



“Clean Science and Technology Limited 21st Annual General Meeting”

September 05, 2024

Management: Mr. Pradeep Rathi – Chairman
Mr. Ashok R. Boob – Managing Director
Mr. Krishnakumar R. Boob – Whole-Time Director
Mr. Parth Ashok Maheshwari – Additional Director
Mr. Sanjay Kothari – Non-Executive Director
Mr. Keval Doshi – Independent Director
Professor G. D. Yadav – Independent Director &
Chairman of Nomination and Remuneration Committee
and CSR Committee
Ms. Madhu Dubhashi – Independent Director &
Chairperson of Stakeholders’ Relationship Committee
Mr. Sanjay Parnerkar – Chief Financial Officer
Mr. Pratik Bora – Vice President Corporate Finance
Ms. Ruchita Vij – Company Secretary

- Moderator:** Dear shareholders, good afternoon and a very warm welcome to the 21st Annual General Meeting of Clean Science and Technology Limited through video conference or other audio-visual means. As a reminder, for the smooth conduct of the meeting, the members will be in the mute mode, and audio and video will be opened when they will speak at the AGM as per the pre-registration. Please note that, per the requirements, the proceedings of the Annual General Meeting will be recorded and available on the website of the company. I now hand over the proceedings to Mr. Pradeep Rathi, Chairman of Clean Science and Technology Limited. Over to you Sir.
- Pradeep Rathi:** Good afternoon ladies and gentlemen. I Pradeep Rathi, Chairman of Clean Science and Technology Limited and Chairman of Risk Management Committee participating in this 21st Annual General Meeting of the Company from my residence at 2, Boat Club Road, Pune, welcome you all for the AGM which is being held today through video conferencing facility. In terms of the circulars issued by the Ministry of Corporate Affairs and SEBI, this AGM today has been convened through video conferencing or other audio/visual means. Let me announce that since this meeting is on a virtual platform there are no proxies who are allowed to participate in the Meeting. As the requisite quorum is present, I call the 21st Annual General Meeting to order. For the benefit of our members, I request the members of the Board of Directors to kindly introduce themselves and the location from where they are participating. Ashok ji Boob please.
- Ashok R. Boob:** I am Ashok Boob, Managing Director of the company and I am participating from Clean Science and Technology Limited Office, Magarpatta City, Pune. Thank you.
- Krishnakumar R. Boob:** I am Krishnakumar R. Boob, Whole-Time Director and I am participating from Sangamner my hometown.
- Parth Maheshwari:** I am Parth Ashok Maheshwari, Additional Director and I am participating from Clean Science and Technology office, Magarpatta City, Pune.
- Sanjay Kothari:** I am Sanjay Kothari, Non-Executive Director participating from Bombay.
- Keval Doshi:** I am Keval Doshi, Independent Director and Chairman of the Audit Committee. I am participating from Mumbai.
- G. D. Yadav:** I am Professor G. D. Yadav joining this meeting from Mumbai. I am an Independent Director.

