of the Board pursuant on 20th March 2021 as per the requirements of Regulation 21 of the SEBI Listing (Obligations and Disclosure Requirement) Regulations 2015. No meetings of the Committee were held. The Committee comprises of following members-

Sr.	Name of Director	Designation
1	Mr. Pradeep Ramwilas Rathi	Chairman - Non-Executive Director
2	Mr. Ashok Ramnarayan Boob	Managing Director
3	Mr. Keval Doshi	Independent Director
4	Mr. Sanjay Kothari	Non-Executive Director

(e) Stakeholders' Relationship Committee

For redressing the shareholder / investor complaints and grievances, the Company constituted the Stakeholders' Relationship Committee of the Board on 20th March 2021 as per the requirements of Section 178 of the Companies Act, 2013, and Regulation 20 of the SEBI Listing (Obligations and Disclosure Requirement) Regulations 2015. No meetings of the Committee were held. The Composition of the committee is as follows: -

Sr.	Name of Director	Designation
1	Ms. Madhu Dubhashi	Chairman - Independent Director
2	Mr. Siddhartha Ashok Sikchi	Executive Director
3	Mr. Sanjay Kothari	Non-Executive Director

(f) Corporate Social Responsibility Committee

The Company constituted Corporate Social Responsibility Committee (the "CSR Committee") of the Board on 17th July 2014 and subsequently upon conversion into Public Limited the Company reconstituted the same pursuant to resolution of the Board dated 20th March, 2021. Prof. G. D. Yadav was appointed as member of the Committee w.e.f. 20th March 2021 in place of Mr. Siddhartha Sikchi as per the requirements of Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee met 7 times in the last year on 25th June 2020, 18th July 2020, 24th July 2020, 23rd September 2020, 5th November 2020, 12th February 2021

and 20th March 2021.

Sr.	Name of Director	Designation
1	Prof. Ganapati Dadasaheb Yadav	Chairman - Independent Director
2.	Mr. Ashok Ramnarayan Boob	Managing Director
3	Mr. Krishnakumar Ramnarayan Boob	Executive Director

(g) Finance Committee

The Company constituted Finance Committee in 24th March 2007 to meet the day to day operational requirements. The Committee was reconstituted pursuant to resolution of the Board dated 20th March 2021 and Mr. Pradeep R. Rathi was appointed as Chairman of the Finance Committee. 12 Meetings were held during the year under review on 10th April 2020, 22nd May 2020, 25th June 2020, 23rd July 2020, 10th September 2020, 1st October 2020, 15th October 2020, 24th December 2020, 31st December 2020, 9th February 2021, 21st January 2021 and 20th February 2021.

Sr.	Name of Director	Designation
1	Mr. Pradeep Ramwilas Rathi	Chairman - Non-Executive Director
2	Mr. Ashok Ramnarayan Boob	Managing Director
3	Mr. Krishnakumar Ramnarayan Boob	Executive Director
4	Mr. Siddhartha Ashok Sikchi	Executive Director

(h) IPO Committee

The Board of Directors at its meeting held on 20th March 2021 constituted IPO Committee to meet the requirements of IPO. No meetings were held during the year. The members of the Committee are -

Sr.	Name of Director	Designation
1	Mr. Ashok Ramnarayan Boob	Managing Director
2	Mr. Krishnakumar Ramnarayan Boob	Executive Director
3	Mr. Siddhartha Ashok Sikchi	Executive Director

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your

Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 at the end of the financial year and of the profit of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. SHARE CAPITAL:

(a) AUTHORIZED CAPITAL:

The Authorized Equity Share Capital of the Company is Rs. 150,000,000 divided into 150,000,000 equity shares of Re. 1 each.

- i. During the year under review the Authorised share capital of the Company was increased from Rs. 20,000,000 divided into 2,000,000 equity shares of Rs. 10 each to Rs. 150,000,000 divided into 15,000,000 equity shares of Rs. 10 each on 24th December, 2020.
- ii. Further pursuant to resolution passed by Shareholders of the Company on 25th February, 2021, the Company sub-divided the face value of its Equity shares from Rs. 10 each to Re. 1 each and accordingly, the Authorised share capital of the Company became Rs. 150,000,000 comprising of 150,000,000 Equity Shares of face value of Re. 1 each.

(b) BONUS ISSUE:

Pursuant to a resolution passed by Shareholders of the company on December 24, 2020 the company approved issue of seven equity shares for every one equity share. Accordingly, 9,294,159 Equity shares of Rs. 10/- each were allotted on February 6, 2021 as bonus shares.

(c) EMPLOYEE STOCK OPTION SCHEME:

Pursuant to the resolutions passed by the Shareholders on 27th March 2021, the Company has adopted the Employee Stock Option Scheme (ESOS) 2021. As on the date of this report, Nomination and Remuneration Committee has approved the grant of 55,852 options to the eligible employees pursuant to CSTL ESOS 2021.

(d) PAID UP CAPITAL:

The cumulative number of issued, subscribed and paid-up Equity Shares pursuant to bonus allotment and sub-division is Rs. 106,218,960 divided into 106,218,960 Equity Shares of face value of Re. 1 each.

13. DEPOSITS:

The Company has in the financial year 20-21 has accepted deposits from directors amounting to Rs.17,13,000/-. The balance as on March 31, 2021 is Rs. 33,13,000 /-

14. INTERNAL AUDIT & CONTROLS:

The Company has an internal control system commensurate with the size and nature of business. The Company is committed to ensuring a comprehensive internal control structure to ensure across the board operational efficiency and compliance with applicable laws besides ensuring that all its assets are adequately safeguarded and protected. All internal control systems are regularly reviewed to ensure efficacy and suitability to changing requirements and regulations. The Company has retained the services of independent firm of professionals to conduct internal controls and provide reports on the adequacy or otherwise of internal control systems. All these reports and observations are regularly reviewed by the top management and also by the Board and gaps, if any, are addressed by rectifying systems and policies.

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

During the year under review there has been no significant and material orders passed by the regulator or courts or tribunals impacting the going concern status and company's operations in future.

16. COMPOUNDING APPLICATIONS FILED BY THE COMPANY

In respect of errors in relation to the equity shares jointly held by the Promoter and Promoter Group members in the annual returns (in Form MGT-7) filed for Fiscals 2017, 2018, 2019 and 2020, the names of first share holder was mentioned and did not include details of the respective second joint share holder. Also the annual return for Fiscal 2020 filed by the Company with the Registrar of Companies (RoC) contained errors of certain transfers between Promoter and Promoter Group members. Further, list of allottees attached to the return of allotment (in Form PAS-3) filed by the Company with the RoC, in relation to bonus issue of equity shares dated 6th February 2021, did not include details of joint shareholding for an allottee (a member of the Promoter Group). The Company have filed a petition dated 3rd April, 2021 for rectification of the aforesaid inconsistencies and compounding of the offence under Section 450 of the Companies Act, 2013, before the Regional Director, Western Region, Mumbai.

Further pursuant to the resolutions approved by the Board and Shareholders, the Company allotted sweat equity shares to Prof. Ganapati Dadasaheb Yadav and Dr. Dilip D. Ravetkar in 2007 and 2011 for their valuable services to the Company. The allotment of sweat equity shares to Dr. Dilip D. Ravetkar, one of the Selling Shareholders in the Offer (who currently holds 0.21% of our equity share capital) was not in accordance with the provisions of Section 79A of the Companies Act 1956 read with Unlisted Companies (Issue of Sweat Equity Shares) Rules, 2003, since he was neither a director nor a permanent employee of the Company at the time of such allotments. Also, an incorrect name for Prof. Ganapati Dadasaheb Yadav was inadvertently mentioned in the said Board and Shareholder resolutions and in the list of allottees included in the return of allotment filed with RoC for such issuance made in 2007. The Company have filed a compounding application dated 3rd April, 2021 before the Regional Director, Western Region, Mumbai seeking rectification of the aforesaid entry in the return of allotment and compounding of the offence under Section 450 of the Companies Act, 2013 and Section 629A of the Companies Act, 1956.

17. ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 copies of Annual Return of the Company prepared in accordance with Section 92(1) of the Companies Act, 2013 read with Rule 11 of the Companies (Management and Administration) Rules, 2014, are placed on the website of the Company and is accessible at the weblink: <https://www.cleanscience.co.in/financial-reports>

18. DETAILS OF HOLDING/ SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient features of the financial statement of company's holding, subsidiary or subsidiaries, associate company or companies and joint venture or ventures is given in **Form AOC-1** as **Annexure I** Performance and financial position of each of the subsidiaries, associates and joint venture companies is included in the consolidated financial statement.

Further, the Annual Accounts and related documents of the subsidiary company shall be kept open for inspection at the Registered & Corporate Office of the Company. The Company will also make available copy thereof upon specific request by any Member of the Company interested in obtaining the same. Further, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report include the financial information of its subsidiary.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company has not given any loan or has not given security or guarantee in connection with the Loan or have made any investments and therefore the provisions of Section 186 are not applicable for the financial Year.

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All transactions entered into with related parties during the financial year were in the ordinary course of business and at arm's length. The Board has approved a Policy for related party transactions which is available on Company's website www.cleanscience.co.in

The particulars of contract or 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 arm's length transactions under third proviso thereto are disclosed in **Form No. AOC-2** as per **Annexure II**. None of the transactions with any related parties were in conflict of interest.

21. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The requisite information pursuant to Section 197 (12) and Rule 5 (2) (i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure III** to this report.

22. RISK MANAGEMENT

In terms of the requirement of the Companies Act, 2013 the Company has adopted a Risk Management Policy. There is no specific risk which has been identified as threatening to the existence of the Company.

23. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on appointment and remuneration is available on the website of the Company at <https://www.cleanscience.co.in/company-policies>

24. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in Annexure IV of the report.

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

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 are as follows:

(a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	During the year electrical power of 6.34 million kWh generated through Solar Power plants installed by the Company
(ii)	the steps taken by the company for utilizing alternate sources of energy	
(iii)	the capital investment on energy conservation equipments	The Company has spent Rs.21.40 crores in setting up 5.6 MW Solar Power at Gogaon, Solapur and 0.90MW DC Solar Power at Sulerjawalge

(b) Technology absorption:

(i)	the efforts made towards technology absorption	Nil
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Nil
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Nil
	(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
(iv)	the expenditure incurred on Research and Development	Nil

(c) Foreign exchange earnings and Outgo

During the year, the total foreign exchange earned was Rs. 3477.18 million and the total foreign exchange outgo was Rs. 486.64 million.

26. AUDITORS' REPORT

The report of the Statutory Auditors along with notes to Schedules is enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments. There are no adverse remarks, qualifications etc in the Audit Report attached.

27. SECRETARIAL AUDIT REPORT

The Board of Directors at its meeting held on 20th March 2021 appointed M/s. J. B. Bhawe & Co, Company Secretaries, Pune as a Secretarial Auditor of the Company for the financial year 2020-21 to conduct auditing of Secretarial and related records of the Company.

The Secretarial Audit Report for the year ended 31st March 2021 is enclosed in **Annexure V** to this report.

28. AUDITORS:

The auditors, M/s. B S R & Co. LLP, Chartered Accountants, Pune [Firm registration No. 101248W/W-100022] were appointed as the statutory auditors of the Company for a period of 5 years from 1st April 2019 up to 31st March 2024 pursuant to provisions of Section 139 of the Companies Act 2013 read with Companies (Audit and Auditors) Rules, 2014. (Ratification of auditors at each Annual General Meeting, the provision is Omitted by the Companies (Amendment) Act,2017- Amendment Effective from 7th May 2018)

29. COST AUDITOR:

M/s. Sudhir Chintaman Sant, Cost Accountant was appointed as Cost Auditor of the Company for the Financial Year 2020-21 as per Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

In terms of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 the cost audit records maintained by the Company is required to be audited. The Board of Directors has on recommendation of Audit Committee, appointed M/s Dhananjay V. Joshi & Associates, Cost Accountants, Pune for conducting the cost audit of the Company for the Financial Year 2021-22.

M/s Dhananjay V. Joshi & Associates, Cost Accountants, Pune have confirmed that their appointment is within the limits of Section 144(3) (g) of the Companies Act, 2013 and Rules made thereunder, and have also certified that they are free from any disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act.

As required under the Act, remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, resolution seeking members ratification for remuneration to be paid to the Cost Auditors is included in the Notice convening Annual General Meeting.

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 framed thereunder have been maintained.

30. INDUSTRIAL RELATIONS

Industrial Relations continue to remain cordial at units located at Kurkumbh. The Board of Directors records its appreciation of the commitment and support of employees at all levels.

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

In order to prevent sexual harassment of women at work place The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee. Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. The Company has complied with the provisions relating to constitution of Internal Complaints Committee under the said Act. During the year under review, no complaint was received internal complaints committee.

32. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS:

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under Section 143(12) of the Companies Act, 2013 and rules made thereunder.

33. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has complied with all the applicable secretarial standards issued by the Institute of Company Secretaries of India.

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

The Board of Directors upon recommendation of Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Board of the Company, its Committees and the individual Board members, including Independent Directors, and accordingly, an annual evaluation of the performance of the Board, Committees and individual directors has been carried out pursuant to the provisions of the Act. The performance of the Board was evaluated by the Board after seeking inputs from all the directors. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

Performance evaluation of Independent Directors was done by the entire Board, excluding the independent director being evaluated. The Directors were satisfied with the evaluation results, which reflected the overall commitment and sense of duty

The Board has also adopted a Board Diversity Policy

35. FAMILIARISATION PROGRAMME:

Pursuant to The Companies Act, 2013, read with the rules thereunder, as amended (the “Companies Act”) read with Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) the company conducted programs/presentations to familiarize the independent directors with their roles, rights and responsibilities. Summary of Program attended by Independent Directors are hosted on the website of the Company.

36. APPRECIATIONS:

The Directors wish to place on record their appreciation to the banks for their continued co-operation and support. The Board of Directors also take the opportunity to acknowledge the dedicated efforts of workers, employees, consultants and all others without whose valuable support the success would not have been possible.

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

Sd/-

Ashok Ramnarayan Boob
Managing Director (DIN: 00410740)

Sd/-

Krishnakumar Ramnarayan Boob
Whole Time Director (DIN: 00410672)

Date: 12th June 2021

Place: Pune

Annexure I
FORM AOC – I

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

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

PART “A”: SUBSIDIARIES

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

Sr. No.	Details	Particulars
1	Name of the Subsidiary	Clean Science Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	NA
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4	Share capital	98,15,000
5	Reserves & Surplus	(33,00,279)
6	Total Assets	65,94,490
7	Total Liabilities	79,769
8	Investments	64,17,615
9	Turnover	2,17,615
10	Profit Before Taxation	1,75,726
11	Provision for Taxation	54,769
12	Profit After Taxation	1,20,956
13	Proposed Dividend	Nil
14	% of Shareholding	100%

Sr. No.	Details	Particulars
1	Name of the Subsidiary	Clean Organics Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	NA
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4	Share capital	2,00,000
5	Reserves & Surplus	(1,12,667)
6	Total Assets	1,12,333

7	Total Liabilities	25,000
8	Investments	Nil
9	Turnover	Nil
10	Profit Before Taxation	(34,822)
11	Provision for Taxation	Nil
12	Profit After Taxation	(34,822)
13	Proposed Dividend	Nil
14	% of Shareholding	100%

Sr. No.	Details	Particulars
1	Name of the Subsidiary	Clean Aromatics Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
4	Share capital	10,00,000
5	Reserves & Surplus	(72,889)
6	Total Assets	9,50,111
7	Total Liabilities	23,000
8	Investments	Nil
9	Turnover	Nil
10	Profit Before Taxation	(31,358)
11	Provision for Taxation	Nil
12	Profit After Taxation	(31,358)
13	Proposed Dividend	Nil
14	% of Shareholding	100%

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**

Sd/-

Ashok Ramnarayan Boob
Managing Director (DIN: 00410740)

Sd/-

Krishnakumar Ramnarayan Boob
Whole Time Director (DIN: 00410672)

Date: 12th June 2021

Place: Pune

PART “B”: ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures- NA

Name of Associates/Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date	-	-	-
2. Shares of Associate/Joint Ventures held by the company on the year end	-	-	-
No.	-	-	-
Amount of Investment in Associates/Joint Venture	-	-	-
Extend of Holding %	-	-	-
3. Description of how there is significant influence	-	-	-
4. Reason why the associate/joint venture is not consolidated	-	-	-
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	-	-	-
6. Profit / Loss for the year	-	-	-
i. Considered in Consolidation	-	-	-
ii. Not Considered in Consolidation	-	-	-

1. Names of associates or joint ventures which are yet to commence operations
2. Names of associates or joint ventures which have been liquidated or sold during the year.

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

Sd/-

Sd/-

Ashok Ramnarayan Boob
Managing Director (DIN: 00410740)

Krishnakumar Ramnarayan Boob
Whole Time Director (DIN: 00410672)

Date: 12th June 2021

Place: Pune

Annexure II
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.: - **No transactions**
2. Details of material contracts or arrangements or transactions at Arm's length basis.

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

Sd/-

Ashok Ramnarayan Boob
Managing Director (DIN: 00410740)

Sd/-

Krishnakumar Ramnarayan Boob
Whole Time Director (DIN: 00410672)

Date: 12th June 2021

Place: Pune

Annexure III

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 2021.

Sr. No.	Name & Age (Years)	Designation	Total Remuneration Rs. (in million)	Qualification and Experience (Years)	Date of Commencement of Service	Last employment held before joining the Company	% shareholding	Relation with any director
1	Mr. Ashok Ramnarayan Boob 69 years	Managing Director	146.09 million	BCE (UDCT Mumbai)	07.11.2003	Magalam drugs organics Ltd	15.36	Brother of Mr. Krishnakumar Boob and Uncle of Mr. Siddhartha Sikchi
2	Mr. Krishnakumar Ramnarayan Boob 65 years	Executive Director	74.71 million	B. Pharma (UDCT Mumbai)	07.11.2003	Magalam drugs organics Ltd	4.67	Brother of Managing Director Mr. Ashok Boob and Uncle of Mr. Siddhartha Sikchi
3	Mr. Siddhartha Ashok Sikchi 39 years	Executive Director	99.61 million	B. Tech (UDCT Mumbai), M. Sc Synthetic Organic Chemistry, (Canada)	15.12.2006	-	3.39	Nephew of Managing Director Mr. Ashok Boob and Nephew of Mr. Krishnakumar Boob

Disclosures as per Schedule V of Companies Act, 2013:

1. Remuneration includes Salary, Performance Bonus.
2. Salary is fixed and Performance Bonus is linked with Net Profits which is paid around 10% of Net Profits.
3. Service contracts, notice period, severance fees are not applicable
4. There is no Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable

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

Sd/-

Sd/-

Ashok Ramnarayan Boob
Managing Director (DIN: 00410740)

Krishnakumar Ramnarayan Boob
Whole Time Director (DIN: 00410672)

Date: 12th June 2021

Place: Pune

ANNEXURE - IV

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2020

1. Brief outline on CSR Policy of the Company.

CSR has been a long-standing commitment at Clean Science and Technology (“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

2. Composition of CSR Committee:

The CSR Committee was constituted with Mr Ashok R. Boob, Chairman of the CSR Committee and Mr. Krishnakumar R. Boob, and Mr. Siddhartha Sikchi, being the other members. Consequent to the conversion of status of the Company from Private Limited to Public Limited on 4th March 2021 the composition of CSR Committee was re-constituted on 20th March, 2021 and the members of the Committee were Prof. G. D Yadav, Independent Director as Chairman of the Committee, Mr. Ashok R. Boob, and Mr. Krishnakumar R. Boob being the other members of the 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	Mr. Ashok R. Boob	Managing Director	7	7
2	Mr. Krishna Kumar Boob	Executive Director	7	7
3	Mr. Siddhartha Sikchi *	Executive Director	7	7
4	Prof. G. D. Yadav**	Independent Director	7	-

* Ceased to be member w.e.f. 20th March 2021

**Appointed as member w.e.f. 20th March 2021

3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.	http://www.cleanscience.co.in/csr
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4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)	Not applicable
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5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2019-20	Nil	Nil
2	2018-19	Nil	Nil
3	2017-18	Nil	Nil
	Total		

6.	Average net profit of the company as per section 135(5)	Rs.129.63 Crores
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7(a).	Two percent of average net profit of the company as per section 135(5)	Rs.2.59 Crores
7(b).	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
7(c).	Amount required to be set off for the financial year, if any	NIL
7(d).	Total CSR obligation for the financial year (7a+7b-7c).	Rs.2.59 Crores

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs.3.05 Crores	Nil	Nil	Nil	Nil	Nil

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
	Nil	Nil	Nil	Nil		Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Pimpri Chinchwad Education Trust	Promoting education	Yes	Maharashtra	Dist. Pune	25,00,000	Yes	-	-
2.	CSTPL Foundation	Promoting education, healthcare and environment	Yes	Maharashtra	Dist. Pune	70,00,000	Yes	-	CSR00003355
3.	Atul Katariya Memorial Charitable Trust	Promoting education	Yes	Maharashtra	Taluka Daund, Dist. Pune	45,000	Yes	-	-
4	Krishnashray Gurukul Foundation	Enhancing vocational Skills, promoting education	Yes	New Delhi		15,00,000	Yes	-	-
5	Sangamner Medical Foundation	Promoting education, healthcare	Yes	Sangamner	Dist. Ahmednagar	1,25,00,000	Yes	-	-

	and Research Institute	including preventive healthcare		Maharashtra				
6	Indian Chemical Society	Promoting education	Yes	Acharya Prafulla Chandra Road, Kolkata-700 009	10,00,000	Yes	-	-
7	Pethvadgaon Shikshan Prasarak Mandal	Promoting education	Yes	Taluka Hatkanangale, Dist., Kolhapur Maharashtra	5,00,000	Yes	-	-
8	Maheshwari Vidya Prachark Mandal	Promoting education	Yes	Pune, Maharashtra	49,00,000	Yes	-	-
9	Friends of Tribals Society	Promoting education	Yes	Maharashtra Dist. Pune	3,30,000	Yes	-	-
10	Rotary Club	preventive healthcare	Yes	Maharashtra Dist. Pune	2,80,000	Yes	-	-
	Total				3,05,55,000			

(d)	Amount spent in Administrative Overheads	NIL
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(e)	Amount spent on Impact Assessment, if applicable	NIL
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(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	Rs.3,05,55,000/-
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(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	2,59,26,299/-
(ii)	Total amount spent for the Financial Year	3,05,55,000/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil/-
(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)]	Nil/-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1.	2019-20	Nil	Nil	Nil	Nil	Nil	Nil
2.	2018-19	Nil	Nil	Nil	Nil	Nil	Nil
3.	2017-18	Nil	Nil	Nil	Nil	Nil	Nil
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a)	Date of creation or acquisition of the capital asset(s).	Nil
(b)	Amount of CSR spent for creation or acquisition of capital asset	Nil
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Nil
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).: NA

Sd/- Ashok R. Boob Managing Director	Sd/- Prof. G. D. Yadav Chairman CSR Committee.
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Annexure V

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2021

[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
M/S. CLEAN SCIENCE AND TECHNOLOGY LIMITED
(erstwhile Clean Science and Technology Private Limited)
Office No. 503, Pentagon Tower P-4,
Magarpatta City, Hadapsar,
Pune 411 013, 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. (Hereinafter called “the Company”).

