




CLARA INDUSTRIES LIMITED

Our Company was originally incorporated as “Clara Industries Limited” as a public limited company under the Companies Act, 2013 vide Certificate of Incorporation dated September 02, 2021 bearing Registration Number 151537 issued by the Registrar of Companies, Kanpur. Subsequently, our Company acquired the entire running business on a going concern basis with the Assets and Liabilities of M/s Clara Petrochemicals, sole proprietorship concern of our Promoter, Ms. Parry Kukreja vide Business Transfer Agreement dated October 29, 2021. The Corporate Identification Number of our Company is L25209UP2021PLC151537. For further Details of Incorporation and Change in Registered Office of our Company, please refer to section titled ‘**General Information**’ beginning on page 37 of this Draft Letter of Offer.

Registered Office: 127/1 Gram Simbhalka Junardar Paragna, Teshil and District Saharanpur – 247001, Uttar Pradesh, India
Tel: +91- 81718 84399; **E-mail:** info@clara.co.in; **Website:** www.clara.co.in
Contact Person: Ms. Nidhi Varun Kumar, Company Secretary and Compliance Officer

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		
RIGHT ISSUE OF UPTO [1653986] EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH (“EQUITY SHARES” OR “RIGHTS EQUITY SHARES) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER RIGHTS EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER RIGHTS EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING UP TO ₹ [2500] LAKH (“THE ISSUE”) ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [2] RIGHTS EQUITY SHARES FOR EVERY [3] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ON THE RECORD DATE, THAT IS [●] (THE “ISSUE”). FOR FURTHER DETAILS, SEE “ TERMS OF THE ISSUE ” BEGINNING ON PAGE 90 OF THIS DRAFT LETTER OF OFFER.		
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 of losing such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The securities being offered in the Issue have not been recommended nor approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer, Specific attention of the investors is invited to “Risk Factors” beginning on page 17 of this Draft Letter of Offer before making an investment in this Issue.		
COMPANY’S ABSOLUTE RESPONSIBILITY		
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.		
LISTING		
The Existing Equity Shares of our Company are listed on SME Platform of BSE Limited (“BSE”). Our Company has received “In-Principle” approval from BSE for listing the Rights Equity Shares through their respective letters dated [●]. Our Company will also make applications to the Stock Exchange to obtain its trading approvals 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. For the purposes of the Issue, the Designated Stock Exchange is BSE Limited.		
WILFUL DEFAULTER		
Neither the Company nor the Promoters or any of the Directors have been or are identified as Wilful Defaulter and/or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on Wilful Defaulter(s) or Fraudulent Borrower(s) issued by the Reserve Bank of India.		
REGISTRAR TO THE ISSUE		
	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: +91-22-62638200122 Email: rightsissue@bigshareonline.com Investor Grievance E-mail: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Vijay Surana SEBI Registration No.: INR000001385, CIN: U99999MH1994PTC076534	
ISSUE SCHEDULE		
ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON#
[●]	[●]	[●]

*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.

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 this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I: GENERAL**DEFINITIONS AND ABBREVIATIONS**

In this Draft Letter of Offer, unless the context otherwise requires, the terms defined and abbreviations expanded below shall have the same meaning as stated in this chapter. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments, modifications or re-enactment notified thereto.

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the chapter titled “Statement of Special Tax Benefits” and “Financial Information” on pages 45 and 70, respectively, shall have the meaning given to such terms in such chapters. Unless otherwise specified, the capitalized terms used in this Draft Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

Company Related Terms

Term	Description
“Clara Industries Limited”, “Clara”, “CIL”, “We” or “us” or “Our Company” or “the Issuer”	Clara Industries Limited, a public limited company incorporated under the Companies Act, 2013, having its registered office at 127/1 Gram Simbhalka Junardar Paragna, Tehsil and District Saharanpur- 247001, Uttar Pradesh, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company.
Articles of Association	The Articles of Association of our Company as amended from time to time.
Audited Financial Statements	The audited financial statements of our Company as at and for the year ended March 31, 2022 which comprises of the balance sheet as at March 31, 2022, the statement of profit and loss, the cash flow statement and the statement of changes in equity for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
Auditors / Statutory Auditors	The Statutory Auditors of our Company being M/s. Gupta Agarwal & Associates., Chartered Accountants holding a valid peer review certificate as mentioned in the section titled “General Information” beginning on page 37 of this Draft Letter of Offer.
Board/Board of Directors/our Board	The Board of Directors of our Company or a duly constituted committee thereof, as the context may refer to.
Director(s)	Any or all the director(s) of our Board, as may be appointed from time to time.
Equity Shares / Shares	Equity Shares of face value of Rs. 10/- each of our Company.
Key Managerial Personnel / KMP	Key Managerial Personnel of our Company in terms of the Companies Act, 2013 and Regulation 2(1) (bb) of the SEBI (ICDR) Regulations 2018 and Section 2(51) of the Companies Act, 2013. For details, see section entitled “Our Management” beginning on page 67 of this Draft Letter of Offer.
Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Promoter	Ms. Parry Kukreja and Mr. Nikhil Kukreja
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations and as disclosed by our Company in the filings made with the Stock Exchange under the SEBI Listing Regulations.
Registered Office	The registered office of our Company located at 127/1 Gram Simbhalka Junardar Paragna, Tehsil and District Saharanpur- 247001, Uttar Pradesh, India.
Registrar of Companies / ROC	Registrar of Companies, Kanpur situated at Registrar of Companies, 204, 2nd Floor, Mall Rd, 37/17, Westcott Building, Chunniganj, Kanpur-208001, Uttar Pradesh, India.

Issue Related Terms

Term	Description
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares / Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.

Term	Description
Allot/Allotment/Allotted	Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Advice	The note or advice or intimation of Allotment sent to the Investors, who has been or is to be Allotted the Rights Equity Shares after the basis of allotment has been approved by the BSE.
Allotment Date	Date on which the Allotment is made pursuant to the Issue.
Allottee(s)	Persons to whom Rights Equity Shares of our Company are Allotted pursuant to this Issue.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of the Draft Letter of Offer, including an ASBA Applicant.
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available on B-WAP, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form / CAF / Common Application Form	Form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an Application for Allotment of Rights Equity Shares in the Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ASBA	The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with SCSB.
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Applicant / ASBA Investor	Applicants / Investors who make Application in this Issue using the ASBA Process
Banker to the Issue	Collectively, the Escrow Collection Bank and the Refund Banks to the Issue in this case being, [●].
Banker to the Issue Agreement	Agreement dated [●] entered into by and among our Company, the Registrar to the Issue, and the Banker to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in “Terms of the Issue” on page 90.
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and/or such other website(s) as may be prescribed by the SEBI from time to time.
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms or the plain paper Application, as the case may be, used by ASBA Investors and a list of which is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and/or such other website(s) as may be prescribed by the SEBI from time to time.
Designated Stock Exchange	BSE Limited
Depository(ies)	A depository registered with SEBI under the SEBI (Depository and Participant) Regulations, 2018, as amended from time to time, read with the Depositories Act, 1996.
Draft Letter of Offer/ DLoF/ DLOF	The draft Letter of Offer dated [●] being filed with Stock Exchange, in accordance with the SEBI ICDR Regulations, for their observations.
Equity Shareholder(s) / Shareholder(s)	The holders of Equity Shares of our Company.
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e. [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see “ Notice to Investors ” on page 10.
Entitlement Letter/ Rights Entitlement Letter	A letter to be dispatched by the Registrar to all Existing Equity Shareholders as on the Record Date which will contain details of their Rights Entitlements based on their shareholdings as on the Record Date.

Term	Description
Issue / Rights Issue	Issue of up to [●] Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) aggregating up to ₹ [●] lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] ([●]) Rights Equity Share for every [●] ([●]) Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [●].
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ [●] per Rights Equity Share.
Issue Proceeds	Gross proceeds of the Issue.
Issue Size	Amount aggregating up to ₹ [●] Lakh
Letter of Offer/ LOF	The Letter of Offer dated [●] to be filed with the Designated Stock Exchange, BSE and to be submitted with SEBI for information and dissemination purpose.
Listing Agreement	Uniform listing agreement entered into between our Company and the Stock Exchange.
Net Proceeds	Proceeds of the Issue less our Company's share of Issue related expenses. For further information about the Issue related expenses, see " <i>Objects of the Issue</i> " on page 41 of this Draft Letter of Offer.
MCA Circular	General Circular No. 21/2020 dated May 11, 2020 read with General Circular No. 27/2020 dated August 3, 2020 issued by the Ministry of Corporate Affairs, Government of India.
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please see to the chapter titled " <i>Objects of the Issue</i> " beginning on page 41.
Net Worth	Net worth as defined under Section 2(57) of the Companies Act.
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees.
Non-Institutional Bidders or NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1) (jj) of the SEBI ICDR Regulations.
Offer Documents	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigenda thereto.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●].
Original Shareholders	Original Shareholders shall mean the Resident Shareholders who are holding the Equity Shares of our Company as on the Record Date i.e. [●] The Shareholders who receive the renounced Equity Shares offered in this Issue shall not be considered as Original Shareholders and shall not be eligible to apply through B-WAP. B-WAP is available only for the Original Resident Shareholders.
Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Rights Equity Shares i.e. [●].
Refund Bank	The Banker to the Issue with whom the Refund Account(s) will be opened, in this case being [●].
"Registrar to the Issue"/ "Registrar"	Bigshare Services Private Limited.
Registrar Agreement	Agreement dated [●] entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Renouncee(s)	Person(s), not being the original recipient, who has / have acquired Rights Entitlements from the Eligible Equity Shareholders, in accordance with SEBI ICDR Regulation read with SEBI Rights Issue Circulars.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date, i.e. [●]. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that

Term	Description
	the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Bidders(s)/Retail Individual Investor(s)/ RII(s)/RIB(s)	An individual Investor (including an HUF applying through karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹200,000 in the Issue as defined under Regulation 2(1) (vv) of the SEBI ICDR Regulations.
Rights Entitlement	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being [●] Rights Equity Share for [●] Equity Shares held on record Date. The Rights Entitlements with a separate ISIN: [●] will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the Record Date. <i>Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.</i>
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the B-WAP facility and link for the same will be available on the website of our Company.
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue.
Self-Certified Banks” or “SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed, being BSE.
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Day	Working Days as defined under Regulation 2(1)(mmm) of the SEBI ICDR Regulations.

Business and Industry related Terms or Abbreviations

Term	Description
Bn.	Billion
CAD	Current account deficit
CAGR	Compound annual growth rate
CBM	Curriculum-Based Measurement
COVID-19	Coronavirus Disease 2019
CPI	Consumer Price Index
EMDEs	Emerging Market and Developing Economies
G-20	Group of 20
GDP	Gross Domestic Product
GST	Goods and services tax
IIP	Index of industrial portfolio
IMF	International Monetary Fund
Mn.	Million
NIFTY	National stock exchange FIFTY
OPEC	Organization of Petroleum Exporting Countries
PA	Provisional Actual
PPP	Purchasing Power Parity
RBI	Reserve Bank of India
RERA	Real Estate Regulatory Act
SENSEX	Sensitive Index
SIDBI	Small industrial Development Bank of India

Term	Description
USA/US	United States of America
USD	US Dollar
WEO	World Economic Outlook
WPI	Wholesale price index
YoY	Year-on-year

Conventional and General Terms or Abbreviations

Term	Description
A/c	Account
AGM	Annual general meeting
AIF	Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970.
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with rules made thereunder.
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
CSR	Corporate Social Responsibility
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary general meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and services tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended

Term	Description
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
Insolvency Code	Insolvency and Bankruptcy Code, 2016
INR or ₹ or Rs. Or Indian Rupees	Indian Rupee, the official currency of the Republic of India.
ISIN	International Securities Identification Number
IT	Information Technology
MCA	The Ministry of Corporate Affairs, GoI
Mn / mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.
NSDL	National Securities Depository Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the Securities Act
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
Securities Act	The United States Securities Act of 1933.
STT	Securities Transaction Tax
State Government	The government of a state in India
Trademarks Act	Trademarks Act, 1999
TDS	Tax deducted at source
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f.	With effect from

Term	Description
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

NOTICE TO INVESTORS

The distribution of the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Those overseas Eligible Equity Shareholders who do not communicate with the Registrar to the Issue in the manner provided in the chapter titled “*Terms of the Issue*” and on the website of the Registrar to the Issue at www.bigshareonline.com to update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter, shall not be sent the Letter of Offer/ Abridged Letter of Offer and Application Form and Rights Entitlement Letter.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If the Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Letter of Offer and the Abridged Letter of Offer. Envelopes containing an Application Form and Rights Entitlement Letter should not be dispatched from the jurisdiction where it would be illegal to make an offer and all the person subscribing for the Equity Shares in the Issue must provide an Indian address.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction.

Neither the delivery of the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained is correct as at any time subsequent to the date of the Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

The contents of the Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer Rights of Equity Shares or Rights Entitlements. Accordingly, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Equity Shares. In addition, our Company is not making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under any applicable laws or regulations.

This Document is Solely for the Use of the Person who Received it from our Company or from the Registrar. This Document is not to be reproduced or distributed to any other person.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof (“**United States**”), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, the Letter of Offer/ Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letter should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of

the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND CURRENCY OF PRESENTATION

Certain Conventions

All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable. Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

In this Draft Letter of Offer, reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated otherwise or unless the context otherwise requires, the financial information and data in this Draft Letter of Offer, with respect to our Company, is derived from our audited financial statements for the financial year ended on March 31, 2022, which have been prepared by our Company in accordance with Accounting Standard, Companies Act, and other applicable statutory and/or regulatory requirements ("Financial Statements"). We publish our financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further details, please see the chapter titled "**Financial Statements**" beginning on page 70.

Our Company's fiscal year commences on April 1 and ends on March 31 of the following calendar year. Accordingly, all references to a particular "Financial Year" or "Fiscal Year" or "Fiscal" are to the 12 (twelve) months period ended March 31 of that year.

All numerical values as set out in this Draft Letter of Offer, for the sake of consistency and convenience, have been rounded off to two decimal places. In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Currency of Presentation

- All references to 'INR', '₹', 'Indian Rupees', 'Rs.' and 'Rupees' are to the legal currency of India.
- Any reference to 'US\$', 'USD', '\$' and 'U.S. dollars' are to the legal currency of the United States of America.

Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in Rupees in Lakh.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Letter of Offer has been derived from publicly available sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, we believe that the industry and market data used in this Draft Letter of Offer is reliable, neither we have prepared or verified it independently. The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the Section titled "**Risk Factors**" beginning on page 17 of this Draft Letter of Offer. Accordingly, investment decisions should not be based on such information.

Exchange Rates

This Draft Letter of Offer may contain conversions of certain other currency amount into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

FORWARD LOOKING STATEMENTS

This Draft Letter of Offer contains certain “forward-looking statements”. Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the chapters titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Industry Overview*”. Forward-looking statements include statements concerning our Company’s plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company’s competitive strengths and weaknesses, our Company’s business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “likely”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek to”, “will”, “will continue”, “will pursue”, “forecast”, “target”, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- A prolonged slowdown in economic growth in India or financial instability in other countries, particularly in light of the COVID-19 pandemic, could cause our business to suffer.
- general economic and business conditions in the markets in which we operate and in the local, regional and national and international economies;
- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to respond to technological changes;
- our ability to attract and retain qualified personnel;
- the effect of wage pressures, seasonal hiring patterns and the time required to train and productively utilize new employees;
- general social and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions restructurings and increased competition;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to manage our growth effectively;
- our ability to compete effectively, particularly in new markets and businesses;
- changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business;
- developments affecting the Indian economy; and
- Inability to meet our obligations, including repayment, financial and other covenants under our debt financing arrangements.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 17, 56 and 73 respectively, of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoters, the Syndicate Member(s) nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchanges.

SECTION II: SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including the chapters, “Objects of the Issue”, “Outstanding Litigation and Other Defaults” and “Risk Factors” on pages 41, 79 and 17 respectively.

Primary Business of our Company

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 gazette 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.

Object of the Issue

The Net Proceeds are proposed to be utilized as follows:

(₹ in Lakh)			
Sl. No.	Particulars	Amount to be financed from Net Proceeds of the Issue	Estimated deployment in FY 2022-23 [^]
1.	Funding the working capital requirements of our Company	2000	●
2.	General Corporate Purposes*	500	●
	Net Proceeds**	2500	●

[^]Any portion of the Net Proceeds not deployed for the stated Objects in FY 2022-23 will be deployed by our Company in FY 2023-24.

*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.

For further details, please see the chapter titled “Objects of the Issue” on page 41.

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.

For further details, please see the chapter titled “Capital Structure” beginning on page 40.

Summary of outstanding litigations

The following table sets forth the summary of outstanding litigations by and against our Company as on the date of this Letter of Offer

(Rs. in lakh)

Nature of case	Number of cases	Amount Involved*
Company: Clara Industries Limited		
Direct Tax		
Outstanding Demand	NIL	NIL
Promoters		
Direct Tax		
Outstanding Demand	NIL	NIL
Directors #		
Direct Tax		
Outstanding Demand	01	5.96
Group Companies		
Direct Tax		
	NIL	NIL
E-Proceeding		
	NIL	NIL
Outstanding Demand		
	NIL	NIL
TDS		
	NIL	NIL
Indirect Tax		
	NIL	NIL

For details, see “*Outstanding litigation and Defaults – Litigation* involving our Company – Proceedings involving material violations of statutory regulations by our Company” on page 79.

Risk Factors

For details of the risks associated with our Company, please see the section titled “Risk Factors” beginning on page 17.

Contingent liabilities

For details of contingent liabilities for the FY 2021-22, please see the section titled “Financial Information” beginning on page 70.

Related party transactions

For details of related party transactions for the FY 2021-22, please see the section titled “Financial Information” beginning on page 70.

Issue of Equity Shares for consideration other than cash in last one year

Our Company has not issued any Equity Shares for consideration other than cash during the last one year immediately preceding the date of this Letter of Offer.

SECTION III: RISK FACTORS

An Investment in equity shares involves higher degree of risks. Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Draft Letter of Offer before making any investment decision relating to the Equity Shares. The occurrence of any of the following events could have a material adverse effect on the business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to decline and you may lose all or part of your investment. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in this Draft Letter of Offer, including the sections titled "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the "Financial Information" included in this draft Letter of Offer beginning on pages 56, 73 & 70 respectively. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to fall significantly. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.

Materiality

The risk factors have been determined on the basis of their materiality.

The following factors have been considered for determining the materiality:

- Some events may not be material individually, but may be found material collectively.
- Some events may have material impact qualitatively instead of quantitatively.
- Some events may not be material at present but may have material impact in the future.

The risk factors are as envisaged by the management. Wherever possible, the financial impact of the risk factors has been quantified.

INTERNAL RISKS**A. BUSINESS RELATED RISKS**

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.*

We are involved in certain legal proceedings which are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities. We cannot provide assurance that these legal proceedings will be decided in our favour. Any adverse decisions in any of the proceedings may have a significant adverse effect on our business, results of operations, cash flows and financial condition. A summary of the pending civil and other proceedings involving Our Company is provided below:

A classification of legal proceedings is mentioned below:

			(₹ in Lakhs)
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			
Promoters			
Direct Tax			
E-Proceedings	02	Unascertained	
Outstanding Demand**	NIL	NIL	
TDS	NA	NA	
Indirect Tax			
NIL			
Directors #			
Direct Tax			
E-Proceedings	01	Unascertained	
Outstanding Demand**	01	0.07	
TDS	NA	NA	
Indirect Tax			
NIL			
Group Companies			

Direct Tax		
E-Proceedings	NIL	NIL
Outstanding Demand**	NIL	NIL
TDS	NIL	NIL
Indirect Tax	NIL	NIL

*To the extent quantifiable excluding interest and penalty thereon

Directors excluding Promoters

**All outstanding demands prior to AY 2020-2021 is not yet made available on the Income Tax new updated portal.

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.***

Our Company was originally incorporated as a Public limited Company under the Companies Act, 2013 with Registrar of Companies, Central Registration Centre through a certificate of incorporation dated September 02, 2021. After incorporation, company has taken-over the running business of Proprietorship firm of our Promoter i.e., M/s Clara Petrochemicals for expansion of the business of Company. We have very limited operating history from which one can evaluate our business, future prospects and viability. Our future revenues and profitability are difficult to estimate and could fluctuate significantly and as a result the price of our Equity Shares may be volatile.

