



**“19th Annual General Meeting of Clean Science and
Technology Limited through Video Conference/ Other
Audio Visual Means”**

August 8, 2022



MANAGEMENT

**MR. PRADEEP RATHI – CHAIRMAN, CLEAN SCIENCE AND
TECHNOLOGY LIMITED**
**MR. ASHOK BOOB – MANAGING DIRECTOR, CLEAN SCIENCE AND
TECHNOLOGY LIMITED**
**MR. SIDDHARTHA SIKCHI – WHOLE-TIME DIRECTOR, CLEAN
SCIENCE AND TECHNOLOGY LIMITED**
**MR. KRISHNA KUMAR BOOB – WHOLE-TIME DIRECTOR, CLEAN
SCIENCE AND TECHNOLOGY**
**MR. KEVAL DOSHI – INDEPENDENT DIRECTOR AND CHAIRMAN OF
AUDIT COMMITTEE, CLEAN SCIENCE AND TECHNOLOGY LIMITED**
**PROF. G.D. YADAV – INDEPENDENT DIRECTOR AND CHAIRMAN OF
NOMINATION AND REMUNERATION COMMITTEE, CLEAN SCIENCE
AND TECHNOLOGY LIMITED**
**MS. MADHU DUBHASHI -- INDEPENDENT DIRECTOR AND
CHAIRPERSON OF STAKEHOLDERS RELATIONSHIP COMMITTEE,
CLEAN SCIENCE AND TECHNOLOGY LIMITED**
MR. PRATIK BORA – CHIEF FINANCIAL OFFICER
MR. MAHESH KULKARNI, COMPANY SECRETARY



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- Moderator:** Dear shareholders, good afternoon and a very warm welcome to the 19th Annual General Meeting of Clean Science and Technology Limited through Video Conference and Other Audio Visual Means. As a reminder for the smooth conduct of the meeting, the members will be in the mute mode and audio and video will be opened when they will speak at the AGM as per the pre-registration. Please note that for the requirements, proceedings of the annual general meeting will be recorded and available on the website of the Company. I now hand over the proceedings to Mr. Pradeep Rathi – Chairman of Clean Science and Technology Limited. Thank you, and over to you, sir.
- Pradeep Rathi:** Good afternoon, ladies and gentlemen. I, Pradeep Rathi, Chairman of Clean Science Technology and Limited and Chairman of the Risk Management Committee participating in the 19th Annual General Meeting of the Company from my residence at 2, Boat Club Road, Pune, welcome you all for the AGM which is being held through video conferencing facilities. I would like to mention that in view of the continued COVID 19 pandemic and social distancing norms, this AGM today has been convened through video conferencing or other audiovisual means in terms of the circulars issued by the Ministry of Corporate Affairs and SEBI. Let me announce that since this meeting is on a virtual platform, there are no proxies allowed to participate in this meeting. As the requisite quorum is present, I call the 19th Annual General Meeting to order. For the benefit of our members, may I now please request the members of the Board of Directors to kindly introduce themselves and the location from where they are participating. First, Mr. Ashok Boob.
- Ashok Boob:** Hi. I am Ashok Boob, Managing Director of the Company, and I'm participating from our Magarpatta, Pune office. Thank you.
- Pradeep Rathi:** Siddhartha Sikchi.
- Siddhartha Sikchi:** Hi. I am Siddhartha Ashok Sikchi, Whole Time Director of the Company and I'm participating from our Magarpatta office in Pune. Thank you.
- Pradeep Rathi:** Krishnakumar Boob.
- Krishnakumar Boob:** Hi. I am Krishnakumar Ramnarayan Boob, Whole Time Director and I'm participating from Magarpatta, Pune office. Thank you.
- Pradeep Rathi:** Sanjay Kothari. It seems Mr. Kothari has not yet joined. We will go to the next Director, Mr. Keval Doshi.
- Keval Doshi:** Hi. I am Keval Doshi. I'm an Independent Director and Chairman of the Audit Committee. I am participating from my office at Prabhadevi in Mumbai.
- Pradeep Rathi:** Professor G.D. Yadav.



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G.D. Yadav: I am Professor G.D. Yadav, an Independent Director and Chairman of the Nomination and Remuneration Committee, as well as CSR Committee, and I'm participating in this meeting from Airoli, Navi Mumbai. Thank you.

Pradeep Rathi: Ms. Madhu Dubhashi.

Madhu Dubhashi: I am Madhu Dubhashi, an Independent Director and Chairperson of Stakeholders Relationship Committee. I'm attending the meeting from my residence in Pune.

