



Clean Science and Technology Limited
i n n o v a t i o n a t w o r k

12.07.2022

To,

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

National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1,
G Block, Bandra-Kurla Complex
Bandra (E),
Mumbai - 400 051
Trading Symbol: CLEAN

Dear Sir/Madam

Subject: Notice of 19th Annual General Meeting (“AGM”), Annual Report for the Financial Year 2021-22 and Book Closure for AGM and Dividend.

Dear Sir/Madam,

Further to the intimation dated 28th May, 2022 the 19th AGM of the members of the Company will be held on 8th August, 2022 at 3.00 p.m. (IST) through Video Conference/Other Audio Visual Means.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations, 2015”) please find enclosed the Annual Report for the financial year 2021-22 along with Notice of the 19th AGM (including e-voting instructions).

Further, pursuant to Regulation 42 of SEBI Listing Regulations, 2015, and as earlier informed the Register of Members and Share Transfer Books will remain closed from 2nd August, 2022 to 8th August, 2022 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend to be declared.

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

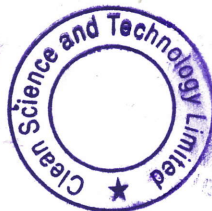
The above information is also available on the website of the Company at https://www.cleanscience.co.in/files/ugd/46c025_34ecea7aec6a4a54ab8a00322baf1793.pdf.

You are requested to take the same on record.

Thanking You.

For Clean Science and Technology Limited

Mahesh Kulkarni
Company Secretary



Encl: As above

(Erstwhile known as Clean Science and Technology Private Limited)

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Tel: +91 20 26899953 Fax: +91 20 26898894 Email: corporate@cleanscience.co.in Website: www.cleanscience.co.in

CIN: L24114PN2003PLC018532

NK



Sustainability & Innovation Growth & Value Creation

Clean Science and Technology Limited

Annual Report 2021-22

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

Sustainability & Innovation

Growth & Value Creation

With the rising emphasis on addressing climate needs and the urge to focus on environmental sustainability, several businesses are realising and adapting to these requirements and industry trends. At Clean Science and Technology Limited, we have always fostered environmental sustainability as a core area of our business operations. Driven by a robust workforce, proficient in-house R&D setup and passion for achieving more, we endured the industry volatility with resilience and agility. Our operations are led by our mission, based on the strategic pillars of Sustainability, Innovation, Growth and Value creation. These pillars help us in performing better despite the tough economic climate and socio-political conditions within which we operate.

We continue to explore growth and expansion opportunities with front-end focus on innovating processes in sync with products. Through innovation, efficacy and a reliable catalyst method, our offerings are both sustainable and financially effective. This enables us to reduce our costs while multiplying revenue, thereby, aiding us in creating value for our customers and unlocking better growth prospects. Hence, facilitating 'Growth and Value Creation' on the basis of 'Sustainability and Innovation'.



A Company with Sustainability at the Core and Innovation as the Foundation



Clean Science and Technology Limited is ('CSTL' or 'The Company' or 'We') a fine and speciality chemical manufacturing company, incorporated in 2003.

Among the few global organisations focussed on developing indigenous technologies and chemicals using catalytic processes.

Among the world's largest producers of critical speciality chemicals with diversified applications.

Globally, among the largest manufacturers of certain chemicals developed in-house.

A well-renowned and established name exporting to multinational corporations across the globe.

Competency Across 10+ Complex Chemistries

Chemistry

Our product portfolio is diversified into three major segments



Performance Chemicals



Pharma & Agro Intermediates



FMCG Chemicals

Our products find applications into various critical end-user industries and everyday product verticals, including Pre-cursor for Agricultural Chemicals, Anti-oxidant for Food, Infant Food Formulations, Pre-cursor to Manufacture APIs for Cough Syrup, Polymers & Monomers, Cosmetic Industry, Perfumes, and across many other applications

Our Catalytic Manufacturing

Processes are:



Unique



Sustainable



Innovative



Cost-effective

We operate from three manufacturing facilities and each unit across all our plants

- ✿ Are dedicated to the highest level of operational efficiency
- ✿ Have automated state-of-the-art manufacturing facilities with proven design and commercialisation capabilities
- ✿ Follow all the local compliance and international regulatory requirements in setting environmentally sustainable plants
- ✿ Adhere to 'GREEN' or eco-friendly manufacturing processes led by differentiated catalytic technologies
- ✿ Follow world-class Environment, Health, Safety (EHS) practices
- ✿ Are Zero Liquid Discharge (ZLD) facilities

Our Corporate Purpose



Mission

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



Vision

To create value for our customers, stakeholders and employees by developing sustainable and cost effective processes.



Values



Integrity



Safety



Excellence



Innovation



Our Certifications

- ✱ ISO 9001:2015
- ✱ FSSC 22000
- ✱ Greenco
- ✱ ISO 14001:2015
- ✱ HALAL
- ✱ Ecovadis
- ✱ ISO 45001:2018
- ✱ KOSHER
- ✱ Together for Sustainability
- ✱ FAMI-QS
- ✱ RSPO MB

Our Manufacturing Locations



Unit 2



Unit 1



Unit 3

Innovation Adds to Our Ability to Offer A Diversified Product Portfolio



We understand the demands of fast-growing consumer and industrial niche markets. Our robust R&D capabilities help us meet global demand by providing innovative and sustainable solutions.



PERFORMANCE CHEMICALS (70% of Revenue)



Monomethyl Ether of Hydroquinone (MEHQ):

- * An organic compound and synthetic derivative of hydroquinone
- * We are the only company in India to commercially manufacture MEHQ by hydroxylation of anisole
- * Used as a polymerisation inhibitor in acrylic acids, primarily involved in manufacturing acrylic fibres, paints & inks, adhesives and super absorbent polymers. It is also used in the agrochemical industry
- * We are the largest player in the world to manufacture MEHQ

No.1 in India & globally



Ascorbyl Palmitate (AP):

- * Primarily used in infant food formulations, breakfast cereals and cosmetics
- * Used as an antioxidant in the Personal Care industry
- * Increasingly being used in cosmetics
- * Manufacturing facility is registered with the US FDA as an approved food facility

No. 1 in India & globally



Butylated Hydroxy Anisole (BHA):

- * Used as an antioxidant in the Food & Feed industry and Animal Feed & Nutrition
- * It is conventionally applied as an antioxidant in the Personal Care industry
- * CSTL, manufactures sulphur-free BHA in India

No.1 in India & globally



Tertiary Butyl Hydroquinone (TBHQ):

- * It is used as a stabiliser in edible oil. It can be combined with other preservatives such as Butylated Hydroxy Anisole (BHA)
- * It is also used in pharmaceutical intermediates & organic synthesis
- * It is a derivative of hydroquinone, substituted with a tert-butyl group
- * New product launched in FY 2022

No. 2 in India & globally



PHARMA AND AGRO INTERMEDIATES (17% of Revenue)



Guaiacol:

- * A pre-cursor used for manufacturing of active pharmaceutical intermediate
- * Used as a key starting material to produce APIs like guaifenesin, carvedilol, ranolazine and methocarbamol
- * Used in synthesis for food materials and perfumery products
- * Used as a precursor in the manufacturing of vanillin

Largest player in Pharma application

No. 2 in India



Dicyclohexyl Carbodiimide (DCC):

- * A powerful dehydrating agent commonly used for the preparation of amides, esters, and anhydrides
- * Used as a reagent in anti-retroviral drugs
- * Also used in peptide and nucleic synthesis
- * Used as a key starting material to produce APIs like valaciclovir, amikacin, glutathione, among others

Only Indian player

No. 2 globally



Para Benzoquinone (PBQ):

- * Used as intermediate in Agrochemical and Monomer industry
- * Used in the manufacturing of herbicides and fungicides
- * New product launched in FY 2022

No. 1 in India



FMCG CHEMICALS (12% of Revenue)



4-Methoxy Acetophenone (4-MAP):

- * It is an aromatic chemical compound with an aroma described as sweet, fruity, nutty, and similar to vanilla
- * It is used in spice, medicine and make-up intermediate, ingredient for UV filters, cigarette additive and flavouring in food
- * Also used as a chemical intermediate in manufacturing cosmetic additives like avobenzone – One of the most common UVA-filters in sunscreens

No. 1 in India & globally



Anisole:

- * Used in Cosmetics, Pharmaceutical and Agrochemicals industries
- * Used as a key starting material for agrochemicals, flavours and fragrance products
- * Used as a precursor to perfumes, insect pheromones, and pharmaceuticals
- * CSTL is the largest consumer of Anisole
- * CSTL is the only company, globally to manufacture Anisole using vapour phase technology

No. 1 in India & globally

Differentiators that Help Us **to Add Value & Grow**



Our differentiators are unique benefits that set our business apart from our competition. We understand and develop products that are building blocks of growth for us while catering to our customers' needs.

Innovation:

Strategic process innovation, technology and new product development driven by a strong in-house R&D team



Global Leaders:

Among the largest global producers of critical specialty chemicals with diversified applications



Preferred Partner of Choice:

Strong and long-term relationships with a well-diversified marquee customer base

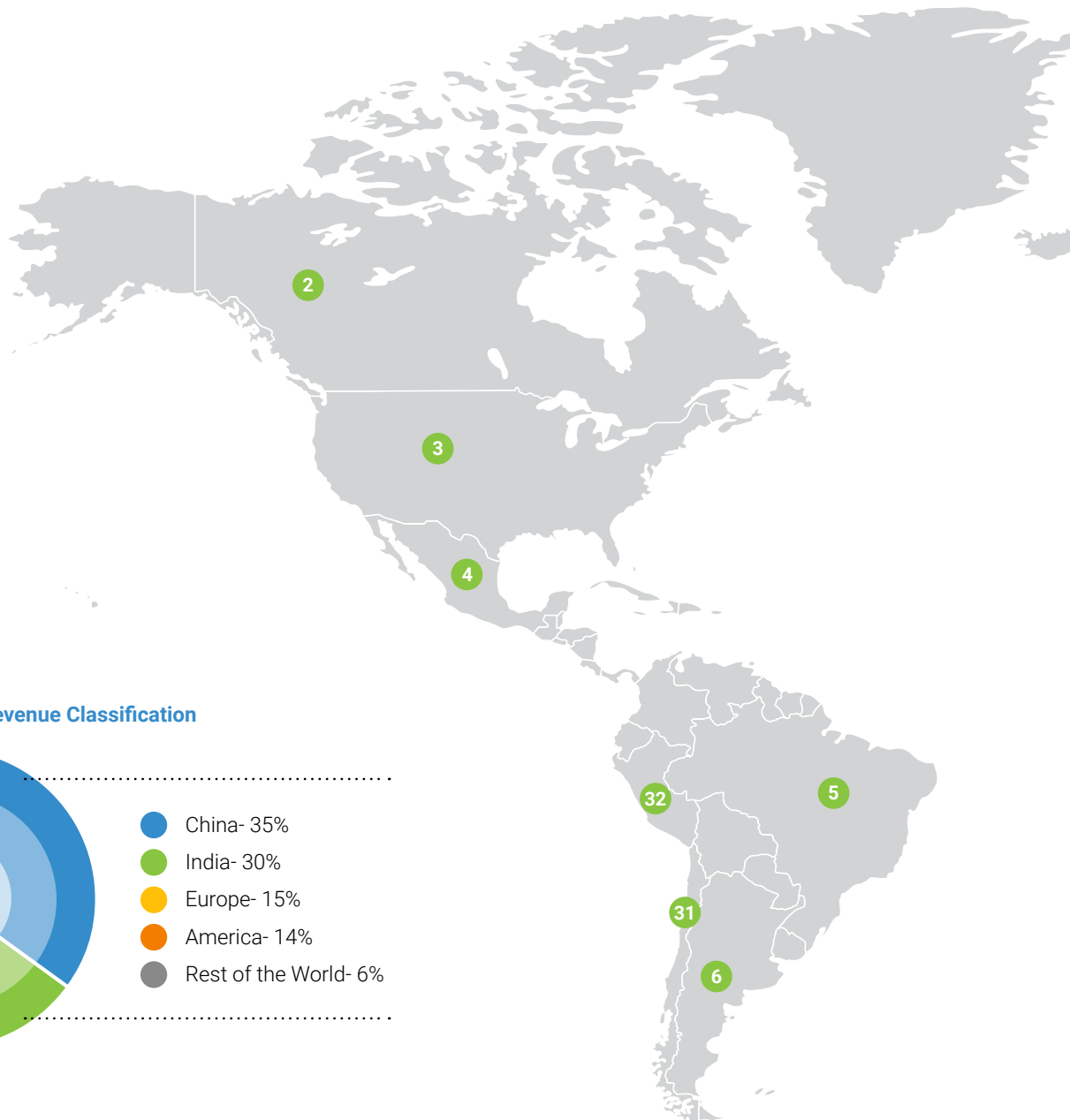




Our Growing **Geographical Presence**

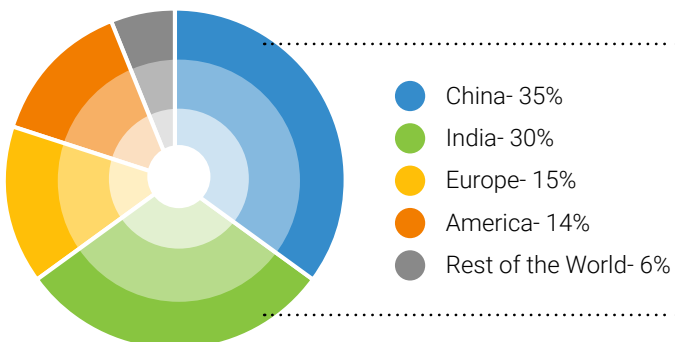


Over the years, CSTL has expanded presence across many continents. Our export to many countries has helped us build a strong customer base and global presence. We take pride in being a global manufacturing company in speciality chemical.



FY 2021-22

Geography-wise Revenue Classification



Our Global Presence

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



Our Journey of Growth **While** **Adding Value**

2006

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

2009

Started manufacturing MEHQ and Guaiacol

2011

Started manufacturing 4-MAP

2014

Started manufacturing BHA



2018

Started manufacturing Anisole using unique vapour phase technology
.....
Started manufacturing AP

2020

Started manufacturing DCC

2021

Successfully developed key products in the HALS series

2022

Started manufacturing p-BQ and TBHQ



Managing Director Message



Dear Shareholders,

It gives me immense pleasure to share my first message through this Annual Report with all of you.



The past couple of years have been unusual than any other in history. As a result, the business environment remained full of challenges and volatility. Amid widespread supply bottlenecks, and increasingly higher energy and raw materials prices, we achieved record levels of sales and profitability. Our economic development confirms that we are on the right path with our strategic direction, organisational structure and manufacturing capabilities.

The Indian Speciality Chemical industry is positioned for exceptional growth in both the domestic and international markets. We believe the Company is in the right place at the right time and while maintaining our principle commitment to ESG, we look forward to take advantage of this opportunity and chalk out the next growth phase.

Industry Growth

The Manufacturing sector plays a significant role in the output of the Indian economy, and chemical manufacturing is a crucial segment with roots spread across a wide range of end-user industries. The Indian Chemical industry has a positive outlook and is expected to reach US\$ 300 billion by 2024-25.

The Government has implemented several ingenious initiatives and schemes such as Make in India, Aatmanirbhar Bharat Abhiyan, Production Linked Incentive (PLI) Scheme, skill development programmes, tax and labour reforms, to improve competitiveness of domestic manufacturing and transform India into a global manufacturing hub.

Speciality chemicals form ~22% of the domestic Chemical industry and is expected to continue the impressive growth rate. Increasing demand from various end markets like construction, automotive, packaging, water treatment, home care, personal care, food processing, nutraceuticals and other demand-driven sectors will continue to drive growth. India exports just around ~3% of the global market for specialty chemicals and is expected to double its share of the global market to ~6% by 2026.

Key Industry Trends

Strong growth potential in domestic market – India's per capita specialty chemical consumption continues to be significantly lower than developed markets and is expected to double in the next five years. At the same time, growing disposable incomes and rapidly increasing urbanisation are fuelling growth in end-user segments.

China shift – Strong tailwinds in exports are expected to continue due to a shift in global supply chain driven by the China +1 policy. Implementation of stringent environmental norms and increased compliance and labour costs is changing the structure of China's Chemical industry. This, along with pandemic-induced disruptions, has compelled global corporations to diversify their supplier base and look for alternative locations.

Focus on sustainability – Chemical companies are particularly being held accountable for the responsible sourcing of raw materials, improving the recyclability of downstream products, produce cleaner chemicals and reduce emissions of their plants. Due to heightened scrutiny, companies are taking a holistic approach to improve ESG practices.

India as the preferred location – India's cost-competitive manufacturing capabilities, strong process engineering skills, abundant availability of skilled manpower, global quality standards and strong adherence to environmental compliance has made it a preferred manufacturing destination across the globe. As a result, Indian Specialty Chemicals industry is emerging as a major export hub.

Environment, Social, & Governance (ESG)

As a responsible corporate citizen, ESG is embedded in our long-term strategy for growth. We have implemented several sustainability initiatives that have helped in minimising environmental impact of operations and actively contributed in making a

positive impact on local communities, societies and economies.

We are among the few companies globally focused on "atom economy" and since inception have aligned our business along the principles of green chemistry. As a result, our innovative and eco-friendly catalytic processes ensure that all our manufacturing facilities are zero liquid discharge facilities. We have been investing in renewable energy over the past few years, due to which, more than 50% of our electrical energy consumption now is from solar power. Significant reduction in GHG emissions and reducing freshwater consumption are some of our key achievements over the last three years.

Our commitment to social responsibility is driven by supporting and empowering the local communities. Education, healthcare, medical relief, vocational skills and environment sustainability are our key focus areas. Under our afforestation programme, we aim to plant more than 11,000 saplings over the next three years.

We are committed and continue to follow industry-best corporate governance practices. Our strong and diverse Board composition ensures effective corporate governance and our Code of Conduct & Ethics helps us maintain the highest ethical standards while conducting our business.

Closing

In the end, I would like to thank the Board and the whole team of Clean Science for their committed and consistent efforts. I would also like to thank our shareholders and each and everyone involved in making the Company's maiden share issue successful. I look forward to continue this exciting journey by creating long-term value for all our stakeholders by building a better, sustainable tomorrow.

Thank you.

Ashok Boob

Managing Director

Executive Director Message



“

The support we have received from our shareholders, validates our steadfast focus on innovation over the last 16 years.

”

Dear Shareholders,

It's an honour for me to present to you Clean Science and Technology Ltd.'s Annual Report for the year 2021-22. This is our first annual report after our successful listing. It has been a milestone year in our corporate journey and we are truly grateful for the overwhelming response to our IPO. I must take this opportunity to thank everyone for reposing their trust in us. The support we have received from our shareholders validates our steadfast focus on innovation over the last 16 years. It not only inspires us to work harder but also powers us for the next phase of growth we have envisioned for the Company.

Sustainability and Innovation

The concept of green chemistry is gaining traction with a strong emphasis on stringent regulatory policies concerning health and environmental safety. It aims at a bigger objective of reducing environmental degradation and creating a sustainable tomorrow. This demand for clean and sustainable chemistry is gradually paving the way for innovative companies to capitalise on the opportunities arising from this shift.

The journey of Clean Science and Technology Ltd. began in 2006. Since our inception, CSTL's focus has been on commercialising cleaner and greener technologies and processes in India. We identified catalytic chemistry as one of the ways to achieve our goal of green chemistry and worked extensively in this niche space, supported by

focus on continuous innovation, value engineering and in-house R&D. Today, CSTL is one of the very few companies who work on developing a catalyst and then use it for commercial production.

Preventing waste formation, rather than devising methods for cleaning it up, and developing atom efficient technologies has been our aim. Our unique and innovative chemistries underpinned by strong plant engineering capabilities have enabled us to derive maximum desired product, minimal by-products and effluents, avoid usage of hazardous raw materials and hence increase efficiencies and yields in our processes.



Since its inception, the Company's focus has been on commercializing cleaner and greener technologies and processes in India. We identified catalytic chemistry as one of the ways to achieve our goal of green chemistry

Financial Performance

In 2021-22, on account of strong growth in export markets, increased share with customers, better realisations and launch of new products the Company registered its highest-ever revenue and PAT. Revenue grew by 34% as compared to 2020-21. With a sizable share, exports stood at 70% of the total revenue, while the domestic share was recorded at 30%

EBITDA grew by 16% but EBITDA margins were subdued due to an unprecedented increase in raw materials, fuel and logistics costs. As a result, the Company could not reap meaningful benefit of operating leverage. Despite a steep rise in key input prices, the impact on our margins was limited because of our consistent focus on improving yields, operational efficiencies and completely backward integrated processes. PAT grew by 15% Y-o-Y.

During the year, at ₹140 Crores, the Company incurred the highest capex since inception towards unit three primarily. All capex was funded from internal accruals and the Company continues to remain debt-free with strong return ratios.

Business Performance

This year, CSTL commissioned two new products in Unit 3, p-BQ and TBHQ. p-BQ is an import substitute that finds application in Agro and Monomer industries and CSTL is the only Indian company manufacturing it. TBHQ, used as a stabiliser in edible oil, will increase our wallet share with customers. We also set up new plants for existing products.

As a result, the capacity of Anisole has almost doubled and the capacity of BHA has increased by 50%. We plan to increase capacity of MEHQ, Guaiacol and p-BQ in the coming year.

Additionally, the Company is foraying into Hindered Amine Light Stabilisers (HALS) series. HALS series comprises a range of products which find application in diverse end-industries, including polymerisation inhibitor, Water treatment, Paint, Plastics and Coatings. The estimated global market size for HALS is approximately US\$ 1 billion and is growing at 10% CAGR, CSTL would be the first company to develop this series in India. In Unit 3, the Company is launching its first line of production for two products in this series, expected to commercialise by H2 2022-23.

During the year, we incorporated a new Wholly Owned Subsidiary under the name "Clean Fino-Chem Limited" (CFCL). Additional plants for manufacturing HALS series at large scale and any other new product launched by the Company in due course will be a part of this subsidiary.

Pursuant to strengthening our position in the market; during the year, we successfully increased our product portfolio, added capacities of key products, improved market share with existing customers, added new customers and expanded our addressable market.

Growth and Value Creation

Our dual-pronged business strategy has helped us drive business

growth. First, focusing on atom economy, backward integration, global scale manufacturing capacities and quality products have helped us grow our market



CSTL has always worked on creating value for our customers, and our commitment to the customer-first approach is evident from the strong long-term relation (10+ years) we share with some of our largest customers. We work with a well-diversified marquee customer base across geographies and segments.

share in all our existing products. Second, pursuing process innovation through catalytic technology has helped us explore newer avenues of growth, launch new products and significantly increase our addressable markets.

Competitive pricing, best quality, sustainable manufacturing processes and in time supplies have helped us gain the trust and confidence of our customers. Over the last two years, amidst all challenges of the pandemic, we fulfilled all orders of our global customers in time.

R&D and Engineering – Key Differentiator

R&D and innovation are the real DNA of the Company. Together they form the bedrock of our organic growth strategy. We have a dedicated R&D facility in each of our manufacturing units.

Our strong in-house R&D team of 50 employees, including 7 Doctorates supported by state-of-the-art R&D equipment and infrastructure, has helped us create our intellectual property and unique chemical processes. CSTL is the only company in the world for certain routes of chemical synthesis implemented in manufacturing some of our key products.

We focus our R&D efforts on three core areas: new product development largely in the performance chemicals segment where India does not have a large global presence, continuously improving yields and efficiencies of existing processes and developing new intermediates that can

address import substitution. We undertake all new initiatives without deviating from our principle aim of developing eco-friendly processes using sustainable chemistry.

Another differentiating factor of CSTL is a strong engineering and projects team. This has helped us create global scale, automated state-of-the-art manufacturing facilities at a very competitive cost. For a novel process to be successfully implemented commercially in a cost and time-effective manner and the efficient scaling from lab to commercial-stage has been possible only due to the active collaboration amongst the R&D, engineering, design and operations teams.

During the project planning stage, teams from all the departments prioritise integrating high-levels of safety and quality while setting up an environmentally sustainable plant. As a result, all our manufacturing units are zero-liquid discharge facilities and fully compliant with all EHS guidelines.

Growth Outlook

We have a robust growth outlook underpinned by new products launched, capacity expansion of existing products and foray in new product segment. We believe we will further strengthen our position, supported by growth opportunities in the existing products and create a diversified product portfolio backed by a strong R&D pipeline.

With sincere gratitude, I would

like to extend a very hearty vote of thanks for the support of our business partners & Government agencies. The trust of our shareholders, the guidance of Board members, commitment and dedication of employees and most importantly trust of our customers has helped us become a key global supplier for critical specialty chemicals.

We realise the great opportunity that lies in front of us, and with your support, we are confident and committed to create long-term value for all stakeholders.

Thank You!

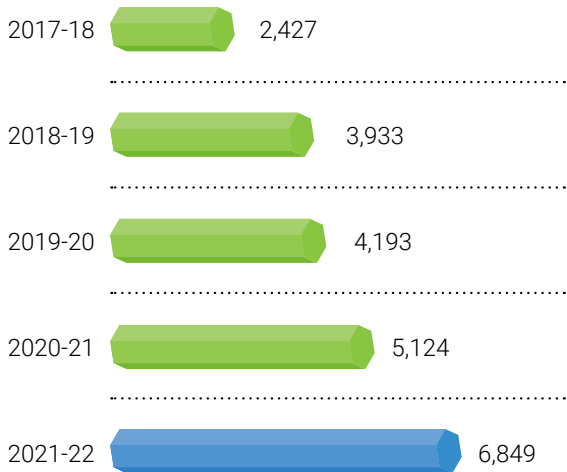
Siddharth Sikchi

Executive Director

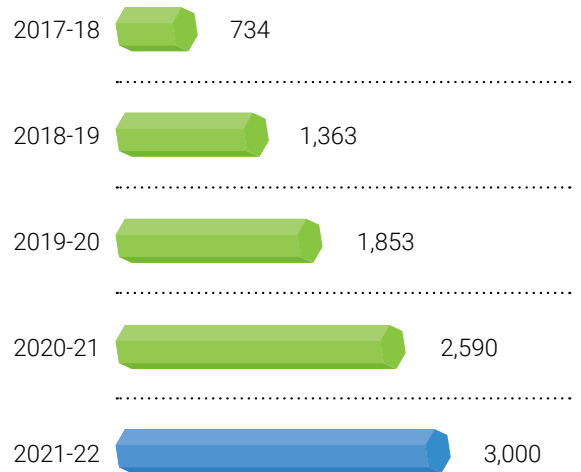


Our Performance Analysis **of the Year**

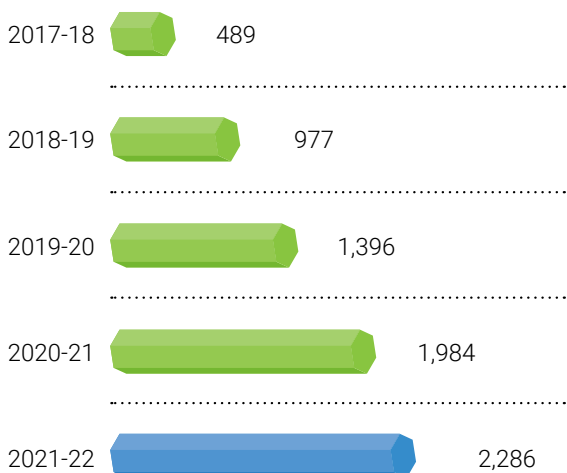
Revenue (₹ in million)



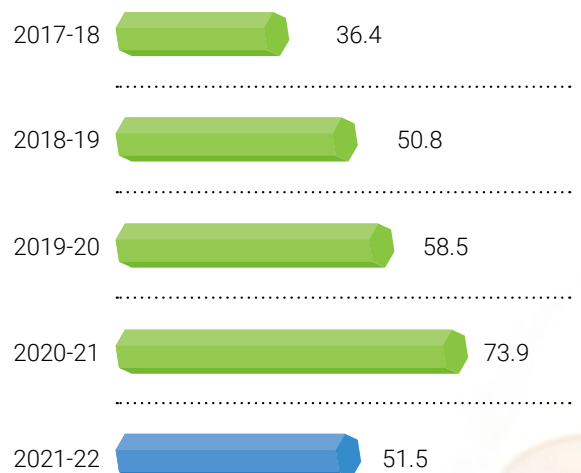
EBITDA (₹ in million)

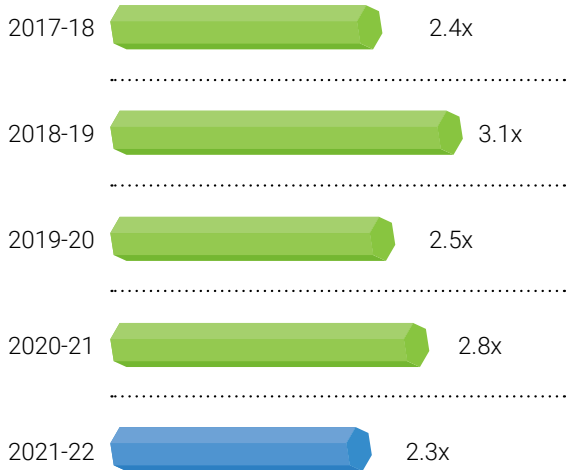
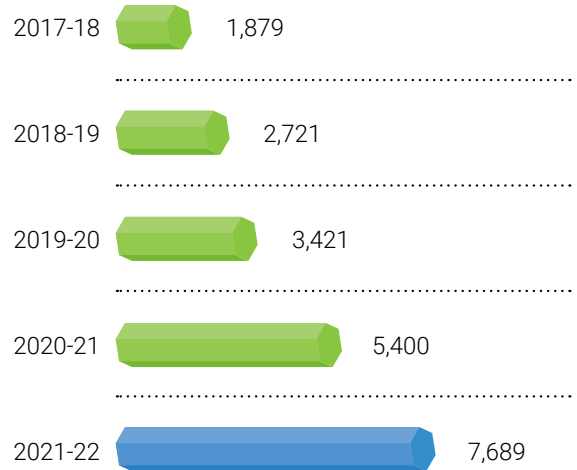


PAT (₹ in million)



RoCE (in %)



Net Fixed Assets Turnover (times)**Net Worth** (₹ in million)

Integrating Innovation & Technology for a Sustainable Future



R&D forms the backbone of CSTL and is the driving factor of our success. At CSTL, a team of well-qualified and skilled professionals in R&D centres are specialised across the value chain of research and process development.

Our relentless commitment to R&D has helped us anticipate, pursue and develop sustainable solutions, optimising product mix and conversion costs. World-class manufacturing and operational excellence, combined with strategic investments in state-of-the-art technologies, provide us with a platform for industry leadership. It has also enabled us to achieve sustained growth since our inception.

CSTL is among the leading companies in India to have commercialised the use of environment-friendly processes to manufacture certain specialty chemicals, at global capacities. The Company has achieved this position by optimising use of conventional raw materials, improving atom economy, enhancing yields, reducing effluent discharge, and consequently increasing cost competitiveness. Leveraging the expertise of our dedicated product development and applications teams, we work closely with clients to deliver quality products that meet their specific application needs.

The Company's technical expertise over the years has helped CSTL carry out these processes at global scale capacities, which is difficult to

replicate and creates significant barriers for new entrants. The Company has developed these technologies through process innovation and consistent R&D.

Key Focus Areas of R&D -

- ✿ Enhance our existing catalyst systems to further optimise yield and selectivity
- ✿ Expand product portfolio in the performance chemical segment
- ✿ Develop products with high demand which are produced by limited manufacturers globally
- ✿ Design catalysts to create novel manufacturing processes with focus on atom economy

Only Company Globally using a Novel Catalyst

- ✿ To manufacture Anisole from Phenol using vapor phase technology
- ✿ To manufacture MEHQ + Guaiacol from Anisole using hydroxylation
- ✿ To manufacture 4-MAP from Anisole using acetylation

HALS: Pioneers in India

CSTL's winning streak is driven by strong R&D capabilities in both plant technology and process innovation. We prefer to get into a niche where technology is complicated, giving us first mover advantage. One such sector

is Hindered Amine Light Stabilisers (HALS) series. HALS series comprises a range of products which find application in diverse end-industries, including automotive, polymerisation inhibitor, water treatment, paint industry, coatings industry, printing, and packaging, among others.

We have successfully developed key products in HALS series using in-house R&D capabilities at lab and pilot scales. Our two new plants in Unit 3 are dedicated to the HALS series and are on track to achieve commercialisation.

03

R&D Units

07

PhD's

50

Scientists



Value Adding as a Part of the Solution **and Not Pollution**



We strive to reduce our environmental impact by conducting our business efficiently and in accordance with environmental laws, regulations and industry standards. Our objective is to utilise resources efficiently, reduce waste and minimise emissions as a part of our sustainability commitment. We expect our supply partners to apply comparable environmental standards and measures.

We take care of nature by looking after our processes while developing our products. We focus on minimising the disposal of water, emissions, and hazardous substances into the environment.

Sustainability is deeply ingrained in our way of life at CSTL and the long-term strategy for sustainable growth of our organisation. We have implemented several sustainability initiatives that have helped in minimising environmental impacts of operations.

We follow the 3R process 'Reduce, Recycle, Reuse'



Reducing Effluent Discharge



Recycling Water



Reusing Water

Moving towards a Clean Environment

GreenCo Silver Rating: During the year, Company was awarded the prestigious "GreenCo Silver" rating by GreenCo - Green Company Rating System developed by the reputed CII body. We could achieve the GreenCo certification because of our emphasis on green and sustainable environmental practices.



GreenCo Certificate

ecovadis

Ecovadis



Together for Sustainability

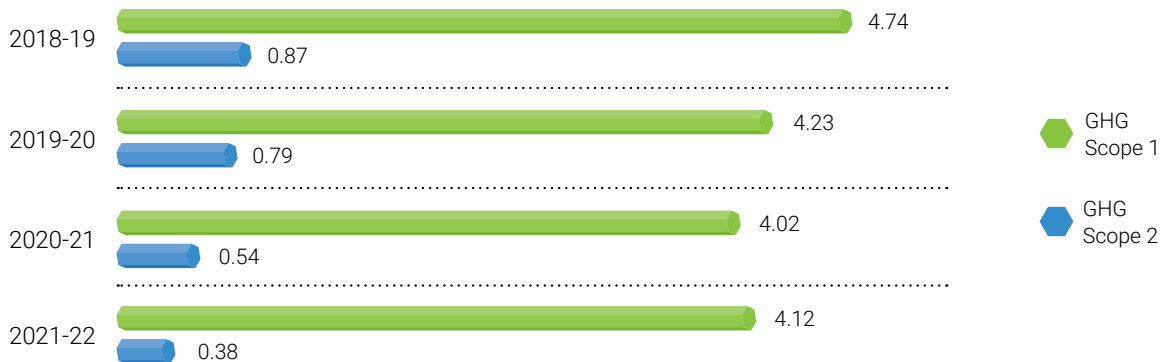
Our Focus: Reducing Emission & Increasing the Share of Renewable Energy

In terms of the share of renewable energy in power consumption, we are at a level of 55% already, majorly due to our two off-site solar plants that have combined capacity of 10.7 MW.

Our target is to bring down the GHG (Greenhouse Gas) emission by another 5%. We are focusing on enhancing R&D, further building efficiency, and improving processes. We are practising boiler efficiency improvement projects (installation of online monitoring system) and enhancing process heat recovery.

Significant reduction in GHG emissions

Below is the status of our GHG emissions in MT/MT of production on a year-on-year basis



Achievements in Sustainability

Particulars	Unit of measurement	2018-19	2021-22
Total Energy Consumption	GJ/MT of Production	42.55	37.42
GHG Emission	CO ₂ MT/MT of Production	5.61	4.50
Water Consumption	m ³ /MT of Production	13.43	8.57

Reducing Freshwater Consumption

We have built a robust rainwater harvesting system to direct rainwater to our underground water storage tank and filter and recycle it for internal consumption.

We are working on constantly optimising plant processes to reduce water consumption in plant operations.

We are focusing on reducing process heat utilisation, thereby minimising water evaporation losses and reducing water consumption.

Minimising Waste Disposal

We have state-of-the-art Effluent Treatment Plants set up in all our three units. Through these plants, we have achieved ZLD status (Zero Liquid Discharge). We convert all our liquid effluent into clean water and recycle it back to our plants. For handling of solid waste generated in ETP, we have installed a Glass house in all our manufacturing units. We recycle & reuse almost all of solid waste generated across the Company.

Empowering **People to Progress**



The Company continuously focusses on encouraging diversity and inclusion across all departments and functions. We ensure that our organisation maintains its commitment in providing equal opportunity to employees.

Health and Well-being

We have focussed on both, economic and humanitarian fronts to ensure business continuity while also provide a safe work environment for our employees. Employee health and safety always remains our top-most priority.

Providing PPE kits, equipping offices and sites with sanitiser dispensing machines, regularly disinfecting the workplace, regular testing

and monitoring of employees and organising vaccination drives for all employees are some of the preventive measures undertaken by the Company. We were able to achieve Zero-fatalities across our plants and offices, ensure availability of sufficient employees despite covid-related uncertainties and there were no plant breakdowns/shutdowns due to non-availability of manpower.

Going ahead, we plan to have regular health check-up of all employees and undertake vaccination drives at regular intervals. The Company has tie-ups with local physicians and hospitals to ensure that medical help is quickly available to all. The Company covers any testing costs and medical insurance cover is provided to all workforce

Workforce Inclusion

Our Company continuously focusses on encouraging diversity and inclusion across all departments and functions. We ensure that our organisation maintains its commitment in providing equal opportunity to employees. We believe workplace diversity encourages creativity and innovation because every team member, brings their own unique background, experiences and perspectives. Our empowering work environment encourages our employees, creating an atmosphere of togetherness and passion for innovation.

To ensure all employees are heard, we have put suggestion boxes across all plants and departments. We also have a number of women in leadership positions across our Company and ensure that women in the Company have equal opportunity for career progression.



Knowledge enhancing and reskilling initiatives across employee levels



We conduct multiple training programmes on various technical, functional and behavioural topics for all employees to upskill them, increase engagement and boost their work opportunities. Our training programmes have led to increased productivity, fewer accidents/incidents, improved product quality and reduced rejection.



We have started a Production Chemist/Engineer Development Programme wherein potential personnel from each unit are identified and provided individual training on continuous basis by industry professionals.



We have mandatory in-house training targets across all functions for staff and workers. During the year, the Company conducted training for 5,252 man hours.

Talent acquisition and development/ Accelerated Growth Programmes



We are in a continuous process of identifying employees internally and our Management ensures that internal employees are given a priority for growth. Various learning and development initiatives and focussed trainings are undertaken to strengthen their knowledge, skills and expertise. Internal job rotation and cross-function training opportunities are also encouraged.








Talent acquisition is an ongoing strategy for us to find specialists, leaders, or future executives for the Company. We tend to focus on long-term human resources planning and finding appropriate candidates, internally as well as externally.



We have an Accelerated Growth Programme in place for identification and growth of high-potential employees across the organisation.

Total no. of employees - 1,041
Women workforce - 10%






Initiatives undertaken towards maintaining safety of the workers/ employees

-  Safety Trainings
-  Good Quality PPEs
-  Process Safety
-  Quarterly Third-Party Safety Audits
-  Safety Consultant used Bi-weekly for Training and Improvement in Safety Practices.

Health-management initiatives of the workers/ employees

-  In-House OHC and Free Medicine
-  Availability of Doctors
-  Regular Health Checkup
-  In-House Ambulance for Emergency

Key Priorities for the Department 2022-23

-  Maintaining safety of the employees at workplace
-  Maintaining focus on strategic resourcing in alignment with business strategy
-  Facilitating learning and development across all employee levels for upskilling and preparing them for future leaders
-  Digital Training Platform
-  Ensuring continuous employee engagement

Empowering **Growth for Communities**



We strive to shape a sustainable future for our generations to come. We endeavour to impact the world and contribute to a better tomorrow. To this end, we support selected programmes, initiatives and activities that help improve lives for our stakeholders and the communities we operate within. As a science-driven chemical company, our involvement in the communities and society as a whole includes the promotion of knowledge.

Focus Areas



Education



Healthcare



Medical Relief



Vocational Skills



Environment Sustainability

Out Health Care Initiatives

Seth Tarachand Ramnath Charitable Ayurvedic Hospital Trust, Pune

The Trust runs a hospital for needy patients. It also promotes education in Ayurveda, Nursing and conducts comparative studies and research in Ayurveda.

CSTL has a proposed budget of ₹ 2.5 Crores to be spent over 2 years. The Company donated ₹1 Crore in 2021-22 for the construction of two additional floors (4th & 5th floors) on the existing OPD Building, which is a part of the total building complex.

Maharashtra Homoeopathic Foundation, Sangamner

Maharashtra Homoeopathic Foundation (MHF) was established in the year 1990 to spread education in the field of Homoeopathy. The Foundation works on various initiatives to provide students with higher qualification opportunities, undertake research activities and scholarship programmes, organise special lectures, seminars, conferences, workshops, and provide education and development to students of rural areas and weaker sections.

₹30 Lacs

Donated to MHF for setting up a furnished hostel and computer lab

Sangamner Medical Foundation and Research Institute, Ahmednagar

Sangamner Medical Foundation and Research Institute offers various courses in Pharmacy, Medical, Nursing and has also constructed the 'National Medical Hospital of Ayurvedic Science'.

₹75 Lacs

Funds donated to develop an operation theatre

MIDC, Baramati, for providing Oxygen Plant and Tankers to Maharashtra State Health Department

The Company donated ₹5 Lacs to MIDC, Baramati, for the installation of oxygen plants in rural areas to meet the oxygen requirements during COVID-19 pandemic. The said Oxygen plants were commissioned in December 2021 and are still working satisfactorily at Tuljapur Sub District Hospital, Osmanabad District.

Maharashtra Arogya Mandal, Pune, for Screening of Cervical Cancer for Women

Maharashtra Arogya Mandal, Hadpsar Pune (MAM) established in 1960, is rendering services to the society in health, education, rural and tribal development.

The Company donated ₹10.50 Lacs to MAM to procure iBreast Exam System, iBE Scanhead Cartridge and Digital Video HD Colposcope Machines. MAM has started taking free cancer screening camps for women in different rural areas using these machines.

Rotary Club of Pune Magarpatta City Charitable Trust

The Company donated ₹32 Lacs to the Rotary Club for purchasing Ultrasound Machines to be used in a hospital setup solely for the medical diagnosing of poor patients.

MAHA NGO Federation

The Company donated a sum of ₹10 Lacs for purchasing ambulance and related medical equipment to support old-age centres.

Promoting Education – Initiatives

Peth Vadgaon Shikshan Prasarak Mandal, Kolhapur

Peth Vadgaon Shikshan Prasarak Mandal imparts quality and affordable education to the poor and underprivileged students. Presently, they have two marathi-medium schools with a strength of 400+ students.

₹25 Lacs

Donated by the Company for providing educational facilities for the school

Niranjan Seva Bhavi Sansthan, Pune

Niranjan Seva Bhavi Sansthan focusses on providing education to needy students affected by natural disasters like flood, drought, and COVID-19 pandemic. The Institute provides school uniforms, school bags, notebooks, stationery items, compass boxes, water bottles, tiffin boxes, and umbrellas for these needy students.

₹7.5 Lacs

Donated by the Company for school uniforms for the needy students



Environment Sustainability – Initiatives

Afforestation Programme at Village Girim, Taluka Daund

To conserve the environment and natural resources, the Company and an NGO decided to participate and assist the Government in implementing afforestation programme in the degraded forest land of the village Girim, in Taluka Daund, District Pune. The project will involve actual afforestation, i.e. building fence, digging pits, plantation, watering, maintenance, conservation, and growth of the total area.

The afforestation project is a multiyear project with a proposed budget of around ₹75 Lacs up to 2024-25. The Company has spent ₹2 Lacs in 2021-22 for various administrative expenses.

Environmental Forum of India, Baramati

Environmental Forum of India, Baramati, focusses on environmental issues like water conservation, tree plantation, and creating educational awareness on the environment, cleanliness and hygiene.

₹25 Lacs

Donated to water conservation projects in the districts of Pune, Solapur and Ahmednagar

₹20 Lacs

Donated to various institutions providing support to old age homes, orphanages and Day-care centres



Benefits of Armed Forces Veterans

Donation to Paraplegic Rehabilitation Centre, Kirkee, Pune

Paraplegic Rehabilitation Centre, Kirkee, Pune is a unique Tri-Service Charitable NGO. It is dedicated to providing life-long rehabilitative care and residence to the paraplegic and quadriplegic soldiers of the Army, Navy and Airforce. The Centre is a pioneer in Paralympic sports, and all paraplegic and quadriplegic residents are encouraged to participate in paralympic sports.

The Company donated ₹25 Lacs to meet the expenditure for participating in National/International Paralympic games and procurement of mobility equipment for the paraplegic and quadriplegic ex-servicemen.

Women and Child Health Empowerment

The Company implemented women and child health empowerment programmes in Girim and Pandhrewadi villages in Daund Taluka, Pune. In collaboration with Meraki Health Vision (MHV), the programme aims to address women's health concerns in rural areas and spread awareness of preventive healthcare for children.

Health check-up of 261 women was conducted and the importance of preventive medicine and shift towards a holistic healthcare approach was explained and highlighted to all.