The business of providing flexible plastic packaging solutions was earlier carried by proprietorship firm which is recently taken over by our Company, although the proprietorship has placed the growth in past years, and will continue to place by our Company but there is no assurance that this growth will be met successfully in future. We may not be able to increase revenue or maintain profitability on a quarterly or an annual basis. If this occurs, our results of operations and financial condition will be adversely affected. Our growth exposes us to a wide range of increased risks. It will also place significant demands on our management, financial and other resources and will require us to continuously develop and improve our operational, financial and internal controls. There can be no assurance that we will be able to successfully pursue our growth strategies, or that pursuing these strategies will provide us the anticipated benefits in terms of growth and profitability. Further, we may be unable to develop adequate systems, infrastructure and technologies, devote sufficient financial resources or develop and attract talent to manage our growth. Our inability to pursue our growth strategies successfully or at all, or an inability to manage our growth, may adversely affect our Letter of Offer.

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.***

We have no control on the prices of our basic raw material i.e., Plastic granules and PET Sheets. The prices of these raw materials fluctuate daily due to availability and demand. In the recent past, there have been fluctuations in the prices of our raw material both at domestic and international levels. Such fluctuations in prices of raw material and our inability to negotiate at optimum market rates may affect our profitability. We typically do not enter into any long-term supply agreements with our suppliers and our major requirement is met in the spot market. We may be unable to control the factors affecting the price at which we procure our raw material. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. Upward fluctuations in the prices of raw material may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations.

4. ***We generally do business with our customers on purchase order basis and do not enter into long term contracts with most of them.***

Our business is dependent on our continuing relationships with our customers. Our Company neither has any long-term contract with any of customers nor has any marketing tie up for our products. Further, our Company has not appointed any exclusive agents for handling its operations. Any change in the buying pattern of our end users or disassociation of major customers can adversely affect the business of our Company. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations. We have not entered in any agreement with our customers, we work on the basis of purchase order basis.

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.***

Ms. Parry Kukreja, promoter of our company was carrying the business of providing flexible plastic packaging solutions through its Proprietorship firm in the name of M/s Clara Petrochemicals which was taken over by our company vide Business Transfer Agreement dated October 29, 2021. Further the company does not have any specific business except for

the business acquired from the proprietorship concern in case of the company is unable to develop the said business effectively or in a profitable manner then it may have an adverse effect on the operation and profitability of the company. For further details, relating to our history of our company. Inability to effectively comply any clauses of BTA agreement, comply with or obtain waivers of certain terms and conditions, as the case may be, may adversely affect our business, results of operations and financial conditions. Also, our Company may face regulatory proceedings including RBI w.r.t. to the Receipt / Payment of the Debtors / Creditors taken over etc. Further, the company has applied or in some cases will apply, for the transition or endorsement of name of the company on many of the documents, registration, bank account and other documents which are in the name of our promoter Ms. Parry Kukreja or Clara Petrochemicals. Any delay in the said transition may require the company to pay any penalty or refusal from any authority of such transition or endorsement which may affect the financial position and operation of our company.

6. *The property and some machines used by the Company for the purpose of its operations is not owned by us. Any termination of the relevant rent agreement in connection with such property or our failure to renew the same could adversely affect our operations.*

We currently operate our registered office and factory, located at 127/1 Gram Simbhalka Junardar Paragna, Tehsil and District Saharanpur- 247001, Uttar Pradesh, India, which are not owned by the company. We have obtained this property on rent from our director & promoter. Also, few machine that we use for manufacturing is been taken on lease from our promoter Mr. Nikhil Kukreja. Periodic renewals of such lease may increase our costs, since it is subject to rent escalation. Any termination of the lease and / or rental deed in connection with these properties or our failure to renew the same, and upon favourable conditions, in a timely manner or at all could adversely affect our operations.

7. *Orders placed by customers may be delayed, modified, cancelled or not fully paid for by our customers, which may have an adverse effect on our business, financial condition and results of operations.*

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers may postpone the delivery of such products or cause its cancellation, including delays or failure to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions. Due to the possibility of cancellations or changes in scope and schedule of delivery of such products, resulting from our customer's discretion or problems we encounter in the delivery of such products or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent we may be able to deliver the orders placed. Additionally, delays in the delivery of such products can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such products. In addition, even where a delivery proceeds as scheduled, it is possible that the contracting parties may default or otherwise fail to pay amounts owed. While we have not yet experienced any material delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default with regard to the orders placed with us, or disputes with customers in respect of any of the foregoing, any such adverse event in the future could materially harm our cash flow position and income. Further, we operate in highly competitive markets in relation to our products where it is difficult to predict whether and when we will receive such awards. As a result, our results of operations can fluctuate from quarter to quarter and year to year depending on whether and when such orders are awarded to us and the commencement and progress of work under the orders placed. For further details of our business, please refer chapter titled "**Our Business**" beginning on Page 56 of this Draft Letter of Offer.

8. *Our business involves usage of manpower and any unavailability of our employees or shortage of contract labour or any strikes, work stoppages, increased wage demands by workmen or changes in regulations governing contractual labour may have an adverse impact on our cash flows and results of operations.*

Our business involves usage of manpower and we are dependent on the availability of our permanent employees and the supply of a sufficient pool of labourers. Unavailability or shortage of such a pool of workmen or any strikes, work stoppages, increased wage demands by workmen or changes in regulations governing contractual labour may have an adverse impact on our cash flows and results of operations. We may not be able to secure the required number of labourers required for the timely execution of our projects for a variety of reasons including, but not limited to, possibility of disputes with sub-contractors, strikes, less competitive rates. We are subject to laws and regulations relating to employee welfare and benefits such as minimum wage, working conditions, employee insurance, and other such employee benefits and any changes to existing labour legislations, including upward revision of wages required by such state governments to be paid to such contract labourers, limitations on the number of hours of work or provision of improved facilities, such as food or safety equipment, may adversely affect our business and results of our operations.

Further, there can be no assurance that disruptions in our business will not be experienced if there are strikes, work stoppages, disputes or other problems with sub-contractors or contract labourers deployed at our projects. This may adversely affect our business and cash flows and results of operations.

9. *There may be potential conflict of interests between our Company and other venture or enterprises promoted by our promoter.*

Our Promoter Mr. Nikhil Kukreja runs a sole Proprietorship named Chand Plastic Corporation. The main business object / activities of firm permit it to undertake similar business to that of our business, which may create a potential conflict of interest and which in turn, may have an implication on our operations and profits. Conflicts of interests may arise in allocating business opportunities between our Company in circumstances where our respective interests diverge. In cases of conflict, our Promoter may favour other companies in which our Promoter have interest.

10. Our business is capital intensive. If we experience insufficient cash flows to meet required payments on our debt and working capital requirements, there may be an adverse effect on our operations.

Our business requires a significant amount of working capital which is based on certain assumptions, and therefore, any change of such assumptions would result in changes to our working capital requirements. In many contracts, significant amounts of working capital are required to finance the purchase or manufacturing of materials, mobilization of resources and other work on projects before payment is received from clients. Our working capital requirements may increase due to an increase in the size of our operations and the number and size of projects that are required to be executed within a similar timeframe.

Our capital expenditure requirements and growth strategy thus require continued access to significant amounts of capital on acceptable terms. We cannot assure you that market conditions and other factors will permit future project and acquisition financings, debt or equity, on terms acceptable to us. Our ability to arrange financing and the costs of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from financial institutions, the amount and terms of our existing indebtedness, investor confidence, the continued success of current projects and laws that are conducive to our raising capital in this manner.

11. Heavy dependence on our Promoters for the continued success of our business through his continuing services, strategic guidance and support

We are heavily dependent upon the continued services of our Promoters, along with support of our management team for the continuous success and growth of our organization. Our promoter Mr. Nikhil Kukreja is responsible for the execution of our day-to-day business affairs. Also prior to the incorporation and acquisition of the business he was running business under the proprietorship concern which have been acquired by our Company. The loss of our Promoters or failure to recruit suitable or comparable replacements could have an adverse effect on our business operations and growth strategies. For Details of our Promoters, please refer chapter titled “*Capital Structure*” beginning on Page 40 of this Draft Letter of Offer.

12. We have not yet applied for the registration of our logo. If we fail to obtain registration our brand building efforts may be hampered which might lead to adverse effect on our business.

Our Company is currently using the logo which is not yet registered in the name of our Company neither we have made any application for the registration of the trademark with the respective authorities. If we are unable to get the same registered with the trademark authorities then, our Company may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trademarks Act, 1999, as otherwise available for registered trademarks in future could have a material adverse effect on our business and goodwill, which in turn could adversely affect our results of operations. For further details, please refer to section titled “*Government and Other Statutory Approvals*” on page 83 of this Draft Letter of Offer.

13. Our Company has not taken any insurance which may expose our company from potential losses to which we may be subject to risk and this may have a material effect on our business and financial condition.

Our Company has not taken any insurance policy related to our registered office, factory, machines, stock, finished goods and for keyman Insurance policy of our Company. Any unforeseen situation or any liability will not compensate due to absence of Insurance policy. Further, our business involves risks which may adversely affect our profitability, including failure of systems and employee frauds. We cannot assure you that the operation of our business will not be affected by any of the incidents listed above or by other factors. In addition, in the future, we may not be able to maintain insurance of the types or at levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an effect on our business, results of operations, financial condition and cash flows.

14. We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.

The market in which our company is doing business is highly competitive on account of both the organized and unorganized players. Players in this industry generally compete with each other on key attributes such as technical competence, distribution network, pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market

scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

15. We have been recently incorporated as company and any non-compliance with the provisions of Companies Act, 2013 may attract penalties against our Company which could impact our financial and operational performance and reputation.

Our Company has been recently incorporated to acquire the entire business with the assets and liabilities of M/s Clara Petrochemicals, sole proprietorship concern of our Promoter Ms. Parry Kukreja vide Business Transfer Agreement dated October 29, 2021. The provisions of the Companies Act were not applicable to us earlier. However, consequent to the aforesaid incorporation, our Company is subject to compliance of various provisions of the Companies Act such as repayment of amounts falling under the definition of deposits under the Companies Act, 2013, prior approval for entering into related party transactions, filing of relevant RoC forms, rules pertaining to declaration of dividends etc. Though our Company will endeavour to take all possible steps comply with the provisions of the Companies Act, but in case of our inability to do so or in case of any delay, we may be subject to penal action from the appropriate authorities which may have an adverse effect on our financial and operational performance and reputation.

16. Our business experiences an increase in sales and profits of a particular product that we manufacture namely plastic bangle during the Festive seasons such as Diwali and Karva Chauth and also other significant seasons. Any substantial decrease in our sales during such periods and our inability cope up with our service during this time, then our revenues and profitability will be affected and have a negative effect on our image and brand.

Our business is experience significant increase in our sales and profits during the Festive seasons such as Diwali and Karva Chauth. In the year 2021 and 2022 we saw a jump in sales in the above-mentioned product which has generated good profits for a particular period. We can't promise the same profit margins can be attained by the company in other products and during whole year, any significant shortfall in sales or our inability to cope up with the growing demands during this period, would affect our profitability and we would experience adverse effect on our results of operations.

17. The continuing effect of the COVID-19 pandemic on our business and operations is highly uncertain and cannot be predicted.

The continuing effect of the COVID-19 pandemic on our business and operations is highly uncertain and cannot be predicted. In late calendar 2019, COVID-19, commonly known as "novel coronavirus" was first reported in Wuhan, China. Since then, the virus has progressively spread globally too many countries. The World Health Organization declared the COVID-19 outbreak as a health emergency of international concern on January 30, 2020 and thereafter categorised the outbreak as a pandemic on March 11, 2020. In order to contain the spread of COVID-19 virus, the Government of India initially announced a 21-day lockdown on March 24, 2020, which, after being subject to successive extensions, is being relaxed currently. During the duration of the lockdown, there were several restrictions in place including travel restrictions and directive to all citizens to not move out of their respective houses unless essential. Whilst the lockdown required private, commercial and industrial establishments to remain closed, subsequently manufacturing units of essential commodities were permitted to be functional. The team members have been working from home during lockdown and have been able to execute their responsibilities and service clients without any disruption, difficulty or delay. A rise in number of infected cases of COVID-19 in the country, there is no certainty if additional restrictions will be put back in place or if another lockdown would be re-imposed to control the spread of the pandemic. We cannot assure you that we may not face any difficulty in our operations due to such restrictions and such a prolonged instance of lockdown may adversely affect our business, financial condition and results of operations. Further, our ability to ensure the safety of our workforce and continuity of operations while confirming with measures implemented by the central and state governments in relation to the health and safety of our employees may result in increased costs. In the event a member or members of our senior management team contract COVID-19, it may potentially affect our operations. Further, in the event any of our employees contact COVID-19, we may be required to quarantine our employees and shut down a part of or the entire operating facility as necessary. Risks arising on account of COVID-19 can also threaten the safe operation of our facility, loss of life, injuries and impact the wellbeing of our employees. The ultimate impact will depend on a number of factors, many of which are outside our control. These factors include the duration, severity and scope of the pandemic, the impact of the pandemic on economic activity in India and globally, the eventual level of infections in India, and the impact of any actions taken by governmental bodies or health organisations (whether mandatory or advisory) to combat the spread of the virus. These risks could have an adverse effect on our business, results of operations, cash flows and financial condition. To the extent that the COVID19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section.

18. If we are not able to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our business it may have a material adverse effect on our business.

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Our Company has been recently incorporated and started business by takeover of running proprietorship firm of our Promoter i.e., M/s Clara Petrochemicals which deal in manufacturing and trading of flexible plastic packaging. For the same our Company has made applications to regulatory authorities for grant of the following Government / statutory approvals and licenses.

Currently all the licenses are in the name of firm and we have made application for the new license in the name of the company. We cannot assure that there is no other statutory / regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business. Additionally, we believe that we will be able to renew or obtain such registrations and approvals or permissions, as and when required, there can be no assurance that the relevant authorities will renew or issue any such registrations or approvals in the time frame anticipated by us or at all. If we are unable to renew, maintain or obtain the required registrations or approvals, it may result in the interruption of our operations and may have a material adverse effect on our revenues, profits and operations.

19. Breakdown of machinery and / or equipment used for the purpose of manufacturing process

Any breakdown or defect in the machinery and / or the equipment used for the purpose of our manufacturing process may delay the production process as a whole and result in missing deadlines in delivery of product if we are able to repair the machines or replace it within relevant timelines. Any such delays may have an adverse effect on the business of the Company.

20. Our Company has not created charge for the secured loan which was transferred by virtue of Business Transfer Agreement between Clara Petrochemicals (Proprietary Firm) and our Company. Also, the company was unable to get any Sanction letter or any agreement from Punjab National Bank.

A secured loan amounting to Rs. 58.65 Lakh was transferred by virtue of Business Transfer Agreement between Clara Petrochemicals and our Company, this loan was granted by Punjab National Bank and a charge was created on the property of proprietary Ms. Parry Kukreja. An application has been made to the bank on November 23, 2021 to transfer the same in the name of the company and the bank acknowledge our request, once process will be completed, the bank will provide the necessary documents required in this matter and due to this the company was not able to file CHG-1 with ROC since the company did not receive the documents from bank. Once the company receive the documents, the company will file the form CHG-1 which is required to be filed in this matter, once the company get the documents from bank, it will file all the requisite forms and documents with the concerned authorities as soon as practically possible.

21. Some of the details mentioned in the respective KYC Documents of our promoters and Directors are not same as other KYC documents.

Details of promoters and management such as Name, Date of Birth, Address, etc shall be incorporated in the Letter of Offer. While going through the KYC documents such as Aadhaar Card, PAN, Passport, Driving License and Voting Id, it was found that certain details mismatch with each other. For example, the Address in some KYC document is not matching with other document.

22. If we are unable to respond to the demands of our existing and new clients, or adapt to technological changes or advances, our business and growth could be adversely affected.

Our industry is characterized by increasingly complex and integrated infrastructure and services, new and changing business models and rapid technological and regulatory changes. Our clients' needs and demands for our services evolve with these changes. Our future success will depend, in part, on our ability to respond to our clients' demands for new services, capabilities and technologies on a timely and cost-effective basis. We also need to adapt to technological advancements and keep pace with changing regulatory standards to address our clients' increasingly sophisticated requirements. Transitioning to these new technologies may be disruptive to our resources and the services we provide and may increase our reliance on third-party service providers. If we fail to adapt or keep pace with new technologies in a timely manner, provide customers with better services and user experience, or retain and attract skilled technology staff, it could harm our ability to compete, decrease the value of our services to our clients, and adversely affect our business and future growth.

23. Major fraud, lapses of internal control or system failures could adversely impact the company's business.

Our Company is vulnerable to risk arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures, information system disruptions, communication systems failure and interception during transmission through external communication channels or networks. Failure to protect fraud or breach in security may

adversely affect our Company's operations and financial performance. Our reputation could also be adversely affected by significant fraud committed by our employees, agents, customers or third parties.

24. We continue to explore the diversification of our business and the implementation of new services. These diversifications and our other strategic initiatives may not be successful, which may adversely affect our business and results of operations.

In order to achieve our goal, we are constantly evaluating the possibilities of expanding our business through new models, innovations and / or starting new services. Although we believe that there are synergies between our current business and our expansion plans, we do have experience or expertise in these new areas. These new businesses and modes of delivery and the implementation of our strategic initiatives may pose significant challenges to our administrative, financial and operational resources, and additional risks, including some of which we are not aware of. The early stages and evolving nature of some of our businesses also make it difficult to predict competition and consumer demand therein. Our strategic initiatives require capital and other resources, as well as management attention, which could place a burden on our resources and abilities. In addition, we cannot assure you that we will be successful in implementing any or all of our key strategic initiatives. If we are unable to successfully implement some or all of our key strategic initiatives in an effective and timely manner, or at all, our ability to maintain and improve our leading market position may be negatively impacted, which may have an adverse effect on our business and prospects, competitiveness, market position, brand name, financial condition and results of operations.

25. General economic and market conditions in India and globally could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

Our business is highly dependent on economic and market conditions in India and other jurisdictions where we operate. General economic and political conditions in India, such as macroeconomic and monetary policies, industry-specific trends, mergers and acquisitions activity, legislation and regulations relating to the financial and securities industries, household savings rate, investment in alternative financial instruments, upward and downward trends in the market, business and financial sectors, volatility in security prices, perceived lack of attractiveness of the Indian capital markets, inflation, foreign direct investment, consumer confidence, currency and interest rate fluctuations, availability of short-term and long-term market funding sources and cost of funding, could affect our business. Global economic and political conditions may also adversely affect the Indian economic conditions. Market conditions may change rapidly and the Indian capital markets have experienced significant volatility in the past. The Indian economy has had sustained periods of high inflation in the recent past. If inflation or real interest rates were to rise significantly, the trends towards increased financial savings might slow down or reverse, our employee costs may increase and the sales of many of our products and services may decline.

26. We are dependent on third party transportation providers for delivery of material from our suppliers and delivery of our finished products to our customers. Any failure on part of such service providers to meet their obligations could have a material adverse effect on our business, financial condition and results of operation.

Our success depends on the smooth supply and transportation of material from our supplier to our warehouse & processing unit and from our warehouse & processing unit to our customers both of which are subject to various uncertainties and risks. In addition, products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and our results of operation negatively. A failure to maintain a continuous supply of our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. For further details of our business, please refer chapter titled "***Our Business***" beginning on Page 56 of this Draft Letter of Offer.

27. Any deficiency in our products could make our Company liable for customer claims, which in turn could affect our Company's results of operations.

Our Company is bound by the terms and conditions as placed before its customers. There are no specific regulations governing the supply of the same, other than the general law of contracts. Any claims made by these customers for deficiency in our products, would be subject to these terms and conditions, which are in the nature of normal contractual obligations in India. Any violation of these obligations could impact our Company's results of operations. For further details of our business, please refer chapter titled "***Our Business***" beginning on Page 56 of this Draft Letter of Offer.

28. Our company in some cases manufacture its product through job work from third party which is expose to risk of quality and durability of our Products.

Our company in some cases manufacture its product through job work from third party. There is possibility that our company may face rejection of product on several occasions which exposes us to risk of additional losses. We may not be able to deliver the requisite quality of products to the customers which in turn would affect the credibility, profitability and cash flows of our company.

29. Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances.

A significant disruption at any of our manufacturing facilities may adversely affect our production schedules, costs, revenue and ability to meet customer demand. Our business involves manufacturing processes that can be potentially dangerous to our employees. An accident may result in loss of life, destruction of property or equipment, manufacturing, or delivery delays, or may lead to suspension of our operations and / or imposition of liabilities. While we believe we may maintain adequate insurance, interruptions in production as a result of an accident may also increase our costs and reduce our revenue, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we or our senior management may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations and prospects. Any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations and prospects.