Pradeep Rathi: Thank you. Apart from the Directors, Mr. Pratik Bora – Chief Financial Officer, and Mr. Mahesh Kulkarni, Company Secretary are participating in the meeting through VC. Also present **Mr. Rahim Merchant**, partner of BSR & Co. LLP, Chartered Accountants who are our Statutory Auditors; Mr. Jayavant Bhavé, Proprietor of the firm M/s. J.B. Bhavé & Associates, Secretarial Auditors and Scrutinizers for this meeting and for the voting process from their respective offices.

Ladies and gentlemen, a very warm and hearty welcome to each one of you at the 19th Annual General Meeting of Clean Science and Technology Limited. It has been a year since our maiden IPO in July 2021. And it gives me immense pleasure to share my first message with all of you. I'm ecstatic to be addressing virtually this meeting of all our shareholders today. The past two years have been unusual than any other in history. As a result, the business environment remained full of unforeseen challenges and volatility. But it also helped us untap our full potential to overcome these new unique hurdles and achieve record levels of sales and profits in our Company's history. What has been more pronounced during these testing times is that a Company has in place the right strategic direction, management team and cost discipline to deliver for all its stakeholders.

The Board.

I would like to extend my sincere thanks to all Executive Directors for their exceptional performance during this year. I would also like to thank the Board members for their valuable contribution. Their presence in the Company has been an added advantage to us from a strategic point of view, and more so from the perspective of value creation in the long term.

Dividend.

For the past 10 years, we have continued to create value for our shareholders. and in light of the Company's performance, the Board of Directors recommended a total dividend of Rs. 3.25 per share, that is 325% on face value of Rs. 1 per share for the financial year 2021-22.

Economy.

The global economy rebounded in current year 2021 with supportive fiscal and monetary policies and easing of most pandemic related restrictions. But on the other hand, the continuing



geopolitical situations have fueled unprecedented inflation globally, and the resultant higher input costs are leading to high degree of uncertainty, making it difficult to predict the future growth trends. The Indian economy rebounded strongly in financial year 2022, with a growth rate of 8.7%, retained the position of being among the fastest growing major economies in the world. With proactive reforms, regulatory relaxation and continued export growth, the outlook for Indian economy remains strong and is poised to successfully navigate through the prevailing situation.

Industry

India's specialty chemical industry plays a crucial role in the manufacturing sector of the country and is among the fastest growing in the global specialty chemicals market. The sector is seeing increased application and demand from multiple end user industries and India is poised to double its global market share in the coming years. Supporting government policies, cost competitive manufacturing capabilities, availability of skilled and competent manpower, strong intellectual property protection policy, track record of producing world quality output and strong adherence to environmental compliance are key differentiating characteristics of the Indian specialty chemicals industry.

Performance highlights.

On account of strong growth in export markets, increased share with customers better realization and launch of new products, the Company registered its highest ever revenue and profit after tax. Total Revenue at Rs. 685 crore grew by 34% and PAT at Rs. 229 crore, grew by 15% as compared to financial year 2021. Your Company continues to remain debt free with strong return ratios.

Environmental, Social and Governance, ESG.

With aim to establish ourselves as one of India's most environmentally sustainable chemical manufacturer and one of the most foremost proponent of green chemistry, your Company has implemented several sustainability initiatives that have helped in minimizing environmental impact of operations. Aligned with this vision, I'm happy to state that our Company received the GreenCo Silver rating from Green Company Rating System developed by the reputed CII body. We have been investing in renewable energy over the past few years due to which more than 50% of our electrical energy consumption is now from solar power. Under afforestation program, we aim to plant more than 11,000 saplings over the next 3 years. Under social responsibility, your Company focuses on major areas such as educational, vocational skills, environment, sustainability, healthcare and medical relief. We are making significant progress in each of these areas, and always try to actively contribute to social and economic development of the communities we operate in. As a responsible corporate citizen, we are committed and continue to follow industry best corporate governance practices, and maintain the highest ethical standards while conducting our business. The interplay between chemical industry and



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sustainability enable Clean Science and Technology in keeping the pioneering spirit of innovation and R&D, which has characterized your Company since its inception, which remains the steadfast focus of the Founders to the present day. We look forward to continue this exciting journey by creating long term value for all our stakeholders by building a better sustainable tomorrow. With sincere gratitude I would like to extend a very hearty vote of thanks for the support of our business partners and government agencies, guidance of Board members, commitment and dedication of employees and trust of our customers. Most importantly, I would like to sincerely thank all the shareholders for your trust and confidence. Thank you.

I now request Mr. Mahesh Kulkarni, Company Secretary to inform you the general guidance and protocol to be followed by all in this meeting by video conferencing for the smooth conduct of this meeting.

Moderator: Mahesh sir, we request you to please unmute and proceed.