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

Pradeep Rathi: Mr. Siddhartha Sikchi is Whole-Time Director of the company is unable to attend the meeting due to his travelling schedule and different time zone. Apart from the Directors, Mr. Sanjay Parnerkar, Chief Financial Officer, Mr. Pratik Bora, Vice President, Corporate Finance and Ms. Ruchita Vij, Company Secretary are participating in the meeting through VC. Also present are Mr. Rahim Merchant, Partner of M/s BSR & Company LLP, Chartered Accountants who are our Statutory Auditors, Mr. Jayavant Bhawe, Proprietor of M/s JB Bhawe & Associates, Company Secretaries, Secretarial Auditors and Scrutinizers for this meeting and for the voting process from their respective offices, Mr. Amit Borkar, Mr. Rakesh Khandelwal Partner of M/s Price Waterhouse Chartered Accountants LLP and Mr. Goverdhan Mantri, Manager of M/s Price Waterhouse Chartered Accountants LLP who will be the statutory auditors for the term FY2024-2025 to FY2028-2029. Dear esteemed stakeholders, board and other team members, I warmly welcome you all to the 21st Annual General Meeting of Clean Science and Technology Limited. It is both an honour and a privilege to address you virtually today and I am filled with a deep sense of pride and gratitude for all that we have achieved together over the past years. Reflection on our journey, Clean Science and Technology has come a long way since its inception. What started as a vision to develop innovative and sustainable chemical processes has now transformed into one of the leading global specialty chemical companies. Our consistent focus on innovation, operational excellence, and sustainability has been the foundation of our success. This year heralded a transformative chapter for CSTL with the commencement of the operations at Clean Fino-Chem Limited, which is our largest facility till date being spread across 34 acres. The operations began with the tagline of “Redefining Chemistry”, marking a significant stride in our strategic expansion and innovation. March 2024 saw us not only commence operations at CFCL, but also complete the capex projects within time and cost budget, setting a new benchmark in our pursuit of excellence. As India’s largest facility for HALS production, CFCL underscores our leadership in innovation and operational excellence. The global economic environment during the year gone by was riddled with undercurrents that tested the mettle of chemical businesses worldwide. Chemical businesses, specifically, faced the ripple effects of global destocking, geopolitical tensions, and a general slowdown in consumption. Despite an ambience of uncertainty, I am proud to mention that performance of CSTL was extremely resilient, underscored by our robust margins of over 40%. Key milestones and achievements, allow me to highlight some of our key accomplishments from the year gone by.

Strong financial performance. Despite a challenging global environment, the company has delivered impressive financial performance. The consolidated revenue demonstrated resilience, with a moderate decrease of 15% from Rs.936 Crores in 2022-2023 to Rs.791 Crores in 2023-2024. The revenue from operations were Rs.791 Crores, PBT was Rs.326 Crores and the consolidated PAT at Rs.244 Crores de-grew 17% on Y-o-Y basis as compared to Rs.295 Crores in FY2022-2023. In light of the company's robust performance, the company paid a maiden interim dividend of Rs.2 i.e. 200% per share in February 2024 and have now recommended to the shareholders a final dividend of Rs.3 i.e. 300% per share on face value of Rs.1 per share for the FY2023-2024. Final dividend if approved at AGM, the total dividend payout would be 21.44% of PAT.

Sustainability leadership & CSR. Sustainability remains at the core of everything we do. We continue to pioneer green chemistry solutions with a focus on reducing our environmental impact through clean and efficient manufacturing processes. Our commitment to sustainability has not only strengthened our reputation but has also contributed to cost savings and operational efficiencies. We have already taken proactive steps to address ESG responsibilities by establishing ambitious targets for the next five years. During the year, the company received Responsible Care Certification from Indian Chemical Council. FY2023-2024, the company contributed concerted efforts towards education, health, environment, livelihood enhancement & spent Rs.6.5 Crores for CSR contribution that serves and foster sustainable development.

Innovation and R&D. Innovation has always been our differentiator. This year we made significant strides in our R&D efforts, launching new products and improving our existing portfolio. Our focus on developing niche products that cater to high-growth industries such as stabilizers, pharmaceuticals, agrochemicals, and FMCG remains unwavering.

Capacity expansion. In line with our growth strategy, we have successfully diversified our manufacturing capacities. During the year gone by, we commercialized India's largest facility for HALS production. We also performed the Bhumi pooja at CFCL to construct a new plant for a pharma intermediate. We continue to fund the growth capex with internal accruals and thereby ensure debt free status.

The Path Ahead.

Looking forward, I am confident that our company will continue its upward trajectory.

Our strategic priorities for the coming year will focus on:

Sustainability. Strengthening our commitment to sustainable development by enhancing green practices and reducing our carbon footprint.

Technology and innovation. Investing in advanced manufacturing technologies, automation, and R&D to remain competitive on the global stage.

Global competitiveness. Boosting our exports and exploring new markets to establish India as a global chemical hub.

The Board & CSTL Team Members.

