



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

**20.10.2022**

To,

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

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

Dear Sir/Madam,

**Subject: Investor Presentation.**

In accordance with Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Financial Results presentation for quarter and half year ended 30<sup>th</sup> September, 2022.

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

You are requested to take the same on record.

Thanking You.

**For Clean Science and Technology Limited**

**Mahesh Kulkarni**  
**Company Secretary**

Encl: As above

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

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CIN: L24114PN2003PLC018532



# Clean Science and Technology Ltd.

## Investor Presentation

Q2 FY2023 | October 2022



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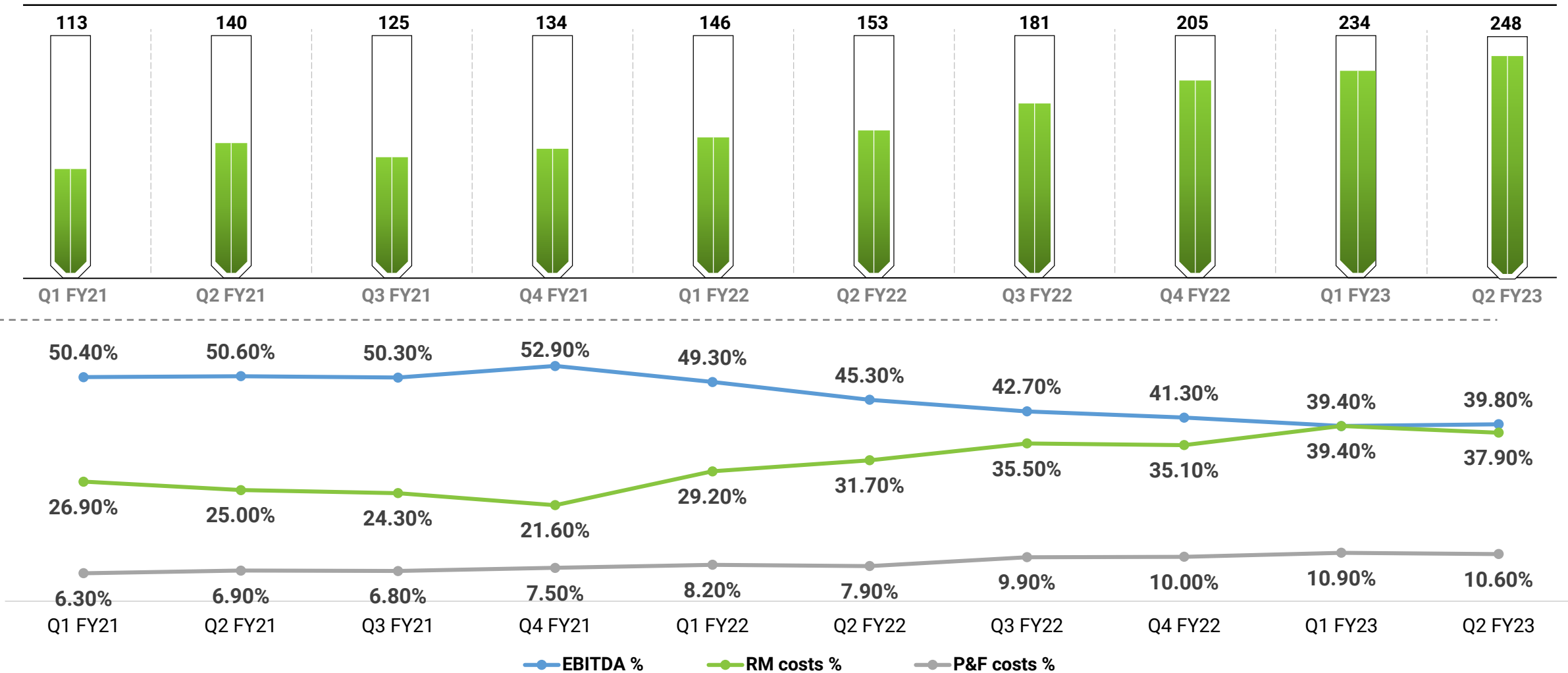


# Q2 FY 2023 & H1 FY 2023 Update



Revenue growth intact; EBITDA margins stabilized on Q-o-Q basis but input prices continue to remain volatile