Mahesh Kulkarni: Thank you, sir. Good afternoon, ladies and gentlemen. I would like to take you through certain points regarding participation in this meeting. The facility of joining the AGM through video conferencing or audio visual means is being made available for the members on a first come first serve basis. All members who have joined this meeting are by default, placed on a mute mode by the host to avoid any disturbance arising from background noise and ensure smooth and seamless conduct of the meeting. Once the question-answer session starts, the names of the members who have registered as speakers will be announced one by one. The concerned speakers will thereafter be unmuted by the host to start speaking. Shareholders are requested to click the video on button. If the speaker is not able to join through video, for any reason, the speaker can speak through the audio mode. While speaking, the speaker is requested to use headphones so that he or she is clearly audible. Also, he or she is requested to minimize any ambient noise and ensure that Wi-Fi is not connected to any other device. No other background applications are running so as to achieve maximum bandwidth and there is proper lighting to have good video and audio experience. In case, there is any connectivity issue at the speaker end, we would request next speaker to join. Once the connectivity is restored, the speaker will be called again to speak once the other shareholders who has registered complete their turn. During the AGM, if any member faces any technical issue, he or she may contact the helpline number 1800-102-0990 or 180-022-4430, which has been also mentioned in the notice of the AGM. The Company has received seven authorization letters or resolutions from institutions or corporate shareholders representing 41,68,378 shares of Rs. 1 each, that is 3.92% of the paid up equity share capital of the Company, authorizing officials to attend the AGM on its behalf and go through remote e-voting. The Register of Directors and Key Managerial Personnel and their shareholding, the Register of Contracts and Arrangements in which directors are interested, ESOP certificates received from the Secretarial Auditors and relevant documents referred to in the AGM notice and its explanatory statement documents are available electronically for inspection by the members at companies website. Pursuant to Section 108 of the Companies Act 2013 read with Company's management and administration rules 2014, and in compliance with



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Regulation 44 of SEBI listing and disclosure requirements Regulation 2015, the Company has provided the facility of remote e-voting as per the timelines mentioned in the notice. The remote e-voting commenced on Thursday, 4 August 2022 from 9 A.M. Indian Standard Time and concluded on Sunday, 7 August 2022 at 5 P.M.(IST). Members attending the AGM and who have not voted using remote e-voting platform shall be able to cast their vote after the end of the discussions of this meeting, as announced by the Chairman. Thank you very much, sir. Now, may I request Chairman to take forward from this point.

Pradeep Rathi:

This meeting on virtual platform is necessitated on account of social distancing norms, which makes it difficult to assemble all the shareholders at a common venue. The AGM notice along with the annual report for the financial year ended 31st March, 2022 was sent to the members at the registered email addresses on 12th July 2022. As the notice of the AGM was circulated to all the members, I take the notice as read. There are no qualifications, adverse observations or comments or other remarks made by statutory auditors and secretarial auditors on the financial statements of the Company, which have any material adverse effect on the functioning of the Company. The Directors report and management discussion and analysis report therein summarize the financial highlights and significant business developments for the year 2022. Whereas a corporate governance report highlights the governance standards followed by the Company. With the permission of members, I take the auditors' report, directors' report along with the annexures hereto as read. Since all the resolutions are put to vote through remote e-voting process, there will be no proposing and seconding of resolutions. Now I request the shareholders who have given their names at the AGM to express their views and ask questions. As we have got 5 speakers, I would request each to speak for not more than 3 minutes. All the questions which will be asked by members will be responded to by Mr. Ashok Boob, Managing Director or Mr. Siddhartha Sikchi Whole-Time Director after all the speaker shareholders have completed expressing the views and their queries. I request the host to unmute the speakers one by one.

Moderator:

Thank you. We will now begin the question and answer session. I request the first speaker that's Ms. Lekha Satish Shah to ask her queries. Please unmute your audio and video and proceed with your questions.

Lekha Shah:

Hello. Can you hear me sir?

Moderator:

Yes, we can hear you.

Pradeep Rathi:

Yes, we can hear you ma'am. Please go ahead.