I would like to extend my sincerest thanks to all Executive Directors for their exceptional performance during the year.

I am also grateful to the senior management and all team members for their valuable contribution. Their presence in their company has been an added advantage to us from a strategic viewpoint and more so from the perspective of value creation in the long term.

Conclusion. Before I conclude, I would like to express my deepest gratitude to our stakeholders for their trust and confidence in us, to our employees for their hard work and dedication, and to our customers and partners for their continued support. Together, we are building a brighter, cleaner, and more sustainable future. Thank you.

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

Ruchita Vij:

Thank you so much Sir. Good afternoon, all present, I would like to share few important points regarding participation in virtual meeting. First one the AGM can be joined through video conferencing/other audio-visual means on a first-come, first-served basis. All members are placed on mute mode by default to avoid background noise and ensure a smooth & seamless conduct of meeting. During the question & answer session, registered speakers will be called one by one. The speakers are requested to enable their video and if it is not possible, they can speak through audio.

Further, the speakers are advised to use their headphones for clear audio and less background noise. If there is any connectivity issue, the next speaker will be called and the previous speaker can join again on restoration of his connection. For any technical issues, please contact the helpline numbers at 022-48867000 or 022-24997000, which is already provided at the AGM notice. The company has received seven authorizations from institutions and corporate shareholders representing 41,68,378 equity shares i.e. 3.92% of the paid-up capital of the company to attend the AGM and also vote at the remote e-voting. The statutory registers, contracts, ESOP related certificates etc. are available for inspection on the company's website. As per legal requirements of the Companies Act, 2013 read with respective rules and SEBI LODR Act 2015 remote e-voting platform was provided from Sunday, 1st September 2024 9 a.m. to Wednesday 4th September 2024, 5 p.m. The members attending this meeting who have not voted in remote e-voting, can cast vote after announcement by the Chairman. I would like to extend my gratitude to all of our stakeholders, Board & other team members for their continued support and trust in the company. Now I request the Chairman to proceed further. Thank you so much Sir.

Pradeep Rathi:

Thank you Ruchita. The AGM notice along with the annual report for the financial year ended 31st March 2024 was sent to the members at their registered e-mail addresses on 9th August, 2024. Since the notice of the AGM was circulated to all the members, I take the notice as read.

There are no qualifications, adverse observations or comments or other remarks made by statutory auditors and secretarial auditors on the financial statements of the company which have any material adverse effect on the functioning of the company. The director's report, management discussion and analysis report, business responsibility, sustainability report therein summarize the financial highlights, significant business developments, social and sustainable initiatives undertaken by the company during the year 2023-2024, whereas the corporate governance report highlights the governance standards followed by the company. With the permission of members, I take the auditor's report, director's report along with the annexure thereto management discussion and analysis report and business responsibility and sustainability report as read. Since all the resolutions are put to vote through remote e-voting process, there will be no proposing and seconding of resolutions. Now I request the shareholders who have given their names to speak at the AGM to express their views and ask questions/queries. As we have got seven speakers, I would request each to speak for not more than two minutes. All the queries asked by the members will be responded by Mr. Ashok ji Boob, Mr. Sanjay Parnerkar or Mr. Pratik Bora after all the speaker shareholders have completed expressing their views or asking their queries. Now, I request the host to unmute the speakers one by one.

Moderator: Thank you Chairman. Now I would like to invite our first speaker shareholder Sonaxi Sarangi and Mr. Santosh Kumar Saraf. Mr. Saraf, we have sent you a prompt. Please accept and ask the question.

Sonaxi Sarangi: Sonaxi Sarangi a shareholder from Kolkata. Sir, since our company's performance has been extremely good, I would like to thank all the stakeholders for this. I have a few queries for today. Firstly, what is the company's plan for capex? Secondly, in this era of AI, how are we going to use or how are we already using AI?