## 2x revenue over last 2 years



### CAPEX/INVESTMENT UPDATE

- Incurred total cash capex of ~ Rs. 62 crores during H1 FY23
- Investment in subsidiary of Rs. 65 crores during H1 FY23

Note: RM - raw material; P&F - power & fuel

## Q2 FY23 and H1 FY23 P&L OVERVIEW

Sustained revenue growth and meaningful profitability margins; input prices continue to remain short term concern



P&L (INR Crore)	Q2 FY 2023	Q1 FY 2023	Q-o-Q (%)	Q2 FY 2022	Y-o-Y (%)	H1 FY 2023	H1 FY 2022	Y-o-Y (%)
Sale of products	245.0	232.0	6%	151.7	62%	477.0	296.3	61%
Other operating income	2.5	2.1		1.5		4.6	3.2	
<b>Total Revenue</b>	<b>247.5</b>	<b>234.1</b>	<b>6%</b>	<b>153.2</b>	<b>62%</b>	<b>481.6</b>	<b>299.5</b>	<b>61%</b>
Raw material expenses	92.7	91.3	2%	48.0	93%	184.1	90.2	104%
Raw material %	37.9%	39.4%		31.7%		38.6%	30.4%	
Other operating expenses	57.2	51.4	11%	36.4	57%	108.6	69.2	57%
<b>EBITDA</b>	<b>97.5</b>	<b>91.3</b>	<b>7%</b>	<b>68.7</b>	<b>42%</b>	<b>188.9</b>	<b>140.1</b>	<b>35%</b>
EBITDA %	39.8%	39.4%		45.3%		39.6%	47.3%	
Depreciation expenses	8.7	8.5	3%	6.1	42%	17.1	11.9	44%
Other Income *	3.1	10.9		8.6		14.0	15.1	
<b>Profit before tax (PBT)</b>	<b>91.9</b>	<b>93.8</b>	<b>(2)%</b>	<b>71.2</b>	<b>29%</b>	<b>185.7</b>	<b>143.3</b>	<b>30%</b>
PBT %	37.5%	40.4%		47.0%		38.9%	48.4%	
<b>Profit after tax (PAT)</b>	<b>68.3</b>	<b>70.5</b>	<b>(3)%</b>	<b>53.5</b>	<b>28%</b>	<b>138.7</b>	<b>108.1</b>	<b>28%</b>
PAT%	27.9%	30.4%		35.3%		29.1%	36.5%	

Note: \* Other Income related to CFCL of INR 0.7 Cr and INR 9.4 Cr in Q2 FY23 and Q1 FY23 respectively

# H1 FY 2023: BALANCE SHEET SUMMARY

Debt free balance sheet with cash surplus of ~INR 235 Crores; strong return ratios