Lekha Shah:

Thank you, sir. Respected Chairman sir, Board of Directors and my fellow members, good afternoon to all of you. Myself, Lekha Shah from Mumbai. First of all, I'm very much thankful to our Company Secretary, Mahesh bhai, for extending very good investor services and also sending me the AGM notice well in time, which is full of knowledge, facts and figures in place. And also our Company Secretary Mahesh bhai always answered all my calls and has happily



cleared my all doubts. Once again, thank you, Mahesh, sir. And also, I would like to welcome Mahesh sir on the Board. I know him for the long-term from his previous Company. I'm sure that he will add a lot of value to our Company. Sir, on this landmark day, I would like to welcome all directors and employees on behalf of all shareholders. We are meeting first time since our successful IPO with the shareholders. Thank you, Chairman, sir for explaining us about the Company. Congratulation for excellent work, sir. Sir, I pray to God that he always showers his blessing upon you. Sir, a physical meeting, I have definitely welcomed with a bouquet of flowers. Sir, I would thank to all the person of the Company for receiving awards and recognitions for the various plans during the year '22 and '23. And also, I'm very happy that Company is doing very well in the field of CSR activities. Sir, I'm confident that with your vision and determination, you will lead our Company to greater height. And also, I pray to God, our Company should progress more and more under you and to your teams work. Sir, I would like to ask a few questions. My first question is, has there been any impact of COVID second wave on the Company operations? My second question is, what is the roadmap for the next 2 years? My third question is, are your employees working from home or they are working from the office? My fourth question is, how many women employees work in your Company? My fifth question is, what are the safety measures taken in the factory during COVID period? So, I would like to say I strongly support all the resolutions for today's meeting. And my best wishes always for our Company and its prosperity. Thank you, sir.

Pradeep Rathi: Thank you, Ms. Shah.

Moderator: Thank you.

Pradeep Rathi: Mr. Dinesh Kotecha, please.

Dinesh Kotecha: Good afternoon to all of you. I'm happy that this is the first AGM after the offer for sale. I am also happy that Mahesh Kulkarni, your Company Secretary called me and I have explained lot of my questions to him on the phone. But sir, I mean, I was going to the balance sheet. And we have about 3 manufacturing units from Page 3, you have mentioned that. I would like you to give me a table format, the total area of each plant, the building area used for the plant, the capital employed, turnover, products manufactured, number of staff, ROI, and the market that we serve from that particular plant, I mean some table format if you can give, then we can understand on a standalone basis I mean how the plant is performing. That is the first thing.

Secondly, my second question is our performance chemical for 70%, then pharma and agro 17%, FMCG 12%. Now, is this performance segment percentage going to change? I mean, are we going to focus more on other rather than performance chemicals to pharma and agro or FMCG, which can give us more revenue or more percentage that wise, I mean, how is the formation of the percentage for the next year that you're envisaged? Sir, thirdly, I find there are a lot of abbreviations given in the balance sheet. And some of the abbreviations you have explained in the bracket, what is the meaning of that, but some of them you've not explained. So, can you



make a table at the end giving all the abbreviations together at the beginning, that will be helpful for us to understand or at the bottom of the page you can give what does the abbreviation stands for? Sir, Page 5, I'm very impressed with Page 5 basically, I was very happy to read it because everywhere I find only Indian players globally #1, globally #2, globally #1, globally #1 and #2 in India. So, that was very satisfying for me to read it. I'm coming to Page #18. Sir, what I find is that the speed of growth before the OFS was very high compared to the speed of growth that is there for the last year in 2022 compared to 2021. The revenue, EBITDA, PAT, ROCE, all have reduced percentage wise in the growth compared to last year. And I would like to know post COVID, amidst the COVID second, which was occupied in the 1st April 2021, how many days the plant was closed or how many days the production was last in the current year. Sir, 3 R&D units we have got, how many new products were put into operational or commercial stage from R&D in the current year. How many are more envisaged to be taken to the commercial stage in the current year? How many you have put in the first 4 months in the commercial stage from the R&D in the current year 4 months.

Sir, now I'm coming to a very critical, very important justification I want from you, Page 46 and Page 55. We have got 4 wholly owned subsidiaries. On Page 55, I find that we have made one new wholly owned subsidiary, Clean Fino-Chem Limited 100%, in which we have invested Rs.55.10 crore, 4.57 crore is the equity and 50.41 crore is the reserves, the turnover is nil. I mean, how was the valuation done for a Company which is new 100% setup, and you say that we want to give a premium of nearly 12 times the equity. I mean how is it rational? What is the justification of that? And what are the plans for your wholly owned subsidiary? What are the expected products? What is the profitability expected? What is the breakeven point? What is the payback period? All these things you must explain in detail, sir. Sir, coming to your quarterly results first quarter June 22-23, I find that that our turnover is the best and if I do some calculation, I find that we can easily reach a turnover of Rs.1,100 crore in the current year with a net profit margin which you're on 70%, 30% maximum, 33% is the average for that whole year. So, even if I take Rs.1,000 crore turnover and 30% margin, we can easily reach a turnover profit of Rs.300 crore. You can yes or no by just nodding your face, sir. Sir, our promoter holding is still 78.51%, we have to bring it to 75% as per SEBI regulations. So, when are you going to dilute the 3.51% stake which is more than the 75%? Sir, Page 121 and 127, congrats first of all, because it is very great, I mean this is one Company in the chemical pharma industry, where there are no disputed cases mentioned by the auditor, I mean, that shows that all the regulations, all the law, all the strategies you're following to the point, I mean, there was no failure anywhere. Great, sir. Keep it up.