30. Failure to manage our inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.

The results of operations of our business are dependent on our ability to effectively manage our inventory for work purpose and stocks of finished products. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. If our management has misjudged expected customer demand it could adversely impact the results by causing either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we purchase, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, which could have an adverse impact on our income and cash flows. We estimate our sales based on the demand and requirements and also on the customer specifications. In addition, disruptions to the delivery of products to our warehouse or customer may occur for reasons such as poor handling, transportation bottlenecks, or labour strikes, which could lead to delayed or lost deliveries or damaged products and disrupt supply of these products. If we over-stock inventory, our capital requirements will increase and we will incur additional financing costs. If we under-stock inventory, our ability to meet customer demand and our operating results may be adversely affected. Any mismatch between our planning and actual consumer consumption could lead to potential excess inventory or out-of-stock situations, either of which could have an adverse effect on our business, financial condition and results of operation.

31. We face intense competition in our businesses, which may limit our growth and prospects. Our Company faces significant competition from other companies in Packaging Industry.

We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation and price. Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;
- Longer operating history than in certain of our businesses;
- Greater brand recognition among consumers;
- Larger customer bases in and outside India; or
- More diversified operations which allow profits from certain operations to support others with lower profitability. These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

32. Our inability to manage growth could disrupt our business and reduce our profitability. We propose to expand our business activities in coming financial years.

We expect our future growth to place significant demands on both our management and our resources. This will require us to continuously evolve and improve our operational, financial and internal controls across the organisation. In particular, continued expansion increases the challenges we face in:

- Our ability to acquire and retain clients for our services;
- Services, products or pricing policies introduced by our competitors;
- Capital expenditure and other costs relating to our operations;
- The timing and nature of, and expenses incurred in, our marketing efforts;
- Recruiting, training and retaining sufficient skilled technical and management personnel;

- Adhering to our high quality and process execution standards;
- Maintaining high levels of customer satisfaction;
- Developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, and other internal systems.

You should not rely on yearly comparisons of our results of operations as indicators of future performance. It is possible that in some future periods our results of operations may be below the expectations of public, market analysts and investors. If we are unable to manage our growth it could have an adverse effect on our business, results of operations and financial condition.

33. Our Company has a negative cash flow in its operating activities and Investing activities in the year 2022, details of which are given below. Sustained negative cash flow could impact our growth and business.

Our Company had negative cash flows from our operating activities as well as investing activities in the previous year(s) as per the Audited Financial Statements and the same are summarized as under:

Particulars	(₹ in lakh)
	March 31, 2022
Net Cash used in Operating Activities	(405.29)
Net Cash used in Investing Activities	(51.95)
Net Cash from Financing Activities	504.24
Net Increase / (Decrease) in Cash & Cash Equivalents	46.99

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans, and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations.

34. If we are unable to source business opportunities effectively, we may not achieve our financial objectives.

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

35. Brand recognition is important to the success of our business, and our inability to build and maintain our brand names will harm our business, financial condition and results of operation.

Brand recognition is important to the success of our business. Establishing and maintaining our brand name in the industry or for people relying on services is critical to the success of the customer acquisition process of our business. Although, we expect to allocate significant amount of resources, financial and otherwise, on establishing and maintaining our brands, no assurance can be given that our brand names will be effective in attracting and growing user and client base for our businesses or that such efforts will be cost-effective, which may negatively affect our business, financial condition and results of operations.

36. Significant disruptions in our information technology systems or breaches of data security could adversely affect our business and reputation.

We may also face cyber threats such as: (i) Phishing and Trojans - targeting our customers, wherein fraudsters send unsolicited codes or mails to our customers seeking account sensitive information or to infect customer machines to search and attempt ex-filtration of account sensitive information; (ii) Hacking – wherein attackers seek to hack into our infrastructure with the primary intention of causing reputational damage to us by disrupting services; (iii) Data theft – This can be internal i.e. by someone who has access to data of our Company or external wherein unconnected cyber criminals may attempt to intrude into our network with the intention of stealing our data or information; and (iv) Advanced persistent threat – a network attack in which an unauthorized person gains access to our network and remains undetected for a long period of time In the event of a significant decline in the demand for our products, our business, results of operations and financial condition may be materially and adversely affected.

Our systems are potentially vulnerable to data security breaches, whether by our employees, or our service providers or others that may expose sensitive data to unauthorized persons. We process and transfer data, including personal information, financial information and other confidential data provided to us by our clients. Although we maintain systems and procedures to prevent unauthorized access and other security breaches, it is possible that unauthorized individuals could improperly access our systems, or improperly obtain or disclose sensitive data that we process or handle. Data security breaches could lead to the loss of intellectual property or could lead to the public exposure of personal information (including sensitive financial and personal information) of our clients' investors or our employees. Any such security breaches or compromises of technology systems could result in institution of legal proceedings against us and potential imposition of penalties, which may have an adverse effect on our business and reputation.

37. The nature of our business exposes us to liability claims and contract disputes and our indemnities may not adequately protect us. Any liability in excess of our reserves or indemnities could result in additional costs, which would reduce our profits.

Time is often of the essence in our business work. In the event there are delays in our current or future service, we will not be able to get extensions from our customers. Further, in some contracts, in case of delay due to deficiency in services by us, clients may have the right to complete the work at our risk and cost by engaging a third party. In the event we fail to perform under the terms of a particular contract that could adversely affect our financial conditions and business operations. Failure to effectively cover ourselves against any of these reasons could expose us to substantial costs and potentially lead to material losses. In addition, if there is a customer dispute regarding our performance or workmanship, the customer may delay or withhold payment to us.

38. Employee fraud or misconduct could harm us by impairing our ability to attract and retain clients and subject us to significant legal liability and reputational harm.

Our business is exposed to the risk of employee misappropriation, fraud or misconduct. Our employees could make improper use or disclose confidential information, which could result in regulatory sanctions and serious reputational or financial harm. While we strive to monitor, detect and prevent fraud or misappropriation by our employees, through various internal control measures, we may be unable to adequately prevent or deter such activities in all cases. Our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect. While we have not been able to identify such issues in the past, there could be instances of fraud and misconduct by our employees, which may go unnoticed for certain periods of time before corrective action is taken. In addition, we may be subject to regulatory or other proceedings, penalties or other actions in connection with any such unauthorized transaction, fraud or misappropriation by our agents or employees, which could adversely affect our goodwill, business prospects and future financial performance. We may also be required to make good any monetary loss to the affected party. Even when we identify instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, we cannot assure you that we will recover any amounts lost through such fraud or other misconduct.

39. The average cost of acquisition of Equity Shares by our Promoters is lower than the issue price.

Our Promoters' average cost of acquisition of Equity Shares in our Company is lower than the Issue Price as decided by the Company in consultation with the Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer chapter title "***Capital Structure***" beginning on page 40 of this Draft Letter of Offer.

40. We have entered into related party transactions in the past and may continue to do so in the future.

Our Company has entered into various transactions with our Promoters. While we believe that all such transactions are conducted on arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions were not entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation.

41. Underutilization of capacity of our facility may adversely affect our business, results of operations and financial conditions.

We cannot assure that we shall be able to utilize our facility to their full capacity or up to an optimum capacity, and non-utilization of the same may lead to loss of profits or can result in losses, and may adversely affect our business, results of operations and financial condition. Even use of the proposed production capacity is subject to several variables like availability of raw material, power, water, proper working of machinery, orders on hand, supply / demand, manpower, etc.

42. Our top 5 and top 10 customers contribute major portion of our revenues. Any loss of business from one or more of them may adversely affect our revenues and profitability.

Our top five and top ten customers contribute to a substantial portion of our revenues. Any decline in our quality standards, growing competition and any change in the demand for our service by these customers may adversely affect our ability to retain them. We believe we have maintained good and long-term relationships with our customers. However, there can be no assurance that we will continue to have such long-term relationship with them, also any delay or default in payment by these customers may adversely affect our business, financial condition and results of operations. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability.

Due to COVID-19 pandemic, there may have been a temporary reduction in demand for our services and there may have been an overall slowdown in the industry. Further, such pandemic situations may also arise in the future and that could materially and adversely affect our business, financial condition and results of operations. Our growth has required and will continue to require increased investments in management personnel and systems, financial systems and controls, and office facilities. However, we cannot assure you that such investments will yield desired results and we may incur costs that we may not be able to recover. We may also be unable to hire additional qualified personnel to support the offering of a wider range of services. If we fail to manage our growth, we may experience operating inefficiencies, dissatisfaction among our client base, and lost revenue opportunities, which may adversely affect our business, results of operations and financial condition. The contribution of our top 5 and top 10 customers to our total revenue are as follows:

Particulars	Customers
Top 5 (%)	99.99%
Top 10 (%)	100.00%

43. We are dependent on a number of Key Managerial Personnel and our senior management, and the loss of, or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

Our performance depends largely on the efforts, expertise and abilities of our Key Managerial Personnel, senior management, and our operational personnel who possess significant experience in the industry in which we operate. We believe that the inputs and experience of our KMP and senior management, in particular, and other key personnel are valuable for the development of our business, operations and the strategic directions taken by our Company. We cannot assure you that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. Moreover, we may be required to substantially increase the number of our qualified personnel in connection with any future growth plans, and we may face difficulty in doing so due to the intense competition in the technology industry for such personnel. We may also be required to increase our levels of employee compensation more rapidly than in the past in order to remain competitive in retaining.

Further, the COVID -19 pandemic has dynamically altered the approach on workplace hygiene and safety and continuity of operations while confirming with measures implemented by the central and state governments in relation to the health and safety of our employees may result in increased costs. In the event a member or members of our senior management team contract COVID-19, it may potentially affect our operations. Further, in the event any of our employees' contract COVID-19, we may be required to quarantine our employees and shut down a part of or the entire operating facility as necessary. Risks arising on account of COVID-19 can also threaten the safe operation of our facility, loss of life, injuries and impact the well-being of our employees.

44. Our operating expenses include overheads that may remain fixed in the medium term. In case there is any decline in our operating performance, we may be unable to reduce such expenses.

Our operating expenses include various fixed costs, which are as such, not dependent on sales revenue. Any shortfall in sales may cause significant variations in operating results in any particular quarter, as we would not be able to reduce our fixed operating expenses in the short term. The effect of any decline in sales may thereby be magnified because a portion of our earnings are committed to paying these fixed costs. Accordingly, we believe that period-to-period comparisons of our results may not necessarily give a correct presentation of the performance and should not be relied upon as indications of future performance.

45. Delays or defaults in payments from our clients could result into a constraint on our cash flows. The efficiency and growth of our business depends on timely payments received from our clients.

In the event, our client's default or delay in making payments and clearing their dues, we may not have adequate resources to fund our business and implement our growth plans. This could have an adverse effect on the results of operations and our financial condition.

46. *The shortage or non-availability of power facilities may adversely affect our business processes and have an adverse impact on our results of operations and financial condition.*

Our business processes require substantial amount of power facilities. We do not have arrangements for alternative / independent sources of power supply as of now. We are mainly dependent on local electricity service provider for meeting our electricity requirements, there may be factors beyond our control affecting the supply of power. Any power failure may lead to increased costs, thereby affecting the profitability.

47. *Our insurance coverage may not adequately protect us against losses, and successful claims against us that exceed our insurance coverage could harm our results of operations and diminish our financial position.*

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. In addition, there are various types of risks and losses for which we do not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, future financial performance and results of operations.

48. *There are no alternate arrangements for meeting our requirements for the Objects of the Issue. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.*

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. We meet our working capital requirements through our owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our working capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not yet identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Issue Proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer chapter titled “*Objects of the Issue*” on page 41 of this Draft Letter of Offer.

49. *Guarantees from Promoters & Director as well as others have been taken in relation to the debt facilities provided to us.*

In an event any of the guarantors withdraws or terminates this guarantee, the lender for such facilities may ask for alternate guarantee / s, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantee / s satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition.

50. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.*

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholder’s investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value.

51. *Any future acquisitions, joint ventures, partnerships, strategic alliances, tie-ups or investments could fail to achieve expected synergies and may disrupt our business and harm the results of operations and our financial condition.*

Our success will depend, in part, on our ability to expand our business in response to changing technologies, customer demands and competitive pressures. We have, in the past, explored and continue to explore opportunities on our own, through collaborations, tie-ups, strategic alliances, partnerships or joint venture across the country and regions of focus. In some circumstances, we may also decide to acquire, or invest in, complementary technologies instead of internal development. While we are currently evaluating opportunities and negotiating with several potential partners, we have not entered into any definitive agreements. The risks we face in connection with acquisitions may include integration of product and service offerings, co-ordination of R&D and marketing functions and the diversion of management’s time and focus from operating our business to addressing challenges pertaining to acquisition and integration. Our failure to address these risks or other problems encountered in connection with our acquisitions and investments could result in our failure

to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities, and harm our business generally.

52. Our future funds requirements, in the form of fresh issue of capital or securities and / or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favorable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

53. Our lenders have imposed certain restrictive conditions on us under our financing arrangements. Under our financing arrangements, we are required to obtain the prior, written lender consent for, among other matters, changes in our capital structure, and formulation of a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement. Further, we are required to maintain certain financial ratios.

There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that are not waived by our lenders or are not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. Though these covenants are restrictive to some extent to the Company however it ensures financial discipline, which would help the Company in the long run to improve its financial performance.

54. Some of the KMPs is associated with our company for less than one year.

Our Key Management Personnel, Company Secretary is associated with the Company for a period of less than one year therefore they may not have been accustomed to the company affairs till date. For details of Key Management Personnel and their appointment, please refer to chapter “*Our Management*” beginning on page 67 of this Draft Letter of Offer.

55. There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all.

In accordance with Indian law and practice, permission to list the Equity Shares will not be granted until after the Equity Shares have been issued and allotted. Approval will require all other relevant documents authorizing the issuing of our Equity Shares to be submitted. There could be a failure or delay in listing our Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

56. Excessive reliance on our information technology systems and their failure could harm our relationship with customers, expose us to lawsuits or administrative sanctions or otherwise adversely affect our provision of service to customers and our internal operation.

As part of our business strategy, we use high quality of information technology system to deliver our services in the best possible way. We have an exemplary track record for completion of the projects within the stipulated time period but there may be the system interruptions, errors, or downtime which could result from a variety of causes including changes in technology, technology failure, changes in system, and power failure etc. these may affect our business adversely.

57. Negative publicity could adversely affect our revenue model and profitability.

We work in the market where trust of the customers on us and upon the services provided by us matters a lot. Any negative publicity regarding our company or the services rendered by the company due to any other unforeseen events may affect our reputation and image which leads to the adverse effect on our business and goodwill as well.

58. Industry information included in this Draft Letter of Offer has been derived from industry reports commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Draft Letter of Offer. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their depend ability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or any of our respective affiliates or advisors and,

therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Letter of Offer.

59. *The requirements of being a public listed company may strain our resources and impose additional requirements.*

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchanges which require us to file unaudited financial results on a half yearly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and / or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner.

Issue Specific Risks:

60. *There are restrictions on daily / weekly / monthly movements in the price of the Equity Shares, which may adversely affect a shareholders' ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.*

Once listed, we would be subject to circuit breakers imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

61. *After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.*

The price of the Equity Shares on the Stock Exchanges may fluctuate as a result of the factors, including:

- a. Volatility in the Indian and global capital market;
- b. Company's results of operations and financial performance;
- c. Performance of Company's competitors,
- d. Adverse media reports on Company or pertaining to the agriculture Industry;
- e. Changes in our estimates of performance or recommendations by financial analysts;
- f. Significant developments in India's economic and fiscal policies; and
- g. Significant developments in India's environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

62. *You will not be able to sell immediately on Stock Exchange any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions.*

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in the Draft Letter of Offer. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act, 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

63. The Issue price of our Equity Shares may not be indicative of the market price of our Equity shares after the issue.

The Issue price of our equity Shares has been determined by fixed price method. This price is based on numerous factors and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuation after the issue and may decline below the issue price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue price.

Some of the factors which may affect our share price without limitations are as follows:

- Reports on research by analysts.
- Changes in revenue.
- Variations in growth rate of our financial indicators such as earning per share, income, profit etc.
- General Market Condition
- Domestic and International Economy.

64. Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the Trading price of the Equity Shares.

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

EXTERNAL RISKS

Industry Related Risks:

65. Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.

Our business and industry are regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended / changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

66. Malpractices by some players in the industry affect overall performance of emerging Companies

The industry in which our Company operates is subject to risk associated with unethical business practices such as unethical marketing, dishonest advertising, questionable pricing practices, inaccurate claims with regards to safety and efficacy of the product etc. Consumers' attitude toward the industry today is dominated by a sense of mistrust, paving a way for regulators for stricter entry barriers and introduction of code of conducts; making the entire industry environment regulated and controlled. Malpractices by some players in the industry affects the overall performance of the emerging Companies like us as the industry norms are applicable to all at parity. Any unethical business practices by any industry player or intermediary may impact our business and results of operations.

Other Risks:

67. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian Company are generally taxable in India. Any gain on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax ("STT") has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain on the sale of shares held for a period of 12 months or less will be subject to capital gains tax in India. Further, any gain on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India.

In Finance Bill 2017, section 10(38) was amended to provide that exemption under this section for income arising on transfer of equity share acquired on or after 1st day of October 2004 shall be available only if the acquisition of share is chargeable to Securities Transactions Tax (STT) under Chapter VII of the Finance (No 2) Act, 2004. In case this provision becomes effective, sale shares acquired on or after 1st day of October 2004 on which STT was not charged will attract tax under provisions of Long-Term Capital Gains.

As per Finance Bill 2018, exemption under section 10(38) for income arising from long term gains on transfer of equity share shall not be available on or after 1st day of April 2018 if the long-term capital gains exceed ₹ 1,00,000/- p.a. Such income arising from long term gains on transfer of equity share on or after 1st day of April 2018 in excess of ₹ 1,00,000/- p.a. shall be chargeable at the rate of 10%. Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

68. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements, prepared and presented in accordance with SEBI ICDR Regulations contained in this Draft Letter of Offer.

As stated in the reports of the Auditor included in this Draft Letter of Offer the financial statements included in this Draft Letter of Offer are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Draft Letter of Offer to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Draft Letter of Offer. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBIICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

69. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

70. Financial instability in Indian Financial Markets could adversely affect our Company's results of operation and financial condition.

In this globalized world, the Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, say in the United States of America, Europe, China or other emerging economies, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging

markets, may cause increased volatility in Indian financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our Company's business, operations, financial condition, profitability and price of its Shares. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

71. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and our industry contained in the Draft Letter of Offer.

While facts and other statistics in this Draft Letter of Offer relating to India, the Indian economy and our industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

72. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency a magnitude, which may negatively affect our stock prices.

73. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection / tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

74. Natural calamities could have a negative impact on the Indian economy and cause Our Company's business to suffer.

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

75. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

76. Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such

additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

SECTION IV: INTRODUCTION**THE ISSUE**

This Issue has been authorised through a resolution passed by our Board at its meeting held on November 6, 2022 pursuant to Section 62(1)(a) of the Companies Act. The following is a summary of this Issue and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled “*Terms of the Issue*” on page 90 of this Draft Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	[1653986] Equity Shares
Rights Entitlement	[2] Rights Equity Share for every [3] fully Paid-up Equity Shares held on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Record Date	[●]
Face value per Equity Shares	₹ 10.00 each
Issue Price per Rights Equity Shares	₹ [●] per Rights Equity Shares
Issue Size	[●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (Including a premium of ₹ [●]) per Rights Equity Share not exceeding an amount of ₹ [2500] Lakh.
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank <i>pari passu</i> in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid up prior to the Issue	24,80,980 Equity Shares
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[4134966] Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[4134966] Equity Shares
Scrip Details	ISIN: INE0JJS01014 BSE: 543435 ISIN for Rights Entitlement: [●]
Use of Issue Proceeds	For details, please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 41 of this Draft Letter of Offer.
Terms of the Issue	For details, please refer to the chapter titled “ <i>Terms of the Issue</i> ” on page 90 of this Draft Letter of Offer.
Terms of Payment	The full amount of the Issue Price is payable on Application

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights	[●]
Issue Closing Date*	[●]

**The Board of Directors 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.*

GENERAL INFORMATION

Our Company was originally incorporated as “Clara Industries Limited” at Kanpur as a public limited company under the Companies Act, 2013 vide Certificate of Incorporation dated September 02, 2021 bearing Registration Number 151537 issued by the Registrar of Companies, Kanpur. Subsequently, our Company acquired the entire running business on a going concern basis with the Assets and Liabilities of M/s Clara Petrochemicals, sole proprietorship concern of our Promoter, Ms. Parry Kukreja vide Business Transfer Agreement dated October 29, 2021. The Corporate Identification Number of our Company is L25209UP2021PLC151537.