Secretarial Audit was conducted for the period from 1st April 2020 to 31st March 2021, in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances of the Company and expressing my opinion thereon. I have been engaged as Secretarial Auditor of the Company to conduct the Audit of the Company to examine the compliance of Companies Act 2013, and the other laws listed below.

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 authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to spread of the COVID-19 pandemic, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2021 (“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 2021 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; [**Not applicable during the Audit Period, since the Company is unlisted**]
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The 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; [**Not applicable during the Audit Period**]
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 [**Not applicable during the Audit Period, since the Company is unlisted**]
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; [**Not applicable during the Audit Period, since the Company is unlisted**]
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [**Not applicable during the Audit Period, since the Company is unlisted**]
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities And Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014; [**Not applicable during the Audit Period, since the Company is unlisted**]
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [**Not applicable during the Audit Period, since the Company is unlisted**]
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [**Not applicable during the Audit Period, since the Company is unlisted**]
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [**Not applicable during the Audit Period, since the Company is unlisted**]

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:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days 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 meeting. All the decisions of the board are passed with unanimous consent of all the directors and are recorded as part of the 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.

During the year under report:

1. **A.** The Authorised share capital of the Company was increased from Rs. 2,00,00,000/- divided into 20,00,000 equity shares of Rs. 10/- each to Rs. 15,00,00,000/- divided into 1,50,00,000 equity shares of Rs. 10/- each on 24th December, 2020. The company further approved issue of seven equity shares for every one equity share.
- B.** Accordingly, 92,94,159 Equity shares of Rs. 10/- each were allotted on February 6, 2021 as bonus shares.

- C. On 25th February, 2021, the Company sub-divided the face value of its Equity shares from Rs. 10/- each to Re. 1/- each and accordingly, the Authorised share capital of the Company is Rs. 15,00,00,000/- comprising of 15,00,00,000 Equity Shares of face value of Re. 1/- each.
- D. *The paid-up Equity Share capital pursuant to bonus allotment and sub-division is Rs. 10,62,18,960/- divided into 10,62,18,960 Equity Shares of face value of Re. 1/- each.*
2. The registered office of the Company was shifted from Shubham, Navin Nagar Road, Sangamner 422 605 to Office No. P-4-503, Pentagon, Magarpatta City, Pune 411 028 on 15th January, 2021 and further changed to Office No. 503, Pentagon Tower P-4, Magarpatta City, Hadapsar, Pune 411 013, Maharashtra on 19th January, 2021.
3. Prof. Ganapati D. Yadav resigned from the post of Non-Executive Director. Thereafter, he and Mr. Keval Doshi were appointed as Non-Executive Independent Directors of the Company w.e.f. 6th February 2021 and Ms. Madhu Dubhashi, Non-Executive Independent Woman Director was appointed w.e.f. 20th February 2021 for a term of five consecutive years. Mr Ashok R. Boob, Managing Director was appointed as Key Managerial Personnel w.e.f. 4th March 2021. Mr Pratik Bora was appointed as Chief Financial Officer and Key Managerial Personnel w.e.f. 6th February 2021. Mr Mahesh Kulkarni was appointed as Company Secretary and Compliance Officer and Key Managerial Personnel w.e.f. 11th March 2021.
4. The Company was converted into a Public Limited company pursuant to a special resolution passed by the Shareholders at an Extraordinary General Meeting held on 25th February 2021 and have formed various committees prescribed under the Companies Act 2013 and relevant rules.
5. Clause III(a) of the Memorandum of Association was amended pursuant to shareholders' approval in general meeting held on 27th March 2021 to include the following additional main object:
To carry on the business of generation, transmission, distribution and dealing in energy and power through solar, or any other form, kind or description.
6. On 27th March 2021, the Company has adopted the Employee Stock Option Scheme (ESOS) 2021.

This Report should be read along with my letter of even date annexed as Annexure and forms part of this Report for all purposes.

For J. B. Bhave & Co.
Company Secretaries

Sd/-

Jayavant Bhave
Proprietor
FCS: 4266 CP: 3068
PR. NO: 1238/2021
UDIN: F004266C000448743
Place: Pune
Date: 12.06.2021

**ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF
CLEAN SCIENCE AND TECHNOLOGY LIMITED (2020-2021)**

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 record 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 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. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
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 as limited to verification of procedure on test basis.
6. Due to COVID-19 pandemic and subsequent lockdown declared by the Central, State and Local governments, physical verification of documents/ registers/ papers was not possible and hence, we have relied on the scanned copies / emails/ digitally accessible data, information, registers,

documents and papers provided by the Company for carrying out the Secretarial Audit and to that extent our verification of documents and records might have been impacted.

7. The Secretarial Audit 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. Bhavé & Co.
Company Secretaries
SD/-

Jayavant Bhavé
Proprietor
FCS: 4266 CP: 3068
PR. NO: 1238/2021
UDIN: F004266C000448743
Place: Pune
Date: 12.06.2021

B S R & Co LLP

Chartered Accountants

8th floor, Business Plaza,
Westin Hotel Campus,
36/3-B, Koregaon Park Annex,
Mundhwa Road, Ghorpadi,
Pune - 411001, India

Telephone: +91 20 6747 7300
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INDEPENDENT AUDITORS' REPORT

To the Members of Clean Science and Technology Limited (Erstwhile known as Clean Science and Technology Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Clean Science and Technology Limited (Erstwhile known as Clean Science and Technology Private Limited) ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, 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 the 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 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

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.

Information Other than the Standalone Financial Statements and Auditors' 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 our auditors' 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.

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

Independent Auditors' Report – 31 March 2021 (continued)

Management's and Board of Directors' Responsibility 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/loss 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 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 in the standalone financial statements made by the Management and Board of Directors.

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

Independent Auditors' Report – 31 March 2021 (*continued*)

Auditor's Responsibilities for the Audit of the Financial Statements (*continued*)

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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.

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

Independent Auditors' Report – 31 March 2021 (continued)

Annexure A to the Independent Auditors' Report – 31 March 2021

(Referred to in our report of even date on the financial statements)

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2021, we report that:

- i. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The Company has a regular program of physical verification of its fixed assets, by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this program, certain items of plant and equipment were verified by the management during the year and no material discrepancies were noticed on such verification.
 - c) In our opinion and 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 of land and building as disclosed in note 3 to standalone financial statements on Property, Plant and Equipment are held in the name of the Company. In respect of immovable properties that have been taken on lease and disclosed as Right of use assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- ii. The inventory, except goods-in-transit, has been physically verified by the management during the year. There are no inventories lying with third parties as at 31 March 2021. In our opinion, the frequency of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verifications between physical stocks and the book records were not material and have been properly dealt with in the books of account.
- iii. In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made any investments or provided any guarantees or security to which provisions of Section 185 and 186 of the Act apply. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed there under apply. Accordingly, paragraph 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the books of account 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 manufacture of products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate and complete.

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

Independent Auditors' Report – 31 March 2021 (continued)

Annexure A to the Independent Auditors' Report – 31 March 2021 (continued)

- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax and other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been slight delay in few cases. As explained to us, the Company do not have dues on account of sales tax, custom duty , excise duty , service tax, value added tax and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax and other material statutory dues were in arrears as at 31 March 2021 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 the records of the Company examined by us, there are no dues of income tax, sales tax, goods and services tax, value added tax, custom duty, excise duty which have not been deposited by the Company with the appropriate authorities on account of any dispute.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings from financial institutions, government or any debentures during the year.
- ix. In our opinion and according to the information given to us the Company did not raise moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company. Refer note 50 to the Standalone Financial Statements.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its Director's during the current year is in accordance with the provisions of section 197 of the Act. The Ministry of Corporate affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with Section 177 and 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the Standalone Ind AS financial statements.
- xiv. In our opinion and according to the information and explanations given to us and based on 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.
- xv. According to the information and explanations given to us, and based on our examination of the records the Company has not entered into any non-cash transactions with Directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

Independent Auditors' Report – 31 March 2021 (*continued*)

Annexure B to the Independent Auditors' report on the Standalone Financial Statements of Clean Science and Technology Limited (Erstwhile known as Clean Science and Technology Private Limited) for the period ended 31 March 2021.

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 Companies Act, 2013

(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 (Erstwhile known as Clean Science and Technology Private Limited) ("the Company") as of 31 March 2021 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 2021, 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 Responsibility 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' 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 whether 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 such internal financial

Clean Science and Technology Limited
(Erstwhile known as Clean Science and Technology Private Limited)
Notes to the Standalone Financial Statements for the year ended 31 March 2021.
(All amounts are in INR million, unless otherwise stated)

1 Reporting entity

Clean Science and Technology Limited (erstwhile known as Clean Science and Technology Private Limited) ('the Company') is engaged in the manufacturing of various types of chemicals mainly MEHQ, Guaiacol, 4MAP at its manufacturing plant situated at Kurkumbh MIDC, Daund, Dist: Pune. The Company was incorporated under Companies Act, 1956. The Company caters to both domestic and international markets. The CIN of the Company is U24114PN2003PLC018532.

The Company's Financial statements for the year ended 31 March 2021 were approved for issue in accordance with a resolution of the directors on 12 June 2021.

The Company has converted from a Private Limited Company to a Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on 25 February 2021 and consequently the name of the Company has changed to Clean Science and Technology Limited pursuant to a fresh certificate of incorporation issued by ROC on 04 March 2021.

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these Financial statements. The Company has consistently applied the following accounting policies to all periods presented in the Financial statements.

2.1 Basis of preparation and presentation:

Compliance with Indian Accounting Standards

The Standalone Balance Sheet of the Company as at 31 March 2021 and 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 for the year ended 31 March 2021 and the significant accounting policies and other explanatory information (together referred to as 'Financial statements') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Functional and presentation currency

These Financial statements are presented in Indian Rupees, which is the Company's functional currency. All amounts have been rounded to the nearest million, upto two places of decimal, unless otherwise stated.

2.2 Basis of measurement

The Financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of defined benefit obligations.

2.3 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.

2.4 Use of judgements estimates and assumptions

The preparation of the 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 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 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 3 and Note 5 – Useful life of depreciable assets – Property, Plant and Equipment and Other intangible assets.
- Note 37 – Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.
- Note 35 – Recognition of tax expense including deferred tax.
- Note 43 – Defined benefit obligation: key actuarial assumptions.
- Note 40 – Impairment of trade receivables.
- Note 10 – Valuation of inventories.
- **Going concern assumption:**

These Financial statements have been prepared on a going concern basis. The management has, given the significant uncertainties arising out of the outbreak of COVID 19, as explained in note below, assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of this 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.

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Based on the above factors, Management has concluded that the “going concern” assumption is appropriate. Accordingly, the 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.

• **Estimation of uncertainties relating to global health pandemic from COVID-19:**

The World Health Organisation in February 2020 declared COVID-19 as a pandemic. The pandemic has been rapidly spreading throughout the world, including India. Governments around the world including India have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, the Company's manufacturing plants and offices also had to be closed down for a brief period of time, during the year ended 31 March 2021. As a result of the lockdown, the revenue during the period has been slightly impacted. The Company is monitoring the situation closely taking into account directives from the Government.

Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdown in the preparation of the Financial statements including the assessment of recoverable values of its property, plant and equipment, capital work-in-progress and intangible assets and the net realizable values of other assets. The Company has started operations and had a smooth recovery phase post lockdown. However, given the effect of these lockdowns on the overall economic activity in India, the impact assessment of COVID-19 on the abovementioned Financial statements captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from that estimated as at the date of approval of these Financial statements. The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.

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 at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. The company's obligation to provide a refund for defects in the products is recognised as a provision.

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.

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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 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 realizable value. The net realizable 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 realizable 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

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.

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• **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**

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 (except of assets as mentioned below). Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Solar power plants are depreciated over the period of 5 to 15 years.

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.

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2.8 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 amortized 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 recognized in the statement of profit and loss when the asset is derecognized.

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 recognized 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 unutilized accumulating compensated absences and utilize 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 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 recognized 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 recognized 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.

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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 recognizes 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 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.

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• **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 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.

2.11 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.

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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.

2.12 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 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.

2.13 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. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

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At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

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 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 being 95 to 99 years.

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.

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2.14 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 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).

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 financial statements on 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.

2.15 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.

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2.16 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

2.17 Government grants and subsidies

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 recognized.

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.

Renewable Energy Certificates (RECs)

RECs are recognised on a systematic basis in the statement of profit and loss as other operating income when there is a reasonable assurance that the RECs will be received, and all the conditions will be fulfilled.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company have been identified as being the Chief operating decision maker by the management of the Company.

2.19 Financial instruments

2.19.1 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. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options, and embedded derivatives in the host contract. All financial assets are recognised initially at fair value plus, 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')

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(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 recognized 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.

(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.

Trade receivables and loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

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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) recognized in the statement of profit and loss.

2.19.2 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.

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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 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

This is the most relevant category to the Company. 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.

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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.

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 amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the Financial statements is required to be disclosed.

However, The Ministry of Corporate Affairs ("MCA") amended Schedule III of the Companies Act, 2013, through a notification dated 24 March 2021. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. The Company is in the process of evaluating the effect of the amendments on its financial statement.

3 Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2020	Additions	Disposals during the year	As at 31 March 2021	As at 1 April 2020	Charge for the year	Disposals during the year	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021
Owned assets										
Land	26.88	15.64	-	42.52	-	-	-	-	26.88	42.52
Buildings	462.60	12.88	-	475.48	56.76	14.53	-	71.29	405.85	404.19
Plant and equipment	1,621.47	328.44	(1.64)	1,948.27	489.84	144.52	(1.45)	632.91	1,131.63	1,315.36
Research and Development related assets	33.86	7.95	-	41.81	13.75	4.07	-	17.82	20.12	23.99
Furniture and fixtures	18.38	2.71	-	21.09	8.56	1.81	-	10.37	9.82	10.72
Computer	6.98	1.39	-	8.37	4.06	1.34	-	5.40	2.92	2.97
Vehicles	38.98	8.76	(17.08)	30.66	11.02	4.28	(9.72)	5.58	27.96	25.08
Office equipment	3.38	0.45	-	3.83	2.31	0.32	-	2.63	1.07	1.21
Total	2,212.54	378.22	(18.72)	2,572.04	586.29	170.88	(11.17)	746.00	1,626.25	1,826.04

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2019	Additions	Disposals during the year	As at 31 March 2020	As at 1 April 2019	Charge for the year	Disposals during the year	As at 31 March 2020	As at 1 April 2019	As at 31 March 2020
Owned assets										
Land	26.88	-	-	26.88	-	-	-	-	26.88	26.88
Buildings	397.03	65.57	-	462.60	43.84	12.92	-	56.76	353.19	405.85
Plant and equipment	1,195.50	425.97	-	1,621.47	376.40	113.45	-	489.84	819.09	1,131.63
Research and Development related assets	26.37	7.50	-	33.86	10.33	3.42	-	13.75	16.04	20.12
Furniture and fixtures	16.67	1.71	-	18.38	6.97	1.59	-	8.56	9.70	9.82
Computer	4.81	2.17	-	6.98	3.02	1.03	-	4.06	1.79	2.92
Vehicles	28.55	10.43	-	38.98	7.57	3.45	-	11.02	20.98	27.96
Office equipment	3.04	0.34	-	3.38	2.00	0.31	-	2.31	1.04	1.07
Total	1,698.85	513.69	-	2,212.54	450.13	136.16	-	586.29	1,248.72	1,626.25

3 Right of use Asset

Particulars	Gross Block				Amortisation				Net Block	
	As at 1 April 2020	Additions	Disposals during the year	As at 31 March 2021	As at 1 April 2020	Charge for the period	Disposals during the year	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021
Leasehold land	28.00	3.08	-	31.08	1.00	0.33	-	1.33	27.00	29.75
Total Assets	28.00	3.08	-	31.08	1.00	0.33	-	1.33	27.00	29.75

Particulars	Gross Block				Amortisation				Net Block	
	As at 1 April 2019	Additions	Disposals during the year	As at 31 March 2020	As at 1 April 2019	Charge for the year	Disposals during the year	As at 31 March 2020	As at 1 April 2019	As at 31 March 2020
Leasehold land	10.40	17.59	-	28.00	0.87	0.13	-	1.00	9.53	27.00
Total Assets	10.40	17.59	-	28.00	0.87	0.13	-	1.00	9.53	27.00

4 Capital work-in-progress

Particulars	As at 1 April 2020	Additions	Capitalised during the year	As at 31 March 2021
Buildings	33.26	196.78	(10.89)	219.15
Plant and machinery	0.89	532.99	(203.11)	330.77
Total	34.15	729.77	(214.00)	549.92

Particulars	As at 1 April 2019	Additions	Capitalised during the year	As at 31 March 2020
Buildings	3.87	33.26	(3.87)	33.26
Plant and machinery	35.41	0.89	(35.41)	0.89
Total	39.28	34.15	(39.28)	34.15

5 Other Intangibles assets (other than internally generated)

Particulars	Gross Block				Amortisation				Net Block	
	As at 1 April 2020	Additions	Deletions	As at 31 March 2021	As at 1 April 2020	Charge for the year	Deletions	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021
Computer Software	6.20	1.02	-	7.22	3.69	0.85	-	4.54	2.51	2.68
Total	6.20	1.02	-	7.22	3.69	0.85	-	4.54	2.51	2.68

Particulars	Gross Block				Amortisation				Net Block	
	As at 1 April 2019	Additions	Deletions	As at 31 March 2020	As at 1 April 2019	Charge for the year	Deletions	As at 31 March 2020	As at 1 April 2019	As at 31 March 2020
Computer Software	5.37	0.83	-	6.20	2.94	0.75	-	3.69	2.44	2.51
Total	5.37	0.83	-	6.20	2.94	0.75	-	3.69	2.44	2.51

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

Notes to the Standalone Financial Statements (continued)

(All amounts are in rupees million, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
6 Investments		
Unquoted equity shares at cost		
981,500 (31 March 2020 : 981,500) equity shares of Clean Science Private Limited; a wholly owned subsidiary, of Rs.10 each fully paid-up	9.82	9.82
99,999 (31 March 2020 : 99,999) equity shares of Clean Aromatics Private Limited; a wholly owned subsidiary, of Rs.10 each fully paid-up	1.00	1.00
19,999 (31 March 2020 : 19,999) equity shares of Clean Organics Private Limited; a wholly owned subsidiary, of Rs.10 each fully paid-up	0.20	0.20
	<u>11.02</u>	<u>11.02</u>
Aggregate value of unquoted investments	11.02	11.02
Aggregate amount of impairment in value of investments	-	-
7 Loans		
<i>(Unsecured, considered good)</i>		
Security deposits	21.22	12.24
	<u>21.22</u>	<u>12.24</u>
Breakup of security details		
Loans, considered good - secured	-	-
Loans, considered good - unsecured	21.22	12.24
Loans, considered doubtful/ credit impaired	-	-
Total	<u>21.22</u>	<u>12.24</u>
Less: Loss allowance	-	-
Total loans receivables	<u>21.22</u>	<u>12.24</u>
8 Others financial assets		
<i>Deposits with original maturity of more than 12 months</i>		
Deposits with bank	4.97	3.51
Deposit with financial institution	150.00	-
	<u>154.97</u>	<u>3.51</u>
9 Other non-current assets		
Capital advances	48.16	19.28
Other loans and advances		
VAT credit receivable (net)	0.68	0.68
	<u>48.84</u>	<u>19.96</u>

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

Notes to the Standalone Financial Statements (continued)

(All amounts are in rupees million, unless otherwise stated)

10 Inventories

	As at 31 March 2021	As at 31 March 2020
<i>(valued at lower of cost and net realisable value)</i>		
Raw material [including stock in transit of Rs. 9.33 million (31 March 2020 : Rs. 30.04 million)]	115.28	72.14
Work-in-progress	288.20	201.29
Finished goods [including stock in transit of Rs. 62.88 million (31 March 2020 : Rs. 11.72 million)]	115.94	60.07
Stores and spares	9.57	12.39
	528.99	345.89

11 Investments

A. Investments carried at fair value through profit and loss (FVTPL)

Investment in mutual funds - Quoted

Nil (31 March 2020 : 1,16,922) units Birla Sun Life Treasury Optimizer Fund Direct Growth	-	31.21
9,37,285 (31 March 2020 : 9,37,285) units IIFL Special Opportunities Fund - Series 2	10.94	8.48
Nil (31 March 2020 : 284) units HDFC Liquid Fund-Regular Plan Growth	-	1.11
11,14,668 (31 March 2020 : 11,14,668) units of Kotak Banking and PSU Debt Fund Direct Growth	57.43	53.11
19,130 (31 March 2020 : 19,130) units of Kotak Corporate Bond Fund Direct Growth	57.10	52.81
Nil (31 March 2020 : 6,97,075) units of Franklin India Corporate Debt Fund Plan A Direct Growth	-	52.54
Nil (31 March 2020 : 31,68,949) Franklin India Banking And Psu Debt Fund Direct Growth	-	53.62
1,74,337 (31 March 2020 : 11,024) Kotak Money Market Direct Growth New	607.35	36.52
47,45,188 (31 March 2020 : 93,17,884) ICICI Corporate Bond Fund Direct Growth	111.54	200.43
18,972 (31 March 2020 : 72,697) Kotak Corporate Bond Fund Direct Growth	56.62	200.67
1,02,010 (31 March 2020 : 1,03,453) Axis Banking & PSU Debt Fund Direct Growth	214.00	200.80
Nil (31 March 2020 : 94,46,056) HDFC Arbitrage Fund Direct Growth	-	140.60
48,27,546 (31 March 2020 : 82,70,490) Kotak Equity Arbitrage Fund Growth	146.18	240.41
30,88,755 (31 March 2020 : Nil) IDFC Arbitrage Fund Direct Growth	82.65	-
57,36,044 (31 March 2020 : Nil) SBI Saving Fund Direct Growth	196.15	-
20,36,334 (31 March 2020 : Nil) Axis Short Term Fund Direct Growth	51.73	-
21,98,209 (31 March 2020 : Nil) IDFC Bond Fund Short Term Direct Growth	103.01	-
63,67,813 (31 March 2020 : Nil) HDFC Banking & PSU Debt Fund Direct Growth	116.21	-
9,97,783 (31 March 2020 : Nil) Kotak Banking and PSU Debt Fund Direct Growth (New Folio)	51.41	-
1,29,029 (31 March 2020 : Nil) Kotak Gilt Fund Direct Growth (New Folio)	10.58	-

B. Investment in others - Quoted (FVTPL)

Investments in liquid funds *	48.28	-
	1,921.18	1,272.32

* Includes investments in various small denomination instruments which are monitored through Aventus Absolute Return Strategy.