Santosh Kumar Saraf: Respected Chairman, Board of Directors, and Shareholders I am Santosh Kumar Saraf from Kolkata. I hope all of you are healthy and well. I would like to thank secretary Ruchita and her team for staying in touch with us and providing us the link to the speaker number. Sir, your performance is very good. I do not want to ask any questions. You have said that we have become helpless due to our habit. So, we will ask you a few questions. We will leave after asking a few questions in the meeting. Like we used to come to the temple and do not have breakfast and leave. It does not look good, Sir. Sir, I would like to thank my 1100 employees, brothers and sisters. It is the result of their hard work that our company is performing so well today. I would also like to thank your family and their family who are always behind you as a backbone and because of which you have a great deal of responsibility in our company. Sir, you have told us a lot of things.

I have a few questions. What is the difference between capex plan for two to three years? What is the debt to equity ratio? Please tell us about that. There is very small number of female employees. Please tell us about this. There are 3 units and 10-11 plants. I was watching a picture in your balance sheet there it was written Clean Science Private Limited. When will you talk about private limited? In the Board, you will see that private limited is mentioned in unit 1 or 2. I would like you to correct that. I would like to ask you that we have around 1100 employees out of that male employees are 415 employees, why do not you give them paternity benefit? As per rule, we should provide paternity benefit. So, we should pay attention to this. What else can I say? You are a good person and Sonaxi asked about artificial intelligence. Please try to tell us how we are using it. And Sir, geopolitical downturn that is going on in which our economic system is also running, so how is our company taking steps to tackle this? How strong is it? Please tell us. Lastly Sir, I wish all for a good FY2024-2025. There are many questions about energy audit and about ESG rating but there is only two minutes. Other shareholders are also there so I have written Madam Ruchita will write back to me. For FY2024-2025 I wish all and I wish all the directors and the employees that in 2024-2025 they will be with healthy, wealthy prospects. I wish you and your family and all employees a happy festival. I wish you

and your family for the forthcoming festival. I request you for a PC meeting next year. I am from Kolkata so that we get a chance to show your gratitude. If you do it physically, then keep the option of hybrid, so that we can show our gratitude to you and all our directors and all our employees. Jai Hind, Jai Bharat. Ram Ram for giving me the time. Thank you Sir.

Sanjay Parnerkar: Thank you Santosh ji for your kind words. Your first question was about capital expenditure. So in 2024-2025, we are expecting to invest around Rs.250 Crores and we expect to continue the same for years to come. Second question is about your debt equity ratio. It is a zero debt company. There is no debt in the company. Third question is about your medical benefits, so we are already giving 3 lakhs medical benefit to all our full-time employees. Your suggestion is that next time we have a physical meeting we will certainly look into it. Thank you so much Santosh ji.

Moderator: Thank you Sir. I would like to invite our next speaker shareholder Shreyas Mokashi. Mr. Shreyas, we have sent you a prompt. Please accept and ask the question.

Shreyas Mokashi: I am the shareholder of your company since initial public offer. I have two questions. How many manufacturing units you have right now?

Sanjay Parnerkar: Would you like to ask the second question also so that we can reply accordingly.

Shreyas Mokashi: Yes my second question is what are the products manufactured at each unit?

Pradeep Rathi: We have basically three manufacturing units comprising of 17 plants and now we have set up a 100% subsidy where it is in name of Clean Fino-Chem Limited where we have just commissioned our major plant with our investment of almost Rs.250-300 Crores. Second question is unit wise products so unit one manufacturers BHA, MEHQ, Guaiacol, Veratrole and 4-MAP. Unit two manufacturers Anisole, MEHQ, Guaiacol, DCC and Ascorbyl Palmitate. Unit 3 manufactures Anisole, VHA, TBHQ, MEHQ, Guaiacol, and HALS 770 and 701. I hope you are satisfied, Mr. Shreyas.

Moderator: Thank you Chairman Sir. I will request we can take all the questions from all the shareholders and we will respond to them later on. I would like to invite our next speaker shareholder Ms. Lekha Shah. Ms. Lekha, we have sent you a prompt. Please accept that and ask the question.