BRIEF COMPANY AND ISSUE RELATED INFORMATION	
Registration Number	151537
Corporate Identification Number	L25209UP2021PLC151537
Address of Registered Office and Factory Unit of our Company	127/1 Gram Simbhalka Junardar Paragna, Teshil and District Saharanpur – 247001, Uttar Pradesh, India Tel: +91- 81718 84399 E-mail: info@clara.co.in Website: www.clara.co.in
Address of Corporate office of our Company	127/1 Gram Simbhalka Junardar Paragna, Teshil and District Saharanpur – 247001, Uttar Pradesh, India
Address of Registrar of Companies	Registrar of Companies, Kanpur 37/17, Westcott Building, The Mall, Kanpur-208001, Uttar Pradesh, India. Tel: 0512-2310443 Email Id: roc.kanpur@mca.gov.in Website: www.mca.gov.in
Company Secretary and Compliance Officer	Ms. Nidhi Varun Kumar 127/1 Simbhalka Junardar, Janta Rd, Saharanpur- 247001, Uttar Pradesh, India. Tel: +91- 81718 84399 Email: cs@clara.co.in Website: www.clara.co.in
Chief Financial Officer	Mr. Nikhil Kukreja 127/1 Simbhalka Junardar, Janta Rd, Saharanpur- 247001, Uttar Pradesh, India. Tel: +91- 81718 84399 Email: cfo@clara.co.in Website: www.clara.co.in

DETAILS OF INTERMEDIARIES PERTAINING TO THIS ISSUE OF OUR COMPANY:

REGISTRAR TO THE ISSUE	LEGAL ADVISOR TO THE ISSUE
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 -22-62638200122 Email: rightsissue@bigshareonline.com Investor Grievance E-mail: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Vijay Surana SEBI Registration No.: INR000001385 CIN- U99999MH1994PTC076534	ADVOCATE POOJA SHARMA 8/14, Malad Co-op Housing Society Ltd, Poddar Park, Malad (East), Mumbai-400097 Tel No: 9022869773 Email Id: poojalegalventures@gmail.com Website: NA Contact Person: Pooja Sharma Bar Council Number: MAH/5967/2013
STATUTORY AUDITOR OF THE COMPANY	BANKER TO THE COMPANY
GUPTA AGARWAL & ASSOCIATES, Chartered Accountants, Imax Lohia Square, 23, Gangadhar Babu Lane, 3rd Floor, Room No. 3A, Kolkata – 700 012 Tel No.: +91-33-4604 1743 E-mail: guptaagarwal.associate@gmail.com Contact Person: Mr. Jay Shanker Gupta Membership No.: 059535 Firm Registration No.: 329001E	PUNJAB NATIONAL BANK New Avas Vikas Saharanpur, Uttar Pradesh- 247001 Tel: 9368162337 Email Id: bo1709@pnb.co.in Website: www.pnb.co.in Contact person: Bank Manager

BANKERS TO THE ISSUE

AXIS BANK LIMITED

Jeevan Prakash Building, Sir P. M. Road,

Fort, Mumbai – 400 001.

Tel No.: 022- 40867419

Mobile: 9619298042

Website: www.axisbank.com

Contact Person: [●]

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process).

For details on the ASBA process and R-WAP process, see “*Terms of the Issue*” beginning on page 90 of this Draft Letter of Offer.

SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time, or at such other website as may be prescribed from time to time. Further, for a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link or any such other website as may be prescribed by SEBI from time to time.

ALLOCATION OF RESPONSIBILITIES

Not applicable for the Issue size is up to ₹ 5,000.00 Lakh.

CREDIT RATING

This being a Rights Issue of Equity Shares, there is no requirement of credit rating.

DEBENTURE TRUSTEES

Since this is not a Debenture issue, appointment of debenture trustees is not required.

MONITORING AGENCY

Since the size of the Issue is less than Rs. 10,000 Lakh, our Company is not required to appoint a monitoring agency in relation to this Issue.

APPRAISING AGENCY

None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any bank or financial institution.

UNDERWRITING

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

EXPERTS

Except for the reports of the Auditor of our Company on the audited Financial Information and Statement of Tax Benefits, included in the Draft Letter of Offer/ Letter of Offer, our Company has not obtained any expert opinions.

MINIMUM SUBSCRIPTION

As per Regulation 86 of SEBI ICDR Regulations, the clause of minimum subscription will be applicable to the Company. If the Company does not receive the minimum subscription of 90% of the Issue Size, or the subscription level falls below 90% of the Issue Size, after the Issue Closing Date on account of withdrawal of applications, the Company shall refund

the entire subscription amount received within 4 (Four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, the Company will pay interest for the delayed period at the rate of 15% p.a. as prescribed under SEBI ICDR Regulations.

FILING

SEBI (ICDR) (Fourth Amendment) Regulations, 2020 has granted certain relaxations with respect to Rights Issues under the SEBI ICDR Regulations. One of those relaxations is the increase of threshold of the Rights Issue size for filing of the Letter of Offer with SEBI. The threshold of the rights issue size under Regulation 3 of the SEBI ICDR Regulations has been increased from Ten crores to Fifty crores. Since the size of this Issue falls under the threshold, the Letter of Offer had been filed with the Stock Exchange and submitted with SEBI for information and dissemination.

Issue Schedule:

Issue Opening Date	[●]
Last date for On Market Renunciation of Rights*	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

**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 Renouncees on or prior to the Issue Closing Date.*

The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided the Issue will not be kept open in excess of 30 days from the Issue Opening Date.

For further details, please see the chapter titled “*Terms of the Issue*” beginning on page 90.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Letter of Offer and after giving effect to the Offer is set forth below:

S. No.	Particulars	Amount (₹ in Lakh)	
		Aggregate Nominal Value	Aggregate value at Issue Price
A.	Authorised Share Capital		
	1,10,00,000 Equity Shares of ₹ 10.00 each	1100.000	-
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	2480980 Equity Shares of ₹ 10.00 each	248.098	-
C.	Present Issue in terms of this Draft Letter of Offer*		
	Issue of [●] Equity Shares of ₹ 10.00 each for cash at a price of ₹[●] per Equity Share	[●]	[●]
D.	Issued, Subscribed and Paid-up Share Capital after the Issue		
	[●] Equity Shares of ₹ 10.00 each	[●]	-
E.	Securities Premium Account		
	Before the Issue	186.89	
	After the Issue	[●]	

Notes:

* The Issue has been authorised by a resolution passed by our Board of Directors at its meeting held on November 06, 2022 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act.

** Investors will have to pay the entire offer price i.e. ₹ [●]/- per Rights Equity Share at the time of Application.

*** Assuming full subscription to the Rights Entitlements and Allotment of the Rights Equity Shares

Shareholding Pattern of our Company

Shareholding pattern of our Company as prescribed under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and last submitted to the stock exchange at the end of quarter ended September 30, 2022 to stock exchanges is available on below link:

https://www.bseindia.com/corporates/ShareholdingPattern.aspx?scripcd=543435&flag_qtr=1&qtrid=115.01&Flag=Nw

Other details of shareholding of our Company:

Particulars of the shareholders holding 1% or more of the paid-up share capital of our Company as on September 30, 2022 (as last disclosed to stock exchanges) is available on below links:

<https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=543435&qtrid=115.01&QtrName=30-Sep-22>

Subscription by our Promoters and Promoter Group

The Promoters and the members forming part of the Promoter Group of the Company, may subscribe to their Rights Entitlement in the Rights Issue, subject to aggregate amount upto Rs. [●] Crore and not exceeding 75% of the post Issue capital of our Company. The Promoters and the members forming part of the Promoter Group of the Company may apply for Additional Rights Equity Shares, in addition to their Rights Entitlement.

Such acquisition by our Promoters and Promoter Group shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations and shall be exempt in terms of Regulation 10(4)(b) of the SEBI Takeover Regulations.

Ex-Rights price per Equity Share

The ex-rights price per Equity Share as per Regulation 10(4)(b)(ii) of the SEBI Takeover Regulations is ₹ [●].

The ex-rights price per Equity Share has been calculated assuming full subscription to the Issue.

SECTION V: PARTICULARS TO THE ISSUE**OBJECTS OF THE ISSUE**

Our Company intends to utilize the proceeds raised through the Issue, after deducting Issue related expenses (“**Net Proceeds**”) towards the following objects:

- a. Funding the working capital requirements of our Company
- b. General corporate purposes.

(Collectively, referred to herein as the “**Objects**”).

The main objects clause and objects incidental or ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Issue.

ISSUE PROCEEDS

The details of the Issue Proceeds are as follows:

<i>(₹ in Lakh)</i>	
Particulars	Estimated Amount
Gross Proceeds to be raised through the Issue *	2500
Less: Issue related expenses**	[●]
Net Proceeds	[●]

* Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.

**See “- Estimated Issue Related Expenses” as mentioned below in this Chapter

UTILISATION OF NET ISSUE PROCEEDS

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

<i>(₹ in Lakh)</i>			
Sl. No.	Particulars	Amount to be financed from Net Proceeds of the Issue	Estimated deployment in FY 2022-23 [^]
1.	Funding the working capital requirements of our Company	2000	[●]
2.	General Corporate Purposes*	500	[●]
	Net Proceeds**	2500	[●]

[^]Any portion of the Net Proceeds not deployed for the stated Objects in FY 2022-23 will be deployed by our Company in FY 2023-24.

*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.

The above fund requirements are based on our current business plan, internal management estimates and have not been appraised by any bank or financial institution. The deployment of funds raised through this Issue is at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law.

In case of any increase in the actual utilisation of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met by through means available to us, including by way of incremental debt and/or internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law.

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.

DETAILS OF THE USE OF THE PROCEEDS**1. To Fund the Working Capital Requirement**

Our business is working capital intensive. We finance our working capital requirement from our internal accruals and bank finance. Considering the existing and future growth, the incremental working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach ₹ [2552.11] Lakh for FY 2022-23.

We intend to meet our working capital requirements to the extent of ₹ [2000.00] Lakh from the Net Proceeds of this Issue and the balance will be met from internal accruals at an appropriate time as per the requirement.

Basis of estimation of working capital

The details of our Company's composition of working capital as at March 31, 2022 and March 31, 2023 based on the Standalone Summary Statements. Further the source of funding of the same are as set out in the table below:

Particulars	(₹ in Lakh)	
	March 31, 2022	March 31, 2023
	Audited	Estimated
Current Assets		
Current Investments	--	--
Inventories	245.43	2331.91
Trade Receivables	261.41	878.60
Cash and Cash Equivalents	46.99	69.53
Short Term Loans and Advances	33.22	30.13
Other Current Assets	59.89	62.05
Total (I)	646.94	3372.22
Current Liabilities		
Trade Payables	44.45	457.15
Other Current Liabilities	2.57	45.00
Short Term Borrowings	63.81	64.00
Short Term Provisions	35.80	253.96
Total (II)	146.64	820.11
Net Working Capital (I) – (II)	500.30	2552.11
Incremental Working Capital		2051.81
Funding Pattern:		
Internal Accruals		51.81
Part of the Issue Proceeds		2000.00

Assumptions for working capital requirement

Assumptions for Holding Levels

Particulars	(In days)	
	Holding level as on March 31, 2022	Holding level as on March 31, 2023
Current Assets		
Inventories	245	325
Trade Receivables	261	123
Current Liabilities		
Trade Payables	42	46

Justification for Holding Period Levels

Particulars	Detail
Inventories	We have assumed Inventory holding period of 325 days in the financial year 2022-23 as compare to 245 days for financial year 2021-22 of due to better management control, we intend to continue the same holding policy and expect the same clearance levels as maintained in past.
Trade Receivables	We have assumed trade receivables credit period of [123] days in the financial year 2022-23 as compare to 261 days for financial year 2021-22 of due to better management control, we intend to continue the same holding policy and expect the same clearance levels as maintained in past.
Trade Payables	We have assumed trade payables credit period of [46] days for the financial year 2022-23 as compared to 42 days for financial year 2021-22 due to better management control, as going forward, we intend to pay our creditors more quickly than past as more funds would be available with us through our proposed Right Issue which would help us in paying our liabilities quickly. This would help us in maintaining good terms with our creditors. This would help us to avail good cash discounts and negotiate with our vendors on better price to our advantage.

General Corporate Purposes

Our Board will have flexibility in applying the balance amount, aggregating to ₹ [500] Lakhs, towards General Corporate Purposes, subject to such utilization not exceeding 25% of the Gross Proceeds of the Issue, including meeting our routine capital expenditure, funding our growth opportunities, strengthening marketing capabilities and brand building exercises, and strategic initiatives.

ISSUE EXPENSE

The total expenses of the Issue are estimated to be approximately ₹ [●] Lakh*. The expenses of the Issue include, among others, fees of the Registrar to the Issue, fees of the other advisors, printing and stationery expenses, advertising, and marketing expenses and other expenses.

The estimated Issue expenses are as under:

Particulars	Expenses (₹ in Lakh)	% of Estimated Issue size	% of Estimated Issue expenses
Fees of Registrar to the Issue	[●]	[●]	[●]
Fee to the legal advisor, other professional service providers and statutory fee	[●]	[●]	[●]
Fees payable to regulators, including Depositories and Stock Exchange	[●]	[●]	[●]
Statutory Advertising, Marketing, Printing and Distribution	[●]	[●]	[●]
Other expenses (including miscellaneous expenses and stamp duty)	[●]	[●]	[●]

* Subject to finalisation of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds from the Issue

APPRAISAL OF THE OBJECTS

None of the Objects for which the Net Proceeds will be utilized have been appraised by any agency.

INTERIM USE OF FUNDS

Pending utilization for the purposes described above, we intend to deposit the Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934 or in any such other manner as permitted under the SEBI ICDR Regulations or as may be permitted by SEBI. We confirm that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not utilize the Net Proceeds for any investment in the equity markets, real estate or related products.

BRIDGE LOAN

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities, including through secured or unsecured loans or any short-term instrument pending receipt of the Net Proceeds.

MONITORING UTILIZATION OF FUNDS FROM ISSUE

As this is an Issue for an amount less than ₹10,000 Lakhs, there is no requirement for the appointment of a monitoring agency. The Board or its duly authorized committees will monitor the utilization of the proceeds of the Issue. Our Company will disclose the utilization of the Issue Proceeds, including interim use, under a separate head along with details, for all such Issue Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Issue Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to the listing.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Draft Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. The statement shall be certified by our Statutory Auditor. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement including deviations and variations, if any, in the utilization of the Issue Proceeds from the Objects of the Issue as stated above.

STRATEGIC AND FINANCIAL PARTNERS TO THE OBJECTS OF THE ISSUE

There are no strategic or financial partners to the Objects of the Issue.

KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

OTHER CONFIRMATIONS

No part of the Net Proceeds will be paid by us as consideration to our Promoters and Promoter Group, our Directors, associates or Key Managerial Personnel, except in the normal course of business and in compliance with the applicable laws.

STATEMENT OF POSSIBLE TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS
SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To
The Board of Directors
Clara Industries Limited
127/1 Gram Simbhalka Junardar
Paragna, Tehsil and District
Saharanpur Uttar Pradesh-247001
India.

Dear Sirs,

Subject: Statement of Possible Tax Benefits available to Clara Industries Limited (“the Company”) and its shareholders prepared in accordance with the requirements of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended (“the Regulations”)

We hereby report that this certificate along with the annexure (hereinafter referred to as “**The Statement**”) states the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 (‘IT Act’) (read with Income Tax Rules, Circulars and Notifications) as amended by the Finance Act, 2022 (i.e. applicable to F.Y. 2022-23 relevant to A.Y. 2023-24) (hereinafter referred to as the “IT Regulations”) and under the Goods And Service Tax Act, 2017 (read with Goods And Service Tax [GST] Rules, Circulars and Notifications), presently in force in India. The Statement has been prepared by the management of the Company in connection with the proposed Right Issue, which we have initialed for identification purposes only.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the said relevant provisions of the tax laws and regulations applicable to the Company. Hence, the ability of the Company or its shareholders to derive the special tax benefits, if any, is dependent upon fulfilling such conditions, which based on business imperatives, which the Company may or may not choose to fulfill or face in the future.

The benefits discussed in the enclosed annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company or its shareholders. Further, the Preparation of enclosed statement and the contents stated therein is not exhaustive and is the responsibility of the Company’s management. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever-changing tax laws in India. Further, we give no assurance that the income tax authorities/ other indirect tax authorities/courts will concur with our views expressed herein.

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits have been/would be met.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws.

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

Our views are based on facts indicated to us, the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any such events subsequent, which may have a material effect on the discussions herein. Our views are exclusively for the limited use of the captioned Company in connection with its proposed right issue referred to herein above and shall not, without our prior written consent, be disclosed to any other person.

We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct. We are not liable to any other person in respect of this statement.

This certificate along with the annexure is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure

Requirements) Regulations, 2018 for inclusion in the Draft Letter of offer/Letter of offer in connection with the proposed right issue of equity shares and is not to be used, referred to or distributed for any other purpose without our written consent.

**For Gupta Agarwal & Associates,
Chartered Accountants,
Firm Registration No.: 329001E**

**Jay Shanker Gupta
Partner
Membership No.: 059535
UDIN: 23059535BGSWRI9052
Date: 04.01.2023
Place: Kolkata**

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO CLARA INDUSTRIES LIMITED (“THE COMPANY”) AND IT’S SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current direct tax laws in India for the financial year 2022-23. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

1. Special Tax Benefits to the Company

There are no Special tax benefits available to the Company.

2. Special Tax Benefits available to the shareholders of the Company

There are no Special tax benefits available to the shareholders of the Company.

Notes:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. The above statement of possible special tax benefits are as per the current direct tax laws relevant for the F.Y.2022-23 relevant to A.Y. 2023-24.
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAXIMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the offer document.

**For Gupta Agarwal & Associates,
Chartered Accountants,
Firm Registration No.: 329001E**

**Jay Shanker Gupta
Partner
Membership No.: 059535
UDIN: 23059535BGSWRI9052
Date: 04.01.2023
Place: Kolkata**

SECTION VI: ABOUT THE COMPANY

INDUSTRY OVERVIEW

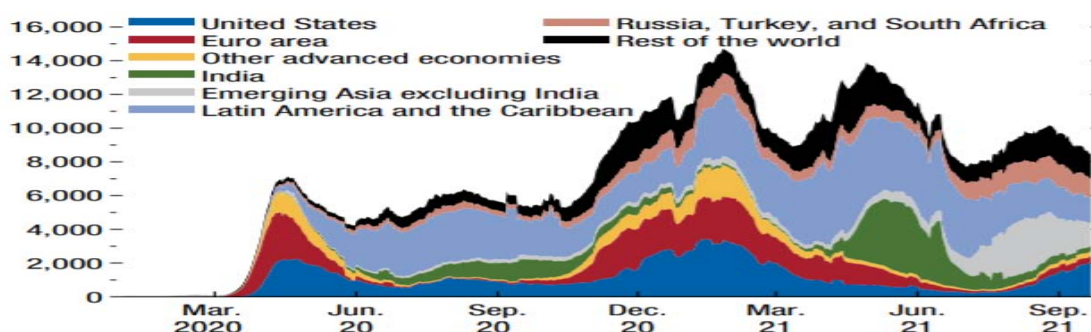
The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

GOLBAL ECONOMY AT LARGE

The global economic recovery continues amid a resurging pandemic that poses unique policy challenges (Figure 1.1).

Figure 1.1. New Confirmed COVID-19 Deaths
(Persons, seven-day moving average)

The pandemic began resurging over the summer.



Sources: Our World in Data; and IMF staff calculations.

