



CLEAN SCIENCE AND TECHNOLOGY LIMITED

IPO DETAILS

TEAM NISHKAERA

IPO DETAIL : CLEAN SCIENCE AND TECHNOLOGY

IPO Opening Date	Jul 7, 2021
IPO Closing Date	Jul 9, 2021
IPO Price	₹880 to ₹900 per equity share
Implied Valuation	~ ₹ 9,559.7 at upper band
Market Lot	16 Shares
Min Order Quantity	16 Shares
Listing At	BSE, NSE
Offer for sale	₹ 1546.62
	Full IPO is OFS so company will not get proceed out of IPO amount.

Retail Investor – Maximum and Minimum bidding

Application	Lots	Shares	Amount (Cut-off)
Minimum	1	16	₹14,400
Maximum	13	208	₹187,200

Lead Managers

Axis Capital

JM Financial

Kotak Investment Banking

Registrar of Issue

LinkIntime



DETAILS OF SHAREHOLDERS SELLING SHARES

Sr No	Name	Max Amount (Rs. Mn)	%
Promoter Group			
1	Ashok Ramnarayan Boob	2,440.16	15.8%
2	Krishnakumar Ramnarayan Boob (jointly with Nilima Krishnakumar Boob))	1,930.59	12.5%
3	Siddhartha Ashok Sikchi	405.05	2.6%
4	Parth Ashok Maheshwari	759.83	4.9%
A	TOTAL	5,535.63	35.8%
Other Sellers			
1	Asha Ashok Boob	2,440.16	15.8%
2	Ashok kumar Ramkishan Sikchi HUF	1,360.51	8.8%
3	Asha Ashok Sikchi	1,141.38	7.4%
4	Nilima Krishnakumar Boob (jointly with Krishnakumar Ramnarayan Boob)	840.77	5.4%
5	Nidhi Mohunta (jointly with Ashok Ramnarayan Boob)	759.83	4.9%
6	Ashok Ramnarayan Boob HUF	752.60	4.9%
7	Others	2,635.34	17.0%
B	TOTAL	9,930.59	64.2%
C = A+B	GRAND TOTAL	15,466.22	100.0%

BUSINESS PROFILE

We are among the few companies globally focused entirely on developing newer technologies using in-house catalytic processes, which are eco-friendly and cost competitive (*Source: F&S Reports*). This has enabled us to emerge as the largest manufacturer globally of certain specialty chemicals in terms of installed manufacturing capacities as of March 31, 2021. Some of these technologies have been developed and commercialized for the first time globally. Our continued focus on product identification, process innovation, catalyst development, significant scale of operations 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 *manufacture functionally critical specialty chemicals such as Performance Chemicals (i.e. MEHQ, BHA and AP), Pharmaceutical Intermediates (i.e. Guaiacol and DCC), and FMCG Chemicals (i.e. 4-MAP and Anisole)*. Within 17 years of incorporation, we have grown to be the largest manufacturer globally of MEHQ, BHA, Anisole and 4-MAP, in terms of installed manufacturing capacities as of March 31, 2021

Our Company's name was changed to 'Clean Science and Technology Private Limited' in 2006, to reflect our vision of focusing on sustainable chemistry led by innovative technology and lower effluents. We continue to exemplify our name by designing and implementing 'clean' chemistries based on catalytic technology developed in-house. As a result, most of our current production processes are either zero liquid discharge or release only water as discharge. Our focus on sustainable practices has been conceived, developed and implemented by our Promoters over the years