Lekha Shah: Respected Chairman Sir, Board of Directors and my fellow members, good afternoon, regards to everyone, myself Lekha Shah from Mumbai. First of all, I would like to welcome our new Company Secretary, Ruchita Madam on the Board. Again, I would like to thank our Company Secretary, Ruchita Madam especially

Neha Madam for giving me this opportunity and for smooth process where I am able to talk in front of you all in AGM. I found the AGM notice and I am delighted to say AGM report is so beautiful, full of colours and fact and figures in place. Also it is really useful with lot of information. Thank you Chairman Sir for explaining about the company. Congratulations for excellent work Sir. Sir on this occasion of Ganesh Chaturthi I pray to Lord Ganesha that he always shower his blessing upon you. Chairman Sir, I would like to ask a few questions. My first question is what are the types of issues or performance of shares issued during the year? Sir what is the total number of employees? And how many women employees are working in our company. Chairman Sir I hope the company will continue video conference meeting in future. So I strongly and wholeheartedly support all the resolutions for today's meeting. Thank you so much Sir.

Pradeep Rathi: Ashok ji I suggest you answer all the questions together at the end.

Ashok R. Boob: We can make a note of it and we can answer all the questions together at the end.

Pradeep Rathi: Because there are many common questions.

Moderator: I would like to invite our next speaker shareholder, Ms. Reetu Batra. Ms. Reetu, we have sent you a prompt. Please accept and ask the question. Ms. Reetu, please unmute your microphone and camera and ask the question.

Reetu Batra: Good afternoon Sir. First of all, I would like to welcome you all and I have three queries upon your company that is, which are the major exporting countries and quantum of exports? My second question is in which country are the largest exports made? And my third question is what is the turnover of subsidiaries? Thank you so much.

Moderator: Thank you. I would like to invite our next speaker shareholder, Mr. Ankur Chanda. Mr. Ankur, we have given you permission to unmute your microphone and camera. Please unmute and ask the question.

Ankur Chanda: Good afternoon to everyone. Sir, I just want to say that our corporate governance is too good there are no concerns but I want to ask two to three questions that where all the series products will be used? How many shareholders do you have on date? Meaning how many shareholders we have. What is the time of directorship of Mr. Krishnakumar Boob? That is all I would like to ask. Our secretarial department is doing a great job. There is no problem. Thank you.

Moderator: I would like to invite our next speaker shareholder Mr. Anil Kumar. Mr. Anil we have sent you a prompt. Please accept and ask the question.

Anil Kumar: Namaskar Sir I am Anil Kumar speaking. I am completely satisfied with the performance of my company that is reflected in our share price so a shareholder wants to get good returns on his money and we have got that and you keep working like this but still I would like to ask you a few questions, how many scientists you have enrolled and second one is what is the CSR budget for FY2024-2025? I would like to ask this only. Thank you very much for this. Our CS team is doing a good job. There is no problem. Thank you.

Moderator: Thank you. I would like to invite our next speaker shareholder Mr. Goutam Nandy. Mr. Goutam we have sent you a prompt. Please accept and ask the question.

Goutam Nandy: Good afternoon and namaskar. Respected Chairman, Board of Directors, and my online fellow shareholders. Myself, Goutam Nandy from Kolkata, very old equity shareholder of your company. Sir firstly, I like to give thanks to your secretarial department for sending me annual report along with notice and necessary joining link through e-mail well in advance. I have also received the hard copy of your annual report as requested. So thanks, especially thanks to our respected Company Secretary, Ms. Ruchita Vij and whole team of your secretarial department for rendering very good services to our minority shareholders.