Sir, Page 130, 131, the balance sheet and the profit and loss account. Sir, I find that I your incremental profit ratio is only 14.21% which is very much less, sir. It should be minimum above 20% incremental profit ratio, that has reduced. Any special reasons for that? Also, I find another observation which I make from the cash flow statement, sir, that our investment whatever we are doing trading in investments in the current year is nearly Rs. 395 crore, last year, it Rs. 541 crore and if I add together, it is Rs. 936 crore in the 2 years that investments we've done trading



and our turnover is Rs. 1,197 crore in 2 two years. So, why we are indulging so much in investment activity, trading, buying, selling of investments, I mean how does it help you? I mean, it does not increase my return at all, because when I see the other income it is hardly Rs. 30 crore, I mean that is not what we are doing. If you are investing, let us, say totally Rs. 936 crore, then our investment return should be Rs. 90 crore, we are getting very less returns from that. So, please see to it that you rationalize the funds of the shareholders properly for better returns. Sir, lastly, you have given a bonus of 7 shares for 1 share before the public issue, you had done a buyback of 4546 and you were saying Chairman sir, in the beginning that we have done very good for the last 5 years, we have given good rewards, but as minority shareholders we are shareholders only for the first time we are attending the meeting. So, we have not been the beneficiary for the last 5 years, we have been the beneficiary only for Rs. 3.25 that you have declared divided sir. So, I mean, sir, Page #159, last question. Our repair and maintenance expenses for building and machinery is nearly Rs. 1 crore. I mean how old is the building? How old is the machineries? Do you replace it? I mean what is the life and what is your opinion about the building and the machinery? We are incurring too much high expense, Rs. 1 crore is too high expense for the building and machinery repair. So, can it be rationalized or can the check and control can be put in place so that we can incur less and get more profits. Other than that sir, I wish you all the best. And I am of the opinion that our share price opened at Rs. 1,784 when it was listed, it went up to Rs. 2,498, now it's hardly Rs. 1,600. So, I mean we have fallen steeply from Rs. 2,400 which was high. So, you must find out the reasons for that and see to it that you maintain this profitability ratio, OPM and net profit ratio and give us better returns and on an EPS of Rs. 21, I am expecting at least half of that to be declared, that is Rs. 10, so every quarter now onwards, you can give us Rs. 2 or Rs. 3 every quarter, that will be the best thing to do. Dividend must be given quarterly, that will improve your image also and we will also be continuously getting rewards in 4 quarters. Like you are paying advance tax 4x a year compulsorily government is catching by the caller forcing us to pay the advances similarly these shareholder cannot do that. On voluntary basis you can give a quarterly dividend. Thank you very much and wish you all the best. Sorry if I have hurt you, but I have spoken the truth but I want answers for all my questions. Thank you.

Moderator: Mr. Shreyas Mokashi please.

Shreyas Mokashi: Thanks for the physical copy of annual report I had applied for the IPO at Rs. 900 and now it is around 1,600. My question is when do we expect your new subsidiary Clean Fino-Chem Limited who will start its manufacturing operations?

Pradeep Rathi: Go ahead answers will be given please go ahead

Shreyas Mokashi: Yes sir my question is when we should expect your new subsidiary Clean Fino-chem Limited will start its manufacturing operations?

Pradeep Rathi : You have any more questions all the answers will be given together.



Participant: My next question is though dividend is distributed as per dividend distribution policy, can we expect higher dividend going forward?

Pradeep Rathi : Yes please go ahead to the next questions.

Participant: My questions are finished these two questions only.

Moderator: Ms. Sonakshi Sarangi.