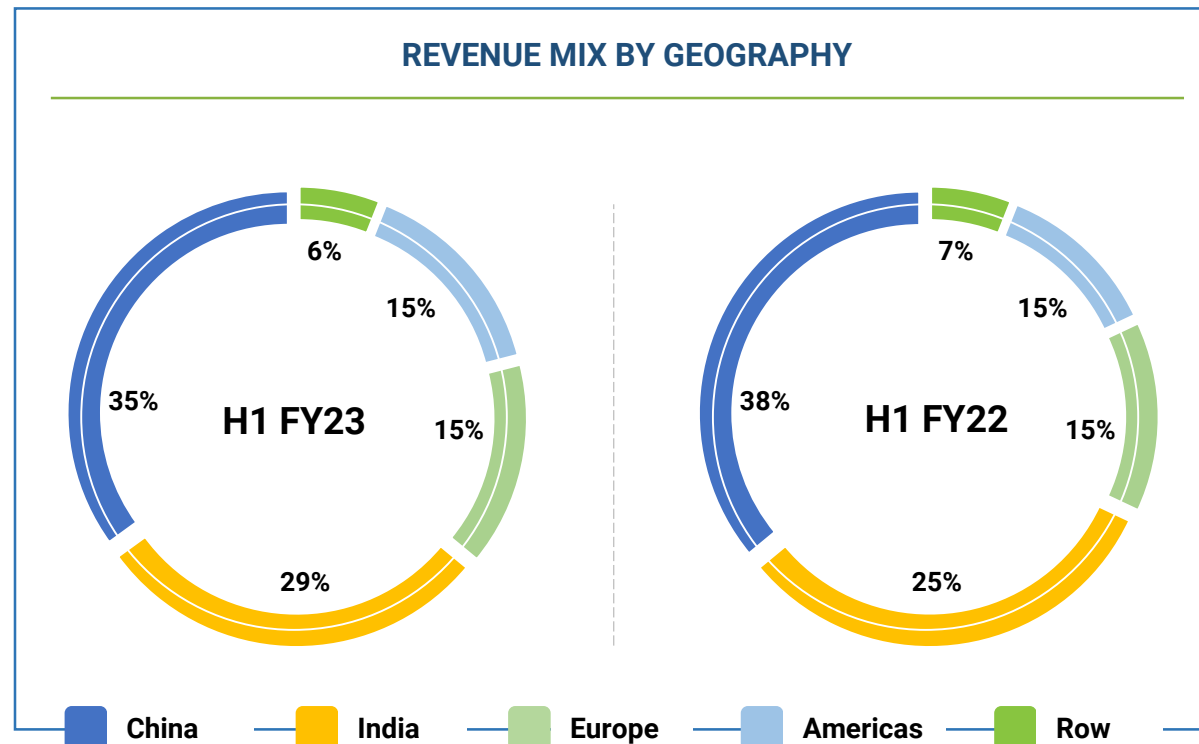
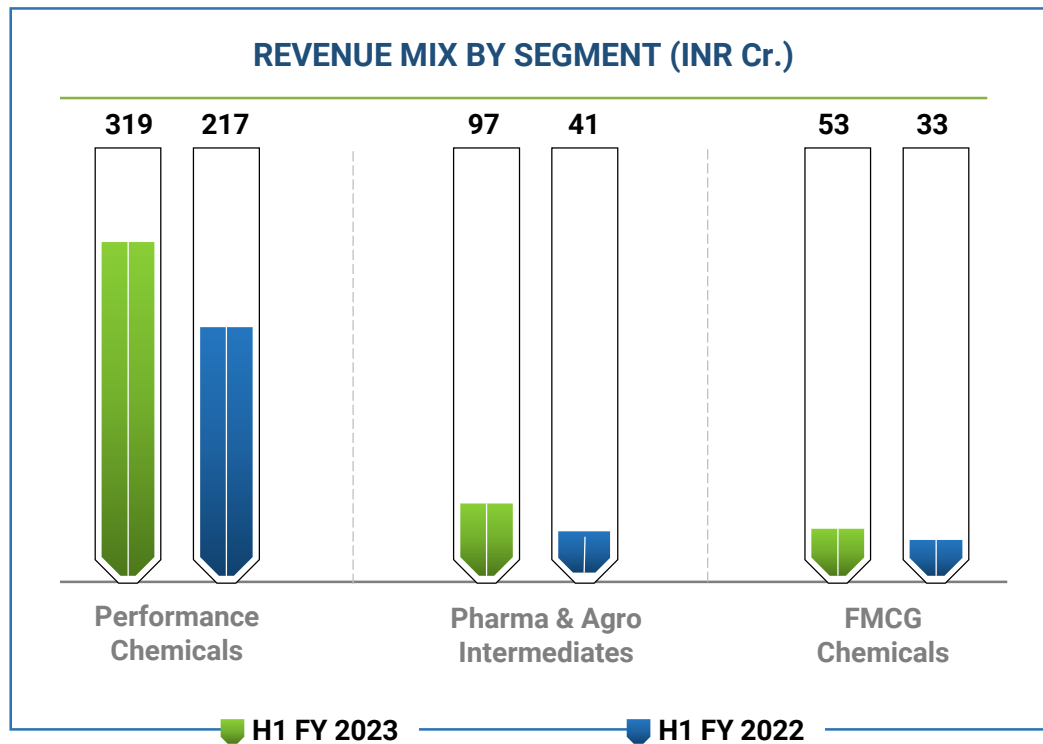