C. Investments carried at fair value through other comprehensive income (FVTOCI)

	As at 31 March 2021	As at 31 March 2020
Investment in equity shares - Quoted		
Investment in equity shares *	-	57.52
	<u>-</u>	<u>57.52</u>

* These investments in equity shares are monitored through Ventura PMS, Kotak PMS
Refer note 46 (a) for detailed breakup of Investment in equity shares (FVTOCI)

D. Investments carried at fair value through profit and loss (FVTPL)**Investment in equity shares - Quoted**

Investment in equity shares *	14.96	-
	<u>14.96</u>	<u>-</u>

* These investments in equity shares are monitored through Aventus PMS.
Refer note 46 (b) for detailed breakup of Investment in equity shares (FVTPL)

E. Investment at amortised cost**Investment in bonds - Quoted**

50 (31 March 2020 : Nil) IIFCL Tax Free Bond	63.29	-
50 (31 March 2020 : Nil) SBI-9.56% (Perpetual Bond)	52.99	-
100 (31 March 2020 : Nil) HDFC Perpetual Bond Fund	106.14	-
100 (31 March 2020 : Nil) SBI-9.37% (Perpetual Bond)	106.15	-
40,000 (31 March 2020 : Nil) IRFCL Tax Free Bond	50.00	-
	<u>378.57</u>	<u>-</u>
	<u>2,314.71</u>	<u>1,329.84</u>
(a) Aggregate book value of quoted investments	2,314.71	1,329.84
(b) Aggregate market value of quoted investments	2,317.02	1,329.84

12 Trade receivables**Unsecured, considered good****Receivable from related party**

From private company in which directors are directors/members (refer note 39)

- -

Receivable other than related party

Other parties

742.25 698.33

742.25 698.33

Breakup of security details

Trade receivables considered good - secured

- -

Trade receivables considered good - unsecured

742.25 698.33

Trade receivables considered doubtful / credit impaired

- -

Total

742.25 698.33

Less: Loss allowance

- -

Total trade receivables

742.25 698.33

*The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note no. 40 on financial instruments.

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

Notes to the Standalone Financial Statements (continued)

(All amounts are in rupees million, unless otherwise stated)

13 Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Balance with banks :		
In current account*	91.95	80.42
Cash on hand	0.36	0.60
	92.31	81.02

*Includes debit balance of working capital facility amounting to Rs. 19.70 Million (31 March 2020 : Rs. 23.57 million). These balances are not earmarked.

14 Bank balances other than cash and cash equivalents

Bank deposits due to mature within 12 months of the reporting date	63.37	0.77
	63.37	0.77

15 Loans

(Unsecured, considered good)

Loans and advances to related parties	-	3.57
Security deposits	2.27	2.27
	2.27	5.84

Breakup of security details

Loans, considered good - secured	-	-
Loans, considered good - unsecured	2.27	5.84
Loans, considered doubtful / credit impaired	-	-
Total	2.27	5.84
Less: Loss allowance	-	-
Total loans receivables	2.27	5.84

16 Other financial assets

(Unsecured, considered good)

Advances to employees	0.34	0.31
Gratuity fund balance	0.21	-
MTM (Loss)/ Gain on outstanding forward contract not designated as hedge	28.19	-
Scripts (FMS/ MEIS) receivable	0.19	12.94
Interest receivable	9.95	1.05
Other receivables	1.93	46.80
Recoverable expense from shareholders @**	54.41	-
	95.22	61.10

@ In relation to the expenses incurred for the proposed Initial Public Offer (offer for sale from existing shareholders) of equity shares of the Company during the year ended 31 March 2021, the selling shareholders at that time had confirmed that the expenses incurred by the Company till date and future expenses (including any tax reimbursements) will be reimbursed by each of them on a proportionate basis (i.e. in proportion to the respective selling shareholding pattern). These expenses had been approved by the shareholders in accordance with the agreements for services entered into by the Company for the purpose of proposed IPO. Refer note 39 and 50.

**Includes Auditor's Remuneration related to proposed IPO

Fees	7.35	-
	7.35	-

17 Other current assets

Balance with excise authorities	3.02	2.94
Custom authorities	4.92	4.92
GST receivable	84.06	18.46
Prepaid expenses	10.64	8.34
Advance for supply of goods	1.80	4.34
Other advances	0.26	0.87
	104.70	39.87

Clean Science and Technology Limited (Erstwhile known as 'Clean Science and Technology Private Limited')**Notes to the Standalone Financial Statements (continued)**

(All amounts are in rupees million, unless otherwise stated)

18 Share capital

Particulars	31 March 2021	31 March 2020
Authorised :		
150,000,000 (31 March 2020 : 2,000,000) equity shares of Re.1 each. (31 March 2020: Rs. 10 each)	150.00	20.00
TOTAL	150.00	20.00
Issued and subscribed and paid up:		
Equity share capital		
106,218,960 (31 March 2020 : 1,327,737) equity shares of Re.1 each fully paid-up (31 March 2020: Rs. 10 each fully paid-up)	106.22	13.28
TOTAL	106.22	13.28

Reconciliation of number of shares outstanding at the beginning and end of the year :

Equity share :	31 March 2021	31 March 2020
	Number of Shares	Number of Shares
Outstanding at the beginning of the year	1,327,737	1,415,727
Issue of bonus shares	9,294,159	-
Increase due to share split	95,597,064	-
Less : Equity shares bought back during the year	-	87,990
Outstanding at the end of the year	106,218,960	1,327,737

Clean Science and Technology Limited (Erstwhile known as 'Clean Science and Technology Private Limited')**Notes to the Standalone Financial Statements (continued)**

(All amounts are in rupees million, unless otherwise stated)

Note on bonus issue and share split

Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 24 December 2020, the Company issued and allotted fully paid-up “bonus shares” at par in proportion of seven new equity shares of Rs. 10 each for every one existing fully paid up equity share of Rs. 10 each held as on the record date of 05 February 2021. Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 25 February 2021, the Company undertook a stock split of 10 equity shares of Re. 1 each for one existing fully paid up equity share of Rs. 10. As a result of the above transactions, the issued, subscribed and paid up number of equity shares have been increased to 106,218,960 and the authorised number of equity shares are increased and restricted to 150,000,000.

Note on Buy-back of Shares

The Board of Directors of the company at its meeting held on 20 March 2020 had approved a proposal to buyback up to 87,990 equity shares of the company for an aggregate amount not exceeding INR 400 million being 6.22% of total paid up equity share capital of the company, at Rs. 4,546 per equity share. Letter of offer was issued to all eligible shareholders holding shares as on 31 December 2019. The period for tendering the shares for buyback was from 30 March 2020 to 31 March 2020. The Company bought back 87,990 equity shares for an amount of Rs. 400 million. The equity shares bought back were extinguished on 6 April 2020. Capital Redemption Reserve was created to the extent of nominal value of equity share capital extinguished of Rs. 0.88 million. Transaction costs (including tax on distributed income to shareholders) Rs. 91.17 million for the buyback have been adjusted to retained earnings.

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 Re. 1 per share as on 31 March 2021. 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 Re. 1 each fully paid (31 March 2020: Rs. 10 each fully paid)	31 March 2021		31 March 2020	
	Number of Shares	% of shareholding	Number of Shares	% of shareholding
1. Mr. Ashok Boob	16,316,940	15.36%	203,963	15.36%
2. Ms. Asha Boob	13,155,900	12.39%	164,450	12.39%
3. Ashokkumar Ramkishan Sikchi HUF	12,093,440	11.39%	151,168	11.39%
4. Ashok Ramnarayan Boob HUF	6,689,760	6.30%	83,622	6.30%
5. Mr. Parth Maheshwari	6,754,000	6.36%	84,425	6.36%
6. Ms. Nidhi Mohunta	6,754,000	6.36%	84,425	6.36%
J/w Ashok Boob				

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

Notes to the Standalone Financial Statements (continued)

(All amounts are in rupees million, unless otherwise stated)

19 Other equity

	As at 31 March 2021	As at 31 March 2020
Reserves and surplus		
A. Retained earnings	5,250.94	3,290.12
B. Securities premium	-	61.04
C. General reserve	42.99	74.01
D. Capital redemption reserve	-	0.88
E. Equity instruments designated through other comprehensive income	-	(14.83)
	5,293.93	3,411.22

	As at 31 March 2021	As at 31 March 2020
A. Retained earnings		
Opening balance	3,290.12	2,578.40
Profit for the year	1,983.75	1,396.51
Appropriations		
Interim dividend paid during the year*	(33.19)	(77.86)
Final dividend paid during the year**	-	(49.55)
Tax on dividend paid during the year	-	(26.06)
Buyback of equity shares	-	(399.12)
Transaction costs of buy back (including tax on distributed income to shareholders)	-	(91.17)
Transaction costs of increase in share capital	(1.24)	-
Transfer from/to other reserves	11.60	(41.21)
Remeasurements of defined benefit liability / (asset)	(0.10)	0.20
Closing balance	5,250.94	3,290.12

*Interim dividend for 2020-21 at Rs. 25 per equity share (31 March 2020 : Interim dividend for 2019-20 at Rs. 25 per equity share) prior to issue of bonus shares and stock split.

**Final dividend of 2019-20 paid during the year at Rs. Nil per equity share (31 March 2020 : Final dividend of 2018-19 paid during the year at Rs. 35 per equity share).

B. Securities Premium

Opening balance	61.04	61.04
Issue of bonus shares	(61.04)	-
Closing balance	-	61.04

C. General Reserve

Opening balance	74.01	74.89
Buyback of shares	-	(0.88)
Issue of bonus shares	(31.02)	-
Closing balance	42.99	74.01

Clean Science and Technology Limited (Erstwhile known as 'Clean Science and Technology Private Limited')**Notes to the Standalone Financial Statements (continued)**

(All amounts are in rupees million, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
D. Capital redemption reserve		
Opening balance	0.88	-
Issue of bonus shares	(0.88)	0.88
Closing balance	<u>-</u>	<u>0.88</u>
E. Equity instruments designated through other comprehensive income		
Opening balance	(14.83)	(4.57)
Transfer from/(to) other reserves	(11.60)	41.21
Add/(Less): Fair value changes during the year (net of tax)	26.43	(51.47)
Closing balance	<u>-</u>	<u>(14.83)</u>
	<u>5,293.93</u>	<u>3,411.22</u>

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

Notes to the Standalone Financial Statements (continued)

(All amounts are in rupees million, unless otherwise stated)

20 Borrowings	As at 31 March 2021	As at 31 March 2020
Unsecured		
Deposits from shareholders*	3.31	2.89
	<u>3.31</u>	<u>2.89</u>

*Deposits from shareholders are interest free and are repayable after 3 years from respective receipt of deposits.

21 Provisions		
Provision for employee benefits		
Compensated absences	3.74	3.32
	<u>3.74</u>	<u>3.32</u>

22 Borrowings		
Loans repayable on demand		
Cash credit and overdraft facilities from banks (secured)	-	18.99
Others		
Daimler Financial Services India Pvt Ltd (secured)	-	5.02
	<u>-</u>	<u>24.01</u>

a) Working capital loan from banks consist of cash credit facility from banks carrying interest rate ranging between 7.75 % to 8.90 % and are repayable on demand.

The details of securities for the short-term borrowings are as follows :

Primary security

(1) Hypothecation charge on stocks, stores and spares, consumables and book debts.

Collateral security

(2) Pari passu hypothecation charge on all current assets.

b) Term loan of Rs. Nil (31 March 2020: Rs. 5,024,016) taken from Daimler Financial Services India Private Limited for financing of new Mercedes-Benz S350d car. The last instalment has been paid in March 2021.

23 Trade payables		
Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 38)**	2.37	0.98
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises*	607.45	355.79
	<u>609.82</u>	<u>356.77</u>

*Includes dues to related parties (Refer note 39)

**Refer note 38 for disclosures required under MSMED Act

24 Other financial liabilities		
Employee benefits payable		
Salaries and benefits	11.65	8.54
Bonus payable	155.99	102.93
Payable for purchase of property, plant & equipment	110.23	27.52
MTM Loss / (Gain) on outstanding forward contract not designated as hedge	-	45.46
	<u>277.87</u>	<u>184.45</u>

Clean Science and Technology Limited (Erstwhile known as 'Clean Science and Technology Private Limited')**Notes to the Standalone Financial Statements (continued)**

(All amounts are in rupees million, unless otherwise stated)

25 Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Statutory dues payable		
Statutory dues including provident fund and withholding taxes		
TDS and TCS payable	119.09	79.23
Tax payable on distributed income to shareholders	-	90.58
Provident fund payable	0.91	0.72
ESIC payable	0.12	0.10
Professional tax payable	0.06	-
Advance from customer	10.35	2.33
	130.53	172.96

26 Provisions**Provision for employee benefits**

Compensated absences	1.50	1.08
Gratuity (Refer note 43)	-	0.41
	1.50	1.49

Clean Science and Technology Limited (Erstwhile known as 'Clean Science and Technology Private Limited')**Notes to the Standalone Financial Statements (continued)**

(All amounts are in rupees million, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
27 Revenue from operations		
Sale of products	5,069.41	4,093.38
Other operating revenue		
Export incentives	43.71	86.46
Scrap sale	1.16	0.56
Sale of electricity	10.00	12.60
	54.87	99.62
	5,124.28	4,193.00
28 Other income		
Interest income	11.51	1.36
Interest income on investments measured at amortised cost	17.94	-
Dividend income from current investments	29.45	20.65
Dividend income from investments measured at FVTOCI	0.33	1.58
Net gain on account of foreign exchange fluctuations	113.53	28.23
Profit on sale of instruments designated through fair value through profit and loss (FVTPL)	31.27	40.29
Fair value gain on instruments designated through fair value through profit and loss (FVTPL)	49.04	14.44
Miscellaneous income	3.15	2.10
	256.22	108.65
29 Cost of materials consumed		
Raw materials (including purchase components & packing material consumed)		
Opening inventories	72.14	79.80
Add : Purchases	1,421.76	1,272.13
	1,493.90	1,351.93
Less : Closing inventories	115.28	72.14
	1,378.62	1,279.79

Clean Science and Technology Limited (Erstwhile known as 'Clean Science and Technology Private Limited')**Notes to the Standalone Financial Statements (continued)**

(All amounts are in rupees million, unless otherwise stated)

30	Changes in inventories of finished goods and work-in-progress	For the year ended 31 March 2021	For the year ended 31 March 2020
	Opening Inventories		
	Finished Goods	60.07	83.93
	Work-in-progress	201.29	190.01
	Total (A)	261.36	273.94
	Closing Inventories		
	Finished Goods	115.94	60.07
	Work-in-progress	288.20	201.29
	Total (B)	404.14	261.36
	Total (A-B)	(142.78)	12.58
31	Employee benefits expense		
	Salaries, wages and bonus	420.67	299.33
	Contribution to provident and other funds (Refer note 43)	7.97	6.04
	Staff welfare expenses	6.93	4.76
		435.57	310.13
32	Finance costs		
	Interest expense on financial liabilities		
	Working capital loan	0.04	0.03
	Others	0.87	1.18
		0.91	1.21
33	Depreciation and amortisation expense		
	Depreciation of property, plant and equipment (refer note 3)	170.88	136.16
	Depreciation of right-of-use asset (refer note 3)	0.33	0.13
	Amortisation of intangible assets (refer note 5)	0.85	0.75
		172.06	137.04

Clean Science and Technology Limited (Erstwhile known as 'Clean Science and Technology Private Limited')**Notes to the Standalone Financial Statements (continued)**

(All amounts are in rupees million, unless otherwise stated)

34 Other expenses	For the year ended 31 March 2021	For the year ended 31 March 2020
Consumption of stores and spares	8.44	7.68
Power and fuel	349.49	347.53
Water charges	9.97	16.97
Repairs and maintenance		
Buildings	19.27	11.11
Machinery	84.58	63.20
Others	19.43	14.89
Insurance	12.32	6.97
Rent	0.40	-
Rates and taxes	5.66	4.37
Telephone and other communication expenses	1.90	1.82
Travelling expenses	3.39	5.67
Freight, clearing and forwarding	55.02	37.06
Sales commission	68.21	43.69
Advertising and sales promotion	0.05	0.05
Manpower supply	99.41	72.79
Legal and professional fees	23.51	15.53
Payments to auditors (refer note (a) below)	2.48	1.47
CSR expenses (Refer note 49)	30.56	33.20
Bank charges	2.35	2.91
Effluent treatment plant expenses	29.28	18.71
Printing and stationary	2.83	2.34
Loss on sale of property, plant and equipments	3.12	-
Miscellaneous expenses	31.54	29.58
	863.21	737.54
(a) Payment to auditors*		
As auditor		
Statutory audit fee	0.95	0.95
In other capacity		
Other services	1.50	0.45
Reimbursement of expenses	0.03	0.07
	2.48	1.47

* Excludes Rs 7.35 million (31 March 2020 Rs. Nil) 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 will be recovered from selling shareholders in the ratio of their selling shareholding pattern. Also refer note 16.

35 Taxes

(a) Statement of profit or loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax:		
Current income tax charge	617.51	461.19
Deferred tax	71.65	(34.34)
Income tax expense reported in the statement of profit or loss	689.16	426.85

(b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during in the period

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax:		
Taxes on equity instruments through other comprehensive income	(0.39)	6.12
Remeasurements gains and losses on post employment benefits	0.04	-
Deferred tax		
Taxes on equity instruments through other comprehensive income	(1.95)	2.54
Remeasurements gains and losses on post employment benefits		(0.07)
Income tax recognised in OCI	(2.30)	8.59

(c) Balance sheet

Tax assets

Particulars	As at 31 March 2021	As at 31 March 2020
Non- current tax assets	14.29	3.05
Current tax assets	-	-
Total tax assets	14.29	3.05

Current tax liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax (net of advance tax)	-	29.93
Total current tax liabilities	-	29.93

(d) Deferred tax

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities (DTL)		
Excess of depreciation/amortisation on property plant and equipment under income tax act	141.64	121.62
MTM Gain on outstanding forward contract not designated as hedge	18.53	(20.12)
Equity instruments measured at other comprehensive income	-	-
Mutual funds designated at fair value through profit and loss	14.70	5.33
	174.87	106.83
Deferred tax assets (DTA)		
Provision for employee benefits	(1.26)	(1.21)
Carry forward of losses	-	(1.64)
Bonds - Effective interest rate	-	-
Equity instruments measured at fair value	2.02	(1.95)
	0.76	(4.80)
Net deferred tax liability/(asset)	175.63	102.03

(e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	For the year ended 31 March 2021	For the year ended 31 March 2020
Accounting profit before tax	2,672.91	1,823.36
Tax rate	25.17%	25.17%
Tax as per IT Act on above	672.72	458.90
Tax expenses		
(i) Current tax	617.51	461.19
(ii) Deferred tax	71.65	(34.34)
(B)	689.16	426.86
Difference	(16.44)	32.05
Tax reconciliation		
Adjustments:		
Effect of permanent adjustments	8.42	27.49
Exempt income	-	(19.91)
Impact as a result of tax rate change	-	(8.21)
Impact as a result of capital gains included in accounting profit taxed at the applicable rates	3.96	(2.38)
Others	4.06	(29.03)
	-	-

(f) Movement in temporary differences:

	1 April 2020	Recognised in profit or loss during the year	Recognised in OCI during the year	31 March 2021
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax act	121.62	20.02	-	141.64
MTM Gain on outstanding forward contract not designated as hedge	(20.12)	38.65	-	18.53
Mutual funds designated at fair value through profit and loss	5.33	9.37	-	14.70
	106.83	68.04	-	174.87
Deferred tax assets (DTA)				
Provision for employee benefits	(1.21)	(0.05)	-	(1.26)
Carry forward of losses	(1.64)	1.64	-	0.00
Equity instruments measured at fair value	(1.95)	2.02	1.95	2.02
	(4.80)	3.61	1.95	0.76
Net deferred tax liability/(asset)	102.03	71.65	1.95	175.63
	1 April 2019	Recognised in profit or loss during the year	Recognised in OCI during the year	31 March 2020
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax act	129.09	(7.47)	-	121.62
MTM Gain on outstanding forward contract not designated as hedge	10.03	(30.15)	-	(20.12)
Mutual funds designated at fair value through profit and loss	1.96	3.37	-	5.33
	141.08	(34.25)	-	106.83
Deferred tax assets (DTA)				
Provision for employee benefits	(1.22)	(0.06)	0.07	(1.21)
Carry forward of losses	-	(1.64)	-	(1.64)
Equity instruments measured at fair value	(1.02)	1.61	(2.54)	(1.95)
	(2.24)	(0.09)	(2.47)	(4.80)
Net deferred tax liability/(asset)	138.84	(34.34)	(2.47)	102.03

36 Earnings Per Share

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profits attributable to equity shareholders		
Profit for basic earning per share of Re. 1 each*		
Profit for the year (in millions)	1,983.75	1,396.51
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the year	106,218,960	106,218,960
Basic EPS (Rs.)	18.68	13.15
Diluted Earnings Per Share		
Profit for diluted earning per share of Re. 1 each*		
Profit for the year (in millions)	1,983.75	1,396.51
Weighted average number of equity shares outstanding during the year for diluted EPS	106,218,960	106,218,960
Diluted EPS (Rs.)	18.68	13.15

Weighted average number of equity shares for Basic Earnings Per Share	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the beginning and at the end of the year*	106,218,960	106,218,960
Weighted average number of equity shares outstanding during the year	106,218,960	106,218,960

Weighted average number of equity shares for Diluted Earnings Per Share	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the beginning and at the end of the year*	106,218,960	106,218,960
Weighted average number of equity shares outstanding during the year	106,218,960	106,218,960

*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.

37 Contingent liabilities, contingent assets and commitments :

(a) Contingent liabilities

Pursuant to recent judgement by the Honorable Supreme Court dated 28 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 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 28 February 2019.