Santosh Kumar Saraf : Respected participants and my dear shareholder ladies and gentlemen. I am Santosh Kumar Saraf and I am Joint Holder at Sonakshi Sarangi. From Kolkata I wish all my director Namaskar. I wish that all my directors and all my employees they should be in good health and safe. Company performance is very good and for this also I want to thank the management for doing a very good performance and sir the dividend what you have given 325% that is also enough and in first year we are not expecting more dividend that this because we need money under reserve and I support for this that you have taken a very good decision. Sir I have one or two small questions first is that who is our main competitor the product which has been made in which who is our main competitor and for this what are the strategy for that so that we do not feel any threat. Secondly sir what is the plan for the future and what is the next two to three year strategy so that we can maintain the growth momentum please tell us about this and one more thing I want to know that first year performance we are doing, but company is old for us it is first stage that IPO has come and it is giving good return and performance is also very good and I want to say that for rain water harvesting what steps have you taken tell us about this and renewable energy what steps have you taken like wind, solar what are the steps you have taken please tell us about that and sir before single use plastic packaging is more and we use that often, so from 1st July onwards single use plastic has been banned and in future we will take more steps once we get success, so what is ultimately the steps taken please tell us that and you have 400 permanent employees are there in which 44 female employees are there so I think that the population is very less 10% female employees are there and now the President also is also a female President and she is from lower caste and our Finance Minister is also female and our director is also female, Mrs. Madhu and other directors as well and in this year I want that this is the women empowerment year and just PV Sindhu has won the gold medal in commonwealth and whosoever female are there they are doing a very good job so what I mean to say is that if female get the opportunity they can showcase their talent, so I want that there should be more female employees so that they can share show their talent and it is possible that we can get any such female employee so that with their lady luck our company can go to great height and there is a saying Laxmi Ghar me Aati toh Laxmi bhi ati hain generally we treat female as Lakshmi and we pray to God for Lakshmi so I want that these should be taken into consideration and your total impact 1,041 in which 500 are casual employee and if we increase female employees then it would be good sir and sir I mean to say is that whosoever are our employees and I am raising this question because last week I have recovered from COVID that is because all the three doses have been completed that is why there is not much impact to me and I have taken normal medicine and recovered from that and I



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recovered within one or two days so I would want that whosoever are our employees or whosoever are our casual employee for them and their family explain them that they should take third dose of vaccine then it would be good for them so there will be less impact that is my request. And secondly video conference meeting it is very good and what will happen in next year we do not know nor our Chairman so I would request that if you do the physical meet then please do and for 10 to 15 minutes keep the hybrid meeting also. See you only see that your director is joining from different, different places nobody is at one place this facility we are getting because of VC and in the same way your shareholder who are from IPO they are throughout India so if you will conduct then only city shareholders will come we will not be able to come so I would want that do physical and plus do hybrid session for 15 minutes, 20 minutes and register the shareholder first give the opportunity to physical to ask their question then who are registered from outside give them the opportunity because physical ones will be upset that we should have been given the opportunity so first give us the opportunity then give to other. This is the new concept which has been implemented. Our Calcutta company Kesoram Industries Birla the meeting was in 17th June there are two companies. One went in ancillary for any reason and Birla Tyre Kesoram there is a place called Kalamandir there they have done the physical meeting and secondly they have done the registration in hybrid so I am aging so I opted for hybrid. One more example I want to give my kids stays in Bangalore so I went in June for one and half months and in June 20th around here and there Infosys meeting is held at Christ University they do the physical meeting over there and Bombay shareholder for them we keep the hybrid meeting this concept is possible if Pradeep Babu, Ashok whosoever director they think over it and it is possible that we should again meet next year and I can express my thoughts in favor of the employees and without taking much time I want to congratulate Company Secretary .Mahesh Arvind Kulkarni he is so sincere and polite at least three to four times he has given us the news and today he has said that you got the link so we feel that we are a family member of some company sometimes we feel that we are family member that is why we are getting importance. So, I would want that God give them good life and long life and lastly I want to pray that like the gentlemen were saying Rs. 10 dividend should be given, Rs. 15 dividend should be given so I will not say that because this is the first year we are focused in the performance how much public money come we should utilize in proper way because for this year in which way you can do the planning so think and please given interim dividend and if our company has a profit so at least three to four times the dividend would be given then the shareholder will have a benefit and there are many companies are there TCS etc they give dividend for four times and in some companies three times dividend has been given in four month so please think about that in future and without not taking much time whosoever are my director and whosoever are our employees who are meeting us through video conference wish them for a long life and I pray to God that last two years has been difficult one and this 2022 and 23 for everyone it should be healthy, wealthy and safety it should be passed and thank you sir for giving your valuable time and for listening us Jai Hind Jai Bharat Namaskar.

Moderator:

Next speaker Mr. Ritu Batra.



Ritu Batra: Sir am I audible?

Management: Yes you are audible ma'am.

Ritu Batra: First of all good afternoon everyone. First of all I would like to thank all the people for giving me opportunity to ask some questions about in this meeting I have some queries, my first query is considering the present geopolitical issues, what is the impact of sales to China during financial year 2021-22 and how it will affect going forward and my next query the rupees depreciating sharply and whether the company has taken forward contracts to mitigate the currency risk, how much was the foreign exchange exposure in financial year 2021-22. Next one is do you have any plans of new acquisition to increase your product portfolios and last that is where is your R&D last situated. Now in the end I would like to thank Mr. Mahesh Arvind Kulkarni and Ms. Neha to give us the opportunity to ask some questions and in my opinion they are very good people and if they ask any type of query they will reply us immediately. So, I am very much thankful to both of them. Thank you so much.