In INR Crore	As at 30-September-2022	As at 31-March-2022
<b>Assets</b>		
<b>Non-current assets</b>		
Fixed Assets	323.7	292.3
Capital work-in-progress	41.8	44.1
Right of use asset	2.9	2.9
Other non-current assets	139.9	61.2
<b>Total non-current assets</b>	<b>508.4</b>	<b>400.6</b>
<b>Current assets</b>		
Inventories	100.3	88.1
Investments	210.4	190.4
Trade receivables	164.9	153.5
Cash and bank balances	26.1	29.5
Other current assets	20.3	62.8
<b>Total current assets</b>	<b>521.9</b>	<b>524.4</b>
<b>Total Assets</b>	<b>1,030.3</b>	<b>925.0</b>
<b>Equity and Liabilities</b>		
<b>Net-worth</b>	<b>874.2</b>	<b>768.9</b>
<b>Non-current liabilities</b>		
Borrowings	0.7	0.3
Provisions	0.1	0.1
Deferred tax liabilities (net)	18.5	20.9
<b>Total non-current liabilities</b>	<b>19.3</b>	<b>21.3</b>
<b>Current liabilities</b>		
Trade payables	82.4	102.1
Other current liabilities	54.4	32.7
<b>Total current liabilities</b>	<b>136.8</b>	<b>134.8</b>
<b>Total Equity and Liabilities</b>	<b>1,030.3</b>	<b>925.0</b>

Key ratios	H1 FY2023	FY 2022
<b>Return on Net Worth</b>	<b>31.7%</b>	<b>29.7%</b>
<b>Return on Capital Employed</b>	<b>54.8%</b>	<b>51.5%</b>
<b>Net Fixed asset turnover (times)</b>	<b>2.9x</b>	<b>2.3x</b>
<b>Net working capital days</b>	<b>69</b>	<b>59</b>

# REVENUE PROFILE – H1 FY 2023

Strong revenue growth across all segments and geographies



**Performance chemicals** - Contributing 67% of revenues | Increased realizations and volume growth across all products.



**Pharma & Agro Intermediates** - Contributing 20% of revenues | Increased volume offtake across products | Strong growth in DCC and Guaiacol



**FMCG chemicals** - Contributing 11% of revenues | Strong growth in 4-MAP

- Exports continue to be key growth driver (Y-o-Y growth of 52%)
- Continued de-risking of geographical revenue aided by new customer additions





# Corporate presentation



- Among the few global organisations focused on developing ingenious technologies with unique, innovative, sustainable, and cost-effective catalytic manufacturing processes
- Globally, among the largest manufacturers of certain chemicals developed in-house.