Note: Data as of September 22, 2021. Economy group and regional classifications are those in the *World Economic Outlook*. Other advanced economies in terms of International Organization for Standardization (ISO) country codes are AUS, CAN, CHE, CZE, DNK, GBR, HKG, ISL, ISR, JPN, KOR, MAC, NOR, NZL, SGP, SMR, SWE,

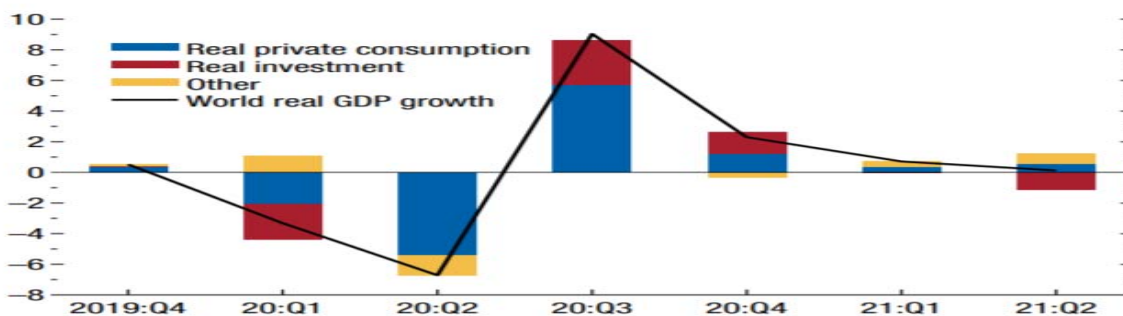
Vaccinations have proven effective at mitigating the adverse health impacts of COVID-19. However, unequal access to vaccines, vaccine hesitancy, and higher infectiousness have left many people still susceptible, providing fuel to the pandemic. The marked spread of the Delta variant and the threat of new variants that could undermine vaccine effectiveness make the future path of the pandemic highly uncertain. This has implications for the resilience of a recovery already in uncharted territory—characterized by pandemic-induced supply-demand mismatches that could worsen with a more protracted health crisis. Gaps in expected recoveries across economy groups have widened since the July forecast, for instance between advanced economies and low-income developing countries. As recoveries proceed, the risks of derailments and persistent scarring in heavily impacted economies remain so long as the pandemic continues. Meanwhile, inflation has increased markedly in the United States and some emerging market economies. As restrictions are relaxed, demand has accelerated, but supply has been slower to respond. Commodity prices have also risen significantly from their low levels of last year. Although price pressures are expected to subside in most countries in 2022, inflation prospects are highly uncertain. These increases in inflation are occurring even as employment is below pre-pandemic levels in many economies, forcing difficult choices on policymakers—particularly in some emerging market and developing economies. The chapter first discusses the global outlook and risks, before turning to policies needed to address these challenges.

Near-Term Recovery Continues while the Pandemic Resurges

GDP growth in the first half of 2021 was broadly in line with expectations. Outturns for first quarter global GDP were stronger than anticipated, reflecting continued adaptation of economic activity to the pandemic, and associated restrictions as well as ongoing policy support in many countries. Momentum, however, weakened in the second quarter, weighed down by increasing infections in many emerging market and developing economies and by supply disruptions. Expenditure decompositions are consistent with input shortages contributing to weak investment in the second quarter (Figure 1.2).

Figure 1.2. Drivers of Global Growth
(Quarter-over-quarter growth contributions, percentage points)

Supply disruptions are weighing on private investment.

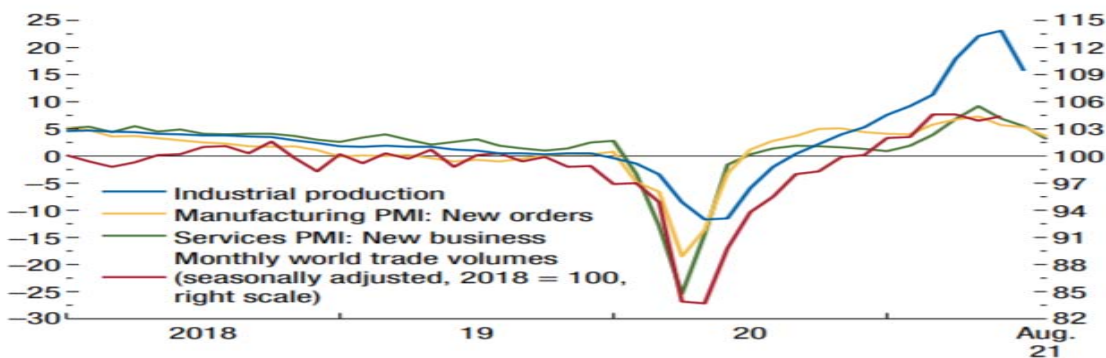


Sources: Haver Analytics; and IMF staff calculations.
Note: The estimate of world real GDP at the quarterly frequency is based on a sample of economies covering 79.4 percent of global economic activity in 2020. "Other" includes the sum of contributions from public consumption and a residual component, which mixes contributions from the sample's net exports to economies not covered and a statistical discrepancy.

Recent high-frequency data are mixed. They suggest that the recovery continues, but with some softening in the third quarter, even while broadening across sectors. Services production is expanding, albeit prone to setbacks (Figure 1.3).

Figure 1.3. Global Activity Indicators
(Three-month moving average, annualized percent change for industrial production; deviations from 50 for PMIs)

Higher-frequency indicators point to softening momentum.

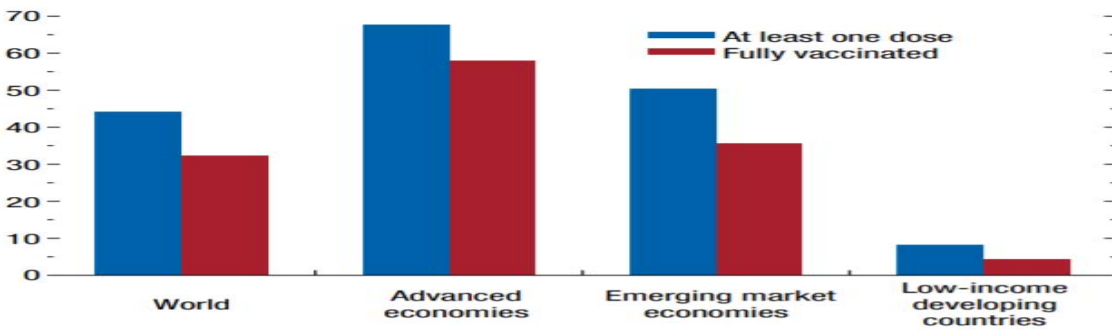


Sources: CPB Netherlands Bureau for Economic Policy Analysis; Haver Analytics; Markit Economics; and IMF staff calculations.
Note: PMI above 50 indicates expansion while below 50 indicates contraction. PMIs = purchasing managers' indexes.

Vaccine access remains the principal driver of fault lines in the global recovery, reinforced by the resurgence of the pandemic. Many advanced economies have seen remarkable progress in vaccinations since the April 2021 WEO. By contrast, most emerging market and developing economies have had a much slower rollout, hampered by lack of supply and export restrictions. • Advanced economies have achieved broad availability of vaccines, with hesitancy (rather than inadequate supply) being the main constraint on further gains. About 58 percent of the population in advanced economies has been fully vaccinated (Figure 1.4).

Figure 1.4. The Great Vaccination Divide
(Percent of population)

Progress in vaccinations against COVID-19 remains highly unequal across the world.



Sources: Our World in Data; and IMF staff calculations.
Note: Data as of September 22, 2021. "Fully vaccinated" are people who received all the doses prescribed for a full vaccination cycle (typically two, but one for Johnson&Johnson and CanSino). In a few cases, the recorded one-dose numbers are smaller than "fully vaccinated" numbers because of reporting lags. For these cases, we make a minimal consistency adjustment, setting one-dose numbers equal to "fully vaccinated" numbers.

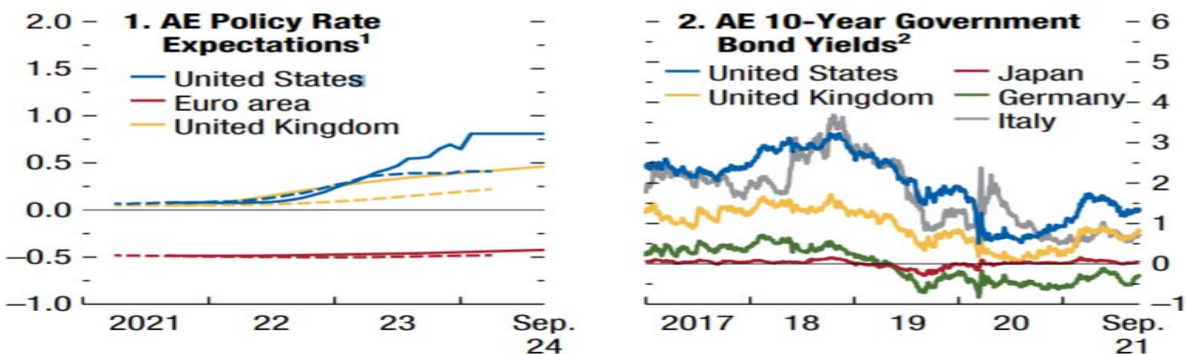
By contrast, the rest of the world has starkly lower shares of population that are fully vaccinated against COVID-19, at about 36 percent in emerging market economies and less than 5 percent in low-income developing countries. In these economies, vaccine supply and distribution remain the primary constraints. •The forecast assumes that some emerging market economies will join advanced economies in gaining broad vaccine access in 2021. Most countries are assumed to acquire broad access by the end of 2022 and some only in 2023. However, it seems likely that vaccinations alone will not be able to completely stamp out SARS-CoV-2 transmission, even though they remain effective against the most adverse health effects of the pandemic (severe illness and death). As a result, hospitalizations and deaths are expected to be brought to low levels everywhere by the end of 2022 through a combination of improved access to vaccines and therapies, combined with more highly targeted and effective precautions. Some countries may be able to reduce adverse public health outcomes sooner than others, depending on country-specific circumstances. The projections are tempered by the possibility of renewed outbreaks, particularly before vaccines become widely available. • So long as the enormous differences in vaccine access persist, the inequalities in health and economic outcomes will increase, driving further divergences across two blocs of countries: those that can look forward to further normalization later this year (almost all advanced economies); and those that will struggle with the adverse health and economic impacts from resurgent infections. The pressure for booster shots in countries with already-high rates of vaccination could further delay access in others still at early stages of getting first jabs into arms. The continuing wide circulation of the virus, particularly within countries and populations where vaccination rates are low, poses threats to health and economic recoveries everywhere. The World Health Organization is warning that more transmissible and deadly variants—which could escape protection from existing vaccines—are likely to evolve so long as a substantial share of the world population remains unprotected.

The forecast is predicated on financial conditions remaining supportive.

Financial market sentiment has largely stayed attuned to the policy outlook as the recovery has proceeded (see the October 2021 Global Financial Stability Report and Figure 1.6).

Figure 1.6. Monetary and Financial Conditions
(Percent, unless noted otherwise)

Financial conditions are supportive and attuned to the recovery.



However, the high uncertainty around the conjuncture has also led to heightened sensitivity to any news, in particular about inflation prospects in advanced economies. The first quarter of 2021 and a brief period in June saw a bout of financial market volatility, with investors repositioning portfolio holdings as they reassessed the outlook for US inflation and monetary policy. Concerns about the spread of the Delta variant and associated implications for the recovery have also sparked episodes of volatility. Even so, the overall picture is still one of broadly supportive financial conditions. Equity markets are buoyant, credit spreads remain tight, and net flows to emerging market economies have hitherto been broadly stable (particularly into hard currency bond funds). The global growth forecast is predicated on this support continuing. Growth revisions: Vaccine rollout, policy support, and continued supportive financial conditions constitute the key considerations for the forecasts summarized in Table 1.1. • Advanced economies: Growth prospects for 2021 are revised down compared to the July forecast, largely reflecting downgrades to the United States (due to large inventory drawdowns in the second quarter, in part reflecting supply disruptions, and softening consumption in the third quarter); Germany (in part because of shortages of key inputs weighing on manufacturing output); and Japan (reflecting the effect of the fourth State of Emergency from July to September as infections hit a record level in the current wave). The US outlook incorporates the infrastructure bill recently passed by the Senate and anticipated legislation to strengthen the social safety net, equivalent to about \$4 trillion in spending over the next 10 years. The baseline also includes expected Next Generation European Union (EU) grants and loans for EU economies. Across advanced economies, an anticipated stronger rebound in the first half of next year, as vaccination proceeds, yields an upward revision to the growth forecast for 2022. • Emerging market and developing economies: The forecast for the group is marked up slightly compared to the July 2021. (Source: <https://www.imf.org/en/Publications/WEO/Issues/2021/10/12/world-economic-outlook-october-2021>)

INDIAN ECONOMY

Introduction

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

Market size

India's gross domestic product (GDP) at current prices stood at Rs. 51.23 lakh crore (US\$ 694.93 billion) in the first quarter of FY22, as per the provisional estimates of gross domestic product for the first quarter of 2021-22. India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US\$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have ~100 unicorns by 2025 and will create ~1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up. India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. According to data from the Department of Economic Affairs, as of August 27, 2021, foreign exchange reserves in India reached US\$ 633.5 billion mark.

Recent Developments

With an improvement in the economic scenario, there have been investments across various sectors of the economy. The private equity - venture capital (PE-VC) sector recorded investments worth US\$ 10.7 billion across 137 deals in August 2021, registering a 5x YoY growth. Some of the important recent developments in Indian economy are as follows:

- India's merchandise exports between April 2021 and August 2021 were estimated at US\$ 164.10 billion (a 67.33% YoY increase). Merchandise imports between April 2021 and August 2021 were estimated at US\$ 219.63 billion (an 80.89% YoY growth).
- In August 2021, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 52.3.
- The gross GST (Goods and Services Tax) revenue collection stood at Rs. 112,020 crore (US\$ 15.21 billion) in August 2021.
- According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US\$ 547.2 billion between April 2000 and June 2021.
- India's Index of Industrial Production (IIP) for July 2021 stood at 131.4 against 122.6 for June 2021.
- Consumer Food Price Index (CFPI) – Combined inflation was 3.11 in August 2021 against 3.96 in July 2021.
- Consumer Price Index (CPI) – Combined inflation was 5.30 in August 2021 against 5.59 in July 2021.

- Foreign portfolio investors (FPIs) invested US\$ 2.5 billion in India in August 2021.

Government Initiatives

The first Union Budget of the third decade of 21st century was presented by Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman in the Parliament on February 1, 2020. The budget aimed at energising the Indian economy through a combination of short-term, medium-term and long-term measures.

In the Union Budget 2021-22, capital expenditure for FY22 is likely to increase by 34.5% at Rs. 5.5 lakh crore (US\$ 75.81 billion) over FY21 (BE) to boost the economy. Increased government expenditure is expected to attract private investments, with production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded and measured policy support is anticipated to boost the Indian economy. In September 2021, Prime Minister Mr. Narendra Modi approved the production-linked incentive (PLI) scheme in the textiles sector—for man-made fibre (MMF) apparel, MMF fabrics and 10 segments / products of technical textiles—at an estimated outlay of Rs. 10,683 crore (US\$ 1.45 billion). In September 2021, the government approved a production-linked incentive (PLI) scheme for automobile and drone industries with an outlay of Rs. 26,058 crore (US\$ 3.54 billion) to boost the country's manufacturing capabilities. In September 2021, Union Cabinet approved major reforms in the telecom sector, which is expected to boost employment, growth, competition and consumer interests. Key reforms include rationalisation of adjusted gross revenue, rationalisation of bank guarantees (BGs) and encouragement to spectrum sharing. In September 2021, the government announced plans to release Rs. 56,027 crore (US\$ 7.62 billion) under various export promotion schemes to boost exports.

In August 2021, the Indian government approved Deep Ocean Mission (DOM) with a budget outlay of Rs. 4,077 crore (US\$ 553.82 million) over the next five years. In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion). The Union Cabinet approved the production linked incentive (PLI) scheme for white goods (air conditioners and LED lights) with a budgetary outlay of Rs. 6,238 crore (US\$ 848.96 million) and the 'National Programme on High Efficiency Solar PV (Photo Voltic) Modules' with an outlay of Rs. 4,500 crore (US\$ 612.43 million). In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22. To boost the overall audit quality, transparency and add value to businesses, in April 2021, the RBI issued a notice on new norms to appoint statutory and central auditors for commercial banks, large urban co-operatives and large non-banks and housing finance firms. In May 2021, the Government of India has allocated Rs. 2,250 crore (US\$ 306.80 million) for development of the horticulture sector in 2021-22. In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.

Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, launched Make in India initiative with an aim to boost country's manufacturing sector and increase purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the Government are listed below:

- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, NITI Aayog and Cisco collaborated to encourage women's entrepreneurship in India.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In June 2021, RBI Governor, Mr. Shaktikanta Das announced the policy repo rate unchanged at 4%. He also announced various measures including Rs. 15,000 crore (US\$ 2.05 billion) liquidity support to contact-intensive sectors such as tourism and hospitality.

- In June 2021, Finance Ministers of G-7 countries, including the US, the UK, Japan, Italy, Germany, France and Canada, attained a historic contract on taxing multinational firms as per which the minimum global tax rate would be at least 15%. The move is expected to benefit India to increase foreign direct investments in the country.
- In June 2021, the Indian government signed a US\$ 32 million loan with World Bank for improving healthcare services in Mizoram.
- In May 2021, the Government of India (GoI) and European Investment Bank (EIB) signed the finance contract for second tranche of EUR 150 million (US\$ 182.30 million) for Pune Metro Rail project.
- According to an official source, as of September 15, 2021, 52 companies have filed applications under the Rs. 5,866 crore (US\$ 796.19 million) production-linked incentive scheme for the white goods (air conditioners and LED lights) sector.
- In May 2021, Union Cabinet has approved the signing of memorandum of understanding (MoU) on migration and mobility partnership between the Government of India, the United Kingdom of Great Britain and Northern Ireland.
- In April 2021, Minister for Railways and Commerce & Industry and Consumer Affairs, Food & Public Distribution, Mr. Piyush Goyal, launched 'DGFT Trade Facilitation' app to provide instant access to exporters / importers anytime and anywhere.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is going to increase public health spending to 2.5% of the GDP by 2025.
- For implementation of Agriculture Export Policy, Government approved an outlay Rs. 2.068 billion (US\$ 29.59 million) for 2019, aimed at doubling farmers income by 2022.

Road Ahead

As per the data published in a Department of Economic Affairs report, in the first quarter of FY22, India's output recorded a 20.1% YoY growth, recovering >90% of the pre-pandemic output in the first quarter of FY20. India's real gross value added (GVA) also recorded an 18.8% YoY increase in the first quarter of FY22, posting a recovery of >92% of its corresponding pre-pandemic level (in the first quarter of FY20). Also, in FY21, India recorded a current account surplus at 0.9% of the GDP. The growth in the economic recovery is due to the government's continued efforts to accelerate vaccination coverage among citizens. This also provided an optimistic outlook to further revive industrial activities.

As per RBI's revised estimates of July 2021, the real GDP growth of the country is estimated at 21.4% for the first quarter of FY22. The increase in the tax collection, along with government's budget support to states, strengthened the overall growth of the Indian economy. India is focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30% and have plans to increase its renewable energy capacity from to 175 gigawatt (GW) by 2022. In line with this, in May 2021, India, along with the UK, jointly launched a 'Roadmap 2030' to collaborate and combat climate change by 2030. India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by PricewaterhouseCoopers.

(Note: Conversion rate used for September 2021 is Rs. 1 = US\$ 0.014)

(<https://www.ibef.org/economy/indian-economy-overview>)

INTRODUCTION TO INDIAN PACKAGING INDUSTRY

Over the past 8 to 10 years, India has achieved tremendous growth in terms of industrialization and globalization. The inherent result of which, there has been tremendous demand of modern technologies and upgradation of quality of packaging and in general, the quality of life. India has achieved huge rise in food production brought about by the Green Revolution. Food industry offers what is unquestionable, one of the largest opportunities for growth in India today. The industry will play a vital and positive role in the Indian economy. To reach such phenomenal growth, it is quite evident that the processing and preservation technology of food products has to keep pace with the growth. Hence, it is expected

that the modern technology of flexible packaging like Aseptic Packaging, Barrier Packaging, Controlled Atmospheric Packaging will make big inroads in India.