Pradeep Rathi: Mahesh are there any more registered speakers.

Mahesh Arvind Kulkarni: No sir.

Pradeep Rathi: May I now request Ashok Boob and Siddharth to please answer these questions raised by various speakers.

Siddharth Sikchi: First of all thank you all of you for taking time out and attending our first AGM after maiden IPO. So, let me start answering the questions as per the speaker. So, the first speaker was Mrs. Lekha Satish Shah: First of all thank you so much for your kind words and of course a lot of kind words which you said about Mr. Mahesh our Company Secretary. The first question you asked was has there been any impact of COVID second wave on the company operations. So, there has been no impact of COVID second wave on the company operations and the company has been doing extremely well.

Second was what is the roadmap for the next two years on the turnover. Here I would like to answer that we have increased capacities of our flagship products by around 50 odd percent. We have new products which are in R&D pipeline and two products of HALS series HALS are going to be commercialized by the end of this financial year. We do not want to put any number guidance, but qualitatively speaking we are optimistic of our revenue growth.

The third question you asked was are our employees working from home or are they working from office. The answer is we worked from office during the COVID pandemic as we fall under essential commodities and of course the company took all the regular measures during this entire period.



The fourth question was how many women employees work in your organization? The answer is 10% of our employees are women. The first question was what are the safety measures taken in the factory during COVID period. The answer is the company has taken safety measures like social distancing, regular sanitizing, deploying mask and I mean taking temperatures and all these precautions were organized. The company also organized for free vaccination across all employees both in factor as well as in Pune office. Thank you so that was from speaker #1.

Speaker#2 Mr. Dinesh Kotecha. First of all, thank you so much for reading a annual report in such great details and asking questions page-on-page. I have written down most of your questions in case I miss I would answer that later on. So, the first question you asked was to give us table wise on a table in terms of unit wise, product wise, margin wise detail. For competitive reasons we do not want to get into too much granularity of which product is made in which plant and each product contributing to how much margin. So, this is the competitive reason we will like to sum up into different market segments like performance chemicals, FMCG Chemicals and intermediates of pharmaceuticals and agro chemicals that is one. You are also mentioned to have a table for abbreviation either at the start of the end. This will be taken care of in during the next annual report which we make.

You also asked some questions on R&D related. So, generally we anticipate 8% to 10% success. So, if you are working on about 10 molecules and then process in R&D there is success of maximum one or two which then goes to pilot and then out of that some of them which goes into the commercial production. Your question fifth was that Clean Fino-Chem has charged heavy premium by issuing shares to Clean Science and the reason behind it. So, the share issue price would determine through a valuation exercise undertaken by an independent valuation agency basis business potential. 45 lakh shares were issued at Rs. 123 per share price for infusing equity of Rs. 55 crore this implies post money valuation of mere 1.02x which is very much in line with reasonable judgment from our side.

Question sixth was you said that whether on 1,000 crores we should expect a 300 crore PBT I think we do not want to get into forward looking statements, but you would seen a Quarter 1 results despite of higher raw material prices, despite of higher fuel prices we were still able to deliver good performance. Question seventh promoters further diluting their 3.5% shareholding. Right now we have just finished the lock in as you are we are also extremely confident of the company's performance and progress they are not in any rush to dilute the balance percentage. I think we have two more years and have appropriate time we would dilute it as per the SEBI Regulation.

Question eight was that incremental profit growth is 14.21% which is not appropriate to our side according to some page numbers which you mentioned. You rightly pointed out that we enjoy global leadership position across our flagship product led by dominant position we recorded meaningful revenue growth of over 30% during FY22. As we have been mentioning in our investors call that you have steep inflation across raw material, power cost which is due to core



prices, the profit margins were impacted. As the results despite over 30% growth in revenue the profit growth grew by about 14.2%.

Question ninth was our buying and selling of investment is very high and you are investing a lot of time in it your incremental turnover is less than amount of by sale of investments you make however you are not getting more than 15% and you may utilize some few PMS facility. The answer is the company is a debt free company with no working capital facilities being availed. The treasury cash as on date is close to 280 crore which is parked across conventional mutual funds primarily. All the operating expenses and capital expenditures are being funded from the treasury cash which results in redemption of mutual funds.

Further, the monthly surplus generated also gets deployed across conventional mutual funds which leads to investments in mutual funds on frequent basis. Besides the company has also on boarded third-party advisory for investment management.