Board of Directors



PRADEEP RATHI

Chairman & Non-Executive
Director



ASHOK BOOB

Managing Director



PROF. GANAPATI YADAV

Non-Executive Independent
Director



SANJAY KOTHARI

Non-Executive Director



KEVAL DOSHI

Non-Executive Independent
Director



MADHU DUBHASHI

Non-Executive Independent
Director



KRISHNAKUMAR BOOB

Executive Director



SIDDHARTH SIKCHI

Executive Director

Corporate Information

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Chief Financial Officer

Pratik Bora

Company Secretary & Compliance Officer

Mahesh Kulkarni

Registrar and Share Transfer Agent

Pune Office

Link Intime India Pvt. Ltd, Block No. 202, 2nd Floor,
Akshay Complex, Near Ganesh Temple, Off Dhole
Patil Road, Pune – 411001

Tel : 020 - 2616 1629 / 2616 0084

Bankers

HDFC Bank Limited
Kotak Mahindra Bank Limited
State Bank of India

Statutory Auditors

B S R & Co. LLP

Secretarial Auditors

J. B. Bhavé & Co, Company Secretaries

Cost Auditors

Dhananjay V. Joshi & Associates, Cost Accountants

Corporate Identity Number

L24114PN2003PLC018532

Corporate & Registered Office

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

Notice

NOTICE IS HEREBY GIVEN THAT the Nineteenth (19th) Annual General Meeting ("AGM") of the Members of Clean Science and Technology Limited (the Company) will be held on Monday, 8th August, 2022 at 3:00 p.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business.

ORDINARY BUSINESS:

- To receive, consider and adopt:-
 - the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2022 together with the Report of the Board of Directors and the Auditors thereon; and
 - the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2022 together with the Report of the Auditors thereon
- To declare Final Dividend of ₹ 3.25 (325%) per Equity Share of ₹ 1 each fully paid up for the Financial year ended 31st March, 2022.
- To appoint a director in place of Mr. Sanjay Kothari (DIN: 00258316), Non-Executive and Non-Independent Director, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

Ratification of remuneration to Cost Auditors for 2022-23

RESOLVED THAT pursuant to Section 148 and other applicable provisions, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), and in accordance with the recommendation of the Audit Committee, the remuneration payable to M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune, (Firm Registration No. 000030) appointed by the Board of Directors as Cost Auditors to conduct the audit of cost records of the Company for the Financial Year ending 31st March, 2023 amounting to ₹ 3,15,000/- (Rupees Three Lakh Fifteen Thousand only) plus applicable taxes and reimbursement of out of pocket expenses as may be incurred by them during the course of Audit be ratified.

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

By Order of the Board

For Clean Science and Technology Limited

(Erstwhile Known as Clean Science and Technology Private Limited)

Mahesh Arvind Kulkarni

Company Secretary

Membership No ACS-19364

Date: 28th May, 2022

Place: Pune

Registered Office:

Office No. 503, Pentagon Tower P-4,

Magarpatta City, Hadapsar, Pune 411 013 Maharashtra, India.

Tel:- +91 20 26899953

E-mail: compliance@cleanscience.co.in

Website: www.cleanscience.co.in

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out the material facts concerning the business under Item No. 4 of the Notice to be transacted at the Annual General Meeting ("AGM") is annexed and forms an integral part of the Notice.
2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA"), vide its General Circular Nos. 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021, 20/2021, 21/2021 and 02/2022 dated 8th April, 2020, 13th April, 2020, 15th June, 2020, 28th September, 2020, 31st December, 2020, 23rd June, 2021, 8th December, 2021, 14th December, 2021 and 5th May, 2022 respectively ("MCA Circulars") and applicable circulars issued by the Securities and Exchange Board of India ("SEBI"), allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) whose AGMs are due in year 2022. The procedure for participating in the meeting through VC/OAVM is explained in the notes below and is also available on the website of the Company at <https://www.cleanscience.co.in/notices>
3. In accordance with the Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI"), read with clarification/guidance note on applicability of Secretarial Standards – 1 and 2 dated 15th April 2020, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be deemed to be the venue of the AGM.
4. In terms of the MCA and SEBI Circulars, as the AGM is to be conducted through VC/OAVM, and since physical attendance of member is dispensed with, there is no requirement of appointment of proxies. Therefore, the facility for appointment of Proxy by the Members is not available for this AGM and hence Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. Members attending through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Institutional/Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) attending the meeting through VC/OAVM are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body resolution/authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorisation shall be sent to the Scrutiniser by email through its registered email address to jayavantbhave@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letters etc. by clicking "Upload Board Resolution / Authority Letter" displayed under e-voting" tab in their login.
7. Pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder, M/s B S R & Co. LLP, Chartered Accountants (Firm Registration. No.: 101248W/W-100022) were appointed as Statutory Auditors of the Company for a period of 5 (five) years i.e. from the conclusion of 16th AGM till the conclusion of 21st AGM to be held in year 2024. As per the Notification issued by MCA on 7th May, 2018 amending Section 139 of the Act and Rules made thereunder, the mandatory requirement for ratification of appointment of Statutory Auditors by the members at every AGM has been done away with, hence the Company is not proposing an agenda item for ratification of appointment of Statutory Auditors at this AGM.
8. The details of the Directors seeking appointment / re-appointment as required under Regulation 36(3) of SEBI Listing Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India is annexed hereto. The Board of Directors recommend the appointments/re-appointment as proposed.
9. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday 2nd August, 2022 to Monday 8th August, 2022** (both days inclusive) for the purpose of AGM and determining the eligibility of members entitled for payment of final dividend, if declared.
10. The final dividend as recommended by the Board of Directors, if declared at the AGM, will be paid on 18th August, 2022.
11. In order to enable the Company to directly credit the dividend amount in the bank accounts members holding shares in demat account are requested to update their Bank Account details with their respective Depository Participants.

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

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

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

- 13.** Members are requested to register their email address, in respect of their demat holding with their respective DP's.
- 14.** A copy of the Notice of this AGM along with Annual Report for the 2021-22, is available on the website of the Company at <https://www.cleanscience.co.in/notices> and on the website of Stock Exchanges i.e. BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL at www.evoting.nsdl.com

PROCEDURE FOR SPEAKER REGISTRATION, SUBMISSION OF QUESTIONS / QUERIES:

- 15.** As the AGM is being conducted through VC/OAVM, for the smooth conduct of proceedings of the AGM, members are requested to express their views/send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number, their queries/views/questions at compliance@cleanscience.co.in
- 16. Members holding shares as on the cut-off date i.e. Monday, 1st August, 2022, and who would like to speak or express their views or ask questions during the AGM may register themselves as speakers by sending an email to compliance@cleanscience.co.in during, Tuesday, 2nd August, 2022 from 9.00 am to Thursday, 4th August, 2022 upto 5.00 pm. Those members who have registered themselves as speaker will only be allowed to speak/express their views/ask questions during the AGM.**
- 17.** The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.
- 18.** Pursuant to Section 108 of the Act, read with the Companies (Management and Administration) Rules, 2014 ("Rules"), as amended, and in compliance with Regulation 44 of the SEBI Listing Regulations, 2015, as amended, and the Circulars issued by the MCA, the Company is pleased to provide voting by electronic means ("remote e-voting") to the Members, to enable them to cast their votes electronically in respect of the business to be transacted at the AGM. For this the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system will be provided by NSDL. The e-voting Event Number (EVEN) for this purpose is '120165'.
- 19.** The voting rights will be reckoned on the paid-up value of Equity Shares registered in the name of the members on **Monday, 1st August, 2022 (on close of business hours) ("Cut-off date")**. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date will be entitled to cast their votes by remote e-voting.
- 20.** The details of the process and manner for remote e-voting are explained herein below:

PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM:

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

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

- 22.** For convenience of the members and proper conduct of AGM, members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first serve basis as per

the MCA Circulars. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors, Chairman/Chairperson of the Committees of the Board of Directors, as applicable, etc. who are allowed to attend the AGM without the said restriction.

23. **Members who need assistance before or during the AGM with use of technology, can send a request at evoting@nsdl.co.in or use Toll free no.: 1800 1020 990 /1800 224 430; or contact Ms. Soni Singh, Asst. Manager, NSDL at the designated email ID: evoting@nsdl.co.in.**
24. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
25. The details of the process and manner for remote e-voting are explained herein below:

Step 1 – Access to NSDL e-voting System:

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

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

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

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

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

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

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

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial **password**' and the **system will force you to change your password**.
- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.

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

- Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

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

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

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

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

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

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

GENERAL GUIDELINES FOR SHAREHOLDERS

26. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" option available on www.evoting.nsdl.com to reset the password.
27. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 /1800 224 430 or send a request to Ms. Soni Singh , NSDL, at evoting@nsdl.co.in.

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to compliance@cleanscience.co.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to compliance@cleanscience.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
5. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. Monday, 1st August, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. **1800 1020 990 and 1800 22 44 30**. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Monday, 1st August, 2022 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

28. REMOTE- E-VOTING

- a. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on Monday, 1st August, 2022, will be entitled to vote at the AGM.
- b. Members may cast their votes on electronic voting system from any place (remote e-voting). **The remote e-voting period will commence on Thursday, 4th August, 2022 at 9.00 a.m. (IST) and will end on Sunday, 7th August, 2022 at 5.00 p.m.,(IST).**
- c. The remote e-voting module shall be disabled for voting thereafter.
- d. In addition, the e-voting window shall be activated upon instruction of the Chairman of the meeting during the AGM.
- e. The e-voting during the AGM is integrated with the VC/OAVM platform and therefore no separate login is required.
- f. Members attending the AGM who have not cast their vote by remote e-voting and are otherwise not barred from doing so shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

29. DETAILS OF SCRUTINISER

- a. M/s. Jayavant Bhawe, Practicing Company Secretary, Pune, (ICSI Membership No FCS-4266, CP-3068) has been appointed as a Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
- b. The Scrutiniser after scrutinising the votes cast by remote e-voting and e-voting during the meeting will make a consolidated Scrutinisers Report and submit the same to the Chairman of the Company or persons authorised by him who shall countersign the same and declare the results of voting forthwith.
- c. The Results declared along with a Scrutiniser's Report shall be hosted on the Company's website at <https://www.cleanscience.co.in> and on the website of NSDL at www.evoting.nsdl.com immediately after the result is declared by the Chairman or a person authorised by him. The results shall be simultaneously be communicated to the Stock Exchanges viz. BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively.

30. OTHER INSTRUCTIONS

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

31. DIVIDEND

- a. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Monday, 1st August, 2022, i.e. the Cut-off Date will be paid the Final Dividend for the financial year ended 31st March, 2022, as recommended by the Board, if approved at the AGM, on Thursday, 18th August, 2022.
- b. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participant(s) of the Members. Members holding shares in demat form are requested to intimate any change in their address and/or bank mandate immediately to their Depository Participants well before the cut off date.

32. TDS ON DIVIDEND

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

For Resident Shareholders:- Tax shall be deducted at source under Section 194 of the Income Tax Act, 1961 @ 10% on the amount of Dividend declared and paid by the Company during 2022-23 provided PAN is registered by the Shareholder. If PAN is not registered, and are considered to be specified person under section 206 AB of Income Tax Act 1961, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961.

- a) **For Resident Individual:** No TDS shall be deducted on the Dividend payable to a resident Individual if the total dividend to be received by them during 2022-23 does not exceed ₹ 5,000. Separately, in cases where the shareholder provides Form 15G (applicable to all individuals) / Form 15H (applicable to an Individual above the age of 60 years) along with copy of self attached PAN, no TDS shall be deducted provided that the eligibility conditions are being met. Form 15G / Form 15H can be uploaded at below link provided by the RTA (i.e. Link Intime India Private Limited): <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html>

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

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

b) For Resident Non-individual: No tax shall be deducted on dividend payable to the following resident non-individual where they provide relevant details and documents:-

i. Insurance companies: A declaration that it has full beneficial interest in the shares along with self-attested copy of PAN and Registration Certificate with Insurance Regulatory Development Authority (IRDA) and PAN card.

ii. Mutual Funds: A declaration that it is a mutual fund governed by the provisions of Section 10(23D) of the Income Tax Act 1961 and is covered under Section 196 of the Income Tax Act, 1961 along with self-attested copy of PAN and valid SEBI Registration Certificate.

iii. Alternative Investment Fund (AIF) established in India: A declaration that its dividend income is exempt under Section 10(23FBA) of the Income Tax Act 1961 and it has been granted a certificate of registration as Category I or Category II AIF under the SEBI Regulations, along with self-attested copy of PAN and valid SEBI Registration Certificate.

iv. National Pension Scheme: A declaration that they are governed by the provisions of Section 10(44) of the Income Tax Act, 1961 along with self-attested copy of registration documents and PAN.

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

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

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

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

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

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

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

- Self-attested copy of PAN card, if any, allotted by the Indian income tax authorities.
- Self-attested copy of Tax Residency Certificate (TRC) issued by the tax authorities of the country of which the shareholder is resident, evidencing and certifying shareholder's tax residency status during the financial year 2022–2023.
- Self-declaration in Form 10F duly filled and signed.
- SEBI registration certificate in case of Foreign Institutional Investors and Foreign Portfolio Investors.
- Self-declaration in the prescribed format certifying that :
 - (a) The shareholder is eligible to claim the beneficial Tax Treaty rate for the purposes of tax withholding on dividend declared by the Company;
 - (b) The transaction / arrangement / investments from which the dividend is derived by the shareholder is not

arranged in a manner which results in obtaining a tax benefit, whether directly or indirectly, as one of its principal purposes. The tax benefit, if any, derived from such transaction / arrangement / investments would be in accordance with the object and purpose of the provisions of the relevant Tax Treaty ('the Principle Purpose Test', if applicable to the respective Tax Treaty);

- (c) No Permanent Establishment / fixed base in India during the 2022-23 in accordance with the applicable tax treaty;
- (d) The shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company.

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

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

Where any entity is entitled for exemption from TDS, TDS will not be deducted provided such shareholder/entity provides valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. issued by the Indian tax authorities).

For All shareholders

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

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

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

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

Notes:

- (i) All the above referred tax rates will be enhanced by surcharge and cess, as applicable.
- (ii) For all self-attested documents, shareholders must mention on the document "certified true copy of the original". For all documents being uploaded by the shareholder, the shareholder undertakes to send the original document(s) on request by the Company.
- (iii) In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, the concerned Shareholder may still have the option of claiming refund at the time of filing the income tax return (provided a valid PAN is registered with the RTA or DP). No claim shall lie against the Company for such taxes deducted.
- (iv) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Shareholder(s), such Shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any proceedings.
- (v) Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares are held under a PAN will be considered on their entire holding in different accounts.
- (vi) Documents furnished by the shareholders [such as Form 15G / 15H, TRC, Form 10F, Self-Attested Declaration etc.] shall be subject to review and examination by the Company before granting any beneficial rate or Nil Rate. The Company reserves the right to reject documents in case of any discrepancies or the documents are found to be incomplete. Decision of the Company with respect to the validity of any document will be final.
- (vii) In case of any discrepancy in documents submitted by the shareholder, the Company will deduct tax at higher rate as applicable, without any further communication in this regard.

- (viii) The Company will withhold taxes as per the stipulated tax laws prevalent at the time of deduction of taxes i.e. as on aforesaid cut-off Date.
- (ix) A declaration must be filed with the Company where the whole or any part of the dividend income is assessable, under the provisions of the Act, in the hands of a person other than the shareholder in accordance with Rule 37BA(2) of the Income-tax Rules, 1962. The declaration must consist of Name, address, PAN of the person to whom credit is to be given and payment or credit in relation to which credit has to be given and reasons for giving credit to such person. In case company does not receive such declaration before the due date of filing TDS return for the second quarter of 2022-23 i.e., 31st October, 2022 the Company reserves the right to reject such declaration.

To enable the Company to determine the appropriate TDS / withholding tax rate applicable, members should upload necessary documents at <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> mail on or before 1st August, 2022.

No communication on tax determination / deduction shall be considered post 1st August, 2022.

- 33.** The Company will arrange to e-mail the soft copy of TDS certificate to the shareholders at the registered e-mail ID after filing of the quarterly TDS return of the Company post payment of said dividend. The said certificates can also be viewed in Form 26AS at traces <https://www.tdscpc.gov.in/app/login.xhtml> or website of the Income Tax department of India <https://www.incometax.gov.in/home>.
- 34. Nomination Facility:-** As per the provisions of Section 72 of the Companies Act, 2013 and SEBI circulars, members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and share transfer agent. In respect of shares held in dematerialised form, the nomination form may be filed with the respective Depository Participant.
- 35.** In terms of SEBI circular dated April 08, 2022 read with SEBI circular dated May 30, 2022, the standard operating Procedures for dispute resolution under the Stock Exchange arbitration mechanism for dispute between the Company and / or Share Transfer Agents and its Shareholders / Investors has been hosted on the company's website at <http://www.cleanscience.co.in/company-policies>.

By Order of the Board

For Clean Science and Technology Limited

(Erstwhile Known as Clean Science and Technology Private Limited)

Mahesh Arvind Kulkarni

Company Secretary
Membership No ACS-19364
Date: 28th May, 2022
Place: Pune

Registered Office:

Office No. 503, Pentagon Tower P-4,
Magarpatta City, Hadapsar, Pune 411 013 Maharashtra, India.
Tel:- +91 20 26899953
E-mail: compliance@cleanscience.co.in
Website: www.cleanscience.co.in

ADDITIONAL INFORMATION PURSUANT TO THE SECRETARIAL STANDARDS - 2 ON GENERAL MEETINGS AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 / EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3

Mr. Sanjay Kothari (DIN 00258316) is a Non-Executive Non Independent Director of the Company and is liable to retire by rotation and being eligible offers himself for re-appointment. Brief Profile of Mr. Sanjay Kothari including the nature of expertise in specific functional area is as follows:-

Particulars	Details
Name	Mr. Sanjay Kothari
Age	58 years
Nationality	Indian
Date of First appointment on the Board	20 th December, 2009
Shareholding in the Company as on 31 st March, 2022	Nil
Board meetings attended during financial year 2021-22	7 (Seven)
Experience in Specific Functional Areas	Understanding of Equity markets and advises corporates in various fund raising options.
Qualifications(s)	1) B.Com. (Hons); 2) Fellow Member of the Institute of Chartered Accountants of India; 3) Fellow member of Institute of Company Secretaries of India; 4) Associate Member of Institute of Cost & Works Accountants of India; 5) Diploma in Business Finance, Institute of Chartered Financial Analyst of India.
Last Drawn remuneration (including sitting fees and commission)	₹ 5,60,000 towards sitting fees for attending Board and Committee meetings.
Relationship with other Directors and Key Managerial Personnel	Not related to any Director /Key Managerial Personnel
Directorship in Other Companies including Listed entities	1. Birla Precision Technologies Limited 2. J L Morison (India) Limited 3. BSE E-Agricultural Markets Limited 4. Rapid Estates Private Limited 5. Anantroop Financial Advisory Services Private Limited 6. Chartered Finance & Leasing Limited 7. Securities Holdings (India) Private Limited 8. Golden Quadrilateral Financial Advisory Services Private Limited 9. Westend Propmart Private Limited 10. System International Private Limited 11. Sanatan Financial Advisory Services private Limited 12. MK Center of Entrepreneurship Foundation 13. Jaichandi Investment Services Private Limited 14. DBH Buildcon Private Limited 15. Ramkrishna Forgings Limited 16. International Conveyors Limited (Ceased to be Director w.e.f. 10.06.2021). 17. Tathastu Financial Advisory Services Private Limited (Ceased to be Director w.e.f. 31.01.2022).

Chairman/Member in the Committees	Sr.	Name	Committee	Membership
	1	J.L. Morison (India) Limited		Audit Committee
Corporate Social Responsibility Committee				Chairman
2	Clean Science and Technology Limited		Audit Committee	Member
			Risk Management Committee	Member
			Stakeholders Relationship Committee	Member
Brief Profile	He is a qualified Chartered Accountant, Cost Accountant, Company Secretary and specialises in Family Wealth Management of High Net worth Individuals (HNIs), corporate communications, loan syndications, equity placements and financial restructuring.			

Mr Sanjay Kothari is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority.

ITEM NO. 4

The Board of Directors at their meeting held on 28th May, 2022 on the recommendation of the Audit Committee, re-appointed M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune (Firm Registration No.: 000030) as Cost Auditors of the Company for conducting audit of the cost records for the Financial Year 2022-23, at a remuneration of ₹ 3,15,000/- (Rupees Three Lakhs Fifteen Thousand) plus applicable taxes thereon and reimbursement of out of pocket expenses as may be incurred by them during the course of audit. Further M/s Dhanajay V. Joshi, Cost Accountants had certified that they are eligible for appointment as Cost Auditors in terms of Section 141 read with Section 148 of the Companies Act, 2013.

Pursuant to the provisions of Section 148 of the Companies Act, 2013, read with The Companies (Audit and Auditors) Rules, 2014 members are required to ratify the remuneration to be paid to the Cost Auditors of the Company.

Accordingly, consent of the members of the Company is sought for ratification of the remuneration payable to the Cost Auditors for the financial year 31st March, 2023.

The Board recommends the resolution set out at Item No. 4 of the notice, for the approval of members of the Company.

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

By Order of the Board

For Clean Science and Technology Limited

(Erstwhile Known as Clean Science and Technology Private Limited)

Mahesh Arvind Kulkarni

Company Secretary
Membership No ACS-19364
Date: 28th May, 2022
Place: Pune

Registered Office:

Office No. 503, Pentagon Tower P-4,
Magarpatta City, Hadapsar, Pune 411 013 Maharashtra, India.
Tel:- +91 20 26899953
E-mail: compliance@cleanscience.co.in
Website: www.cleanscience.co.in

Board's report

To The Members,

The Directors are pleased to present their Report on the business and operations of your Company along with the Audited Financial Statements for the year ended 31st March, 2022.

1. FINANCIAL HIGHLIGHTS:

Particulars	Standalone		Consolidated	
	FY 21-22	FY 20-21	FY 21-22	FY 20-21
Revenue from Operations	6,848.86	5,124.28	6,848.86	5,124.28
Other Income	299.39	256.22	299.73	256.43
Total Revenue	7,148.24	5,380.50	7,148.59	5,380.71
Profit Before interest, tax, depreciation and amortisation	3,299.64	2,845.88	3,298.61	2,845.97
Finance Cost	1.47	0.91	1.47	0.91
Depreciation	249.18	172.06	249.18	172.05
Profit before tax (PBT)	3,048.99	2,672.91	3,047.96	2,673.01
Tax	762.93	689.16	763.01	689.21
Net Profit	2,286.06	1,983.75	2,284.95	1,983.80

(₹ in million)

2. (A) FINANCIALS:

During the financial year 2021-22, on standalone basis revenue from operations were ₹ 6,848.86 million as compared to ₹ 5,124.28 million in the previous financial year witnessing an increase of 33.66%. Profit Before Tax was ₹ 3,048.99 million as compared to ₹ 2,672.91 million in the previous financial year reflecting an increase of 14.07%. Profit after tax was ₹ 2,286.06 million as against ₹ 1,983.75 million, an increase of 15.24% from previous financial year.

During the financial year 2021-22, on consolidated basis revenue from operations were ₹ 6,848.86 million. Profit Before Tax was ₹ 3,047.96 million Profit after tax was ₹ 2,284.95 million.

(B) BUSINESS OUTLOOK

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

3. DIVIDEND:

Considering the financial performance, the Board of Directors at its meeting held on 28th May, 2022 recommended final dividend of ₹ 3.25 (325%) per share of ₹1/- each for the financial year 2021-22. The dividend would result in cash outflow of ₹ 345.21 million well in line with the Company's Dividend Distribution Policy.

The dividend on Equity Shares is subject to the approval of shareholders at the 19th Annual General Meeting (AGM) scheduled to be held on 8th August, 2022. The Register of Members and Share Transfer books of the Company will remain closed from 2nd August, 2022 to 8th August, 2022 (both days inclusive) for the purpose of AGM and payment of dividend for the financial year ended 31st March, 2022.

The Dividend Distribution Policy in accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report as **Annexure I** and also available on the Company's website on web link <https://www.cleanscience.co.in/company-policies>

4. CAPITAL STRUCTURE

The Authorised Share Capital of the Company as on 31st March, 2022 was ₹ 150,000,000 (Rupees Fifteen Crores Only) divided into 150,000,000 Equity Shares of ₹ 1 (Rupee One) each. The Issued, Subscribed and Paid-up Capital at the end of the financial year 31st March, 2022 was ₹ 106,218,960 (Rupees Ten Crores Sixty-Two Lacs Eighteen Thousand Nine Hundred Sixty Only) divided into 106,218,960 Equity Shares of ₹ 1 (Rupees One) each. There were no rights issue, bonus issue or preferential issue etc. during the year under review. Also the Company has not issued shares with differential voting rights or sweat equity shares.

5. LISTING OF EQUITY SHARES

The Company made an Initial Public Offer (IPO) during the year through the Offer For Sale (OFS) route and listed its equity shares on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on 19th July, 2021. The annual listing

Board's Report (Contd.)

fee for the Financial Year 2022-23 has been paid to both the stock exchanges. The stock code of the Company at BSE is 543318 and NSE symbol is CLEAN.

6. SUBSIDIARY, ASSOCIATES OR JOINT VENTURES

The Company has 4 (Four) wholly owned subsidiaries at the end of the financial year namely; Clean Science Private Limited, Clean Organics Private Limited, Clean Aromatics Private Limited and Clean Fino-Chem Limited.

During the year, your Company incorporated a new Wholly Owned Subsidiary to manufacture speciality chemicals including the HALS series under the name "Clean Fino-Chem Limited" (CFCL) with an initial Capital of ₹1 million. Subsequently, the Company made additional equity investments of ₹550 million in CFCL.

Pursuant to Section 129(3) of the Companies Act, 2013 a separate statement containing salient features of the financial statements of subsidiaries is attached to this report in Form AOC-1 to the Financial Statements of the Company as **Annexure II**. During the year, the Company did not have any material subsidiary. Policy on material subsidiary is available on weblink <https://www.cleanscience.co.in/company-policies>

7. RESERVES

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

8. DEPOSITS

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

9. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Companies Act, 2013, Directors of the Company, to the best of their knowledge and belief with respect to 2021-22, state that:

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

10. CORPORATE GOVERNANCE

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

A certificate from Secretarial Auditor of the Company regarding compliance of conditions of Corporate Governance is annexed to the Report on Corporate Governance.

11. MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis Report containing details relating to Industry Trends, Company Performance, Business and Operations has been included in this Annual Report.

12. BUSINESS RESPONSIBILITY REPORT

In terms of Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Business Responsibility Report for the financial year 2021-22 has been included in this Annual Report.

Board's Report (Contd.)

13. INSURANCE

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

14. CHANGE IN THE NATURE OF BUSINESS, IF ANY.

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

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

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

16. IMPACT OF COVID -19

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

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

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

18. SAFETY, HEALTH AND ENVIRONMENT

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

Safety

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted an occupational health and safety policy that is aimed at, inter alia, complying with applicable environmental laws and regulations. We encourage a high level of Safety awareness amongst our associates and strive for continual improvement. Employees are trained in safe practices to be followed at the workplace. The Company conducts routine mock drills for emergency scenarios with the active involvement of its staff and the gaps, if any, are immediately addressed for closure.

All the incidents/near miss are investigated thoroughly and corrective actions are implemented across the locations. Walkthrough rounds by managers are conducted and each area of the factory is visited regularly.

During the year company conducted 5,252 hours of training in following departments :-

a) Safety & Environment:	576
b) Production:	2,544
c) Engineers and Project Engineers:	456
d) QC R&D:	1,392
e) Admin, Purchase, Store, IT:	284

Health

Health of employees is of utmost importance and periodic medical check-up of employees is done to monitor their health. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to the employees. Regular work area monitoring to check concentration of chemicals, noise level, and quality of air at manufacturing locations is carried out as per statutory requirement. The Company also have equipped Occupation Health Centre with a Doctor, appropriate staff and equipped with ambulance at the manufacturing sites. We have a team of employees trained in first aid facility who use their acquired skills while on duty.

COVID-19 related precautions and safety protocols of temperature sensing, wearing of safety gears like masks, goggles, face shields, social distancing, sanitising and washing hands are being adhered to very stringently. The offices and manufacturing facilities are regularly sanitised so that our employees are safe and secure.

Environment

Environment protection and adherence to statutory pollution control norms is of high priority for our company. We believe that our facilities possess adequate effluent treatment processes and minimise any contamination of the surrounding environment or pollution. As part of our efforts to minimise effluent discharge and encourage sustainable and environmentally conscious manufacturing processes, we have invested in renewable energy projects, including installing solar panels for generating electricity.

Board's Report (Contd.)

- i) We regularly monitor air emissions from our activities as per statute. Projects are undertaken for reduction of emissions. Advanced air emission mitigation measures like Electrostatic Precipitator and scrubbers are provided to reduce stack emissions from Boilers.
- ii) We have full-fledged integrated Effluent Treatment Plant with inbuilt redundancy at various stages of treatment. Segregation of Effluent streams on basis of pollution strength and provision of appropriate treatment pathway has been the area of top priority. We maintain outlet standards within the prescribed limits. We recycle majority of our effluent at Kurkumbh by installing Reverse Osmosis (RO)/Multi Effect Evaporator (MEE). An Environment friendly STP has been installed and treated sewage is used for gardening. Your Company undertakes many GO GREEN activities at the plant.
- iii) Solid wastes are sent to the Authorised Hazardous waste disposal facility for waste management.
- iv) Green belt – Tree plantation inside and outside the factory premises is given utmost importance and is done on a regular basis. In and around Kurkumbh, Tal. Daund and other nearby villages the Company has developed 94,731 sq.m green belt and planted approx 14000 various species of plants.
- v) The company has been certified as "GreenCo Silver Rating" by Confederation of Indian Industry.

19. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with related parties during the financial year were in ordinary course of business and at arm's length basis, which were approved by the Audit Committee. The Board has approved a policy for related party transactions which is available on the Company's website at www.cleanscience.co.in/company-policies. The particulars of contracts or arrangements made with related parties pursuant to Section 188 is covered in Notes to the Financial Statements and material contracts / arrangements made with related parties is given in Form AOC-2 which is attached as **Annexure IV** to this report. None of the transactions with any of the related parties were in conflict with the interest of the Company.

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

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

20. BOARD AND ITS COMMITTEES

During the Financial Year 2021-22, 8 (Eight) Board Meetings were held. For details of composition and meetings of the Board and its committees, please refer the Corporate Governance Report forming part of this report.

21. CORPORATE SOCIAL RESPONSIBILITY:

The Company had spent ₹41.15 million in carrying out CSR activities in the following areas:-

- a) Promoting Health Care, and facilities for women, orphan children's, day care centres,
- b) Promoting Education,
- c) Environment sustainability and protection of flora and fauna,

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

22. NOMINATION AND REMUNERATION POLICY

The Company has framed a Nomination and Remuneration Policy to formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (executive/ non executive/ independent), key managerial personnel and other employees. Nomination and Remuneration Policy is placed on the website of the Company <https://www.cleanscience.co.in/company-policies>

23. RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROLS

The Company has in place a risk management framework and policy that provides an all-inclusive approach to safeguard the organisation from various risks, both operational and strategic through adequate and timely actions. It is designed

Board's Report (Contd.)

to anticipate, evaluate and mitigate the risks that could materially impact the business objectives. The potential risks are identified and mitigation measures are implemented to address the same.

In terms of the of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Risk Management Committee has been constituted with responsibility to formulate risk management policy, identify, monitor, mitigate and oversee implementation of the risk management policy, including evaluating the adequacy of risk management and internal control systems, ensure appropriate methodology, processes and systems that are in place, review the risks considering the changing industry dynamics, evolving complexity and keep the board informed about the nature and content of its discussions, recommendations and actions to be taken on a regular basis. The Risk Management Policy of the Company is available on the Company's website at <https://www.cleanscience.co.in/company-policies>.

The Company has in place adequate internal financial controls over financial reporting. It has laid down certain guidelines, policies, processes and structures which are commensurate with the nature, size, complexity of operations and business processes followed by the Company. Internal financial controls and their adequacy are included in the Management Discussion and Analysis, forming part of this report.

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

No significant material orders were passed by the Regulators/ Court which would impact the going concern status of the Company and its future operations. With reference to a compounding application filed by the Company on 21st June, 2021, with Hon'ble Regional Director, Western Region Mumbai in relation to allotment of sweat equity shares contrary to the provisions of Section 79A of the Companies Act 1956 read with Unlisted Companies (Issue of Sweat Equity Shares) Rules, 2003, The Regional Director levied a compounding fees of ₹ 2 Lacs on the Company and ₹ 50,000 on Mr. Ashok R. Boob, Managing Director of the Company, which was duly paid. The impact of this compounding fees on the financial statement is negligible.

25. AUDITORS AND AUDITORS REPORT

a) Statutory Auditors and Audit Report

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and rules made thereunder, M/s B S R & Co, LLP, Chartered Accountants, (Firm Regn. No.: 101248W/W-100022) were appointed as Statutory Auditors of the Company for a period of 5 (five) years from the conclusion of 16th Annual General Meeting, till the conclusion of the 21st Annual General Meeting of the Company to be held in 2024.

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

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

b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Board of Directors had, appointed M/s J. B. Bhawe & Co., Practising Company Secretary, to undertake the Secretarial Audit of the Company for the financial year ending 31st March, 2022.

The Secretarial Audit Report for financial year 31st March, 2022 is attached herewith and forms part of this report as **Annexure VI**. The report does not contain any qualification, reservation or adverse remark.

c) Cost Auditors

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

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

Board's Report (Contd.)

Company for the Financial Year 2021-22 and they have been re-appointed as Cost Auditors of the Company for the Financial Year 2022-23.

The remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for their ratification. Accordingly, resolution seeking Members ratification for the remuneration payable to M/s Dhananjay V. Joshi & Associates as Cost Auditors for Financial Year 2022-23 is included in the Notice convening Annual General Meeting.

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

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

d) Internal Auditors

In accordance with the provisions of Section 138 of the Companies Act, 2013, the Board of Directors appointed M/s Aneja & Associates, Chartered Accountants as Internal Auditors to conduct Internal Audit of the Company.

26. REPORTING OF FRAUDS BY AUDITORS

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

27. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

During the year under review, Company made investments, the details of which are given under Note No. 6 and 10 of the Notes to Standalone Financial Statements of the Company for the year ended 31st March, 2022.

28. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In terms of Section 152(6) of the Companies Act, 2013 and the Articles of Association of the Company Mr. Sanjay Kothari (DIN- 00258316) Non-Executive and Non-Independent Director of the Company is liable to retire by rotation in the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Further, members of the Company vide Postal Ballot resolution dated 17th March, 2022 approved continuation of employment of Mr. Ashok Ramnarayan Boob for his remaining period i.e. upto 27th July, 2022 as Managing Director who has attained the Age of 70 years and his further re-appointment as Managing Director by way of special resolution for a period of 5 years w.e.f. 28th July, 2022 to 27th July, 2027.

In terms of the Regulation 17(6) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the shareholders vide Postal Ballot resolution dated 17th March, 2022 approved payment of aggregate annual remuneration in excess of 5% of net profit of the Company in a year collectively to all Executive Directors who are promoters of the Company for their respective term of appointment.

Key Managerial Personnel

During the year there were no changes in the key Managerial Personnel of the Company.

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

A formal evaluation of the performance of the Board, its Committees and the Individual Directors was carried out for Financial Year 2021-22. The evaluation was carried out using individual questionnaires covering, amongst others, contribution to areas impacting company's performance, preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in the Board and Committee meetings. In addition to the above the Executive Directors were evaluated based on annual targets, financial and operational controls, risk management, business strategies, succession planning, core governance and compliance management. The performance of individual Directors, performance of the Board / Committee was also discussed at the Board meeting held on 28th May, 2022. The performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Directors being evaluated. The Board expressed satisfaction in respect thereof.

30. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

During the year, the Independent Directors of the Company were familiarised and the details of familiarisation programme imparted to them had been hosted on website of the Company and web link thereto is <https://www.cleanscience.co.in/corporate-governance>

Board's Report (Contd.)

31. DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that they meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There was no change in the circumstances affecting their status of Independent Directors of the Company.

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

32. AWARDS AND RECOGNITION

The Company was selected as the Winner of Business Excellence Awards in the category of "Chemicals and Pharmaceuticals – Mid- Corporate awarded by Dun & Bradstreet (NYSE: DNB), on the 'Business Enterprises of Tomorrow 2021' event to recognise the achievements of India's SMEs and Mid-Corporates.

33. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Vigil Mechanism as a part of Whistle Blower Policy required under Section 177(9) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy provides a mechanism for its Directors and Employees to report concerns about unethical behaviour, actual or suspected fraud, actual violation of Company's Code of Conduct. It also provides for adequate safeguards against victimisation of persons who avails this mechanism and allows direct access to the Chairman of Audit Committee in exceptional cases. The said policy has been hosted on website of the Company and web link thereto is <https://www.cleanscience.co.in/company-policies>

34. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March, 2022 is available on the Company's website at <https://www.cleanscience.co.in>

35. EMPLOYEES

a) CSTL ESOS 2021

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

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

The Company had made an application in April, 2022 to BSE and NSE for granting in-principle approval for CSTL ESOS 2021. The CSTL ESOS 2021 comprises of 100,000 options to be granted to Eligible Employees of the Company. Since allotment of shares to employees would result in dilution in Promoter Shareholding to a marginal extent, the Company made an application to SEBI to grant approval to allot shares under CSTL ESOS 2021 and to consider it as one of the option to meet Minimum Public Shareholding obligation under SEBI Circular SEBI/HO/CFD/CMD/CIR/P/43/2018 dated 22nd February, 2018. Approval from SEBI is awaited, as on the date of this report.

b) Disclosure under Section 197 of the Companies Act, 2013

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

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

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

Board's Report (Contd.)

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

37. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company believes that its employees are the key to driving sustainable performance and developing competitive advantage. The HR policies and procedures of your Company are geared towards nurturing and development of Human Capital. The Company had 438 permanent employees as on 31st March, 2022. Your Company has transparent processes for rewarding performance and retaining talent. Skill Gap Analysis and other systems are also in place to identify the trainings required. Employee relations at all locations continued to remain cordial. Your Directors wish to acknowledge the sincere and dedicated efforts of the employees of the Company and would like to thank them for the same.

38. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

For Clean Science and Technology Limited

(Erswhile Known as Clean Science and Technology Private Limited)

Ashok R. Boob

Managing Director

DIN: 00410740

Krishnakumar R. Boob

Whole-time Director

DIN: 00410672

Place : Pune

Dated : 28th May, 2022

Annexure – I

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

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

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

2. DEFINITIONS

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

3. EFFECTIVE DATE

20th March, 2021

4. OBJECT

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

5. SCOPE

The Policy covers the following:

a. Dividend to Equity Shareholders of the Company:

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

b. Interim Dividend:

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

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

c. Final Dividend:

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

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

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

6. PARAMETERS TO BE CONSIDERED

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

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

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

1. Company's Liquidity position including its present and expected obligations.
2. Profits of the Company.

Annexure – I (Contd.)

3. Present and Future Capital expenditure plans of the Company including organic / inorganic growth opportunities.
4. Financial commitments w.r.t. the outstanding borrowings and interest thereon.
5. Financial requirement for business expansion and/or diversification, acquisition etc of new businesses.
6. Past dividend trend of the Company and the Industry.
7. Cost of borrowings.
8. Other Corporate Action options (For ex. Bonus issue, Buy back of shares).
9. Any other relevant or material factor as may be deemed fit by the Board.

c. External Factors: The Board shall consider following external factors:

1. State of economy and capital markets.
2. Applicable taxes including dividend distribution tax.
3. Regulatory Changes: Introduction of new or changes in existing tax or regulatory requirements (including dividend distribution tax) having significant impact on the Company's operations or finances.
4. Any other relevant or material factor as may be deemed fit by the Board.

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

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

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

8. ENTITLEMENT AND TIMELINES FOR DIVIDEND PAYMENTS

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

9. MANNER OF UTILISATION OF RETAINED EARNINGS

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

10. AMENDMENT

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

Annexure – II

FORM AOC – I

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

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

PART "A": SUBSIDIARIES

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

(₹ in million)

Sr. No.	Details	Particulars			
		Clean Science Private Limited	Clean Organics Private Limited	Clean Aromatics Private Limited	Clean Fino-Chem Limited
1	Name of the Subsidiary				
2	Date since when subsidiary was acquired / formed	17.12.2013	20.03.2017	25.10.2019	22.03.2022
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2021 – 31.03.2022	01.04.2021 – 31.03.2022	01.04.2021 – 31.03.2022	22.03.2022-31.03.2022
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	₹	₹	₹	₹
5	Share capital	9.82	0.20	1.00	45.71
6	Reserves & Surplus	(3.11)	(0.15)	(0.11)	504.08
7	Total Assets	6.88	0.08	0.91	550.92
8	Total Liabilities	0.17	0.03	0.03	1.13
9	Investments	6.76	-	-	-
10	Turnover	-	-	-	-
11	Profit /(Loss) Before Taxation	0.28	(0.04)	(0.04)	(1.21)
12	Provision for Taxation	(0.86)	-	-	-
13	Profit / (Loss) After Taxation	0.19	(0.04)	(0.04)	(1.21)
14	Proposed Dividend	-	-	-	-
15	% of Shareholding	100%	100%	100%	100%

Notes:

- 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
(Erswhile Known as Clean Science and Technology Private Limited)

Ashok R. Boob
Managing Director
DIN: 00410740
Place : Pune
Dated : 28th May, 2022

Krishnakumar R. Boob
Whole-time Director
DIN: 00410672

Annexure – III

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

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

(A) Conservation of Energy:

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

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

1) Major emphasis on renewable energy:

- a. We have installed roof-top solar panels across the factory units of total capacity of 0.8 MW. In the last 3 years, it has generated 1.5 million Kwh of electricity, resulting in total savings worth Rs.14.40 million. In the coming financial year, this capacity will be increased to 1.8 MW.
- b. A group Captive Solar Power Generation plant was installed in Solapur of a capacity of 5.6 MW, increasing the total Open Access capacity to 10.7 MW. Indirectly through these plants, the Company was able to get solar power for its manufacturing units in Kurkumbh. Approximately 12 million Kwh of electricity was received through these solar plants during FY 21-22, resulting in total savings of Rs. 80 million These initiatives have also helped us reduce our carbon footprint.
- c. As a result of our initiatives in renewable energy approx. 55% of power consumed in FY 21-22 was through renewable solar power.

2) Installation of energy efficient equipment's:

- a. Commissioning of Mechanical Vapour Recompressor (MVR): We have installed energy efficient MVR in our Effluent Treatment Plant (ETP).
- b. Installation of energy efficient Dry Vacuum pumps and Water jet ejectors to replace the inefficient Steam jet ejectors across our units.
- c. Installation of steam generation systems using process vapour was carried out across our units. Through these steam generating systems, we have saved approx. 7,50,000 kg of steam per annum.
- d. Installation of Energy Monitoring System (EMS) was done to track energy consumption, steam, hot oil consumption and water consumption in all our units
- e. We have installed Variable Frequency Devices (VFDs) and dedicated energy meters in various high power consuming equipment's to optimize the usage.

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

- a. Use of briquettes for partial replacement of steam coal.
- b. Enhanced generation and utilization of Solar electricity up to 55% of total electricity requirement.

iii. The capital investment on energy conservation equipment's: Rs.52.60 Million

- a. Rs.28.10 Million were invested in installation of roof top solar power project.
- b. Rs.24.50 Million were invested in MVR based evaporation system, energy meters, dry vacuum pumps, vapour absorption heat pumps etc.

(B) Technology Absorption:

- i. The efforts made towards technology absorption and the benefits derived like product improvement, cost reduction, product development or import substitution:
 - a. Installation of very high vacuum systems to reduce formation of impurities and increase recovery of products during distillation.

- b. Continuous vapour phase technology developed to phase out liquid phase batch process in one of our products.
- c. Started solvent stripping in one of our products to reduce solvent loss.

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

- ii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
 - a) the details of technology imported: Not Applicable
 - b) the year of import: Not Applicable
 - c) whether the technology been fully absorbed: Not Applicable
 - d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable.

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

- a. R&D unit is engaged in research activities developing environmental friendly new technologies for pharma, additives and speciality chemicals, which India currently depends on imports. Clean Science has been successful in developing key product under Hindered Amine Light Stabilizers (HALS) series.
- b. R&D also improved the process in our current product Dicyclohexylcarbodiimide (DCC) with the stoichiometric consumption of reagents by introducing a new catalyst without affecting yield which otherwise use excess reagents.
- c. Efficient Process has been developed and commercialized for newly launched products Benzoquinone and Tert-butyl hydroquinone.

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

- a. R&D in Clean Science added new products such as Tertiary Butyl Hydroquinone (TBHQ) and Para Benzoquinone (PBQ) in its portfolio, which in turn increase the revenue as well as diversify the customer base.
- b. Increase in the efficiency of DCC process, resulted a decrease in the production cost and effluent.
- c. Developments of HALS series will diversify the Clean Science product portfolio and help to enter into polymer/ paint customer base.

(iii) Future Action Plan

- a. Making inroads into the already developed HALS portfolio by developing UV stabilizers having the same polymer/ paint customer base.
- b. Development of downstream products from existing products Anisole and Guaiacol.
- c. Improving the conversion and yields in our continuous process by introducing/modifying catalysts.