(b) Commitments

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	104.04	189.17
	104.04	189.17

38 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2021	As at 31 March 2020
Principal amount remaining unpaid to any supplier as at the end of the year		
Trade payables	2.37	0.98
Interest due thereon remaining unpaid to any supplier as at the end of the year		
Trade payables	-	-
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.	-	-

39 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

Key Management Personnel (KMP)

- | | | |
|----|---|---|
| 1 | Mr. Ashok Boob | Managing Director |
| 2 | Mr. Siddhartha Sikchi | Director |
| 3 | Mr. Krishnakumar Boob | Director |
| 4 | Mr. Pradeep Rathi | Non-executive Director |
| 5 | Ms. Madhu Dubhashi (appointed w.e.f 20 February 2021) | Independent Director |
| 6 | Mr. Sanjay Kothari | Non-executive Director |
| 7 | Mr. Ganapati Yadav | Non-executive Director / Independent Director |
| 8 | Mr. Keval Doshi (appointed w.e.f 25 February 2021) | Independent Director |
| 9 | Mr. Pratik Bora (appointed w.e.f 6 February 2021) | Chief Financial Officer |
| 10 | Mr. Mahesh Kulkarni (appointed w.e.f 11 March 2021) | Company Secretary |

Relative of Key Management Personnel

- 1 Ms. Nandita Sikchi
- 2 Ashok Rammarayan Boob HUF
- 3 Ms. Asha Boob
- 4 Mr. Parth Maheshwari
- 5 Mr. Ashok Sikchi
- 6 Ashokkumar Ramkishan Sikchi HUF
- 7 Krishnakumar Rammarayan 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 Matrix Fine Sciences Private Limited
- 2 M/s Shree Tiles
- 3 M/s Shree Pavers and Tiles
- 4 CSTPL Foundation
- 5 M/s Shree Pavers
- 6 Anantroop Financial Advisory Services Private Limited

(b) Related party transactions:**Key management personnel compensation**

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Short-term employee benefits	322.35	224.54
Director sitting fees	1.01	0.28
Total compensation	323.36	224.82

Sr. no	Nature of Transaction	For the year ended 31 March 2021				For the year ended 31 March 2020			
		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	-	2.16	-	2.16	0.09	0.86	-	0.95
2	Purchase of right to use asset	-	-	-	-	-	-	8.91	8.91
3	Sale of goods	-	1.11	-	1.11	-	3.10	-	3.10
4	Sale of scrap	-	-	-	-	-	0.14	-	0.14
5	Sale of property plant and equipments	3.58	0.23	-	3.81	-	-	-	-
6	Donation	-	7.00	-	7.00	-	20.50	-	20.50
7	Investment in subsidiary	-	-	-	-	-	-	1.00	1.00
8	Remuneration to relative of key management personnel- Short-term employee benefits	4.16	-	-	4.16	2.56	-	-	2.56
9	Interim dividend paid	31.49	1.63	-	33.12	73.87	3.83	-	77.70
10	Final dividend for previous year	-	-	-	-	47.01	2.44	-	49.45
11	Advance given to subsidiary	-	-	-	-	-	-	0.71	0.71
12	Repayment of advance given to subsidiary	-	-	0.02	0.02	-	-	-	-
13	Recoverable expenses from shareholders	51.61	2.68	-	54.29	-	-	-	-
14	Unsecured deposit received	1.71	-	-	1.71	1.60	-	-	1.60
15	Unsecured deposit (paid)	(1.29)	-	-	(1.29)	-	-	-	-
		91.26	14.81	0.02	106.09	125.13	30.87	10.62	166.62

(c) Related party transactions more than 10% of total transactions for the year ended :

Nature of transaction	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Purchase of raw material, consumables and spares		
M/s Shree Pavers and Tiles	2.16	0.86
b. Key management personnel compensation		
Mr. Ashok Boob	146.09	102.38
Mr. Siddhartha Sikchi	99.61	69.81
Mr. Krishnakumar Boob	74.71	52.35
c. Remuneration to relative of key management personnel		
Mr. Parth Maheshwari	4.16	2.56
d. Sale of Goods		
Matrix Fine Sciences Private Limited	1.11	3.10
e. Sale of scrap & other non operating income		
Matrix Fine Sciences Private Limited	-	0.14
f. Sale of property, plant and equipment		
Mr. Ashok Boob	0.99	-
Mr. Siddhartha Sikchi	1.07	-
Mr. Krishnakumar Boob	1.53	-
g. Interim dividend paid		
Mr. Ashok Boob	5.10	5.44
Ms. Asha Boob	4.11	4.52
Ashokkumar Ramkishan Sikchi HUF	3.78	5.19
h. Final dividend for previous year		
Mr. Ashok Boob	-	15.34
Ms. Asha Boob	-	12.96
Ashokkumar Ramkishan Sikchi HUF	-	11.24
i. Unsecured Deposits (paid)		
Mr. Siddhartha Sikchi	(1.29)	-
j. Unsecured deposits received		
Mr. Ashok Boob	1.04	1.60
Mr. Krishnakumar Boob	0.67	-
k. Advance given to subsidiary		
Clean Science Private Limited	-	0.71
l. Repayment of advance given to subsidiary		
Clean Organics Private Limited	0.02	-
m. Donation to CSTPL Foundation	7.00	20.50
n. Director Sitting Fees		
Mr. Ganapati Yadav	0.12	0.06
Mr. Pradeep Rathi	0.23	0.11
Mr. Sanjay Kothari	0.28	0.11
Mr. Kewal Doshi	0.22	-
Ms. Madhu Dubhashi	0.16	-
o. Purchase of right to use asset		
Clean Science Private Limited	-	8.91
p. Investment in Subsidiaries		
Clean Aromatics Private Limited	-	1.00
q. Recoverable expenses from shareholders		
Mr. Ashok Boob	8.68	-
Ms. Asha Boob	8.68	-

(d) Balances outstanding at the end of the year:-

Particulars	As at 31 March 2021	As at 31 March 2020
a. Trade payables		
M/s Shree Pavers and Tiles	0.50	0.03
b. Trade receivables		
Matrix Fine Sciences Private Limited	-	0.55
c. Unsecured deposit		
Mr. Siddhartha Sikchi	-	1.29
Mr. Ashok Boob	2.64	1.60
Mr. Krishnakumar Boob	0.67	-
d. Performance bonus payable (net of TDS)		
Mr. Ashok Boob	69.85	45.94
Mr. Siddhartha Sikchi	47.65	31.21
Mr. Krishnakumar Boob	35.75	23.61
e. Directors remuneration payable (net of TDS)		
Mr. Ashok Boob	1.17	1.03
Mr. Siddhartha Sikchi	0.80	0.55
Mr. Krishnakumar Boob	0.61	0.72
Mr. Sanjay Kothari	-	0.03
f. Remuneration payable to relatives of KMP		
Mr. Parth Maheshwari	0.18	0.16
g. Other receivables		
Clean Science Private Limited	-	3.55
Clean Organics Private Limited	-	0.02
h. Recoverable expenses from shareholders*		
Ms. Asha Boob	8.68	-
Mr. Ashok Boob	8.68	-
Ashokkumar Ramkishan Sikchi HUF	4.84	-
Ms. Asha Sikchi	4.06	-
Mr. Krishnakumar Boob	3.23	-
Ms. Nilima Boob	3.23	-
Other related selling shareholders	21.69	-

* Refer note 16 for the expenses recoverable from the selling shareholders

40 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.

Particulars	As at 31 March 2021	As at 31 March 2020
Total current assets (A)	3,943.82	2,562.66
Total current liabilities (B)	1,019.72	769.61
Working capital (A-B)	2,924.10	1,793.05

Following is the Company's exposure to financial liabilities based on the contractual maturity as at reporting date.

	As at 31 March 2021			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	3.31	-	3.31	3.31
Trade payables	609.82	609.82	-	609.82
Other liabilities	277.87	277.87	-	277.87

	As at 31 March 2020			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	26.90	24.01	2.89	26.90
Trade payables	356.77	356.77	-	356.77
Other liabilities	184.45	184.45	-	184.45

(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 selection 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:

	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings	-	18.99
Fixed rate borrowings	-	-
Total borrowings	-	18.99

The Company had the following variable and fixed rate borrowings outstanding

	31 March 2021		
	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%
	31 March 2020		
	Weighted average interest rate	Balance	% of total loans
Cash credit facility	9.21%	18.99	100%
Net exposure to cash flow interest rate risk	9.21%	18.99	100.00%

(d) Market risk

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, 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.

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

Notes to the Standalone Financial Statements (continued)

(All amounts are in rupees million, unless otherwise stated)

Foreign currency unhedged exposure :

(i) Financial assets

Financial assets	As at 31 March 2021		As at 31 March 2020	
	Foreign currency	Equivalent amount in rupees (in millions)	Foreign currency	Equivalent amount in rupees (in millions)
Trade receivables				
USD	6.35	466.73	4.41	332.16
EURO	0.28	23.70	0.30	24.60
Advance paid				
USD	-	-	0.01	1.11
EURO	-	-	-	-
Balance with banks - in EEFC accounts				
USD	0.82	60.29	0.61	45.92
EURO	0.07	5.80	0.10	8.10
Cash on hand				
USD	0.00	0.16	0.00	0.03
EURO	0.00	0.17	0.00	0.12
CNY	0.00	0.01	0.00	0.01
SGD	0.00	0.01	0.00	0.01
AED	0.01	0.10	0.00	0.06
RUB	0.00	0.00	0.00	0.00
IDR	0.22	0.00	0.22	0.00
CHF	0.00	0.01	0.00	0.01
		556.98		412.12

Note: Amounts seen as 0.00 are below the disclosure threshold of the Company.

Notes to the Standalone Financial Statements (continued)

(All amounts are in rupees million, unless otherwise stated)

(ii) Financial liabilities

Financial liabilities	As at 31 March 2021		As at 31 March 2020	
	Foreign currency	Equivalent amount in rupees (in millions)	Foreign currency	Equivalent amount in rupees (in millions)
Trade payables				
USD	1.14	83.75	0.69	52.19
EURO	0.00	0.12	0.00	0.30
		83.87		52.49

Note: Amounts seen as 0.00 are below the disclosure threshold of the company.

(iii) Currency wise net exposure (Financial assets - Financial liabilities)

Currency wise net exposure (assets -liabilities)	As at 31 March 2021		As at 31 March 2020	
	Foreign currency	Equivalent amount in rupees (in millions)	Foreign currency	Equivalent amount in rupees (in millions)
Particulars				
USD	6.03	443.43	4.34	327.04
EUR	0.34	29.54	0.39	32.51
CNY	0.00	0.01	0.00	0.01
SGD	0.00	0.01	0.00	0.01
AED	0.01	0.10	0.00	0.06
RUB	0.00	0.00	0.00	0.00
IDR	0.22	0.00	0.22	0.00
CHF	0.00	0.01	0.00	0.01
Total		473.10		359.62

Note: Amounts seen as 0.00 are below the disclosure threshold of the company.

(iv) Currency wise net exposure (Financial assets - Financial liabilities) (INR)

Currency	Amount in rupees (in millions)		Sensitivity %
	31 March 2021	31 March 2020	
USD	443.43	327.04	1.00%
EUR	29.54	32.51	1.00%
CNY	0.01	0.01	1.00%
SGD	0.01	0.01	1.00%
AED	0.10	0.06	1.00%
RUB	0.00	0.00	1.00%
IDR	0.00	0.00	1.00%
CHF	0.01	0.01	1.00%
	473.10	359.62	

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 millions)		Amount in rupees (in millions)	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
USD	4.43	3.27	(4.43)	(3.27)
EUR	0.30	0.33	(0.30)	(0.33)
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)
Total	4.73	3.60	(4.73)	(3.60)

Note: Amounts seen as 0.00 are below the disclosure threshold of the company.

*The exchange rate used by the Company is that notified by the Reserve Bank of India.

Impact of COVID - 19

The Company based on an internal assessment believes that the probability of the occurrence of their highly probable forecasted transactions is not significantly impacted by the COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing the hedge effectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

41 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.

The Company monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

Particulars	As at 31 March 2021	As at 31 March 2020
Total liabilities	1,202.40	877.85
Less: cash and cash equivalents and bank balances	155.68	81.79
Net debt	1,046.72	796.06
Total equity	5,400.15	3,424.50
Debt-equity ratio	0.19	0.23

42 Fair value measurements

(a) Categories of financial instruments -

Particulars	As at 31 March 2021					As at 31 March 2020				
	Carrying amount	Fair values				Carrying amount	Fair values			
		FVTPL	FVTOCI	Amortised cost	Amortised cost		FVTPL	FVTOCI	Amortised cost	Amortised cost
Category		Level 1	Level 1	Level 1	Level 2		Level 1	Level 1	Level 1	Level 2
Financial assets										
Trade receivables	742.25	-	-	-	742.25	698.33	-	-	-	698.33
Cash and cash equivalents	92.31	-	-	-	92.31	81.02	-	-	-	81.02
Other bank balances	63.37	-	-	-	63.37	0.77	-	-	-	0.77
Investment in bonds	378.57	-	-	380.88	-	-	-	-	-	-
Investment in mutual funds - Quoted	1,921.18	1,921.18	-	-	-	1,272.32	1,272.32	-	-	-
Investment in equity shares - Quoted	14.96	14.96	-	-	-	57.52	-	57.52	-	-
Loans	23.49	-	-	-	23.49	18.08	-	-	-	18.08
Other financial assets	250.19	-	-	-	250.19	64.61	-	-	-	64.61
Total financial assets	3,486.32	1,936.14	-	380.88	1,171.61	2,192.65	1,272.32	57.52	-	862.81
Financial liabilities										
Borrowings	3.31	-	-	-	3.31	26.90	-	-	-	26.90
Trade payables	609.82	-	-	-	609.82	356.77	-	-	-	356.77
Other financial liabilities	277.87	-	-	-	277.87	184.45	-	-	-	184.45
Total financial liabilities	891.00	-	-	-	891.00	568.12	-	-	-	568.12

(b) Fair value hierarchy:

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the company which are carried at amortized cost approximates the fair value (except for which the fair values are mentioned). Investments in Mutual Funds which are designated at FVTPL & investment in shares which are classified as FVTPL and FVTOCI are at fair value.

43 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 Rs. 5.94 million (31 March 2020 : Rs. 4.59 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 neutralize 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 Net employee benefit expense on account of gratuity recognised in employee benefit expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	2.01	1.46
Net interest (Income)/ Expense	0.02	(0.00)
Net benefit expense	2.03	1.46

Changes in the present value of the defined benefit obligation are as follows :

Particulars	As at 31 March 2021	As at 31 March 2020
Projected benefit obligation at the beginning of the year	6.55	5.35
Interest cost	0.39	0.39
Current service cost	2.01	1.46
Benefits paid	(0.22)	(0.31)
Remeasurements on obligation - (Gain) / Loss	0.19	(0.34)
Present value of obligation at the end of the year	8.92	6.55

Changes in the fair value of plan assets are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Fair value of plan assets at the beginning of the year	6.15	4.62
Interest income	0.36	0.40
Contributions	2.90	1.58
Mortality charges and taxes	(0.12)	(0.07)
Benefits paid	(0.22)	(0.31)
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	0.06	(0.07)
Fair value of Plan assets at end of the year	9.13	6.15
Actual return on plan assets	0.42	0.33

Re-measurements for the year (Actuarial (gain) / loss)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Experience gain / (loss) on plan liabilities	0.08	0.06
Demographic gain / (loss) on plan liabilities	-	(0.84)
Financial gain / (loss) on plan liabilities	0.12	0.44
Experience (gain) / loss on plan assets	(0.16)	0.06
Financial (gain) / loss on plan assets	0.10	0.01

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 31 March 2021	For the year ended 31 March 2020
Re-measurement for the year - obligation (gain) / loss	0.20	(0.34)
Re-measurement for the year - plan assets (gain) / loss	(0.06)	0.07
Total re-measurements cost / (credit) for the year recognised in other comprehensive income	0.14	(0.27)

Net Defined Benefit Liability/(Asset) for the year

Particulars	As at 31 March 2021	As at 31 March 2020
Defined Benefit Obligation	8.92	6.55
Fair value of plan assets	9.13	6.15
Closing net defined benefit liability/(asset)	(0.21)	0.40

Particulars	As at 31 March 2021	As at 31 March 2020
Current	(0.21)	0.40
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 31 March 2021	As at 31 March 2020
Funds managed by insurer	100%	100%

The principal assumptions used in determining gratuity obligations for the Company's plan are shown below:**Assumptions**

Particulars	As at 31 March 2021	As at 31 March 2020
	%	%
	IALM(2012-14) ult	IALM(2012-14) ult
Mortality table		
Discount rate	5.70%	6.00%
Rate of increase in compensation levels	10.00%	10.00%
Expected rate of return on plan assets	6.00%	7.60%
Withdrawal rate		
Age up to 30 years	22.00%	22.00%
Age 31 - 40 years	22.00%	22.00%
Age 41 - 50 years	22.00%	22.00%
Age above 50 years	22.00%	22.00%
Expected average remaining working lives of employees (in years)	4.45 *	4.43 *

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

A quantitative sensitivity analysis for significant assumption as at 31 March 2021 & 31 March 2020 is as shown below:

Assumptions	Defined benefit obligation			
	As at 31 March 2021		As at 31 March 2020	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Discount Rate				
Discount Rate	6.70%	4.70%	7.00%	5.00%
Amount	8.54	9.34	6.27	6.87
Salary increment rate				
Salary increment rate	11.00%	9.00%	10.00%	9.00%
Amount	9.23	8.63	6.79	6.34
Withdrawal rate				
Withdrawal rate	23.00%	21.00%	23.00%	21.00%
Amount	8.84	9.01	6.50	6.62

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	31 March 2021	31 March 2020
Less than 1 year	2.12	1.07
1 to 2 years	1.23	1.53
3 to 5 years	4.59	3.46
More than 5 years	8.94	6.37

Expected contributions for the next year

The company has contributed Rs. 2.91 million (31 March 2020 :Rs. 1.57 million) to its gratuity fund during the year. The Company has informed that it intends to contribute Rs. Nil (31 March 2020 :Rs. 0.06 million) towards its gratuity fund in 2022.

Note 44: Revenue from contracts with customers

A. Revenue streams

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations		
Sale of products	5,069.41	4,093.38
Other operating revenue		
Export incentives	43.71	86.46
Scrap sale	1.16	0.56
Sale of electricity	10.00	12.60
	54.87	99.62
	5,124.28	4,193.00

Disaggregation of revenue streams

The company is engaged in manufacturing of various types of chemicals mainly Ketone with other oxygen function and Ether phenol.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from contracts with customers		
Ketone with other oxygen function	499.83	491.65
Ether phenols	4,202.77	3,335.23
Others	366.81	266.50
Total revenue	5,069.41	4,093.38

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Timing of revenue recognition		
Goods transferred at a point in time	5,069.41	4,093.38
Goods transferred over time	-	-
Total revenue	5,069.41	4,093.38

45 : 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 1 April 2019	10.40
Additions	17.59
Disposals	-
Balance as at 31 March 2020	28.00
Balance as at 1 April 2020	28.00
Additions	3.08
Disposals	-
Balance as at 31 March 2021	31.08
Accumulated depreciation	
Balance as at 1 April 2019	0.86
Depreciation for the year	0.13
Depreciation on disposals	-
Balance as at 31 March 2020	0.99
Balance as at 1 April 2020	0.99
Depreciation for the period	0.34
Depreciation on disposals	-
Balance as at 31 March 2021	1.33
Net block	
As At 31 March 2020	27.00
As At 31 March 2021	29.75

A2. Lease liabilities

	As at 31 March 2021	As at 31 March 2020
Current	-	-
Non Current	-	-
Total	-	-

A3. Interest expenses on lease liabilities

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on lease liabilities	-	-

A4. Expenses on short term leases / low value assets

	For the year ended 31 March 2021	For the year ended 31 March 2020
Short-term lease	0.40	-
Low value assets	-	-

A5. Amounts recognised in the statement of cash flow

	For the year ended 31 March 2021	For the year ended 31 March 2020
Total cash outflow for leases	-	-

A6. Maturity analysis – contractual undiscounted cash flows

	As at 31 March 2021	As at 31 March 2020
Less than one year	-	-
One to five years	-	-
More than five years	-	-
Total undiscounted lease liabilities	-	-

Impact of COVID 19

The leases that the Company has entered with lessors majorly pertains for land taken on lease. The Company has already made payment of lease rentals and no changes in terms of those leases are expected due to the COVID-19 pandemic.

46 Investments made through PMS

a) Investments designated at FVTOCI comprises the following instruments

Investment in equity shares - Quoted	As at 31 March 2021	As at 31 March 2020
Nil (31 March 2020 : 1,385) Avenue Supermarts Limited	-	3.03
Nil (31 March 2020 : 1,300) Bajaj Finance Limited	-	2.88
Nil (31 March 2020 : 2,216) Whirlpool Of India Limited	-	4.03
Nil (31 March 2020 : 267) Apollo Tubes Limited	-	0.33
Nil (31 March 2020 : 12,539) Balrampur Chini Mills Limited	-	1.30
Nil (31 March 2020 : 581) Century Plyboards India Limited	-	0.06
Nil (31 March 2020 : 831) Coromandel International Limited	-	0.45
Nil (31 March 2020 : 6,000) Fortis Healthcare Limited	-	0.76
Nil (31 March 2020 : 944) ICICI Bank Limited	-	0.31
Nil (31 March 2020 : 1,729) Indoco Remedies Limited	-	0.36
Nil (31 March 2020 : 386) Lux Industries Limited	-	0.36
Nil (31 March 2020 : 9,450) Motherson Sumi Systems Limited	-	0.58
Nil (31 March 2020 : 626) Persistent Systems Limited	-	0.34
Nil (31 March 2020 : 534) Polycab India Limited	-	0.40
Nil (31 March 2020 : 62) SRF Limited	-	0.17
Nil (31 March 2020 : 2,000) Aarti Industries Limited	-	1.53
Nil (31 March 2020 : 900) ABB India Limited	-	0.84
Nil (31 March 2020 : 10,000) Ashok Leyland Limited	-	0.43
Nil (31 March 2020 : 8,933) Astra Microwave Products Limited	-	0.46
Nil (31 March 2020 : 1,500) Balkrishna Industries Limited	-	1.19
Nil (31 March 2020 : 24,000) Cadila Healthcare Limited	-	6.41
Nil (31 March 2020 : 11,496) Castrol India Limited	-	1.14
Nil (31 March 2020 : 6,000) Century Enka Limited	-	0.71
Nil (31 March 2020 : 2,485) Century Textiles And Industries Limited	-	0.74
Nil (31 March 2020 : 8,219) Coffee Day Enterprises Limited	-	0.19
Nil (31 March 2020 : 88,000) Granules India Limited	-	12.64
Nil (31 March 2020 : 2,975) Grasim Industries Limited	-	1.42
Nil (31 March 2020 : 3,200) Hindustan Zinc Limited	-	0.50
Nil (31 March 2020 : 8,900) Laurus Labs Limited	-	2.89
Nil (31 March 2020 : 58,000) Network18 Media and Investments Limited	-	1.06
Nil (31 March 2020 : 4,925) Poddar Housing And Development Limited	-	0.79
Nil (31 March 2020 : 5,950) Radico Khaitan Limited	-	1.60
Nil (31 March 2020 : 756) Sun Pharmaceutical Industries Limited	-	0.27
Nil (31 March 2020 : 3,600) Tata Communications Limited	-	0.84
Nil (31 March 2020 : 2,500) Tata Motors Limited	-	0.18
Nil (31 March 2020 : 8,000) Titagarh Wagons Limited	-	0.20
Nil (31 March 2020 : 125) Ultratech Cement Limited	-	0.41
Nil (31 March 2020 : 11,664) Welspun Enterprises Limited	-	0.46
Nil (31 March 2020 : 394) Apar Industries Limited	-	0.11
Nil (31 March 2020 : 208) Automotive Axles Limited	-	0.08
Nil (31 March 2020 : 1,023) Bajaj Consumer Care Limited	-	0.14
Nil (31 March 2020 : 120) Bhagiradha Chemicals & Industries Limited	-	0.03
Nil (31 March 2020 : 3,344) Equitas Holdings Limited	-	0.14
Nil (31 March 2020 : 145) Godawari Power And Ispat Limited	-	0.02
Nil (31 March 2020 : 2,729) Gujarat Ambuja Exports Limited	-	0.29
Nil (31 March 2020 : 962) MSTC Limited	-	0.08
Nil (31 March 2020 : 2,706) Nava Bharat Ventures Limited	-	0.09
Nil (31 March 2020 : 3,027) Rain Industries Limited	-	0.17
Nil (31 March 2020 : 746) Stylam Industries Limited	-	0.19
Nil (31 March 2020 : 646) Vindhya Telelinks Limited	-	0.28
Nil (31 March 2020 : 4,419) Welspun Corp Limited	-	0.27
Nil (31 March 2020 : 874) Axis Bank Limited	-	0.33
Nil (31 March 2020 : 1,274) Bharti Airtel Limited	-	0.56
Nil (31 March 2020 : 261) Colgate-Palmolive (India) Limited	-	0.33
Nil (31 March 2020 : 1,355) Himatsingka Seide Limited	-	0.08
Nil (31 March 2020 : 1,199) ICICI Prudential Life Insurance Co. Limited	-	0.43
Nil (31 March 2020 : 2,257) KPIT Technologies Limited	-	0.08
Nil (31 March 2020 : 185) Larsen And Toubro Limited	-	0.15
Nil (31 March 2020 : 372) Qess Corp Limited	-	0.08
Nil (31 March 2020 : 26) Schaeffler India Limited	-	0.10
Nil (31 March 2020 : 1,970) Thomas Cook (I) Limited	-	0.05
Nil (31 March 2020 : 180) ABB Power Products And Systems India Limited	-	0.13
Nil (31 March 2020 : 985) Aegis Logistics Limited	-	0.14
Nil (31 March 2020 : 4,165) Birlasoft Limited	-	0.25
Nil (31 March 2020 : 70) Linde India Limited	-	0.03
Nil (31 March 2020 : 111) Ajanta Pharma Limited	-	0.15
Nil (31 March 2020 : 21) Bajaj Finserv Limited	-	0.10
Nil (31 March 2020 : 336) Mphasis Limited	-	0.22
Nil (31 March 2020 : 746) Shoppers Stop Limited	-	0.14
Total	-	57.52

46 Investments made through PMS**b) Investments designated at FVTPL comprises the following instruments**

Investment in equity shares - Quoted	As at 31 March 2021	As at 31 March 2020
3084 (31 March 2020 : Nil) Birlasoft Ltd	0.78	-
2099 (31 March 2020 : Nil) City Union Bank Ltd	0.33	-
5405 (31 March 2020 : Nil) Crompton Greaves Consumer Electrical Ltd	2.12	-
836 (31 March 2020 : Nil) Endurance Technologies Ltd	1.22	-
5959 (31 March 2020 : Nil) Equitas Holdings Ltd	0.52	-
21875 (31 March 2020 : Nil) I D F C Ltd	1.04	-
527 (31 March 2020 : Nil) Max Financial Services Ltd	0.45	-
4991 (31 March 2020 : Nil) Sbi Cards And Payment Services Ltd	4.63	-
708 (31 March 2020 : Nil) Sbi Life Insurance Company Ltd	0.62	-
156 (31 March 2020 : Nil) Schaeffler India Ltd	0.85	-
921 (31 March 2020 : Nil) Sterlite Technologies Ltd	0.18	-
2088 (31 March 2020 : Nil) Tata Communications Ltd	2.22	-
Total	14.96	-

47 Share-based payment arrangements:**A. Description of share-based payment arrangements****i. Share option programmes (equity-settled)**

Pursuant to the resolutions passed by the Board on 20 March 2021 and Shareholders on 27 March 2021, the Company has adopted the "Clean Science and Technology Limited Employee Stock Option Scheme 2021 ("CSTL ESOS 2021" or "Scheme"). The CSTL ESOS 2021 is in compliance with the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations").