Before we look into the present scenario of market, it would like to focus on the growth of packaging business and also would like to spend a few minutes to explain what is view of the definition of packaging and the philosophy believe we should adopt in order to successfully establish packaging technology in India. From ancient times, the practice of, which is today called 'PACKAGING', has been a vital technology of mankind. It is unquestionable that packaging has greatly contributed to culture and to society and that it continues to do so today in the age when the distribution of product has become an extremely important subject. Packaging can be said even to be "A face, which expresses the culture of a particular country". By this statement what mean is that the packaging invented by a certain people illustrates the special characteristics of that culture. It is therefore, necessary for those engaged in packaging, package development and distribution, especially for food packaging, to make themselves aware of people's thought regarding life as well as that people's behaviour patterns and to have deep understanding of the culture on which the behaviour is based. Food packaging is directly connected with the dietary habits of each culture and dietary habits are a key part of each culture. Understanding these habits is crucial for success in food packaging business. During pre-historic era, people hunted for food and soon they realized that they could keep their food longer if they protected it. Therefore, they made pockets out of large leaves and animal skin and kept water in containers made out of coconut shells and dried skins of vegetables, and eventually in bags and jars made out of leather. Plastics began to be used in one way or the other since around 1946 when Earl Silas Tupper began to produce and sell Tupperware - an airtight plastic container to homes. Inventions of Plasticising PVC in 1926, PVDC in 1933, LDPE in 1935, PET in 1941, HDPE and PP in 1951 were the events leading to rapid and wide spread of plastics packaging. Film Extrusion began in the late 1940s - 1950s and that opened up a huge opportunity for packaging sector by creating a whole new industry when packaging was largely done with paper, glass, metal and occasionally wood and leather. Gradually, plastic packaging came into existence and began to increase market share to take care of consumer goods, medicine and food. F&J Heinz brought packaging into Ketchup in 1876, Heinz introduced 57 food products in the market and packaging took off. Today, virtually everything we use needs packaging.

Potential

The growth in the flexible packaging industry in India is mainly driven by the food and the pharmaceutical packaging sectors. The large and growing Indian middle class, along with the growth in organised retailing in the country are fuelling growth in the flexible packaging industry. Another factor, which has provided substantial stimulus to the packaging industry is the rapid growth of exports, which requires superior packaging standards for the international market. The Indian packaging industry is dominated by plastic flexible packaging. The traditional rigid packaging users have also been seen to shift to flexible packaging in recent times. According to industry sources, the main reason for this is that flexible packages are found aesthetically attractive, cost-effective and sturdy. Consumer preference for the use of convenient packaging and packaged products in affordable quantities in laminates is also one of the main reasons that have contributed to the growth of flexible packaging in India. The food-processing sector is the largest user of flexible packaging, accounting for more than 50% of the total demand. The flexible packaging segment is estimated to be growing at over 35% annually.

The Indian packaging industry is currently \$18.8 billion with a growth rate of above 12.36% per annum - more than twice the global average while our GDP growth was 6-8%. Not only is the industry growing rapidly but it is also creating lucrative jobs for those who find a career in it. The packaging industry is expected to grow at 18-20% and is expected to reach \$43.7 billion by 2022. India's per capita consumption of packaging is only 4.3 kg per person per annum, as against Germany's 42 kg and China's 20 kg, which is very low compared to global standards. The packaging industry was growing at 12% per annum in India as against the global growth rate of 5%. There are roughly 22,000 packaging companies in the country covering from raw material manufacturers to machinery suppliers to ancillary material and nearly 85% of them are MSMEs. Flexible packaging demand in 2017 is estimated at \$5.6 billion (~ Rs. 35,000 Crore). This represents about 30% of the total packaging in the country. At an estimated growth rate for this segment in the region of about 18% (estimates vary from 12 to 24%) the turnover achieved in 2022 should be in the region of \$ 11-12 billion.

Laminated products including form-fill-seal pouches, laminated tubes and Tetra packs are growing at around 30% p.a. This also represents a corresponding additional requirement of capacity in the manufacturing sector. This means that the production will need to increase nearly 100% from the current levels. Considering that there is a major capacity addition witnessed in 2017 and slated in 2018, over and above what is on the blue prints, at least 80% additional capacity will need to be generated. This is a huge challenge before the nation and a great opportunity for the players in the Flexible Packaging arena. This also opens possibilities for new entrants in the field provided they meet the changing scenario of customer needs and new challenges.

Initiatives are needed to convert the large unpacked commodities into processed, packed and well-presented commodities. India's imports at 20-25% with a value of \$125 million of its total packaging machinery indicate further opportunities not only for Indian companies to increase their share in domestic market but also for international companies to explore new business opportunities in India. The food & beverage and pharmaceutical segments occupy the largest share in the packaging industry, accounting for 85% and 10%, respectively. The plastic packaging market is expanding rapidly registering a growth of 20-25% per annum and is valued at 6.8 million tonnes while the paper packaging industry stands at 7.6 million tonnes. The packaging industry is poised to grow rapidly led by the increasing use of innovative packaging

equipment and the rising volumes in flexible packaging market. So, it can easily be concluded that the future is bright for flexible packaging in India for this decade.

(<https://www.nichrome.com/packaging-insights/volume-1/flexible-packaging-in-modern-india.php>)

OUR BUSINESS

Unless the context otherwise requires, in relation to business operations, in this section of this chapter all references to “we”, “us”, “our”, “ours” and “our Company” are to Clara Industries Limited as the case may be.

OVERVIEW

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 gazette 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 has 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.

Our product range includes;

- a. Packaging Films.
- b. Flexible Packaging.
- c. Horticulture Bags.
- d. HDPE Bottles.
- e. Plastic Matts.
- f. Printed and non-printed Plastic Sheets.
- g. Plastic Bangles.

We have our manufacturing unit located at 127/1 Gram Simbhalka Junardar Paragna, Tehsil and District Saharanpur-247001, Uttar Pradesh, India, having a total area of approximately 14,714 sq. ft. as on date of filing of Draft Letter of Offer. Our manufacturing unit is being recognized for its in-house quality Management. Our manufacturing process starts with procurement of raw material such as plastic granules and PET sheets then manufacturing process is been carried on the raw material post which the finished product is ready and is ready for dispatch. Our manufacturing facility is well equipped with streamlined process to ensure quality of products and timely manufacturing. We endeavour to maintain safety in our premises by adhering to key safety norms. We provide the best-in-class quality packaging solutions to our esteemed customers spread over all the sectors. We believe that we offer best to all our customers which makes us possible by understanding our client’s needs and strive to deliver beyond their expectations. We are always committed to fulfil the requirements of our clientele according to their needs. In order to meet these requirements, we have adapted to best measure in the industry for quality management systems. We believe that we carry out extensive quality checks and source our raw materials from reliable and recognized suppliers to maintain the standard and quality. We are providing quality that ensures customer satisfaction. We believe that we have long-term and stable relationships developed over the years with our key suppliers and our key customers through the quality of products we provide.

Flexible packaging makes thousands of products more convenient, enjoyable, and safer for consumers. A package or container made of flexible or easily yielding materials that, when filled or closed, can be readily changed in shape. They are used for consumer and institutional products and in industrial applications, to protect, market, and distribute a vast array of products. Our Company believes in the phrase “Innovation as key to future” and we have been keeping pace with modernization in all sphere of development, manufacturing, and marketing, emphasis on product quality & client satisfaction. A professional approach and constant interaction ensure client requirement is met with high standard within the agreed guideline of time and cost. Its impressive growth has been largely due to confidence in its own capability and impressive infrastructure it has created over the years. Our company has been steadily diversifying as well as adding new

products to its portfolio, besides adding additional infrastructure for increasing its manufacturing capability for its existing products.

One of the key drivers of our company is we use our wastage through our recycling plant, we have a recycle plant in our factory which recycle the wastage from our manufacturing process, this wastage is used as a raw material for manufacturing Plastic Mats. We recycle the waste and use to manufacture plastic mats. Hence, we consider our self zero wastage plant having state of the art recycling facility having two stage filtration system, which is one of the unique machineries in India.

Flexible packaging may be constructed using any combination of the materials: paper, plastic film, foil; and typically take the shape of a bag, film, lidding, liner, overwrap, pouch, roll stock. The industry continues to advance at an unprecedented rate. Innovation and advancements in technology have led to the development of lighter weight packaging that enhance flexible packaging's shelf appeal, strength, product protection, and the ability to be sealed. Over the years due to innovation, there has been boost in demand of plastic packaging and this boost in demand has pushed the company to achieve new heights.

Our Company is promoted by Ms. Parry Kukreja and Mr. Nikhil Kukreja who are the guiding force behind all the strategic decisions of our Company. Their industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues. Since the early days of our inception, we have gathered the industry knowledge, market awareness and also possess the infrastructure to support our manufacturing activities. Our products can be applied in array of vary industries etc. We have the capability and flexibility to meet the exact specifications and sizes of the products as per the requirements of our customers. We have set manufacturing facilities and team of motivated and experienced staff in production and sales to meet the quality and service expectations of our customers.

The basic raw material required in our manufacturing process is called as granules and PET sheets. We source our raw materials from domestic market. To maintain quality of our product we have implemented several quality control mechanisms for sourcing of raw materials. Also, we believe that our current manufacturing facility is well-equipped with automated and semi-automated equipment and facilities.

In the Year 2021, our Company through a Business Transfer Agreement (BTA), has acquired a proprietor firm named M/s Clara Petrochemical which is run and operated by our promoter Ms. Parry Kukreja. The Business takeover has resulted into a synergy effect which will provide an inorganic business growth and would result in a stable financial position of the company in the coming future. This acquisition has provided a strategy to build a sustainable and profitable business and synergies through supply chain opportunities and operational improvements, go-to-market and distribution network optimization, scale efficiencies in cost areas such as marketing, and optimization of overlapping infrastructure. It is an advantageous to combine the activities and operations of both proprietor firm and Company into a single Company for synergistic linkages and the benefit of combined financial resources. This will be reflected in the profitability of our Company. This Takeover will also provide an opportunity to leverage combined assets and build a stronger sustainable business and will enable optimal utilization of existing resources and provide an opportunity to fully leverage strong assets, capabilities, experience, expertise. Other benefits that can be seen is increase in reserves, investments, goodwill, manpower, finances, customers, distributors, brands etc. at its disposal for meeting its requirements.

We primarily sell our products to thorough direct orders from clients. Our clients are based from Rajasthan, Bihar, Uttarakhand, Himachal Pradesh and Punjab.

We are always committed to fulfil the requirements of our clientele according to their needs. In order to meet these requirements, we have adapted the best measures in the industry. We believe that we carry out extensive research, training and upgradation of technology to maintain the standards and quality of our services We are providing services that ensures customer satisfaction. We believe that we have long-term and stable relationships developed over the years with our key customers through the quality of services we provide.

The following table sets forth certain information on the revenue contributed by our business segments, for the periods indicated:

(₹ in lakh)

Year Particulars	2018-2019		2019-2020		2020-2021		2021-22	
	Amt	%	Amt	%	Amt	%	Amt	%
Plain Plastic Bags	1.01	0.46%	23.76	10.04%	30.85	10.08%	9.06	2.48%
Plain Plastic Rolls	3.23	1.46%	0.78	0.33%	4.35	1.42%	19.85	5.44%
PP Mats	61.25	27.67%	105.57	44.60%	171.91	56.17%	107.93	29.58%
Printed Plastic Bags	96.78	43.72%	84.06	35.52%	78.83	25.75%	106.79	29.27%
Printed Plastic Rolls	3.90	1.76%	1.14	0.48%	8.54	2.79%	8.35	2.29%
Plastic Scrap	5.54	2.50%	3.87	1.64%	0.011	0.04%	-	-
Horticulture Bags	4.60	2.08%	15.00	6.34%	10.00	3.27%	5.11	1.40%

Machines	-	0.00%	1.30	0.55%	-	0.00%	36.00	9.87%
Other Sales	45.05	20.35%	1.17	0.50%	1.47	0.48%	71.82	19.68%
Total	221.40	100.00%	236.68	100%	306.08	100.00%	364.89	100%

*The above mention data is of proprietorship firm Clara Petrochemicals upto 2020-21 and for the year 2021-22 is belong to the Company.

Our Company was originally incorporated as a public limited company on September 02, 2021 as “Clara Industries Limited” vide Registration No. 151537 under the provisions of the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. Subsequently, our Company has acquired the entire running business with the assets and liabilities of M/s Clara Petrochemicals, sole proprietorship concern of our Promoter Ms. Parry Kukreja vide Business Transfer Agreement dated October 29, 2021. The Corporate Identification Number of our company is U25209UP2021PLC151537.

OUR LOCATION

Registered Office & Factory Office	127/1 Gram Simbhalka Junardar Paragna, Tehsil and District Saharanpur- 247001, Uttar Pradesh, India.
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OUR COMPETITIVE STRENGTHS

Expanded Product portfolio – One stop shop for packaging solutions to our customers

Our product portfolio comprises of Packaging Films, Flexible Packaging, Horticulture Bags, HDPE Bottles, Plastic Matts, Printed and non-printed Plastic Sheets, Plastic Bangles. We can cater to a variety of packaging solution requirements of customers across various industry segments and can manufacture packaging products for products ranging from 5 gram to 5000 Kgs. Our broad range of products allows our customers to source most of their product requirement from us. Our versatile equipment capability is one of our principal competitive strengths.

Location Advantage

Our manufacturing unit is located in Saharanpur, Uttar Pradesh. Our location gives us is access to various state such as Uttarakhand, Himachal Pradesh, Delhi and Haryana. This provides us with efficient logistics easy thereby reducing our transportation and raw material cost as compared to our competitors.

Diversified customer base

We focus on maintaining and establishing long-term relationships with our customers. Our customers include from various sectors spanning FMCG, Consumer Product Hardware Tools, Hospitality, Housekeeping, Pharmaceuticals, Clothing & Hosiery, Edible Oil, Salt and Sugar. We believe that we have an ability to address the varied and expanding requirements of our customers. Our diversified customer base has helped us in introducing new products thereby expanding our product portfolio and consequently helping us in expanding into new markets.

Product Quality

We believe in providing quality and timely service to our customers. We are ISO 9001:2015 certified company. We have a set of standards for ourselves when it comes to timeliness and quality of service we provide to our customers. The stringent systems ensure that all the products reach our customers on stipulated time and there are minimum errors to ensure reduced product rejection. We believe that our quality service has earned us goodwill from our customers, which has resulted in customer retention and order repetition. It has also helped us to add to our existing customer base. We have developed internal procedure of checking the client orders at each stage from customer order to delivery. Our company focuses on maintaining the level of consistently in our service, thereby building customer loyalty for our Brand.

Semi-automated units

The manufacturing facility at which we operate is a semi-automated unit and the manufacturing process is managed through automatic machines and experienced manpower. Further, our raw material losses are minimized due to advanced machines placed in the unit for the manufacturing operations in our plant. Also, our labour wages are less as most of the work is been done by the machines.

Needs of Customers:

We have a system in place which has attained high level of knowledge about the needs of our customers, resulting from continuous two-way communication between our representatives and customers. We have a team of individuals who are constantly analyzing the market scenario and study our customer’s requirements. We try to cater to our customer’s

requirements by offering them a vast basket of product range. Our experience combined with our professionalism and capacity to deliver has helped us to grow at a steady rate. Our aim is to earn customer's trust and confidence through personal attention, passion for what we do and commitment to long-lasting relationship. We are prepared to go an extra mile to deliver to our customers' a measurable business value and help them adopt and succeed in the industry.

Strong management team and motivated and efficient work force.

We believe that our qualified and experienced management has substantially contributed to the growth of our business operations. Our Promoters and Directors have more than a decade of experience in packaging industry. Emphasis on systems and individuals has enabled us to build up capabilities to operate at different locations. Empowerment of management by delegation of authority has been our strength in meeting management expectations and has helped our Company in building a team of experienced employees. We believe that the experience of our senior management team has translated into improved product quality, increased profitability and improved margins which give us competitive edge.

Progressive Employer

Clara is continuously focused on creating an engaging atmosphere for our Employees to learn, contribute and grow. We nurture a sense of equality among our team members and offer them ample opportunities to pursue their passion and grow.

There is an active FUN team that creates opportunities for enjoyment even while working. We believe in timely compliance of all statutory payments especially related to employees. Our company ensures a safe environment, dignity and respect for all our employees irrespective of gender, religion, caste.

BUSINESS STRATEGY

Enhance profitability by supplying products to the end customers

Presently, our sales comprise of sale of our products to customers mainly based from north India. We intend to set up our representative office's other locations in next two years. These representative offices will supply the products directly to the end users thereby helping our customers to implement Just-In-Time (JIT) concept. We believe that it will enhance our customer base in overseas market and will result into higher volume of business and profitability.

To reap the benefit by enhancing manufacturing capacities

We are focused on establishing and increasing our manufacturing facilities as this will allow us to exercise control over manufacturing costs and the quality of the finished products. We believe that an increase in manufacturing capacity will help us reap the benefits of economies of scale, and this would eventually lead to an improvement in the price competitiveness of our products.

Cost effectiveness

Apart from expanding business and revenues we have to concentrate on reducing the costs in order to remain competitive in the industry. Measuring and evaluating costs at each cost centre and bench marking the same to industry / scientific standards is our core strategy to control direct costs and overheads. Our focus has been to reduce the operational costs to gain competitive edge. We are, to some extent successful in our efforts and hope to continue more vigorously to bench mark ourselves with the best in the industry.

Maintain our focus to strengthen customer relationship

We expect to maintain our focus on customer relationships. We believe that there are significant business opportunities from existing as well as potential customers as we diversify our product portfolio and build upon the existing relationships. We believe that this strategy would increase our customer specific knowledge enabling us to provide packaging solution as per their requirement and develop closer relationships with these customers.

Increase Brand awareness

We believe that it's critical for success to have strong brand recognition and recall value. We intend to enhance the brand recognition of our services through our presence in major cities. We also intend to focus on use of targeted marketing initiatives such as digital and print advertisements, as well as marketing through traditional channels such as outdoor advertising. Our marketing and advertising initiatives shall be directed to increase brand awareness, acquire new customers, drive customer traffic across our retail channels and strengthen our brand recall value.

Building-up as a Professional Organisation

We believe for a business to grow beyond a certain size, it needs to be run as a professional organisation. No organisation run in a promoter-centric or an unorganised manner can become a large business. We believe in transparency, commitment and coordination in our work, with all our stakeholders. We have the right blend of experienced and dynamic team and staff which takes care of our day-to-day operations. We also consult with external agencies on a case-to-case basis on technical and financial aspects of our business.

Continue to attract and retain talent

As part of our business strategy, we are focused on attracting and retaining high quality talent as we continue to expand our service offering. We have recruited and retained talented employees from a variety of backgrounds. We expect to continue to attract talented employees through our retention initiatives. We intend to invest adequate time and resources for training our employees, which we believe would foster mutual trust, improve the quality of our customer service and place further emphasis on our continued retention.

Strategic Acquisition and Alliance Opportunities

We intend to explore and evaluate strategic acquisition and technology alliance opportunities to gain access to new clients and sectors, add new technology capabilities to our offerings that drive synergies with our existing business ventures.