(D) Expenditure in Research and Development:

	(₹ In million)	
Particulars	FY 21-22	FY 20-21
Capital Expenditure	17.71	7.95
Revenue Expenditure	73.37	23.29
Total Expenditure	91.08	31.24
Total R&D expenditure as % of Total Turnover	1.32%	0.60%

(E) Foreign Exchange Earnings and Outgo:

(₹ In million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Foreign Exchange Earnings	4,806.54	3,477.18
Foreign Exchange outgo	636.03	486.64
Net Foreign Exchange Earnings	4,170.51	2,990.54

For and on behalf of the Board of Directors

For Clean Science and Technology Limited

(Erswhile Known as Clean Science and Technology Private Limited)

Ashok R. Boob

Managing Director
(DIN: 00410740)

Krishnakumar R Boob

Whole-time Director
(DIN: 00410672)

Place: Pune

Date: 28th May, 2022

Annexure –IV

FORM 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 fourth proviso thereto.

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

There were no contracts or arrangements or transactions entered during the year ended 31st March 2022, which were not at arms length basis.

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

Sr. No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	Clean Fino-Chem Limited, (Wholly Owned Subsidiary)	Investment in the equity shares	2021-22	The related party transactions of ₹ 551 million entered during the year were in the ordinary course of business and at arms length.	Approval of Board and Audit committee on 14 th March 2022	Nil

For and on behalf of the Board of Directors

For Clean Science and Technology Limited
(Erswhile Known as Clean Science and Technology Private Limited)

Ashok R. Boob
Managing Director
DIN: 00410740

Krishnakumar R. Boob
Whole-time Director
DIN: 00410672

Place : Pune
Dated : 28th May, 2022

Annexure – V

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2021-22

(Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014)

1. Brief outline on CSR Policy of the Company.

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

The Company’s objective is to pro-actively support meaningful socio-economic development. It works towards developing an enabling environment that will help citizens realise their aspirations towards leading a meaningful life. The Company aims to identify critical areas of development contributing to the well-being of the community and benefitting them over a period of time.

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

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

- Promoting Health Care
- Promoting Education
- Environment sustainability and protection of flora and fauna
- Facilities for Old age homes and day care centre
- Benefit of armed forces veterans
- Setting up Public Libraries, protection of culture

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Prof. G. D. Yadav	Chairman, Non-Executive - Independent Director	1	1
2	Mr. Ashok R. Boob	Member, Managing Director	1	1
3	Mr.Krishnakumar Boob	Member, Whole-time Director	1	1

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
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

Annexure – V (Contd.)

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 ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2020-21	Nil	Nil
2	2019-20	Nil	Nil
3	2018-19	Nil	Nil
	Total	Nil	Nil

6.	Average net profit of the Company as per section 135(5)	₹ 1,920.66 Million
7(a)	Two percent of average net profit of the Company as per section 135(5)	₹ 38.41 Million
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).	₹ 38.41 Million

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per 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.
₹ 41.15 Million	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)	
Sr. 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 ₹ Million)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State.	District						Name	CSR Registration number.
1.	Afforestation programme of degraded Forest Land admeasuring 10 Ha. (equivalent to 100,000 square meter)	Environment sustainability and protection of flora and fauna	YES	Village Girim, Taluka Daund, Dist. Pune		4 Years	7.50	0.20	-	No	Aai Seva Bhavi sansthan	CSR00007204
2.	Infrastructure facility at Seth Tara Chand Ramnath Charitable Ayurvedic Hospital Trust	Promoting Healthcare	Yes	Rasta Peth, Pune		2 years	25.00	10.00	-	No	Seth Tara Chand Ramnath Charitable Ayurvedic Hospital Trust	CSR00005308
	Total						32.50	10.20	-			

Annexure – V (Contd.)

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. 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 ₹ Million)	Mode of implementation - Direct (Yes/No)	Mode of implementation Through implementing agency.	
				State.	District.			Name	CSR registration number
1.	Donation to Maharashtra Homoeopathic Foundation	Promoting Healthcare (i)	Yes	Ahmednagar, Maharashtra		3.00	No	Maharashtra Homoeo-pathic Foundation	CSR00018344
2.	Donation to Sangamner Medical Foundation and Research Institute	Promoting Healthcare (i)	Yes	Ahmednagar, Maharashtra		7.50	No	Sangamner Medical Foundation and Research Institute	CSR00002698
3.	Contribution to MIDC, for providing Oxygen Plant and Tankers to Maharashtra State Health Department	Promoting Healthcare (i)	Yes	Osmanabad, Maharashtra		0.50	No	Swa-Roopwardhinee	CSR00002033
4.	Contribution to Maharashtra Arogya Mandal to enable them to procure iBreast Exam System, iBE Scanhead Cartridge and Digital Video HD Colposcope Machines	Promoting health care including preventive health care (i)	Yes	Pune, Maharashtra		1.05	No	Maharashtra Arogya Mandal	CSR00002233
5.	Donation to Rotary Club of Pune Magarpatta City Charitable Trust to purchase Ultrasound Machine to be used in a Hospital setup solely for the medical diagnosing of poor patients.	Promoting health care including preventive health care (i)	Yes	Pune, Maharashtra		3.20	No	The Rotary Club Pune Magarpatta City Charitable Trust	CSR00007198
6.	Donation to MAHA NGO Federation for purchasing ambulance and related medical equipment	Promoting health care including preventive health care (i)	Yes	Pune, Maharashtra		1.00	No	MAHA NGO Federation	CSR00008703
7.	Donation to Peth Vadgaon Shikshan Prasarak Mandal	Promoting Education (ii)	Yes	Kolhapur, Maharashtra		2.50	No	Peth Vadgaon Shikshan Prasarak Mandal	CSR00025508
8.	Donation to Niranjana Seva Bhavi Sansthan	Promoting Education (ii)	Yes	Pune, Maharashtra		0.75	No	Niranjana Seva Bhavi Sansthan	CSR00023661
9.	Donation to Environmental Forum of India for Water conservation project	Environment sustainability and protection of flora and fauna (iv)	Yes	Pune, Maharashtra		2.50	No	Environmental Forum of India	CSR00003237
10.	Donation to OM Shree Vishwadarshan Seva Sansthan to enable them to meet the expenses for the support of old age, destitute, widows to provide them food, clothing, medicines and shelter	Facilities for Old age homes and day care centre and women empowerment (iii)	Yes	Pune, Maharashtra		0.50	No	Om Shree Vishwadarshan Seva Sanstha	CSR00010895
11.	Contribution to The Mother Global Foundation for upbringing, education and rehabilitation of orphans, destitutes and widows.	Empowering women, setting up facilities for women and orphans (iii)	Yes	Pune, Maharashtra		1.00	No	The Mother Global Foundation	CSR00007327
12.	Donation to Sutika Seva Bhavi Sansthan	Facilities for Old age homes and day care centre (iii)	Yes	Pune, Maharashtra		0.50	No	Sutika Seva Bhavi Sansthan	CSR00025078

Annexure – V (Contd.)

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in ₹ Million)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation Through implementing agency.	
				State.	District.			Name	CSR registration number
13.	Donation to Paraplegic Rehabilitation Centre for participating in National/ International Paralympic games and procurement of mobility equipment's for the paraplegic and quadriplegic ex-serviceman.	Measures for the benefit of armed forces veterans (iv)	Yes	Pune, Maharashtra		2.50	No	Paraplegic Rehabilitation Centre	CSR00007760
14.	Donation to Maharaja Shivachhatrapati Pratishthan for esestablishing library with reading zones, museum, art gallery, accommodation facilities	Setting up Public Libraries, protection of culture (v)	Yes	Pune, Maharashtra		1.10	No	Maharaja Shivachhatrapati Pratishthan	CSR00009176
15.	Donation to Atul Kataria Memorial Charitable Trust	Facilities for orphans (iii)	Yes	Pune, Maharashtra		0.07	No	Atul Kataria Memorial Charitable Trust	CSR00026200
16.	Donation to Krishnashray Foundation	Promoting education and Health Care (ii)	No	Delhi		0.50	No	Krishnashray Foundation	CSR00004286
17.	Donation to Aai Janhit Bahu-Uddeshiy Sevabhavi Sanstha	Promoting education and promoting gender equality, empowering women, setting up facilities for orphans (ii)	Yes	Beed, Maharashtra		1.00	No	Aai Janhit Bahu-Uddeshiy Sevabhavi Sanstha	CSR00008566
18.	Donation to Institute of Chemical Technology(ICT)	Promoting Education (ii)	Yes	Mumbai, Maharashtra		0.50	Yes	Institute of Chemical Technology	CSR00006632
19.	Plantation Activity	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare (iv)	Yes	Pune, Maharashtra		0.21	Yes	-	-
20.	Donation to CSTPL Foundation	Promoting Education, Health care (i), (ii)	Yes	Pune, Maharashtra		0.50	No	CSTPL Foundation	CSR00003355
21.	Civil Work for School Class Room	Promoting Education (ii)	Yes	At Post Girim, Taluka Daund, Pune, Maharashtra		0.55	Yes	-	-
TOTAL						30.93			

Annexure – V (Contd.)

(d)	Amount spent in Administrative Overheads	₹ 17,387/-
(e)	Amount spent on Impact Assessment, if applicable	NIL
(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	₹ 4,11,38,400/- ₹ 4,11,55,787/- (After adding Administrative Overheads)

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
1	Two percent of average net profit of the Company as per section 135(5)	3,84,13,128/-
2	Total amount spent for the Financial Year	4,11,55,787/-
3	Excess amount spent for the financial year [(ii)-(i)]	27,42,659/-
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	27,42,659/-

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 ₹)	Amount spent in the reporting Financial Year (in ₹)	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 ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1	2020-21	Nil	Nil	Nil	Nil	Nil	Nil
2	2019-20	Nil	Nil	Nil	Nil	Nil	Nil
3	2018-19	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 ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
1	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Annexure – V (Contd.)

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

For and on behalf of the Board of Directors

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

Ashok R. Boob

Managing Director

Place : Pune

Dated : 28th May, 2022

Prof. G.D. Yadav

Chairman, CSR Committee

Annexure – VI

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

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

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

Secretarial Audit was conducted for the financial year 2021-22, in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances of the Company and for expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and representations made by the Management, during the audit period covering the financial year ended on March 31, 2022 ("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 March 31, 2022 according to the provisions of the following list of laws and regulations:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **[Not applicable during the Audit Period]**.
 - e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **[Not applicable during the Audit Period]**.
 - g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not applicable during the Audit Period]**;
 - h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - j) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2006 regarding the Companies Act and dealing with client;
 - k) SEBI (Delisting of Equity Shares) Regulations, 2009 [Not applicable during the Audit Period] and circulars/ guidelines issued thereunder;

Annexure – VI (Contd.)

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

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

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

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

I further report that:

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

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

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

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

I further report that during the audit period: -

1. Clause III(a) of the Memorandum of Association was amended pursuant to shareholders' approval by way of special resolution in general meeting held on March 27, 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'
The alteration was approved by the Registrar of Companies, Pune on April 6, 2021.
2. The Company in its Nomination and Remuneration Committee meeting dated June 12, 2021 approved grant of 55,852 options under Clean Science and Technology Limited Employee Stock Option Scheme, 2021.
3. The Company has issued prospectus offering 1,71,84,682 (One Crores Seventy One Lacs Eighty Four Thousand Six Hundred and Eighty Two) Equity Shares under Offer for Sale route through an Initial Public Offer (IPO) which was opened on July 7, 2021 and closed on July 9, 2021.
4. Subsequent to the IPO, the Equity shares of the Company got listed on stock Exchanges i.e., National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) with effect from July 19, 2021.
5. The Company had made a compounding application to The Regional Director, Western Region, Mumbai for compounding in respect of offence under section 79 A of erstwhile Companies Act, 1956 for issuing shares to a person who was neither a director nor a permanent employee of the Company. To make this default good, Dr. Dilip Digambar Ravetkar transferred his entire shareholding in the Company, amounting to 2,25,120 (Two Lakh Twenty Five Thousand One Hundred and Twenty) Equity shares to Mr. Pradeep Rathi, Chairman and Non-Executive Director since 2006, on June 18, 2021. The Company paid the penalty in this respect and received Compounding order from the Regional Director on August 6, 2021.
6. The members approved following special resolutions through postal ballot on March 17, 2022:
 - 1) Modifications in Clean Science and Technology Limited Employee Stock Option Scheme, 2021
 - 2) Ratify the Clean Science and Technology Limited Employee Stock Option Scheme, 2021
 - 3) Continuation of employment of Mr. Ashok Ramnarayan Boob, Managing Director of the Company, consequent to him attaining the age of 70 years with effect from March 2, 2022
 - 4) Re-appointment of Mr. Ashok Ramnarayan Boob, as Managing Director of the Company for a further term of 5 years with effect from July 28, 2022
 - 5) Payment of aggregate annual remuneration in excess of 5% of net profits of the Company in a year collectively to all Executive Directors who are Promoters
7. The Company incorporated a wholly owned subsidiary with name Clean Fino-Chem Limited in India on March 22, 2022 and approved investment up to an amount of ₹ 200 Crores in the wholly owned subsidiary in board meeting dated March 14, 2022 in one or more tranches.

Annexure – VI (Contd.)

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

Approval from SEBI is awaited as on the date of this report.

For J. B. Bhavé & Co. Company Secretaries

Jayavant B. Bhavé
Proprietor
FCS: 4266 CP: 3068

PR No. 1238/2021
UDIN: F004266D000374042

Place : Pune
Date: May 28, 2022

ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF CLEAN SCIENCE AND TECHNOLOGY LIMITED (2021-2022)**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) I wish to state as under-

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my 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 secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. 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. Bhave & Co.
Company Secretaries**

Jayavant B. Bhave
Proprietor
FCS: 4266 CP: 3068

Place : Pune
Date: May 28, 2022

Annexure –VII

DETAILS OF CSTL ESOS, 2021

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

Particulars	Details
Any material changes in the Scheme and whether the scheme is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021	<p>The Company modified the Clean Science and Technology Limited Employee Stock Option Scheme, 2021 ("CSTL ESOS 2021") to bring it in line with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB and Sweat Equity Regulations 2021") by way of special resolution passed by the shareholders on 17th March, 2022 through Postal Ballot. There were no material changes in the scheme.</p> <p>The CSTL ESOS 2021 is in compliance with the SEBI SBEB and Sweat Equity Regulations 2021.</p>

- A.** Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time. Please refer Note No. 46 of the standalone financial statements.
- B.** Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time is ₹ 21.52.
- C. Details related to ESOS**

Sr. No.	Particulars	Details
i)	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including the following:-	<p>The CSTL ESOS 2021 has been formulated and implemented primarily with a view to reward the employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this scheme to retain talent. The Company views ESOPs as an instrument that would enable the employees to share the value they create for the Company and align individual objectives of employees with the objectives of the Company in coming years. The CSTL ESOS 2021 contemplates grant of options to the Eligible Employees, as may be determined in due compliance of SEBI SBEB and Sweat Equity Regulations 2021 and provisions of the CSTL ESOS 2021. After vesting of options, the Eligible Employees earn a right (but not an obligation) to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.</p> <p>The Nomination and Remuneration Committee of the Company shall administer CSTL ESOS 2021. All questions of interpretation of the CSTL ESOS 2021 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in CSTL ESOS 2021.</p>

Annexure – VI (Contd.)

Sr. No.	Particulars	Details
	a) Date of shareholders' approval	Shareholders at the Extraordinary General Meeting held on 27 th March, 2021, approved the CSTL ESOS 2021. Subsequently post listing of shares the shareholders on 17 th March, 2022, ratified the CSTL ESOS 2021 through Postal Ballot.
	b) Total number of options approved under ESOS	Nomination and Remuneration Committee to grant Options not exceeding 1,00,000 (One Lacs) to the Eligible Employees under the CSTL ESOS 2021, in one or more tranches, exercisable into not more than 1,00,000 (One Lacs) Shares of face value of Re. 1 (Rupee One) each fully paid-up, with each such Option conferring a right upon the Eligible Employee to apply for one Share of the Company, in accordance with the terms and conditions as may be decided under the CSTL ESOS 2021.
	c) Vesting requirements	Options granted under CSTL ESOS 2021 would vest after 1 (one) year but not later than 4 (four) years from the date of Grant of such Options. Vesting of Options would be subject to continued employment with the Company and thus the Options would vest essentially on passage of time. In addition to this, the Nomination and Remuneration Committee may also specify certain performance criteria and vesting schedule subject to satisfaction of which the Options would vest.
	d) Exercise Price or Pricing Formula	The Exercise Price per Option shall be the price as determined by the Nomination and Remuneration Committee which in no case shall be less than face value of the shares.
	e) Maximum Term of Options Granted	4 years.
	f) Source of shares (primary, secondary or combination)	Primary, the shares exercised will be listed on the Stock Exchanges.
	g) Variation in terms of Options	-
ii)	Method used to account for ESOS - Intrinsic or fair value	Fair Value
iii)	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	-
iv)	Option movement during the year (For each ESOS):	
	a) Number of options outstanding at the beginning of the period	Nil
	b) Number of options granted during the year	55,852
	c) Number of options forfeited / lapsed during the year	-

Annexure – VI (Contd.)

Sr. No.	Particulars	Details						
	(b) the method used and the assumptions made to incorporate the effects of expected early exercise	<p>Pricing Formula: Black-Scholes-Merton Option Pricing Formula.</p> <p>Significant Assumptions used during the year to estimate the fair values of options at the time of grant of the option:</p> <ol style="list-style-type: none"> 1. Risk Free Interest Rate: 5.03% - 6.02% 2. Expected Life: 3.5 years - 6.50 years 3. Expected Volatility: 34.07% - 35.54% 4. Expected Dividend: 0.31% 5. Stock Price Per Share: ₹509.33 						
	(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	The volatility input, measured in % per year, is how much you generally expect the underlying security to move during the life of the option. The measure of volatility used in Black-Scholes option pricing model is the annualised standard deviation of the continuously compounded rate of return on the stock over a period of time.						
	(d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.	<table border="1"> <tbody> <tr> <td>Stock Price</td> <td>The stock price of the Company is the price as on date of grant as per valuation report. (as the options were granted prior to the date of listing.)</td> </tr> <tr> <td>Risk Free Interest Rate</td> <td>The risk-free interest rate being considered for the calculation is the interest rate applicable for maturity approximately equal to the expected life of the options based on the zero-coupon yield curve for government securities.</td> </tr> <tr> <td>Expected Dividend Yield</td> <td> <p>Expected dividend yield is dividend per share dividend by market price per share.</p> <p>The expected divided yield of the Company over the life of the option is estimated considering the Company's past dividend policy.</p> </td> </tr> </tbody> </table>	Stock Price	The stock price of the Company is the price as on date of grant as per valuation report. (as the options were granted prior to the date of listing.)	Risk Free Interest Rate	The risk-free interest rate being considered for the calculation is the interest rate applicable for maturity approximately equal to the expected life of the options based on the zero-coupon yield curve for government securities.	Expected Dividend Yield	<p>Expected dividend yield is dividend per share dividend by market price per share.</p> <p>The expected divided yield of the Company over the life of the option is estimated considering the Company's past dividend policy.</p>
Stock Price	The stock price of the Company is the price as on date of grant as per valuation report. (as the options were granted prior to the date of listing.)							
Risk Free Interest Rate	The risk-free interest rate being considered for the calculation is the interest rate applicable for maturity approximately equal to the expected life of the options based on the zero-coupon yield curve for government securities.							
Expected Dividend Yield	<p>Expected dividend yield is dividend per share dividend by market price per share.</p> <p>The expected divided yield of the Company over the life of the option is estimated considering the Company's past dividend policy.</p>							

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

Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made. The above mentioned information of 55,852 options pertains to options granted prior to IPO.

**For and on behalf of the Board of Directors
For Clean Science and Technology Limited
(Erstwhile known as Clean Science and Technology Private Limited)**

Ashok R. Boob
Managing Director
(DIN: 00410740)

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

Place : Pune
Date: 28th May, 2022

Annexure – VIII

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

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

Name	Total Remuneration (₹)	Ratio	% Increase in Remuneration
Mr. Ashok Boob, Managing Director	73.74 million	484:1	(-50%)
Mr. Siddhartha Sikchi, Whole-time Director	66.37 million	435:1	(-33%)
Mr. Krishnakumar Boob, Whole-time Director	44.24 million	290:1	(-41%)
Mr. Pradeep Rathi, Non-Executive Director	0.58 million	4:1	152%
Prof. G. D. Yadav, Independent Director	0.67 million	4:1	458%
Mr. Sanjay Kothari, Non-executive Director	0.56 million	4:1	100%
Mr. Keval Doshi, Independent Director	0.70 million	5:1	218%
Ms. Madhu Dubhashi, Independent Director	0.58 million	4:1	263%

- (B) the percentage increase in remuneration of CFO, CS in the financial year; CFO- 13.44%, CS- Nil
- (C) the percentage increase in the median remuneration of employees in the Financial Year; 10%
- (D) the number of permanent employees on the rolls of Company as on 31st March, 2022; 438
- (E) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average increase in salaries of employees other than managerial personnel was 10% whereas the remuneration of Executive Directors had decreased due to reduction in Performance Bonus from 10% to 4% computed on net profit before tax.

- (F) Affirmation that the remuneration is as per the remuneration policy of the Company

It is affirmed that, the remuneration paid is as per the remuneration policy applicable to Director's, Key Managerial personnel and other employees.

For and on behalf of the Board of Directors

For Clean Science and Technology Limited

(Erswhile Known as Clean Science and Technology Private Limited)

Ashok R. Boob

Managing Director

(DIN: 00410740)

Place : Pune

Dated : 28th May, 2022

Krishnakumar R. Boob

Whole-time Director

(DIN: 00410672)

Annexure –IX

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF RULE 5 (2) (I) OF COMPANIES (APPOINTMENT AND REMUNERATION) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2022.

Sr. No.	Name & Age (Years)	Designation	Total Remuneration ₹ (in million)	Qualification and Experience (Years)	Date of Commencement of Employment	Last employment held before joining the Company	% share-holding	Relation with any director
1	Mr. Ashok Ramnarayan Boob 70 years	Managing Director	73.74 million	BCE (UDCT Mumbai)	07.11.2003	Mangalam Drugs and Organics Limited	12.81	Brother of Mr. Krishnakumar R. Boob, Whole-time Director
2	Mr. Krishnakumar Ramnarayan Boob 67 years	Whole-time Director	44.24 million	B. Pharma (UDCT Mumbai)	07.11.2003	Mangalam Drugs And Organics Limited	2.65	Brother of Mr. Ashok R. Boob, Managing Director
3	Mr. Siddhartha Ashok Sikchi 41 years	Whole-time Director	66.37 million	B. Tech (UDCT Mumbai), M. Sc Synthetic Organic Chemistry, (Canada)	15.12.2006	-	2.97	-

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

For and on behalf of the Board of Directors

For Clean Science and Technology Limited
(Erswile Known as Clean Science and Technology Private Limited)

Ashok R. Boob
Managing Director
(DIN: 00410740)

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

Place : Pune

Dated : 28th May, 2022

Corporate Governance Report

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

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

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

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

The Company has established systems and procedures to ensure that its Board of Directors are well informed to discharge their overall responsibilities and provide the management with the strategic direction.

B. BOARD OF DIRECTORS AND THEIR COMMITTEES:

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

The Board of Directors of the Company comprises 8 (Eight) Directors as on 31st March, 2022 which is an optimum mix of Executive, Non-Executive and Independent Directors, diverse in terms of qualifications, competence, professional experience. Brief profile of the Directors is available on the Company's website www.cleanscience.co.in

a) The composition of the Board of Directors is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") read with Section 149 of the Companies Act, 2013. The composition as on 31st March, 2022 is summarised below: -

Category	Name and DIN of Directors	No. of Directors	% of total strength of the Board
Non-Executive, Non-Independent Directors	Mr. Pradeep Rathi DIN: 00018577	2	25
	Mr. Sanjay Kothari DIN: 00258316		
Non-Executive, Independent Directors	Prof. Ganapati Yadav DIN: 02235661	3	37.5
	Mr. Keval Doshi DIN: 03635213		
	Ms. Madhu Dubhashi DIN: 00036846		
Promoter, Managing and Executive Directors	Mr. Ashok Boob DIN: 00410740	3	37.5
	Mr. Krishnakumar Boob DIN:00410672		
	Mr. Siddhartha Sikchi DIN:02351154		
Total		8	100

b) Attendance of the Board of Directors is summarised below: -

The Board of Directors meets at regular intervals to discuss and decide on business strategies / policies and reviews the financial and operational performance of the Company and its Subsidiaries. The Committees of the Board also meet at such intervals as may be mandated by law or the terms of reference of such Committees, to transact the matters of business as may be delegated to such Committees by the Board. In case of business exigencies, the approval of the Board or Committee/s thereof is taken through resolutions passed by the Directors or Committee Members by way of circulation. The resolutions by circulation are noted at the subsequent Board or Committee Meetings. The notice of each Board or Committee Meeting is given in writing to each Director or Committee Member in advance. The Agenda along with the relevant notes and other material information are also sent in advance separately to each Director or Committee Member. This ensures timely and informed decisions by the Board and the Committees thereof.

During the period under review, the Board of Directors met **eight** times on 6th April, 2021, 12th June, 2021, 30th June, 2021, 12th July, 2021, 9th August, 2021, 11th November, 2021, 7th February, 2022 and 14th March, 2022. The maximum time gap between two board meetings was not more than 120 days. The minutes of the meetings of all the Board and Committees are circulated to all the Directors and are finalised incorporating the comments/ suggestions of the Directors.

Sr. No	Name of the Director	Category	No. of Board Meetings attended	Attendance at the last AGM
1.	Mr. Pradeep Rathi	Chairman- Non- Executive Director	8	--
2.	Mr. Ashok Boob	Managing Director	8	Yes
3.	Mr. Krishnakumar Boob	Whole Time Director	8	Yes
4.	Mr. Siddhartha Sikchi	Whole Time Director	8	Yes
5.	Mr. Sanjay Kothari	Non- Executive Director	7	--
6.	Prof. Ganapati Yadav	Independent Director	8	--
7.	Mr. Keval Doshi	Independent Director	8	--
8.	Ms. Madhu Dubhashi	Independent Director	8	--

c) The following details of Directors are provided in the table hereunder: -

Sr. No.	Name of the Director	Category of Director	Inter-se Relationship amongst Directors	*No. of Directorships held in Companies (including ^CSTL)	# No. of Board Committees of Companies (including CSTL) in which acts as a Member or Chairperson (\$)		Name of the listed entity in which directorship is held including CSTL and category of Director
					As a Member	As a Chairperson	
1.	Mr. Pradeep Rathi	Chairman- Non- Executive Director	NA	5	4	1	1. Clean Science and Technology Limited- Non Executive –Non Independent director 2. Sudarshan Chemical Industries Limited- Non-Executive - Non Independent Director, Chairman 3. Sanghvi Movers Limited - Non-Executive Independent Director 4. Finolex Industries Limited - Non-Executive - Independent Director
2.	Mr. Ashok Boob	Managing Director	Brother of Mr. Krishnakumar Ramnarayan Boob	2	-	-	1. Clean Science and Technology Limited- Managing Director
3.	Mr. Krishnakumar Boob	Whole Time Director	Brother of Mr. Ashok Ramnarayan Boob	2	-	-	1. Clean Science and Technology Limited- Whole-Time Director

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

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

#Only Audit Committee and Stakeholders' Relationship Committee are considered for reckoning committee positions.

^CSTL: Clean Science and Technology Limited.

d) Details of equity shares of the Company held by the Non-Executive Directors as on 31st March, 2022 are given below:

Name	Designation	No. of shares
Mr. Pradeep Rathi	Chairman- Non- Executive Director	2,25,120
Prof. Ganapati Yadav	Independent Director	1,89,098
Ms. Madhu Dubhashi	Independent Director	1,500 (includes shareholding of immediate relatives)

e) Familiarisation programme for Independent Directors:

The Independent Directors have been familiarised with the Company, their roles and responsibilities in the Company, nature of the Industry in which the Company operates, the business model of the Company, etc. During FY 2021-22. Independent Directors were updated on various aspects of the Company's business and operations. The details of familiarisation programmes imparted to the Independent Directors is placed on the website of the Company and can be accessed at https://www.cleanscience.co.in/_files/ugd/46c025_0238278d824749da8da319ff296d3a9b.pdf

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

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

Matrix of skills / expertise / competencies:

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

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

g) Declarations of Independence

In terms of Regulation 25(8) of SEBI Listing Regulations, 2015 the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective of independent judgement and without any external influence. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations, 2015 and Section 149 of the Companies Act, 2013 and that they are independent of the management.

C) AUDIT COMMITTEE:

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

The Audit Committee of the Board consists of the following Directors:

Name of the Director	Category	No. of Meetings held during the Year 2021-22	No. of Meetings attended during the Year 2021-22
Mr. Keval Doshi	Non-Executive - Independent Director, Chairman	5	5
Ms. Madhu Dubhashi	Non-Executive - Independent Director	5	5
Prof. Ganapati Yadav	Non-Executive - Independent Director	5	5
Mr. Sanjay Kothari	Non-Executive - Non Independent Director	5	4

Meetings during the year

The Committee met 5 times on 12th June, 2021, 9th August, 2021, 11th November, 2021, 7th February, 2022 and 14th March, 2022. All recommendations of the Audit Committee as mandatorily required, were accepted by the Board. The maximum gap between any two meetings of the Committee held during the year was not more than 120 days.

Mr. Pratik Bora, Chief Financial Officer is the permanent invitee to the meetings of the Committee.

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

The Company Secretary acts as Secretary to the Audit Committee.

Pursuant to the terms of reference, the Audit Committee, interalia, discussed and deliberated on financial results, approval of transactions with related parties, reports of the Internal Auditors and Statutory Auditors, appointment and remuneration of Auditors and other business agenda items.

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

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

- (9) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (10) Approval or any subsequent modification of transactions of the listed entity with related parties;
- (11) Scrutiny of inter-corporate loans and investments;
- (12) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (13) Evaluation of internal financial controls and risk management systems;
- (14) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (15) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (16) Discussion with internal auditors of any significant findings and follow up there on;
- (17) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (18) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (19) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (20) To review the functioning of the whistle blower mechanism;
- (21) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- (22) Carrying out any other function as may be required / mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI Listing Regulations, 2015, the Companies Act, 2013, the listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws;
- (23) Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- (24) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders."

The Audit Committee shall mandatorily review the following information:

- (1) Management discussion and analysis of financial condition and results of operations;
- (2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) Internal audit reports relating to internal control weaknesses;
- (5) The appointment, removal and terms of remuneration of the internal auditor;
- (6) Statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) and (b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- (7) Review and monitor compliances under SEBI Insider Trading Regulations;
- (8) Carrying out any other function as is mentioned in the terms of reference of the audit committee;

D) NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee (NRC) of the Board consists of the following Directors:

Name of the Director	Category	No. of Meetings held during the Year 2021-22	No. of Meetings attended during the Year 2021-22
Prof. Ganapati Yadav	Non-Executive - Independent Director, Chairman	3	3
Mr. Keval Doshi	Non-Executive - Independent Director	3	3
Mr. Pradeep Rathi	Non-Executive - Non Independent Director	3	3

During the year 3 meetings were held on 12th June, 2021, 11th November, 2021 and 7th February, 2022. All recommendations of the Nomination and Remuneration Committee as mandatorily required, were accepted by the Board.

a) Terms of References of the Nomination and Remuneration Committee:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

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

b) Board and Directors Evaluation and its criteria:

A formal evaluation of the performance of the Board, its committees and Individual Directors was carried out for Financial Year 2021-22. The evaluation was carried out using individual questionnaires covering, amongst others, contribution to areas impacting Company's performance, preparedness on the issues to be discussed, meaningful and constructive, contribution and inputs in Board and committee meetings. In addition to the above the Executive Directors were evaluated based on annual targets, financial and operational controls, risk management, business strategies succession planning, core governance and compliance management.

E) STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee consists of the following Directors:

Name of the Director	Category	No. of Meetings held during the Year 2021-22	No. of Meetings attended during the Year 2021-22
Ms. Madhu Dubhashi	Non-Executive - Independent Director, Chairperson	1	1
Mr. Siddhartha Sikchi	Executive Director	1	1
Mr. Sanjay Kothari	Non-Executive - Non Independent Director	1	1

The Committee met on 11th November, 2021. During the year the Company received 70 investor complaints and all complaints were resolved. No complaints were pending as at 31st March, 2022. Mr Mahesh Kulkarni, Company Secretary is designated as compliance officer of the Company.

Terms of References of the Stakeholders' Relationship Committee:

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

F) RISK MANAGEMENT COMMITTEE:

Risk is an integral and inseparable component of the business operations of a company. Risks which a Company may face include market risks, finance risk, fluctuations in foreign exchange, technological risks, human resource management and legal or compliance risks. The Company believes that identifying significant risks which the Company may face and devising risk assessment and mitigation procedures to tackle such risks would play an important role in protecting shareholder value, improving governance processes and meeting unforeseen exigencies in the cycle of conduct of business operations of the Company.

During the year the Committee met on 12th June, 2021 and 11th November, 2021

Composition and attendance:

Name of the Director	Category	No. of Meetings held during the Year 2021-22	No. of Meetings attended during the Year 2021-22
Mr. Pradeep Rathi	Non-Executive - Non Independent Director, Chairman	2	2
Mr. Ashok Boob	Managing Director	2	2
Mr. Keval Doshi	Non-Executive - Independent Director	2	2
Mr. Sanjay Kothari	Non-Executive - Non Independent Director	2	2

Terms of References of the Risk Management Committee:

- To formulate a detailed risk management policy;
- To identify, monitor, mitigate and oversee implementation of the risk management policy, including evaluating the adequacy of risk management and internal control systems;
- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the entity;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board informed about the nature and content of its discussions, recommendations and actions to be taken;
- To take steps to identify and mitigate information technology and cyber security risks that the Company is or may be exposed to, on a regular basis;
- Measures for risk mitigation including systems and processes for internal control of identified risks;
- A framework for identification of internal and external risks specifically faced including financial, operational, sectoral, sustainability (particularly, ESG (environmental, social and governance) related risks, cyber security risks or any other risk as may be determined by the Committee, Business continuity plan;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors;
- The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

G) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

Corporate Social Responsibility Committee has been constituted in accordance with the provisions of Section 135 of the Companies Act, 2013, and rules made thereunder.

Composition and attendance:

Name of the Director	Category	No. of Meetings held during the Year 2021-22	No. of Meetings attended during the Year 2021-22
Prof. Ganapati Yadav	Non-Executive - Independent Director, Chairman	1	1
Mr. Ashok Boob	Managing Director	1	1
Mr. Krishnakumar Boob	Executive Director	1	1

During the year the Committee met on 12th June, 2021.

Terms of References of the CSR Committee:

- a. Formulation of a corporate social responsibility policy to the Board, indicating the activities to be undertaken by the Company in areas or subjects specified in the Companies Act, 2013. The activities should be within the list of permitted activities specified in the Companies Act, 2013 and the rules thereunder;
- b. Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years;
- c. Instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company;
- d. Monitoring the CSR policy from time to time and issuing necessary directions as required for proper implementation and timely completion of CSR programmes;
- e. Identifying CSR policy partners and programmes;
- f. Identifying and appointing the CSR team of the Company, wherever required; and
- g. Performing such other duties and functions as the Board may require the CSR committee to undertake, to promote the CSR activities of the Company or as may be required under applicable laws."

H) Other committees constituted by the Company:**a) FINANCE COMMITTEE:**

The finance committee was formed in the year 2007 and the Board delegated some powers to the committee to take routine business and financial decisions for smooth running of business and operational needs.

Composition and attendance of Finance committee is as mentioned below:

Name of the Director	Category	No. of Meetings held during the Year 2021-22	No. of Meetings attended during the Year 2021-22
Mr. Pradeep Rathi	Non-Executive–Non Independent Director, Chairman (w.e.f. 20 th March 2021)	1	1
Mr. Ashok Boob	Managing Director	1	1
Mr. Krishnakumar Boob	Executive Director	1	1
Mr. Siddhartha Sikchi	Executive Director	1	1

The Committee met on 3rd May, 2021. The powers of the Finance Committee are mentioned below:

1. To take decisions regarding the matters of routine financial assistance as may be referred by the Board of Directors from time to time;
2. To assess the procedural and other requirements of proposal for loans, working capital finance and other financial assistance, to approve and avail the same from Banks and Financial Institutions and Government Departments;
3. To assess the need and complete the formalities regarding opening of bank accounts at Pune, Kurkumbh and other places as per the requirement of Company's projects at various places;
4. To report the Board regarding any discrepancies/errors/frauds observed during the routine/financial operations of the Company;
5. To prepare budgets, reports, presentations on costs, cash flows, etc. as demanded by the Board from time to time;
6. To do all other acts as may be delegated by the Board of Directors from time to time.

b) IPO COMMITTEE:

The Committee was formed on 20th March, 2021 to take decisions related to the Initial Public Offer (IPO). The Company approved and filed the Draft Red Herring Prospectus on 6th April, 2021 and completed the process of IPO as on 15th July, 2021 and listed its shares on BSE and NSE on 19th July, 2021. During the process of IPO, the committee met 7 times on 5th April, 2021, 22nd June, 2021, 30th June, 2021, 1st July, 2021, 6th July, 2021, 14th July, 2021 and 15th July, 2021 respectively.

Composition and attendance of the IPO Committee:

Name of the Director	Category	No. of Meetings held during the Year 2021-22	No. of Meetings attended during the Year 2021-22
Mr. Ashok Boob	Managing Director, Chairman	7	7
Mr. Krishnakumar Boob	Whole-time Director	7	7
Mr. Siddhartha Sikchi	Whole-time Director	7	7

Mr. Pratik Bora, Chief Financial Officer and Mr. Mahesh Kulkarni, Company Secretary were invitees to the meetings of the Committee.

The terms of reference of the IPO Committee in brief are as under:

- a. To make applications, seek clarifications, obtain approvals and seek exemptions from, the SEBI, the relevant Registrar of Companies, the RBI, and any other governmental or statutory authorities as may be required in connection with the Offer, accept, incorporate on behalf of the Board such conditions, modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions as may be required in the draft red herring prospectus, the red herring prospectus and the prospectus as applicable;
- b. To finalise, settle, approve, adopt and file in consultation with the book running lead managers appointed for the Offer (the "BRLMs"), the draft red herring prospectus, the red herring prospectus and the prospectus in connection with the Offer, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto ("Offer Documents"), and take all such actions as may be necessary for the submission and filing of these documents with SEBI, the Registrar of Companies or any other relevant governmental and statutory authorities or in accordance with applicable laws;
- c. To decide and in consultation with the BRLMs on the actual Offer size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band (including offer price for anchor investors), bid period, Offer price, and to do all such acts and things as may be necessary and expedient including to make any amendments, modifications, variations or alterations in relation to the Offer;
- d. To appoint, enter into, terminate arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, sponsor bank, legal advisors, auditors, advertising agency and any other agencies or persons or intermediaries in relation to the Offer, to negotiate, finalise and amend the terms of their appointment, and to remunerate all such intermediaries/agencies including the payments of commissions, brokerages, etc.;
- e. To negotiate, finalise, settle, execute and deliver draft red herring prospectus, the red herring prospectus, the prospectus, the preliminary and final international wrap, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement, agreements with the registrar to the Offer and all other documents, deeds, agreements and instruments whatsoever with the registrar to the Offer, legal advisors, auditors, advertising agency, stock exchange(s), BRLMs, selling shareholders in the Offer ("Selling Shareholders") and any other agencies/intermediaries in connection with the Offer with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents as may be required or desirable in relation to the Offer;
- f. To seek, if required, the consent and/or waiver of the lenders of the Company, customers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in relation to the Offer or any actions connected therewith;

- g. To open and operate bank accounts in terms of the escrow agreement and in terms of Section 40(3) and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- h. To authorise and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;
- i. To accept and appropriate the proceeds of the Offer in accordance with the applicable laws;
- j. To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;
- k. To authorise and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;
- l. To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules, in consultation with the BRLMs;
- m. To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and/ or modify, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorise one or more officers of the Company to execute all or any of the documents;
- n. To make applications for listing of the Equity Shares in one or more stock exchange(s) and to execute, deliver documents in connection with obtaining such listing including, entering into listing agreements and affixing the common seal of the Company where necessary;
- o. To settle all questions, difficulties or doubts that may arise in regard to the Offer, including allotment, terms of the Offer, utilisation of the Offer proceeds and matters incidental thereto as it may deem fit;
- p. To submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies, Maharashtra at Pune and the relevant stock exchange(s) where the Equity Shares are to be listed;
- q. Deciding, negotiating and finalising the pricing and all other related matters regarding the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with applicable laws;
- r. Taking on record the approval of the Selling Shareholders for offering their Equity Shares in the Offer for Sale and taking all actions as may be authorised in connection therewith;
- s. to withdraw the draft red herring prospectus or the red herring prospectus or to decide to not proceed with the Offer at any stage in accordance with applicable laws and in consultation with the BRLMs; and
- t. To delegate any of its powers set out hereinabove, as may be deemed necessary and permissible under applicable laws to the officials of the Company.

c) INDEPENDENT DIRECTORS' MEETING:

A separate meeting of the Independent Directors of the Company was held on 17th March, 2022 without the attendance of Non -Independent Directors and Members of the Management. The Independent Directors reviewed (i) the performance of Non-Independent directors and the Board as a whole; (ii) the performance of the Chairman of the Board taking into account the views of the Executive Directors and Non-Executive Directors; and (iii) assessed the quality, quantity and timeliness of flow of information between the Company management and the Board required to effectively and reasonably perform their duties. All Independent Directors attended the Meeting.

I) REMUNERATION OF DIRECTORS

a. Pecuniary relationship or transactions

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

b. Non-Executive Directors' compensation and disclosures

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

The details of the sitting fees paid to Non -Executive Directors in 2021-22 is given below:

Name of the Director	Category	Sitting fees (₹ in million)
Mr. Pradeep Rathi	Non-Executive - Non Independent Director	0.58
Mr. Sanjay Kothari	Non-Executive - Non Independent Director	0.56
Prof. Ganapati Yadav	Non-Executive - Independent Director	0.67
Mr. Keval Doshi	Non-Executive - Independent Director	0.70
Ms. Madhu Dubhashi	Non-Executive - Independent Director	0.58

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

(₹ in million)

Component	Mr. Ashok Boob- Managing Director	Mr. Krishnakumar Boob- Whole Time Director	Mr. Siddhartha Sikchi - Whole Time Director
Basic Pay	25.00	15.00	22.50
Performance Bonus (Collectively 4% computed on net profit before tax.)	48.74	29.24	43.87
Total	73.74	44.24	66.37

J. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings/ Extra Ordinary General Meeting are given below:

Day, Date and Time	Venue	No. of Directors present	Details of Special Resolutions passed
Annual General Meeting for 2018-19 held on Saturday, 28 th September, 2019 at 11 a.m.	Shubham Navin Nagar Road, Sangamner-422605	3	-
Extra Ordinary General Meeting held on Saturday, 21 st March, 2020 at 11.00 am	Shubham Navin Nagar Road, Sangamner-422605	3	Buy-back of Equity Shares
Annual General Meeting for 2019-20 held on Thursday, 24 th December, 2020 at 11:30 a.m.	Shubham Navin Nagar Road, Sangamner-422605	3	-
Extra Ordinary General Meeting held on Thursday, 24 th December, 2020 at 4.00 pm	Shubham Navin Nagar Road, Sangamner-422605	3	-

Day, Date and Time	Venue	No. of Directors present	Details of Special Resolutions passed
Extra Ordinary General Meeting held on Friday, 15 th January, 2021 at 10.00 am	Hotel Westin Pune, 36/3-8, Mundhwa Rd, Koregaon Park, Ghorpadi, Pune, Maharashtra 411001	3	Shifting of Registered Office Address of The Company Outside Local/City Limits
Extra Ordinary General Meeting held on Thursday 25 th February, 2021 at 11.00 am	Office No. 503, Pentagon Tower P-4, Magarpatta City, Hadapsar, Pune 411013	3	i) Approval for conversion of the Company into a Public Limited Company ii) Adoption of amended Memorandum of Association iii) Adoption of amended Articles of Association iv) To increase investment limits for non-resident Indians
Extra Ordinary General Meeting held on Saturday 27 th March, 2021 at 3.00 pm	Office No. 503, Pentagon Tower P-4, Magarpatta City, Hadapsar, Pune 411013	3	i) To alter object clause of Memorandum of Association ii) To consider and approve payment of managerial remuneration to Mr. Ashok Ramnarayan Boob for the financial year 2020-21 iii) To consider and approve payment of managerial remuneration to Mr. Krishnakumar Ramnarayan Boob for the financial year 2020-21 iv) To consider and approve payment of managerial remuneration to Mr. Siddhartha Ashok Sikchi for the financial year 2020-21 v) To approve Employee Stock Option Scheme 2021
Annual General Meeting for 2020-21 held on Tuesday, 15 th June, 2021 at 3.30 p.m	Office No. 503, Pentagon Tower P-4, Magarpatta City, Hadapsar, Pune 411013	3	i) To consider borrowing limits of ₹ 500 Crores under Section 180(1) (c) of the Companies Act, 2013 ii) To consider and approve creation of charge on the movable and immoveable properties of the Company both present and future in respect of the borrowings under Section 180(1) (a) of the Companies Act, 2013

Special Resolutions passed through Postal Ballot

The members approved Special Resolutions under Section 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on 17th March, 2022 with respect to:

- To consider and approve the modifications in Clean Science and Technology Limited Employee Stock Option Scheme, 2021
- To ratify the Clean Science and Technology Limited Employee Stock Option Scheme, 2021
- To approve continuation of employment of Mr. Ashok Boob, Managing Director of the Company, consequent to him attaining the age of 70 years w.e.f 2nd March, 2022.