In accordance with CSTL ESOS 2021, the Company may grant up to 100,000 options to the eligible employees, in one or more tranches, exercisable into not more than 100,000 equity shares. In accordance with CSTL ESOS 2021, with each such option conferring a right upon such employee to apply for one equity share, in accordance with the terms and conditions as may be decided under the CSTL ESOS 2021. No options have been granted under CSTL ESOS 2021 till 31 March 2021. The CSTL ESOS 2021 contemplates a statutory minimum vesting period of one year to maximum of four years from the date of grant of options. The Nomination and Remuneration Committee administers the CSTL ESOS 2021 and is designated by the Company as the compensation committee as envisaged under the SEBI SBEB Regulations.

48 Operating Segment

- (a) The Company is exclusively engaged in the business of manufacturing of organic chemicals. These in the context of the Ind AS 108 Operating Segment, are considered to constitute one single primary segment.

Sales revenue	For the year ended 31 March 2021	For the year ended 31 March 2020
India	1,647.10	1,309.88
Rest of the World	3,477.18	2,883.12
	5,124.28	4,193.00
Carrying amount of assets*		
India	251.83	341.57
Rest of the World	490.42	356.76
	742.25	698.33
*Segment assets represent trade receivables		
Additions to property, plant and equipment, right of use assets and intangible assets		
India	382.32	532.10
	382.32	532.10

(b) Information about major customers (external customers):

The following is the transactions by the Company with external customers individually contributing 10 per cent or more of revenue from operations:

(i) For the year ended 31 March 2021, revenue from operations of one customer of the Company represented approximately 13.28% of revenue from operations.

(ii) For the year ended 31 March 2020, revenue from operations of one customer of the Company represented approximately 11.44% of revenue from operations.

B S R & Co LLP

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INDEPENDENT AUDITORS' REPORT

To the Members of Clean Science and Technology Limited (Erstwhile Clean Science and Technology Private Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Clean Science and Technology Limited (Erstwhile known as Clean Science and Technology Private Limited) (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprises the consolidated balance sheet as at 31 March 2021, 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 the 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 other auditors on separate financial statements of such subsidiary 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 2021, of its consolidated profit and other comprehensive income, consolidated 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 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 consolidated 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 Consolidated financial statements.

Information Other than the Consolidated 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 our auditors' 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.

Principal Office:

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goragaon (east), Mumbai -400063, India.

**Clean Science and Technology Limited (Erstwhile Clean Science and Technology Private Limited)
Independent Auditors' Report – 31 March 2021 (*continued*)**

Other Information (*continued*)

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, 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' Responsibility for the Consolidated Financial Statements

The Holding 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 and preparation of these consolidated financial statements that give a true and fair view of the state of affairs, consolidated profit/loss and other comprehensive income, consolidated 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 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 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 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 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 also responsible for overseeing the financial reporting process of the respective 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:

**Clean Science and Technology Limited (Erstwhile Clean Science and Technology Private Limited)
Independent Auditors' Report – 31 March 2021 (*continued*)**

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (*continued*)

- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial statements 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 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 information 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 financial information 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.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

**Clean Science and Technology Limited (Erstwhile Clean Science and Technology Private Limited)
Independent Auditors' Report – 31 March 2021 (*continued*)**

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (*continued*)

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.

Report on Other Legal and Regulatory Requirements

- (A) As required by Section 143(3) of the Act, based on our audit and on consideration of reports of the other auditors on separate financial statements of such subsidiary as were audited by other auditors, we report, to the extent applicable, 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 of the aforesaid financial statements.
 - b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
 - 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 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 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2021 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 the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (B) With respect to the other matters to be included in the Auditors' 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:
- i. The companies forming part of the Group do not have any pending litigations which would impact the financial position of the Group as at 31 March 2021.
 - ii. The companies forming part of the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

B S R & Co LLP

**Clean Science and Technology Limited (Erstwhile Clean Science and Technology Private Limited)
Independent Auditors' Report – 31 March 2021 (*continued*)**

Report on Other Legal and Regulatory Requirements (*continued*)

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the companies forming part of the Group .
 - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.
- (C) In our opinion and according to the information and explanations given to us, the remuneration paid by the companies forming part of the Group to its Director's during the current year is in accordance with the provisions of section 197 of the Act. The Ministry of Corporate affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For **B S R & Co LLP**
Chartered Accountants
Firm's Registration No.101248W/W-100022

Sd/-

Place: Pune
Date: 12 June 2021

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 21113896AAAADL5826

**Clean Science and Technology Limited (Erstwhile Clean Science and Technology Private Limited)
Independent Auditors' Report – 31 March 2021 (*continued*)**

Annexure A to the Independent Auditors' report on the Consolidated Financial Statements of Clean Science and Technology Limited (Erstwhile Clean Science and Technology Private Limited) for the period ended 31 March 2021.

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 Companies Act, 2013

(Referred to in paragraph 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 the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Clean Science and Technology Limited (Erstwhile Clean Science and Technology Private Limited) (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary company, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary company have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated 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 Responsibility for Internal Financial Controls

The respective 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 respective 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' 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 whether such controls operated effectively in all material respects.

**Clean Science and Technology Limited (Erstwhile Clean Science and Technology Private Limited)
Independent Auditors' Report – 31 March 2021 (continued)**

Annexure A to the Independent Auditors' Report – 31 March 2021 (continued)

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 such internal financial controls, 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 company is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 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 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated 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

Sd/-

Place: Pune
Date: 12 June 2021

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 21113896AAAADL5826

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

Consolidated Balance Sheet

(All amounts are in rupees million, unless otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,826.04	1,626.25
Capital work-in-progress	4	549.92	34.15
Right-of-use asset	3	29.75	27.00
Other intangibles assets	5	2.68	2.51
Financial assets			
(i) Loans	6	21.22	12.24
(ii) Other financial assets	7	154.97	3.51
Income tax assets (net)	34	14.38	3.05
Other non-current assets	8	48.84	19.96
Total non-current assets		2,647.80	1,728.67
Current assets			
Inventories	9	528.99	345.89
Financial assets			
(i) Investments	10	2,321.13	1,329.84
(ii) Trade receivables	11	742.25	698.33
(iii) Cash and cash equivalents	12	93.44	92.05
(iv) Bank balances other than (iii) above	13	63.37	0.77
(v) Loans	14	2.27	2.27
(vi) Other financial assets	15	95.22	61.10
Other current assets	16	104.70	39.87
Total current assets		3,951.37	2,570.12
Total assets		6,599.17	4,298.79
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	106.22	13.28
Other equity	18	5,290.45	3,407.69
Total equity		5,396.67	3,420.97
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	3.31	2.89
Provisions	20	3.74	3.32
Deferred tax liabilities (net)	34	175.69	102.03
Total non-current liabilities		182.74	108.24
Current liabilities			
Financial liabilities			
(i) Borrowings	21	-	24.01
(ii) Trade payables	22		
a) total outstanding dues of micro enterprises and small enterprises		2.37	0.98
b) total outstanding dues of creditors other than micro enterprises and small enterprises		607.52	355.89
(iii) Other financial liabilities	23	277.87	184.44
Other current liabilities	24	130.50	172.93
Provisions	25	1.50	1.49
Current tax liabilities (net)	34	-	29.84
Total current liabilities		1,019.76	769.58
Total liabilities		1,202.50	877.82
Total equity and liabilities		6,599.17	4,298.79

Significant accounting policies

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

Sd/-

Swapnil Dakshindas
Partner
Membership No. 113896

Place : Pune
Date : 12.06.2021
ICAI UDIN : 21113896AAAADL5826

Sd/-

Ashok Boob
Managing Director
DIN : 410740

Sd/-

Krishnakumar Boob
Director
DIN : 410672

Sd/-

Pratik Bora
Chief Financial Officer

Place : Pune
Date : 12.06.2021

Sd/-

Mahesh Kulkarni
Company Secretary
M. No: 19364

Place : Pune
Date : 12.06.2021

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

Consolidated Statement of Profit and Loss

(All amounts are in rupees million, unless otherwise stated)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Revenue from operations	26	5,124.28	4,193.00
Other income	27	256.43	108.65
Total income		5,380.71	4,301.65
Expenses			
Cost of materials consumed	28	1,378.62	1,279.79
Changes in inventories of finished goods and work-in-progress	29	(142.79)	12.59
Employee benefits expenses	30	435.57	310.13
Finance costs	31	0.91	1.21
Depreciation and amortisation expenses	32	172.05	137.14
Other expenses	33	863.34	737.63
Total expenses		2,707.70	2,478.49
Profit before tax		2,673.01	1,823.16
Tax expense:			
Current tax	34	617.51	461.19
Deferred tax		71.70	(34.34)
Total tax expenses		689.21	426.85
Profit for the year (A)		1,983.80	1,396.31
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of defined benefit liability (asset)		(0.14)	0.27
(ii) Income tax related to remeasurements of defined benefit liability (asset)		0.04	(0.07)
		(0.10)	0.20
(iii) Equity instruments designated through other comprehensive income		28.77	(60.13)
(iv) Income tax related to equity instruments designated through other comprehensive income		(2.34)	8.66
		26.43	(51.47)
Total Other comprehensive income (B)		26.33	(51.27)
Total comprehensive income for the year (A+ B)		2,010.13	1,345.04
Earnings per equity share			
[nominal value of Re. 1]	35		
Basic		18.68	13.15
Diluted		18.68	13.15

Significant accounting policies
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

Sd/-

Swapnil Dakshindas
Partner
Membership No. 113896

Place : Pune
Date : 12.06.2021
ICAI UDIN : 21113896AAAADL5826

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

Sd/-

Ashok Boob
Managing Director
DIN : 410740

Sd/-

Krishnakumar Boob
Director
DIN : 410672

Sd/-

Pratik Bora
Chief Financial Officer

Sd/-

Mahesh Kulkarni
Company Secretary
M. No: 19364

Place : Pune
Date : 12.06.2021

Place : Pune
Date : 12.06.2021

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

Consolidated Statement of Changes in Equity

(All amounts are in rupees million, unless otherwise stated)

(a) Equity share capital

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	Amount	Number of Shares	Amount
Balance at the beginning of the reporting year	1,327,737	13.28	1,415,727	14.16
Changes in equity share capital during the year	104,891,223	92.94	(87,990)	(0.88)
Balance at the end of the reporting year	106,218,960	106.22	1,327,737	13.28

(b) Other equity

Particulars	Reserves and surplus				Other comprehensive income	Total other equity
	Securities premium	Capital redemption reserve	General reserve	Retained earnings	Equity instruments designated through other comprehensive income	
Balance at 1 April 2019	61.04	-	74.89	2,575.04	(4.56)	2,706.41
Total comprehensive income for the year ended 31 March 2020						
Profit for the year	-	-	-	1,396.31	-	1,396.31
Other comprehensive income (net of tax)						
- Remeasurements of defined benefit liability (asset)	-	-	-	0.20	-	0.20
- Equity instruments designated through other comprehensive income (Refer note (i) below)	-	-	-	-	(51.47)	(51.47)
Total comprehensive income	-	-	-	1,396.51	(51.47)	1,345.04
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Interim dividend for 2019-20 at Rs. 25 per equity share	-	-	-	(35.39)	-	(35.39)
Interim dividend for 2018-19 at Rs. 30 per equity share	-	-	-	(42.47)	-	(42.47)
Final dividend of 2018-19 paid during the year at Rs. 35 per equity share	-	-	-	(49.55)	-	(49.55)
Tax on dividend paid during the year	-	-	-	(26.06)	-	(26.06)
Buyback of equity shares (*)	-	-	-	(399.12)	-	(399.12)
Buyback Transaction Costs (including tax on distributed income to shareholders)	-	-	-	(91.17)	-	(91.17)
Transfer from / (to) other reserves (Refer note (i) below)	-	-	-	(41.21)	41.21	-
Transfer to Capital redemption reserve (*)	-	0.88	(0.88)	-	-	-
Balance at 31 March 2020	61.04	0.88	74.01	3,286.58	(14.82)	3,407.69
Balance at 1 April 2020	61.04	0.88	74.01	3,286.58	(14.82)	3,407.69
Total comprehensive income for the year ended 31 March 2021						
Profit for the year	-	-	-	1,983.80	-	1,983.80
Other comprehensive income (net of tax)						
- Remeasurements of defined benefit liability (asset)	-	-	-	(0.10)	-	(0.10)
- Equity instruments designated through other comprehensive income (Refer note (i) below)	-	-	-	-	26.43	26.43
Total comprehensive income	-	-	-	1,983.70	26.43	2,010.13
Interim dividend for 2020-21 at Rs. 25 per equity share	-	-	-	(33.19)	-	(33.19)
Issue of bonus shares	(61.04)	(0.88)	(31.02)	-	-	(92.94)
Transaction costs of increase in share capital (net of tax)	-	-	-	(1.24)	-	(1.24)
Transfer from / (to) other reserves (Refer note (i) below)	-	-	-	11.61	(11.61)	-
Balance at 31 March 2021	-	-	42.99	5,247.46	-	5,290.45

*Capital Redemption Reserve was created to the extent of nominal value of equity share capital extinguished of Rs. 0.88 million. Transaction costs (including tax on distributed income to shareholders) Rs. 91.17 million for the buyback have been adjusted to retained earnings.

Nature and purpose of reserves

i) FVOCI equity investments

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

ii) General reserve

It is created by setting aside amount from the retained earnings of the company for general purposes which is freely available for distribution.

As per our report of even date attached.

For BSR & Co. LLP
Chartered Accountants
Firm registration no. 101248W/W-100022

Sd/-

Swapnil Dakshindas
Partner
Membership No. 113896

Place : Pune
Date : 12.06.2021
ICAI UDIN : 21113896AAAADL5826

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

Sd/-

Ashok Boob
Managing Director
DIN : 410740

Sd/-

Pratik Bora
Chief Financial Officer

Place : Pune
Date : 12.06.2021

Sd/-

Krishnakumar Boob
Director
DIN : 410672

Sd/-

Mahesh Kulkarni
Company Secretary
M. No: 19364

Place : Pune
Date : 12.06.2021

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

Consolidated Statement of Cash Flows

(All amounts are in rupees million, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Cash flow from operating activities		
Profit before tax	2,673.01	1,823.16
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	172.05	137.14
Loss on sale of property, plant and equipments	3.12	-
Dividend income	(29.78)	(22.23)
Finance costs (excluding foreign exchange adjustment)	0.91	1.21
Profit on instruments designated through fair value through profit and loss (FVTPL)	(31.27)	(40.29)
Fair value gain on instruments designated through fair value through profit and loss (FVTPL)	(49.25)	(14.44)
Interest income	(11.51)	(1.36)
Interest income on investments measured at amortised cost	(17.94)	-
Mark to Market gain on forward contract	28.19	45.45
Unrealised foreign exchange differences	(0.80)	(34.40)
Operating profit before working capital changes	2,736.73	1,894.25
Movement in working capital:		
(Increase) in other non-current financial loans	(8.98)	(2.45)
Decrease in other non-current assets	-	1.72
(Increase) / Decrease in inventories	(183.10)	24.35
Decrease / (Increase) in trade receivables	(43.23)	(79.19)
Increase / (Decrease) in current financial loans	-	(2.27)
Decrease in other current financial assets	(43.02)	(17.54)
(Increase) / Decrease in other current assets	(64.83)	27.23
Increase in non-current provisions	0.42	0.41
Increase in trade payables	253.52	132.45
Increase in other current financial liabilities	(17.48)	16.75
(Decrease) in other current liabilities	(42.43)	29.09
Increase in current provisions	(0.09)	0.42
Cash generated from operations	2,587.51	2,025.23
Net income tax (paid)	(659.06)	(424.20)
Net cash from operating activities (A)	1,928.45	1,601.03
B. Cash flow 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	(844.24)	(502.87)
Sale proceeds from property, plant and equipment	4.43	-
Bank deposits placed during the year	(214.05)	(1.02)
Purchase of current investments	(3,140.46)	(3,980.48)
Proceeds from sale of investments	2,276.41	3,418.25
Dividend received	29.78	1.67
Interest received	20.41	1.63
Net cash (used in) investing activities (B)	(1,867.72)	(1,062.82)
C. Cash flow from financing activities		
Long-term borrowings (repaid) during the year	0.42	1.60
(Repayment) / Proceeds of short-term borrowings (net)	(24.01)	(0.65)
Interest paid	(0.91)	(1.21)
Buyback of equity shares	-	(491.18)
Tax on buyback of equity shares	-	90.58
Transaction costs of increase in share capital	(1.24)	-
Interim dividend paid	(33.19)	(77.86)
Final dividend paid	-	(49.55)
Tax on dividend paid during the year	-	(26.06)
Net cash used in financing activities (C)	(58.93)	(554.34)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	1.80	(16.13)
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	(0.41)	13.94
Cash and cash equivalents at the beginning of the year	92.05	94.24
Cash and cash equivalents at the end of the year	93.44	92.05
Notes:		
1. Cash and cash equivalents include		
Cash on hand	0.36	0.60
Balances with bank		
- Current accounts	93.08	91.45
	93.44	92.05

The above cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - on Statement of Cash Flows as notified under Companies (Accounts) Rules, 2015.

Significant accounting policies

2

The accompanying notes form an integral part of the Consolidated Financial Statement

As per our report attached of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm registration no. 101248W/W-100022

Sd/-

Swapnil Dakshindas
Partner
Membership No. 113896

Place : Pune
Date : 12.06.2021
ICAI UDIN : 21113896AAAADL5826

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

Sd/-

Ashok Boob
Managing Director
DIN : 410740

Sd/-

Krishnakumar Boob
Director
DIN : 410672

Sd/-

Pratik Bora
Chief Financial Officer

Place : Pune
Date : 12.06.2021

Sd/-

Mahesh Kulkarni
Company Secretary
M. No: 19364

Place : Pune
Date : 12.06.2021

Clean Science and Technology Limited
(Erstwhile known as Clean Science and Technology Private Limited)
Notes to Consolidated Financial Statements for the year ended 31 March 2021.
(All amounts are in INR million, unless otherwise stated)

1. Reporting entity

Clean Science and Technology Limited (erstwhile known as Clean Science and Technology Private Limited) ('the holding company' or 'the company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in manufacturing of various types of chemicals mainly MEHQ, Guaiacol, 4MAP at its manufacturing plant situated at Kurkumbh MIDC, Daund, Dist: Pune. The holding Company caters to both domestic & international markets. The CIN of the holding company is U24114PN2003PLC018532.

Clean Science Private Limited, incorporated on 17 December 2013, is a private company domiciled and headquartered in India and is engaged in the business of buying, selling of organic and inorganic chemicals.

Clean Organics Private Limited, incorporated on 23 March 2017, is a private company domiciled and headquartered in India and is engaged in the business of buying, selling of organic and inorganic chemicals.

Clean Aromatics Private Limited, incorporated on 25 October 2019, is a private company domiciled and headquartered in India and is engaged in the business of buying, selling of organic and inorganic chemicals.

The Consolidated financial statements comprise the Consolidated financial statements of the company and its subsidiaries (together referred to as "the group").

The holding company has converted from a Private Limited Company to a Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on 25 February 2021 and consequently the name of the holding company has changed to Clean Science and Technology Limited pursuant to a fresh certificate of incorporation issued by ROC on 04 March 2021.

The Group's Consolidated financial statements for the year ended 31 March 2021 were approved for issue in accordance with a resolution of the directors on 12 June 2021.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated financial statements. The Group has consistently applied the following accounting policies to all periods presented in the Consolidated financial statements.

2.1 Basis of preparation and presentation

Compliance with Indian Accounting Standards

The Consolidated Balance Sheet of the Group as at 31 March 2021 and 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 for the year ended 31 March 2021 and a summary of the significant accounting policies and other explanatory information (together referred to as Consolidated Financial Statements') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act as amended from time to time.

Clean Science and Technology Limited
(Erstwhile known as Clean Science and Technology Private Limited)
Notes to Consolidated Financial Statements for the year ended 31 March 2021.
(All amounts are in INR million, unless otherwise stated)

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

- **Functional and presentation currency**

These Consolidated financial statements are presented in Indian Rupees, which is the Group's functional currency. All amounts have been rounded to the nearest million, upto two places of decimal, unless otherwise stated.