The last question was on repairs and maintenance which you mentioned of about crore per year I would just like to answer this that if you look at chemical industry consists of lot of continuing moving items including boilers, motor, pumps and there are lot of things which is moving around. So, looking at our sales, our number, the number of about 1 crore per year is very minimalistic, however, still if you insist we will still look into it and get back to you.

The last question was on more I mean to sum it up to distribute more dividends to the shareholders. The answer is as a major of abundant prudence company endeavors to have 1x of PAT as a treasury cash on books. Further in line of sizable CAPEX plan company distributed 15% PAT as dividend this year which is in line with the dividend distribution policy. However, we will review your suggestions and analyze dividend distribution going forward. Thank you.

Speaker #3 Mr. Shreyas Mokashi so the first question was when do we expect our new subsidiary Clean Fino-Chem Limited started operations. So, we expect the commercial production to start in about a years' time or a year and half times. A year time after receiving the environmental clearance. The second question was that although the dividend is declared as per the dividend distribution policy can we expect higher dividend. I answer this questions just a few minutes back and the same answer applies to this quarter.

The second last was Santosh who had few questions the first question was who are our competitors in the market and what are the strategies to combat. We have both competitors both in India and outside India. Solvay Clean, Camlin Fine Science and a few Chinese companies are our competitors competitive pricing, best quality, sustainable manufacturing process and in time supplies to our key and all customers is our key ingredient which we are using our combat against these competition. The second question was the future plans which I mentioned that we are coming up with newer capacities in both in Clean Science and Technology and the new subsidies.



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The third question was on sustainability. Our objective is to utilize our resources efficiently, reduced waste and minimize conditions as part of our sustainable commitment. We have a significant investment in renewable energy particularly solar and we have reduced our GHG Emission by about 7% and fresh water consumption by 14% over the last three years. Our efforts are further validated by the GreenCo Silver Rating Certification.

Fourth question was on female employees and I would like to say that of course as you said female employees are an integral part of any organization. Currently we have 10% of our employee strength are females and going forward employing more and more women in different areas of our organization wherever applicable. Question fifth was related to COVID and we are taking all the necessary care and precautions for all our employees both at factory and office.

Fifth question was on digital meeting and as well as hybrid meeting. Definitely we would have love to see our however due to this pandemic we were forced to go for a visual or a digital meeting but going forward we will definitely look forward to seeing the shareholders in person and having this both online versus offline meetings.

And eight again on dividend and intermittent dividend going forward which I think I answered just few minutes ago and thank you again for the appreciation you have shown for Mr. Mahesh our Company Secretary.

Pradeep Rathi:

Thank you Siddharth Sir for answering all the questions.

Siddharth Sikchi:

The last was from Mrs. Ritu Batra the first was considering the present geopolitical issues what is the impact of sales to China during FY21-22 and how will it affect coming forward. So, there was not really much impact of sales to China during FY21-22 and going forward we do not anticipate much impact due to these geopolitical tensions. Second the rupee is depreciating sharply and whether the company has taken forward contracts to mitigate the currency risk. So, the answer is yes the company has taken forward contracts to lead the forex risk. We used the simple risk forwards and try to cover 80%, 60%, 40%, 20% respectively for the next four quarters. Third was on any plans of new acquisition to increase our product portfolio. So, we keep on evaluating opportunity and whenever it is the right fit we will discuss with the board and intimate accordingly.

And last question was where is our R&D last situated. So, all our R&D last situated in our factory side which is Kurkumbh MIDC. So, thank you all and these are my answers to all the questions. Over to you.

Pradeep Rathi:

Thank you Siddharth for answering all the questions in great detail. Now I authorize Mr. Mahesh Kulkarni Company Secretary to conduct the voting procedure and conclude the meeting. The e-voting facility will remain enabled for the next 30 minutes. So, the members who have not cast their vote already can do so. Further I hereby authorize Mahesh Kulkarni Company Secretary to declare the results of promoting within 48 hours of the conclusion of the AGM and place the



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results along with the Scrutinizers Report on the website of the company and the same to be submitted to the stock exchanges and uploaded on the NSDL website and website of the company. The resolution set forth in the notice should be deemed to be passed today subject to the receipt of requisite number of votes. We are grateful to all the shareholders who have participated in this AGM through video conferencing facility. With your consent I and the other board members would like to leave the meeting. I wish all the members a very healthy and safe life. Thank you all.

Moderator:

Dear members as instructed by the Scrutinizers we request all the members participating in the AGM and who have not yet cast their vote to do so in the remaining period of 10 minutes. Thank you. Dear members as advised by the Scrutinizer the time for e-voting has elapsed and they are of the view that all members who are participating in their annual general meeting have been given adequate time and opportunity to vote at the AGM. This concludes the proceedings of AGM. Thank you all for participating in the AGM and e-voting.