4. To approve re-appointment of Mr. Ashok Boob, as Managing Director of the Company for further term of 5 years w.e.f. from 28th July, 2022
5. To approve payment of aggregate annual remuneration in excess of 5% of net profits of the Company in a year collectively to all Executive Directors who are Promoters.

The Company completed the Postal Ballot process through voting by electronic means, as permitted by The Ministry of Corporate Affairs General Circulars No. 14,17, 22, 33, 39/2020, 10 and 20/2021 dated 8th April, 13th April, 15th June, 28th September, and 31st December, 2020, 23rd June, and 8th December, 2021 respectively and other applicable laws and regulations due to Covid-19 restrictions.

The details of the voting pattern are as under:

Particulars of Special Resolution	Votes in assent		Votes in dissent		Remark
	Number	%	Number	%	
To consider and approve the modifications in Clean Science and Technology Limited Employee Stock Option Scheme, 2021	9,49,28,243	98.71	12,44,139	1.29	Passed with requisite majority
To ratify the Clean Science and Technology Limited Employee Stock Option Scheme, 2021	9,06,47,898	94.28	55,00,588	5.72	Passed with requisite majority
To approve continuation of employment of Mr. Ashok Ramnarayan Boob, Managing Director of the Company, consequent to him attaining the age of 70 years w.e.f 2 nd March, 2022	9,56,55,648	99.46	5,16,738	0.54	Passed with requisite majority
To approve re-appointment of Mr. Ashok Ramnarayan Boob, as Managing Director of the Company for further term of 5 years w.e.f. from 28 th July, 2022	9,57,55,669	99.57	4,16,712	0.43	Passed with requisite majority
To approve payment of aggregate annual remuneration in excess of 5% of net profits of the Company in a year collectively to all Executive Directors who are Promoters.	9,57,55,099	99.57	4,17,290	0.43	Passed with requisite majority

Procedure for Postal Ballot:

Pursuant to the approval of the Board of Directors of the Company on 7th February, 2022, Notice of Postal Ballot, along with Explanatory Statement, was sent to the shareholders to enable them to consider and vote for and against the proposal within a period of 30 days from the date of dispatch. Voting by electronic means (remote e-voting) facility was made available to all the shareholders and instructions for the same were specified under 'instructions for voting' in the Postal Ballot Notice. E-mails were sent to shareholders whose e-mail ids were available with the Company / Registrar and Transfer Agent/Depositories along with Postal Ballot Notice. After the last day for receipt of votes (remote e-voting), the Scrutiniser, after due verification, submitted the results to the Chairman on 17th March, 2022, which were displayed on the Company Website and submitted to Stock Exchanges.

The brief details of the Postal Ballot process are as follows:

Particulars	Date/ details
Date of dispatch Notice of Postal Ballot	Tuesday, 15 th February, 2022
Start of e-Voting Period	Wednesday, 16 th February, 2022 (9:00 a.m. IST)
End of e-Voting Period	Thursday, 17 th March, 2022 (5:00 p.m. IST)
Scrutiniser for Postal Ballot and e-Voting	Mr. Jayavant B. Bhave, Practicing Company Secretary, Pune (ICSI Membership No FCS-4266, CP-3068),
Date of declaration of results	Thursday, 17 th March, 2022

K. MEANS OF COMMUNICATION**(a) Financial Results:**

The quarterly, half-yearly financial results of the Company are published in the leading newspapers in India and displayed on the Company's website. The quarterly results are generally published in Financial Express (All India Edition) (English) and Loksatta (Marathi Edition). The financial results of the Company are put on the website of the Company at <https://www.cleanscience.co.in> after these are submitted to the Stock Exchanges.

(b) Annual Report:

The Company got listed on the Stock Exchanges on 19th July, 2021. The Annual General Meeting for the 2020-21 was held on 15th June, 2021. The SEBI Circulars related to Annual Report was not applicable to the Company. The Annual Report and Notice of AGM was sent through email to all the Shareholders.

(c) Investor Presentations and Investors meet:

The Company participates in various investor conferences and analyst meets and makes presentations thereat. Press releases, Investors' presentations are submitted to the stock exchanges as well as are hosted on the website of the Company.

L. GENERAL SHAREHOLDER INFORMATION**a) Annual General Meeting- date, time and venue**

The 19th Annual General meeting of the Company will be held on Monday, 8th August, 2022 through Video Conferencing facility at 3.00 PM (IST).

b) Financial Year

1st April, 2021 to 31st March, 2022.

c) Dividend Payment date:

Thursday, 18th August, 2022

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

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

e) Market price data – high, low and number of shares traded during each month in the last financial year 2021-22

Month	BSE		NSE	
	High Price ₹	Low Price ₹	High Price ₹	Low Price ₹
April 2021	-	-	-	-
May 2021	-	-	-	-
June 2021	-	-	-	-
July 2021*	1784.40	1555.05	1779.00	1555.05
August 2021	1710.00	1422.90	1709.90	1422.10
September 2021	2215.00	1489.50	2219.00	1490.00
October 2021	2353.55	1920.65	2353.90	1925.05
November 2021	2240.00	1925.00	2235.00	1916.10
December 2021	2659.45	2086.50	2660.60	2088.05

Month	BSE		NSE	
	High Price ₹	Low Price ₹	High Price ₹	Low Price ₹
January 2022	2698.25	2121.05	2705.00	2121.25
February 2022	2359.00	1735.00	2361.10	1733.15
March 2022	2145.40	1799.85	2149.00	1800.00

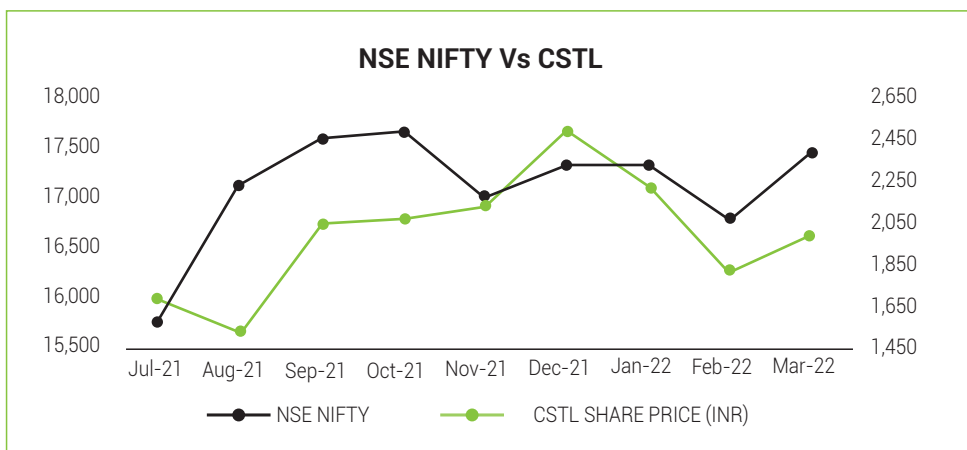
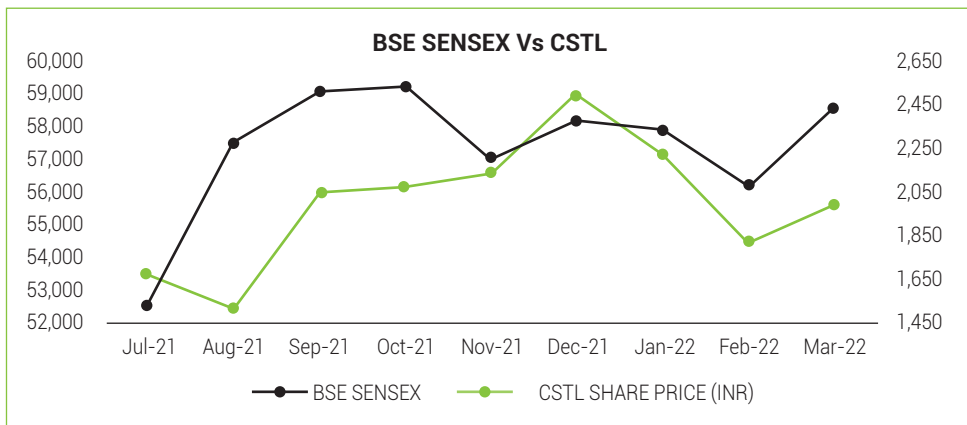
*The Company was listed on BSE and NSE w.e.f. 19th July, 2021

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

Months	Company's closing price at BSE	BSE Sensex	Company's closing price at NSE	Nifty 50
April 2021	-	-	-	-
May 2021	-	-	-	-
June 2021	-	-	-	-
July 2021*	1,683.80	52,586.84	1,682.00	15,763.05
August 2021	1,521.25	57,552.39	1,522.50	17,132.20
September 2021	2,046.80	59,126.36	2,047.25	17,618.15
October 2021	2,076.05	59,306.93	2,073.85	17,671.65
November 2021	2,140.05	57,064.87	2,139.35	16,983.20
December 2021	2,497.95	58,253.82	2,493.35	17,354.05
January 2022	2,226.65	58,014.17	2,230.20	17,339.85
February 2022	1,828.15	56,247.28	1,824.60	16,793.90
March 2022	1,993.05	58,568.51	1,992.40	17,464.75

*The Company was listed on BSE and NSE w.e.f. 19th July, 2021

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



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

Particulars	Address	Contact details
Link Intime India Private Limited	Block No. 202, 2 nd floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune - 411 001	Contact Person: Mr. Sandip Pawar, Tel : +91020-46014473 Email : pune@linkintime.co.in Website : www.linkintime.co.in

g) Share Transfer System

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

h) Distribution of Shareholding**Distribution of Shareholding as at 31st March, 2022.**

Sr. no	Shares Range	No. of Shareholders	% of Total Shareholders	Total Shares for the Range	% of Issued Capital
1	1 to 500	2,65,923	99.49	57,57,474	5.42
2	501 to 1000	724	0.27	5,40,175	0.50
3	1001 to 2000	288	0.10	4,24,325	0.39
4	2001 to 3000	96	0.03	2,40,481	0.22
5	3001 to 4000	37	0.01	1,32,378	0.12
6	4001 to 5000	32	0.01	1,50,756	0.14
7	5001 to 10000	59	0.02	4,17,058	0.39
8	10001 and above	117	0.04	9,85,56,313	92.78
Total		2,67,276	100.00	10,62,18,960	100.00

i) Dematerialisation of Shares and Liquidity

The Company's shares are presently traded on the BSE and NSE in dematerialised form. The International Securities Identification Number (ISIN) allotted to the Company's Shares under the Depository System is INE227W01023. The Company's shares are actively traded on the stock exchanges. As on 31st March 2022, 100% of the shareholding in the Company is held in dematerialised form which includes the promoters shareholding of 78.51%.

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

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

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

Information with respect to 'Commodity Price Risk or Foreign Exchange Risk and Hedging Activities' is provided in Notes of the Standalone and Consolidated Financial Statements for the year ended 31st March, 2022.

l) Plant Locations:

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

m) Address for correspondence:

Clean Science and Technology Limited,

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

n) Credit Rating

The following is the list of credit ratings assigned/re-affirmed to the Company during the financial year 2021-22:

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

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

During the period under review the Company was not required to transfer any amount or shares to the Investor Education and Protection Fund (IEPF).

M) OTHER DISCLOSURES

(a) Related Party Transactions:

None of the materially significant related party transactions were in conflict of interest with the Company.

(b) Declaration of compliance by the Company:

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

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

In accordance with the requirements of Section 177 of the Companies Act, 2013 read with SEBI Listing Regulations, 2015 the Company has a Whistle Blower Policy approved by the Board of Directors. The policy provides a mechanism for employees to report their concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and provides safeguards against the victimisation of employees who avail of the mechanism. None of the Directors nor any employees were denied access to the Chairman of the Audit Committee. The Whistle Blower Policy adopted by the Company can be accessed at

https://www.cleanscience.co.in/_files/ugd/46c025_4a17a0592e564c968f0c29a70eeac1f5.pdf

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

The Company is compliant with all the mandatory requirements of the SEBI Listing Regulations, 2015 for FY 2021-22. The following non-mandatory requirement under Part E of Schedule II of the SEBI Listing Regulations, 2015 to the extent they have been adopted are mentioned below:

i) Reporting of Internal Auditor:

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

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

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

(f) Details of utilisation of funds raised through preferential allotment or qualified institutions placement:

The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations, 2015.

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

The Company has obtained a certificate from M/s. J. B. Bhawe & Co, Practicing Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or

continuing as Director of the Company by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority. The said certificate is attached as **Annexure III** to this report and forms part of this Annual Report.

(h) Confirmation regarding acceptance of recommendation of Committee:

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

(i) Consolidated Fees paid / payable to Statutory Auditors

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

Type of Services/Fees	Amount in million (₹)
Statutory Audit Fees	1.65
Other services	0.75
Reimbursement of expenses	0.16
Total	2.56

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

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

Awareness programs were conducted in the Company. There were no complaints relating to sexual harassment, pending at the beginning of financial year, received during the year and pending as on the end of the Financial Year 2021-22.

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

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

(l) Compliance of corporate Governance Requirements:

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations, 2015.

(m) Details of Unclaimed Suspense Account

The shares of the Company were listed on 19th July, 2021 through Initial Public Offer under Offer for sale route. In terms of Regulation 39(4) read with Schedule VI of the SEBI Listing Regulations, 2015, while dealing with securities issued pursuant to a Public Issue which remain unclaimed and/or lying in the escrow account shall be credited to Demat Suspense Account with one of the Depository Participants opened by the Company for this purpose after sending reminders to Shareholders. 16 (sixteen) shares belonging to a shareholder are lying in LIPL-Unclaimed Securities Suspense Account as the same could not be credited to the shareholder due to incorrect demat account details at the time of IPO. Reasonable efforts had been made by the Company to connect with the investor through telephone calls and sending reminder letters.

(n) Compliance with Accounting Standards

The Company has followed the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with relevant rules thereunder for the preparation of Financial Statements. The Significant Accounting Policies which are consistently applied have been set out in the notes to the financial statements.

(o) Subsidiary Companies

In terms of Regulation 24(1) of the Listing Regulations, Company has four unlisted wholly owned subsidiaries. The Subsidiaries are not material subsidiaries. A policy to determine a material subsidiary has been framed and the same may be accessed on the Company's website at the link <https://www.cleanscience.co.in/company-policies>.

N) MD AND CFO CERTIFICATION

In terms of the provisions of Regulation 17(8) of the SEBI Listing Regulations, 2015, the Managing Director and Chief Financial Officer (CFO) have issued a certificate, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is enclosed as **Annexure I** to this report and forms part of the Annual Report.

O) CERTIFICATE ON CORPORATE GOVERNANCE

A Compliance Certificate from M/s. J. B. Bhavé & Co, Practicing Company Secretary pursuant to Schedule V of the Listing Regulations regarding the compliance of conditions of Corporate Governance is annexed as **Annexure II** to this report and forms part of the Annual Report.

P) WEBLINK FOR CORPORATE INFORMATION AND POLICIES:

Name	Website Link
Code of Conduct for Board of Directors and SMPs	https://www.cleanscience.co.in/company-policies-code-of-conduct-for-board-of-directors-and-smmps
Code of Conduct for Prohibition of Insider Trading in securities of the Company	https://www.cleanscience.co.in/company-policies-code-of-conduct-for-prohibition-of-insider-trading-in-securities-of-the-company
Policy on Related Party Transactions	https://www.cleanscience.co.in/company-policies-policy-on-related-party-transactions
Policy on Prevention of Sexual Harassment at the Workplace (POSH)	https://www.cleanscience.co.in/company-policies-policy-on-prevention-of-sexual-harassment-at-the-workplace
Corporate Social Responsibility Policy	https://www.cleanscience.co.in/company-policies-corporate-social-responsibility-policy
Nomination and Remuneration Policy	https://www.cleanscience.co.in/company-policies-nomination-and-remuneration-policy
Policy to promote Diversity of Board of Directors	https://www.cleanscience.co.in/company-policies-policy-to-promote-diversity-of-board-of-directors
Whistle Blower Policy	https://www.cleanscience.co.in/company-policies-whistle-blower-policy
Archival Policy	https://www.cleanscience.co.in/company-policies-archival-policy
Dividend Distribution Policy	https://www.cleanscience.co.in/company-policies-dividend-distribution-policy
Policy on Material Subsidiaries	https://www.cleanscience.co.in/company-policies-policy-on-material-subsiidiaries
Policy for Evaluation of Performance of Board of Directors	https://www.cleanscience.co.in/company-policies-terms-and-conditions-for-appointment-of-independent-directors
Policy for Familiarisation Programme for Independent Directors	https://www.cleanscience.co.in/company-policies-policy-for-familiarisation-programme-for-independent-directors

Name	Website Link
Policy for Preservation of Documents	https://www.cleanscience.co.in/companypolicies-policy-for-preservation-of-documents
Succession Policy	https://www.cleanscience.co.in/companypolicies-succession-policy
Policy on Anti-Bribery and Corruption	https://www.cleanscience.co.in/companypolicies-policy-on-antibribery-and-corruption
Risk Management Policy	https://www.cleanscience.co.in/companypolicies-risk-management-policy
Code of Practices and Procedures for fair disclosure of UPSI	https://www.cleanscience.co.in/companypolicies-code-of-practices-and-procedures-for-fair-disclosure-of-upsi
Nomination and Remuneration Policy	https://www.cleanscience.co.in/companypolicies-nomination-and-remuneration-policy-amendedas-on11-11-2021
Familiarisation Programme of Independent Directors	https://www.cleanscience.co.in/familiarisation-programme-fy2021-2022

Declaration in compliance of the Code of Conduct as required under Schedule V of SEBI Listing Regulations, 2015

I, Ashok Ramnarayan Boob, Managing Director of the Company hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct, as applicable to them, in respect of the financial year 2021-22.

For Clean Science and Technology Limited

(Erstwhile known as Clean Science and Technology Private Limited)

Ashok R. Boob
Managing Director
(DIN: 00410740)

Place : Pune
Dated : 28th May, 2022

Annexure – I

CERTIFICATE OF MANAGING DIRECTOR AND CFO

[Pursuant to Regulation 17 (8) and Part B of Schedule II of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 For the Financial Year ended 31st March, 2022]

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

In respect of Financial Statements of the Company for the Year ended 31st March, 2022, we hereby certify that:

- A. We have reviewed the financial statements and the cash flow statement of 'Clean Science and Technology Limited' ("the Company") for the year ended 31st March, 2022, and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the financial year end 31st March 2022 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies, in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to be taken for rectifying these deficiencies, if any.
- D. We have indicated to the Auditors and the Audit Committee:
- (1) that there were no significant changes in internal control over financial reporting during the year;
 - (2) that there were no significant changes in accounting policies made during the year except, as disclosed in the notes to the financial statements; and
 - (3) that there were no instances of significant fraud of which we have become aware of, involving the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Pune
Date: 28th May, 2022

Ashok Boob
Managing Director

Pratik Bora
Chief Financial Officer

Annexure – II

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

(As per Provisions of Chapter IV of Securities and Exchange Board of India
(Listing Obligations and Disclosure requirements) Regulations, 2015 as amended from time to time)

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

Sub: Corporate Governance Compliance Certificate of Clean Science and Technology Limited

I have examined all relevant records of **Clean Science and Technology Limited** (Erstwhile known as Clean Science and Technology Private Limited) (CIN: L24114PN2003PLC018532) for the purpose of certifying compliance of the conditions of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2022. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the above certification.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was carried out in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. My examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

On the basis of our examination of the records produced, explanations and information furnished, I certify that the Company has complied with the mandatory conditions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable and amended from time to time for the financial year ended March 31, 2022.

For J. B. Bhavé & Co.

Company Secretaries

Jayavant B. Bhavé

Proprietor

FCS: 4266 CP: 3068

UDIN: F004266D000374121

PR No.: 1238/2021

Place: Pune

Date: May 28, 2022

Annexure – III

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Clean Science and Technology Limited** (Erstwhile known as Clean Science and Technology Private Limited) having CIN: L24114PN2003PLC018532 and having registered office at Office No. 503, Pentagon Tower P-4, Magarpatta City, Hadapsar, Pune 411013, Maharashtra (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	Designation	DIN	Date of appointment in Company
1.	Mr. Ashok Ramnarayan Boob	Managing Director	00410740	07/11/2003
2.	Mr. Krishnakumar Ramnarayan Boob	Executive Director	00410672	07/11/2003
3.	Mr. Siddhartha Ashok Sikchi	Executive Director	02351154	15/12/2006
4.	Mr. Pradeep Ramwilas Rathi	Non-Executive - Non - Independent Director	00018577	15/12/2006
5.	Mr. Sanjay Kothari	Non-Executive - Non - Independent Director	00258316	20/12/2009
6.	Prof. Ganapati Dadasaheb Yadav	Non-Executive - Independent Director	02235661	15/12/2006
7.	Mr. Keval Navinchandra Doshi	Non-Executive - Independent Director	03635213	06/02/2021
8.	Ms. Madhu Dubhashi	Non-Executive - Independent Director	00036846	20/02/2021

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on the same based on my verification. This certificate is specifically being issued in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For J. B. Bhavé & Co.

Company Secretaries

Jayavant B. Bhavé

Proprietor

FCS: 4266 CP: 3068

UDIN: F004266D000374020

PR No.: 1238/2021

Place: Pune

Date: May 28, 2022

Management Discussion & Analysis

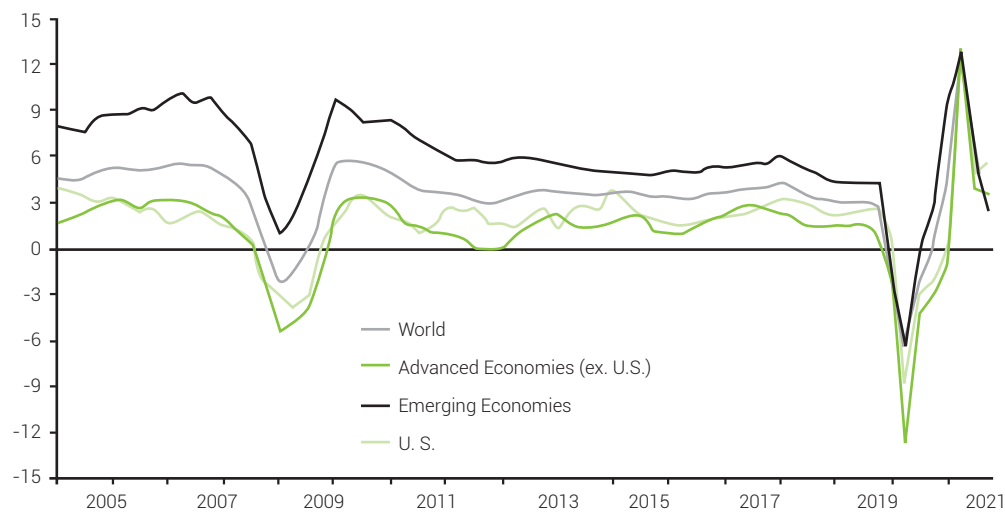
ECONOMIC OVERVIEW

Global Economy

The global economy experienced a strong finish in 2021, with economic performance accelerating in the absence of most pandemic restrictions. Trade in goods expanded through the year, and manufacturing and services continued to grow in most surveyed economies. The International Monetary Fund (IMF) projects 6.1% global growth for 2021, with advanced economies growing at 5.2% and emerging markets and developing economies growing by 6.8%.

Global growth is expected to moderate from 6.1% in 2021 to 3.6% in 2022 as emergence of new COVID-19 variants could prolong the pandemic and geopolitical tensions remain high. The prevailing elevated inflation environment is expected to be more broad based and persist for longer than envisioned, with ongoing supply chain disruptions and high energy prices continuing in 2022.

Global GDP Growth



Indian Economy

As per the IMF's latest World Economic Outlook (WEO) growth projections April 2022, India's real GDP is projected to grow at 8.9% in FY 2021-22 and 8.2% in FY 2022-23. This projects India as the fastest growing major global economy.

India's broad range of fiscal, monetary and health responses to the COVID-19 pandemic supported its recovery and, along with economic reforms, are helping to mitigate longer-lasting adverse impact of the crisis.

The third wave of Covid-19 had a much smaller impact on the confidence levels relative to the first two waves. As a result, economic activity rebounded post the rapid abatement of the third wave of Covid-19 in February 2022 and the lifting of the state-wise restrictions. Government of India's budgeted capex programme remains crucial to boost investment activity going ahead.

But, recent geopolitical tensions have disrupted supply chains around the world and renewed lockdowns in parts of China, has heightened uncertainty. Global commodity prices have surged, affecting inflation and policy tightening by major central banks pose downside risks to domestic economic activity.

Nevertheless, there is a silver lining for the economy, as private investment is showing signs of improvement. Rebound in domestic economic activity is gradually getting generalised supported by widespread vaccine coverage, gains from supply-side reforms, easing of regulations, resilient exports growth and rural consumption driven by expectation of normal monsoon forecast for the year.

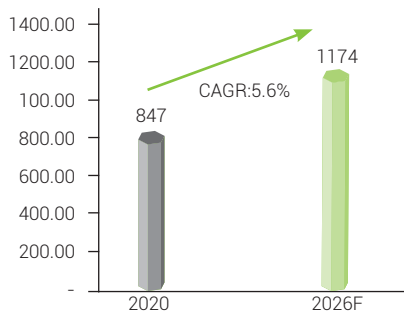
(Source: IMF, ICRA, S&P Global, National Statistical Office)

GLOBAL SPECIALITY CHEMICALS INDUSTRY

Specialty Chemicals are high value add and low volume chemicals and the market can be segmented across categories and regions based on the demand and growth in the end-user industry. It ranges from Specialty Polymers, Industrial & Household Cleaners, Flavors & Fragrances, Dyes & Pigments, Construction Chemicals, Textile Chemicals, Agrochemicals, Water Treatment Chemicals, Food & Feed Additives, Cosmetic Chemicals, Oil Field Chemicals, Pharmaceutical Intermediates, Additives and Inhibitors among others. Specialty chemicals, are likely to garner a CAGR of 5.6% over the period of 2020-26, reaching a market size of USD 1174 billion by 2026, from 847 billion in 2020.

Management Discussion & Analysis (Contd.)

Global Specialty Chemicals Market 2020–2026 (\$ Billion)



(Source: Specialty Chemical Report, Arizton)

KEY TRENDS AND OPPORTUNITIES IN THE GLOBAL SPECIALTY CHEMICAL INDUSTRY

Rising Demand: Increasing population across the world and changes in consumer preferences has led to increased demand from the end-user industries ranging from construction chemicals, agrochemicals, pharmaceuticals, packaged foods to personal care.

Increased demand in the APAC region: Rising per capita disposable income and rapid urbanisation on account of the burgeoning population have collectively contributed to the region's accelerated demand.

Consolidation: Downstream value-added opportunities and the continued strength of specialty chemicals industry are key M&A drivers for sustaining competitive advantage. Broadening of product portfolio towards high growth/high-margin products or obtaining access to technological know-how are key objectives for consolidation.

Focus on Sustainability: There is a growing trend in the chemicals industry to shift towards "green chemistry" also known as "sustainable chemistry" as it aims at a bigger objective of creating a sustainable tomorrow. Companies are incorporating these initiatives by constantly improving products, technology, processes and value chains. The global green chemical market is likely to register a CAGR of 8.9% over 2020-2030 from the current market size of \$9.4 Billion.

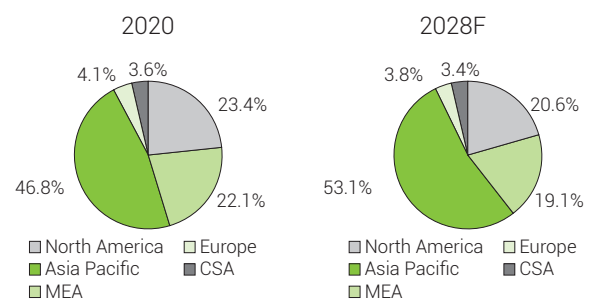
(Source: <https://www.psmarketresearch.com/market-analysis/green-chemicals-market-outlook>)

Growth Opportunities in Specialty Chemicals Market by End-use 2020-2026

End Use	2020 (\$ Billion)	2026F (\$ Billion)	CAGR (2020-2026)
Agrichemicals & Fertilizers	217	314	6.39%
Water Treatment Chemicals	112	157	5.79%
Dyes & Pigments	107	140	4.51%
Home Care Ingredients	86	120	5.61%
Construction Chemicals	75	108	6.22%
Textile Chemicals	79	106	5.14%
Flavor & Fragrance Ingredients	35	48	5.23%
Personal Care Ingredients	40	56	5.93%
Paint & Coating Additives	28	37	5.08%
Electronic Chemicals	25	32	4.27%
Food Additives	13	17	4.13%
Others	30	39	4.49%

Asia-Pacific is the dominant market for specialty chemicals, today accounting for 47% followed by North America and Europe. Looking ahead, more than 50% of the global demand is attributed to the Asia-Pacific region, most particularly in China, India, and Japan.

Region-wise Specialty Chemical Growth



(Source: Specialty Chemical Report, Arizton)

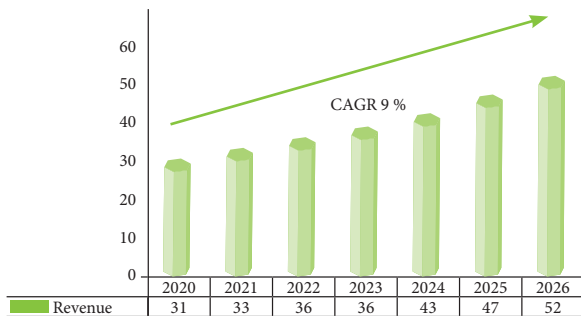
INDIA SPECIALTY CHEMICALS INDUSTRY

The Specialty Chemicals market in India is one of the fastest-growing sectors. Low costs of manufacturing, availability of skilled & competent manpower, strong Intellectual Property Rights (IPR) protection policy and adherence to compliance and track record of producing world quality output are key differentiating characteristics of the Indian Specialty Chemicals Industry.

Management Discussion & Analysis (Contd.)

The Speciality Chemicals segment comprises 22% of India's total chemicals and petchem market. The market is valued at \$33 Billion and is poised to reach \$52 Billion by 2026 – registering an impressive of CAGR 9%. It accounts for the third-largest speciality market in the APAC region.

Specialty Chemicals Market in India 2020-2026 (\$ Billion)



(Source: Specialty Chemical Report, Arizton)

KEY TRENDS AND OPPORTUNITIES IN THE INDIAN SPECIALTY CHEMICAL INDUSTRY

Alternative Global Supplier: The China +1 strategy due to strict environmental norms, increased environmental compliance and manpower costs, reduced Government support, and pandemic-related disruptions forced global players to look for alternative sourcing partners. Under such circumstances, proficient labour, cost-effectivity, quality and technical expertise create strong visibility for Indian manufacturers.

Digitalisation: Companies are actively implementing digitalisation initiatives and tools in their supply chains, R&D, demand planning and pricing strategies. This, in turn, is helping target the right end markets, streamline processes and develop strategies that enable maximising value offered to customers.

Sustainable Chemistry: The concept of green chemistry has started evolving and there is increasing awareness about environmental safety. Adoption of sustainable and eco-friendly manufacturing processes is gaining traction and paving the way for innovative and ESG focussed companies to capitalize on the opportunities arising from this shift.

Strong Growth Potential in Domestic Market: Growing disposable incomes and rapidly increasing urbanization are fuelling growth in various end-user segments, which in turn is expected to improve domestic consumption outlook of the specialty chemicals industry

Supporting Government Policies: Government continues to focus on improving the ease of doing business in India and provides the adequate policy support by way of necessary incentives and FDI for the sector.

These developments and opportunities are together driving India to become the hub for Specialty Chemicals manufacturing over the coming decade. The Indian specialty chemicals sector derives almost equal revenue from exports and domestic sales. The sector is poised to double its global market share from 3% in 2021 to 6% by 2026.

Moreover, enterprising initiatives and schemes implemented by the Government such as Make in India, Aatmanirbhar Bharat Abhiyan and the Production-Linked Incentive (PLI) Scheme with the objective of improving the competitiveness of domestic manufacturing, attracting investments and enabling exports will be responsible for propelling future growth.

(Source: JM Financial Report, Moneycontrol, CRISIL)

Rising Raw Material Prices & Geo-political Tensions Remain Key Threat

India as well as global chemical markets are witnessing a surge in raw material, power and fuel prices. The recent geopolitical challenges have added to the inflationary price environment. Any further escalations in input prices and global supply chain disruptions is expected to lead to margin compression and will have a negative impact on profitability in the short to medium term.

PRODUCT & SEGMENT REVIEW

CSTL manufactures functionally critical specialty chemicals across 3 major segments i.e. Performance Chemicals, FMCG Chemicals and Pharma & Agro Intermediates. We have a diversified product portfolio and within 16 years of incorporation, we have grown to be the largest manufacturer of MEHQ, BHA, Anisole and 4-MAP globally serving critical end user industries.

Performance Chemicals

Performance chemicals is the largest and fastest growing segment of the company. It contributes 70% of revenues. The company manufactures 4 key products here MEHQ, BHA, AP and TBHQ.

MEHQ (Mono methyl ether of hydroquinone) is used as a polymerization inhibitor in acrylic acids, acrylic esters, and super absorbent polymers, and is therefore primarily used in the monomer industry, as well as a pre-cursor for the agrochemical industry. The global MEHQ market is expected to grow at CAGR of 5.8% to reach ~\$170 million by 2025 due to the growth of the end-user industries such as agrochemicals, polymers and personal health and hygiene. We plan to increase capacities of MEHQ by ~50% in FY 2023.

TBHQ (Tertiary-butyl hydroquinone), BHA (Butylated Hydroxy Anisole) and AP (Ascorbyl Palmitate) are various complementary antioxidants.

Management Discussion & Analysis (Contd.)

BHA is the preferred anti-oxidant used in food, feed and nutrition industry; BHA manufactured by CSTL is sulphur free as compared to other manufacturers. Antioxidants have been widely used for many years to preserve freshness, flavour, colour and to extend the storage period of foods and animal feeds. It is also used to improve the stability of pharmaceuticals and cosmetics. As increase in cattle farming and growing livestock industrialization is driving increased demand for nutritious animal feed, the global animal feed antioxidant market is expected to reach ~\$300 million by 2025. We have increased capacities of BHA by ~50% during H2 FY2022.

AP is produced from ascorbic acid, or vitamin C. It acts as a powerful antioxidant and improves the nutritional value of the products. AP is primarily used in infant food formulations, food and beverage industry, personal care and cosmetics. AP is finding increased application as an ingredient in anti-aging cosmetic products.

TBHQ was the new addition during the year to the anti-oxidant basket. It is used largely in the edible oil industry for increasing shelf life. The edible oil industry is benefitting from increase in household consumption towards fortified, healthy processed oils and changing lifestyle is resulting in increased demand of processed food and oil needed for the same. The edible oil industry is expected to grow at a CAGR of 5.1% by 2024.

Pharma & Agro Intermediates

The Pharma & Agro intermediate segment contributes around 17% of revenues. 3 key products manufactured by the company in this segment are Guaiacol, DCC and PBQ.

Guaiacol is used as a key starting material to manufacture active pharmaceutical ingredients (APIs), and is primarily used in the pharmaceutical industry as an expectorant and antiseptic. It is also used as a key raw material for manufacturing Vanillin products, a food and flavour enhancer. CSTL focus is presently only on the pharma segment because of better realizations. The global cough syrup market is expected to grow at a CAGR of approximately 3.5 % to reach USD 4.9 billion by 2025. The increasing incidences of respiratory disorders along with the rising air pollution are some of the key factors contributing to the growth of the cough syrup market. We plan to increase capacities of Guaiacol by ~50% in FY 2023.

DCC (Dicyclohexyl Carbodiimide) is used widely as a reagent in anti-retroviral drugs and key starting material to produce APIs. We are the only company in India to manufacture DCC and the only company globally to make it sulphur-free. Global anti-retroviral market is expected to grow at 3.8% CAGR to reach \$28 billion by 2025.

PBQ was a new intermediate launched during the year. PBQ (Para benzoquinone) finds applications in the agrochemicals and monomer industry. This is an import substitute and we are the only company in India to manufacture it. The global agrochemicals market is forecasted to reach USD 246 billion by 2025, growing at a CAGR of 3.4%. Rising population across the world coupled with increasing inarable land has led to increase in demand of agrochemicals to improve farm productivity. We plan to expand our capacities of PBQ by ~50% in FY 2023.

FMCG Chemicals

FMCG chemicals segment contributes 12% to revenues and has 2 key products Anisole and 4-MAP.

4-MAP (4-Methoxy Acetophenone) is a specialty chemical with UV filter properties, primarily used in the cosmetics industry. We are the only company outside China to manufacture 4-MAP. The UV Filter market is expected to grow at 3.2% CAGR to reach \$500 million by 2025. Increasing internet penetration and social media, increasing disposable income and personal health, hygiene awareness are some of the reasons expected to drive the cosmetics and skin care products.

Anisole is a key raw material for most of the products we manufacture. We use a unique vapour phase technology for manufacturing Anisole and are the only company in the world to use this route of synthesis. This has made us the largest producer of Anisole. Around 80% of our products are manufactured with Anisole as the starting material, so it also makes us the largest consumer of it. Only 3% is sold to external customers. We doubled our capacities of Anisole during the year, this will help cater to the strong demand of our downstream products. Anisole is used primarily in the fragrance industry as precursor to perfumes, insect pheromones and pharmaceuticals.

The table below shows the growth of the direct end-user sectors:

Management Discussion & Analysis (Contd.)

Product	Application	Growth Prospects
MEHQ (Monomethyl ether of Hydroquinone)	Polymerization inhibitor in acrylic acids, acrylic esters, super absorbent polymers (diapers and sanitary pads) Pre-cursor for the agrochemical industry	<ul style="list-style-type: none"> Rising population, increasing awareness with regards to basic sanitation and hygiene have augmented the growth of the diaper and sanitary pads market.
BHA (Butylated Hydroxy Anisole)	Anti-oxidant in food and animal feed industry	<ul style="list-style-type: none"> The animal feed industry is poised to reach the value of \$460 Billion by 2026 from \$345 Billion in 2020.
AP (L-Ascorbyl Palmitate)	Infant food formulations, breakfast cereals and cosmetics	<ul style="list-style-type: none"> The global Ascorbyl Palmitate market is anticipated to register a CAGR of 5.8% over 2020-2025 and projected to reach \$13 Million by 2025. The global personal care market is expected to reach \$720 Billion by 2030 at a CAGR of 3.6% over 2020-2030.
TBHQ (Tertiary Butyl Hydroquinone)	Stabilizer in oil industry	<ul style="list-style-type: none"> The global edible oils market is expected to register a CAGR of 5.1% to reach an estimated value of \$130 billion by the end of 2024
Guaiacol	Pre-cursor to manufacturing APIs for cough syrup	<ul style="list-style-type: none"> The global cough syrup market is expected to grow at a CAGR of approximately 3.5 % to reach USD 4.9 billion by 2025.
DCC (Dicyclohexyl Carbodiimide)	Reagent in anti-retroviral	<ul style="list-style-type: none"> Anti-retro viral drugs are essential in treating HIV infections. The HIV drugs market is likely to reach \$34 Billion by 2030.
p-BQ (para Benzoquinone)	Intermediate in agrochemical industry	<ul style="list-style-type: none"> An increased requirement for agrochemicals is triggered by the rising population and higher food demand. Agrochemicals are extensively used to generate higher yields and reduce the gap between food supply and demand. The market for agrochemicals is expected to grow to \$246 Billion by 2025 from \$209 Billion in 2020.
4-MAP (4-Methoxy Acetophenone)	Used in UV blockers in sunscreens (cosmetics industry)	<ul style="list-style-type: none"> The global sunscreen market is expected to record a CAGR of 2.6% over 2021-26, reaching a market size of \$787 Million.
Anisole	Precursor to perfumes, insect pheromones, pharmaceuticals	<ul style="list-style-type: none"> The market size of Anisole is estimated to reach \$127 Million by 2027. The global market for perfume is projected to reach a market size of \$33 Billion in 2020, registering a CAGR of 6% over 2021-26.

(Source:<https://www.marketsandmarkets.com/Market-Reports/global-agro-chemicals-market-report-132.html>
<https://www.researchandmarkets.com/reports/5238689/animal-feed-market-forecasts-from-2021-to-2026>
<https://www.globenewswire.com/news-release/2021/11/11/2332696/0/en/Global-Breakfast-Cereals-Market-Is-Expected-to-Reach-180-3-Billion-by-2030-Says-AMR.html>
<https://www.businesswire.com/news/home/20200505005791/en/HIV-Drugs-Market-Worth-30.5-Billion-in-2020-due-to-the-Increase-in-Demand-of-HIV-Drugs-for-the-Treatment-of-COVID-19-Patients---ResearchAndMarkets.com>
<https://www.expertmarketresearch.com/reports/anisole-market>
<https://www.qinmuchem.com/news/pharmaceutical-intermediates-market.html>
<https://www.alliedmarketresearch.com/agrochemicals-market>
https://www.nutraceuticalsworld.com/issues/2016-10/view_breaking-news/global-edible-oils-market-projected-to-reach-130-billion-in-2024)

Management Discussion & Analysis (Contd.)

COMPANY OVERVIEW

CSTL is amongst few global companies focused entirely on developing newer technologies using in-house catalytic processes, which are eco-friendly and cost competitive. This has enabled us to emerge as the largest manufacturer globally of certain specialty chemicals in terms of manufacturing capacities. Our continued focus on product identification, process innovation, catalyst development, significant scale of operations underpinned by our in-house plant engineering capabilities as well as our measures towards strategic backward integration have all contributed to our success as one of the fastest growing and among the most profitable specialty chemical companies globally.

We have three certified production facilities in India strategically located at Kurkumbh (Maharashtra), in close proximity to the JNPT port from where we export majority of our products. Each facility has an independent R&D unit, quality control department, warehouse, engineering & utility section and all our facilities are zero liquid discharge facilities.

Financial Overview

Our Company has grown organically and with consistent growth in revenues and profitability has emerged as one of the most profitable specialty chemical companies globally. We strive to improve our financial performance by regular capacity augmentation, strategic backward integration, improving yields and efficiencies of existing products, diversification of our customer base and optimising costs of sourcing raw materials and other fixed costs.

It is because of our strong business performance; we have been able to maintain a healthy balance sheet with zero debt and strong return ratios. Our Long term & short term ratings by CRISIL are A+ (Positive) and A1+ respectively.

Financial Ratios

	FY 2022	FY 2021	%change
Inventory Turnover	3.2	2.8	13%

(Cost of goods sold/Average Inventories)

	FY 2022	FY 2021	%change
Interest Coverage Ratio	-	-	-

(Earnings Before Interest and Taxes/Interest Expenses)

	FY 2022	FY 2021	%change
Current Ratio	3.9	3.9	1%

(Current Assets/Current Liabilities)

	FY 2022	FY 2021	%change
Debt Equity Ratio	-	-	-

(Net Debt/Net Worth)

	FY 2022	FY 2021	%change
Debtors Turnover	5.9	4.9	22%

(Net Sales/Average Trade Receivables)

	FY 2022	FY 2021	%change
Operating Profit Margin (%)	40.6	47.7	(15)%

(Profit Before Interest and Taxes/Net Sales)

	FY 2022	FY 2021	%change
Net Profit Margin(%)	33.7	39.1	(14)%

(Net Profit After Tax/Net Sales)

	FY 2022	FY 2021	%change
Return on net worth (%)	34.9	45.0	(22)%

(Net Profit After Tax/Net Worth)

Particulars (Rs. Million)	FY 2022	FY 2021
Export Revenues	4,807	3,477
Domestic Revenues	1,968	1,592
Other operating income	74	55
Total Revenues	6,849	5,124
Raw material costs	2,247	1,236
Employee costs	345	436
Power & Fuel costs	619	349
Repairs & Maintenance	129	123
Other expenses	509	390
Total Expenses	3,849	2,534
EBITDA	3,000	2,590
EBITDA %	44.3%	51.1%
Depreciation costs	249	172
EBIT	2,751	2,418
EBIT %	40.6%	47.7%
Interest costs	1	1
Other Income	299	256
Exceptional Items	-	-
PBT	3,049	2,673
PBT %	45.0%	52.7%
Tax Expenses	763	689
PAT	2,286	1,984
PAT %	33.7%	39.1%

Management Discussion & Analysis (Contd.)