**500+** Global  
and domestic customers across  
**30+** countries

**1,000+** Strong team  
(**10%** women)

**16+** Accreditation &  
Certifications

**Zero Debt** Company

**Sustainability** and  
**ESG** deeply ingrained in our  
philosophy

**70%** revenues from exports

**3** manufacturing units with  
**42,000 MTPA** combined  
capacity

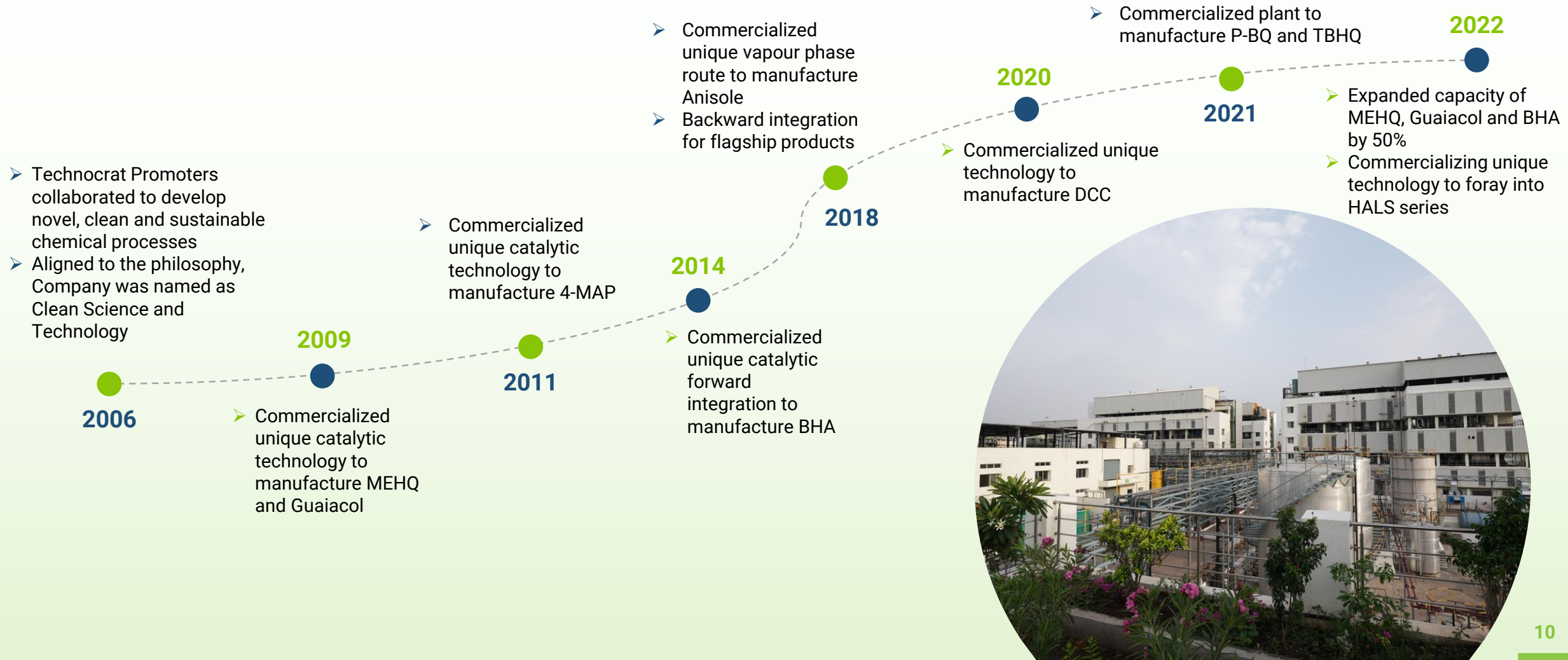
**70+** Scientists over  
**4** R&D facilities

# COMPANY EVOLUTION

Continuous R&D and Innovation has led to new product launches on a consistent basis



YEAR	2006	2009	2011	2014	2018	2020	2021	2022
REVENUES (INR Crore)	-	1	19	120	241	419	512	685



# DIVERSIFIED PRODUCT PROFILE SERVING CRITICAL END-USER INDUSTRIES

Largest capacity in the world for our flagship products



## PERFORMANCE CHEMICALS



### MEHQ (Monomethyl Ether of Hydroquinone)

- Used as polymerization inhibitor in acrylic acids, acrylic esters, super absorbent polymers (diapers and sanitary pads)
- Pre-cursor for agrochemical industry

**1** in World & India



### BHA (Butylated Hydroxy Anisole)

- Used as anti-oxidant in food and feed industry

**1** in World & India



### AP (Ascorbyl Palmitate)

- Used in infant food formulations, breakfast cereals and cosmetics

**1** in World & India



### TBHQ (Tertiary Butyl Hydroquinone)

- Stabilizer in oil industry

**2** in World & India

## PHARMA AND AGRO INTERMEDIATES



### Guaiacol

- Pre-cursor to manufacture APIs for cough syrup (pharma industry)
- Key raw material to produce Vanillin

**2** in World

**1** in India



### DCC (Dicyclohexyl Carbodiimide)

- Used as reagent in anti-retroviral

**2** in World

**1** in India



### p-BQ (Para Benzoquinone)

- Intermediate in agrochemical industry

**2** in World

**1** in India

## FMCG CHEMICALS



### 4-MAP (4-Methoxy Acetophenone)

- Used in UV blocker in sunscreens (cosmetics industry)

**1** in World & India



### Anisole

- Precursor to perfumes, insect pheromones, pharmaceuticals
- Majority of Anisole produced is used for captive consumption

