

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER**FOR THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY**

This is an Abridged Letter of Offer containing salient features of the Letter of Offer dated May 05, 2023 (“Letter of Offer”) which is available on the websites of the Registrar, our Company and the stock exchange where the Equity Shares of our Company are listed, i.e., BSE Limited (“BSE”) (“Stock Exchange”). You are encouraged to read greater details available in the Letter of Offer. Capitalized terms not specifically defined herein shall have the meaning ascribed to them in the Letter of Offer.

THIS ABRIDGED LETTER OF OFFER CONTAINS 8 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES

Our Company has made available on the Registrar’s website at www.bigshareonline.com and the Company’s website, Abridged Letter of Offer along with the Rights Entitlement Letter and Application Form to the Eligible Equity Shareholder who have provided an Indian address to our Company. You may also download the Letter of Offer from the websites of the Company, the Stock Exchange, and the Registrar, i.e., at www.clara.co.in, www.bseindia.com, and www.bigshareonline.com, respectively. The Application Form is available on the website of the Stock Exchange, our Company and the Registrar to the Issue.

**CLARA INDUSTRIES LIMITED**

Registered Office: 127/1 Gram Simbhalka Junardar Paragna, Teshil and District Saharanpur – 247001, Uttar Pradesh, India

Contact Person: Ms. Nidhi Varun Kumar, Company Secretary and Compliance Officer; **Telephone:** +91- 81718 84399;

E-mail: info@clara.co.in **Website:** www.clara.co.in; **Corporate Identity Number:** L25209UP2021PLC151537.

PROMOTERS OF OUR COMPANY: MS. PARRY KUKREJA AND MR. NIKHIL KUKREJA

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF CLARA INDUSTRIES LIMITED (“OUR COMPANY” OR “THE ISSUER”) ONLY

ISSUE DETAILS, LISTING AND PROCEDURE

RIGHT ISSUE OF UPTO 16,53,986 EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH (“EQUITY SHARES” OR “RIGHTS EQUITY SHARES) OF OUR COMPANY FOR CASH AT A PRICE OF ₹167.00 PER RIGHTS EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹157.00 PER RIGHTS EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING UP TO *₹ 2,762.16 LAKH (“THE ISSUE”) ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 2 (TWO) RIGHTS EQUITY SHARES FOR EVERY 3 (THREE) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ON THE RECORD DATE, THAT IS THURSDAY, MAY 11, 2023 (THE “ISSUE”). FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” BEGINNING ON PAGE 92 OF THE LETTER OF OFFER

***Assuming full subscription**

The existing Equity Shares of our Company are listed on the Stock Exchange. Our Company has received “in-principle” approval from BSE Limited and for listing the Rights Equity Shares through their letters dated February 09, 2023. For the purposes of the Issue, the Designated Stock Exchange is BSE Limited.

Our Company will also make application to the Stock Exchange to obtain the trading approval for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020.

Procedure: If you wish to know about processes and procedures applicable to rights issue, you may refer to the section titled “*Terms of the Issue*” on page 92 of the Letter of Offer. You may download a copy of the Letter of Offer from the websites of the Company, SEBI, BSE, Registrar as stated above. You can also request the Registrar or our Company to provide a hard copy of Letter of Offer.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company incorporated under the Companies Act, 2013. Our Equity Shares are presently listed on the BSE Limited. Our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to this Issue.

INDICATIVE TIMETABLE*

Last Date for credit of Rights Entitlements	Thursday, May 18, 2023	Finalization of Basis of Allotment (on or about)	Tuesday, June 06, 2023
Issue Opening Date	Tuesday, May 23, 2023	Date of Allotment (on or about)	Wednesday, June 07, 2023
Last date for On Market Renunciation of Rights Entitlements[#]	Monday, May 29, 2023	Date of credit (on or about)	Monday, June 12, 2023
Issue Closing Date*	Thursday, June 01, 2023	Date of listing (on or about)	Friday, June 16, 2023

* Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.

Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

NOTICE TO INVESTORS

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “US SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATIONS UNDER THE US SECURITIES ACT (“REGULATION S”) AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR. THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES MAY NOT BE RE-OFFERED, RE-SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATIONS, OR OTHERWISE IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR THE RIGHTS ENTITLEMENT FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY OR TRANSFER ANY OF THE EQUITY SHARES OR RIGHTS ENTITLEMENT. THERE IS NO INTENTION TO REGISTER ANY PORTION OF THE ISSUE OF ANY OF THE SECURITIES DESCRIBED HEREIN IN THE UNITED STATES OR TO CONDUCT A PUBLIC OFFERING OF SECURITIES IN THE UNITED STATES. ACCORDINGLY, THE ISSUE DOCUMENTS AND THE APPLICATION FORM SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THE LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THE LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THE ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in relation to the Issue. For taking an investment decision, investors shall rely on their own examination of the Company and the Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the Letter of Offer. Specific attention of investors is invited to the statement of “Risk Factors” beginning on page 17 of the Letter of Offer and “Internal Risk Factors” on page 5 of this Abridged Letter of Offer before making an investment in the Issue.

Name of Registrar to the Issue and contact details	<p>BIGSHARE SERVICES PRIVATE LIMITED Office No S6-2,6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali caves Road, Andheri (East), Mumbai – 400 093 Maharashtra, India Tel: +91 40 6716 2222 Email: rightsissue@bigshareonline.com Investor Grievance E-mail: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Babu Rapheal SEBI Registration No.: INR000001385</p>
Name of Statutory Auditors	M/s. Gupta Agarwal & Associates., Chartered Accountants
Banker to the Issue	<p>AXIS BANK LIMITED Worli Branch, Ground Floor, Bengal Chemical Bhavan, 502, S. V. Savarkar Marg, Near Centuary Bazar, Prabhadevi, Mumbai- 400 025 Mobile No.: +91 9619298042 Email: shareholders@axisbank.com Website: www.axisbank.com Contact Person: Mr. Neeraj Singh</p>

1. Summary of business

We are engaged in business of providing flexible plastic packaging solutions to our clients, we serve varied sectors spanning FMCG, Consumer Product, Hardware Tools, Hospitality, Housekeeping, Pharmaceuticals, Clothing & Hosiery, Edible Oil, Salt and Sugar. Our Company is known in the industry for manufacturing and supplying of high-end multilayer Plastic bags and multilayer Plastic rolls in India. Our Promoters initially started business of flexible packaging way back in the year 2014 in the name of M/s Clara Petrochemicals, a sole proprietorship firm. In flexible packaging, we manufacture printed films with surface printing as well as reverse printing, films between 51 micron and above as mandate by government laws and also laminates in two-, three- and four-layer structure. We also manufacture standing pouches, side gazzette

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

pouches, Press & lock pouches and other pouches as per customer's requirement. Our Company has installed various testing equipment by virtue of which it will develop new packaging solutions at cheaper cost without affecting quality of the products. We regularly conduct batch wise tests on all our products for examining their strength, quality aspects etc. Our machines are capable of manufacturing multiple products at one point of time Our Business is not seasonal in nature but demand for some items such as Plastic bangles and peanuts packaging are seasonal. We manufacture plastic bangles which sells mostly during the festive time like Diwali and Karva Chauth whereas demand for peanuts tend to increase during the period September to January. Moreover, our promoters have been in the industry for more than decade, by using his experience our company do assemble plastic packaging machines for client. This is an additional business that the company runs

2. Summary of Objects of the Issue and Means of Finance:

Requirement of funds and utilisation of Net Proceeds

The details of the proceeds of the Issue are summarised in the table below:

(In ₹ lakhs)

Particulars	Amount
Gross Proceeds from the Issue*	2762.16
(Less) Issue related expenses	10.16
Net Proceeds	2752.00

*Assuming full subscription and Allotment of the Rights Entitlement.

Utilization of Net Proceeds and schedule of implementation and deployment

(In ₹ lakhs)

Particulars	Amount which will be financed from Net Proceeds	Estimated deployment in FY 2023-24 [^]
Funding the working capital requirements of our Company	2102.00	2102.00
General corporate purpose*	650.00	650.00
Net Proceeds**	2752.00	2752.00

[^] Any portion of the Net Proceeds not deployed for the stated Objects in FY 2023-24 will be deployed by our Company in FY 2024-25.