KEY PRODUCTS



Product	Application	Industry	Category as per F&S Reports
MEHQ	Polymerization inhibitor in the manufacturing of various monomers such as acrylics, methacrylics and other acrylates, vinyl acetate monomers, along with unsaturated polyesters. Also used as a stabilizer for cosmetics, liquid detergents, and cellulose materials.	Acrylic fibers, inks, agrochemicals, cosmetics, topical drugs.	Agrochemicals and fertilizers, home and personal care, paints and coatings additives, and textile chemicals
Guaiacol	Pre-cursor for vanillin production, and in the synthesis of pharmaceuticals. Majorly used as a reducing co-substance for COX reactions, as an expectorant and antiseptic.	Pharmaceuticals, flavours and fragrances, and agriculture.	Pharma API, flavours and fragrances ingredients
BHA	Used as a synthetic antioxidant	Food packaging, animal feed, rubber, cosmetics and petroleum products.	Home and personal care, others
4-MAP	Spice, medicine and make-up intermediate, ingredient for UV filters, cigarette additive and flavouring in food	Personal care (cosmetics), flavors and fragrance industry	Home and personal care, flavours and fragrances ingredients
DCC	Powerful dehydrating agent commonly used for the preparation of amides, esters, and anhydrides. Also used as a reagent in anti-retroviral drugs	Pharmaceuticals	Pharma API
Ascorbyl Palmitate	Anti-oxidant properties for anti-aging products	Personal care, topical drugs in dermatology to prevent hyperpigmentation and photo-aging	Home and personal care, pharma API
Anisole	Precursor to perfumes, insect pheromones, and pharmaceuticals.	Cosmetics, pharmaceutical and agrochemicals	Home and personal care, agrochemicals and fertilizers, pharma API

KEY STRENGTHS

Among the largest producers globally of functionally critical specialty chemicals used across various industries and geographies resulting in a de-risked business model

Product	Global Market Size (Volume)	Company Global Position	Company India Position
MEHQ	12,500 MT	Largest in World	Largest in India
BHA	9,000 MT	Largest in World	Largest in India
Guaiacol	60,000 MT	Third Largest in World	Second Largest in India
Anisole	34,000 MT	Largest in World	Largest in India
4-MAP	7,200 MT	Largest in World	Largest in India
DCC	7,000 MT	Amongst Largest in World	Largest in India
L-Ascorbyl Palmitate	450 MT	Second Largest in World	Second Largest in India

Experienced Promoters and senior management with extensive domain knowledge

Strong and long-standing relationships with key customers

Automated manufacturing facilities with proven design and commercialization capabilities and strong focus on EHS

STRONG PROFITABILITY

	As of/ for the years ended March 31,			CAGR
	2019	2020	2021	2019 – 2021
	(₹ million, except percentages)			
Revenue from operations	3,932.70	4,193.00	5,124.28	14.15%
Profit for the period	976.58	1,396.31	1,983.80	42.53%
PAT Margin	24.83%	33.30%	38.71%	24.86%
EBITDA	1,476.02	1,961.51	2,845.97	38.86%
EBITDA Margin	37.53%	46.78%	55.54%	21.65%
Adjusted EBITDA	1,363.09	1,852.86	2,589.54	37.83%
Adjusted EBITDA Margin	34.66%	44.19%	50.53%	20.75%
ROCE	50.75%	58.48%	73.89%	20.66%
ROE	35.90%	40.82%	36.76%	1.19%
Net Cash from Operating Activities	847.38	1,601.03	1,928.45	50.86%

REVENUE – PRODUCT AND GEOGRAPHICAL MIX



Products	Fiscal 2019		Fiscal 2020		Fiscal 2021	
	Revenue from Operations	As % of Total Income	Revenue from Operations	As % of Total Income	Revenue from Operations	As % of Total Income
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
Performance Chemicals	2,490.35	63.32%	2,721.18	64.90%	3,547.65	69.23%
Pharmaceutical Intermediates	681.05	17.32%	643.76	15.35%	830.06	16.20%
FMCG Chemicals	612.27	15.57%	665.68	15.88%	632.23	12.34%
Other Products	64.68	1.64%	62.76	1.50%	59.47	1.16%
Other Operating Revenue	84.35	2.14%	99.62	2.38%	54.87	1.07%
Total	3,932.70	100.00%	4,193.00	100.00%	5,124.28	100.00%