2.2 Basis of measurement

The Consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of defined benefit obligations.

2.3 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.

2.4 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 41 – classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the 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:

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- Note 3 and Note 5 – Useful life of depreciable assets – Property, Plant and Equipment and Other intangible assets.
- Note 36 – Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.
- Note 34 – Recognition of tax expense including deferred tax.
- Note 42 – Defined benefit obligation: key actuarial assumptions.
- Note 39 – Impairment of trade receivables.
- Note 9 – Valuation of inventories

- **Going concern assumption:**

These Consolidated financial statements of the Group have been prepared on a going concern basis. The management has, given the significant uncertainties arising out of the outbreak of COVID 19, as explained in note below, 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.

- **Estimation of uncertainties relating to global health pandemic from COVID-19**

The World Health Organisation in February 2020 declared COVID-19 as a pandemic. The pandemic has been rapidly spreading throughout the world, including India. Governments around the world including India have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, the Group's manufacturing plants and offices also had to be closed down for a brief period of time, during the year ended 31 March 2021. As a result of the lockdown, the revenue during the period has been slightly impacted. The Group is monitoring the situation closely taking into account directives from the Government.

Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdown in the preparation of the Consolidated financial statements including the assessment of recoverable values of its property, plant and equipment, capital work-in-progress and intangible assets and the net realizable values of other assets. The Group has started operations and had a smooth recovery phase post lockdowns. However, given the effect of these lockdowns on the overall economic activity in India, the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from that estimated as at the date of approval of these Consolidated financial statements. The Group will continue to monitor any material changes to future economic conditions and consequential impact on its Consolidated financial statements.

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2.5 Principles of consolidation

The Consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31 March 2021. 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:

- 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 31 March 2021. The subsidiaries considered in the Consolidated financial statements are summarized below.

Sr. No.	Name of the Company	Country of Incorporation	Proportion of Ownership Interest
I	Subsidiaries		
1	Clean Science Private Limited	India	100%
2	Clean Aromatics Private Limited	India	100%
3	Clean Organics Private 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.

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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 Property, plant and equipment

• Recognition and measurement

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 statement of profit and loss as incurred.

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• **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**

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 (except of assets as mentioned below). Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Solar power plants are depreciated over the period of 5 to 15 years.

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 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 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.

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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 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.

Intangible assets i.e., computer software is amortized 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
Computer software	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 recognized in the statement of profit and loss when the asset is derecognized.

2.8 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

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2.9 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 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 realizable value. The net realizable 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 realizable 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.

2.10 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.

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).

2.11 Recognition of dividend income, interest income

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 Group and that the amount of the dividend can be measured reliably.

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2.12 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 recognized 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 unutilized accumulating compensated absences and utilize 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 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 recognized 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 recognized 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.

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Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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 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 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 Group can no longer withdraw the offer of those benefits and when the Group recognizes 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.

2.13 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 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.

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• **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 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.

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2.14 Government grants

Grants that compensate the Group 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 recognized.

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.

2.15 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.

2.16 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.

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Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.17 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.

2.18 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.

2.19 Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met:

- (i) Decision has been made to sell.
- (ii) The assets are available for immediate sale in its present condition.
- (iii) The assets are being actively marketed and
- (iv) Sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair valueless costs to sell. Non-current assets held for sale are not depreciated or amortised.

2.20 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. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

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At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

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.

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, 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 being 95 to 99 years.

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2.21 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 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.

2.22 Financial instruments

2.22.1 Financial assets

Initial recognition and measurement

On initial recognition, 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')

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(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 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 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 recognized in other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and losses 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 OCI to retained earnings.

(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 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.

Trade receivables and loans

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

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

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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) recognized in the statement of profit and loss.

2.22.2 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 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.

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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 Group 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

This is the most relevant category to the Group. 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 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 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 statement of profit and loss.

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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.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Group have been identified as being the Chief operating decision maker by the management of the Group.

2.24 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 Statement of Profit and Loss.

2.25 Recent accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the Consolidated financial statements is required to be disclosed.

However, the Ministry of Corporate Affairs (“MCA”) amended Schedule III of the Companies Act, 2013, through a notification dated 24 March 2021. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. The Group is in the process of evaluating the effect of the amendments on its financial statement.

3 Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2020	Additions	Disposals during the year	As at 31 March 2021	As at 1 April 2020	Additions	Disposals during the year	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021
Land	26.88	15.64	-	42.52	-	-	-	-	26.88	42.52
Buildings	462.60	12.88	-	475.48	56.75	14.53	-	71.28	405.85	404.20
Plant and equipment	1,621.47	328.44	(1.64)	1,948.27	489.85	144.52	(1.45)	632.92	1,131.62	1,315.35
Research and Development related assets	33.87	7.95	-	41.82	13.75	4.07	-	17.82	20.12	24.00
Furniture and fixtures	18.38	2.71	-	21.09	8.56	1.81	-	10.37	9.82	10.72
Computer	6.98	1.39	-	8.37	4.05	1.34	-	5.39	2.93	2.98
Vehicles	38.98	8.76	(17.08)	30.66	11.03	4.28	(9.72)	5.59	27.95	25.07
Office equipment	3.38	0.45	-	3.83	2.31	0.32	-	2.63	1.07	1.20
Total assets	2,212.54	378.22	(18.72)	2,572.04	586.29	170.87	(11.17)	746.00	1,626.25	1,826.04

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2019	Additions	Disposals during the year	As at 31 March 2020	As at 1 April 2019	Additions	Disposals during the year	As at 31 March 2020	As at 1 April 2019	As at 31 March 2020
Land	26.88	-	-	26.88	-	-	-	-	26.88	26.88
Buildings	397.03	65.57	-	462.60	43.83	12.92	-	56.75	353.20	405.85
Plant and equipment	1,195.50	425.97	-	1,621.47	376.40	113.45	-	489.85	819.11	1,131.62
Research and Development related assets	26.37	7.50	-	33.87	10.33	3.42	-	13.75	16.04	20.12
Furniture and fixtures	16.67	1.71	-	18.38	6.97	1.59	-	8.56	9.70	9.82
Computer	4.81	2.17	-	6.98	3.02	1.03	-	4.05	1.79	2.93
Vehicles	28.55	10.43	-	38.98	7.58	3.45	-	11.03	20.97	27.95
Office equipment	3.04	0.34	-	3.38	2.00	0.31	-	2.31	1.04	1.07
Total assets	1,698.85	513.69	-	2,212.54	450.13	136.16	-	586.29	1,248.72	1,626.25

Right of use asset

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2020	Additions	Disposals during the year	As at 31 March 2021	As at 1 April 2020	Additions	Disposals during the year	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021
Leasehold land	28.00	3.08	-	31.08	1.00	0.33	-	1.33	27.00	29.75
Total Assets	28.00	3.08	-	31.08	1.00	0.33	-	1.33	27.00	29.75

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2019	Additions	Disposals during the year	As at 31 March 2020	As at 1 April 2019	Additions	Disposals during the year	As at 31 March 2020	As at 1 April 2019	As at 31 March 2020
Leasehold land	20.00	17.60	(9.60)	28.00	1.37	0.23	(0.60)	1.00	18.63	27.00
Total Assets	20.00	17.60	(9.60)	28.00	1.37	0.23	(0.60)	1.00	18.63	27.00

4 Capital work-in-progress

Particulars	As at 1 April 2020	Additions	Capitalised during the year	As at 31 March 2021
Buildings	33.26	196.78	(10.89)	219.15
Plant and machinery	0.89	532.99	(203.11)	330.77
Total	34.15	729.77	(214.00)	549.92

Particulars	As at 1 April 2019	Additions	Capitalised during the year	As at 31 March 2020
Buildings	3.87	33.26	(3.87)	33.26
Plant and machinery	35.41	0.89	(35.41)	0.89
Total	39.28	34.15	(39.28)	34.15

5 Other intangible assets (other than internally generated)

Particulars	Gross Block				Amortisation				Net Block	
	As at 1 April 2020	Additions	Deletions	As at 31 March 2021	As at 1 April 2020	Charge for the year	Deletions	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021
Computer Software	6.20	1.02	-	7.22	3.69	0.85	-	4.54	2.51	2.68
Total	6.20	1.02	-	7.22	3.69	0.85	-	4.54	2.51	2.68

Particulars	Gross Block				Amortisation				Net Block	
	As at 1 April 2019	Additions	Deletions	As at 31 March 2020	As at 1 April 2019	Charge for the year	Deletions	As at 31 March 2020	As at 1 April 2019	As at 31 March 2020
Computer Software	5.37	0.83	-	6.20	2.94	0.75	-	3.69	2.44	2.51
Total	5.37	0.83	-	6.20	2.94	0.75	-	3.69	2.44	2.51

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6 Loans

(Unsecured, considered good)

Security deposits

As at 31 March 2021	As at 31 March 2020
21.22	12.24
21.22	12.24

Breakup of security details

Loans, considered good - secured

Loans, considered good - unsecured

Loans, considered doubtful/ credit impaired

Total

-	-
21.22	12.24
-	-
21.22	12.24

Less: Loss allowance

Total loans receivables

-	-
21.22	12.24

7 Other financial assets

Deposits with original maturity of more than 12 months

Deposits with bank

Deposits with financial institution

4.97	3.51
150.00	-
154.97	3.51

8 Other non-current assets

Capital advances

Other loans and advances

VAT credit receivable (net)

48.16	19.28
0.68	0.68
48.84	19.96

9 Inventories

(valued at lower of cost and net realisable value)

Raw materials [including goods in transit of Rs. 9.33 million (31 March 2020 : Rs. 30.04 million)]

Work-in-progress

Finished goods [including goods in transit of Rs. 62.88 million (31 March 2020 : Rs. 11.72 million)]

Stores and spares

115.28	72.14
288.20	201.29
115.94	60.07
9.57	12.39
528.99	345.89

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10 Investments

	As at 31 March 2021	As at 31 March 2020
A. Investments carried at fair value through profit & loss (FVTPL)		
Investment in mutual funds - Quoted		
Nil (31 March 2020 : 1,16,922) units Birla Sun Life Treasury Optimizer Fund Direct Growth	-	31.21
9,37,285 (31 March 2020 : 9,37,285) units IIFL Special Opportunities Fund - Series 2	10.94	8.48
Nil (31 March 2020 : 284) units HDFC Liquid Fund-Regular Plan Growth	-	1.11
11,14,668 (31 March 2020 : 11,14,668) units of Kotak Banking and PSU Debt Fund Direct Growth	57.43	53.11
19,130 (31 March 2020 : 19,130) units of Kotak Corporate Bond Fund Direct Growth	57.10	52.81
Nil (31 March 2020 : 6,97,075) units of Franklin India Corporate Debt Fund Plan A Direct Growth	-	52.54
Nil (31 March 2020 : 31,68,949) Franklin India Banking And Psu Debt Fund Direct Growth	-	53.62
1,74,337 (31 March 2020 : 11,024) Kotak Money Market Direct Growth New	607.35	36.52
47,45,188 (31 March 2020 : 93,17,884) ICICI Corporate Bond Fund Direct Growth	111.54	200.43
18,972 (31 March 2020 : 72,697) Kotak Corporate Bond Fund Direct Growth	56.62	200.67
1,02,010 (31 March 2020 : 1,03,453) Axis Banking & PSU Debt Fund Direct Growth	214.00	200.80
Nil (31 March 2020 : 94,46,056) HDFC Arbitrage Fund Direct Growth	-	140.60
48,27,546 (31 March 2020 : 82,70,490) Kotak Equity Arbitrage Fund Growth	146.18	240.42
30,88,755 (31 March 2020 : Nil) IDFC Arbitrage Fund Direct Growth	82.65	-
57,36,044 (31 March 2020 : Nil) SBI Saving Fund Direct Growth	196.15	-
20,36,334 (31 March 2020 : Nil) Axis Short Term Fund Direct Growth	51.73	-
21,98,209 (31 March 2020 : Nil) IDFC Bond Fund Short Term Direct Growth	103.01	-
63,67,813 (31 March 2020 : Nil) HDFC Banking & PSU Debt Fund Direct Growth	116.21	-
11,22,340 (31 March 2020 : Nil) Kotak Banking and PSU Debt Fund Direct Growth (New Folio)	57.83	-
1,29,029 (31 March 2020 : Nil) Kotak Gilt Fund Direct Growth (New Folio)	10.58	-
B. Investment in others - Quoted (FVTPL)		
Investments in liquid funds *	48.28	-
	1,927.60	1,272.32

* Includes investments in various small denomination instruments which are monitored through Aventus Absolute Return Strategy.

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C. Investments carried at fair value through other comprehensive income (FVTOCI)

	As at 31 March 2021	As at 31 March 2020
Investment in equity shares - Quoted		
Investment in equity shares *	-	57.52
	<u>-</u>	<u>57.52</u>

* These investments in equity shares are monitored through Ventura PMS, Kotak PMS and Avendus PMS. Refer note 45 (a) for detailed breakup of Investment in equity shares (FVTOCI)

D. Investments carried at fair value through profit and loss (FVTPL)

Investment in equity shares - Quoted

Investment in equity shares *	14.96	-
	<u>14.96</u>	<u>-</u>

* These investments in equity shares are monitored through Ventura PMS, Kotak PMS and Avendus PMS. Refer note 45 (b) for detailed breakup of Investment in equity shares (FVTPL)

E. Investment at amortised cost

Investment in bonds - Quoted

50 (31 March 2020 : Nil) IIFCL Tax Free Bond	63.29	-
50 (31 March 2020 : Nil) SBI-9.56% (Perpetual Bond)	52.99	-
100 (31 March 2020 : Nil) HDFC Perpetual Bond Fund	106.14	-
100 (31 March 2020 : Nil) SBI-9.37% (Perpetual Bond)	106.15	-
40,000 (31 March 2020 : Nil) IRFCL Tax Free Bond	50.00	-
	<u>378.57</u>	<u>-</u>
	<u>2,321.13</u>	<u>1,329.84</u>

(a) Aggregate book value of quoted investments

2,321.13

1,329.84

(b) Aggregate market value of quoted investments

2,323.44

1,329.84

11 Trade receivables

Unsecured, considered good

Receivable from related party

From private company in which directors are directors/members (refer note 38)

-

-

Receivable other than related party

Other parties

742.25

698.33

742.25

698.33

Breakup of security details

Trade receivables considered good - secured

-

-

Trade receivables considered good - unsecured

742.25

698.33

Trade receivables considered doubtful / credit impaired

-

-

Total

742.25

698.33

Less: Loss allowance

-

-

Total trade receivables

742.25

698.33

*The Group's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note no. 39 on financial instruments.

12 Cash and cash equivalents

Balance with banks :

In current account*

93.08

91.45

Cash on hand

0.36

0.60

93.44

92.05

*Includes debit balance of working capital facility amounting to Rs. 19.7 Million (31 March 2020 : Rs. 23.57 million). These balances are not earmarked.

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13 Bank balances other than cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
Bank deposits due to mature within 12 months of the period end	63.37	0.77
	63.37	0.77

14 Loans

(Unsecured, considered good)

Security deposits	2.27	2.27
	2.27	2.27

Breakup of security details

Loans, considered good - secured	-	-
Loans, considered good - unsecured	2.27	2.27
Loans, considered doubtful / credit impaired	-	-
Total	2.27	2.27

Less: Loss allowance

Total loans receivables	2.27	2.27
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15 Other financial assets

(Unsecured, considered good)

Advances to employees	0.34	0.31
Gratuity fund balance	0.21	-
MTM (Loss)/ Gain on outstanding forward contract not designated as hedge	28.19	-
Scripts (FMS/ MEIS) receivable	0.19	12.94
Interest receivable	9.95	1.05
Other receivables	1.93	46.80
Recoverable expense from shareholders @**	54.41	-
	95.22	61.10

@ In relation to the expenses incurred for the proposed Initial Public Offer (offer for sale from existing shareholders) of equity shares of the Company during the year ended 31 March 2021, the selling shareholders at that time had confirmed that the expenses incurred by the Company till date and future expenses (including any tax reimbursements) will be reimbursed by each of them on a proportionate basis (i.e. in proportion to the respective selling shareholding pattern). These expenses had been approved by the shareholders in accordance with the agreements for services entered into by the Company for the purpose of proposed IPO. Refer note 38 and 51.

**Includes Auditor's Remuneration related to proposed IPO

Fees	7.35	-
	7.35	-

16 Other current assets

Balance with excise authorities	3.02	2.94
Custom authorities	4.92	4.92
GST receivable	84.06	18.46
Prepaid expenses	10.64	8.34
Advance for supply of goods	1.80	4.34
Other advances	0.26	0.87
	104.70	39.87

Clean Science and Technology Limited (Erstwhile known as 'Clean Science and Technology Private Limited')**Notes to Consolidated Financial Statements**

(All amounts are in rupees million, unless otherwise stated)

17 Share capital

Particulars	31 March 2021	31 March 2020
Authorised :		
150,000,000 (31 March 2020 : 2,000,000) equity shares of Re.1 each. (31 March 2020: Rs. 10 each)	150.00	20.00
TOTAL	150.00	20.00
Issued and subscribed and paid up:		
Equity share capital		
106,218,960 (31 March 2020 : 1,327,737) equity shares of Re.1 each fully paid-up (31 March 2020: Rs. 10 each fully paid-up)	106.22	13.28
TOTAL	106.22	13.28

Reconciliation of number of shares outstanding at the beginning and end of the year :

Equity share :	31 March 2021	31 March 2020
	Number of Shares	Number of Shares
Outstanding at the beginning of the year	1,327,737	1,415,727
Issue of bonus shares	9,294,159	-
Increase due to share split	95,597,064	-
Less : Equity shares bought back during the year	-	87,990
Outstanding at the end of the year	106,218,960	1,327,737

* Number of shares is presented as absolute number.

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

Notes to Consolidated Financial Statements

(All amounts are in rupees million, unless otherwise stated)

Note on bonus issue and share split

Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 24 December 2020, the Company issued and allotted fully paid-up “bonus shares” at par in proportion of seven new equity shares of Rs. 10 each for every one existing fully paid up equity share of Rs. 10 held as on the record date of 05 February 2021. Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 25 February 2021, the Company undertook a stock split of 10 equity shares of Re. 1 each for one existing fully paid up equity share of Rs. 10. As a result of the above transactions, the issued, subscribed and paid up number of equity shares have been increased to 106,218,960 and the authorised number of equity shares are increased and restricted to 150,000,000.

Note on Buy-back of Shares

The Board of Directors of the company at its meeting held on 20 March 2020 had approved a proposal to buyback up to 87,990 equity shares of the company for an aggregate amount not exceeding INR 400 million being 6.22% of total paid up equity share capital of the company, at Rs. 4,546 per equity share. Letter of offer was issued to all eligible shareholders holding shares as on 31 December 2019. The period for tendering the shares for buyback was from 30 March 2020 to 31 March 2020. The Company bought back 87,990 equity shares for an amount of Rs. 400 million. The equity shares bought back were extinguished on 6 April 2020. Capital Redemption Reserve was created to the extent of nominal value of equity share capital extinguished of Rs. 0.88 million. Transaction costs (including tax on distributed income to shareholders) Rs. 91.17 million for the buyback have been adjusted to retained earnings.

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 Re. 1 per share as on 31 March 2021. 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 Group, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Shareholders holding more than 5% shares in the Group is set out below:

Equity shares of Re. 1 each fully paid (31 March 2020: Rs. 10 each fully paid)	31 March 2021		31 March 2020	
	Number of Shares	Number of Shares %	Number of Shares	Number of Shares %
1. Mr. Ashok Boob	16,316,940	15.36%	203,963	15.36%
2. Ms. Asha Boob	13,155,900	12.39%	164,450	12.39%
3. Ashokkumar Ramkishan Sikchi HUF	12,093,440	11.39%	151,168	11.39%
4. Ashok Ramnarayan Boob HUF	6,689,760	6.30%	83,622	6.30%
5. Mr. Parth Maheshwari	6,754,000	6.36%	84,425	6.36%
6. Ms. Nidhi Mohunta J/w Ashok Boob	6,754,000	6.36%	84,425	6.36%

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

Notes to Consolidated Financial Statements

(All amounts are in rupees million, unless otherwise stated)

18 Other equity

	As at 31 March 2021	As at 31 March 2020
Reserves and surplus		
A. Retained earnings	5,247.46	3,286.58
B. Securities premium	-	61.04
C. General reserve	42.99	74.01
D. Capital redemption reserve	-	0.88
E. Equity instruments designated through other comprehensive income	-	(14.82)
	5,290.45	3,407.69

	As at 31 March 2021	As at 31 March 2020
A. Retained earnings		
Opening balance	3,286.58	2,575.04
Profit for the year	1,983.80	1,396.31
Appropriations		
Interim dividend paid during the year*	(33.19)	(77.86)
Final dividend paid during the year**	-	(49.55)
Tax on dividend paid during the year	-	(26.06)
Buyback of equity shares	-	(399.12)
Transaction costs of buy back (including tax on distributed income to shareholders)	-	(91.17)
Transaction costs of increase in share capital (net of tax)	(1.24)	-
Transfer from/to other reserves	11.61	(41.21)
Remeasurements of defined benefit liability / (asset)	(0.10)	0.20
Closing balance	5,247.46	3,286.58

*Interim dividend for 2020-21 at Rs. 25 per equity share (31 March 2020 : Interim dividend for 2019-20 at Rs. 25 per equity share) prior to issue of bonus shares and stock split.

**Final dividend of 2019-20 paid during the year at Rs. Nil per equity share (31 March 2020 : Final dividend of 2018-19 paid during the year at Rs. 35 per equity share).

B. Securities Premium

Opening balance	61.04	61.04
Issue of bonus shares	(61.04)	-
Closing balance	-	61.04

C. General Reserve

Opening balance	74.01	74.89
Issue of bonus shares	(31.02)	-
Transfer to Capital redemption reserve	-	(0.88)
Closing balance	42.99	74.01

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

Notes to Consolidated Financial Statements

(All amounts are in rupees million, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
D. Capital redemption reserve		
Opening balance	0.88	-
Issue of bonus shares	(0.88)	0.88
Closing balance	-	0.88
E. Equity instruments designated through other comprehensive income		
Opening balance	(14.82)	(4.56)
Transfer from/(to) other reserves	(11.61)	41.21
Add/(Less): Fair value changes during the year (net of tax)	26.43	(51.47)
Closing balance	-	(14.82)
	5,351.49	3,407.69

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

Notes to Consolidated Financial Statements

(All amounts are in rupees million, unless otherwise stated)

19 Borrowings

	As at 31 March 2021	As at 31 March 2020
Unsecured		
Deposits from shareholders*	3.31	2.89
	<u>3.31</u>	<u>2.89</u>

*Deposits from shareholders are interest free and are repayable after 3 years from respective receipt of deposits.

20 Provisions

Provision for employee benefits

Compensated absences	3.74	3.32
	<u>3.74</u>	<u>3.32</u>

21 Borrowings

Loans repayable on demand (secured)		
Cash credit and overdraft facilities from banks	-	18.99
Others		
Daimler Financial Services India Pvt Ltd	-	5.02
	<u>-</u>	<u>24.01</u>

a) Working capital loan from banks consist of cash credit facility from banks carrying interest rate ranging between 7.75 % to 8.90 % and are repayable on demand.