* The amount to be utilized for general corporate purposes will not exceed 25% of the Gross Proceeds.

** Assuming full subscription and Allotment and receipt of all Call Money with respect to the Rights Equity Shares.

Means of Finance

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the Issue.

3. Name of Monitoring Agency: Not Applicable

4. Shareholding Pattern:

The shareholding pattern of our Company at the quarter ended March 31, 2023, can be accessed on the website of the BSE at <https://www.bseindia.com/stock-share-price/clara-industries-ltd/clara/543435/shareholding-pattern/>

The statement showing holding of Equity Shares of persons belonging to the category "Promoter and Promoter Group" including the details of lock-in, pledge of and encumbrance thereon, as at the quarter ended March 31, 2023, can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=543435&qtrid=117.00&QtrName=March%202023>

The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public" including Equity Shareholders holding more than 1% of the total number of Equity Shares as at the quarter ended March 31, 2023, as well as details of shares which remain unclaimed for public can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=543435&qtrid=117.00&QtrName=March%202023>

5. Board of Directors

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in designation and Term	Other Directorships in Companies
<p>Name: Ms. Parry Kukreja Designation: Managing Director DIN: 06649401 Date of Birth: November 23, 1988 Age: 33 Years Occupation: Business Address: 4 / 911, Jaffar Nawaz, Chand Plastic Corporation, Near Subzi Mandi, Pul, Saharanpur, Uttar Pradesh- 247001, India Nationality: Indian Original Date of Appointment: September 09, 2021 Appointment as Managing Director: September 28, 2021 Term: Re-appointed as Managing Director with effect from September 28, 2021 to September 27, 2026.</p>	<ul style="list-style-type: none"> ● Clara Packing Solutions Limited ● Clara Recycling Private Limited

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in designation and Term	Other Directorships in Companies
Name: Mr. Nikhil Kukreja Designation: Executive Director DIN: 06649387 Date of Birth: July 11, 1982 Age: 40 Years Occupation: Business Address: 4 / 911, Jaffar Nawaz, Chand Plastic Corporation, Near Subzi Mandi Pul, Saharanpur, Uttar Pradesh- 247001, India Nationality: Indian Original Date of Appointment: September 09, 2021 Re-designated as Chief Financial Officer: September 28, 2021 Term: Re-appointed as Chief Financial Officer with effect from September 28, 2021.	<ul style="list-style-type: none"> ● <i>Clara Packing Solutions Limited</i>
Name: Ms. Priyanka Mediratta Designation: Non-Executive Director DIN: 09303974 Date of Birth: June 01, 1980 Age: 42 Years Occupation: Service Address: Kothi No. 9, Alka Puri, Dayal Bagh, Agra, Uttar Pradesh- 282005, India Nationality: Indian Original Date of Appointment: September 02, 2021 Change in designation to Non-Executive Director: September 28, 2021 Term: Liable to retire by rotation	<ul style="list-style-type: none"> ● <i>Clara Packing Solutions Limited</i>
Name: Mr. Manmohan Singh Designation: Independent Director DIN: 07790507 Date of Birth: January 25, 1945 Age: 76 Years Occupation: Business Address: 16 Bharat Vatika, Opp Transport Nagar, Dehradun Road, Saharanpur, Uttar Pradesh- 247001, India Nationality: Indian Original Date of Appointment: September 28, 2021 Term: Appointed as Independent Director with effect from September 28, 2021 to September 27, 2026.	<ul style="list-style-type: none"> ● <i>Gurshyam Formulations Private Limited</i>
Name: Mr. Ajay Kumar Jain Designation: Independent Director DIN: 01408067 Date of Birth: June 29, 1972 Age: 50 Years Occupation: Business Address: 91, 686, Mufti Deena Nath, Deena Nath Bazaar, Saharanpur, Nakur, Uttar Pradesh- 247001, India Nationality: Indian Original Date of Appointment: September 28, 2021 Term: Appointed as Independent Director with effect from September 28, 2021 to September 27, 2026	<ul style="list-style-type: none"> ● <i>Kahan Transformer Private Limited</i>

6. Details of the Issuer or any of its promoters or directors being a wilful defaulter:

Neither our Company nor our Promoter or our Directors have been or are identified as Wilful Defaulter or a fraudulent borrower.