HUMAN RESOURCES

Health and Well-being

We have focused on both, economic and humanitarian fronts to ensure business continuity while also provide a safe working environment for our employees. Employee health and safety were our topmost priority. Providing PPE kits, equipping offices and sites with sanitiser dispensing machines, regularly disinfecting the workplace, regular testing and monitoring of employees and organizing vaccination drives for all employees are some of the preventive measures undertaken by the company. We were able to achieve ZERO fatalities across our plants and offices, ensure availability of adequate manpower despite covid-related uncertainties and there were no plant breakdowns/shutdowns due to non-availability of manpower. Going ahead we plan to have regular health check-up of all employees and undertake vaccination drives at regular intervals. The company has tie-ups with local physicians and hospitals to ensure that medical help is quickly available to all. The company covers any testing costs and medical insurance cover is provided to all workforce

Workforce Inclusion

The company continuously focusses on encouraging diversity and inclusion across all departments and functions. We ensure that our organization maintains its commitment in providing equal opportunity to employees. We believe workplace diversity encourages creativity and innovation because every team member, brings their own unique background, experiences and perspectives. Our empowering work environment encourages our employees, creating an atmosphere of togetherness and passion for innovation.

We also have a number of women in leadership positions across the company and ensure that women in the company have equal opportunity for career progression. At CSTL women represent 10% of our workforce.

Knowledge Enhancing and Reskilling Initiatives Across Employee Levels

We conduct multiple training programmes on various technical, functional and behavioural topics for all employees to upskill them and boost their work opportunities. We have mandatory in-house training targets across all functions for staff and workers. During the year, company has conducted training of 5252 man hours.

Talent Development and Accelerated Growth Programs

Talent acquisition is an ongoing strategy for us to find specialists, leaders, or future executives for our company. We tend to focus on long-term human resources planning and are in a continuous process of identifying employees internally. Management ensures that internal employees are given a priority for growth. Various learning and development

initiatives and focussed trainings are undertaken to strengthen their knowledge, skills and expertise. Internal job rotation and cross function training opportunities are also encouraged. We have an Accelerated Growth Program in place for identification and growth of high potential employees across the organization.

No. of employees – 1041

ENVIRONMENT, HEALTH AND SAFETY MEASURES

'Safety' is one of the core values at CSTL. There is an unwavering commitment to the continuous improvement of the organisation's safety performance. Benchmarking with companies that are best in the business, the Company is committed to continuously employ world-class Safety, Health and Environment practices.

CSTL considers health and safety of its employees as an essential and integral part of all activities. Accidents and risks to health are prevented through continual improvement in the working environment and safety measures. Results of these initiatives are seen through significant reduction in injury incidents across all manufacturing plants. The company has implemented ISO 45001:2018 Occupational Health and Safety management system at all our manufacturing locations.

The company is ISO 14001:2015 certified. We have successfully reduced our GHG emissions and water consumption over the years. More than 50% of our energy requirement is met through solar. We have met all the requirements in accordance with GreenCo, and were awarded the "GreenCo Silver" certificate.

KEY RISKS AND MITIGATION STRATEGIES

Many risks are affecting the smooth functioning of the Company's operations. These risks may be caused by the internal and external factors resulting into impairment of the assets of the Company causing adverse influence on the achievement of the Company's strategies, operational and financial objectives, earning capacity and financial position. The objective of our risk management activities is to recognise, assess and manage risks early on, and to implement appropriate measures to mitigate them. Risk management at Clean Science and Technology Limited is a continuous process of analysing and managing all the risks posed to the business and the company has put in place a structured framework to achieve it.

Competition

We operate in an increasingly competitive market. This may materially and adversely affect our competitive pricing and other factors. Increasing competition may result in pricing

Management Discussion & Analysis (Contd.)

pressures and decreasing profit margins. Our robust R&D capabilities underpinned by our in-house plant engineering capabilities have enabled us to achieve a competitive position in the chemical industry. Further our thrust on continuous improvement and product development helps us with cost-efficiencies which is a significant factor in our ability to remain competitive.

Risk	Impact	Mitigation
Regulatory	We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our manufacturing facilities. Any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our operations.	We maintain compliance checklist covering details of due date of renewal of various licenses and approvals. The same is monitored closely and through our regular internal audits, we ensure that our manufacturing facilities are in compliance with local and international regulatory requirements
Environmental	Key risk to chemical manufacturing set up is non efficient handling of effluents. Certain environmental laws impose strict liability for accident resulting from hazardous substances and any failure to comply with such laws may lead to penalties.	One of the key criteria at CSTL while commercializing the product is effluent treatment. CSTL has lowest effluent cost led by its novel technology and clean process, across products. Investment in ETP plant continues to be driven by advanced equipment's and strong controls.
Raw Material	Majority of the raw material we consume are commodity and hence, subject to high volatility in price. Any adverse movement in raw material price could lead to negative impact	Long-term relationship with suppliers and robust inventory management practices ensure a steady supply of raw materials at competitive cost.
Macro	As our sales profile is global, we are impacted to an extent by any global disruption. Any adverse macro factor like geo-political tension or supply chain disruption, could significantly impact our business	Our sales profile is greatly derisked as we cater to diverse end industries across multiple geographies. We continue to be key player in the products we manufacture and hence relatively well positioned to counter adverse macros.
Forex	Company has net forex exposure with ~70% export sales. There is a risk of financial loss on account of volatility in foreign exchange.	Under the forex policy, currency movements are tracked regularly and all foreign currency exposure is hedged using a plain vanilla forward contracts.
Technology	Company faces risks generally associated with new process technologies and product introductions.	The Company has 3 R&D centres, and a strong dedicated team of 50 people (including 7 PhD's) and is committed to strengthening its R&D capabilities further. Thus, enabling introduction of new products and processes on a consistent basis.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

At CSTL, the Board of Directors are responsible for ensuring and laying down the internal financial controls. It is also responsible for evaluating whether such controls are adequate and function effectively or not. CSTL has policies, procedures, control frameworks and management systems in place that map into the definition of Internal Financial Controls as detailed in the Companies Act, 2013. These have been established at the entity and process levels and are designed to ensure compliance to internal control requirements, regulatory compliance and appropriate recording of financial and operational information.

The senior management reviews and certifies the effectiveness of the internal control mechanism over financial reporting, adherence to the code of conduct and

Company's policies for which they are responsible and also the compliance to established procedures relation to financial or commercial transactions, where they have a personal interest or potential conflict of interest, if any.

CSTL uses services of independent internal auditors to strengthen the internal controls process. There are well established and comprehensive internal control systems processes, rules, policies and procedures for effective monitoring and control of the entire Company operations and its subsidiaries. The audit plan is approved by the Audit Committee, which reviews compliance to the plan. During the year, the Audit Committee met regularly to review reports submitted by the Auditors. All significant audit observations and follow-up actions thereon were reported to the Audit Committee.

Management Discussion & Analysis (Contd.)

CAUTIONARY STATEMENT

Statements in the Directors' Report, Management Discussion and Analysis or elsewhere in this Annual Report, are 'forward-looking' including, but without limitation, statements relating to the implementation of strategic initiatives and other statements relating to Clean Science and Technology Limited's future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause

actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, Governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Clean Science and Technology Limited undertakes no obligation to publicly revise any forward-looking statements to reflect future/likely events or circumstances.

Business responsibility report

INTRODUCTION

Clean Science and Technology Limited Business Responsibility Report 2021-22 provides for initiatives taken by the Company on the environmental, social and governance areas. The Business Responsibility Report has been prepared by the Company in accordance with Regulation 34 of SEBI (Listing obligations and Disclosure Requirement) Regulations 2015.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No	Particulars	Remarks
1	Corporate Identity Number (CIN) of the Company:	L24114PN2003PLC018532
2	Name of the Company:	Clean Science and Technology Limited (Erstwhile Known as Clean Science and Technology Private Limited)
3	Registered Address:	Office No. 503, Pentagon Tower P-4, Magarpatta City, Hadapsar, Pune Maharashtra 411013
4	Website:	https://www.cleanscience.co.in
5	E-mail id:	compliance@cleanscience.co.in
6	Financial year Reported:	2021-22
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of Organic and Inorganic Chemicals– NIC no-C-20299
8	List three key products/services that the Company manufactures/provides.	a) Mono Methyl Ether of Hydroquinone (MEHQ) b) Butylated Hydroxy anisole(BHA) c) Guaiacol
9	Total number of locations where business activity is undertaken by the Company	
	a) Number of International Locations (Provide details of major 5)	The Company exports its products to China, European Union, United Kingdom, Americas (North and South), Indonesia, Canada, Australia, South Korea, United Arab Emirates and Brazil
	b) Number of National Locations	The Company has its Registered Office in Pune, Maharashtra and factories situated at MIDC, Kurkumbh, Taluka Daund, Pune, Maharashtra.
10	Markets served by the Company – Local/State/National/International	National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No	Particulars	Remarks
1	Paid up Capital (₹)	₹ 106.21 million
2	Total Turnover (₹) - Standalone	₹ 6,848.86 million
3	Total Profit After Taxes (₹)- Standalone	₹ 2,286.06 million
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company was statutorily required to spend ₹ 38.41 million towards CSR. The Company has spent ₹ 41.15 million which is more than 2% of the average profit after taxes of the previous three financial years as calculated in terms of Section 198 of the Companies Act, 2013
5	List of activities in which expenditure in 4 above has been incurred:	The Company had primarily spent in Promoting education, vocational skills, Health Care, including preventive healthcare, facilities for old age homes and day care centres, environmental sustainability, protection of flora, fauna. The said details are enumerated in Annexure V to the Directors Report which pertains to Report on CSR

Business responsibility report (Contd.)

SECTION C: OTHER DETAILS

Sr. No	Particulars	Remarks
1	Does the Company have any Subsidiary Company/ Companies?	Company has 4 wholly owned subsidiaries namely:- 1. Clean Aromatics Private Limited 2. Clean Science Private Limited 3. Clean Organics Private Limited 4. Clean Fino-Chem Limited CSTPL Foundation a group Company, is engaged in CSR activities i.e. in the promotion of education, healthcare, medical relief camps, employment generation, environmental stability, ecological balance etc.
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	BR initiatives of the parent Company are applicable to subsidiary companies to the extent they are material in relation to the business activities of the subsidiaries.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION

Sr. No	Particulars	Remarks
1.	Details of Director/Directors responsible for BR	Mr. Ashok Ramnarayan Boob, Managing Director
	a) Details of the Director/Directors responsible for implementation of the BR policy/policies (b) Details of BR Head	
	1. DIN Number	00410740
	2. Name:	Mr. Ashok Ramnarayan Boob
	3. Designation	Managing Director
	4. Telephone No.	+ 91 20 26899953
	5. Email Id	compliance@cleanscience.co.in
2.	Principle-wise (as per NVGs) BR Policy/policies At Clean Science, Business Responsibility is guided by "National Voluntary Guidelines (NVGs) on Social, Environment and Economic Responsibilities of Business" released by Ministry of Corporate Affairs which articulates nine Principles as below: P1 - Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable. P2 - Businesses should provide goods and services in a manner that are safe and contribute to sustainability throughout their life cycle. P3 - Businesses should promote the well-being of all employees. P4 - Businesses should respect the interests of and be responsive to all their stakeholders, especially those who are disadvantaged, vulnerable and marginalised. P5 - Businesses should respect and promote human rights. P6 - Businesses should respect, protect and make efforts to restore the environment. P7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a responsible manner. P8 - Businesses should support inclusive growth and equitable development. P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.	

Business responsibility report (Contd.)

a) Details of compliance (Reply in Y/N)										
No	Questions	P1 (Ethics)	P2 (Sustainable business)	P3 (Employee wellbeing)	P4 (Respect interest of all stakeholders)	P5 (Promote Human Rights)	P6 (Protect and restore environment)	P7 (Responsible and transparent Public engagement)	P8 (Promote equitable growth and development)	P9 (Value to consumers)
1	Do you have a policy/ policies for	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		P1: Code of Conduct P2: GreenCo Policy, Occupational Health, Safety and Environment Policy. P3: Occupational Health, Safety and Environment Policy. P4: CSR Policy, Prevention of Sexual Harassment at Work Place Policy, Whistle Blower Policy P5: Occupational Health, Safety and Environment Policy, HR Philosophy Policy P6: GreenCo Policy, Occupational Health, Safety and Environment Policy P7: Occupational Health, Safety and Environment Policy, CSR Policy P8: CSR Policy, Code of Conduct, HR Philosophy Policy P9: Quality Policy, GreenCo Policy								
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		The Policies that the Company has adopted are in conformity with relevant national and international standards wherever statutorily applicable like International Organization for Standardisation (ISO 9001:2015) (ISO 14001:2015), ISO 45001:2018, The Food Safety and Standards Authority of India (FSSAI) Food Safety System Certification 22000 (FSSC 22000), Feed Additives and Pre-mixtures Quality System (FAMI-QS), Roundtable on Sustainable Palm Oil (Mass Balance), Segregated Sustainable (SG) Palm Oil, OK Kosher, HALAL MUI and Green Co.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	All mandatory policies under the Indian laws and regulations have been adopted by the Board and signed by the Managing Director. Other operational internal policies are approved by management and signed by the Managing Director.								
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Implementation of all policies and codes is presented to and reviewed by the Board / Committee / Directors periodically.								

Business responsibility report (Contd.)

No	Questions	P1 (Ethics)	P2 (Sustainable business)	P3 (Employee wellbeing)	P4 (Respect interest of all stakeholders)	P5 (Promote Human Rights)	P6 (Protect and restore environment)	P7 (Responsible and transparent Public engagement)	P8 (Promote equitable growth and development)	P9 (Value to consumers)
6	Indicate the link for the policy to be viewed online?	Mandatory Policies viz. CSR Policy, Nomination and Remuneration Policy, Code of Conduct for Prohibition of Insider Trading in Securities of the Company, Policy on Related Party Transactions. Dividend Distribution policies and Code of Conduct are available at https://www.cleanscience.co.in/company-policies Other policies are available internally with the respective department and also on internal network.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		Policies are communicated to internal stakeholders and the same are available on internal network. Wherever required, the Policies are also communicated to external stakeholders and/or made available on the Company's website. Requisite awareness programs are carried out and communicated to the stakeholders which helps them to understand behavioural expectations from them. In critical areas such as environment, health, safety trainings and workshops have been conducted from time to time.								
8	Does the Company have in-house structure to implement the policy/ policies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		The Company has in-house structure to implement the policy/policies. It has Training Calendar and the policies are communicated on a yearly basis. The policies are also available on internal network for access to employees.								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, the Company provides the redressal mechanism for all kinds of stakeholders grievances which are mentioned in Whistle Blower, POSH and other policies.								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes the Policy relating to Quality, Environment, Health and Safety, Energy are evaluated internally by ISO Internal audit team as well as externally by ISO Audit authorized agencies once in a year. Other policies are evaluated internally or by respective Committees. In this financial year the Company engaged a reputed third party HR agency to conduct a thorough review of policies and systems and after receiving their recommendations implemented some changes wherever necessary.								

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: NA

3.	Governance related to BR	Remarks
a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Managing Director, Executive Directors and the Functional Heads review the Business Responsibility performance of the Company during their review meetings. The CSR Committee reviews the social performance of the Company.
b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The provision of preparing the BR report became applicable in the FY 2021-22 which is part of Company's Annual Report.

Business responsibility report (Contd.)

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable

Sr. No	Particulars	Remarks
1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?	<p>The Company considers Corporate Governance as an integral part of good management. The Company strives to adhere to the best standards of integrity and behaviour and ensure compliance and adherence to laws and internal policies. The Board of Directors has adopted a Code of Conduct Policy and Vigil Mechanism (Whistle Blower Policy) which applies to the Directors, Key Managerial Personnel, Senior Management and other employees of the Company. The Company obtains an annual confirmation affirming compliance with the Code from the Directors, Key Managerial Personnel and the Senior Management employees every year.</p> <p>The said Policy also applies to all levels, vendors, associates, and/or advisors, etc, of the Company, including all its subsidiaries, affiliated companies and relevant third parties.</p>
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so	<p>There were 70 Shareholders complaints received during the financial year 2021-22 and all complaints were resolved. Apart from this the Company has not received any complaint from any stakeholders relating to ethics, bribery and corruption during the financial year 2021-22 and there were no outstanding complaints at the end of the financial year.</p>

Principle 2: Businesses should provide goods and services in a manner that are safe and contribute to sustainability throughout their life cycle

Sr. No	Particulars	Remarks
1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.	<p>Our unique and innovative chemistries using catalytic processes has enabled us to derive maximum end product, minimal by-products and effluents, avoid usage of hazardous raw materials resulting in Zero liquid discharge facility.</p> <p>Accordingly, the Company strives to innovate and incorporate environmental concerns on its following three products which are as under: -</p> <ul style="list-style-type: none"> a) Monomethyl Ether of Hydroquinone (MEHQ) b) Butylated Hydroxy anisole (BHA) c) Guaiacol

Business responsibility report (Contd.)

Sr. No	Particulars	Remarks
2	<p>For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):</p> <p>a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?</p> <p>b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?</p>	<p>The Company has made strategies to ensure optimal consumption of energy, water and other resources in its businesses. The Company has laid down guidelines on waste management for its units, which cover hazardous as well as non-hazardous waste. The Company has a dedicated Research & Development Team that is focused on creating innovative products for its customers that meets global standards and are environmentally sustainable, repeatation.</p> <p>In the financial year 2021-22, the Company achieved the following:</p> <ul style="list-style-type: none"> - Specific water consumption reduced by 12.19% per metric ton of product. - Specific consumption of purchased Electricity reduced by 30.20% per metric ton of product. - Effluent generation reduced by 2.10% year-on-year basis.
3	<p>Does the Company have procedures in place for sustainable sourcing (including transportation)?</p> <p>a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.</p>	<p>The Company endeavours on protection of environment, stakeholders interest and cost effectiveness while procuring raw materials or goods.</p> <p>The main raw materials such as phenol, hydrogen peroxide, acetic anhydride, tertiary butyl alcohol, acetone, methanol, and cyclohexylamine are mainly procured from manufacturers/producers who are well reputed keeping in mind the need for quality and consistency. Adequate steps are taken for safety during transportation and optimization of logistics which in turn help to mitigate the impact on climate. The Company continues to pursue its system of procurement under sustainable sourcing through agreements with the suppliers.</p> <p>The Company has a business continuity plan and an agreement with suppliers, transporters. It also has approved alternate supplier and/or transporters during emergency. Adequate inventory of raw materials and goods are maintained.</p>
4	<p>Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?</p> <p>a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</p>	<p>Yes, as far as possible, the Company has taken steps to procure goods and services from domestic, local and small producers, including job workers and communities surrounding the place of work of the. The Company uses services of local vendors for the procurement of Forklifts, Packaging Materials, Civil Works, Food Facilities etc.</p>
5	<p>Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.</p>	<p>Most of products are made using green chemistry and generate minimal effluent which are treated on state of art Effluent treatment plant with Zero Liquid Discharge (ZLD). Over 90% of waste water is recycled and reused back to system.</p>

Business responsibility report (Contd.)

Principle 3 - Businesses should respect and promote the well-being of all employees.

Sr. No	Particulars	Remarks																
1	Please indicate the Total number of employees	438 as on 31 st March, 2022																
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	603 as on 31 st March, 2022																
3	Please indicate the Number of permanent women employees	44 as on 31 st March, 2022																
4	Please indicate the Number of permanent employees with disabilities	Nil																
5	Do you have an employee association that is recognized by management	No																
6	What percentage of your permanent employees is members of this recognized employee association?	Nil																
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:																	
	<table border="1"> <thead> <tr> <th>No</th> <th>Category</th> <th>No of complaints filed during the financial year</th> <th>No of complaints pending as on end of the financial year</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Child labour / forced labour / involuntary labour</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>2</td> <td>Sexual harassment</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>3</td> <td>Discriminatory employment</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>	No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year	1	Child labour / forced labour / involuntary labour	Nil	Nil	2	Sexual harassment	Nil	Nil	3	Discriminatory employment	Nil	Nil	
No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year															
1	Child labour / forced labour / involuntary labour	Nil	Nil															
2	Sexual harassment	Nil	Nil															
3	Discriminatory employment	Nil	Nil															
8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	<table border="1"> <thead> <tr> <th></th> <th>Employees imparted safety training</th> <th>Employees imparted skill up-gradation training</th> </tr> </thead> <tbody> <tr> <td>a) Permanent Employees</td> <td>65%</td> <td>35%</td> </tr> <tr> <td>b) Permanent Women Employees</td> <td>49%</td> <td>51%</td> </tr> <tr> <td>c) Casual / Temporary / Contractual Employees</td> <td>85%</td> <td>15%</td> </tr> <tr> <td>d) Employees with disabilities</td> <td>00%</td> <td>00%</td> </tr> </tbody> </table>		Employees imparted safety training	Employees imparted skill up-gradation training	a) Permanent Employees	65%	35%	b) Permanent Women Employees	49%	51%	c) Casual / Temporary / Contractual Employees	85%	15%	d) Employees with disabilities	00%	00%	
	Employees imparted safety training	Employees imparted skill up-gradation training																
a) Permanent Employees	65%	35%																
b) Permanent Women Employees	49%	51%																
c) Casual / Temporary / Contractual Employees	85%	15%																
d) Employees with disabilities	00%	00%																

Principle 4: Businesses should respect the interests of and be responsive to all their stakeholders, especially those who are disadvantaged, vulnerable and marginalised

Sr. No	Particulars	Remarks
1	Has the Company mapped its internal and external stakeholders? Yes/No	Yes, the Company has mapped its internal and external stakeholders which includes shareholders, customers, employees, suppliers, government and regulatory authorities, communities etc. The Company believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of all-round growth and development.
2	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes, the Company has identified marginalized and disadvantaged groups through need assessment and engagement with local communities. The marginalized and disadvantaged communities include economically deprived children and women, physically handicapped children, etc. who are in need of care and protection. The Company has put in place the Whistle-Blower Policy whereby any employee, irrespective of his/her level, grade can voice against any discrimination, marginalisation by using the Whistle-Blower mechanism without disclosing his/her identity.

Business responsibility report (Contd.)

Sr. No	Particulars	Remarks
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	The Company had taken initiatives in specific areas of social development and continuously strive to achieve total inclusiveness by encouraging people from all sections of the community irrespective of caste, creed or religion to benefit from our CSR initiatives. For details, please refer to Annexure V Report on Corporate Social Responsibility.

Principle 5: Business should respect and promote human rights

Sr. No	Particulars	Remarks
1	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs / Others?	The Company remains committed to respect and protect human rights which are applicable. All aspects of the human rights are in built and covered under the Code of Conduct, Policy on HR Philosophy, POSH Policy as well as in various human resource practices /policies. All these policies also applies to vendors, subsidiaries and affiliates.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	During the year under review no complaints had been received by the Company pertaining to human rights.

Principle 6: Business should respect and make efforts to protect and restore the environment –

Sr. No	Particulars	Remarks
1	Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others	Yes, the Occupational Health Safety and Environmental Policy extends to all employees, subsidiaries, suppliers, contractors to the extent applicable.
2	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, the Company has devised various strategies and also taken initiatives on regular basis to address global environmental issues by continuously improving processes which uses less utilities, and also encourages tree plantation. The Company has solar power plant which supplies clean electrical energy to the manufacturing facilities at Kurkumbh, Pune. 55% of total Electricity is generated from Solar energy. Company has also invested in state of the art Round Disc Reverse Osmosis (RNRO), Multiple Effect Evaporator (MEE) and Mechanical Vapour Re-compression (MVR) to recycle treated effluent in the process. Striving to reduce the carbon footprint on year by year basis is the major goal of the Company. We have achieved Green House Gases (GHG) reductions by 19.60% (per metric tons) in last 3 years. We are also in the process of a Plantation Drive on a 10 Hectare barren land which will also lead to Water Rejuvenation and Restoration. Refer https://www.cleanscience.co.in/sustainability
3	Does the Company identify and assess potential environmental risks? Y/N	The Company regularly identifies and assess potential environmental risks that is associated with it. All significant aspects are targeted to reduce their impact within limits. Due to these efforts, we have been GreenCo Certified by CII.

Business responsibility report (Contd.)

Sr. No	Particulars	Remarks
4	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	We have received GreenCo certification with silver rating. Total 55% of total electricity consumption is by way of solar energy, 100% Zero discharge facility.
5	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	<p>The Company is continuously improving its environmental performance for its existing products and new products /processes are undertaken only after giving due weightage to technology to improve clean environment.</p> <p>Captive solar plants meet part of Company's power requirements at manufacturing facilities at Kurkumbh, which improves cost efficiencies and results in better utilization of resources.</p> <p>Company's eco-friendly production processes have led to limited effluent discharge, making our effluent generation among the lowest in the specialty chemicals industry.</p> <p>The operations of the Company have received sustainability certifications from Ecovadis and are routinely audited and approved by certain customers.</p> <p>The manufacturing facilities are ISO 9001:2015 and 14001:2015 and ISO 45001:2018 certified for quality, environment management and health and safety, respectively.</p> <p>Energy Efficiency- We are certified for Greenco., Energy base line is monitored, Energy performance Indicators are measured and energy efficient equipment's are installed.</p>
6	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	The Company has installed control equipment's of appropriate capacity to limit air emissions within the standards. The noise monitoring is being done regularly and the test reports are being obtained from the laboratory to ensure compliance. The vigilance sample report from Maharashtra Pollution Control Board (MPCB) shows compliance to consent conditions. The quantity of solid waste and hazardous wastes generated are being disposed of strictly in adherence to the conditions of consent / authorization. The emissions / waste generated by the Company is within the permissible limits given by Central or State Pollution Control Bodies (CPCB / SPCB) for the financial year being reported.
7	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	There are no show cause / legal notices from CPCB/ SPCB, which are pending as at the end of financial year 2021-22.

Principle 7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a responsible manner.

Sr. No	Particulars	Remarks
1	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	<p>Company is a member of following associations</p> <ul style="list-style-type: none"> • Indian Chemical Council (ICC), • Mahratta Chamber of Commerce, Industries and Agriculture (MCCIA) • Chemexcil • Kurkumbh Environment Protection Co-operative Society Maryadit
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	No

Business responsibility report (Contd.)

Principle 8 - Business should promote inclusive growth and equitable development

Sr. No	Particulars	Remarks
1	Does the Company have specified programmes / initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	The Company has given direct and indirect employment to several local residents and also engaged them by awarding contracts. Further through its CSR initiatives the Company engages in various activities which support inclusive growth and development all which includes healthcare, education, environment, protection of flora, fauna.
2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?	CSR programmes are implemented directly by the Company as well as through CSTPL Foundation, a Section 8 Company.
3	Have you done any impact assessment of your initiative?	Impact assessment is done through interactions with local representatives.
4	What is your Company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken?	During the financial year 21-22, the Company has spent ₹ 41.15 million towards various CSR activities. The project wise details are provided in 'Annexure - V' of Board's Report - Annual Report on CSR activities.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	-

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. No	Particulars	Remarks
1	What percentage of customer complaints/consumer cases are pending as on the end of financial year?	There were no customer complaints/consumer cases pending as at the end of Financial Year 2021-22.
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)	Yes. The Company abides to all the applicable statutory laws regarding product labelling and displays relevant information on product label. Relevant labelling on packing is also done indicating name of product, nature of hazards, prevention, storage requirements, disposal and usage of the product as identified in domestic/ international laws.
3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so	There are no cases in relation to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five financial years and pending for the financial year 2021-22.
4	Did your Company carry out any consumer survey/ consumer satisfaction trends?	Yes, Customer Satisfaction Surveys are being conducted for feedback and for betterment of the products and improving delivery mechanism. We take care of changing / additional requirements of customers from their feedback and align them appropriately by continual improvements.

By Order of the Board of Directors
For Clean Science and Technology Limited
(Erstwhile Known as Clean Science and Technology Private Limited)

Ashok R. Boob
 Managing Director

Krishnakumar R. Boob
 Whole-time Director

Dated : 28th May, 2022
 Place : Pune

FINANCIAL STATEMENTS

Independent Auditor's 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 2022, and the standalone statement of profit and loss (including other comprehensive loss), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive loss, 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 obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Fraud and cut-off risks in revenue recognition

See note 2.4 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>Revenue is recognized when the control of the products being sold has been transferred to the customer.</p> <p>Due to the Company's sales being under various contractual terms across the country and globally, delivery to customers in different regions might take different time periods and may result in undelivered goods at the period end. We consider a risk of misstatement in the Standalone Financial Statements related to transactions occurring close to the year end, as these transactions could be recorded in the incorrect financial period (cut-off).</p> <p>There is also a risk of revenue being fraudulently overstated due to pressure on the Company to achieve performance targets throughout the period and towards the period end. Accordingly, fraud and cut-off risks in revenue recognition is considered as a key audit matter.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence :</p> <ul style="list-style-type: none"> – Focusing on the Company's revenue recognition for compliance with Ind AS; – Testing the design, implementation and operating effectiveness of the Company's controls on recording revenue. We focused on controls around the timely and accurate recording of sales transactions; – Performing testing on selected statistical samples of revenue transactions recorded during the year. We verified terms of invoices, acknowledged delivery receipts and tested the transit time to deliver the goods. Our tests of detail focused on cut-off samples to verify only revenue pertaining to current year is recognised based on terms set out in sales invoices and delivery documents; – Assessing high risk manual journals posted to revenue to identify any unusual items.

Independent Auditor's Report (Contd.)

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going

Independent Auditor's Report (Contd.)

Auditor's Responsibilities for the Audit of the Standalone Financial Statements (Contd.)

concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive loss), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company does not have any pending litigations which would impact its financial position.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in note 49 (e) to the standalone notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other

Independent Auditor's Report (Contd.)

Report on Other Legal and Regulatory Requirements (Contd.)

- persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in note 49(f) to the standalone notes to accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) of Rule 11 (e) contain any material mis-statement.
- e) As stated in note 52 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the act to the extent it applies to declaration of dividend
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Swapnil Dakshindas
Partner
Membership No. 113896
ICAI UDIN : 22113896AJUFLV4766

Place: Pune
Dated: 28 May 2022

Independent Auditor's Report (Contd.)

Annexure A to the Independent Auditor's report

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) 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 on 31 March 2022. For inward goods-in- transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) and 3(iii)(c) to 3(iii) (f) of the Order are not applicable to the Company. The Company has made investment in subsidiary company. The Company has not made any investments in firms, limited liability partnership or any other parties.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(l) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

Independent Auditor's Report (Contd.)

Annexure A to the Independent Auditor's report on Standalone Financial Statements – 31 March 2022 (Contd.)

- According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ("GST"), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited with the appropriate authorities, except for provident fund dues referred to in note 36.(a) to the standalone financial statements.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable. Refer note 51 to the standalone financial statements.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

Independent Auditor's Report (Contd.)

Annexure A to the Independent Auditor's report on Standalone Financial Statements – 31 March 2022 (Contd.)

- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC. Accordingly, clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Swapnil Dakshindas
Partner
 Membership No. 113896
 ICAI UDIN : 22113896AJUFLV4766

Place: Pune
 Dated: 28 May 2022

Independent Auditor's Report (Contd.)

Annexure B to the Independent Auditor's 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 2022.

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 ("the Company") as of 31 March 2022 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 2022, 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").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and 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 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 standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 Standalone financial statements.

Independent Auditor's Report (Contd.)

Annexure B to the Independent Auditor's 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 2022. (Contd.)

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone 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

Swapnil Dakshindas

Partner

Membership No. 113896

ICAI UDIN : 22113896AJUFLV4766

Place: Pune

Dated: 28 May 2022



STANDALONE BALANCE SHEET

As at 31st March, 2022

(₹ in million)

	Notes	As at 31 st March, 2022	As at 31 st March, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,923.35	1,826.04
Capital work-in-progress	4	441.27	549.92
Right-of-use asset	3	29.41	29.75
Other Intangible assets	5	4.66	2.68
Financial assets			
(i) Investments	6	562.02	11.02
(ii) Other financial assets	7	25.57	176.19
Income tax assets (net)	34 (c)	13.62	14.29
Other non-current assets	8	5.68	48.84
Total non-current assets		4,005.58	2,658.73
Current assets			
Inventories	9	881.30	528.99
Financial assets			
(i) Investments	10	1,904.37	2,314.71
(ii) Trade receivables	11	1,535.44	742.25
(iii) Cash and cash equivalents	12	127.77	92.31
(iv) Bank balances other than (iii) above	13	167.07	63.37
(v) Other financial assets	14	390.35	97.49
Other current assets	15	127.43	104.70
Asset classified as held for sale	16	110.64	-
Total current assets		5,244.37	3,943.82
Total assets		9,249.95	6,602.55
EQUITY & LIABILITIES			
Equity			
Equity share capital	17	106.22	106.22
Other equity	18	7,582.86	5,293.93
Total equity		7,689.08	5,400.15
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	2.64	3.31
Provisions	20	1.30	3.74
Deferred tax liabilities (net)	34 (d)	209.09	175.63
Total non-current liabilities		213.03	182.68
Current liabilities			
Financial liabilities			
(i) Borrowings	21	0.67	-
(ii) Trade payables	22		
a) Total outstanding dues of micro enterprises and small enterprises		4.96	2.37
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,015.97	607.45
(iii) Other financial liabilities	23	215.50	277.87
Other current liabilities	24	68.81	130.53
Provisions	25	3.99	1.50
Current tax liabilities (net)	34 (c)	37.94	-
Total current liabilities		1,347.84	1,019.72
Total liabilities		1,560.87	1,202.40
Total equity and liabilities		9,249.95	6,602.55
Significant accounting policies	2		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

Swapnil Dakshindas

Partner

Membership No: 113896

Place: Pune

Date: 28th May, 2022

ICAI UDIN: 22113896AJUFLV4766

For and on behalf of the Board of Directors of

Clean Science and Technology Limited

Ashok Boob

Managing Director

DIN : 0410740

Pratik Bora

Chief Financial Officer

Place: Pune

Date: 28th May, 2022

Krishnakumar Boob

Director

DIN : 0410672

Mahesh Kulkarni

Company Secretary

Membership No: 19364

Place: Pune

Date: 28th May, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2022

(₹ in million)

	Notes	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Income			
Revenue from operations	26	6,848.86	5,124.28
Other income	27	299.39	256.22
Total income		7,148.25	5,380.50
Expenses			
Cost of materials consumed	28	2,451.12	1,378.62
Changes in inventories of finished goods and work-in-progress	29	(204.48)	(142.78)
Employee benefits expense	30	345.45	435.57
Finance costs	31	1.47	0.91
Depreciation and amortisation expense	32	249.18	172.06
Other expenses	33	1,256.52	863.21
Total expenses		4,099.26	2,707.59
Profit before tax		3,048.99	2,672.91
Tax expense:	34		
Current tax		729.47	617.51
Deferred tax		33.46	71.65
Total tax expense		762.93	689.16
Profit for the year (A)		2,286.06	1,983.75
Other comprehensive (loss)/income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit (asset)		(2.62)	(0.14)
(ii) Income tax relating to remeasurements of defined benefit asset		0.66	0.04
(iii) Equity instruments designated through other comprehensive income		-	28.77
(iv) Income tax related to equity instruments designated through other comprehensive income		-	(2.34)
Total other comprehensive (loss)/income (B)		(1.96)	26.33
Total comprehensive income for the year (A+B)		2,284.10	2,010.08
Earnings per equity share (in ₹) [Face value ₹ 1/- per share]			
Basic	35	21.52	18.68
Diluted		21.52	18.68
Significant accounting policies	2		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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

Swapnil Dakshindas
Partner
Membership No: 113896

Place: Pune
Date: 28th May, 2022
ICAI UDIN: 22113896AJUFLV4766

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

Ashok Boob
Managing Director
DIN : 0410740

Pratik Bora
Chief Financial Officer

Place : Pune
Date: 28th May, 2022

Krishnakumar Boob
Director
DIN : 0410672

Mahesh Kulkarni
Company Secretary
Membership No: 19364

Place : Pune
Date: 28th May, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2022

(a) Equity share capital

(₹ in million)

Particulars	As at 31 st March, 2022		As at 31 st March, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Equity share of ₹ 1 each issues, subscribed and fully paid				
Balance at the beginning of the reporting year	106,218,960	106.22	1,327,737	13.28
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the reporting year	106,218,960	106.22	1,327,737	13.28
Issue of bonus shares	-	-	9,294,159	92.94
Increase due to share split	-	-	95,597,064	-
Balance at the end of the reporting year	106,218,960	106.22	106,218,960	106.22

(b) Other equity

Particulars	Reserves and surplus					Other comprehensive income	Total other equity
	Securities premium	Capital redemption reserve	General reserve	Employee share option reserve	Retained earnings	Equity instruments designated through other comprehensive income	
Balance at 1st April, 2020	61.04	0.88	74.01	-	3,290.12	(14.83)	3,411.22
Total comprehensive income for the year ended 31st March, 2021							
Profit for the year	-	-	-	-	1,983.75	-	1,983.75
Other comprehensive income (net of tax)							
- Remeasurements of defined benefit (Asset)	-	-	-	-	(0.10)	-	(0.10)
- Equity instruments designated through other comprehensive income (Refer note (i) below)	-	-	-	-	-	26.43	26.43
Total comprehensive income	-	-	-	-	1,983.65	26.43	2,010.08
Interim dividend for 2020-21 at ₹ 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 to / (from) other reserves (Refer note (i) below)	-	-	-	-	11.60	(11.60)	-
Balance at 31st March, 2021	-	-	42.99	-	5,250.94	-	5,293.93
Balance at 1st April, 2021	-	-	42.99	-	5,250.94	-	5,293.93
Total comprehensive income for the year ended 31st March, 2022							
Profit for the year	-	-	-	-	2,286.06	-	2,286.06
Other comprehensive income (net of tax)							
- Remeasurements of defined benefit (Asset)	-	-	-	-	(1.96)	-	(1.96)
Total comprehensive income	-	-	-	-	2,284.10	-	2,284.10
Employee share based payment reserve	-	-	-	4.83	-	-	4.83
Balance at 31st March, 2022	-	-	42.99	4.83	7,535.04	-	7,582.86

STANDALONE STATEMENT OF CHANGES IN EQUITY (Cont.)

For the year ended 31st March, 2022

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

Swapnil Dakshindas
Partner
Membership No: 113896

Place: Pune
Date: 28th May, 2022
ICAI UDIN: 22113896AJUFLV4766

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

Ashok Boob
Managing Director
DIN : 0410740

Pratik Bora
Chief Financial Officer

Place : Pune
Date: 28th May, 2022

Krishnakumar Boob
Director
DIN : 0410672

Mahesh Kulkarni
Company Secretary
Membership No: 19364

Place : Pune
Date: 28th May, 2022

STANDALONE STATEMENT OF CASH FLOWS

For the year ended 31st March, 2022

(₹ in million)

	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
A. Cash flow from operating activities		
Profit before tax	3,048.99	2,672.91
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	249.18	172.06
(Gain) / Loss on sale of property, plant and equipments	(0.13)	3.12
Dividend income	(0.19)	(29.78)
Finance costs (excluding foreign exchange adjustment)	1.47	0.91
Profit on instruments designated through fair value through profit and loss (FVTPL)	(65.74)	(31.27)
Fair value gain on instruments designated through fair value through profit and loss (FVTPL)	(16.64)	(49.04)
Interest income	(21.66)	(11.51)
Interest income on investments measured at amortised cost	(39.24)	(17.94)
Mark to Market gain on forward contract	29.34	28.19
Unrealised foreign exchange differences	(15.70)	(9.81)
Employee Stock Option Scheme expense	4.83	-
Operating profit before working capital changes	3,174.51	2,727.84
Movement in working capital:		
(Increase) in other non-current financial assets	(2.39)	(8.98)
Decrease in other non-current assets	0.68	-
(Increase) in inventories	(352.31)	(183.10)
(Increase) in trade receivables	(777.62)	(35.10)
(Increase) in other current financial assets	(330.43)	(39.45)
(Increase) in other current assets	(22.73)	(64.83)
(Decrease)/Increase in non-current provisions	(2.44)	0.42
Increase in trade payables	411.15	253.18
(Decrease) in other current financial liabilities	(73.83)	(17.48)
(Decrease) in other current liabilities	(61.72)	(42.43)
Increase/(Decrease) in current provisions	0.53	(0.09)
Cash generated from operations	1,963.40	2,589.98
Net income tax paid	(690.86)	(659.07)
Net cash from operating activities (A)	1,272.54	1,930.91
B. Cash flows from investing activities		
Purchase of property, plant and equipment, right-of-use asset, intangible assets and capital work-in-progress, net of capital creditors and advances	(1,296.55)	(844.26)
Sale proceeds of property, plant and equipment	0.50	4.43
Bank deposits matured/(placed) during the year	49.31	(214.06)
Investment in subsidiary	(551.00)	-
Purchase of current investments	(1,713.11)	(3,134.26)
Proceeds from sale of investments	2,245.06	2,276.41
Dividend received	0.19	29.78
Interest received	29.90	20.41
Net cash used in investing activities (B)	(1,235.70)	(1,861.55)
C. Cash flows from financing activities		
Long-term borrowings accepted during the year	-	0.43
Repayment from current borrowings (net)	-	(24.01)
Interest paid	(1.47)	(0.91)

STANDALONE STATEMENT OF CASH FLOWS (Cont.)For the year ended 31st March, 2022

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Transaction costs of increase in share capital	-	(1.24)
Interim dividend paid	-	(33.19)
Net cash used in financing activities (C)	(1.47)	(58.92)
Net increase in cash and cash equivalents (A+B+C)	35.37	10.43
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	0.09	0.86
Cash and cash equivalents at the beginning of the year	92.31	81.02
Cash and cash equivalents at the end of the year	127.77	92.31
Notes:-		
1. Cash and cash equivalents include		
Cash on hand	0.36	0.36
Balances with bank		
- Current accounts	127.41	91.95
	127.77	92.31
Significant accounting policies	Note 2	

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

Swapnil Dakshindas

Partner

Membership No: 113896

Place: Pune

Date: 28th May, 2022

ICAI UDIN: 22113896AJUFLV4766

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

Managing Director

DIN : 0410740

Pratik Bora

Chief Financial Officer

Place : Pune

Date: 28th May, 2022**Krishnakumar Boob**

Director

DIN : 0410672

Mahesh Kulkarni

Company Secretary

Membership No: 19364

Place : Pune

Date: 28th May, 2022

NOTES ON THE STANDALONE FINANCIAL STATEMENTS

For the year ended 31st March, 2022

1 CORPORATE INFORMATION

Clean Science and Technology Limited (erstwhile known as Clean Science and Technology Private Limited) ('the Company') is a public limited company domiciled in India and is incorporated under Companies Act, 1956 applicable in India. The shares of the Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on 19th July, 2021. The registered office of the Company is located at Pentagon Towers 4, Magarpatta City, Hadapsar, Pune. The CIN of the Company is L24114PN2003PLC018532.

The Company is engaged in manufacturing and sale of various types of chemicals mainly MEHQ, Guaiacol, 4MAP at its manufacturing plant situated at Kurkumbh MIDC, Daund, Dist: Pune. The Company caters to both domestic and international markets.

The standalone financial statements for the year ended 31st March, 2022 were approved for issue by the Company's Board of Directors on 28th May, 2022.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Company.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- ii) Asset held for sale measured at lower of carrying amount or fair value less cost to sell;
- iii) Net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of defined benefit obligations.

The accounting policies adopted for preparation and presentation of financial statements have been consistent with the previous year.

The financial statements are presented in ₹ and all values are rounded to the nearest millions, upto two places of decimal, unless otherwise stated.

2.2 Current and non-current classification of assets and liabilities

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as 12 months.

2.3 Use of judgements, estimates and assumptions

The preparation of the 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 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:

- Note 9 – Valuation of inventories.
- Note 34 – Recognition of tax expense including deferred tax.
- Note 36 – Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.
- Note 39 – Impairment of trade receivables.
- Note 42 – Defined benefit obligation: key actuarial assumptions.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

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.

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. 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 realisable values of other assets. 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.

Arreceivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue from sale of solar electricity power is recognised on a point in time basis when solar electrical power is transmitted to Alternating Current Distribution Board (ACDB).

Interest income or expense is recognised using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the Company and that the amount of the dividend can be measured reliably.

2.5 Inventories

Inventories are valued at cost or net realisable value whichever is lower after providing for cost of obsolescence. Cost is determined on a FIFO formula.

Raw materials are valued at cost of purchase net of duties (credit availed w.r.t taxes and duties) and includes all expenses incurred in bringing the materials to location of use. However, materials and other items held for use in the production of

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work-in-process and finished goods include conversion costs in addition to the landed cost of raw materials. Finished goods are valued at lower of cost and net realisable value. The net realisable value of the finished goods is determined with reference to the selling prices of related finished goods.

Cost of finished goods and work-in-progress comprises cost of raw material and appropriate fixed production overheads which are allocated on the basis of normal capacity of production facilities and variable production overheads on the basis of actual production of material and after deduction of the realisable value of the by-product.

Raw Materials, Components, Stores, and Spares cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Obsolete and slow-moving inventories are identified and wherever necessary, such inventories are written off/provided during the year.

2.6 Property, plant and equipment

● Recognition and measurement

Property, plant and equipments are carried at cost which includes capitalised borrowing costs, less accumulated depreciation and impairment loss, if any. Items of property, plant and equipment are measured at cost of acquisition or construction less accumulated depreciation and / or accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working

condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. These components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

● Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

● Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/ expenses in the statement of profit and loss.

● Depreciation method and estimated useful lives

Depreciation on tangible assets is provided on the straight-line method on pro-rata basis, over the useful lives of assets as prescribed in Schedule – II of the Companies Act, 2013 which is as follows:

Type of asset	Useful life (No. of years)
Factory Building	30 years
Non-Factory Buildings	60 years
Plant and Machinery	5-20 years
Office Equipment	5 years
Vehicles	8-10 years
Furniture and fixtures	10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

Impairments of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.7 Intangible assets:

● **Recognition and measurement**

Intangible assets are recognised when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets acquired by the Company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised,

but are tested for impairment annually, either individually or at the cash-generating unit level.