The details of securities for the short-term borrowings are as follows :

Primary security

(1) Hypothecation charge on stocks, stores and spares, consumables and book debts.

Collateral security

(2) Pari passu equitable mortgage charge on Office No. 503, 5th Floor, Pentagon Tower 4, Hadapsar, Pune admeasuring 5158 sq. Ft.

(3) Pari passu hypothecation charge on all current assets.

b) Term loan of Rs. Nil (31 March 2020: Rs. 5,024,016) taken from Daimler Financial Services India Private Limited for financing of new Mercedes-Benz S350d car. The last instalment has been paid in March 2021.

22 Trade payables

Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 37)**	2.37	0.98
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises*	607.52	355.89
	<u>609.89</u>	<u>356.87</u>

*Includes dues to related parties (Refer note 38)

**Refer note 37 for disclosures required under MSMED Act

23 Other financial liabilities

Employee benefits payable		
Salaries and benefits	11.65	8.54
Bonus payable	155.99	102.93
Payable for purchase of property, plant & equipment	110.23	27.52
MTM Loss / (Gain) on outstanding forward contract not designated as hedge	-	45.45
	<u>277.87</u>	<u>184.44</u>

Clean Science and Technology Limited (Erstwhile known as 'Clean Science and Technology Private Limited')**Notes to Consolidated Financial Statements**

(All amounts are in rupees million, unless otherwise stated)

24 Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Statutory dues payable		
Statutory dues including provident fund and withholding taxes		
TDS and TCS payable	119.06	79.20
Buyback tax payable	-	90.58
Provident fund payable	0.91	0.72
ESIC payable	0.12	0.10
Professional tax payable	0.06	-
Advance from customer	10.35	2.33
	<u>130.50</u>	<u>172.93</u>

25 Provisions**Provision for employee benefits**

Compensated absences	1.50	1.08
Gratuity (Refer note 42)	-	0.41
	<u>1.50</u>	<u>1.49</u>

Clean Science and Technology Limited (Erstwhile known as 'Clean Science and Technology Private Limited')**Notes to Consolidated Financial Statements**

(All amounts are in rupees million, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
26 Revenue from operations		
Sale of products	5,069.41	4,093.38
Other operating revenue		
Export incentives	43.71	86.46
Scrap sale	1.16	0.56
Sale of electricity	10.00	12.60
	54.87	99.62
	5,124.28	4,193.00
27 Other income		
Interest income	11.51	1.36
Interest income on investments measured at amortised cost	17.94	-
Dividend income from investments in equity shares designated as FVTPL	29.45	20.65
Dividend income from investments in equity shares designated as FVTOCI	0.33	1.58
Net gain on account of foreign exchange fluctuations	113.53	28.23
Profit on sale of instruments designated through fair value through profit and loss (FVTPL)	31.27	40.29
Fair value gain on instruments designated through fair value through profit and loss (FVTPL)	49.25	14.44
Miscellaneous income	3.15	2.10
	256.43	108.65
28 Cost of materials consumed		-
Raw materials (including purchase components & packing material consumed)		
Opening inventories	72.14	79.80
Add : Purchases	1,421.76	1,272.13
	1,493.90	1,351.93
Less : Closing inventories	115.28	72.14
	1,378.62	1,279.79

Clean Science and Technology Limited (Erstwhile known as 'Clean Science and Technology Private Limited')**Notes to Consolidated Financial Statements**

(All amounts are in rupees million, unless otherwise stated)

	For the year ended 31 March 2021	For the year ended 31 March 2020
29 Changes in inventories of finished goods and work-in-progress		
Opening Inventories		
Finished Goods	60.06	83.93
Work-in-progress	201.29	190.01
Total (A)	261.35	273.94
Closing Inventories		
Finished Goods	115.94	60.06
Work-in-progress	288.20	201.29
Total (B)	404.14	261.35
Total (A-B)	(142.79)	12.59
30 Employee benefits expenses		
Salaries, wages and bonus	420.67	299.33
Contribution to provident and other funds (Refer note 42)	7.97	6.04
Staff welfare expenses	6.93	4.76
	435.57	310.13
31 Finance costs		
Interest expense on financial liabilities		
Working capital loan	0.04	0.03
Others	0.87	1.18
	0.91	1.21
32 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 3)	170.87	136.16
Amortisation of right-of-use asset (refer note 3)	0.33	0.23
Amortisation of intangible assets (refer note 5)	0.85	0.75
	172.05	137.14

Clean Science and Technology Limited (Erstwhile known as 'Clean Science and Technology Private Limited')**Notes to Consolidated Financial Statements**

(All amounts are in rupees million, unless otherwise stated)

33 Other expenses**For the year ended
31 March 2021****For the year ended
31 March 2020**

Consumption of stores and spares	8.44	7.68
Power and fuel	349.49	347.53
Water charges	9.97	16.97
Repairs and maintenance		
Buildings	19.27	11.11
Machinery	84.58	63.20
Others	19.43	14.89
Insurance	12.32	6.97
Rent	0.40	-
Rates and taxes	5.66	4.37
Telephone and other communication expenses	1.90	1.82
Travelling expenses	3.39	5.67
Freight, clearing and forwarding	55.02	37.06
Sales commission	68.21	43.69
Advertising and sales promotion	0.05	0.05
Manpower supply	99.41	72.79
Legal and professional fees	23.61	15.57
Payments to auditors (refer note (a) below)	2.48	1.47
CSR expenses (Refer note 48)	30.56	33.20
Bank charges	2.35	2.91
Effluent treatment plant expenses	29.28	18.71
Printing and stationary	2.83	2.34
Loss on sale of property, plant and equipments	3.12	-
Miscellaneous expenses	31.57	29.63

863.34**737.63****(a) Payment to auditor***

As auditor

Statutory audit fee	0.95	0.95
In other capacity		
Other services	1.50	0.45
Reimbursement of expenses	0.03	0.07

2.48**1.47**

* Excludes Rs 7.35 million (31 March 2020 Rs. Nil) 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 will be recovered from selling shareholders in the ratio of their selling shareholding pattern. Also refer note 15.

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

Notes to Consolidated Financial Statements

(All amounts are in rupees million, unless otherwise stated)

34 Taxes

(a) Statement of profit or loss

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax:		
Current income tax charge	617.51	461.19
Deferred tax	71.70	(34.34)
Income tax expense reported in the statement of profit or loss	689.21	426.85

(b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during in the period

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax:		
Taxes on equity instruments through other comprehensive income	(0.39)	6.12
Remeasurements gains and losses on post employment benefits	0.04	-
Deferred tax		
Taxes on equity instruments through other comprehensive income	(1.95)	2.54
Remeasurements gains and losses on post employment benefits		(0.07)
Income tax recognised in OCI	(2.30)	8.59

(c) Balance sheet

Tax assets

Particulars	As at 31 March 2021	As at 31 March 2020
Non- current tax assets	14.38	3.05
Current tax assets	-	-
Total tax assets	14.38	3.05

Current tax liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax (net of advance tax)	-	29.84
Total current tax liabilities	-	29.84

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

Notes to Consolidated Financial Statements

(All amounts are in rupees million, unless otherwise stated)

(d) Deferred tax

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities (DTL)		
Excess of depreciation/amortisation on property plant and equipment under income tax act	141.64	121.62
MTM Gain on outstanding forward contract not designated as hedge	18.53	(20.12)
Mutual funds designated at fair value through profit and loss	14.76	5.33
	174.93	106.83
Deferred tax assets (DTA)		
Provision for employee benefits	(1.26)	(1.21)
Carry forward of losses	-	(1.64)
Bonds - Effective interest rate	-	-
Equity instruments measured at other comprehensive income	2.02	(1.95)
	0.76	(4.80)
Net deferred tax liability/(asset)	175.69	102.03

(e) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

	For the year ended 31 March 2021	For the year ended 31 March 2020
Accounting profit before tax	2,673.01	1,823.16
Tax rate	25.17%	25.17%
Tax as per IT Act on above (A)	672.80	458.85
Tax expenses		
(i) Current tax	617.51	461.19
(ii) Deferred tax	71.70	(34.34)
(B)	689.21	426.84
Difference (C)	(16.41)	32.01
Tax reconciliation Adjustments:		
Effect of permanent adjustments	8.42	27.49
Exempt income	-	(19.91)
Impact as a result of tax rate change	-	(8.16)
Impact as a result of capital gains included in accounting profit taxed at the applicable rates	3.96	(2.38)
Others	4.03	(29.04)
	-	-

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

Notes to Consolidated Financial Statements

(All amounts are in rupees million, unless otherwise stated)

(f) Movement in temporary differences:

	1 April 2020	Recognised in profit or loss during the year	Recognised in OCI during the year	31 March 2021
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax act	121.62	20.02	-	141.64
MTM Gain on outstanding forward contract not designated as hedge	(20.12)	38.65	-	18.53
Mutual funds designated at fair value through profit and loss	5.33	9.43	-	14.76
	106.83	68.10	-	174.93
Deferred tax assets (DTA)				
Provision for employee benefits	(1.21)	(0.06)	-	(1.26)
Carry forward of losses	(1.64)	1.64	-	-
Bonds - Effective interest rate	-	-	-	-
Equity instruments measured at other comprehensive income	(1.95)	2.02	1.95	2.02
	(4.80)	3.60	1.95	0.76
Net deferred tax liability/(asset)	102.03	71.70	1.95	175.69
	1 April 2019	Recognised in profit or loss during the year	Recognised in OCI during the year	31 March 2020
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax act	129.09	(7.47)	-	121.62
MTM Gain on outstanding forward contract not designated as hedge	10.03	(30.15)	-	(20.12)
Mutual funds designated at fair value through profit and loss	1.96	3.37	-	5.33
	141.08	(34.25)	-	106.83
Deferred tax assets (DTA)				
Provision for employee benefits	(1.22)	(0.06)	0.07	(1.21)
Carry forward of losses	-	(1.64)	-	(1.64)
Equity instruments measured at other comprehensive income	(1.02)	1.61	(2.54)	(1.95)
	(2.24)	(0.09)	(2.47)	(4.80)
Net deferred tax liability/(asset)	138.84	(34.34)	(2.47)	102.03

35 Earnings Per Share

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profits attributable to equity shareholders		
Profit for basic earning per share of Re. 1 each*		
Profit for the year (in millions)	1,983.80	1,396.31
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the year	106,218,960	106,218,960
Basic EPS (Rs.)	18.68	13.15
Diluted Earnings Per Share		
Profit for diluted earning per share of Re. 1 each*		
Profit for the year (in millions)	1,983.80	1,396.31
Diluted Earnings Per Share		
Weighted average number of equity shares outstanding during the year for diluted EPS	106,218,960	106,218,960
Diluted EPS (Rs.)	18.68	13.15

Weighted average number of equity shares for Basic Earnings Per Share	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the beginning and at the end of the year*	106,218,960	106,218,960
Weighted average number of equity shares outstanding during the period	106,218,960	106,218,960

Weighted average number of equity shares for Diluted Earnings Per Share	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at the beginning and at the end of the year*	106,218,960	106,218,960
Weighted average number of equity shares outstanding during the period	106,218,960	106,218,960

*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.

36 Contingent liabilities, contingent assets and commitments :

(a) Contingent liabilities

Pursuant to recent judgement by the Honorable Supreme Court dated 28 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 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 28 February 2019.

(b) Commitments

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	104.04	189.17
	104.04	189.17

37 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2021	As at 31 March 2020
Principal amount remaining unpaid to any supplier as at the end of the period/year		
Trade payables	2.37	0.98
Interest due thereon remaining unpaid to any supplier as at the end of the period/year		
Trade payables	-	-
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.	-	-

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

Notes to Consolidated Financial Statements

(All amounts are in rupees million, unless otherwise stated)

38 Related Party Disclosures

(a) List of Related Parties and description of relationship:

Key Management Personnel (KMP)

1	Mr. Ashok Boob	Managing Director
2	Mr. Siddhartha Sikchi	Director
3	Mr. Krishnakumar Boob	Director
4	Mr. Pradeep Rathi	Non-executive Director
5	Ms. Madhu Dubhashi (appointed w.e.f 20 February 2021)	Independent Director
6	Mr. Sanjay Kothari	Non-executive Director
7	Mr. Ganapati Yadav	Non-executive Director / Independent Director
8	Mr. Keval Doshi (appointed w.e.f 25 February 2021)	Independent Director
9	Mr. Pratik Bora (appointed w.e.f 6 February 2021)	Chief Financial Officer
10	Mr. Mahesh Kulkarni (appointed w.e.f 11 March 2021)	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	Matrix Fine Sciences Private Limited
2	M/s Shree Tiles
3	M/s Shree Pavers and Tiles
4	CSTPL Foundation
5	M/s Shree Pavers
6	Anantroop Financial Advisory Services Private Limited

(b) Related party transactions:

Key management personnel compensation

Particulars	For the year ended	For the year ended
	31 March 2021	31 March 2020
Short-term employee benefits	322.35	224.54
Director sitting fees	1.01	0.28
Total compensation	323.36	224.82

Sr. no	Nature of Transaction	For the year ended 31 March 2021			For the year ended 31 March 2020		
		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	-	2.16	2.16	0.09	0.86	0.95
2	Sale of goods	-	1.11	1.11	-	3.10	3.10
3	Sale of scrap	-	-	-	-	0.14	0.14
4	Sale of property plant and equipments	3.58	0.23	3.81	-	-	-
5	Donation	-	7.00	7.00	-	20.50	20.50
6	Remuneration to relative of key management personnel- Short-term employee benefits	4.16	-	4.16	2.56	-	2.56
7	Interim dividend paid	31.49	1.63	33.12	73.87	3.83	77.70
8	Final dividend for previous year	-	-	-	47.01	2.44	49.45
9	Recoverable expenses from shareholders	51.61	2.68	54.29	-	-	-
10	Unsecured deposit received	1.71	-	1.71	1.60	-	1.60
11	Unsecured deposit (paid)	(1.29)	-	(1.29)	-	-	-
		91.26	14.81	106.07	125.13	30.87	155.99

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

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(All amounts are in rupees million, unless otherwise stated)

(c) Related party transactions more than 10% of total transactions for the year ended :

Nature of transaction	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Purchase of raw material, consumables and spares		
M/s Shree Pavers and Tiles	2.16	0.86
b. Key management personnel compensation		
Mr. Ashok Boob	146.09	102.38
Mr. Siddhartha Sikchi	99.61	69.81
Mr. Krishnakumar Boob	74.71	52.35
c. Remuneration to relative of key management personnel		
Mr. Parth Maheshwari	4.16	2.56
d. Sale of Goods		
Matrix Fine Sciences Private Limited	1.11	3.10
e. Sale of scrap & other non operating income		
Matrix Fine Sciences Private Limited	-	0.14
f. Sale of property, plant and equipment		
Mr. Ashok Boob	0.99	-
Mr. Siddhartha Sikchi	1.07	-
Mr. Krishnakumar Boob	1.53	-
g. Interim dividend paid		
Mr. Ashok Boob	5.10	5.44
Ms. Asha Boob	4.11	4.52
Ashokkumar Ramkishan Sikchi HUF	3.78	5.19
h. Final dividend for previous year		
Mr. Ashok Boob	-	15.34
Ms. Asha Boob	-	12.96
Ashokkumar Ramkishan Sikchi HUF	-	11.24
i. Unsecured Deposits (paid)		
Mr. Siddhartha Sikchi	(1.29)	-
j. Unsecured deposits received		
Mr. Ashok Boob	1.04	1.60
Mr. Krishnakumar Boob	0.67	-
k. Donation to CSTPL Foundation	7.00	20.50
l. Director Sitting Fees		
Mr. Ganapati Yadav	0.12	0.06
Mr. Pradeep Rathi	0.23	0.11
Mr. Sanjay Kothari	0.28	0.11
Mr. Kewal Doshi	0.22	-
Ms. Madhu Dubhashi	0.16	-
m. Recoverable expenses from shareholders		
Mr. Ashok Boob	8.68	-
Ms. Asha Boob	8.68	-

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(d) Balances outstanding at the end of the year:-

Particulars	As at 31 March 2021	As at 31 March 2020
a. Trade payables		
M/s Shree Pavers and Tiles	0.50	0.03
b. Trade receivables		
Matrix Fine Sciences Private Limited	-	0.55
c. Unsecured deposit		
Mr. Siddhartha Sikchi	-	1.29
Mr. Ashok Boob	2.64	1.60
Mr. Krishnakumar Boob	0.67	-
d. Performance bonus payable (net of TDS)		
Mr. Ashok Boob	69.85	45.94
Mr. Siddhartha Sikchi	47.65	31.21
Mr. Krishnakumar Boob	35.75	23.61
e. Directors remuneration payable (net of TDS)		
Mr. Ashok Boob	1.17	1.03
Mr. Siddhartha Sikchi	0.80	0.55
Mr. Krishnakumar Boob	0.61	0.72
Mr. Sanjay Kothari	-	0.03
f. Remuneration payable to relatives of KMP		
Mr. Parth Maheshwari	0.18	0.16
g. Recoverable expenses from shareholders*		
Ms. Asha Boob	8.68	-
Mr. Ashok Boob	8.68	-
Ashokkumar Ramkishan Sikchi HUF	4.84	-
Ms. Asha Sikchi	4.06	-
Mr. Krishnakumar Boob	3.23	-
Ms. Nilima Boob	3.23	-
Other related selling shareholders (small denominations)	21.69	-

* Refer note 15 for the expenses recoverable from the selling shareholders

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39 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 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 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 arising on trade receivables and other financial assets, based on 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 31 March 2021	As at 31 March 2020
Total current assets (A)	3,951.37	2,570.12
Total current liabilities (B)	1,019.76	769.58
Working capital (A-B)	2,931.61	1,800.54

Following is the Group's exposure to financial liabilities based on the contractual maturity as at reporting date.

	As at 31 March 2021			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	3.31	-	3.31	3.31
Trade payables	609.89	609.89	-	609.89
Other liabilities	277.87	277.87	-	277.87

	As at 31 March 2020			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	26.90	24.01	2.89	26.90
Trade payables	356.87	356.87	-	356.87
Other liabilities	184.44	184.44	-	184.44

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(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 selection 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:

	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings	-	18.99
Fixed rate borrowings	-	-
Total borrowings	-	18.99

The Group had the following variable and fixed rate borrowings outstanding

	31 March 2021		
	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%
	31 March 2020		
	Weighted average interest rate	Balance	% of total loans
Cash credit facility	9.21%	18.99	100%
Net exposure to cash flow interest rate risk	9.21%	18.99	100.00%

(d) Market risk

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, 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.

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(e) Foreign currency unhedged exposure :

(i) Financial assets

Financial assets	As at 31 March 2021		As at 31 March 2020	
	Foreign currency	Equivalent amount in rupees (in millions)	Foreign currency	Equivalent amount in rupees (in millions)
Trade receivables				
USD	6.35	466.73	4.41	332.16
EURO	0.28	23.70	0.30	24.60
Advance paid				
USD	-	-	0.01	1.11
EURO	-	-	-	-
Balance with banks - in EEFC accounts				
USD	0.82	60.29	0.61	45.92
EURO	0.07	5.80	0.10	8.10
Cash on hand				
USD	0.00	0.16	0.00	0.03
EURO	0.00	0.17	0.00	0.12
CNY	0.00	0.01	0.00	0.01
SGD	0.00	0.01	0.00	0.01
AED	0.01	0.10	0.00	0.06
RUB	0.00	0.00	0.00	0.00
IDR	0.22	0.00	0.22	0.00
CHF	0.00	0.01	0.00	0.01
		556.98		412.12

Note: Amounts seen as (0.00) are below the disclosure threshold of the Group.

(ii) Financial liabilities

Financial liabilities	As at 31 March 2021		As at 31 March 2020	
	Foreign currency	Equivalent amount in rupees (in millions)	Foreign currency	Equivalent amount in rupees (in millions)
Trade payables				
USD	1.14	83.75	0.69	52.19
EURO	0.00	0.12	0.00	0.30
		83.87		52.49

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 31 March 2021		As at 31 March 2020	
	Foreign currency	Equivalent amount in rupees (in millions)	Foreign currency	Equivalent amount in rupees (in millions)
USD	6.03	443.43	4.34	327.04
EUR	0.34	29.54	0.39	32.51
CNY	0.00	0.01	0.00	0.01
SGD	0.00	0.01	0.00	0.01
AED	0.01	0.10	0.00	0.06
RUB	0.00	0.00	0.00	0.00
IDR	0.22	0.00	0.22	0.00
CHF	0.00	0.01	0.00	0.01
Total		473.10		359.62

Note: Amounts seen as (0.00) are below the disclosure threshold of the Group.

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(iv) Currency wise net exposure (Financial assets - Financial liabilities) (INR)

Currency	Amount in rupees (in millions)		Sensitivity %
	31 March 2021	31 March 2020	
USD	443.43	327.04	1.00%
EUR	29.54	32.51	1.00%
CNY	0.01	0.01	1.00%
SGD	0.01	0.01	1.00%
AED	0.10	0.06	1.00%
RUB	0.00	0.00	1.00%
IDR	0.00	0.00	1.00%
CHF	0.01	0.01	1.00%
	473.10	359.62	

Note: Amounts seen as (0.00) are below the disclosure threshold of the Group.

(v) Sensitivity analysis

	Impact on profit/equity (1% strengthening)		Impact on profit/equity (1% weakening)	
	Amount in rupees (in millions)		Amount in rupees (in millions)	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
USD	4.43	3.27	(4.43)	(3.27)
EUR	0.30	0.33	(0.30)	(0.33)
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)
Total	4.73	3.60	(4.73)	(3.60)

Note: Amounts seen as (0.00) are below the disclosure threshold of the Group.

*The exchange rate used by the Group is that notified by the Reserve Bank of India.

Impact of COVID - 19

The Group based on an internal assessment believes that the probability of the occurrence of their highly probable forecasted transactions is not significantly impacted by the COVID-19 pandemic. The Group has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing the hedge effectiveness. The Group continues to believe that there is no impact on effectiveness of its hedges.

40 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.