**1** in World & India

# KEY DIFFERENTIATORS THAT ADD VALUE

Unique benefits that set our business apart from competition



## INNOVATION

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



## GLOBAL LEADERS

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



## PREFERRED PARTNER OF CHOICE

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



## STATE-OF-THE-ART

Multiple, automated manufacturing facilities with zero liquid discharge and strong focus on EHS



## PROMOTERS

Technocrat promoters supported by an experienced workforce with extensive domain knowledge



## FORMULATION

Unique, innovative, sustainable and cost-effective catalytic manufacturing process



## STATISTIC

Strong and consistent financial performance

## Research and Development team's focus areas

**1** Enhance our existing catalyst systems to further optimize yield and selectivity

**2** Expand product portfolio in the performance chemical segment

**3** Develop products with high demand which are produced by limited manufacturers globally

**COMPETENCY ACROSS  
~10+ CHEMISTRIES**

Hydroxylation	Hydrogenation
Grignard Reaction	Chlorination
Oxidation	Polymeric Reaction
Alkylation	Esterification
Catalysis	Halogenation

**BACKED BY DIVERSE  
TECHNOLOGY**

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

**LED BY EXEMPLARY  
R&D TEAM**

March 2018	September 2022
1 PhD	7 PhD
22 scientists	70 scientists

4 independent R&D labs with pilot facility

## COHESIVE AND TECHNOCRAT PROMOTERS

Strong visibility on longevity of Promoters' engagement in the business



**ASHOK BOOB**

Managing Director

**Key functions:** Projects,  
Manufacturing Capabilities

Over **25** years of work experience in the chemical industry.

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

**Bachelor of Chemical Engineering** – Institute of Chemical Technology, Mumbai, India (formerly known as UDCT)



**SIDDHARTH SIKCHI**

Executive Director

**Key functions:**  
Marketing, R&D

Over **15** years of experience in the chemical industry.

**Bachelor of Chemical Technology** – Institute of Chemical Technology, Mumbai, India (formerly known as UDCT)

**Master of Science in Organic Chemistry** – University of Manitoba, Canada.



**KRISHNA BOOB**

Executive Director

**Key functions:** Public relations, Purchase

Over **20** years of expertise in the chemical industry.

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

**Bachelor of Pharmacy** – University of Mumbai, India



**PARTH MAHESHWARI**

President

**Key functions:**  
Business operations

Over **5** years of work experience in the chemical industry.

**Bachelor of Chemical Engineering** – Pune University, India

**MBA** – Babson College, USA

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

# ROBUST CORPORATE GOVERNANCE

Distinguished Board of Directors and reputed financial market participants underscore sound governance



## PROFILE OF NON-EXECUTIVE, INDEPENDENT DIRECTORS ON THE BOARD



### PRADEEP RATHI

Chairman and Non-Executive Director  
B.Sc, M.S. (MIT, USA)  
MBA (Columbia, USA)

Chairman – Sudarshan Chemicals



### PROF. G. D. YADAV

Non-Executive, Independent Director  
B.Chem. Engineering,  
Ph.D Technology



### Sanjay Kothari

Non-Executive, Non-Independent Director  
B.Com (University of Calcutta)  
Member of ICAI and ICSI



### KEVAL DOSHI

Non-Executive, Independent Director  
B.Com. (University of Mumbai)  
Member of ICAI  
Erstwhile Partner at Ernst & Young LLP



### MADHU DUBHASHI

Non-Executive, Independent Director  
PG in Business Administration  
(IIM Ahmedabad)

## Balanced board ensures transparency and accountability

Highly experienced and diversified non-executive directors, are also board members of other reputed listed companies

Mr. Pradeep Rathi, Prof. G. D. Yadav, and Mr. Sanjay Kothari have been Board members for over a decade

More than 1/3rd Board members are independent Non-executive directors form majority of all committees

Separate Chairman & Managing Director



# CONTINUED COMMITMENT TOWARDS SUSTAINABILITY AND ESG

Sustainability and ESG initiatives are embedded in our long term growth strategy



## ENVIRONMENT EMPATHY (E)

- Utilize resources efficiently, reduce waste and minimize emissions as part of our sustainability commitment
- We aim to plant more than 11,000 trees over the next three years
- 11 MW of solar capacity. Share of renewable energy in power consumption at 55%.
- Reduced fresh water consumption by 14% and GHG emissions (Scope 1/Scope 2) by 7% over the last 3 years