Expenditure on research activities is recognised in the statement of profit and loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to complete development and to use or sell the asset.

Intangible assets which comprise of the development expenditure incurred on new product and expenditure incurred on acquisition of user licenses for computer software are recorded at their acquisition price.

● **Subsequent measurement**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

● **Amortisation**

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets i.e., computer software is amortised on a straight-line basis over the period of expected future benefits commencing from the date the asset is available for its use.

The management has estimated the useful life for software & licenses as following,

Asset Class	Years
Software & licenses	5

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

● **Disposal**

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

2.8 Assets held for sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal Group) is available

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell except for those assets that are specifically exempt under relevant Ind AS. Once the assets are classified as "Held for sale", those are not subjected to depreciation till disposal.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised.

A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet.

2.9 Employee benefits:

- **Short-term employee benefits**

The distinction between short term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and are recognised in the period in which the employee renders the related service. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the year. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future

periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

- **Post-employment benefits**

- **Defined contribution plans**

Contributions to the provident fund and superannuation schemes which is defined contribution scheme, are recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due. Contributions are made in accordance with the rules of the statute and are recognised as expenses when employees render service entitling them to the contributions. The Company has no obligation, other than the contribution payable to the provident fund.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

- **Defined benefit plans**

The employees' gratuity scheme is a defined benefit plan which is administered by a trust formed for this purpose through the group schemes of Life Insurance Corporation of India (LIC). The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

In case of funded plans, the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises gains/ losses on settlement of a defined plan when the settlement occurs.

- **Other long-term employee benefits**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

- **Termination benefits**

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the

offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

2.10 Employee share-based Payments

Equity-settled share-based payments to employees are measured at the fair value of the options at the grant date.

The fair value of option at the grant date is expensed over the respective vesting period in which all of the specified vesting conditions are to be satisfied with a corresponding increase in equity as 'Employee share -based Payments reserve'. In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Employee Stock Options Account" are transferred to the "Retained Earnings".

When the options are exercised, the Company issues new equity shares of the Company of ₹ 1/- each fully paid-up. The proceeds received and the related balance standing to credit of the Employee Stock Options Account, are credited to share capital (nominal value) and Securities Premium Account.

See Note 46 – Employee Share-based Payments for further details.

2.11 Income taxes:

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income (OCI).

- **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

● **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.

2.12 Earnings per share (EPS):

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares and stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS adjust the figures used in the determination of basic EPS to consider:

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.13 Provision and contingent liabilities / assets:

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The provisions are measured on an undiscounted basis. Contingent liabilities are obligations arising from past events, the existence of which will be confirmed

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

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.

2.14 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. 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.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

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.

2.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs 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.

2.16 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the statement of profit and loss.

2.17 Financial instruments

2.17.1 Financial assets

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. 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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

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')

(a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment charge. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense/(income) in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, security and other deposits receivable by the Company.

(b) Financial assets classified as measured at FVOCI

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Further, the Company makes such election on an instrument-by-instrument basis, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in other 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.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

rewards of the transferred assets, the transferred assets are not derecognised.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date, the credit risk has not increased significantly since its original recognition. However, if credit risk has increased significantly, lifetime ECL is used. ECL impairment loss allowance (or reversal) recognised in the statement of profit and loss.

2.17.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost. The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities

designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are generally recognised in the statement of profit and loss.

Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require specified payments to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as fees receivable under "other financial assets" or as a part of the cost of the investment, depending on the contractual terms.

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 Government Grants:

Grants that compensate the Company for expenses incurred are recognised in statement of profit and loss as other operating income on a systematic basis in the periods in which such expenses are recognised.

Export Incentives

Export incentives under various schemes notified by the government are recognised when no significant uncertainties as to the amount of consideration that would be derived and that the Company will comply with the conditions associated with the grant and ultimate collection exist.

2.20 Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of not more than three months, which are subject to an insignificant risk of changes in value.

2.21 Cash flow statement:

Cash Flows are reported using the indirect method, whereby net Profit before tax is adjusted for the effects of transactions of a non-cash nature, such as deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. In the statement 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. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 applicable from 1st April, 2022. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

3 Property, Plant and Equipment

(₹ in million)

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 st April, 2021	Additions during the year	Disposals during the year	As at 31 st March, 2022	As at 1 st April, 2021	Charge for the year	Disposals during the year	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022
Owned assets										
Land	42.52	-	-	42.52	-	-	-	-	42.52	42.52
Buildings	475.48	449.04	-	924.52	71.29	23.15	-	94.44	404.19	830.08
Plant and equipment	1,948.27	840.23	(7.90)	2,780.60	632.91	209.91	(7.71)	835.11	1,315.36	1,945.49
Research and Development related assets	41.81	17.71	-	59.52	17.82	5.49	-	23.31	23.99	36.21
Furniture and fixtures	21.09	19.45	-	40.54	10.37	2.41	-	12.78	10.72	27.76
Computer	8.37	4.70	-	13.07	5.40	1.91	-	7.31	2.97	5.76
Vehicles	30.66	11.73	(1.10)	41.29	5.58	4.44	(0.92)	9.10	25.08	32.19
Office equipment	3.83	2.71	-	6.54	2.63	0.57	-	3.20	1.21	3.34
Total	2,572.04	1,345.57	(9.00)	3,908.60	746.00	247.88	(8.63)	985.25	1,826.04	2,923.35

(₹ in million)

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 st April, 2020	Additions during the year	Disposals during the year	As at 31 st March, 2021	As at 1 st April, 2020	Charge for the year	Disposals during the year	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021
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

Right-of-use asset

(₹ in million)

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 st April, 2021	Additions during the year	Disposals during the year	As at 31 st March, 2022	As at 1 st April, 2021	Charge for the year	Disposals during the year	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022
Leasehold land*	31.08	110.64	(110.64)	31.08	1.33	0.34	-	1.67	29.75	29.41
Total Assets	31.08	110.64	(110.64)	31.08	1.33	0.34	-	1.67	29.75	29.41

*Disposal during the year pertains to reclassification of Right-of-use asset as held for sale in accordance with 'Ind AS 105 - Non current asset held for sale and discontinued operations'. Refer note 16

(₹ in million)

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 st April, 2020	Additions during the year	Disposals during the year	As at 31 st March, 2021	As at 1 st April, 2020	Charge for the year	Disposals during the year	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st 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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

4 Capital work-in-progress

(₹ in million)

Particulars	As at 1 st April, 2021	Additions during the year	Capitalised during the year	As at 31 st March, 2022
Buildings	219.15	113.89	(214.33)	118.71
Plant and machinery	330.77	322.57	(330.78)	322.56
Total	549.92	436.46	(545.11)	441.27

Particulars	As at 1 st April, 2020	Additions during the year	Capitalised during the year	As at 31 st 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

4(a) CWIP aging Schedule

As at 31st March, 2022

(₹ in million)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	436.45	4.82	-	-	441.27
Projects temporarily suspended	-	-	-	-	-
Total CWIP	436.45	4.82	-	-	441.27

As at 31st March, 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	34.80	499.26	15.86	-	549.92
Projects temporarily suspended	-	-	-	-	-
Total CWIP	34.80	499.26	15.86	-	549.92

4(b) As at 31st March, 2022 no projects under Capital Work in Progress are overdue or has exceeded its cost compared to its original plan.

5 Other intangibles assets (Other than internally generated)

(₹ in million)

Particulars	Gross Block				Amortisation				Net Block	
	As at 1 st April, 2021	Additions during the year	Disposals during the year	As at 31 st March, 2022	As at 1 st April, 2021	Charge for the year	Disposals during the year	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022
Computer Software	7.22	2.94	-	10.16	4.54	0.96	-	5.50	2.68	4.66
Total	7.22	2.94	-	10.16	4.54	0.96	-	5.50	2.68	4.66

Particulars	Gross Block				Amortisation				Net Block	
	As at 1 st April, 2020	Additions during the year	Disposals during the year	As at 31 st March, 2021	As at 1 st April, 2020	Charge for the year	Disposals during the year	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st 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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

6 Investments - Non current

(₹ in million)

Unquoted equity shares at cost	As at 31 st March, 2022	As at 31 st March, 2021
981,500 (31 st March, 2021 : 981,500) equity shares of Clean Science Private Limited; a wholly owned subsidiary, of ₹ 10 each fully paid-up	9.82	9.82
99,999 (31 st March, 2021 : 99,999) equity shares of Clean Aromatics Private Limited; a wholly owned subsidiary, of ₹10 each fully paid-up	1.00	1.00
19,999 (31 st March, 2021 : 19,999) equity shares of Clean Organics Private Limited; a wholly owned subsidiary, of ₹ 10 each fully paid-up	0.20	0.20
4,571,545 (31 st March, 2021 : Nil) equity shares of Clean Fino-Chem Limited; a wholly owned subsidiary, of ₹ 10 each fully paid-up	551.00	-
Total	562.02	11.02
Aggregate value of unquoted investments	562.02	11.02
Aggregate amount of impairment in value of investments	-	-

7 Others financial assets - Non current

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(Unsecured, considered good)		
Security Deposits	23.61	21.22
<i>Deposits with original maturity of more than 12 months</i>		
Balances held as margin money/security towards obtaining bank guarantees	1.96	4.97
Deposit with financial institution	-	150.00
Total	25.57	176.19

8 Other non-current assets

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Capital advances	5.68	48.16
Other loans and advances		
VAT credit receivable (net)	-	0.68
Total	5.68	48.84

9 Inventories

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
<i>(valued at lower of cost and net realisable value)</i>		
Raw material [including stock in transit of ₹ 50.87 million (31 st March, 2021 : ₹ 9.33 million)]	220.25	115.28
Work-in-progress	463.95	288.20
Finished goods [including stock in transit of ₹ 73.29 million (31 st March, 2021 : ₹ 62.88 million)]	144.67	115.94
Stores and spares	52.43	9.57
Total	881.30	528.99

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

10 Investments - Current

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
A. Investments carried at fair value through profit and loss (FVTPL)		
Investment in mutual funds - Quoted		
8,925,949 (31 st March, 2021: Nil) Kotak Equity Arbitrage Fund	282.67	-
937,285 (31 st March, 2021 : 937,285) IIFL Special Opportunities Fund - Series 2	9.21	10.94
1,114,668 (31 st March, 2021 : 1,114,668) Kotak Banking and PSU Debt Fund Direct Growth	60.51	57.43
19,130 (31 st March, 2021 : 19,130) Kotak Corporate Bond Fund Direct Growth	59.93	57.10
Nil (31 st March, 2021 : 174,337) Kotak Money Market Direct Growth New	-	607.35
4,745,188 (31 st March, 2021 : 4,745,188) ICICI Corporate Bond Fund Direct Growth	116.67	111.54
18,972 (31 st March, 2021 : 18,972) Kotak Corporate Bond Fund Direct Growth	59.44	56.62
Nil (31 st March, 2021 : 102,010) Axis Banking & PSU Debt Fund Direct Growth	-	214.00
3,800,757 (31 st March, 2021 : 4,827,546) Kotak Equity Arbitrage Fund Growth	120.37	146.18
Nil (31 st March, 2021 : 3,088,755) IDFC Arbitrage Fund Direct Growth	-	82.65
Nil (31 st March, 2021 : 5,736,044) SBI Saving Fund Direct Growth	-	196.15
2,036,334 (31 st March, 2021 : 2,036,334) Axis Short Term Fund Direct Growth	54.33	51.73
2,198,209 (31 st March, 2021 : 2,198,209) IDFC Bond Fund Short Term Direct Growth	107.71	103.01
6,367,813 (31 st March, 2021 : 6,367,813) HDFC Banking and PSU Debt Fund Direct Growth	122.00	116.21
997,783 (31 st March, 2021 : 997,783) Kotak Banking and PSU Debt Fund Direct Growth	54.16	51.41
Nil (31 st March, 2021 : 129,029) Kotak Gilt Fund Direct Growth	-	10.58
Shriram City Union Finance Limited MLD 8.33%	102.39	-
B. Investment in others - Quoted (FVTPL)		
Investments in liquid funds *	153.88	48.28
	1,303.27	1,921.18
* Includes investments in various small denomination instruments which are monitored through Aventus Absolute Return Strategy.		
C. Investments carried at fair value through profit and loss (FVTPL)		
Investment in equity shares - Quoted		
Investment in equity shares *	14.61	14.96
	14.61	14.96
* These investments in equity shares are monitored through Aventus PMS. Refer note 45 for detailed breakup of Investment in equity shares (FVTPL)		
D. Investment at amortised cost		
Investment in bonds - Quoted		
50 (31 st March, 2021 : 50) IIFCL Tax Free Bond	61.83	63.29
50 (31 st March, 2021 : 50) SBI-9.56% (Perpetual Bond)	52.44	52.99
100 (31 st March, 2021 : 100) HDFC Perpetual Bond Fund	107.94	106.14
100 (31 st March, 2021 : 100) SBI-9.37% (Perpetual Bond)	104.83	106.15
40,000 (31 st March, 2021 : 40,000) IRFCL Tax Free Bond	49.24	50.00
100 (31 st March, 2021 : Nil) Cholamandalam Investment and Finance Company Limited NCD 9.20%	53.83	-
1,00,000 (31 st March, 2021 : Nil) Muthoot Finance NCD 7.51%	106.61	-
100 (31 st March, 2021 : Nil) Piramal Enterprises Limited Comercial Paper 7%	49.77	-
	586.49	378.57
Total	1,904.37	2,314.71
(a) Aggregate book value of quoted investments	1,904.37	2,314.71
(b) Aggregate market value of quoted investments	1,907.50	2,317.02

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

11 Trade receivables

	As at 31 st March, 2022	As at 31 st March, 2021
<i>(unsecured, considered good)</i>		
Receivable from related party		
From firm in which directors are members (refer note 38)	0.03	-
Receivable other than related party		
Other parties	1,535.41	742.25
Total	1,535.44	742.25
Breakup of security details		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	1,535.44	742.25
Total	1,535.44	742.25
Less: Loss allowance	-	-
Total trade receivables	1,535.44	742.25

*The Company's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 39 on financial instruments.

Trade receivables ageing schedule

As at 31st March, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	1,344.69	190.60	0.03	0.05	0.07	-	1,535.44

As at 31st March, 2021

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	563.44	178.47	0.07	0.04	0.01	0.22	742.25

12 Cash and cash equivalents

(₹ in million)

	As at 31 st March, 2022	As at 31 st March, 2021
Cash on hand	0.36	0.36
Balance with banks :		
In current account*	127.41	91.95
Total	127.77	92.31

*Includes debit balance of working capital facility amounting to ₹ 56.67 million (31st March, 2021 : ₹ 19.70 million). These balances are not earmarked.

13 Bank balances other than cash and cash equivalents

(₹ in million)

	As at 31 st March, 2022	As at 31 st March, 2021
Deposits with remaining maturity of less than 12 months	167.07	63.37
Total	167.07	63.37

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

14 Other current financial assets

(₹ in million)

	As at 31 st March, 2022	As at 31 st March, 2021
<i>(Unsecured, considered good)</i>		
Security deposit	30.89	2.27
Advances to employees	0.09	0.34
Balances held as margin money/security towards obtaining bank guarantees	3.02	-
Gratuity fund balance (Refer note 42)	1.91	0.21
MTM Gain on outstanding forward contract not designated as hedge	29.34	28.19
Scripts Credit*	11.14	0.19
Interest receivable	1.71	9.95
Other receivables	1.43	1.93
Recoverable expense from shareholders @**	-	54.41
Term deposit with financial institution	210.82	-
Investment in mutual fund pending allotment	100.00	-
Total	390.35	97.49

* Includes scripts purchased during the year

@ In relation to the expenses incurred for the Initial Public Offer (offer for sale from existing shareholders) of equity shares of the Company during the year ended 31st 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 IPO. As on 31st March, 2022, all IPO Expenses have been recovered. Refer note 51 of standalone financials statements.

**Includes Auditor's Remuneration related to IPO

Fees	-	7.35
	-	7.35

15 Other current assets

(₹ in million)

	As at 31 st March, 2022	As at 31 st March, 2021
Balance with custom authorities	4.92	4.92
Balance with other authorities	12.44	3.02
GST receivable	89.51	84.06
Prepaid expenses	15.86	10.64
CSR pre-spent balance (Refer note 50)	2.74	-
Advance for supply of goods	1.61	1.80
Other advances	0.35	0.26
Total	127.43	104.70

16 Asset classified as held for sale

(₹ in million)

	As at 31 st March, 2022	As at 31 st March, 2021
Right-of-use asset*	110.64	-
Total	110.64	-

* The Company has classified right-of-use asset (leasehold land) taken from Maharashtra Industrial Development Corporation, Kurkumbh as held for sale, pursuant to management decision to dispose such right-of-use asset. The right-of-use asset is carried at cost in accordance with 'Ind AS 105 - Non current asset held for sale and discontinued operations' being lower than the fair value less cost to sale.

The Company is in process of locating the interested buyer for executing sale transaction.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

17 Share capital

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Authorised :		
150,000,000 (31 st March, 2021 : 150,000,000) equity shares of ₹ 1 each. (31 st March, 2021: ₹ 1 each)	150.00	150.00
Total	150.00	150.00

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Issued and subscribed and paid up:		
Equity share capital		
106,218,960 (31 st March, 2021 : 106,218,960) equity shares of ₹ 1 each fully paid-up (31 st March, 2021: ₹ 1 each fully paid-up)	106.22	106.22
Total	106.22	106.22

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

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Equity share :		
Outstanding at the beginning of the year	106,218,960	1,327,737
Issue of bonus shares	-	9,294,159
Increase due to share split	-	95,597,064
Outstanding at the end of the year	106,218,960	106,218,960

Note on bonus issue and share split

In FY 2020-21, pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 24th December, 2020, the Company issued and allotted fully paid-up "bonus shares" at par in proportion of seven new equity shares of ₹ 10 each for every one existing fully paid up equity share of ₹ 10 each held as on the record date of 5th February, 2021. Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 25th February, 2021, the Company undertook a stock split of 10 equity shares of ₹ 1 each for one existing fully paid up equity share of ₹ 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

In FY 2019-20, the Board of Directors of the Company at its meeting held on 20th March, 2020 had approved a proposal to buyback up to 87,990 equity shares of the Company for an aggregate amount not exceeding ₹ 400 million being 6.22% of total paid up equity share capital of the Company, at ₹ 4,546 per equity share. Letter of offer was issued to all eligible shareholders holding shares as on 31st December, 2019. The period for tendering the shares for buyback was from 30th March, 2020 to 31st March, 2020. The Company bought back 87,990 equity shares for an amount of ₹ 400 million. The equity shares bought back were extinguished on 6th April, 2020. Capital Redemption Reserve was created to the extent of nominal value of equity share capital extinguished of ₹ 0.88 million. Transaction costs (including tax on distributed income to shareholders) ₹ 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 ₹ 1 per share as on 31st March, 2022. 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

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

Equity shares of ₹ 1 each fully paid (31 st March, 2021: ₹ 1 each fully paid)	As at 31 st March, 2022		As at 31 st March, 2021	
	Number of Shares	% of shareholding	Number of Shares	% of shareholding
1. Mr. Ashok Boob	13,605,652	12.81%	16,316,940	15.36%
2. Ms. Asha Boob	10,444,612	9.83%	13,155,900	12.39%
3. Ashokkumar Ramkishan Sikchi HUF	10,581,763	9.96%	12,093,440	11.39%
4. Mr. Parth Maheshwari	5,909,745	5.56%	6,754,000	6.36%
5. Ms. Nidhi Mohunta J/w Ashok Boob	5,909,745	5.56%	6,754,000	6.36%
6. Ashok Ramnarayan Boob HUF	5,853,538	5.51%	6,689,760	6.30%

Details of shares held by Promoters

Promoter name	No. of Shares as on 31 st March, 2022	% of Total Shares	% Change during the year	No. of Shares as on 31 st March, 2021	% of Total Shares	% Change during the year
Ashok Ramnarayan Boob	13,605,652	12.81	2.55	16,316,940	15.36	-
Krishnakumar Ramnarayan Boob	2,812,000	2.65	2.02	4,957,100	4.67	-
Siddhartha Ashok Sikchi	3,150,425	2.97	0.42	3,600,480	3.39	-
Parth Ashok Maheshwari	5,909,745	5.56	0.8	6,754,000	6.36	-

18 Other equity

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Reserves and surplus		
A. Retained earnings	7,535.04	5,250.94
B. Securities premium	-	-
C. General reserve	42.99	42.99
D. Capital redemption reserve	-	-
E. Equity instruments designated through other comprehensive income	-	-
F. Employee Share Option Reserve	4.83	-
	7,582.86	5,293.93
A. Retained earnings		
Opening balance	5,250.94	3,290.12
Profit for the year	2,286.06	1,983.75
Appropriations		
Interim dividend paid during the year*	-	(33.19)
Transaction costs of increase in share capital	-	(1.24)
Transfer from/to other reserves	-	11.60
Remeasurements of defined benefit (Asset)	(1.96)	(0.10)
Closing balance	7,535.04	5,250.94
*Interim dividend for 2020-21 at ₹ 25 per equity share (31 st March, 2020 : Interim dividend for 2019-20 at ₹ 25 per equity share) prior to issue of bonus shares and stock split.		
B. Securities Premium		
Opening balance	-	61.04
Issue of bonus shares	-	(61.04)
Closing balance	-	-
C. General Reserve		
Opening balance	42.99	74.01
Buyback of shares	-	-
Issue of bonus shares	-	(31.02)

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

Closing balance	42.99	42.99
D. Capital redemption reserve		
Opening balance	-	0.88
Issue of bonus shares	-	(0.88)
Closing balance	-	-
E. Equity instruments designated through other comprehensive income		
Opening balance	-	(14.83)
Transfer from/(to) other reserves	-	(11.60)
Add/(Less): Fair value changes during the year (net of tax)	-	26.43
Closing balance	-	-
F. Employee Share Option Reserve		
Opening balance	-	-
Add: Additions during the year	4.83	-
Less: Transfer to securities premium on exercise of stock options	-	-
Closing balance	4.83	-
	7,582.86	5,293.93

19 Borrowings - Non current

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Unsecured		
Deposits from directors*	2.64	3.31
Total	2.64	3.31
*Deposits from directors are interest free and are repayable after 3 years from respective receipt of deposits.		

20 Provisions - Non current

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision for employee benefits		
Compensated absences	1.30	3.74
Total	1.30	3.74

21 Borrowings - Current

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Unsecured		
Deposits from directors*	0.67	-
Total	0.67	-
*Deposits from directors are interest free and are repayable after 3 years from respective receipt of deposits.		

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

22 Trade payables

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 37)**	4.96	2.37
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises*	1,015.97	607.45
Total	1,020.93	609.82

*Includes dues to related parties (Refer note 38)
**Refer note 37 for disclosures required under MSMED Act

Trade payable ageing schedule

As at 31st March, 2022

(₹ in million)

Particulars	Current but not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding for MSME due	4.95	0.01	-	-	-	4.96
Total outstanding for other than MSME due	951.63	62.60	1.40	0.34	-	1,015.97

As at 31st March, 2021

(₹ in million)

Particulars	Current but not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding for MSME due	1.51	0.86	-	-	-	2.37
Total outstanding for other than MSME due	528.51	77.81	0.80	0.33	-	607.45

23 Other current financial liabilities

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Employee benefits payable		
Salaries and benefits	20.49	11.65
Bonus payable	73.32	155.99
Payable for purchase of property, plant & equipment (Refer note 37)	121.69	110.23
Total	215.50	277.87

24 Other current liabilities

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Statutory dues payable		
Statutory dues including provident fund and withholding taxes		
TDS and TCS payable	60.38	119.09
Provident fund payable	1.16	0.91
ESIC payable	0.18	0.12
Professional tax payable	0.09	0.06
Advance from customer	7.00	10.35
Total	68.81	130.53

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

25 Provisions - Current

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision for employee benefits		
Compensated absences	3.99	1.50
Total	3.99	1.50

26 Revenue from operations (Refer note 43)

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Sale of products	6,775.35	5,069.41
Other operating revenue		
Export incentives	62.84	43.71
Scrap sale	3.18	1.16
Sale of electricity	7.49	10.00
	73.51	54.87
Total	6,848.86	5,124.28

27 Other income

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Interest income	21.66	11.51
Interest income on investments measured at amortised cost	39.24	17.94
Dividend income from current investments	0.19	29.45
Dividend income from investments measured at FVTOCI	-	0.33
Net gain on account of foreign exchange fluctuations	140.51	113.53
Profit on sale of instruments designated through fair value through profit and loss (FVTPL)	65.74	31.27
Fair value gain on instruments designated through fair value through profit and loss (FVTPL)	16.64	49.04
Miscellaneous income	15.41	3.15
Total	299.39	256.22

28 Cost of materials consumed

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Raw materials (including purchase components & packing material consumed)		
Opening inventories	115.28	72.14
Add : Purchases	2,556.09	1,421.76
	2,671.37	1,493.90
Less : Closing inventories	220.25	115.28
Total	2,451.12	1,378.62

29 Changes in inventories of finished goods and work-in-progress

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Opening Inventories		
Finished Goods	115.94	60.07
Work-in-progress	288.20	201.29
Total (A)	404.14	261.36
Closing Inventories		
Finished Goods	144.67	115.94
Work-in-progress	463.95	288.20
Total (B)	608.62	404.14
Total (A-B)	(204.48)	(142.78)

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

30 Employee benefits expense

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Salaries, wages and bonus	320.62	420.67
Contribution to provident and other funds (Refer note 42)	10.76	7.97
Staff welfare expenses	9.24	6.93
Employee Stock Option Scheme expense (Refer note 46)	4.83	-
Total	345.45	435.57

31 Finance costs

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Interest expense on financial liabilities		
-Working capital loan	0.02	0.04
-Others	1.45	0.87
Total	1.47	0.91

32 Depreciation and amortisation expense

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Depreciation of property, plant and equipment (refer note 3)	247.88	170.88
Depreciation of right-of-use asset (refer note 3)	0.34	0.33
Amortisation of intangible assets (refer note 5)	0.96	0.85
Total	249.18	172.06

33 Other expenses

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Consumption of stores and spares	12.29	8.44
Power and fuel	619.21	349.49
Water charges	12.84	9.97
Repairs and maintenance		
Buildings	13.47	19.27
Machinery	83.73	84.58
Others	31.91	19.43
Insurance	16.52	12.32
Rent	1.77	0.40
Rates and taxes	12.04	5.66
Telephone and other communication expenses	1.86	1.90
Travelling expenses	4.32	3.39
Freight, clearing and forwarding	57.85	55.02
Sales commission	71.02	68.21
Advertising and sales promotion	0.58	0.05
Manpower supply	111.06	99.41
Legal and professional fees	29.89	23.51
Payments to auditors (Refer note (a) below)	2.56	2.48
CSR expenses (Refer note 50)	38.41	30.56
Bank charges	2.97	2.35
Effluent treatment plant expenses	29.01	29.28
Printing and stationary	4.31	2.83

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

Loss on sale of property, plant and equipments	-	3.12
Miscellaneous expenses	98.90	31.54
Total	1,256.52	863.21
(a) Payment to auditors*		
As auditor		
Statutory audit fee	1.65	0.95
In other capacity		
Other services	0.75	1.50
Reimbursement of expenses	0.16	0.03
	2.56	2.48

* Excludes 3.39 million (31st March, 2021 ₹ 7.35 million) towards payment made to the auditors on account of initial public offering of equity shares of face value of Re. 1 each as these expenses have been recovered from selling shareholders in the ratio of their selling shareholding pattern. Also refer note 14 and note 51.

34 Taxes

(a) Statement of profit and loss

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Current tax:		
Current income tax charge	729.47	617.51
Deferred tax	33.46	71.65
Income tax expense reported in the statement of profit and loss	762.93	689.16

(b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during in the period

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Current tax:		
Taxes on equity instruments through other comprehensive income	-	(0.39)
Remeasurements gains and losses on post employment benefits	0.66	0.04
Deferred tax		
Taxes on equity instruments through other comprehensive income	-	(1.95)
Income tax recognised in OCI	0.66	(2.30)

(c) Balance sheet

Tax assets

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Non- current tax assets	13.62	14.29
Total tax assets	13.62	14.29

Current tax liabilities

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Income tax (net of advance tax)	37.94	-
Total current tax liabilities	37.94	-

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

(d) Deferred tax

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Deferred tax liabilities (DTL)		
Excess of depreciation/amortisation on property plant and equipment under income tax act	178.59	141.64
MTM Gain on outstanding forward contract not designated as hedge	7.38	18.53
Mutual funds designated at fair value through profit and loss	20.81	14.70
Bonds - Effective interest rate	2.84	-
	209.62	174.87
Deferred tax assets (DTA)		
Provision for employee benefits	(0.53)	(1.26)
Equity instruments measured at fair value	-	2.02
	(0.53)	0.76
Net deferred tax liability	209.09	175.63

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

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Accounting profit before tax	3,048.99	2,672.91
Tax rate	25.17%	25.17%
Tax as per IT Act on above (A)	767.37	672.72
Tax expenses (B)		
(i) Current tax	729.47	617.51
(ii) Deferred tax	33.46	71.65
	762.93	689.16
Difference (C)	4.44	(16.44)
Tax reconciliation		
Adjustments:		
Effect of permanent adjustments	(11.64)	8.42
Impact as a result of capital gains included in accounting profit taxed at the applicable rates	4.95	3.96
Others	2.25	4.06
	-	-

(f) Movement in temporary differences:

	1st April, 2021	Recognised in profit or loss during the year	Recognised in OCI during the year	31 st March, 2022
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax act	141.64	36.95	-	178.59
MTM Gain on outstanding forward contract not designated as hedge	18.53	(11.15)	-	7.38
Mutual funds designated at fair value through profit and loss	14.70	6.11	-	20.81
Bonds - Effective interest rate		2.84	-	2.84
	174.87	34.75	-	209.62
Deferred tax assets (DTA)				
Provision for employee benefits	(1.26)	0.73	-	(0.53)
Equity instruments measured at fair value	2.02	(2.02)	-	-
	0.76	(1.29)	-	(0.53)
Net deferred tax liability	175.63	33.46	-	209.09

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

	1 st April, 2020	Recognised in profit or loss during the year	Recognised in OCI during the year	31 st 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	-	-
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	102.03	71.65	1.95	175.63

35 Earnings Per Share

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Profits attributable to equity shareholders		
Profit for basic earning per share of ₹ 1 each*		
Profit for the year (in millions)	2,286.06	1,983.75
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the year	106,218,960	106,218,960
Basic EPS (₹)	21.52	18.68
Diluted Earnings Per Share		
Profit for diluted earning per share of ₹ 1 each*		
Profit for the year (in millions)	2,286.06	1,983.75
Weighted average number of equity shares outstanding during the year for diluted EPS	106,251,390	106,218,960
Diluted EPS (₹)	21.52	18.68
Weighted average number of equity shares for Basic Earnings Per Share	For the year ended 31st March, 2022	For the year ended 31st March, 2021
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 31st March, 2022	For the year ended 31st March, 2021
Balance at the beginning and at the end of the year*	106,251,390	106,218,960
Weighted average number of equity shares outstanding during the year	106,251,390	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 28th February, 2019, it was held that basic wages, for the purpose of Provident fund, to include special allowances which are common for all employees. However, there is uncertainty with respect to applicability of the Judgement and year from which the same applies. The 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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

for current year end. Owing the aforesaid, uncertainty and pending clarification from the authorities in this regard, the Company had not recognised any provision for the years prior to 28th February, 2019.

(b) Commitments

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	23.79	104.04
Toral	23.79	104.04

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

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Principal amount remaining unpaid to any supplier as at the end of the year		
Trade payables	4.96	2.37
Capital creditors	0.09	-
Interest due thereon remaining unpaid to any supplier as at the end of the year		
Trade payables	-	-
Capital creditors	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006.	-	-
The amount of payment made to micro and small supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

38 Related Party Disclosures

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

Subsidiary Companies:

- 1 Clean Science Private Limited
- 2 Clean Organics Private Limited
- 3 Clean Aromatics Private Limited
- 4 Clean Fino-Chem Limited

Key Management Personnel (KMP)

- | | |
|-------------------------|-------------------------|
| 1 Mr. Ashok Boob | Managing Director |
| 2 Mr. Siddhartha Sikchi | Whole Time Director |
| 3 Mr. Krishnakumar Boob | Whole Time Director |
| 4 Mr. Pradeep Rathi | Non-executive Director |
| 5 Ms. Madhu Dubhashi | Independent Director |
| 6 Mr. Sanjay Kothari | Non-executive Director |
| 7 Mr. Ganapati Yadav | Independent Director |
| 8 Mr. Keval Doshi | Independent Director |
| 9 Mr. Pratik Bora | Chief Financial Officer |
| 10 Mr. Mahesh Kulkarni | Company Secretary |

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

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 Pavers and Tiles
- 3 CSTPL Foundation
- 4 M/s Shree Pavers
- 5 Anantroop Financial Advisory Services Private Limited

(b) Related party transactions:

Key management personnel compensation

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Short-term employee benefits	188.77	322.35
Director sitting fees	3.09	1.01
Total compensation	191.86	323.36

Sr. no	Nature of Transaction	For the year ended 31 st March, 2022				For the year ended 31 st March, 2021			
		Key Management Personnel (KMP)/ Relative of Key Management Personnel	Entities where Key Management Personnel/ Relative of Key Management Personnel has significant influence	Subsidiary Company	Total	Key Management Personnel (KMP)/ Relative of Key Management Personnel	Entities where Key Management Personnel/ Relative of Key Management Personnel has significant influence	Subsidiary Company	Total
1	Purchase of raw material, consumables and spares	-	1.82	-	1.82	-	2.16	-	2.16
2	Sale of goods	-	0.11	-	0.11	-	1.11	-	1.11
3	Sale of property plant and equipments	-	-	-	-	3.58	0.23	-	3.81
4	Donation	-	0.50	-	0.50	-	7.00	-	7.00
5	Investment in subsidiary	-	-	551.00	551.00	-	-	-	-
6	Remuneration to relative of key management personnel- Short-term employee benefits	5.17	-	-	5.17	4.16	-	-	4.16
7	Interim dividend paid	-	-	-	-	31.49	1.63	-	33.12

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

8	Repayment of advance given to subsidiary	-	-	-	-	-	0.02	0.02
9	Expenses incurred for selling & other shareholder (Net)	473.51	29.71	-	503.22	51.61	2.68	54.29
10	Expenses (recovered) from selling & other shareholder (Net)	(525.12)	(32.39)	-	(557.51)	-	-	-
11	Unsecured deposit received	5.10	-	-	5.10	1.71	-	1.71
12	Unsecured deposit (paid)	-	-	-	-	(1.29)	-	(1.29)
	Total	(41.34)	(0.25)	551.00	509.41	91.26	14.81	0.02

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

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
a. Purchase of raw material, consumables and spares		
M/s Shree Pavers and Tiles	1.82	2.16
b. Sale of Goods		
M/s Shree Pavers and Tiles	0.11	-
Matrix Fine Sciences Private Limited	-	1.11
c. Sale of property, plant and equipment		
Mr. Ashok Boob	-	0.99
Mr. Sidharth Sikchi	-	1.07
Mr. Krishnakumar Boob	-	1.53
d. Donation to CSTPL Foundation	0.50	7.00
e. Investment in Subsidiaries		
Clean Fino-Chem Limited	551.00	-
f. Remuneration to relative of key management personnel		
Mr. Parth Maheshwari	5.17	4.16
g. Interim dividend paid		
Mr. Ashok Boob	-	5.10
Ms. Asha Boob	-	4.11
Ashokkumar Ramkishan Sikchi HUF	-	3.78
h. Repayment of advance given to subsidiary		
Clean Organics Private Limited	-	0.02
i. Unsecured deposits received		
Mr. Ashok Boob	-	1.04
Mr. Krishnakumar Boob	-	0.67
Mr. Parth Maheshwari	5.10	-
j. Unsecured Deposits (paid)		
Mr. Siddhartha Sikchi	-	(1.29)
k. Key management personnel compensation		
Mr. Ashok Boob	73.74	146.09
Mr. Siddhartha Sikchi	66.37	99.61
Mr. Krishnakumar Boob	44.24	74.71

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

I. Director Sitting Fees		
Mr. Ganapati Yadav	0.67	0.12
Mr. Pradeep Rathi	0.58	0.23
Mr. Sanjay Kothari	0.56	0.28
Mr. Kewal Doshi	0.70	0.22
Ms. Madhu Dubhashi	0.58	0.16

m. Expenses recovered from selling shareholders		
Mr. Ashok Boob	82.85	8.68
Ms. Asha Boob	82.85	8.68
Mr. Krishnakumar Ramnarayan Boob	65.55	3.23

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
a. Trade Receivable / (Payables)		
M/s Shree Pavers and Tiles	0.03	(0.50)
b. Unsecured deposit		
Mr. Ashok Boob	2.64	2.64
Mr. Krishnakumar Boob	0.67	0.67
Mr. Parth Maheshwari	5.10	-
c. Performance bonus payable (net of TDS)		
Mr. Ashok Boob	27.74	69.85
Mr. Siddhartha Sikchi	24.97	47.65
Mr. Krishnakumar Boob	16.64	35.75
d. Directors remuneration payable (net of TDS)		
Mr. Ashok Boob	1.21	1.17
Mr. Siddhartha Sikchi	1.09	0.80
Mr. Krishnakumar Boob	0.87	0.61
e. Remuneration payable to KMP & Relatives of KMP		
Mr. Parth Maheshwari	0.28	0.18
Mr. Pratik Bora	0.13	0.15
Mr. Mahesh Kulkarni	0.12	0.07

* Refer note 14 and note 51 for the expenses recovered from the selling shareholders

39 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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

- 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.

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Total current assets (A)	5,244.37	3,943.82
Total current liabilities (B)	1,347.84	1,019.72
Working capital (A-B)	3,896.53	2,924.10

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

	As at 31 st March, 2022			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	3.31	0.67	2.64	3.31
Trade payables	1,020.93	1,020.93	-	1,020.93
Other liabilities	215.50	215.50	-	215.50
	As at 31 st 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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

(c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company manages its interest rates by selecting appropriate type of borrowings and by negotiation with the bankers.

(₹ in million)

	As at 31 st March, 2022	As at 31 st March, 2021
Variable rate borrowings	-	-
Fixed rate borrowings	-	-
Total borrowings	-	-

The Company had the following variable and fixed rate borrowings outstanding

	As at 31 st March, 2022		
	Weighted average interest rate	Balance	% of total loans
Cash credit facility	0.00%	-	0.00%
Net exposure to cash flow interest rate risk	0.00%	-	0.00%

	As at 31 st 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%

(d) Market risk

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency unhedged exposure :

(i) Financial assets

(₹ in million)

Financial assets	As at 31 st March, 2022		As at 31 st March, 2021	
	Foreign currency	Equivalent amount in rupees (in million)	Foreign currency	Equivalent amount in rupees (in million)
Trade receivables				
USD	11.26	853.74	6.35	466.73
EURO	0.88	74.48	0.28	23.70
Advance paid				
USD	-	-	-	-
EURO	-	-	-	-
Balance with banks - in EEFC accounts				
USD	0.48	36.20	0.82	60.29
EURO	-	-	0.07	5.80
Cash on hand				

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

USD	0.00	0.03	0.00	0.16
EURO	0.00	0.12	0.00	0.17
CNY	0.00	0.01	0.00	0.01
SGD	0.00	0.01	0.00	0.01
AED	0.00	0.06	0.01	0.10
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
		964.66		556.98

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

(ii) Financial liabilities

Financial liabilities	As at 31 st March, 2022		As at 31 st March, 2021	
	Foreign currency	Equivalent amount in rupees (in million)	Foreign currency	Equivalent amount in rupees (in million)
Trade payables				
USD	1.14	86.33	1.14	83.75
EURO	0.00	0.24	0.00	0.12
		86.57		83.87

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

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

(₹ in million)

Currency wise net exposure (assets -liabilities)	As at 31 st March, 2022		As at 31 st March, 2021	
	Foreign currency	Equivalent amount in rupees (in million)	Foreign currency	Equivalent amount in rupees (in million)
USD	10.60	803.64	6.03	443.43
EUR	0.88	74.36	0.34	29.54
CNY	0.00	0.01	0.00	0.01
SGD	0.00	0.01	0.00	0.01
AED	0.00	0.06	0.01	0.10
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		878.09		473.10

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

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

Currency	Amount in rupees (in million)		Sensitivity %
	As at 31 st March, 2022	As at 31 st March, 2021	
USD	803.64	443.43	1.00%
EUR	74.36	29.54	1.00%
CNY	0.01	0.01	1.00%
SGD	0.01	0.01	1.00%
AED	0.06	0.10	1.00%
RUB	0.00	0.00	1.00%
IDR	0.00	0.00	1.00%
CHF	0.01	0.01	1.00%
	878.09	473.10	

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

(v) Sensitivity analysis

(₹ in million)

Currency	Impact on profit/equity (1% strengthening)		Impact on profit/equity (1% weakening)	
	Amount in rupees (in million)		Amount in rupees (in million)	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
USD	8.04	4.43	(8.04)	(4.43)
EUR	0.74	0.30	(0.74)	(0.30)
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	8.78	4.73	(8.78)	(4.73)

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

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

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.

40 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:

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Total liabilities	1,560.87	1,202.40
Less: cash and cash equivalents and bank balances	294.84	155.68
Net debt	1,266.03	1,046.72
Total equity	7,689.08	5,400.15
Debt-equity ratio	0.16	0.19

41 Fair value measurements

(a) Categories of financial instruments -

(₹ in million)

Particulars	As at 31 st March, 2022				As at 31 st March, 2021			
	Carrying amount	Fair values			Carrying amount	Fair values		
		FVTPL	Amortised cost	Amortised cost		FVTPL	Amortised cost	Amortised cost
Category		Level 1	Level 1	Level 2		Level 1	Level 1	Level 2
Financial assets								
Trade receivables	1,535.44	-	-	1,535.44	742.25	-	-	742.25
Cash and cash equivalents	127.77	-	-	127.77	92.31	-	-	92.31

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

Other bank balances	167.07	-	-	167.07	63.37	-	-	63.37
Investment in bonds	586.49	-	589.62	-	378.57	-	380.88	-
Investment in mutual funds - Quoted	1,303.27	1,303.27	-	-	1,921.18	1,921.18	-	-
Investment in equity shares - Quoted	14.61	14.61	-	-	14.96	14.96	-	-
Other financial assets	415.92	-	-	415.92	273.68	-	-	273.68
Total financial assets	4,150.57	1,317.88	589.62	2,246.20	3,486.32	1,936.14	380.88	1,171.61
Financial liabilities								
Borrowings	3.31	-	-	3.31	3.31	-	-	3.31
Trade payables	1,020.93	-	-	1,020.93	609.82	-	-	609.82
Other financial liabilities	215.50	-	-	215.50	277.87	-	-	277.87
Total financial liabilities	1,239.74	-	-	1,239.74	891.00	-	-	891.00

(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.

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 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 ₹ 8.03 million (31st March, 2021 : ₹ 5.94 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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

guarantee and has been providing consistent and competitive returns over the years. The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of."