The Group monitors capital using debt-equity ratio, which is net debt divided by total equity. These ratios are illustrated below:

Particulars	As at 31 March 2021	As at 31 March 2020
Total liabilities	1,202.50	877.82
Less: cash and cash equivalents and bank balances	156.81	92.82
Net debt	1,045.69	785.00
Total equity	5,396.67	3,420.97
Debt-equity ratio	0.19	0.23

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41 Fair value measurements

(a) Categories of financial instruments -

Particulars	As at 31 March 2021					As at 31 March 2020				
	Carrying amount	Fair values				Carrying amount	Fair values			
		FVTPL	FVTOCI	Amortised cost	Amortised cost		FVTPL	FVTOCI	Amortised cost	Amortised cost
Category		Level 1	Level 1	Level 1	Level 2		Level 1	Level 1	Level 1	Level 2
Financial assets										
Trade receivables	742.25	-	-	-	742.25	698.33	-	-	-	698.33
Cash and cash equivalents	93.44	-	-	-	93.44	92.05	-	-	-	92.05
Other bank balances	63.37	-	-	-	63.37	0.77	-	-	-	0.77
Investment in bonds	378.57	-	-	380.88	-	-	-	-	-	-
Investment in mutual funds - Quoted	1,927.60	1,927.60	-	-	-	1,272.32	1,272.32	-	-	-
Investment in equity shares - Quoted	14.96	14.96	-	-	-	57.52	-	57.52	-	-
Loans	23.49	-	-	-	23.49	14.51	-	-	-	14.51
Other financial assets	250.19	-	-	-	250.19	64.61	-	-	-	64.61
Total financial assets	3,493.87	1,942.56	-	380.88	1,172.74	2,200.11	1,272.32	57.52	-	870.27
Financial liabilities										
Borrowings	3.31	-	-	-	3.31	26.90	-	-	-	26.90
Trade payables	609.89	-	-	-	609.89	356.87	-	-	-	356.87
Other financial liabilities	277.87	-	-	-	277.87	184.44	-	-	-	184.44
Total financial liabilities	891.07	-	-	-	891.07	568.21	-	-	-	568.21

(b) Fair value hierarchy:

As per Ind AS 107 "Financial Instrument: Disclosure", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. As illustrated above, all financial instruments of the Group which are carried at amortized cost approximates the fair value (except for which the fair values are mentioned). Investments in Mutual Funds which are designated at FVTPL & investment in shares which are classified as FVTPL and FVTOCI are at fair value.

42 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 / year aggregated to Rs. 5.94 million (31 March 2020 : Rs. 4.59 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 Group.

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 neutralize 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 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 31 March 2021	For the year ended 31 March 2020
Current service cost	2.01	1.46
Net interest (Income)/ Expense	0.02	(0.00)
Net benefit expense	2.03	1.46

Changes in the present value of the defined benefit obligation are as follows :

Particulars	As at 31 March 2021	As at 31 March 2020
Projected benefit obligation at the beginning of the year	6.56	5.35
Interest cost	0.39	0.39
Current service cost	2.01	1.46
Benefits paid	(0.23)	(0.30)
Remeasurements on obligation - (Gain) / Loss	0.19	(0.34)
Present value of obligation at the end of the year	8.92	6.56

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Changes in the fair value of plan assets are as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Fair value of plan assets at the beginning of the year	6.15	4.62
Interest income	0.36	0.40
Contributions	2.90	1.58
Mortality charges and taxes	(0.12)	(0.07)
Benefits paid	(0.22)	(0.31)
Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss)	0.06	(0.07)
Fair value of Plan assets at end of the year	9.13	6.15
Actual return on plan assets	0.42	0.33

Re-measurements for the year (Actuarial (gain) / loss)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Experience gain / (loss) on plan liabilities	0.08	0.06
Demographic gain / (loss) on plan liabilities	-	(0.84)
Financial gain / (loss) on plan liabilities	0.12	0.44
Experience (gain) / loss on plan assets	(0.16)	0.06
Financial (gain) / loss on plan assets	0.10	0.01

Note: Amounts seen as (0.00) are below the disclosure threshold of the Group.

Amount recognised in the statement of other comprehensive income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Re-measurement for the year - obligation (gain) / loss	0.20	(0.34)
Re-measurement for the year - plan assets (gain) / loss	(0.06)	0.07
Total re-measurements cost / (credit) for the year recognised in other comprehensive income	0.14	(0.27)

Net Defined Benefit Liability/(Asset) for the year

Particulars	As at 31 March 2021	As at 31 March 2020
Defined Benefit Obligation	8.92	6.56
Fair value of plan assets	9.13	6.15
Closing net defined benefit liability/(asset)	(0.21)	0.41

Particulars	As at 31 March 2021	As at 31 March 2020
Current	(0.21)	0.41
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 31 March 2021	As at 31 March 2020
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 31 March 2021	As at 31 March 2020
	%	%
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	5.70%	6.00%
Rate of increase in compensation levels	10.00%	10.00%
Expected rate of return on plan assets	6.00%	7.60%
Withdrawal rate #		
Age up to 30 years	22.00%	22.00%
Age 31 - 40 years	22.00%	22.00%
Age 41 - 50 years	22.00%	22.00%
Age above 50 years	22.00%	22.00%
Expected average remaining working lives of employees (in years)	4.45 *	4.43 *

* It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement.

Assumption has been revised by the Group based on their past experience and future expectations

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A quantitative sensitivity analysis for significant assumption as at 31 March 2021 & 31 March 2020 is as shown below:

Assumptions	Defined benefit obligation			
	As at 31 March 2021		As at 31 March 2020	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Discount Rate				
Discount Rate	6.70%	4.70%	7.00%	5.00%
Amount	8.54	9.34	6.27	6.87
Salary increment rate				
Salary increment rate	11.00%	9.00%	10.00%	9.00%
Amount	9.23	8.63	6.79	6.34
Withdrawal rate				
Withdrawal rate	23.00%	21.00%	23.00%	21.00%
Amount	8.84	9.01	6.50	6.62

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	31 March 2021	31 March 2020
Less than 1 year	2.12	1.07
1 to 2 years	1.23	1.53
3 to 5 years	4.59	3.46
More than 5 years	8.94	6.37

Expected contributions for the next year

The group has contributed Rs. 2.91 million (31 March 2020 :Rs. 1.57 million) to its gratuity fund during the year. The group has informed that it intends to contribute Rs. Nil (31 March 2020 :Rs. 0.06 million) towards its gratuity fund in 2022.

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Note 43: Revenue from contracts with customers**A. Revenue streams**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations		
Sale of products	5,069.41	4,093.38
Other operating revenue		
Export incentives	43.71	86.46
Scrap sale	1.16	0.56
Sale of electricity	10.00	12.60
	54.87	99.62
	5,124.28	4,193.00

Disaggregation of revenue streams

The Group is engaged in manufacturing of various types of chemicals mainly Ketone with other oxygen function and Ether phenol.

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from contracts with customers		
Ketone with other oxygen function	499.83	491.65
Ether phenols	4,202.77	3,335.23
Others	366.81	266.50
Total revenue	5,069.41	4,093.38

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Timing of revenue recognition		
Goods transferred at a point in time	5,069.41	4,093.38
Goods transferred over time	-	-
Total revenue	5,069.41	4,093.38

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Note 44: 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	
Gross block		
Balance as at 1 April 2019	20.00	
Additions	17.60	
Disposals	(9.60)	
Balance as at 31 March 2020	28.00	
Balance as at 1 April 2020	28.00	
Additions	3.08	
Disposals	-	
Balance as at 31 March 2020	31.08	
Accumulated depreciation		
Balance as at 1 April 2019	-	1.37
Depreciation for the year	0.23	
Depreciation on disposals	(0.60)	
Balance as at 31 March 2020	1.00	
Balance as at 1 April 2020	1.00	
Depreciation for the period	0.34	
Depreciation on disposals	-	
Balance as at 31 March 2021	1.34	
Net block		
As At 31 March 2020	27.00	
As At 31 March 2021	29.75	

A2. Lease liabilities

	As at 31 March 2021	As at 31 March 2020
Current	-	-
Non Current	-	-
Total	-	-

A3. Interest expenses on lease liabilities

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on lease liabilities	-	-

A4. Expenses on short term leases / low value assets

	For the year ended 31 March 2021	For the year ended 31 March 2020
Short-term lease	0.40	-
Low value assets	-	-

A5. Amounts recognised in the statement of cash flow

	For the year ended 31 March 2021	For the year ended 31 March 2020
Total cash outflow for leases	-	-

A6. Maturity analysis – contractual undiscounted cash flows

	As at 31 March 2021	As at 31 March 2020
Less than one year	-	-
One to five years	-	-
More than five years	-	-
Total undiscounted lease liabilities	-	-

Impact of COVID 19

The leases that the Group has entered with lessors majorly pertains for land taken on lease. The Group has already made payment of lease rentals and no changes in terms of those leases are expected due to the COVID-19 pandemic.

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

Notes to Consolidated Financial Statements

(All amounts are in rupees million, unless otherwise stated)

45 Investments made through PMS

a) Investments designated at FVTOCI comprises the following instruments

Investment in equity shares - Quoted	As at 31 March 2021	As at 31 March 2020
Nil (31 March 2020 : 1,385) Avenue Supermarts Limited	-	3.03
Nil (31 March 2020 : 1,300) Bajaj Finance Limited	-	2.88
Nil (31 March 2020 : 2,216) Whirlpool Of India Limited	-	4.03
Nil (31 March 2020 : 267) Apollo Tubes Limited	-	0.33
Nil (31 March 2020 : 12,539) Balrampur Chini Mills Limited	-	1.30
Nil (31 March 2020 : 581) Century Plyboards India Limited	-	0.06
Nil (31 March 2020 : 831) Coromandel International Limited	-	0.45
Nil (31 March 2020 : 6,000) Fortis Healthcare Limited	-	0.76
Nil (31 March 2020 : 944) ICICI Bank Limited	-	0.31
Nil (31 March 2020 : 1,729) Indoco Remedies Limited	-	0.36
Nil (31 March 2020 : 386) Lux Industries Limited	-	0.36
Nil (31 March 2020 : 9,450) Motherson Sumi Systems Limited	-	0.58
Nil (31 March 2020 : 626) Persistent Systems Limited	-	0.34
Nil (31 March 2020 : 534) Polycab India Limited	-	0.40
Nil (31 March 2020 : 62) SRF Limited	-	0.17
Nil (31 March 2020 : 2,000) Aarti Industries Limited	-	1.53
Nil (31 March 2020 : 900) ABB India Limited	-	0.84
Nil (31 March 2020 : 10,000) Ashok Leyland Limited	-	0.43
Nil (31 March 2020 : 8,933) Astra Microwave Products Limited	-	0.46
Nil (31 March 2020 : 1,500) Balkrishna Industries Limited	-	1.19
Nil (31 March 2020 : 24,000) Cadila Healthcare Limited	-	6.41
Nil (31 March 2020 : 11,496) Castrol India Limited	-	1.14
Nil (31 March 2020 : 6,000) Century Enka Limited	-	0.71
Nil (31 March 2020 : 2,485) Century Textiles And Industries Limited	-	0.74
Nil (31 March 2020 : 8,219) Coffee Day Enterprises Limited	-	0.19
Nil (31 March 2020 : 88,000) Granules India Limited	-	12.64
Nil (31 March 2020 : 2,975) Grasim Industries Limited	-	1.42
Nil (31 March 2020 : 3,200) Hindustan Zinc Limited	-	0.50
Nil (31 March 2020 : 8,900) Laurus Labs Limited	-	2.89
Nil (31 March 2020 : 58,000) Network18 Media and Investments Limited	-	1.06
Nil (31 March 2020 : 4,925) Poddar Housing And Development Limited	-	0.79
Nil (31 March 2020 : 5,950) Radico Khaitan Limited	-	1.60
Nil (31 March 2020 : 756) Sun Pharmaceutical Industries Limited	-	0.27
Nil (31 March 2020 : 3,600) Tata Communications Limited	-	0.84
Nil (31 March 2020 : 2,500) Tata Motors Limited	-	0.18
Nil (31 March 2020 : 8,000) Titagarh Wagons Limited	-	0.20
Nil (31 March 2020 : 125) Ultratech Cement Limited	-	0.41
Nil (31 March 2020 : 11,664) Welspun Enterprises Limited	-	0.46
Nil (31 March 2020 : 394) Apar Industries Limited	-	0.11
Nil (31 March 2020 : 208) Automotive Axles Limited	-	0.08
Nil (31 March 2020 : 1,023) Bajaj Consumer Care Limited	-	0.14
Nil (31 March 2020 : 120) Bhagiradha Chemicals & Industries Limited	-	0.03
Nil (31 March 2020 : 3,344) Equitas Holdings Limited	-	0.14
Nil (31 March 2020 : 145) Godawari Power And Ispat Limited	-	0.02
Nil (31 March 2020 : 2,729) Gujarat Ambuja Exports Limited	-	0.29
Nil (31 March 2020 : 962) MSTC Limited	-	0.08
Nil (31 March 2020 : 2,706) Nava Bharat Ventures Limited	-	0.09
Nil (31 March 2020 : 3,027) Rain Industries Limited	-	0.17
Nil (31 March 2020 : 746) Stylam Industries Limited	-	0.19
Nil (31 March 2020 : 646) Vindhya Telelinks Limited	-	0.28
Nil (31 March 2020 : 4,419) Welspun Corp Limited	-	0.27
Nil (31 March 2020 : 874) Axis Bank Limited	-	0.33
Nil (31 March 2020 : 1,274) Bharti Airtel Limited	-	0.56
Nil (31 March 2020 : 261) Colgate-Palmolive (India) Limited	-	0.33
Nil (31 March 2020 : 1,355) Himatsingka Seide Limited	-	0.08
Nil (31 March 2020 : 1,199) ICICI Prudential Life Insurance Co. Limited	-	0.43
Nil (31 March 2020 : 2,257) KPIT Technologies Limited	-	0.08
Nil (31 March 2020 : 185) Larsen And Toubro Limited	-	0.15
Nil (31 March 2020 : 372) Quess Corp Limited	-	0.08
Nil (31 March 2020 : 26) Schaeffler India Limited	-	0.10
Nil (31 March 2020 : 1,970) Thomas Cook (I) Limited	-	0.05
Nil (31 March 2020 : 180) ABB Power Products And Systems India Limited	-	0.13
Nil (31 March 2020 : 985) Aegis Logistics Limited	-	0.14
Nil (31 March 2020 : 4,165) Birlasoft Limited	-	0.25
Nil (31 March 2020 : 70) Linde India Limited	-	0.03
Nil (31 March 2020 : 111) Ajanta Pharma Limited	-	0.15
Nil (31 March 2020 : 21) Bajaj Finserv Limited	-	0.10
Nil (31 March 2020 : 336) Mphasis Limited	-	0.22
Nil (31 March 2020 : 746) Shoppers Stop Limited	-	0.14
Total	-	57.52

Clean Science and Technology Limited (Erstwhile known as 'Clean Science and Technology Private Limited')**Notes to Consolidated Financial Statements**

(All amounts are in rupees million, unless otherwise stated)

45 Investments made through PMS**b) Investments designated at FVTPL comprises the following instruments**

Investment in equity shares - Quoted	As at 31 March 2021	As at 31 March 2020
3084 (31 March 2020 : Nil) Birlasoft Ltd	0.78	-
2099 (31 March 2020 : Nil) City Union Bank Ltd	0.33	-
5405 (31 March 2020 : Nil) Crompton Greaves Consumer Electrical Ltd	2.12	-
836 (31 March 2020 : Nil) Endurance Technologies Ltd	1.22	-
5959 (31 March 2020 : Nil) Equitas Holdings Ltd	0.52	-
21875 (31 March 2020 : Nil) I D F C Ltd	1.04	-
527 (31 March 2020 : Nil) Max Financial Services Ltd	0.45	-
4991 (31 March 2020 : Nil) Sbi Cards And Payment Services Ltd	4.63	-
708 (31 March 2020 : Nil) Sbi Life Insurance Company Ltd	0.62	-
156 (31 March 2020 : Nil) Schaeffler India Ltd	0.85	-
921 (31 March 2020 : Nil) Sterlite Technologies Ltd	0.18	-
2088 (31 March 2020 : Nil) Tata Communications Ltd	2.22	-
Total	14.96	-

46 Share-based payment arrangements:**A. Description of share-based payment arrangements****i. Share option programmes (equity-settled)**

Pursuant to the resolutions passed by the Board on 20 March 2021 and Shareholders on 27 March 2021, Clean Science and Technology Limited (erstwhile known as "Clean Science and Technology Private Limited") ('the holding company') has adopted the "Clean Science and Technology Limited Employee Stock Option Scheme 2021 ("CSTL ESOS 2021" or "Scheme"). The CSTL ESOS 2021 is in compliance with the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations").

In accordance with CSTL ESOS 2021, the holding company may grant up to 100,000 options to the eligible employees of the holding company, in one or more tranches, exercisable into not more than 100,000 equity shares. In accordance with CSTL ESOS 2021, with each such option conferring a right upon such employee to apply for one equity share, in accordance with the terms and conditions as may be decided under the CSTL ESOS 2021. No options have been granted under CSTL ESOS 2021 till 31 March 2021. The CSTL ESOS 2021 contemplates a statutory minimum vesting period of one year to maximum of four years from the date of grant of options. The Nomination and Remuneration Committee administers the CSTL ESOS 2021 and is designated by the holding company as the compensation committee as envisaged under the SEBI SBEB Regulations.

47 Operating Segment

- (a) The Group is exclusively engaged in the business of manufacturing of organic chemicals. These in the context of the Ind AS 108 Operating Segment, are considered to constitute one single primary segment.

Sales revenue	For the year ended 31 March 2021	For the year ended 31 March 2020
India	1,647.10	1,309.88
Rest of the World	3,477.18	2,883.12
	5,124.28	4,193.00
Carrying amount of assets*		
India	251.83	341.57
Rest of the World	490.42	356.76
	742.25	698.33
*Segment assets represent trade receivables		
Additions to property, plant and equipment, right of use assets and intangible assets		
India	382.32	532.11
	382.32	532.11

(b) Information about major customers (external customers):

The following is the transactions by the Group with external customers individually contributing 10 per cent or more of the Group's revenue from operations:

- (i) For the year ended 31 March 2021, revenue from operations of one customer of the Group represented approximately 13.28% of the Group's revenue from operations.
- (ii) For the year ended 31 March 2020, revenue from operations of one customer of the Group represented approximately 11.44% of the Group's revenue from operations.

48 Corporate social responsibility

As per the provisions of section 135 of Companies Act 2013, the Group was required to spend Rs. 25.93 million (31 March 2020 : Rs. 18.32 million). being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy on the activities specified in Schedule VII of the Act. However, the Group has spent Rs. 30.56 million (31 March 2020 : Rs. 33.20 million) towards Corporate Social Responsibility activities. Below are the details of the amount spent during the year :

Particulars	CSR activities	For the year ended 31 March 2021	For the year ended 31 March 2020
(i) CSTPL Foundation	Promoting education , health care and environment	7.00	20.50
(ii) Krishnashray Foundation	Promoting education	1.50	-
(iii) Pimpri Chinchwad Education Trust	Promoting education	2.50	2.50
(iv) Rotary Club	Promoting education	0.28	0.50
(v) Friends Of Tribals Society	Promoting education	0.33	0.22
(vi) Prime Minister Relief Fund	Contribution to the Prime Minister's national relief fund	-	2.50
(vii) Katariya Memorial Charity Trust	Promoting education	0.05	-
(viii) Maheshwari Vidya Pracharak	Promoting education	4.90	5.10
(ix) Shri Prayag Dham	Promoting healthcare including preventive healthcare	-	1.23
(x) Sakal Social Foundation	Promoting healthcare including preventive healthcare	-	0.15
(xi) Sangamner Medical Foundation and research	Promoting healthcare including preventive healthcare	12.50	-
(xii) Pethvadgaon Shikshan Prasarak Mandal	Promoting education	0.50	-
(xiii) Neha Foundation	Promoting healthcare including preventive healthcare	-	0.50
(xiv) Indian chemical society	Promoting education	1.00	-
	Total	30.56	33.20

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 31 March 2021	As at 31 March 2020
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%

50 Additional Information Pursuant To Para 2 of General Instructions for the Preparation of Consolidated Financial Statements

As at 31 March 2021

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	Rs. Millions	As % of consolidated (profit) or loss	Rs. Millions	As % of consolidated other comprehensive income	Rs. Millions	As % of consolidated total comprehensive income	Rs. Millions
Parent Company									
1	Clean Science and Technology Limited	100.06%	5,400.15	100.00%	1,983.75	100%	26.33	100.00%	2,010.08
Domestic Company									
1	Clean Science Private Limited	-0.06%	(3.30)	0.01%	0.12	0%	-	0.01%	0.12
2	Clean Aromatics Private Limited	0.00%	(0.07)	0.00%	(0.03)	0%	-	0.00%	(0.03)
3	Clean Organics Private Limited	0.00%	(0.11)	0.00%	(0.04)	0%	-	0.00%	(0.04)
Total		100.00%	5,396.67	100.00%	1,983.80	100.00%	26.33	100.00%	2,010.13

As at 31 March 2020

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	Rs. Millions	As % of consolidated (profit) or loss	Rs. Millions	As % of consolidated other comprehensive income	Rs. Millions	As % of consolidated total comprehensive income	Rs. Millions
Parent Company									
1	Clean Science and Technology Limited	100.10%	3,424.50	100.01%	1,396.51	100%	(51.27)	100.01%	1,345.24
Domestic Company									
1	Clean Science Private Limited	-0.10%	(3.42)	-0.01%	(0.13)	0%	-	-0.01%	(0.13)
2	Clean Aromatics Private Limited	0.00%	(0.04)	0.00%	(0.05)	0%	-	0.00%	(0.05)
3	Clean Organics Private Limited	0.00%	(0.07)	0.00%	(0.02)	0%	-	0.00%	(0.02)
Total		100.00%	3,420.97	100.00%	1,396.31	100.00%	(51.27)	100.00%	1,345.04

51 Proposed Initial Public Offer

The Company has filed draft red herring prospectus on April 6, 2021 with the objects of achieving the benefits of listing the Equity Shares on the Stock Exchanges and to carry out the Offer for Sale of Equity Shares aggregating up to ₹14,000 million by the Selling Shareholders. The Company will not receive any proceeds from the Offer and all such proceeds (net of any Offer related expenses to be borne by the Selling Shareholders) will go to the Selling Shareholders. The Offer has been authorized by resolution of Board of Directors at their meeting held on March 20, 2021. Further, the Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to the resolution dated April 6, 2021.

- 52 (a) Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 15 January 2021, registered address of the Company has been changed to Office No. 503, Pentagon Tower P-4, Magarpatta City, Hadapsar, Pune - 411013, Maharashtra, India from Shubham, Navin Nagar Road, Vidyanagar, Sangamner - 422605, Maharashtra, India.
- (b) The Board of Directors of the Company have appointed Mr. Pratik Bora as a Chief Financial Officer vide board resolution dated 06 February 2021.
- (c) The Company is converted from Private Company to a Public Limited Company vide SRN T07168925 dated 04 March 2021. Accordingly, name of the Company is changed to Clean Science and Technology Limited from Clean Science and Technology Private Limited. Further, Corporate Identification Number (CIN) of the Company is changed from U24114PN2003PTC018532 to U24114PN2003PLC018532.
- (d) The Board of Directors of the Company have appointed Mr. Mahesh Kulkarni (Membership No. 19364) as a whole time Company Secretary vide board resolution dated 11 March 2021.

For BSR & 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

Sd/-

Swapnil Dakshindas
Partner
Membership No. 113896

Place : Pune
Date : 12.06.2021
ICAI UDIN : 21113896AAAADL5826

Sd/- Sd/-

Ashok Boob Managing Director
DIN : 410740
Krishnakumar Boob Director
DIN : 410672

Sd/- Sd/-

Pratik Bora Chief Financial Officer
Mahesh Kulkarni Company Secretary
M. No: 19364

Place : Pune Date : 12.06.2021
Place : Pune Date : 12.06.2021