## SOCIAL RESPONSIBILITY (S)

- Total contribution towards CSR activities during last 3 years is INR 10.5 crore
- Health, safety and wellbeing of employees is integral part of all our activities
- Continual improvement in safety measures have resulted in zero casualties till date
- Our key initiatives include regular safety audits, safety trainings and health checkups among others



## CORPORATE GOVERNANCE (G)

- Statutory auditors - Big 4 (BSR & Co. LLP)
- Highly experienced, competent and balanced Board driving corporate ethics and values
- Long term & short term ratings by CRISIL are A+(Positive) and A1+ respectively
- No auditor qualification or re-statements of financial statements till date

### FOCUS ON SUSTAINABILITY



GreenCo Certificate



Together for Sustainability

ecovadis

Ecovadis



Reduce



Recycle



Reuse

### FOCUS ON CSR ACTIVITIES



Environment Sustainability



Medical Relief



Healthcare



Education

### FOCUS ON GOVERNANCE



Audit Committee



Nomination And Remuneration Committee



Stakeholders Relationship Committee



Risk Management Committee



Corporate Social Responsibility Committee

# ADVANCED MANUFACTURING FACILITIES DESIGNED BY IN-HOUSE ENGINEERING TEAM

3 independent functional units with dedicated lines for each product



## UNIT 1

7 plants

Total area – **30,000 sq.m**



## UNIT 3

3 plants commercialized

2 plants to commission by H2 FY23

Total area – **40,343 sq.m**

## UNIT 2

4 plants

Total area – **23,337 sq.m**



Nil plant closure notice received from any pollution control board

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

Sustainable processes ensures **zero liquid discharge (ZLD)** facility

- Multiple dedicated plants for key products. To that extent, each plant is immune to challenges in other plants
- Independent plants for catalysts
- Each unit has a separate R&D facility, warehouse, engineering and utility section
- Land acquired for Clean Fino-Chem (WOS), largest facility till date

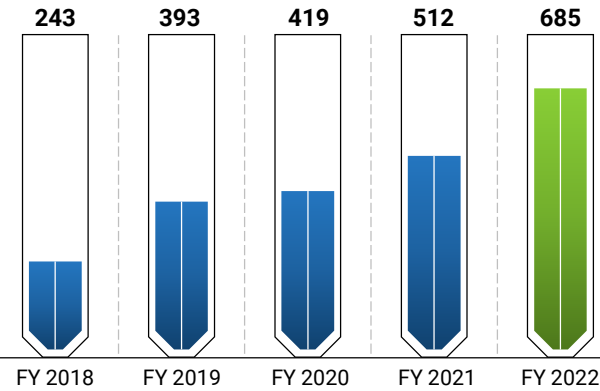
# STRONG FINANCIALS

Resilient performance demonstrated over business cycles maintaining a debt free balance sheet