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

Net employee benefit expense on account of gratuity recognised in employee benefit expenses

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Current service cost	2.79	2.01
Net interest (Income)/ Expense	(0.21)	0.02
Net benefit expense	2.58	2.03

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

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Projected benefit obligation at the beginning of the year	8.92	6.55
Interest cost	0.50	0.39
Current service cost	2.79	2.01
Benefits paid	(0.26)	(0.22)
Remeasurements on obligation - Loss	2.44	0.19
Present value of obligation at the end of the year	14.39	8.92

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

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Fair value of plan assets at the beginning of the year	9.13	6.15
Interest income	0.72	0.36
Contributions	7.04	2.90
Mortality charges and taxes	(0.16)	(0.12)
Benefits paid	(0.26)	(0.22)
Return on plan assets, excluding amount recognised in Interest Income - (Loss) / Gain	(0.17)	0.06
Fair value of Plan assets at end of the year	16.30	9.13
Actual return on plan assets	0.54	0.42

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

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Experience gain on plan liabilities	2.47	0.08
Demographic gain on plan liabilities	0.70	-
Financial (loss) / gain on plan liabilities	(0.72)	0.12
Experience gain / (loss) on plan assets	0.13	(0.16)
Financial loss on plan assets	0.04	0.10

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

Amount recognised in the statement of other comprehensive income

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Re-measurement for the year - obligation loss	2.45	0.20

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

Re-measurement for the year - plan assets loss / (gain)	0.17	(0.06)
Total re-measurements cost for the year recognised in other comprehensive income	2.62	0.14

Net Defined Benefit (Asset) for the year

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Defined Benefit Obligation	14.39	8.92
Fair value of plan assets	16.30	9.13
Closing net defined benefit (asset)	(1.91)	(0.21)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Current	(1.91)	(0.21)
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 st March, 2022	As at 31 st March, 2021
Funds managed by insurer	100%	100%

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

Assumptions

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	6.60%	5.70%
Rate of increase in compensation levels	10.00%	10.00%
Expected rate of return on plan assets	5.70%	6.00%
Withdrawal rate	18.00%	22.00%
Expected average remaining working lives of employees (in years)	5.39 *	4.45 *

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

A quantitative sensitivity analysis for significant assumption as at 31st March, 2022 and 31st March, 2021 is as shown below:

Assumptions	Defined benefit obligation			
	As at 31 st March, 2022		As at 31 st March, 2021	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Discount Rate				
Discount Rate	7.60%	5.60%	6.70%	4.70%
Amount	13.68	15.20	8.54	9.34
Salary increment rate				
Salary increment rate	11.00%	9.00%	11.00%	9.00%
Amount	15.02	13.83	9.23	8.63
Withdrawal rate				
Withdrawal rate	19.00%	17.00%	23.00%	21.00%
Amount	14.25	14.56	8.84	9.01

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

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	(₹ in million)	
	As at 31 st March, 2022	As at 31 st March, 2021
Less than 1 year	2.65	2.12
1 to 2 years	1.72	1.23
3 to 5 years	7.46	4.59
More than 5 years	18.41	8.94

43 Revenue from contracts with customers

A. Revenue streams

Particulars	(₹ in million)	
	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Revenue from operations		
Sale of products	6,775.35	5,069.41
Other operating revenue		
Export incentives	62.84	43.71
Scrap sale	3.18	1.16
Sale of electricity	7.49	10.00
	73.51	54.87
Total	6,848.86	5,124.28

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	(₹ in million)	
	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Revenue from contracts with customers		
Ketone with other oxygen function	572.41	499.83
Ether phenols	5,566.61	4,202.77
Others	636.33	366.81
Total revenue	6,775.35	5,069.41

Particulars	(₹ in million)	
	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Timing of revenue recognition		
Goods transferred at a point in time	6,775.35	5,069.41
Goods transferred over time	-	-
Total revenue	6,775.35	5,069.41

44 Leases

The impact of Ind AS 116 on these changes is disclosed below :

A1. Right-of-use assets

Description	(₹ in million)	
	Right-of-use assets	
	Leasehold land	
Balance as at 1 st April, 2020	28.00	
Additions	3.08	

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

Disposals	-
Balance as at 31 st March, 2021	31.08

Balance as at 1st April, 2021	31.08
Additions	110.64
Disposals*	(110.64)
Balance as at 31st March, 2022	31.08

Accumulated depreciation	
Balance as at 1 st April, 2020	0.99
Depreciation for the year	0.34
Depreciation on disposals	-
Balance as at 31 st March, 2021	1.33
Balance as at 1st April, 2021	1.33
Depreciation for the period	0.34
Depreciation on disposals	-
Balance as at 31st March, 2022	1.67

Net block

As at 31st March, 2021	29.75
As at 31st March, 2022	29.41

*Disposal during the year pertains to reclassification of Right-of-use Asset as held for sale in accordance with 'Ind AS 105 - Non current asset held for sale and discontinued operations'. Refer note 16

A2. Lease liabilities

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Current	-	-
Non Current	-	-
Total	-	-

A3. Interest expenses on lease liabilities

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Interest on lease liabilities	-	-

A4. Expenses on short term leases / low value assets

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Short-term lease	1.77	0.40
Low value assets	-	-

A5. Amounts recognised in the statement of cash flow

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Total cash outflow for leases	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

A6. Maturity analysis – contractual undiscounted cash flows

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
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.

45 Investments made through PMS

a) Investments designated at FVTPL comprises the following instruments

(₹ in million)

Investment in equity shares - Quoted	As at 31 st March, 2022	As at 31 st March, 2021
Nil (31 st March, 2021 : 3,084) Birlasoft Limited	-	0.78
Nil (31 st March, 2021 : 2,099) City Union Bank Limited	-	0.33
Nil (31 st March, 2021 : 5,405) Crompton Greaves Consumer Electrical Limited	-	2.12
Nil (31 st March, 2021 : 836) Endurance Technologies Limited	-	1.22
Nil (31 st March, 2021 : 5,959) Equitas Holdings Limited	-	0.52
Nil (31 st March, 2021 : 21,875) I D F C Limited	-	1.04
Nil (31 st March, 2021 : 527) Max Financial Services Limited	-	0.45
Nil (31 st March, 2021 : 4,991) Sbi Cards And Payment Services Limited	-	4.63
Nil (31 st March, 2021 : 708) Sbi Life Insurance Company Limited	-	0.62
Nil (31 st March, 2021 : 156) Schaeffler India Limited	-	0.85
Nil (31 st March, 2021 : 921) Sterlite Technologies Limited	-	0.18
Nil (31 st March, 2021 : 2,088) Tata Communications Limited	-	2.22
827 (31 st March, 2021 : Nil) Coforge Limited	3.69	-
1,558 (31 st March, 2021 : Nil) Deepak Fertilisers And Petrochemicals Corporation Limited	0.87	-
58,770 (31 st March, 2021 : Nil) Idfc First Bank Limited	2.33	-
297 (31 st March, 2021 : Nil) Larsen And Toubro Infotech Limited	1.83	-
45 (31 st March, 2021 : Nil) Oil India Limited	0.01	-
4,322 (31 st March, 2021 : Nil) Sbi Life Insurance Company Limited	4.86	-
60 (31 st March, 2021 : Nil) Schaeffler India Limited	0.12	-
137 (31 st March, 2021 : Nil) Ultratech Cement Limited	0.90	-
Total	14.61	14.96

46 Employee Share Based-Payments

The Company has formulated employee share-based payment schemes with objective to attract and retain talent and align the interest of employees with the Company as well as to motivate them to contribute to its growth and profitability. The Company views employee stock options as instruments that would enable the employees to share the value they create for the Company in the years to come.

At present, following employee share-based payment scheme is in operation, details of which are given below:

Clean Science and Technology Limited Employee Stock Option Scheme - 2021 (CSTL ESOS - 2021):

The Company has instituted equity-settled Clean Science and Technology Employee Stock Option Scheme - 2021 (CSTL ESOS-2021) duly approved by the shareholders in the extra-ordinary general meeting of the Company held on 27th March, 2021, the said CSTL ESOS-2021 was subsequently amended and ratified by shareholders on 17th March, 2022. As per CSTL ESOS-2021, Nomination and Remuneration Committee evaluates the performance and other criteria of employees and approves the grant of options. These options vest with eligible employees over a specified period subject to fulfilment of certain conditions. Under the said plan, the Nomination and Remuneration Committee has granted 55,852 equity-settled stock options on 12th June, 2021 to eligible employees of the Company. The vesting period is minimum one year from the date of grant and maximum 4 years.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

(₹ in million)

Particulars	For the year ended 31 st March, 2022		For the year ended 31 st March, 2021	
	Weighted average exercise price per share per option (₹)	Number of options	Weighted average exercise price per share per option (₹)	Number of options
Opening Balance	-	-	-	-
Granted during the year	500	55,852	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Closing Balance	500	55,852	-	-

Share options outstanding at the end of the period have the following expiry date and exercise prices as on 31st March, 2022 and 31st March, 2021:

Grant date	Expiry date	Exercise price	Options outstanding as at 31 st March, 2022	Options outstanding as at 31 st March, 2021
12-Jun-21	12-Jun-22	500.00	19,726	-
12-Jun-21	12-Jun-23	500.00	12,597	-
12-Jun-21	12-Jun-24	500.00	12,597	-
12-Jun-21	12-Jun-25	500.00	10,932	-
Total			55,852	
Weighted average remaining contractual life of the options outstanding at the end of the year			1.46	

Particulars	1-year vesting	2-year vesting	3-year vesting	4-year vesting
Stock Price per share (₹)	509.33	509.33	509.33	509.33
Standard Deviation (Volatility)	35.54%	34.07%	34.41%	35.35%
Risk-free Rate	5.03%	5.45%	5.76%	6.02%
Exercise Price (₹)	500.00	500.00	500.00	500.00
Time to Maturity (in years)	3.50	4.50	5.50	6.50
Dividend yield	0.31%	0.31%	0.31%	0.31%
Fair value of option (₹)	166.92	188.73	213.60	238.53

Employee benefit expenses to be recognised in the financial statements

The Company has recognised employee stock-based compensation expense of ₹ 4.83 million for the year ended 31st March, 2022 (Previous Year ₹ Nil) in the statement of profit and loss. The corresponding impact is recognised as employee share based payment reserve in Other Equity.

47 Ratio Analysis and its element

(₹ in million)

Ratio	Numerator	Denominator	As at 31 st March, 2022	As at 31 st March, 2021	% Change	Remarks
Current Ratio	Current Assets	Current Liabilities	3.89	3.87	1%	
Debt-Equity Ratio	Total Debt	Shareholders Equity	0.00	0.00	0.00	
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	-	-	-	The Company do not have any external debt, accordingly debt service coverage ratio is nil.
Return on Equity Ratio (%)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	34.93%	44.96%	-22%	
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	3.19	2.83	13%	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	5.95	4.89	22%	

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

Ratio	Numerator	Denominator	As at 31 st March, 2022	As at 31 st March, 2021	% Change	Remarks
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	3.13	2.94	7%	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	1.76	1.75	0%	
Net Profit Ratio (%)	Net Profit After Tax	Net sales = Total sales - sales return	33.38%	38.71%	-14%	
Return on Capital Employed (%)	Earnings before interest, taxes and dividend income	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	38.64%	47.44%	-19%	
Return on Investment (%)	Interest (Finance Income)	Investment	6.54%	7.35%	-11%	

48 Operating Segment

- (a) The Company is exclusive engaged in the business of manufacturing of organic and inorganic chemicals. These in the context of the Ind AS 108 Operating Segments, are considered to constitute one single primary segment. Geographically, primary segment in India and secondary segment is rest of the world, details of which are given below:-

(₹ in million)

Sales revenue	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
India	2,042.31	1,647.10
Rest of the World	4,806.55	3,477.18
	6,848.86	5,124.28
Carrying amount of assets*		
India	607.22	251.83
Rest of the World	928.22	490.42
	1,535.44	742.25
*Segment assets represent trade receivables		
Additions to property, plant and equipment, right-of-use assets and intangible assets		
India	1,348.50	382.32
	1,348.50	382.32

(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:

- For the year ended 31st March, 2022, revenue from operations of one customer of the Company represented approximately 12.50% of revenue from operations.
- For the year ended 31st March, 2021, revenue from operations of one customer of the Company represented approximately 13.28% of revenue from operations.

49 Other Statutory Information

- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- The Company do not have any transactions with companies struck off.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.)

- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- g) The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

50 Details of Corporate social responsibility

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
A. Gross amount required to be spent by the Company during the year	38.41	25.93
B. Amount spent during the year		
a) Construction / acquisition of any asset	-	-
b) on purpose other than (i) on above*	41.15	30.56
Total (B)	41.15	30.56
C. Details related to CSR expenditure spent during the year		
a) Benefit of armed forces veterans	2.50	-
b) Environment sustainability and protection of flora and fauna	2.91	-
c) Promoting health care, facilities for woman, orphans, old day homes and day care centres	22.34	18.06
d) Promoting Education	12.30	12.50
e) Setting up Public Libraries, protection of culture	1.10	-
Total (C)	41.15	30.56
D. Excess CSR expenditure to be carried forward under section 135(5) of the Companies Act (Refer note 15) (B-A)	2.74	-
*includes contribution made to related party CSTPL Foundation amounting to ₹ 0.5 million (Refer note 38)		

51 Initial Public Offer

The Company was incorporated on 7th November, 2003 and in July 2021 the Shareholders of the Company made an offer for sale of 17,184,682 equity shares aggregating to ₹ 15,466.22 million. The equity shares of the Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on 19th July, 2021. The Company has not received any proceeds from the Offer and all such proceeds (net of any Offer related expenses which are borne by Selling Shareholders) have gone to the Selling Shareholders. The Offer has been authorised by resolution of Board of Directors at their meeting held on 20th March, 2021. Further, the Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to the resolution dated 6th April, 2021.

52 Events occurring after Balance Sheet date

In Board Meeting held on 28th May, 2022 Board of Director have recommended, subject to the approval of shareholders, dividend of ₹ 3.25 per equity share of face value of ₹ 1/- each for the year ended 31st March, 2022 on 106,218,960 amounting to ₹ 345.21 million.

As per our report of even date attached

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

Swapnil Dakshindas
Partner
Membership No: 113896

Place: Pune
Date: 28th May, 2022
ICAI UDIN: 22113896AJUFLV4766

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

Ashok Boob
Managing Director
DIN : 0410740

Pratik Bora
Chief Financial Officer

Place : Pune
Date: 28th May, 2022

Krishnakumar Boob
Director
DIN : 0410672

Mahesh Kulkarni
Company Secretary
Membership No: 19364

Place : Pune
Date: 28th May, 2022

Independent Auditor's 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 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 comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive loss), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022 of its consolidated profit and other comprehensive loss, 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 ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Fraud and cut-off risks in revenue recognition

See note 2.5 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>Revenue is recognised when the control over the underlying products has been transferred to the customer.</p> <p>Due to the Holding Company's sales being under various contractual terms across the country and globally, delivery to customers in different regions might take different time periods and may result in undelivered goods at the period end. We consider a risk of misstatement in the Consolidated Financial Statements related to transactions occurring close to the year end, as these transactions could be recorded in the incorrect financial period (cut-off).</p> <p>There is also a risk of revenue being fraudulently overstated due to pressure on the Holding Company to achieve performance targets throughout the period and towards the period end. Accordingly, fraud and cut-off risks in revenue recognition is considered as a key audit matter.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> – Focusing on the Holding Company's revenue recognition for compliance with Ind AS; – Testing the design, implementation and operating effectiveness of the Holding Company's controls on recording revenue. We focused on controls around the timely and accurate recording of sales transactions; – Performing testing on selected statistical samples of revenue transactions recorded during the year. We verified terms of invoices, acknowledged delivery receipts and tested the transit time to deliver the goods. Our tests of detail focused on cut-off samples to verify only revenue pertaining to current year is recognised based on terms set out in sales invoices and delivery documents; – Assessing high risk manual journals posted to revenue to identify any unusual items.

Independent Auditor's Report (Contd.)

Information Other than the 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 consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done / consideration of audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive loss, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

Independent Auditor's Report (Contd.)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) and paragraph (b) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs.7.87 Mn as at 31 March 2022, total revenues (before consolidation adjustments) of Rs. 0.35 Mn and net cash out flows (before consolidation adjustments) amounting to Rs.0.82 Mn for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- (b) The financial statements of One subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 550.92 Mn as at 31 March 2022, total revenues (before consolidation adjustments) of Rs. Nil and net cash In flows (before consolidation adjustments) amounting to Rs. 450.92 Mn for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Independent Auditor's Report (Contd.)

Other Matters (Contd.)

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors and on the consideration of separate financial statement of such subsidiary as was certified by the management, as noted in the "Other Matters" paragraph, 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 consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive loss), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and based on the consideration of the financial statement as certified by the Management for its subsidiary, as noted in the "Other Matters" paragraph:
 - a) There were no pending litigations as at 31 March 2022 which would impact the consolidated financial position of the Group.
 - b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.
 - c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2022.
 - d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in note 49 (e) to the consolidated notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever

Independent Auditor's Report (Contd.)

Report on Other Legal and Regulatory Requirements (Contd.)

by or on behalf of the Holding Company or its subsidiary companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in note 49 (f) to the consolidated notes to accounts, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
 - (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
 - e) As stated in note 50 to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the act to the extent it applies to declaration of dividend.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Swapnil Dakshindas

Partner

Membership No. 113896

ICAI UDIN : 22113896AJUFRO3057

Place: Pune

Dated: 28 May 2022

Independent Auditor's Report (Contd.)

Annexure A to the Independent Auditor's report on Consolidated Financial Statements – 31 March 2022

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Swapnil Dakshindas

Partner

Membership No. 113896

ICAI UDIN : 22113896AJUFRO3057

Place: Pune

Dated: 28 May 2022

Independent Auditor's Report (Contd.)

Annexure B to the Independent Auditor's report on the Consolidated Financial Statements of Clean Science and Technology Limited (Erstwhile Known as Clean Science and Technology Private Limited) for the period ended 31 March 2022.

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 2022, 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").

In our opinion, the Holding 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 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such company 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 Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated 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 consolidated 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 consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to 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 consolidated financial statements includes 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 financial statements.

Independent Auditor's Report (Contd.)

Annexure B to the Independent Auditor's report on the Consolidated Financial Statements of Clean Science and Technology Limited (Erstwhile Known as Clean Science and Technology Private Limited) for the period ended 31 March 2022. (Contd.)

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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

Swapnil Dakshindas

Partner

Membership No. 113896

ICAI UDIN : 22113896AJUFRO3057

Place: Pune

Dated: 28 May 2022

CONSOLIDATED BALANCE SHEET

As at 31st March, 2022

(₹ in million)

	Notes	As at 31 st March, 2022	As at 31 st March, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,923.37	1,826.04
Capital work-in-progress	4	441.27	549.92
Right-of-use asset	3	29.40	29.75
Other Intangible assets	5	4.66	2.68
Financial assets			
(i) Other financial assets	6	25.57	176.19
Income tax assets (net)	33 (c)	13.62	14.38
Other non-current assets	7	105.68	48.84
Total non-current assets		3,543.57	2,647.80
Current assets			
Inventories	8	881.30	528.99
Financial assets			
(i) Investments	9	1,911.15	2,321.13
(ii) Trade receivables	10	1,535.44	742.25
(iii) Cash and cash equivalents	11	578.99	93.44
(iv) Bank balances other than (iii) above	12	167.87	63.37
(v) Other financial assets	13	390.34	97.49
Other current assets	14	127.43	104.70
Asset classified as held for sale	15	110.64	-
Total current assets		5,703.16	3,951.37
Total assets		9,246.73	6,599.17
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	106.22	106.22
Other equity	17	7,578.27	5,290.45
Total equity		7,684.49	5,396.67
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	2.64	3.31
Provisions	19	1.30	3.74
Deferred tax liabilities (net)	33 (d)	209.24	175.69
Total non-current liabilities		213.18	182.74
Current liabilities			
Financial liabilities			
(i) Borrowings	20	0.67	-
(ii) Trade payables	21		
a) Total outstanding dues of micro enterprises and small enterprises		4.96	2.37
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,016.18	607.52
(iii) Other financial liabilities	22	215.51	277.87
Other current liabilities	23	69.81	130.50
Provisions	24	3.99	1.50
Current tax liabilities (net)	33 (c)	37.94	-
Total current liabilities		1,349.06	1,019.76
Total liabilities		1,562.24	1,202.50
Total equity and liabilities		9,246.73	6,599.17
Significant accounting policies	2		

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

Swapnil Dakshindas
Partner
Membership No: 113896

Place: Pune
Date: 28th May, 2022
ICAI UDIN: 22113896AJUFLV4766

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

Ashok Boob
Managing Director
DIN : 0410740

Pratik Bora
Chief Financial Officer

Place: Pune
Date: 28th May, 2022

Krishnakumar Boob
Director
DIN : 0410672

Mahesh Kulkarni
Company Secretary
Membership No: 19364

Place: Pune
Date: 28th May, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2022

(₹ in million)

	Notes	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Income			
Revenue from operations	25	6,848.86	5,124.28
Other income	26	299.73	256.43
Total income		7,148.59	5,380.71
Expenses			
Cost of materials consumed	27	2,451.12	1,378.62
Changes in inventories of finished goods and work-in-progress	28	(204.48)	(142.79)
Employee benefits expense	29	345.45	435.57
Finance costs	30	1.47	0.91
Depreciation and amortisation expense	31	249.18	172.05
Other expenses	32	1,257.89	863.34
Total expenses		4,100.63	2,707.70
Profit before tax		3,047.96	2,673.01
Tax expense:	33		
Current tax		729.46	617.51
Deferred tax		33.55	71.70
Total tax expense		763.01	689.21
Profit for the year (A)		2,284.95	1,983.80
Other comprehensive (loss)/income			
Items that will not be reclassified subsequently to profit or loss			
(i) Remeasurements of defined benefit (asset)		(2.62)	(0.14)
(ii) Income tax relating to remeasurements of defined benefit asset		0.66	0.04
(iii) Equity instruments designated through other comprehensive income		-	28.77
(iv) Income tax related to equity instruments designated through other comprehensive income		-	(2.34)
Total other comprehensive (loss)/income (B)		(1.96)	26.33
Total comprehensive income for the year (A+ B)		2,282.99	2,010.13
Earnings per equity share (in ₹) [Face value ₹ 1/- per share]	34		
Basic		21.51	18.68
Diluted		21.51	18.68
Significant accounting policies	2		

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

Swapnil Dakshindas
Partner
Membership No: 113896

Place: Pune
Date: 28th May, 2022
ICAI UDIN: 22113896AJUFLV4766

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

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DIN : 0410672

Mahesh Kulkarni
Company Secretary
Membership No: 19364

Place : Pune
Date: 28th May, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2022

(a) Equity share capital

(₹ in million)

Particulars	As at 31 st March, 2022		As at 31 st March, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Equity share of ₹ 1 each issues, subscribed and fully paid				
Balance at the beginning of the reporting year	106,218,960	106.22	1,327,737	13.28
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the reporting year	106,218,960	106.22	1,327,737	13.28
Issue of bonus shares	-	-	9,294,159	92.94
Increase due to share split	-	-	95,597,064	-
Balance at the end of the reporting year	106,218,960	106.22	106,218,960	106.22

(b) Other equity

Particulars	Reserves and surplus					Other comprehensive income	Total other equity
	Securities premium	Capital redemption reserve	General reserve	Employee share option reserve	Retained earnings	Equity instruments designated through other comprehensive income	
Balance at 1st April, 2020	61.04	0.88	74.01	-	3,286.58	(14.82)	3,407.69
Total comprehensive income for the year ended 31st March, 2021							
Profit for the year	-	-	-	-	1,983.80	-	1,983.80
Other comprehensive income (net of tax)							
- Remeasurements of defined benefit (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 ₹ 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 to / (from) other reserves (Refer note (i) below)	-	-	-	-	11.61	(11.61)	-
Balance at 31st March, 2021	-	-	42.99	-	5,247.46	-	5,290.45
Balance at 1st April, 2021	-	-	42.99	-	5,247.46	-	5,290.45
Total comprehensive income for the year ended 31st March, 2022							
Profit for the year	-	-	-	-	2,284.95	-	2,284.95
Other comprehensive income (net of tax)							
- Remeasurements of defined benefit (Asset)	-	-	-	-	(1.96)	-	(1.96)
Total comprehensive income	-	-	-	-	2,282.99	-	2,282.99
Employee share based payment reserve	-	-	-	4.83	-	-	4.83
Balance at 31st March, 2022	-	-	42.99	4.83	7,530.45	-	7,578.27

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Contd.)

For the year ended 31st March, 2022

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

Swapnil Dakshindas
Partner
Membership No: 113896

Place: Pune
Date: 28th May, 2022
ICAI UDIN: 22113896AJUFLV4766

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

Ashok Boob
Managing Director
DIN : 0410740

Pratik Bora
Chief Financial Officer

Place : Pune
Date: 28th May, 2022

Krishnakumar Boob
Director
DIN : 0410672

Mahesh Kulkarni
Company Secretary
Membership No: 19364

Place : Pune
Date: 28th May, 2022

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st March, 2022

(₹ in million)

	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
A. Cash flow from operating activities		
Profit before tax	3,047.96	2,673.01
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	249.17	172.05
(Gain) / Loss on sale of property, plant and equipments	(0.13)	3.12
Dividend income	(0.19)	(29.78)
Finance costs (excluding foreign exchange adjustment)	1.47	0.91
Profit on instruments designated through fair value through profit and loss (FVTPL)	(65.74)	(31.27)
Fair value gain on instruments designated through fair value through profit and loss (FVTPL)	(16.98)	(49.25)
Interest income	(21.66)	(11.51)
Interest income on investments measured at amortised cost	(39.24)	(17.94)
Mark to Market gain on forward contract	29.34	28.19
Unrealised foreign exchange differences	(15.70)	(0.80)
Employee Stock Option Scheme expense	4.83	-
Operating profit before working capital changes	3,173.13	2,736.73
Movement in working capital:		
(Increase) in other non-current financial assets	(2.39)	(8.98)
Decrease in other non-current assets	0.68	-
Increase in inventories	(352.31)	(183.10)
Increase in trade receivables	(777.61)	(43.23)
Increase in other current financial assets	(330.42)	(43.02)
Increase in other current assets	(22.73)	(64.83)
(Decrease) / Increase in non-current provisions	(2.44)	0.42
Increase in trade payables	411.29	253.52
Decrease in other current financial liabilities	(73.82)	(17.48)
Decrease in other current liabilities	(60.70)	(42.43)
Increase / (Decrease) in current provisions	0.54	(0.09)
Cash generated from operations	1,963.22	2,587.51
Net income tax paid	(690.77)	(659.06)
Net cash from operating activities (A)	1,272.45	1,928.45
B. Cash flows from investing activities		
Purchase of property, plant and equipment, right-of-use asset, intangible assets and capital work-in-progress, net of capital creditors and advances	(1,396.54)	(844.24)
Sale proceeds of property, plant and equipment	0.50	4.43
Bank deposits mature/(placed) during the year	48.51	(214.05)
Purchase of current investments	(1,713.12)	(3,140.46)
Proceeds from sale of investments	2,245.06	2,276.41
Dividend received	0.19	29.78
Interest received	29.89	20.41
Net cash used in investing activities (B)	(785.51)	(1,867.72)
C. Cash flows from financing activities		
Long-term borrowings accepted during the year	-	0.42
Repayment from current borrowings (net)	-	(24.01)
Interest paid	(1.47)	(0.91)
Transaction costs of increase in share capital	-	(1.24)
Interim dividend paid	-	(33.19)

CONSOLIDATED STATEMENT OF CASH FLOWS (Contd.)For the year ended 31st March, 2022

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Net cash used in financing activities (C)	(1.47)	(58.93)
Net increase in cash and cash equivalents (A+B+C)	485.47	1.80
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	0.08	(0.41)
Cash and cash equivalents at the beginning of the year	93.44	92.05
Cash and cash equivalents at the end of the year	578.99	93.44
Notes:-		
1. Cash and cash equivalents include		
Cash on hand	0.36	0.36
Balances with bank		-
- Current accounts	578.63	93.08
	578.99	93.44
Significant accounting policies	Note 2	

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

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

Swapnil Dakshindas
Partner
Membership No: 113896

Place: Pune
Date: 28th May, 2022
ICAI UDIN: 22113896AJUFLV4766

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

Ashok Boob
Managing Director
DIN : 0410740

Pratik Bora
Chief Financial Officer

Place : Pune
Date: 28th May, 2022

Krishnakumar Boob
Director
DIN : 0410672

Mahesh Kulkarni
Company Secretary
Membership No: 19364

Place : Pune
Date: 28th May, 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2022

1. CORPORATE INFORMATION

Clean Science and Technology Limited (erstwhile known as Clean Science and Technology Private Limited) ('the Holding Company') is a public limited Company domiciled in India and is incorporated under Companies Act, 1956 applicable in India. The shares of the Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on 19th July, 2021. The registered office of the Company is located at Pentagon Towers 4, Magarpatta City, Hadapsar, Pune. The CIN of the Company is L24114PN2003PLC018532.

The Company is engaged in manufacturing and sale of various types of chemicals mainly MEHQ, Guaiacol, 4MAP at its manufacturing plant situated at Kurkumbh MIDC, Daund, Dist: Pune. The Company caters to both domestic and international markets.

The Group's consolidated financial statements for the year ended 31st March, 2022 were approved for issue by the Board of Directors on 28th May, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

The consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Company.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- ii) Asset held for sale measured at lower of carrying amount or fair value less cost to sell;
- iii) Net defined benefit (asset) / liability that are measured at fair value of plan assets less present value of defined benefit obligations.

The accounting policies adopted for preparation and presentation of financial statements have been consistent with the previous year.

The financial statements are presented in ₹ and all values are rounded to the nearest million, upto two places of decimal, unless otherwise stated

2.2 Current and non-current classification of assets and liabilities

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has determined its operating cycle as 12 months.

2.3 Use of judgements, estimates and assumptions

The preparation of the Consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, and disclosure of the contingent liabilities at the end of each reporting period. Such estimates are on a reasonable and prudent basis considering all available information, however, due to uncertainties about these judgments, estimates and assumptions, actual results could differ from estimates. Information about each of these estimates and judgements is included in relevant notes.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 40 – 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 8 – Valuation of inventories
- Note 33 – Recognition of tax expense including deferred tax.
- Note 35 – Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- Note 38 – Impairment of trade receivables.
- Note 41 – Defined benefit obligation: key actuarial assumptions.

Going concern assumption:

These consolidated financial statements of the Group have been prepared on a going concern basis. The management has, 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:

- Expected future operating cash flows based on business projections, and
- 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 31st 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 realisable 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.

2.4 Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31st March, 2022. 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 31st March, 2022. The subsidiaries considered in the consolidated financial statements are summarised below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

In preparing the consolidated financial statements, the Group has used the following key consolidation procedures:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the holding Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the holding Company's investment in each subsidiary and the holding Company's portion of equity of each subsidiary. Business combinations policy explains accounting for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full. However, intragroup losses may indicate an impairment that requires recognition in the Consolidated financial statements. Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit and loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the holding Company of the group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it deconsolidates the subsidiary from the date it ceases control.

- Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively.
- Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

2.5 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).

Interest income or expense is recognised using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

Dividends are recognised in the consolidated statement of profit and loss only when the right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the Group and that the amount of the dividend can be measured reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2.6 Inventories

Inventories are valued at cost or net realisable value whichever is lower after providing for cost of obsolescence. Cost is determined on a FIFO formula.

Raw materials are valued at cost of purchase net of duties (credit availed w.r.t taxes and duties) and includes all expenses incurred in bringing the materials to location of use. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work-in-process and finished goods include conversion costs in addition to the landed cost of raw materials. Finished goods are valued at lower of cost and net realisable value. The net realisable value of the finished goods is determined with reference to the selling prices of related finished goods.

Cost of finished goods and work-in-progress comprises cost of raw material and appropriate fixed production overheads which are allocated on the basis of normal capacity of production facilities and variable production overheads on the basis of actual production of material and after deduction of the realisable value of the by-product.

Raw Materials, Components, Stores, and Spares cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Obsolete and slow-moving inventories are identified and wherever necessary, such inventories are written off/provided during the year.

2.7 Property, plant and equipment

● Recognition and measurement

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.

● 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 which is as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Type of asset	Useful life (No. of years)
Factory Building	30 years
Non - Factory Buildings	60 years
Plant and Machinery	5-20 years
Office Equipment	5 years
Vehicles	8-10 years
Furniture and fixtures	10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Impairments of non-financial assets:

The Group assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.8 Intangible assets

● Recognition and measurement

Intangible assets are recognised when the asset is identifiable, is within the control of the Group, it is probable that the future economic benefits that are attributable to the asset will flow to the Group and cost of the asset can be reliably measured.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets acquired by the Group that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Expenditure on research activities is recognised in the 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 amortised on a straight-line basis over the period of expected future benefits commencing from the date the asset is available for its use.

The management has estimated the useful life for software & licenses as following,

Asset Class	Years
Computer software	5

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

- **Disposal**

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

2.9 Asset held for sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal Group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell except for those assets that are specifically exempt under relevant Ind AS. Once the assets are classified as "Held for sale", those are not subjected to depreciation till disposal.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised.

A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet.

2.10 Employee benefits

- **Short-term employee benefits**

The distinction between short term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Such

benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and are recognised in the period in which the employee renders the related service. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the year. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

The employees of the group are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Group records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the period end.

- **Post-employment benefits**

Defined contribution plans

Contributions to the provident fund and superannuation schemes which is defined contribution scheme, are recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due. Contributions are made in accordance with the rules of the statute and are recognised as expenses when employees render service entitling them to the contributions. The Group has no obligation, other than the contribution payable to the provident fund.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Defined benefit plans

The employees' gratuity scheme is a defined benefit plan which is administered by a trust formed for this purpose through the group schemes of Life Insurance Corporation of India (LIC). The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the period end date, having maturity periods approximating to the terms of related obligations.

Remeasurements 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 recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the period end date, then they are discounted.

2.11 Employee Share-based payments

Equity-settled share-based payments to employees are measured at the fair value of the options at the grant date.

The fair value of option at the grant date is expensed over the respective vesting period in which all of the specified vesting conditions are to be satisfied with a corresponding increase in equity as "Employee Stock Options Account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Employee Stock Options Account" are transferred to the "Retained Earnings".

When the options are exercised, the Company issues new equity shares of the Company of ` 1/- each fully paid-up. The proceeds received and the related balance standing to credit of the Employee Stock Options Account, are credited to share capital (nominal value) and Securities Premium Account.

See Note 45 – Employee Share-based Payments for further details

2.12 Income taxes

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income (OCI).

- **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the period end date in the country where the Group operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

- **Deferred tax**

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the period end date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses

(including unabsorbed depreciation) can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each period end date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each period end date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the period end date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

2.13 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements and stock split in equity shares issued during the year and excluding treasury shares. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares and stock split, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS adjust the figures used in the determination of basic EPS to consider.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.14 Provision and contingent liabilities/assets

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The provisions are measured on an undiscounted basis. Contingent liabilities are obligations arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- present obligation arising from past events, when no reliable estimate is possible.
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

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

2.15 Leases

At inception of a contract, the group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. 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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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.

2.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the Consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.17 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Group at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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.

2.18 Financial instruments

2.18.1 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')

(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 recognised 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 the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Trade receivables.

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each period end date, right from its initial recognition.

For recognition of impairment loss on other financial assets the Group recognises 12 month expected credit losses for all originated or acquired financial assets if at the period end date, the credit risk has not increased significantly since its original recognition. However, if credit risk has increased significantly, lifetime ECL is used. ECL impairment loss allowance (or reversal) recognised in the statement of profit and loss.

2.18.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost. The group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such

upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require specified payments to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as fees receivable under "other financial assets" or as a part of the cost of the investment, depending on the contractual terms.

2.19 Segment reporting

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

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

2.20 Government grants

Grants that compensate the Group for expenses incurred are recognised in Statement of Profit and Loss as other operating income on a systematic basis in the periods in which such expenses are recognised.

Export Incentives

Export incentives under various schemes notified by the government are recognised when no significant uncertainties as to the amount of consideration that would be derived and that the Group will comply with the conditions associated with the grant and ultimate collection exist.

2.21 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of not more than three months, which are subject to an insignificant risk of changes in value.

2.22 Cash flow statement

Cash Flows are reported using the indirect method, whereby net Profit before tax is adjusted for the effects of transactions of a non-cash nature, such as deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. In the statements of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above net of outstanding bank overdrafts as they are considered as integral part of the Group's cash management.

2.23 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 applicable from 1st April, 2022. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

3 Property, Plant and Equipment

(₹ in million)

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 st April, 2021	Additions during the year	Disposals during the year	As at 31 st March, 2022	As at 1 st April, 2021	Charge for the year	Disposals during the year	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022
Land	42.52	-	-	42.52	-	-	-	-	42.52	42.52
Buildings	475.48	449.04	-	924.52	71.28	23.15	-	94.43	404.20	830.09
Plant and equipment	1,948.27	840.23	(7.90)	2,780.60	632.92	209.90	(7.71)	835.11	1,315.35	1,945.49
Research and Development related assets	41.82	17.70	-	59.52	17.82	5.49	-	23.31	24.00	36.21
Furniture and fixtures	21.09	19.45	-	40.54	10.37	2.41	-	12.78	10.72	27.76
Computer	8.37	4.70	-	13.07	5.39	1.91	-	7.30	2.98	5.77
Vehicles	30.66	11.73	(1.10)	41.29	5.59	4.43	(0.92)	9.10	25.07	32.19
Office equipment	3.83	2.72	-	6.55	2.63	0.58	-	3.21	1.20	3.34
Total	2,572.04	1,345.57	(9.00)	3,908.61	746.00	247.87	(8.63)	985.24	1,826.04	2,923.37

(₹ in million)

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 st April, 2020	Additions during the year	Disposals during the year	As at 31 st March, 2021	As at 1 st April, 2020	Charge for the year	Disposals during the year	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st 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	2,212.54	378.22	(18.72)	2,572.04	586.29	170.87	(11.17)	746.00	1,626.25	1,826.04

Right-of-use asset

(₹ in million)

Particulars	Gross Block				Amortisation				Net Block	
	As at 1 st April, 2021	Additions during the year	Disposals during the year	As at 31 st March, 2022	As at 1 st April, 2021	Charge for the year	Disposals during the year	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022
Leasehold land*	31.08	110.64	(110.64)*	31.08	1.33	0.35	-	1.68	29.75	29.40
Total Assets	31.08	110.64	(110.64)	31.08	1.33	0.35	-	1.68	29.75	29.40

*Disposal during the year pertains to reclassification of right-of-use asset as held for sale in accordance with 'Ind AS 105 - Non current asset held for sale and discontinued operations'. Refer note. 15

(₹ in million)

Particulars	Gross Block				Amortisation				Net Block	
	As at 1 st April, 2020	Additions during the year	Disposals during the year	As at 31 st March, 2021	As at 1 st April, 2020	Charge for the year	Disposals during the year	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

4 Capital Work-In-Progress

(₹ in million)

Particulars	As at 1 st April, 2021	Additions during the year	Capitalised during the year	As at 31 st March, 2022
Buildings	219.15	113.89	(214.33)	118.71
Plant and machinery	330.77	322.56	(330.77)	322.56
Total	549.92	436.45	(545.10)	441.27

Particulars	As at 1 st April, 2020	Additions during the year	Capitalised during the year	As at 31 st 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

4(a) CWIP aging Schedule

As at 31st March, 2022

(₹ in million)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	436.45	4.82	-	-	441.27
Projects temporarily suspended	-	-	-	-	-
Total CWIP	436.45	4.82	-	-	441.27

As at 31st March, 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	34.80	499.26	15.86	-	549.92
Projects temporarily suspended	-	-	-	-	-
Total CWIP	34.80	499.26	15.86	-	549.92

4(b) As at 31st March, 2022 no projects under Capital Work in Progress are overdue or has exceeded its cost compared to its original plan.

5 Other intangibles assets (other than internally generated)

(₹ in million)

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 st April, 2021	Additions during the year	Disposals during the year	As at 31 st March, 2022	As at 1 st April, 2021	Charge for the year	Disposals during the year	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022
Computer Software	7.22	2.94	-	10.16	4.54	0.96	-	5.50	2.68	4.66
Total	7.22	2.94	-	10.16	4.54	0.96	-	5.50	2.68	4.66

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 st April, 2020	Additions during the year	Disposals during the year	As at 31 st March, 2021	As at 1 st April, 2020	Charge for the year	Disposals during the year	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

6 Other financial assets - Non - Current

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
(Unsecured, considered good)		
Security Deposit	23.61	21.22
<i>Deposits with original maturity of more than 12 months</i>		
Balances held as margin money/security towards obtaining bank guarantees	1.96	4.97
Deposit with financial institution	-	150.00
Total	25.57	176.19

7 Other non-current assets

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Capital advances	105.68	48.16
Other loans and advances		
VAT credit receivable (net)	-	0.68
Total	105.68	48.84

8 Inventories

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
<i>(valued at lower of cost and net realisable value)</i>		
Raw material [including stock in transit of ₹ 50.87 million (31 st March, 2021 : ₹ 9.33 million)]	220.25	115.28
Work-in-progress	463.95	288.20
Finished goods [including stock in transit of ₹ 73.29 million (31 st March, 2021 : ₹ 62.88 million)]	144.67	115.94
Stores and spares	52.43	9.57
Total	881.30	528.99

9 Investments - Current

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
A. Investments carried at fair value through profit and loss (FVTPL)		
Investment in mutual funds - Quoted		
8,925,949 (31 st March, 2021: Nil) Kotak Equity Arbitrage Fund	282.67	-
937,285 (31 st March, 2021 : 937,285) IIFL Special Opportunities Fund - Series 2	9.21	10.94
1,114,668 (31 st March, 2021 : 1,114,668) Kotak Banking and PSU Debt Fund Direct Growth	60.50	57.43
19,130 (31 st March, 2021 : 19,130) Kotak Corporate Bond Fund Direct Growth	59.93	57.10
Nil (31 st March, 2021 : 174,337) Kotak Money Market Direct Growth New	-	607.35
4,745,188 (31 st March, 2021 : 4,745,188) ICICI Corporate Bond Fund Direct Growth	116.67	111.54
18,972 (31 st March, 2021 : 18,972) Kotak Corporate Bond Fund Direct Growth	59.44	56.62
Nil (31 st March, 2021 : 102,010) Axis Banking & PSU Debt Fund Direct Growth	-	214.00
3,800,757 (31 st March, 2021 : 4,827,546) Kotak Equity Arbitrage Fund Growth	120.37	146.18
Nil (31 st March, 2021 : 3,088,755) IDFC Arbitrage Fund Direct Growth	-	82.65
Nil (31 st March, 2021 : 5,736,044) SBI Saving Fund Direct Growth	-	196.15
2,036,334 (31 st March, 2021 : 2,036,334) Axis Short Term Fund Direct Growth	54.34	51.73

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2,198,209 (31 st March, 2021 : 2,198,209) IDFC Bond Fund Short Term Direct Growth	107.71	103.01
6,367,813 (31 st March, 2021 : 6,367,813) HDFC Banking and PSU Debt Fund Direct Growth	122.00	116.21
1,122,340 (31 st March, 2021 : 1,122,340) Kotak Banking and PSU Debt Fund Direct Growth	60.92	57.83
Nil (31 st March, 2021 : 129,029) Kotak Gilt Fund Direct Growth	-	10.58
Shriram City Union Finance Limited MLD 8.33%	102.39	-
B. Investment in others - Quoted (FVTPL)		
Investments in liquid funds *	153.88	48.28
	1,310.03	1,927.60
* Includes investments in various small denomination instruments which are monitored through Aventus Absolute Return Strategy.		
C. Investments carried at fair value through profit and loss (FVTPL)		
Investment in equity shares - Quoted		
Investment in equity shares *	14.61	14.96
	14.61	14.96
* These investments in equity shares are monitored through Aventus PMS. Refer note 44 for detailed breakup of Investment in equity shares (FVTPL)		
D. Investment at amortised cost		
Investment in bonds - Quoted		
50 (31 st March, 2021 : 50) IIFCL Tax Free Bond	61.83	63.29
50 (31 st March, 2021 : 50) SBI-9.56% (Perpetual Bond)	52.45	52.99
100 (31 st March, 2021 : 100) HDFC Perpetual Bond Fund	107.94	106.14
100 (31 st March, 2021 : 100) SBI-9.37% (Perpetual Bond)	104.84	106.15
40,000 (31 st March, 2021 : 40,000) IRFCL Tax Free Bond	49.24	50.00
100 (31 st March, 2021 : Nil) Cholamandalam Investment and Finance Company Limited NCD 9.20%	53.83	-
100,000 (31 st March, 2021 : Nil) Muthoot Finance NCD 7.51%	106.61	-
100 (31 st March, 2021 : Nil) Piramal Enterprises Limited Comercial Paper 7%	49.77	-
	586.51	378.57
Total	1,911.15	2,321.13
(a) Aggregate book value of quoted investments	1,911.15	2,321.13
(b) Aggregate market value of quoted investments	1,914.26	2,323.44

10 Trade receivables

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
<i>(Unsecured, considered good)</i>		
Receivable from related party		
From firm in which directors are members (refer note 37)	0.03	-
Receivable other than related party		
Unsecured, considered good		
Other parties	1,535.41	742.25
Total	1,535.44	742.25
Breakup of security details		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	1,535.44	742.25
Trade receivables which have significant increase in Credit Risk / credit impaired	-	-
Total	1,535.44	742.25
Less: Loss allowance	-	-
Total trade receivables	1,535.44	742.25

*The Group's exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note no. 38 on financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Trade receivables ageing schedule

As at 31st March, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	1,344.69	190.60	0.03	0.05	0.07	-	1,535.44

As at 31st March, 2021

Particulars	Current but not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	563.44	178.47	0.07	0.04	0.01	0.22	742.25

11 Cash and cash equivalents

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Balance with banks :		
Cash on hand	0.36	0.36
In current account*	578.63	93.08
Total	578.99	93.44

*Includes debit balance of working capital facility amounting to ₹ 56.67 million (31st March, 2021 : ₹ 19.70 million). These balances are not earmarked.

12 Bank balances other than cash and cash equivalents

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Deposit with remaining maturity of less than 12 months	167.87	63.37
Total	167.87	63.37

13 Other current financial assets

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
<i>(Unsecured, considered good)</i>		
Security deposit	30.89	2.27
Advances to employees	0.09	0.34
Balances held as margin money/security towards obtaining bank guarantees	3.02	-
Gratuity fund balance (Refer note 41)	1.91	0.21
MTM Gain on outstanding forward contract not designated as hedge	29.34	28.19
Scripts credit*	11.14	0.19
Interest receivable	1.71	9.95
Other receivables	1.42	1.93
Recoverable expense from shareholders @**	-	54.41
Term deposit with financial institution	210.82	-
Investment in mutual fund pending allotment	100.00	-
Total	390.34	97.49

* Includes scrips purchase during the year

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

@ In relation to the expenses incurred for the Initial Public Offer (offer for sale from existing shareholders) of equity shares of the Company during the year ended 31st 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. As on 31st March, 2022, all IPO Expenses have been recovered. Refer note 48 of consolidated financials statements.