Region	Fiscal					
	2019		2020		2021	
	Amount (₹ million)	Percentage of Total Sales (%)	Amount (₹ million)	Percentage of Total Sales (%)	Amount (₹ million)	Percentage of Total Sales (%)
In India	1,005.44	26.13%	1,210.26	29.57%	1,592.22	31.41%
Outside India/ Exports						
China	1,510.19	39.24%	1,454.57	35.53%	1,881.75	37.12%
Europe ⁽¹⁾	787.27	20.46%	779.30	19.04%	700.50	13.82%
Americas ⁽²⁾	377.55	9.81%	370.77	9.06%	581.67	11.47%
ROW ⁽³⁾	167.90	4.36%	278.48	6.80%	313.27	6.18%
Total Exports	2,842.91	73.87%	2,883.12	70.43%	3,447.19	68.59%
Grand Total	3,848.35	100.00%	4,093.38	100.00%	5,069.41	100.00%

CAPACITY UTILISATION & ADD. FACILITIES



Location	Installed Production Capacity and Capacity Utilization as at and for the year ended (in metric tonnes) ^{(1) (2) (3) (4)}								
	March 31, 2019			March 31, 2020			March 31, 2021		
	Installed Capacity ⁽¹⁾	Actual Production ⁽²⁾	% Utilization ⁽³⁾	Installed Capacity ⁽¹⁾	Actual Production ⁽²⁾	% Utilization ⁽³⁾	Installed Capacity ⁽¹⁾	Actual Production ⁽²⁾	% Utilization ⁽³⁾
Performance Chemicals	8,580	4,804	55.99%	8,680	5,363	61.79%	9,640	7,081	73.46%
Pharmaceutical Intermediates	3,060	2,143	70.04%	3,780	1,942	51.37%	4,060	2,602	64.08%
FMCG Chemicals	9,600	7,471	77.83%	15,600	10,360	66.41%	16,200	11,826	73.00%
Total	21,240	14,418	67.88%	28,060	17,665	62.95%	29,900	21,509	71.94%

In order to meet the growing market demand for our key products and to develop and introduce newer products, we are in the process of setting-up two new manufacturing facilities.

We are in the process of setting-up a third facility at Plot No. D-25/1/1, Kurkumbh Industrial Area, Kurkumbh, Pune, Maharashtra, India, (“**Facility III**”), which is proposed to be used to manufacture Anisole and certain Performance Chemicals, including MEHQ. We have recently commenced operations in one unit of Facility III.

We have also recently been allotted land located at Plot No. 3, MIDC Additional Kurkumbh (Patas), Industrial Area, Tal Daund, Pune (Maharashtra) for our fourth facility (“**Facility IV**”), where we intend to manufacture stabilizer and other intermediates for application in pharmaceutical, flavors and fragrance and agriculture industries.

VALUATION IS ATTRACTIVE



Name of the company	Total Income (₹ in million)	Face Value per Equity Share (₹)	Closing price on June 11, 2021 (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV per equity share (₹)
Clean Science and Technology Limited	5,380.71	1	[●]	[●]	18.68	18.68	36.76%	50.81
Listed Peers								
Vinati Organics Limited	9,801.02	1.00	1,792.90	68.43	26.20	26.20	17.45%	150.16
Fine Organic Industries Limited	11,503.16	5.00	2,980.25	75.93	39.25	39.25	16.45%	238.57
Atul Limited	38,344.50	10.00	8,850.00	40.01	221.17	221.17	17.11%	1,303.66
Camlin Fine Sciences Limited	11,920.87	1.00	175.35	47.65	4.13	3.68	9.16%	55.93
SRF Limited	84,545.30	10.00	7,065.10	34.37	205.54	205.54	17.47%	1,157.30
Navin Flourine International Limited	12,584.37	2.00	3,347.70	64.43	52.03	51.96	15.76%	330.06
PI Industries Limited	47,019.00	1.00	2,835.35	56.83	49.92	49.89	13.82%	352.13



Business
Consulting
and Research



Financial
Management
and compliance



Investor
Relations and
valuation



Business
Planning



Growth
Strategy

PI consult your financial advisor before investing