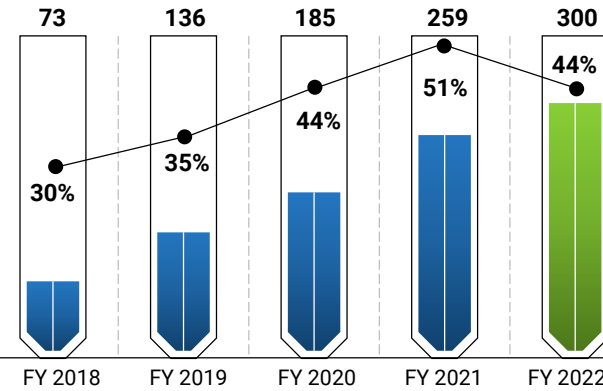
## REVENUE

CAGR of 30%



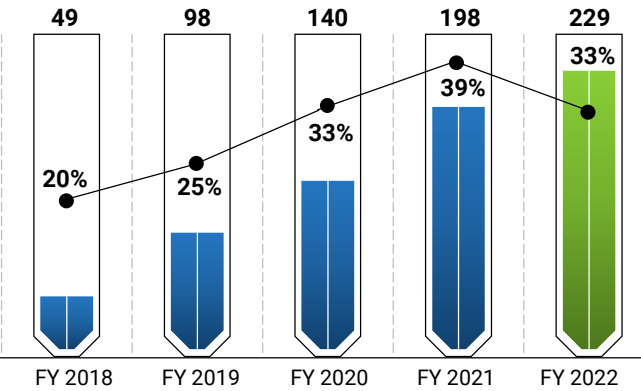
## EBITDA & EBITDA%

EBITDA CAGR of 42%

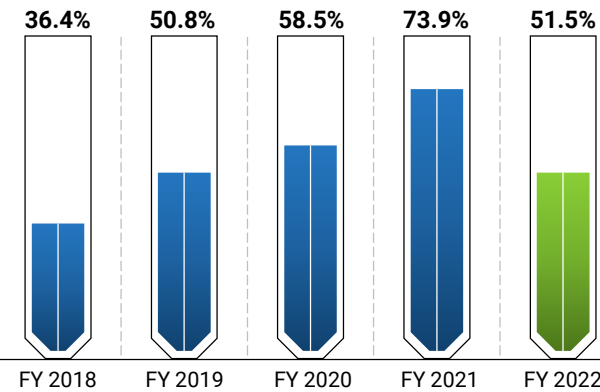


## PAT & PAT%

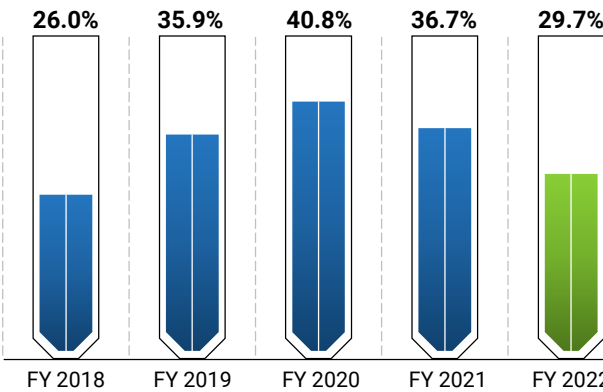
PAT CAGR of 47%



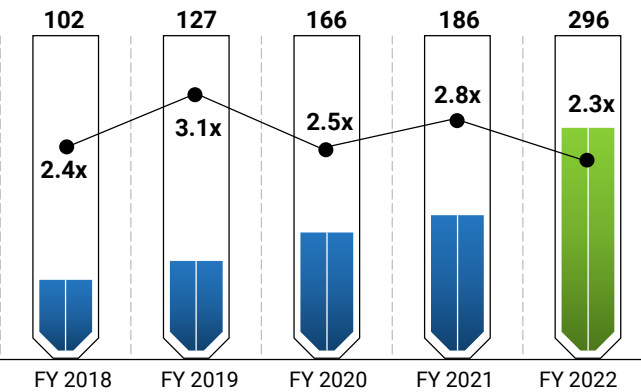
## RoCE



## RoNW



## Net FA & Net FA turnover(x)



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

# KEY GROWTH LEVERS

Strategic initiatives and investments aimed at long term sustainable growth



## FOCUS ON ESG AND SUSTAINABILITY

Capitalise on our core philosophy of clean and green chemistry to address opportunities arising from the shift in demand to sustainable chemistry.

## STRENGTHEN IN INDIA AND EXPAND GLOBALLY

Focus on import substitution opportunities in India and add new export customers across geographies



## SIGNIFICANT GREENFIELD CAPEX

Planned capex of Rs. 300 crore+ over next two years for commercialising new series of products and increasing capacity of existing products

## ADD NEW COMPETENCIES

Adding new chemistries and process technologies with significant focus on high value products that limited manufacturers produce globally

## NEW PRODUCT DEVELOPMENT

Strategic investments towards developing products for new range of speciality chemicals that find applications across diverse and fast growing end user industries



# THANK YOU

**For further information, please contact:**

**SWAPNIL MORAY**

Investor Relations

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**Clean Science and Technology Limited**

**Website:** <https://www.cleanscience.co.in/>