**Includes Auditor's Remuneration related to IPO

Fees	-	7.35
Other advances	-	7.35

14 Other current assets

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Balance with custom authorities	4.92	4.92
Balance with other authorities	12.44	3.02
GST receivable	89.51	84.06
Prepaid expenses	15.86	10.64
CSR pre-spent balance (Refer note 47)	2.74	-
Advance for supply of goods	1.61	1.80
Other advances	0.35	0.26
Total	127.43	104.70

15 Asset classified as held for sale

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Right-of-use asset*	110.64	-
Total	110.64	-

* The Group has classified right-of-use asset (leasehold land) taken from Maharashtra Industrial Development Corporation, Kurkumbh as held for sale, pursuant to management decision to dispose such right-of-use asset. The right-of-use asset is carried at cost in accordance with 'Ind AS 105 - Non current asset held for sale and discontinued operations' being lower than the fair value less cost to sale.

The Company is in process of locating the interested buyer for executing sale transaction.

16 Share capital

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Authorised :		
150,000,000 (31 st March, 2021 : 150,000,000) equity shares of ₹ 1 each. (31 st March, 2021: ₹ 1 each)	150.00	150.00
Total	150.00	150.00
Issued and subscribed and paid up:		
Equity share capital		
106,218,960 (31 st March, 2021 : 106,218,960) equity shares of ₹1 each fully paid-up (31 st March, 2021: ₹ 1 each fully paid-up)	106.22	106.22
Total	106.22	106.22

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Equity share :		
Outstanding at the beginning of the year	106,218,960	1,327,737
Issue of bonus shares	-	9,294,159
Increase due to share split	-	95,597,064
Outstanding at the end of the year	106,218,960	106,218,960

Note on bonus issue and share split

In FY 2020-21, pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 24th December, 2020, the holding company issued and allotted fully paid-up "bonus shares" at par in proportion of seven new equity shares of ₹ 10 each for every one existing fully paid up equity share of ₹ 10 each held as on the record date of 5th February, 2021. Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 25th February, 2021, the holding company undertook a stock split of 10 equity shares of ₹ 1 each for one existing fully paid equity share of ₹ 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

In FY 2019-20, the Board of Directors of the holding company at its meeting held on 20th March, 2020 had approved a proposal to buyback up to 87,990 equity shares of the holding company for an aggregate amount not exceeding ₹ 400 million being 6.22% of total paid up equity share capital of the holding company, at ₹ 4,546 per equity share. Letter of offer was issued to all eligible shareholders holding shares as on 31st December, 2019. The period for tendering the shares for buyback was from 30th March, 2020 to 31st March, 2020. The holding Company bought back 87,990 equity shares for an amount of ₹ 400 million. The equity shares bought back were extinguished on 6th April, 2020. Capital Redemption Reserve was created to the extent of nominal value of equity share capital extinguished of ₹ 0.88 million. Transaction costs (including tax on distributed income to shareholders) ₹ 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 holding company has a single class of equity shares having a par value of ₹ 1 per share as on 31st March, 2022. Accordingly, all equity shares rank equally with regard to dividends and share in the holding Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the holding Company.

On winding up of the holding company, the holders of equity shares will be entitled to receive the residual assets of the holding Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

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

(₹ in million)

Equity shares of ₹ 1 each fully paid (31 st March, 2021: ₹ 1 each fully paid)	As at 31 st March, 2022		As at 31 st March, 2021	
	Number of Shares	% of shareholding	Number of Shares	% of shareholding
1. Mr. Ashok Boob	13,605,652	12.81%	16,316,940	15.36%
2. Ms. Asha Boob	10,444,612	9.83%	13,155,900	12.39%
3. Ashokkumar Ramkishan Sikchi HUF	10,581,763	9.96%	12,093,440	11.39%
4. Mr. Parth Maheshwari	5,909,745	5.56%	6,754,000	6.36%
5. Ms. Nidhi Mohunta J/w Ashok Boob	5,909,745	5.56%	6,754,000	6.36%
6. Ashok Ramnarayan Boob HUF	5,853,538	5.51%	6,689,760	6.30%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Details of shares held by Promoters

Promoter name	No. of Shares as on 31 st March, 2022	% of Total Shares	% Change during the year	No. of Shares as on 31 st March, 2021	% of Total Shares	% Change during the year
Ashok Ramnarayan Boob	13,605,652	12.81	2.55	16,316,940	15.36	-
Krishnakumar Ramnarayan Boob	2,812,000	2.65	2.02	4,957,100	4.67	-
Siddhartha Ashok Sikchi	3,150,425	2.97	0.42	3,600,480	3.39	-
Parth Ashok Maheshwari	5,909,745	5.56	0.8	6,754,000	6.36	-

17 Other equity

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Reserves and surplus		
A. Retained earnings	7,530.45	5,247.46
B. Securities premium	-	-
C. General reserve	42.99	42.99
D. Capital redemption reserve	-	-
E. Equity instruments designated through other comprehensive income	-	-
F. Employee Share Option Reserve	4.83	-
	7,578.27	5,290.45
A. Retained earnings		
Opening balance	5,247.46	3,286.58
Profit for the year	2,284.95	1,983.80
Appropriations		
Interim dividend paid during the year*	-	(33.19)
Transaction costs of increase in share capital	-	(1.24)
Transfer from/to other reserves	-	11.61
Remeasurements of defined benefit (Asset)	(1.96)	(0.10)
Closing balance	7,530.45	5,247.46
*Interim dividend for 2020-21 at ₹ 25 per equity share (31 st March, 2020 : Interim dividend for 2019-20 at ₹ 25 per equity share) prior to issue of bonus shares and stock split.		
B. Securities Premium		
Opening balance	-	61.04
Issue of bonus shares	-	(61.04)
Closing balance	-	-
C. General Reserve		
Opening balance	42.99	74.01
Buyback of shares	-	-
Issue of bonus shares	-	(31.02)
Closing balance	42.99	42.99
D. Capital redemption reserve		
Opening balance	-	0.88
Issue of bonus shares	-	(0.88)
Closing balance	-	-
E. Equity instruments designated through other comprehensive income		
Opening balance	-	(14.82)
Transfer from/(to) other reserves	-	(11.61)
Add/(Less): Fair value changes during the year (net of tax)	-	26.43
Closing balance	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

F. Employee Share Option Reserve		
Opening balance	-	-
Add: Additions during the year (Refer Note 45)	4.83	-
Less: Transfer to securities premium on exercise of stock option	-	-
Closing balance	4.83	-
	7,578.27	5,290.45

18 Borrowings - Non current

(₹ in million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deposits from directors*	2.64	3.31
Total	2.64	3.31

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

19 Provisions - Non current

(₹ in million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits		
Compensated absences	1.30	3.74
Total	1.30	3.74

20 Borrowings - Current

(₹ in million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured		
Deposits from directors*	0.67	-
Total	0.67	-

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

21 Trade payables

(₹ in million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 36)**	4.96	2.37
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises*	1,016.18	607.52
Total	1,021.14	609.89

*Includes dues to related parties (Refer note 37)
**Refer note 36 for disclosures required under MSMED Act

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Trade payable ageing schedule

As at 31st March, 2022

(₹ in million)

Particulars	Current but not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding for MSME due	4.95	0.01	-	-	-	4.96
Total outstanding for other than MSME due	951.84	62.60	1.40	0.34	-	1,016.18

As at 31st March, 2021

(₹ in million)

Particulars	Current but not due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding for MSME due	1.51	0.86	-	-	-	2.37
Total outstanding for other than MSME due	528.58	77.81	0.80	0.33	-	607.52

22 Other financial liabilities

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Employee benefits payable		
Salaries and benefits	20.50	11.65
Bonus payable	73.32	155.99
Payable for purchase of property, plant & equipment (Refer note 36)	121.69	110.23
Total	215.51	277.87

23 Other current liabilities

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Statutory dues payable		
Statutory dues including provident fund and withholding taxes		
TDS and TCS payable	61.38	119.06
Provident fund payable	1.16	0.91
ESIC payable	0.18	0.12
Professional tax payable	0.09	0.06
Advance from customer	7.00	10.35
Total	69.81	130.50

24 Provisions - Current

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Provision for employee benefits		
Compensated absences	3.99	1.50
Total	3.99	1.50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

25 Revenue from operations (Refer note 42)

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Sale of products	6,775.35	5,069.41
Other operating revenue		
Export incentives	62.84	43.71
Scrap sale	3.18	1.16
Sale of electricity	7.49	10.00
	73.51	54.87
Total	6,848.86	5,124.28

26 Other income

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Interest income	21.66	11.51
Interest income on investments measured at amortised cost	39.24	17.94
Dividend income from current investments	0.19	29.45
Dividend income from investments measured at FVTOCI	-	0.33
Net gain on account of foreign exchange fluctuations	140.51	113.53
Profit on sale of instruments designated through fair value through profit and loss (FVTPL)	65.74	31.27
Fair value gain on instruments designated through fair value through profit and loss (FVTPL)	16.98	49.25
Miscellaneous income	15.41	3.15
Total	299.73	256.43

27 Cost of materials consumed

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Raw materials (including purchase components & packing material consumed)		
Opening inventories	115.28	72.14
Add : Purchases	2,556.09	1,421.76
	2,671.37	1,493.90
Less : Closing inventories	220.25	115.28
Total	2,451.12	1,378.62

28 Changes in inventories of finished goods and work-in-progress

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Opening Inventories		
Finished Goods	115.94	60.06
Work-in-progress	288.20	201.29
Total (A)	404.14	261.35
Closing Inventories		
Finished Goods	144.67	115.94
Work-in-progress	463.95	288.20
Total (B)	608.62	404.14
Total (A-B)	(204.48)	(142.79)

29 Employee benefits expense

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Salaries, wages and bonus	320.62	420.67
Contribution to provident and other funds (Refer note 41)	10.76	7.97
Staff welfare expenses	9.24	6.93
Employee Stock Option Scheme expense (Refer note 45)	4.83	-
Total	345.45	435.57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

30 Finance costs

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Interest expense on financial liabilities		
- Working capital loan	0.02	0.04
- Others	1.45	0.87
Total	1.47	0.91

31 Depreciation and amortisation expense

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Depreciation of property, plant and equipment (refer note 3)	247.87	170.87
Depreciation of right-of-use asset (refer note 3)	0.35	0.33
Amortisation of intangible assets (refer note 5)	0.96	0.85
Total	249.18	172.05

32 Other expenses

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Consumption of stores and spares	12.29	8.44
Power and fuel	619.22	349.49
Water charges	12.84	9.97
Repairs and maintenance		
Buildings	13.47	19.27
Machinery	83.73	84.58
Others	31.91	19.43
Insurance	16.52	12.32
Rent	1.77	0.40
Rates and taxes	12.04	5.66
Telephone and other communication expenses	1.86	1.90
Travelling expenses	4.32	3.39
Freight, clearing and forwarding	57.85	55.02
Sales commission	71.02	68.21
Advertising and sales promotion	0.58	0.05
Manpower supply	111.06	99.41
Legal and professional fees	30.01	23.61
Payments to auditors (refer note (a) below)	2.56	2.48
CSR expenses (Refer note 47)	38.42	30.56
Bank charges	2.97	2.35
Effluent treatment plant expenses	29.01	29.28
Printing and stationary	4.31	2.83
Loss on sale of property, plant and equipments	-	3.12
Miscellaneous expenses	100.13	31.57
Total	1,257.89	863.34
(a) Payment to auditors*		
As auditor		
Statutory audit fee	1.65	0.95
In other capacity		
Other services	0.75	1.50
Reimbursement of expenses	0.16	0.03
	2.56	2.48

* Excludes 3.39 million (31st March, 2021 ₹ 7.35 million) towards payment made to the auditors on account of initial public offering of equity shares of face value of Re. 1 each as these expenses have been recovered from selling shareholders in the ratio of their selling shareholding pattern. Also refer note 13 and note 48.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

33 Taxes

(a) Statement of profit and loss

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Current tax:		
Current income tax charge	729.46	617.51
Deferred tax	33.55	71.70
Income tax expense reported in the statement of profit and loss	763.01	689.21

(b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during in the period

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Current tax:		
Taxes on equity instruments through other comprehensive income	-	(0.39)
Remeasurements losses on post employment benefits	0.66	0.04
Deferred tax		
Taxes on equity instruments through other comprehensive income	-	(1.95)
Income tax recognised in OCI	0.66	(2.30)

(c) Balance sheet

Tax assets

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Non- current tax assets	13.62	14.38
Total tax assets	13.62	14.38

Current tax liabilities

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Income tax (net of advance tax)	37.94	-
Total current tax liabilities	37.94	-

(d) Deferred tax

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Deferred tax liabilities (DTL)		
Excess of depreciation/amortisation on property plant and equipment under income tax act	178.59	141.64
MTM Gain on outstanding forward contract not designated as hedge	7.38	18.53
Mutual funds designated at fair value through profit and loss	20.95	14.76
Bonds - Effective interest rate	2.84	-
	209.76	174.93
Deferred tax assets (DTA)		
Provision for employee benefits	(0.52)	(1.26)
Equity instruments measured at fair value	-	2.02
	(0.52)	0.76
Net deferred tax liability	209.24	175.69

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

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Accounting profit before tax	3,047.96	2,673.01
Tax rate	25.17%	25.17%
Tax as per IT Act on above (A)	767.11	672.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Tax expenses (B)		
(i) Current tax	729.46	617.51
(ii) Deferred tax	33.55	71.70
	763.01	689.21
Difference (C)	4.10	(16.41)
Tax reconciliation		
Adjustments:		
Effect of permanent adjustments	(11.64)	8.42
Impact as a result of capital gains included in accounting profit taxed at the applicable rates	4.95	3.96
Others	2.59	4.03
	-	-

(f) Movement in temporary differences:

	1 st April, 2021	Recognised in profit or loss during the year	Recognised in OCI during the year	31 st March, 2022
Deferred tax liabilities (DTL)				
Excess of depreciation/amortisation on property plant and equipment under income tax act	141.64	36.95	-	178.59
MTM Gain on outstanding forward contract not designated as hedge	18.53	(11.15)	-	7.38
Mutual funds designated at fair value through profit and loss	14.76	6.19	-	20.95
Bonds - Effective interest rate		2.84	-	2.84
	174.93	34.83	-	209.76
Deferred tax assets (DTA)				
Provision for employee benefits	(1.26)	0.74	-	(0.52)
Equity instruments measured at fair value	2.02	(2.02)	-	-
	0.76	(1.28)	-	(0.52)
Net deferred tax liability	175.69	33.55	-	209.24

	1 st April, 2020	Recognised in profit or loss during the year	Recognised in OCI during the year	31 st 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	-	-
Equity instruments measured at fair value	(1.95)	2.02	1.95	2.02
	(4.80)	3.60	1.95	0.76
Net deferred tax liability	102.03	71.65	1.95	175.63

34 Earnings Per Share (₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Profits attributable to equity shareholders		
Profit for basic earning per share of ₹ 1 each*		
Profit for the year (in million)	2,284.95	1,983.80

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the year	106,218,960	106,218,960
Basic EPS (₹)	21.51	18.68
Diluted Earnings Per Share		
Profit for diluted earning per share of ₹ 1 each*		
Profit for the year (in million)	2,284.95	1,983.80
Weighted average number of equity shares outstanding during the year for diluted EPS	106,251,390	106,218,960
Diluted EPS (₹)	21.51	18.68

Weighted average number of equity shares for Basic Earnings Per Share	For the year ended 31st March, 2022	For the year ended 31st March, 2021
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 31st March, 2022	For the year ended 31st March, 2021
Balance at the beginning and at the end of the year*	106,251,390	106,218,960
Weighted average number of equity shares outstanding during the year	106,251,390	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.

35 Contingent liabilities, contingent assets and commitments :

(a) Contingent liabilities

Pursuant to recent judgement by the Honorable Supreme Court dated 28th February, 2019, it was held that basic wages, for the purpose of Provident fund, to include special allowances which are common for all employees. However, there is uncertainty with respect to applicability of the Judgement and year from which the same applies. The Group has assessed that there was no impact of the same for current year end since provident fund was already deducted on such special allowance for current year end. Owing the aforesaid, uncertainty and pending clarification from the authorities in this regard, the Group had not recognised any provision for the years prior to 28th February, 2019.

(b) Commitments

(₹ in million)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	23.79	104.04
Toral	23.79	104.04

36 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Principal amount remaining unpaid to any supplier as at the end of the year		
Trade payables	4.96	2.37
Capital creditors	0.09	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Interest due thereon remaining unpaid to any supplier as at the end of the year		
Trade payables	-	-
Capital creditors	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act 2006.	-	-
The amount of payment made to micro and small supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

37 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	Whole Time Director
3	Mr. Krishnakumar Boob	Whole Time Director
4	Mr. Pradeep Rathi	Non-executive Director
5	Ms. Madhu Dubhashi	Independent Director
6	Mr. Sanjay Kothari	Non-executive Director
7	Mr. Ganapati Yadav	Independent Director
8	Mr. Keval Doshi	Independent Director
9	Mr. Pratik Bora	Chief Financial Officer
10	Mr. Mahesh Kulkarni	Company Secretary

Relative of Key Management Personnel

1	Ms. Nandita Sikchi
2	Ashok Ramnarayan Boob HUF
3	Ms. Asha Boob
4	Mr. Parth Maheshwari
5	Mr. Ashok Sikchi
6	Ashokkumar Ramkishan Sikchi HUF
7	Krishnakumar Ramnarayan Boob HUF
8	Mr. Kunal Sikchi
9	Mr. Prasad Boob
10	Ms. Asha Sikchi
11	Ms. Nilima Boob
12	Ms. Nidhi Mohunta
13	Ms. Pooja Navandar
14	Ms. Shradha Boob

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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 Pavers and Tiles
- 3 CSTPL Foundation
- 4 M/s Shree Pavers
- 5 Anantroop Financial Advisory Services Private Limited

(b) Related party transactions:

Key management personnel compensation

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Short-term employee benefits	188.77	322.35
Director sitting fees	3.09	1.01
Total compensation	191.86	323.36

Sr. no	Nature of Transaction	For the year ended 31 st March, 2022			For the year ended 31 st March, 2021		
		Key Management Personnel (KMP)/ Relative of Key Management Personnel	Entities where Key Management Personnel/ Relative of Key Management Personnel has significant influence	Total	Key Management Personnel (KMP)/ Relative of Key Management Personnel	Entities where Key Management Personnel/ Relative of Key Management Personnel has significant influence	Total
1	Purchase of raw material, consumables and spares	-	1.82	1.82	-	2.16	2.16
2	Sale of goods	-	0.11	0.11	-	1.11	1.11
3	Sale of property plant and equipments	-	-	-	3.58	0.23	3.81
4	Donation	-	0.50	0.50	-	7.00	7.00
5	Remuneration to relative of key management personnel- Short-term employee benefits	5.17	-	5.17	4.16	-	4.16
6	Interim dividend paid	-	-	-	31.49	1.63	33.12
7	Expenses incurred for selling shareholder	473.51	29.71	503.22	51.61	2.68	54.29
8	Expenses (recovered) from selling shareholder	(525.12)	(32.39)	(557.51)	-	-	-
9	Unsecured deposit received	5.10	-	5.10	1.71	-	1.71
10	Unsecured deposit (paid)	-	-	-	(1.29)	-	(1.29)
	Total	(41.34)	(0.25)	(41.59)	91.26	14.81	106.07

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

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
a. Purchase of raw material, consumables and spares		
M/s Shree Pavers and Tiles	1.82	2.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
b. Sale of Goods		
M/s Shree Pavers and Tiles	0.11	-
Matrix Fine Sciences Private Limited	-	1.11
c. Sale of property, plant and equipment		
Mr. Ashok Boob	-	0.99
Mr. Sidharth Sikchi	-	1.07
Mr. Krishnakumar Boob	-	1.53
d. Donation to CSTPL Foundation		
	0.50	7.00
e. Remuneration to relative of key management personnel		
Mr. Parth Maheshwari	5.17	4.16
f. Interim dividend paid		
Mr. Ashok Boob	-	5.10
Ms. Asha Boob	-	4.11
Ashokkumar Ramkishan Sikchi HUF	-	3.78
g. Unsecured deposits received		
Mr. Ashok Boob	-	1.04
Mr. Krishnakumar Boob	-	0.67
Mr. Parth Maheshwari	5.10	-
h. Unsecured Deposits (paid)		
Mr. Siddhartha Sikchi	-	(1.29)
i. Key management personnel compensation		
Mr. Ashok Boob	73.74	146.09
Mr. Siddhartha Sikchi	66.37	99.61
Mr. Krishnakumar Boob	44.24	74.71
j. Director Sitting Fees		
Mr. Ganapati Yadav	0.67	0.12
Mr. Pradeep Rathi	0.58	0.23
Mr. Sanjay Kothari	0.56	0.28
Mr. Kewal Doshi	0.70	0.22
Ms. Madhu Dubhashi	0.58	0.16
k. Expenses recovered from selling shareholders		
Mr. Ashok Boob	82.85	8.68
Ms. Asha Boob	82.85	8.68
Mr. Krishnakumar Ramnarayan Boob	65.55	3.23
(d) Balances outstanding at the end of the year:-		
		(₹ in million)
Particulars	As at 31 st March, 2022	As at 31 st March, 2021
a. Trade Receivable / (Payables)		
M/s Shree Pavers and Tiles	0.03	(0.50)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

b. Unsecured deposit		
Mr. Ashok Boob	2.64	2.64
Mr. Krishnakumar Boob	0.67	0.67
Mr. Parth Maheshwari	5.10	-
c. Performance bonus payable (net of TDS)		
Mr. Ashok Boob	27.74	69.85
Mr. Siddhartha Sikchi	24.97	47.65
Mr. Krishnakumar Boob	16.64	35.75
d. Directors remuneration payable (net of TDS)		
Mr. Ashok Boob	1.21	1.17
Mr. Siddhartha Sikchi	1.09	0.80
Mr. Krishnakumar Boob	0.87	0.61
e. Remuneration payable to KMP & Relatives of KMP		
Mr. Parth Maheshwari	0.28	0.18
Mr. Pratik Bora	0.13	0.15
Mr. Mahesh Kulkarni	0.12	0.07
* Refer note 13 and note 48 for the expenses recovered from the selling shareholders		

38 Financial risk management

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors is responsible for developing and monitoring the Group's risk management policies. The board regularly meets to decide its risk management activities. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Group's management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board is also assisted by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

The Group has exposure to the following risks arising from financial instruments:

- credit risk - see note (a) below
- liquidity risk - see note (b) below
- interest rate risk - see note (c) below
- market risk - see note (d) below

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- (i) The Group has not made any provision on expected credit loss on trade receivables and other financial assets, based on the management estimates.
- (ii) Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group's treasury department is responsible for liquidity and funding. In addition policies and procedures relating to such risks are overseen by the management. The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

(₹ in million)

Particulars	As at	As at
	31 st March, 2022	31 st March, 2021
Total current assets (A)	5,703.16	3,951.37
Total current liabilities (B)	1,349.06	1,019.76
Working capital (A-B)	4,354.10	2,931.61

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

	As at 31 st March, 2022			
	Contractual cash flows			
	Carrying value	Less than 1 year	More than 1 year	Total
Borrowings	3.31	0.67	2.64	3.31
Trade payables	1,021.14	1,021.14	-	1,021.14
Other liabilities	215.51	215.51	-	215.51

	As at 31 st 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

(c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. The Group manages its interest rates by selecting appropriate type of borrowings and by negotiation with the bankers.

The exposure of the borrowings (long term and short term) to interest rates charges at the end of the reporting period are as follows:

(₹ in million)

	As at	As at
	31 st March, 2022	31 st March, 2021
Variable rate borrowings	-	-
Fixed rate borrowings	-	-
Total borrowings	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The Company had the following variable and fixed rate borrowings outstanding

	As at 31 st March, 2022		
	Weighted average interest rate	Balance	% of total loans
Cash credit facility	0.00%	-	0.00%
Net exposure to cash flow interest rate risk	0.00%	-	0.00%

	As at 31 st 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%

(d) Market risk

Market risk is the risk that changes with market prices – such as foreign exchange rates and interest rates, which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(e) Foreign currency unhedged exposure :

(i) Financial assets

(₹ in million)

Financial assets	As at 31 st March, 2022		As at 31 st March, 2021	
	Foreign currency	Equivalent amount in rupees (in million)	Foreign currency	Equivalent amount in rupees (in million)
Trade receivables				
USD	11.26	853.74	6.35	466.73
EURO	0.88	74.48	0.28	23.70
Balance with banks - in EEFC accounts				
USD	0.48	36.20	0.82	60.29
EURO	-	-	0.07	5.80
Cash on hand				
USD	0.00	0.03	0.00	0.16
EURO	0.00	0.12	0.00	0.17
CNY	0.00	0.01	0.00	0.01
SGD	0.00	0.01	0.00	0.01
AED	0.00	0.06	0.01	0.10
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
		964.66		556.98

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(ii) Financial liabilities

Financial liabilities	As at 31 st March, 2022		As at 31 st March, 2021	
	Foreign currency	Equivalent amount in rupees (in million)	Foreign currency	Equivalent amount in rupees (in million)
Trade payables				
USD	1.14	86.33	1.14	83.75
EURO	0.00	0.24	0.00	0.12
		86.57		83.87

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

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

(₹ in million)

Currency wise net exposure (Assets - Liabilities)	As at 31 st March, 2022		As at 31 st March, 2021	
	Foreign currency	Equivalent amount in rupees (in million)	Foreign currency	Equivalent amount in rupees (in million)
USD	10.60	803.64	6.03	443.43
EUR	0.88	74.36	0.34	29.54
CNY	0.00	0.01	0.00	0.01
SGD	0.00	0.01	0.00	0.01
AED	0.00	0.06	0.01	0.10
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		878.09		473.10

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

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

Currency	Amount in rupees (in million)		Sensitivity %
	As at 31 st March, 2022	As at 31 st March, 2021	
USD	803.64	443.43	1.00%
EUR	74.36	29.54	1.00%
CNY	0.01	0.01	1.00%
SGD	0.01	0.01	1.00%
AED	0.06	0.10	1.00%
RUB	0.00	0.00	1.00%
IDR	0.00	0.00	1.00%
CHF	0.01	0.01	1.00%
	878.09	473.10	

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

(v) Sensitivity analysis

(₹ in million)

Currency	Impact on profit/equity (1% strengthening)		Impact on profit/equity (1% weakening)	
	Amount in rupees (in million)		Amount in rupees (in million)	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
USD	8.04	4.43	(8.04)	(4.43)
EUR	0.74	0.30	(0.74)	(0.30)
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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in million)

Currency	Impact on profit/equity (1% strengthening)		Impact on profit/equity (1% weakening)	
	Amount in rupees (in million)		Amount in rupees (in million)	
	As at 31 st March, 2022	As at 31 st March, 2021	As at 31 st March, 2022	As at 31 st March, 2021
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	8.78	4.73	(8.78)	(4.73)

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

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

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 COVID19 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.

39 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. The ratio are illustrated below:

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Total liabilities	1,562.24	1,202.50
Less: cash and cash equivalents and bank balances	746.86	156.81
Net debt	815.38	1,045.69
Total equity	7,684.49	5,396.67
Debt-equity ratio	0.11	0.19

40 Fair value measurements

(a) Categories of financial instruments -

(₹ in million)

Particulars	As at 31 st March, 2022				As at 31 st March, 2021			
	Carrying amount	Fair values			Carrying amount	Fair values		
		FVTPL	Amortised cost	Amortised cost		FVTPL	Amortised cost	Amortised cost
Category		Level 1	Level 1	Level 2		Level 1	Level 1	Level 2
Financial assets								
Trade receivables	1,535.44	-	-	1,535.44	742.25	-	-	742.25
Cash and cash equivalents	578.99	-	-	578.99	93.44	-	-	93.44
Other bank balances	167.87	-	-	167.87	63.37	-	-	63.37
Investment in bonds	586.51	-	589.62	-	378.57	-	380.88	-
Investment in mutual funds - Quoted	1,310.03	1,310.03	-	-	1,927.60	1,927.60	-	-
Investment in equity shares - Quoted	14.61	14.61	-	-	14.96	14.96	-	-
Other financial assets	415.91	-	-	415.91	273.68	-	-	273.68
Total financial assets	4,609.36	1,324.64	589.62	2,698.21	3,493.87	1,942.56	380.88	1,172.74
Financial liabilities								

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Particulars	As at 31 st March, 2022				As at 31 st March, 2021			
	Carrying amount	Fair values			Carrying amount	Fair values		
		FVTPL	Amortised cost	Amortised cost		FVTPL	Amortised cost	Amortised cost
Category		Level 1	Level 1	Level 2		Level 1	Level 1	Level 2
Borrowings	3.31	-	-	3.31	3.31	-	-	3.31
Trade payables	1,021.14	-	-	1,021.14	609.89	-	-	609.89
Other financial liabilities	215.51	-	-	215.51	277.87	-	-	277.87
Total financial liabilities	1,239.96	-	-	1,239.96	891.07	-	-	891.07

(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 amortised 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.

41 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 ₹ 8.03 million (31st March, 2021 : ₹ 5.94 million).

B. Defined Benefit Plans

Gratuity

The Group has defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. These benefits are funded with an insurance company.

Risk exposure and asset liability matching Provision of a defined benefit scheme poses certain risks, some of which are detailed hereunder, as companies take on uncertain long term obligations to make future benefit payments.

1) Liability Risks

a. Asset Liability Mismatch risk Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Group is successfully able to neutralise valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

b. Discount Rate Risk

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

c. Future Salary Escalation and Inflation Risk

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

2) Asset Risks

All plan assets are maintained in a trust fund managed by a public sector insurer viz; LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The company has opted for a traditional fund wherein all assets are invested primarily in risk averse markets. The company has no control over the management of funds but this option provides a high level of safety for the total corpus. A single account is maintained for both the investment and claim settlement and hence 100% liquidity is ensured. Also interest rate and inflation risk are taken care of.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss, the funded status and amounts recognised in balance sheet for the plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Net employee benefit expense on account of gratuity recognised in employee benefit expenses

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Current service cost	2.79	2.01
Net interest (Income)/ Expense	(0.21)	0.02
Net benefit expense	2.58	2.03

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

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Projected benefit obligation at the beginning of the year	8.92	6.56
Interest cost	0.50	0.39
Current service cost	2.79	2.01
Benefits paid	(0.26)	(0.23)
Remeasurements on obligation - Loss	2.44	0.19
Present value of obligation at the end of the year	14.39	8.92

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

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Fair value of plan assets at the beginning of the year	9.13	6.15
Interest income	0.72	0.36
Contributions	7.04	2.90
Mortality charges and taxes	(0.16)	(0.12)
Benefits paid	(0.26)	(0.22)
Return on plan assets, excluding amount recognised in Interest Income - (Loss) / Gain	(0.17)	0.06
Fair value of Plan assets at end of the year	16.30	9.13
Actual return on plan assets	0.54	0.42

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

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Experience gain on plan liabilities	2.47	0.08
Demographic gain on plan liabilities	0.70	-
Financial (loss) / gain on plan liabilities	(0.72)	0.12
Experience gain / (loss) on plan assets	0.13	(0.16)
Financial loss on plan assets	0.04	0.10

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

Amount recognised in the statement of other comprehensive income

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Re-measurement for the year - obligation loss	2.45	0.20
Re-measurement for the year - plan assets loss / (gain)	0.17	(0.06)
Total re-measurements cost for the year recognised in other comprehensive income	2.62	0.14

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Net Defined Benefit (Asset) for the year

(₹ in million)

Particulars	As at	As at
	31 st March, 2022	31 st March, 2021
Defined Benefit Obligation	14.39	8.92
Fair value of plan assets	16.30	9.13
Closing net defined benefit (asset)	(1.91)	(0.21)

Particulars	As at	As at
	31 st March, 2022	31 st March, 2021
Current	(1.91)	(0.21)
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	As at
	31 st March, 2022	31 st March, 2021
Funds managed by insurer	100%	100%

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

Assumptions

(₹ in million)

Particulars	As at	As at
	31 st March, 2022	31 st March, 2021
	%	%
Mortality table	IALM(2012-14) ult	IALM(2012-14) ult
Discount rate	6.60%	5.70%
Rate of increase in compensation levels	10.00%	10.00%
Expected rate of return on plan assets	5.70%	6.00%
Withdrawal rate	18.00%	22.00%
Expected average remaining working lives of employees (in years)	5.39 *	4.45 *

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

A quantitative sensitivity analysis for significant assumption as at 31st March, 2022 and 31st March, 2021 is as shown below:

Assumptions	Defined benefit obligation			
	As at 31 st March, 2022		As at 31 st March, 2021	
	Increase by 100 basis points	Decrease by 100 basis points	Increase by 100 basis points	Decrease by 100 basis points
Discount Rate				
Discount Rate	7.60%	5.60%	6.70%	4.70%
Amount	13.68	15.20	8.54	9.34
Salary increment rate				
Salary increment rate	11.00%	9.00%	11.00%	9.00%
Amount	15.02	13.83	9.23	8.63
Withdrawal rate				
Withdrawal rate	19.00%	17.00%	23.00%	21.00%
Amount	14.25	14.56	8.84	9.01

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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:

(₹ in million)

Duration of defined benefit payments	As at 31 st March, 2022	As at 31 st March, 2021
Less than 1 year	2.65	2.12
1 to 2 years	1.72	1.23
3 to 5 years	7.46	4.59
More than 5 years	18.41	8.94

42 Note 42: Revenue from contracts with customers

A. Revenue streams

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Revenue from operations		
Sale of products	6,775.35	5,069.41
Other operating revenue		
Export incentives	62.84	43.71
Scrap sale	3.18	1.16
Sale of electricity	7.49	10.00
	73.51	54.87
Total	6,848.86	5,124.28

Disaggregation of revenue streams

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

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Revenue from contracts with customers		
Ketone with other oxygen function	572.41	499.83
Ether phenols	5,566.61	4,202.77
Others	636.33	366.81
Total revenue	6,775.35	5,069.41

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Timing of revenue recognition		
Goods transferred at a point in time	6,775.35	5,069.41
Goods transferred over time	-	-
Total revenue	6,775.35	5,069.41

43 Leases

The impact of Ind AS 116 on these changes is disclosed below :

A1. Right-of-use assets

(₹ in million)

Description	Right-of-use assets Leasehold land
Balance as at 1 st April, 2020	28.00
Additions	3.08
Disposals	-
Balance as at 31 st March, 2021	31.08

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Description	Right-of-use assets Leasehold land
Balance as at 1 st April, 2021	31.08
Additions	110.64
Disposals*	(110.64)
Balance as at 31 st March, 2022	31.08
Accumulated depreciation	
Balance as at 1 st April, 2020	1.00
Depreciation for the year	0.33
Depreciation on disposals	-
Balance as at 31 st March, 2021	1.33
Balance as at 1 st April, 2021	1.33
Depreciation for the period	0.35
Depreciation on disposals	-
Balance as at 31 st March, 2022	1.68
Net block	
As at 31st March, 2021	29.75
As at 31st March, 2022	29.40
*Disposal during the year pertains to reclassification of right-of-use asset as held for sale in accordance with 'Ind AS 105 - Non current asset held for sale and discontinued operations'. Refer note 15	

A2. Lease liabilities

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Current	-	-
Non Current	-	-
Total	-	-

A3. Interest expenses on lease liabilities

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Interest on lease liabilities	-	-

A4. Expenses on short term leases / low value assets

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Short-term lease	1.77	0.40
Low value assets	-	-

A5. Amounts recognised in the statement of cash flow

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Total cash outflow for leases	-	-

A6. Maturity analysis – contractual undiscounted cash flows

(₹ in million)

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Less than one year	-	-
One to five years	-	-
More than five years	-	-
Total undiscounted lease liabilities	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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.

44 Investments made through PMS

Investments designated at FVTPL comprises the following instruments

(₹ in million)

Investment in equity shares - Quoted	As at 31 st March, 2022	As at 31 st March, 2021
Nil (31 st March,2021 : 3,084) Birlasoft Limited	-	0.78
Nil (31 st March,2021 : 2,099) City Union Bank Limited	-	0.33
Nil (31 st March,2021 : 5,405) Crompton Greaves Consumer Electrical Limited	-	2.12
Nil (31 st March,2021 : 836) Endurance Technologies Limited	-	1.22
Nil (31 st March,2021 : 5,959) Equitas Holdings Limited	-	0.52
Nil (31 st March,2021 : 21,875) I D F C Limited	-	1.04
Nil (31 st March,2021 : 527) Max Financial Services Limited	-	0.45
Nil (31 st March,2021 : 4,991) Sbi Cards And Payment Services Limited	-	4.63
Nil (31 st March,2021 : 708) Sbi Life Insurance Company Limited	-	0.62
Nil (31 st March,2021 : 156) Schaeffler India Limited	-	0.85
Nil (31 st March,2021 : 921) Sterlite Technologies Limited	-	0.18
Nil (31 st March,2021 : 2,088) Tata Communications Limited	-	2.22
827 (31 st March,2021 : Nil) Coforge Limited	3.69	-
1,558 (31 st March,2021 : Nil) Deepak Fertilisers And Petrochemicals Corporation Limited	0.87	-
58,770 (31 st March,2021 : Nil) Idfc First Bank Limited	2.33	-
297 (31 st March,2021 : Nil) Larsen And Toubro Infotech Limited	1.83	-
45 (31 st March,2021 : Nil) Oil India Limited	0.01	-
4,322 (31 st March,2021 : Nil) Sbi Life Insurance Company Limited	4.86	-
60 (31 st March,2021 : Nil) Schaeffler India Limited	0.12	-
137 (31 st March,2021 : Nil) Ultratech Cement Limited	0.90	-
Total	14.61	14.96

45 Employee Share Based-Payments

The holding company has formulated employee share-based payment schemes with objective to attract and retain talent and align the interest of employees with the Company as well as to motivate them to contribute to its growth and profitability. The holding company views employee stock options as instruments that would enable the employees to share the value they create for the holding company in the years to come.

At present, following employee share-based payment scheme is in operation, details of which are given below:

Clean Science and Technology Limited Employee Stock Option Scheme - 2021 (CSTL ESOS - 2021):

The holding company has instituted equity-settled Clean Science and Technology Limited Employee Stock Option Scheme - 2021 (CSTL ESOS-2021) duly approved by the shareholders in the extra-ordinary general meeting of the Company held on 27th March, 2021, the said CSTL ESOS-2021 was subsequently amended and ratified by shareholders on 17th March, 2022. As per CSTL ESOS-2021, Nomination and Remuneration Committee evaluates the performance and other criteria of employees and approves the grant of options. These options vest with eligible employees over a specified period subject to fulfilment of certain conditions. Under the said plan, the Nomination and Remuneration Committee has granted 55,852 equity-settled stock options on 12th June, 2021 to eligible employees of the holding company. The vesting period is minimum one year from the date of grant and maximum 4 years.

(₹ in million)

Particulars	For the year ended 31 st March, 2022		For the year ended 31 st March, 2021	
	Weighted average exercise price per share per option (₹)	Number of options	Weighted average exercise price per share per option (₹)	Number of options
Opening Balance	-	-	-	-
Granted during the year	500	55,852	-	-
Forfeited during the year	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Closing Balance	500	55,852	-	-

Share options outstanding at the end of the period have the following expiry date and exercise prices as on 31st March, 2022 and 31st March, 2021:

Grant date	Expiry date	Exercise price	Options outstanding as at 31 st March, 2022	Options outstanding as at 31 st March, 2021
12-Jun-21	12-Jun-22	500.00	19,726	-
12-Jun-21	12-Jun-23	500.00	12,597	-
12-Jun-21	12-Jun-24	500.00	12,597	-
12-Jun-21	12-Jun-25	500.00	10,932	-
Total			55,852	-
Weighted average remaining contractual life of the options outstanding at the end of the year			1.46	

Particulars	1-year vesting	2-year vesting	3-year vesting	4-year vesting
Stock Price per share (₹)	509.33	509.33	509.33	509.33
Standard Deviation (Volatility)	35.54%	34.07%	34.41%	35.35%
Risk-free Rate	5.03%	5.45%	5.76%	6.02%
Exercise Price (₹)	500.00	500.00	500.00	500.00
Time to Maturity (in years)	3.50	4.50	5.50	6.50
Dividend yield	0.31%	0.31%	0.31%	0.31%
Fair value of option (₹)	166.92	188.73	213.60	238.53

Employee benefit expenses to be recognised in the financial statements

The holding company has recognised employee stock-based compensation expense of ₹ 4.83 million for the year ended 31st March, 2022 (Previous Year ₹ Nil) in the statement of profit and loss. The corresponding impact is recognised as employee share based payment reserve in Other Equity.

46 Operating Segment

(a) The Group is exclusive engaged in the business of manufacturing of organic and inorganic chemicals. These in the context of the Ind AS 108 Operating Segments, are considered to constitute one single primary segment. Geographically, primary segment in India and secondary segment is rest of the world, details of which are given below:-

(₹ in million)

Sales revenue	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
India	2,042.31	1,647.10
Rest of the World	4,806.55	3,477.18
	6,848.86	5,124.28
Carrying amount of assets*		
India	607.22	251.83
Rest of the World	928.22	490.42
	1,535.44	742.25
*Segment assets represent trade receivables		
Additions to property, plant and equipment, right-of-use assets and intangible assets		
India	1,348.51	382.32
	1,348.51	382.32

(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:

- For the year ended 31st March, 2022, revenue from operations of one customer of the Group represented approximately 12.50% of the Group's revenue from operations.
- For the year ended 31st March, 2021, revenue from operations of one customer of the Group represented approximately 13.28% of the Group's revenue from operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

47 Details of Corporate social responsibility

(₹ in million)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
A. Gross amount required to be spent by the Company during the year	38.41	25.93
B. Amount spent during the year		
i) Construction / acquisition of any asset	-	-
ii) on purpose other than (i) on above*	41.15	30.56
Total (B)	41.15	30.56
C. Details related to CSR expenditure spent during the year		
a) Benefit of armed forces veterans	2.50	-
b) Environment sustainability and protection of flora and fauna	2.91	-
c) Promoting health care, facilities for woman, orphans, old day homes and day care centres	22.34	18.06
d) Promoting Education	12.30	12.50
e) Setting up Public Libraries, protection of culture	1.10	-
Total (C)	41.15	30.56
D. Excess CSR expenditure to be carried forward under section 135(5) of the Companies Act (Refer note 14) (B-A)	2.74	-
*includes contribution made to related party CSTPL Foundation amounting to Rs 0.5 million (Refer note 37)		

48 Initial Public Offer

The holding Company was incorporated on 7th November, 2003 and in July 2021 the Shareholders of the holding Company made an offer for sale of 17,184,682 equity shares aggregating to ₹ 15,466.22 million. The equity shares of the holding Company got listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) on 19th July, 2021. The holding Company has not received any proceeds from the Offer and all such proceeds (net of any Offer related expenses which are borne by Selling Shareholders) have gone to the Selling Shareholders. The Offer has been authorized by resolution of Board of Directors at their meeting held on 30th March, 2021. Further, the Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to the resolution dated 06th April, 2021.

49 Other Statutory Information

- a) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property
- b) The Group do not have any transactions with companies struck off.
- c) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- d) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- e) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- f) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- g) The Group have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

50 Events occurring after Balance Sheet date

In Board Meeting held on 28th May, 2022 Board of Director have recommended, subject to the approval of shareholders, dividend of ₹ 3.25 per equity share of face value of ₹ 1/- each for the year ended 31st March, 2022 on 106,218,960 amounting to ₹ 345.21 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

51 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 st March, 2022	As at 31 st March, 2021
Direct Subsidiary				
1	Clean Science Private Limited	India	100%	100%
2	Clean Aromatics Private Limited	India	100%	100%
3	Clean Organics Private Limited	India	100%	100%
4	Clean Fino-Chem Limited	India	100%	-

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

(₹ in million)

As at 31 st March, 2022									
Sr. No.	Name of Subsidiary	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	₹ million	As % of consolidated profit or (loss)	₹ million	As % of consolidated other comprehensive income	₹ million	As % of consolidated total comprehensive income	₹ million
Parent Company									
1	Clean Science and Technology Limited	100.06%	7,689.08	100.04%	2,286.06	100%	(1.96)	100.05%	2,284.10
Domestic Company									
1	Clean Science Private Limited	-0.04%	(3.11)	0.01%	0.19	0%	-	0.01%	0.19
2	Clean Aromatics Private Limited	0.00%	(0.11)	0.00%	(0.04)	0%	-	0.00%	(0.04)
3	Clean Organics Private Limited	0.00%	(0.15)	0.00%	(0.04)	0%	-	0.00%	(0.04)
4	Clean Fino-Chem Limited	-0.02%	(1.22)	-0.05%	(1.22)	0%	-	-0.05%	(1.22)
Total		100.00%	7,684.49	100.00%	2,284.95	100.00%	(1.96)	100.00%	2,282.99

(₹ in million)

As at 31 st 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	₹ million	As % of consolidated profit or (loss)	₹ million	As % of consolidated other comprehensive income	₹ million	As % of consolidated total comprehensive income	₹ million
Parent Company									
1	Clean Science and Technology Limited	100.06%	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

Swapnil Dakshindas

Partner

Membership No: 113896

Place: Pune

Date: 28th May, 2022

ICAI UDIN: 22113896AJUFLV4766

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

Ashok Boob

Managing Director

DIN : 0410740

Pratik Bora

Chief Financial Officer

Place : Pune

Date: 28th May, 2022

Krishnakumar Boob

Director

DIN : 0410672

Mahesh Kulkarni

Company Secretary

Membership No: 19364

Place : Pune

Date: 28th May, 2022



Clean Science and Technology Limited

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