7. FINANCIAL STATEMENT SUMMARY

(₹ in lakhs unless otherwise stated)

Particulars	As and for the period / year ended	
	31-Mar-23	31-Mar-22
Revenue from Operations	1,138.32	364.89
Profit/(Loss) before Extraordinary items & Tax	544.90	141.29
Profit/(Loss) after Tax and extraordinary items	394.61	105.06
Equity Share Capital	248.10	248.10
Net-worth	934.66	540.04
Other Equity	686.56	291.94

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

Particulars	As and for the period / year ended	
	31-Mar-23	31-Mar-22
Basic earnings per Equity Share (₹)	15.91	8.99
Diluted earnings per Equity Share (₹)	15.91	8.99
Return on net worth (%)	42.22	19.44
Net asset value per Equity Share (₹)	37.67	21.77

Based on

1. Audited financial statements for the year ended March 31, 2023
2. Audited financial statements for the year ended March 31, 2022

8. INTERNAL RISK FACTORS

The below mentioned risks are the top 5 risk factors as per the Letter of Offer:

1. There are outstanding legal proceedings involving our Company, Promoters and Directors Any adverse decision in such proceeding may have a material adverse effect on our business, results of operations and financial condition.
2. Our Company has been formed specifically for the purpose of acquisition of the business of M/s Clara Petrochemicals (Proprietorship firm of our Promoter) thus we have limited operating history as a Company which may make it difficult for investors to evaluate our historical performance or future prospects.
3. An increase in the prices of our basic raw material i.e., Plastic granules and PET Sheets could raise our manufacturing costs and could adversely affect our profitability.
4. We generally do business with our customers on purchase order basis and do not enter into long term contracts with most of them.
5. Business Transfer Agreement executed between M/s Clara Petrochemicals and our Company contains some restrictive covenants with certain terms and conditions. Inability to effectively service / comply the terms and conditions, comply with or obtain waivers of some covenants, as the case may be, may adversely affect our business, results of operations and financial conditions.

For further details, see the section “Risk Factors” on page 17 of the Letter of Offer.

9. SUMMARY TABLE OF OUTSTANDING LITIGATIONS

The Summary of legal proceedings involving our Company, Promoters and Directors as on date of the Letter of Offer are set out below:

For further details, see “Outstanding Litigation and Defaults” on page 67 of the Letter of Offer

Nature of Case	Number of Cases	Amount Involved*
Company: Clara Industries Limited		
Direct Tax		
E-Proceedings	NIL	NIL
Outstanding Demand**	NIL	NIL
TDS	NIL	NIL
Indirect Tax		
	NIL	NIL
Promoters		
Direct Tax		
E-Proceedings	02	Unascertained
Outstanding Demand**	NIL	NIL
TDS	NA	NA
Indirect Tax		
	NIL	NIL
Directors #		
Direct Tax		
E-Proceedings	01	Unascertained
Outstanding Demand**	01	0.07
TDS	NA	NA
Indirect Tax		
	NIL	NIL
Group Companies		
Direct Tax		
E-Proceedings	NIL	NIL
Outstanding Demand**	NIL	NIL
TDS	NIL	NIL
Indirect Tax		
	NIL	NIL

10. TERMS OF THE ISSUE

Process of Making an Application in the Issue.

1) *Dispatch and availability of Issue materials:*

In accordance with the SEBI ICDR Regulations, SEBI circulars SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, Circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and the MCA Circular, our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their addresses to our Company.

Investors can also access the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company at www.clara.co.in
- b) the Registrar to the Issue at www.bigshareonline.com
- c) the Stock Exchanges at www.bseindia.com

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.bigshareonline.com by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.clara.co.in).

The Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

2) *Facilities for Application in this Issue:*

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, and SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 (Collectively hereafter referred to as “**SEBI Rights Issue Circulars**”) and SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (Collectively hereafter referred to as “**ASBA Circulars**”), all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see “*Procedure for Application through the ASBA Process*” on page 92.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 our Company will make use of advertisements in television channels, radio, internet etc., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India.

3) *Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:*

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date i.e. May 23, 2023, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a Right Entitlement Demat Suspense Account (namely, “**Clara Industries Limited - Right Entitlement Demat Suspense Account and Clara Industries Limited - Unclaimed Share Suspense Account**”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings. Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

4) *Application by Eligible Equity Shareholders holding Equity Shares in physical form:*

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Accordingly, such resident Eligible Equity Shareholders are required to, within 6 (six) months from the Allotment Date, send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery, to enable process of credit of Rights Equity Shares in such demat account.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in Section Terms of the Issue “*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” and “*Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*” on pages 98 and 111, respectively.

5) Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

- a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.bigshareonline.com
- b) Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: www.bigshareonline.com
- c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.bigshareonline.com

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 2 (Two) Rights Equity Share for every 3 (Three) Equity Shares held on the Record Date i.e. May 11, 2023.

The Board, at its meeting held on January 04, 2023, has determined the Rights Entitlement Ratio.

Fractional Entitlements

The Right Shares are being offered on a rights basis to existing Eligible Shareholders in the ratio of 2 (Two) Right Shares for every 3 (Three) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. For example, if an Eligible Equity Shareholder holds 3 (Three) Equity Shares, such Equity Shareholder will be entitled to 2 (Two) Rights Equity Share(s) and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Right Shares, over and above his/ her Rights Entitlements, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for. Further, the Eligible Shareholders holding less than 3 (Three) Equity Shares shall have ‘zero’ entitlement for the Right Shares. Such Eligible Shareholders are entitled to apply for additional Right Shares and will be given preference in the Allotment of one Right Shares, if such Eligible Shareholders apply for additional Right Shares, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off - market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN INE0JJS01014 subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 800 Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., May 23, 2023 to May 29, 2023 (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN INE0JJS01014 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on ‘T+2 rolling settlement basis’, where ‘T’ refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: INE0JJS01014, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction)

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER

has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Intention and extent of participation by the Promoter and Promoter Group

Our Promoter and Promoter Group has, vide letter dated January 04, 2023 (the "Subscription Letter") informed us that they may renounce a part of its Rights Entitlement in favour of third parties. The extent of renouncement, if any, shall be finalized before the filing of Letter of Offer with Stock Exchanges.

In the event the Promoter decides to renounce its Right Entitlement in the favour of third party, minimum subscription criteria provided under regulation 86(1) of the SEBI ICDR Regulations shall apply. In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates as prescribed under the applicable laws.

Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

For further details, please see the chapter titled "Capital Structure" beginning on page 38 of the Letter of Offer.

Market Lot

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 800 Shares and in multiples of 800 Shares and therefore the marketable lot is 800 Equity Shares.

Renounees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renounee(s) as well.

DECLARATION BY OUR COMPANY

We hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

NAME AND DESIGNATION	SIGNATURE
MS. PARRY KUKREJA <i>Managing Director</i> DIN: 06649401	Sd/-
MR. NIKHIL KHKREJA <i>Executive Director & CFO</i> DIN: 06649387	Sd/-
MS. PRIYANKA MEDIRATTA <i>Non-Executive Director</i> DIN: 09303974	Sd/-
MR. MANMOHAN SINGH <i>Independent Director</i> DIN: 07790507	Sd/-
MR. AJAY KUMAR JAIN <i>Independent Director</i> DIN: 01408067	Sd/-

SIGNED BY THE CHIEF FINANCIAL OFFICER AND THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY

Sd/-
MR. NIKHIL KUKREJA
Chief Financial Officer
PAN: ALXPK7283K

Sd/-
MS. NIDHI VARUN KUMAR
Company Secretary and Compliance Officer
PAN: ADQPU7749H

Place: Saharanpur

Date: May 05, 2023