So thanks again, Sir. Sir you are organizing your Annual General Meeting through video conference, and I find it is a grand success like the previous years. Sir, I am very pleased to receive your wonderful annual report consisting of 300 pages, which is very, very attractive and also very informative. And respected Chairman Sir your speech was also very informative and also very encouraging. Thank you very much Sir. You have provided the details in your annual report also. So no much questions, only two or three questions I have to share with you. Sir I find very good performance in every segment even in this challenging year. Sir, I am very pleased to receive your wonderful working. Sir I like to know what are the safety measures taken in the factory? Next, Sir please tell me the name of the new statutory auditor of the company and what about their tenure? And another Sir, how the company is identifying risks and mitigating the same? Sir nothing to say more. Sir, one thing, henceforth please continue this VC meeting as we are able to join from anywhere, Another request Sir. Please do something at least for our speaker shareholders. So please consider Sir. Sir, nothing to say more today. Sir, I am very pleased and very proud to be a shareholder of your company. I have full trust with our strong management Sir like you. And so, along with my family, wholeheartedly support

your all resolutions, which we have already casted through our e-voting. Sir, looking forward with a positive outlook towards our company with higher profit margin and some dividend if possible, 1:1 bonus and return. May God bless you Sir. Thank you, Sir. Stay safe. Stay healthy. Namaskar Sir.

Pradeep Rathi: Thank you. Thank you very much. Ashok ji, over to you.

Ashok R. Boob: Thank you all the speakers for your kind words. There are 10-12 questions. I will just reply them one by one. First was about the vendor suppliers, their geographical locations. So more than 70% of the material is sourced from India and the balance is import. Second is about employees. We have approximately 1100 employees. This includes contract laborers. Manufacturing capacity, we have 44,000 metric tonne capacity approximately and utilization is in the range of 70-75%. The next question is about exporting countries. So we have a major export to China, which is around 22%, followed by Europe 14%, USA 17% and rest of the world 11%. So this comprises of around 65% plus exports. The largest export is anyway the China. The subsidiary turnover is in the range of around last year because just we commissioned the plant in February. So our first year turnout was approximately Rs.20 million. The question from Mr. Ankur is HALS, where is it used? Now the major use is in masterbatches, which eventually goes to plastic pigments and everything. It is also used in atom oil coatings. It is used for varnish, polymers, etc. The next question is how many shareholders we have? We have approximately 2.7 lakh shareholders as on date. Subsequent question is directorship of Krishna Boob, the tenure is for five years. The subsequent question is how many scientists you have on Board? We have approximately 90 scientists including 8-9 PhD holders. Our CSR budget for 2024-2025 is Rs.6.8 Crores. Next question is about safety measures. It is a chemical plant. It is a continual improvement in working environment. We have all the safety equipment, safety training, safety audits, and process safety initiatives taken. The company has received responsible care certification and the details for these all measure taken is already there in our annual report where all the details are available. Our auditors for the company, last year it was BSR. Now for next five years it is Price Waterhouse Chartered Accountants, PWC. Pratik you will take over for the risk and mitigating?

Pratik Bora: So, the last question from Goutam Nandy ji was how the company is identifying and mitigating the risk. So risk management is a continuous process of analyzing and managing the risk which the business is facing in this dynamic environment. And we have a very structured framework to mitigate this risk. And company also conducts risk management committee meeting, which is as per the SEBI listing regulations to monitor all the risks. Thank you.

Pradeep Rathi:

All the questions have been answered. Now I authorize Ruchita Vij, Company secretary to conduct the voting procedure and conclude the meeting. The e-voting facility will remain enabled for the next 30 minutes, so the members who have not casted their vote already, can do so. Further, I hereby authorize Ms. Ruchita Vij, Company Secretary, to declare the result of the voting within 48 hours of the conclusion of AGM and place the results along with the scrutinizer's report on the Website of the Company and the same be submitted to the stock exchanges and uploaded on the NSDL website and website of the company. The resolutions, as set forth in the notice, shall be deemed to be passed today subject to receipt of requisite number of votes. We are grateful to all the shareholders who have participated in this AGM through video conferencing facility. With your consent, I and other members would like to leave the meeting. I wish all the members, a very healthy and safe life. Thank you all.

Ruchita Vij:

Thank you so much Sir. As announced by the Chairman of the company e-voting facility will be available for the next 30 minutes and thereafter, proceedings of 21st Annual General Meeting will be concluded. Thank you all for great participation in virtual meeting as well as in the e-voting. Thank you so much.