SWOT ANALYSIS

Strengths	Threats
<ul style="list-style-type: none"> • Location Advantage of Manufacturing unit • Strong Clientele • Quality of Products 	<ul style="list-style-type: none"> • Intense Competition from Unorganized Player • Change in regulatory norms in our country.
Weakness	Opportunities
<ul style="list-style-type: none"> • Fluctuation in Raw Material Costs • Factory and Machinery on lease 	<ul style="list-style-type: none"> • Goods ban from China will increase our sales • Exploring New Export Markets

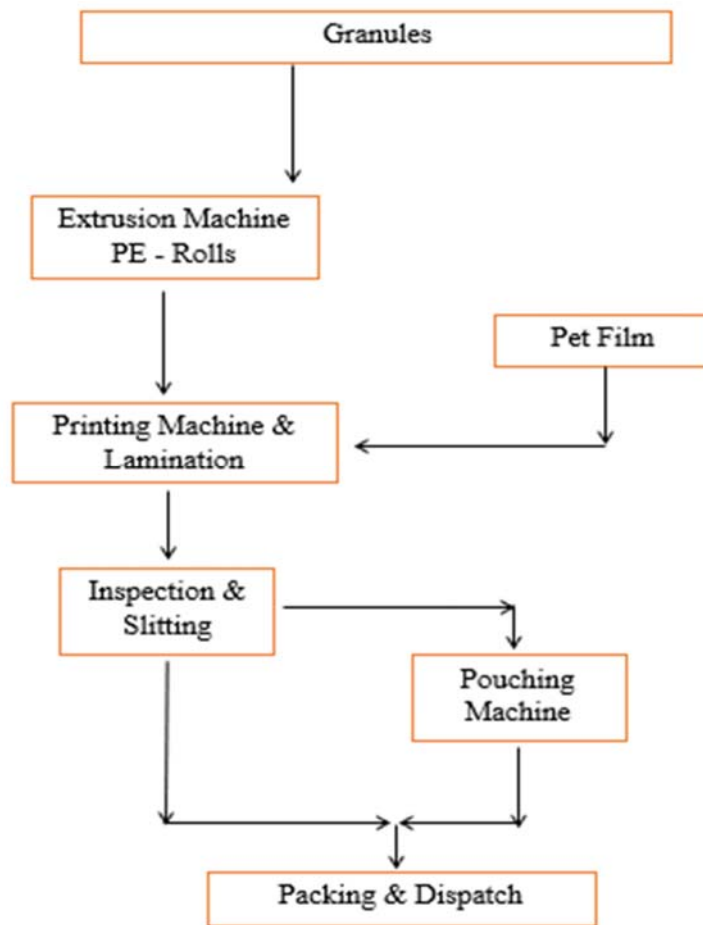
OUR MACHINERY

Sr. No.	Name of Machine	Qty.	Sr. No.	Name of Machine	Qty.
1	Bottom Seal (34 Inches) *	1	13	Extruder Machine	8
2	Bottom Seal (28 Inches) *	1	14	Mixture Machine	1
3	Six Colour Rotogravure Printing Machine with Hot Air and Compressor*	1	15	Compressor	2
4	Six Colour Flexed Printing Machine with Hot Air	1	16	Granulating Machine	4
5	Side Seal Machine (24 Inches)	1	17	Generator	1
6	Side Seal Machine (28 Inches)	1	18	Granulating Machine	1
7	Pouching Machine with Compressor	1	19	Warping Machine	1
8	Slitting Machine	1	20	Agro Grinder	1
9	Core Cutter	1	21	Grinder	1
10	4/6 Loom Machine	3	22	Zipper Pouching	1
11	6/9 Loom Machine	2	23	Machine Spare Parts	1
12	5/7 Loom Machine	1			

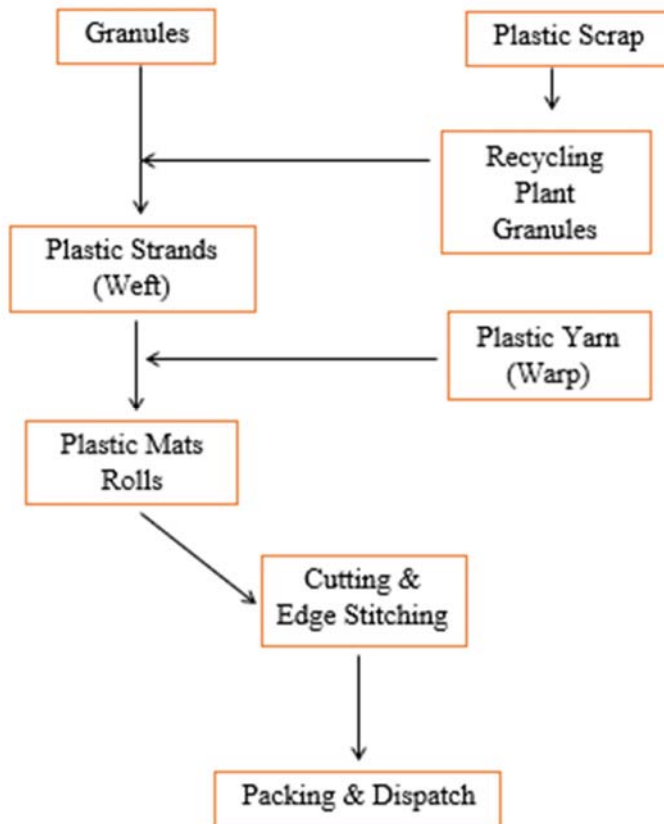
**Machinery is taken on lease by the company from the M/s Chand Plastic Corporation, the owner is of this proprietor firm is the promoter of the company Mr. Nikhil Kukreja.*

OUR MANUFACTURING PROCESS


Processing Chart for Flexible Packing



Processing Chart of Plastic Mats



OUR BUSINESS PRODUCTS:

1		<p style="text-align: center;"><u>FLEXIBLE PACKAGING</u></p> <p>We at “CLARA” manufacture flexible polyester pouches which are widely used in almost every industry. Non-rigid packaging structures is used to package and protect products. Flexible packaging is any package or any part of a package whose shape can be readily changed. Common examples of flexible packaging are bags and pouches. In our unspoken yet universal commitment, we believe that all our customers deserve nothing less than the best. Flexible pouches are single-use bags commonly made of metal foil, and plastic. They are used for packaging everything from snack foods to industrial liquids and are commonly found on supermarket shelves across the globe.</p>
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<p>2</p>		<p style="text-align: center;"><u>HORTICULTURE BAGS</u></p> <p>We at “CLARA” produce high quality Horticulture bags. These flexible poly bags have proven to stimulate healthy plant growth. They are made of LDPE which is highly durable and they will last for at least one growing season. CLARA can fully customize your plant bags with vent holes and many other features. Very economical in purchase compared to other containers. Less storage space is needed since they fold up flat. Transportation costs are lower because they are light-weight. Some of the main advantages are as follows:</p> <ol style="list-style-type: none"> i. During rainy seasons: good water drainage. ii. Amidst drought: retain moisture longer iii. Protection against harmful UV-rays. iv. Guard against small rodents and insects.
<p>3</p>		<p style="text-align: center;"><u>HDPE BOTTLES</u></p> <p>HDPE bottles have gained a substantial proportion due to its chemical composition which poses the lowest threat to life and health as regards products fruit juices, milk, detergents and cleaners. The fact that all of these different products are primarily packaged in HDPE bottles today has given a massive boost to HDPE bottles market. A significant proportion of the working population, for example, every person who travels for work requires easy to carry, sturdy bottles for their needs. Additionally, HDPE bottles have been able to meet the requirements of a highly demanding global FMCG market. Advantages of the HDPE bottles are as follows:</p> <p>Cost-effective, can withstand temperatures from -148 to 176 degrees Fahrenheit, Non-leaching, UV-resistant, Dishwasher safe, Resistant to most chemical solvents, Stiff material etc.</p>
<p>4</p>		<p style="text-align: center;"><u>PLASTIC MATS</u></p> <p>Plastic Mat is made using premium virgin quality polypropylene straws to offer strength, softness and beauty. We use our Plastic printing waste material’s recycled granules also to make the mats. Carpet - Floor Mat is lightweight, portable and very easy to maintain.</p> <p>These reversible outdoor mats are made from 100% virgin polypropylene along with edging that is heat treated to reduce fraying, soft and durable, low-maintenance, water resistant, mould and mildew resistant. It’s soft and comfortable to walk on barefoot. The Breathable material will not hurt grass or scratch your deck.</p>

5		<p style="text-align: center;"><u>TRANSPARENT PLASTIC</u></p> <p>Clear transparent packaging will allow consumers to view directly at your premium products, making it outstanding and differentiate other products. Transparent plastic film is used to make pouches. For example, biscuits, rusks and it is also used in salt and spices etc. for inner packing. Transparent pouches are used to pack almost all products, such as garments, rice, tools, machines, FMCG etc. All machine manufacturers use Machine Grade Stretch Film which is used where customers have the provision to use a machine to wrap their products. Polyester films have outstanding mechanical strength, dimensional stability, transparency and chemical resistance. They are available in many different grades and they are used for a wide range of applications.\</p>
6		<p style="text-align: center;"><u>PRINTED PLASTIC FILMS</u></p> <p>We are multi-layered printed film manufacture which are widely used in different industries such as the food packaging industry, pharma industry, and automobile industry etc. We are the leading polyester film manufacturer who has an expert team and modern technology to provide high quality and cost-effective printed pouches. These pouches have high tear strength and maintain the quality of a product for a longer duration. As a packaging pouch manufacturer, we assure that the pouches should be leak proof and easy to handle and transport.</p>
7		<p style="text-align: center;"><u>PLASTIC BANGLES</u></p> <p>We hold an expertise to offer our precious clients a unique range of Raw Plastic Bangle. In compliance with the defined industry norms, this bangle is well-designed using qualitative grade basic material and progressive machines under the direction of our adroit professionals. Due to its excellent finish, our provided bangle is much admired by our clients.</p>

COLLABORATIONS

Our Company has not entered into any collaboration agreements as on date of this Draft Letter of Offer.

INFRASTRUCTURE FACILITIES FOR UTILITIES LIKE ELECTRICITY WATER & POWER.

Infrastructure Facilities

Our registered office and Factory are situated at 127/1 Gram Simbhalka Junardar Paragna, Tehsil and District Saharanpur-247001, Uttar Pradesh, India our registered office and factory are well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly.

Raw Material

The major raw material used by our Company are granules and PET Sheet, apart from that we use PET Film, BOPP Film, LDPE Multi-layered Film, Granules of LD, PP, HDPE, Printing inks, adhesive, and PP Yan as raw material. These are sourced from vendors such as Reliance Industries Limited, Haldia Petrochemical Limited, GAIL, BPCL Brahmaputra petrochemical, IOCL to name a few.

Power

We have arrangements for regular power supply at our registered office, manufacturing unit and retail shop. This power is being supplied to us from Paschimanchal Vidyut Vitran Nigam Limited at our manufacturing unit and registered office. We have 63Kva Kirloskar dg set installed at our factory required for power backup.

Water

Our registered office has adequate water supply arrangements for human consumption purpose. The requirements are fully met at the existing premises.

Pollution Control

Our manufacturing process does not engage any air, water or noise pollution. We do not have any emissions or discharges from the plant / processes which have any adverse impact on environment. We conduct our business in accordance with the following environmental related matters:

- Compliance with statutory norms and requirements
- Environmental management practices
- Clean and healthy environment for our staff and workers

EXPORT AND EXPORT OBLIGATIONS

As on date of this Draft Letter of Offer, our Company does not have any export and export obligation.

INTELLECTUAL PROPERTY RIGHTS

Our corporate name and logo have not been registered under the Trade Marks Act, 1999.

CAPACITY AND CAPACITY UTILIZATION

Segment	A	B	C	Overall Plant
Product	Plain Plastic bag, Plain Plastic Tubes, Plain Plastic Rolls	PP Mats (5%), PP Mat roll	Printed Plastic Bags, Printed Plastic rolls	
Maximum Capacity (kg / hr)	300	200	150	NA
Production (kg / hr)	172.33	117.54	23	-
Capacity Utilisation (%)	57.44%	58.77%	15.33%	-
Production (kg)	4,13,592	2,82,108	55,200	7,50,888
Weighted Average Capacity utilisation				54.85%

**The above mention data has been evaluated of the machines that were owned and used by M/s Clara Petrochemicals. Clara Industries Limited, had taken over the proprietorship firm by virtue of Business transfer agreement. Due to this takeover asset of the firm has been transferred to the company and as on date of certificate i.e. January 03, 2023 the machine is in the name of Clara Industries Limited. Please take in to account the mention point before evaluation.*

Overall plant capacity and its utilisation is **54.85%**, Above calculation is based on **1 shift of 8 hrs** working basis and **300** working days a year.

HUMAN RESOURCE

Human resource is the key element for our Company's growth strategy and handling the day-to-day activities within the organization. We focus on attracting and retaining the best possible talent. Our team is a blend of experienced, professional with expertise in capital markets. Our Company does not have any Employee Unions.

As on date of filing of this Draft Letter of Offer, we have 18 employees in our company. We have not experienced any material strikes, work stoppages, labour disputes or actions by or with our employees, and we consider our relationship

with our employees to be good. And all the employees who are employed in their respective departments also work with integrity to make sure the operation the company are fulfilled and the targets the company has set are achieved.

HEALTH, SAFETY, SECURITY AND ENVIRONMENT

We have also adopted best practices, including deployment of advanced technology at our factory, and regularly undertaking mock drills and other safety orientation programmes to promote a safe working environment. Our operations are subject to governmental, state and municipal laws and regulations relating to the protection of the environment, including requirements for water discharges, air emissions, the use, management and disposal of solid or hazardous materials or wastes and the cleanup of contamination. However, typically in contracts entered by us all the necessary approvals and environmental clearances for the project of the project are to be procured by our clients.

MARKETING AND DISTRIBUTION STRATEGY

We are mindful of the fact that there is stiffer competition in Plastic Packaging industry; Our sales and marketing team is recruited on the basis of experience in the industry and are trained on a regular basis so as to be well equipped to meet their targets and the overall business goal of our Company. Our corporate goal is to grow our company to attain a prime position for Plastic Packaging industry through cutting edge technology and execution excellence in the India which is why we have mapped out strategy that will help us take advantage of the available market and grow to become a major force to reckon with not only in the India but also in other parts of the world.

Our company make use of the following marketing and sales strategies to attract clients;

- Visiting Existing as well as Prospective clients.
- Encourage word of Mouth marketing from loyal & satisfied customers.
- Generating references thru Industry experts.
- Fully functional and self-explanatory web portal (www.clara.co.in)
- We are in the era of digitalization; hence our company aims at creating visibility through all digital media channels.
- Attend and participate in relevant international and local expos, seminars, and business fairs.
- Engage direct marketing approach.

COMPETITION

In particular, we compete with other plastic packaging companies, operating in the same geographies as ours. We operate in a competitive atmosphere. Some of our competitors may have greater resources than those available to us. While product quality, brand value, distribution network, etc. are key factors in client decisions among competitors, however, price is the deciding factor in most cases. Among listed Companies, we face competition from listed companies in our industry. We compete against our competitors by effectively ensuring consistent product quality and timely services at competitive prices. No such consignments are accepted which are beyond our control and the best part is the only thing we know is how make Plastic Packaging. While service quality, technical ability, performance record, experience, health and safety records and the availability of skilled personnel are key factors in client decisions among competitors, price often is the deciding factor in most tender awards. Some of our competitors may have greater resources than those available to us.

OUR MANAGEMENT

BOARD OF DIRECTORS

Our Board of Directors

Our Articles of Association require us to have not less than 3 Directors and not more than 15 Directors, subject to the applicable provisions of the Companies Act, 2013. As of the date of this Draft Letter of Offer, Our Company has 5 (Five) Directors on our Board, which includes, one (01) Managing Director, one (01) Non-Executive Director and two (02) Independent Directors, one of whom is also the woman independent director of our Company.

Set forth below are details regarding our Board as on the date of this Draft 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: Ms. Parry Kukreja Designation: Managing Director DIN: 06649401 Date of Birth: February 03, 1983 Age: 39 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.	<ul style="list-style-type: none"> • Clara Packing Solutions Limited • Clara Recycling Private Limited
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-appointed 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"> • Clara Packing Solutions Limited
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"> • Clara Packing Solutions Limited
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	<ul style="list-style-type: none"> • Gurshyam Formulations Private Limited

Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in designation and Term	Other Directorships in Companies
Term: Appointed as Independent Director with effect from September 28, 2021 to September 27, 2026.	
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>

CONFIRMATIONS

- Except as stated below, none of the Directors of our Company are related to each other as per Section 2(77) of the Companies Act, 2013.

Sr. No.	Name of the Director	Name of the Director	Relationship
1.	Ms. Parry Kukreja	Mr. Nikhil Kukreja	Spouse
2.	Mr. Nikhil Kukreja	Ms. Priyanka Mediratta	Brother – Sister
3.	Ms. Parry Kukreja	Ms. Priyanka Mediratta	Sister – in - Law

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors or Key Managerial Personnel were selected as a Director or Member of Senior Management.
- There are no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- As on the date of this Draft Letter of Offer, none of our directors are on the RBI List of wilful defaulters.
- As on the date of this Draft Letter of Offer, none of our Directors are Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
- As on the date of this Draft Letter of Offer, none of our Director is or was a director of any listed Company during the last 5 (five) years preceding the date of this Draft Letter of Offer, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such Company.
- As on the date of this Draft Letter of Offer, none of our Director is or was a director of any listed Company which has been or was delisted from any stock exchange during the term of their directorship in such Company.
- As on the date of this Draft Letter of Offer, none of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoters, director or person in control of any other Company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

No proceedings / investigations have been initiated by SEBI against any Company, the Board of Directors of which also comprises any of the Directors of our Company

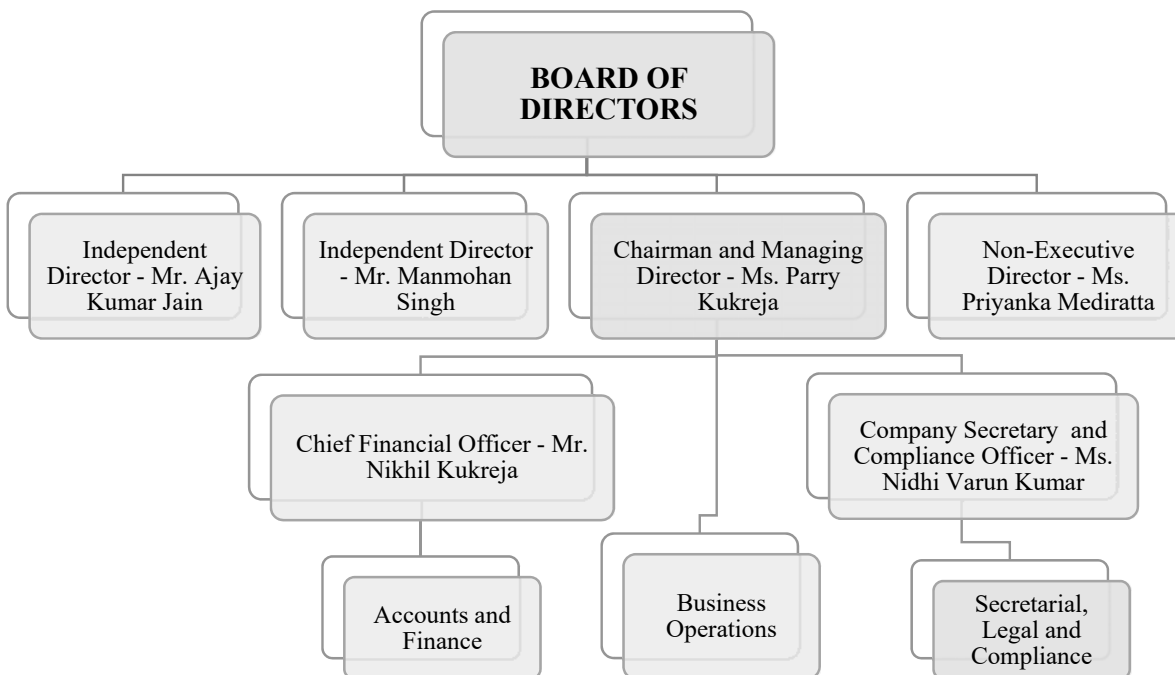
KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Following are the Key Managerial Personnel of our Company:

Details of Key Managerial Personnel and Senior management Personnel:

Name of the KMPs	Designation
Ms. Parry Kukreja	Chairman and Managing Director
Mr. Nikhil Kukreja	Chief Financial Officer
Ms. Nidhi Varun Kumar	Company Secretary and Compliance Officer

ORGANISATION STRUCTURE



SECTION VII: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page No.
1	Financial Statement	F - 1 to F - 29



INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

TO THE MEMBERS OF
CLARA INDUSTRIES LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Clara Industries Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss and the statement of Cash Flows for the period from September 02, 2021 to March 31, 2022 and a summary of significant accounting policies and other explanatory information.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company for the period from September 02, 2022 to March 31, 2022, the profit and total income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the financial statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our objective are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on these financial statements.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by sub-section 3 of Section 143 of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder.
 - (e) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "ANNEXURE - A";



(g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us: -

i. The Company did not have any pending litigations in its financial statements.

ii. The Company did not have any long term contract including derivative contract which may lead to any foreseeable losses.

iii. The company doesn't have any amount to transfer to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2020 (" the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "ANNEXURE - B" a statement on the matters specified in the Order, to the extent applicable.

For Gupta Agarwal & Associates
Chartered Accountants
Firm's Registration No: 329001E

Jay Shanker Gupta
Partner

Membership No: 059535

UDIN: 22059535AJZUEK8146



Place: Kolkata

Date: May 30, 2022



ANNEXURE - A

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of CLARA INDUSTRIES LIMITED ("the Company") for the period from September 02, 2021 to 31st March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.



MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to errors or frauds may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Gupta Agarwal & Associates
Chartered Accountants
Firm's Registration No: 329001E

Jay Shanker Gupta
Partner

Membership No: 059535

UDIN: 22059535AJZUEK8146



Place: Kolkata
Date: May 30, 2022



"Annexure B" to the Independent Auditor's Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of report of even date to the standalone financial statements of the company for the period from September 02, 2021 to March 31, 2022; we report that:

1. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS [Clause 3(i)]:

- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment.
- (b) The company is maintaining proper records showing full particulars of intangible assets.
- (c) As explained to us, these Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (d) The title deeds of immovable properties are held in the name of the company.
- (e) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (f) No proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.

2. INVENTORY [Clause 3(ii)]

- a According to the information and explanations given to us, the physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate; and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- b The company has not been sanctioned working capital limits in excess of five crore rupees (at any point of time during the year), in aggregate, from banks or financial institutions on the basis of security of current assets.

3. LOAN GIVEN BY COMPANY [Clause 3(iii)]

The company has made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties during the year.

The company has provided loans or provided advances in the nature of loans to any other entity during the year.

The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates - NIL

The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates are as follows:

Amount during the year: 30.00 Lakhs

Outstanding as on 31.03.2022: 30.00 Lakhs



The investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;

In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has not been stipulated.

If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest- The schedule of repayment of principal and payment of interest has not been stipulated.

There is no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties

The Company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment:

	(Rs. In Lakhs)		
	All Parties	Promoters (Including Directors)	Related Parties
Aggregate amount of loans/ advances in nature of loans- - Repayable on demand (A)	30.00	--	--
Aggregate amount of loans/ advances in nature of loans- - Agreement does not specify any terms or period of repayment (B)	--	--	--
Total (A+B)	30.00	--	--
Percentage of loans/ advances in nature of loans to the total loans	100%	--	--

4. LOAN TO DIRECTORS AND INVESTMENT BY COMPANY [Clause 3(iv)]

In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

5. DEPOSITS [Clause 3(v)]

According to the information and explanation given to us the company has not accepted deposits from the public during the financial year under audit. Accordingly, the paragraph 3(v) of the order is not applicable to the company and hence not commented upon.

6. COST RECORDS [Clause 3(vi)]

As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7. STATUTORY DUES [Clause 3(vii)]



(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, customs duty, cess and any other statutory dues have been regularly paid to the appropriate authorities.

(b) According to the information and explanations given to us there are no dues of sales tax, income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.

8. SURRENDERED OR DISCLOSED AS INCOME [Clause 3(viii)]

There are no such transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

9. REPAYMENT DUES [Clause 3(ix)]

In our opinion and according to information and explanations given to us, the company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The company has not issued any debentures.

The company is not a declared willful defaulter by any bank or financial institution or other lender.

According to the information and explanation given to us, term loans were applied for the purpose for which the loans were obtained

According to the information and explanation given to us, funds raised on short term basis have not been utilised for long term purposes

The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

10. UTILISATION OF INITIAL AND FURTHER PUBLIC OFFER [Clause 3(x)]

During the F.Y. 2021-22, the company issued 7,02,000 fully paid equity shares of Rs. 10/- each at a premium of Rs. 33/- per share by way of initial public offer or further public offer through BSE SME segment and the IPO proceeds were applied for the purposes for which those are raised.

The company has made a preferential allotment against BTA executed between M/s. Clara Petrochemicals (Prop: Parry Kukreja) and the Company of 87140 shares of Rs. 10 each at a premium of Rs. 65 each, the shares were allotted on 10th November, 2021 vide EGM dated 29th October, 2021.

Further the Company has allotted further preferential allotment of 117000 equity shares of Rs. 10 each at a premium of Rs. 65 each on 17th November, 2021 vide EGM dated 16th November, 2021.

11. FRAUD AND WHISTLE-BLOWER COMPLAINTS [CLAUSE 3(xi)]

To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.



No report under sub-Section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.

Whistle-blower complaints have not been received during the year by the Company.

12. NIDHI COMPANY [Clause 3(xii)]

In our opinion and according to information and explanations given to us, clause (xii) of para 3 to Companies (Auditor's Report) Order, 2020 w.r.t. Nidhi Company is not applicable to company. Accordingly, the paragraph 3(xii) of the order is not applicable to the company and hence not commented upon.

13. RELATED PARTY TRANSACTION [Clause 3(xiii)]

In our opinion and according to information and explanations given to us all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

14. INTERNAT AUDIT: [CLAUSE 3(xiv)]

The company does not have an internal audit system commensurate with the size and nature of its business.

15. NON-CASH TRANSACTION [Clause 3(xv)]

In our opinion and according to information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the paragraph 3(xv) of the order is not applicable to the company and hence not commented upon.

16. REGISTER WITH RBI ACT, 1934 [Clause 3(xvi)]

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the paragraph 3(xvi) of the order is not applicable to the company.

The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.

The Company is not a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India.

17. CASH LOSSES [Clause 3(xvii)]

The Company has not incurred cash losses in the Financial Year 2021-22 and in the immediately preceding financial year.

18. RESIGNATION OF STATUTORY AUDITORS [Clause 3(xviii)]

There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable.

19. MATERIAL UNCERTAINTY ON MEETING LIABILITIES [Clause 3(xix)]

On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the



auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

20. TRANSFER TO FUND SPECIFIED UNDER SCHEDULE VII OF COMPANIES ACT, 2013 [Clause 3(xx)]

The provision relating to transfer to fund specified under schedule vii of the Companies Act, 2013 is not applicable to the company.

21. ADVERSE REMARKS IN CONSOLIDATED FINANCIAL STATEMENTS [Clause 3(xxi)]

The company is not required to prepare consolidated financial statements for the period under review, accordingly, the paragraph 3(xxi) of the order is not applicable to the company.

For Gupta Agarwal & Associates
Chartered Accountants
Firm's Registration No: 329001E

Jay Shanker Gupta
Partner
Membership No: 059535
UDIN: 22059535AJZUEK8146



Place: Kolkata
Date: May 30, 2022

CLARA INDUSTRIES LIMITED
CIN: U25209UP2021PLC151537
BALANCE SHEET AS ON 31ST MARCH, 2022

(Rs. In lakhs)

Particulars	Note	As on 31st March, 2022
<u>EQUITY AND LIABILITIES</u>		
Shareholders Funds:		
Share Capital	3	248.10
Reserves & Surplus	4	291.95
Money Received Against Share Warrants		
		540.04
Share Application Money Pending Allotment		
		-
Non-Current Liabilities		
Long-Term Borrowings	5	9.60
Deferred Tax Liabilities (Net)	11	0.43
		10.03
Current Liabilities		
Short-Term Borrowings	6	63.81
Trade Payables	7	44.45
Other Current Liabilities	8	2.57
Short-Term Provisions	9	35.80
		146.64
TOTAL		
		696.71
<u>ASSETS</u>		
Non-Current Assets		
Property, Plant & Equipment and Intangible Assets		
- Tangible Assets	10	49.77
- Intangible Assets		-
Deferred Tax Assets (Net)	11	-
		49.77
Current Assets		
Inventories	12	245.43
Trade Receivables	13	261.41
Cash and Cash Equivalents	14	46.99
Short-Term Loans and Advances	15	33.22
Other Current Assets	16	59.89
		646.94
TOTAL		
		696.71
Significant Accounting Policies	2.1	-

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUPTA AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 329001E

JAY SHANKER GUPTA
PARTNER
MEM NO. 059535

Date: 30th May, 2022

Place: Kolkata



For CLARA INDUSTRIES LIMITED

PARRY KUKREJA
MANAGING DIRECTOR
DIN: 06649401

NIKHIL KUKREJA
DIRECTOR & CFO
DIN: 06649387

NIDHI VARUN KUMAR
COMPANY SECRETARY

Date: 30th May, 2022

Place: Saharanpur

CLARA INDUSTRIES LIMITED
CIN: U25209UP2021PLC151537

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2022

(Rs. In lakhs)

Particulars	Note	For the period from 2nd September, 2021 to 31st March, 2022
Income :		
Revenue From Operations	17	364.89
Other Income	18	22.42
Total Revenue		387.31
Expenses :		
Cost Material Consumed	19	189.24
Change in Inventory	20	37.05
Employee Benefits Expenses	21	2.25
Finance Costs	22	4.15
Depreciation and Amortization Expense	23	2.18
Other Expenses	24	11.15
Total Expenses		246.02
Profit before exceptional and extraordinary items and tax		141.29
Exceptional items		-
Profit before extraordinary items and tax		141.29
Extraordinary Items		-
Profit Before Tax		141.29
Tax Expense :		
(1) Prior Year Taxes		-
(2) i) Current Tax		35.80
ii) Current Tax (MAT)		-
(3) Deferred Tax		0.43
Profit / (Loss) for the period from continuing operations		105.06
Profit / (loss) from discontinuing operations		-
Tax expense of discontinuing operations		-
Profit / (Loss) from Discontinuing operations after tax		-
Profit / (Loss) for the period		105.06
Earnings Per Share (EPS)	25	
Basic and Diluted (Rs)		8.99
Significant Accounting Policies	2.1	

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUPTA AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 329001E

JAY SHANKER GUPTA
PARTNER
MEM NO. 059535

Date: 30th May, 2022
Place: Kolkata



For CLARA INDUSTRIES LIMITED

PARRY KUKREJA
MANAGING DIRECTOR
DIN: 06649401

NIKHIL KUKREJA
DIRECTOR & CFO
DIN: 06649387

NIDHI VARUN KUMAR
COMPANY SECRETARY

Date: 30th May, 2022
Place: Saharanpur

CLARA INDUSTRIES LIMITED
CIN: U25209UP2021PLC151537
CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2022

Particulars	(Rs. In lakhs)
	As on 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net profit before tax	141.29
Adjustment for	
Add: Depreciation and amortisation	2.18
Finance cost	4.15
	147.63
Less : Interest on Long term and current non-trade investments	
Interest on loans , deposits etc	-
	147.63
Operating profit before working capital changes	147.63
Changes in working capital :	
Adjustment for (increase)/decrease in operating assets :	
Add : Inventories	(245.43)
Trade receivables	(261.41)
Other current assets	(59.89)
Short term loans and advances	(33.22)
	(452.31)
Adjustment for increase/(decrease) in operating liabilities :	
Add : Trade payables	44.45
Other current liabilities	2.57
	(405.29)
Cash generated from Operations	(405.29)
Less: Prior Year Tax	-
Less : Direct taxes paid	-
Net cash from Operating Activities (A)	(405.29)
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	(51.95)
Net cash/(used) in Investing Activities (B)	(51.95)
C. CASH FLOW FROM FINANCING ACTIVITIES	
Short Term Borrowings	63.81
Long Term Borrowings	9.60
Proceeds from Issue of Share Capital	158.11
Proceeds from IPO	276.88
Interest paid	(4.15)
Net cash/(used) in Financing Activities (C)	504.24
D. INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	46.99
Cash and Cash Equivalents at the beginning of the year	-
Cash and Cash Equivalents at the end of the year	46.99



[Handwritten Signature]



[Handwritten Signature]

CLARA INDUSTRIES LIMITED
CIN: U25209UP2021PLC151537
CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2022

Note :

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India

2. Previous year's figures have been regrouped/ reclassified to confirm to those of the Current Year

3. Cash & Cash Equivalents include:

- Cash In Hand
- With Scheduled Banks
On Current Accounts

(Rs. In lakhs)

As on 31st March, 2022
13.33
33.66
<u>46.99</u>

AS PER OUR REPORT OF EVEN DATE ATTACHED


FOR GUPTA AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 329001E



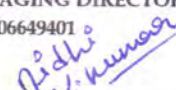
JAY SHANKER GUPTA
PARTNER
MEM NO. 059535

Date: 30th May, 2022
Place: Kolkata

For CLARA INDUSTRIES LIMITED


PARRY KUKREJA
MANAGING DIRECTOR
DIN: 06649401


NIKHIL KUKREJA
DIRECTOR & CFO
DIN: 06649387


NIDHI VARUN KUMAR
COMPANY SECRETARY

Date: 30th May, 2022
Place: Saharanpur

CLARA INDUSTRIES LIMITED
CIN: U25209UP2021PLC151537
Notes to Financial Statements for the period ended March 31, 2022

(Amount in Lakhs)
As on 31st March, 2022

Note 3 -

a) Share Capital

Authorised Share Capital

Ordinary Equity Shares

2500000 equity shares of Rs.10/- each

250.00

250.00

Share Capital - Issued, Subscribed & Paid up

Ordinary Equity Shares

2480980 equity shares of Rs.10/- each fully paid up

248.10

248.10

b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As on 31st March, 2022	
	No of shares	(Amount in Lakhs)
Ordinary Equity Shares		
Equity shares at the beginning of the period	50,000.00	5.00
Add : Shares issued against BTA	87,140.00	8.71
Add : Preferential allotment	1,17,000.00	11.70
Add : Bonus Issue	15,24,840.00	152.48
Add : Fresh issue through IPO	7,02,000.00	70.20
Outstanding at the end of the period	<u>24,80,980.00</u>	<u>248.10</u>

c. Terms / Rights attached to equity shares

Ordinary Equity shares :

Each holder of equity share is entitled to one vote irrespective of number of shares held. In event of liquidation of company the holder of equity shares would be entitled to receive remaining assets of the company after distribution of all preferential amounts.

The Authorised Share Capital of the company was increased from 1,50,000 Equity Shares of Rs.10/- each to 25,00,000 Equity Shares of Rs. 10/- each vide resolution passed in AGM dated 25th October, 2021.

The company is Incorporated on 2nd of September, 2021 with a initial capital of 50000 equity shares of Rs. 10 each.

Further the company has made a preferential allotment against BTA executed between M/s. Clara Petrochemicals (Prop:Parry Kukreja) and the Company of 87140 shares of Rs. 10 each at a premium of Rs. 65 each, the shares were allotted on 10th November, 2021 vide EGM dated 29th October, 2021.

The Company has allotted further preferential allotment of 117000 equity shares of Rs. 10 each at a premium of Rs. 65 each on 17th November, 2021 vide EGM dated 16th November, 2021.

The Company has allotted bonus issues on 23rd November, 2021 of fully paid 1524840 equity shares of Rs. 10 each, vide EGM dated 22nd November, 2021.

During the F.Y. 2021-22 the company made Initial public offer through BSE SME segment of fully paid 702000 equity shares of Rs. 10 each at a premium of Rs. 33 each.

d) Details of Promoters Shareholdings

Promoters & Promoter Group	Share held by Promoter and Promoters Group		
	As at 31.03.2022		% Change during the Year
Name of the Shareholders	No. of shares	% of Shares	
NIKHIL KUKREJA	4,08,310.00	16.46	-
PARRY KUKREJA	13,70,628.00	55.25	-
SHANTI RANI	7.00	0.00	-
ISHA SACHDEVA	7.00	0.00	-
PRIYANKA MEDIRATTA	14.00	0.00	-
TOTAL	17,78,966.00	71.70	

e. The details of shareholders holding more than 5% shares

Ordinary Equity Shares	As on 31st March, 2022	
	No of shares	% of Shares
NIKHIL KUKREJA	4,08,310	16.46%
PARRY KUKREJA	13,70,628	55.25%



Parry Kukreja



CLARA INDUSTRIES LIMITED
CIN: U25209UP2021PLC151537
Notes to Financial Statements for the period ended March 31, 2022

Note 4 -

Reserves & Surplus

Securities Premium

As at beginning of the period
Add: Additions during the year
Less: Bonus Issued
Less: IPO Expenses

Profit & Loss Account

As per last balance sheet
Add: Current Year's Profit / (Loss)

(Amount in Lakhs)
As on 31st March, 2022
-
364.35
152.48
24.98
<u>186.89</u>
-
105.06
<u>105.06</u>
<u>291.95</u>

Note 5 -

Long Term Borrowings

Unsecured

From Other Parties

(Balances of Unsecured loans are subjected to ledger confirmations)

(Amount in Lakhs)
As on 31st March, 2022
-
9.60
<u>9.60</u>

Note 6 -

Short Term Borrowings

Secured

Overdraft Limit from PNB
Covid Loan from PNB

Unsecured

From Directors

55.09
8.72

63.81

Note: Overdraft facility Availed From Punjab National Bank at the ROI of 10.30%, Secured With collateral as property of Parry Kukreja at Vill-Simbhalka, Sahranpue, UP- 247001 and guarantee of M/s. Chand plastic corporation.

Note 7 -

Trade Payables

Trade Payables
MSME
Others

(Amount in Lakhs)
As on 31st March, 2022
-
44.45
<u>44.45</u>

(Trade payables has been taken as certified by the management of the company, balances are subjected to ledger confirmations)
Segregation of trade payables as due to MSME and Other than MSME are certified by management.

PARTICULARS	Ageing schedule of Trade payables	
	As on 31.03.2022	As on 31.03.2021
Less than 1 years	44.45	-
1-2 yrs	-	-
2-3 yrs	-	-
More Than 3 yrs	-	-
TOTAL	<u>44.45</u>	<u>-</u>



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CLARA INDUSTRIES LIMITED
CIN: U25209UP2021PLC151537
Notes to Financial Statements for the period ended March 31, 2022

Note 8 -

Other Current Liabilities

(Amount in Lakhs)	
As on 31st March, 2022	
Audit Fees payable	0.50
Advance from Debtors	2.07
	2.57

Note 9 -

Short Term Provision

Income Tax Payable	35.80
	35.80

Note 11 - Deferred Tax (Asset)/Liability

Deferred Tax Asset	-
Add : Current Year Provision	(0.43)
	0.43

Note 12 - Inventories

Raw Material	215.60
Work in Progress	29.82
	245.43

(Value of inventories has been valued & certified by Management of the company)

Note 13 - Trade Receivable

(Unsecured considered good by the Management)

Trade Receivables	
Debts outstanding for period less than six months	261.41
Debts outstanding for period exceeding six months	-
	261.41

(Trade receivables has been taken as certified by the management of the company, balances are subjected to ledger confirmations)

As per the view of the management of the company there is no doubtful debt and hence provision for doubtful debts have not been made)

Ageing schedule of Trade Receivables

PARTICULARS	Ageing Schedule of Trade Receivable
	31.03.2022
Less than 6 months	261.41
6 months- 1 year	-
1-2 yrs	-
2-3 yrs	-
More Than 3 yrs	-
TOTAL	261.41



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CLARA INDUSTRIES LIMITED
CIN: U25209UP2021PLC151537
Notes to Financial Statements for the period ended March 31, 2022

Note 14 - Cash & Bank Balances

(Amount in Lakhs)
As on 31st March, 2022

Cash In Hand	13.33
Balances With Banks (Current A/c)	
ICICI Bank	0.10
PNB	3.47
PNB New	-
Union Bank	30.10
	46.99

Note 15 - Short Term Loans & advances

(Unsecured considered good by the Management)

Security Deposits	3.22
Short term advances given to parties	30.00
(Balances are subjected to ledger confirmations)	
	33.22

Note 16 - Other Current Assets

Advance given to supplier	43.65
GST receivable	16.24
	59.89



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CLARA INDUSTRIES LIMITED
CIN: U25209UP2021PLC151537
Notes to Financial Statements for the year ended March 31, 2022

	Amount (in Lakhs.)
	For the period ended 31st March, 2022
Note 17 -	
Revenue from operations	
Sale of Manufactured goods:	
Packing Products	185.15
Plastic Mats	107.93
Plastic Bangles	71.82
Total	364.89
Note 18 -	
Other Income	
Discount Received	22.42
	22.42
Note 19 -	
Cost of Material Consumed	
Opening Stock of Raw material	-
Add: Purchases during the year	244.36
Add: Purchase of stock through BTA	138.92
	383.28
Add: Direct Expenses:	
Power	8.05
Freight	3.64
Labour charges	9.87
	404.84
Less: Closing Stock of Raw material	215.60
Consumption	189.24

Note: The consumption of materials is derived after adjusting the opening & the closing inventory of materials & therefore not reflected separately.
The value of Closing stock is considered as per AS-2 as certified by the management.

Note 20 -	
Change in Inventories	
Opening WIP	-
Add: Acquired through BTA	66.87
Closing WIP	29.82
Change in Inventories	37.05

	Amount (in Lakhs.)
	For the period ended 31st March, 2022
Note 21 -	
Employee Benefits Expenses	
Salaries	2.25
	2.25



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CLARA INDUSTRIES LIMITED
CIN: U25209UP2021PLC151537
Notes to Financial Statements for the year ended March 31, 2022

	Amount (in Lakhs.)
	For the period ended 31st March, 2022
Note 22 -	
Finance Costs	
Interest on loan from Bank & Financial Institution	3.99
Bank Charges	0.17
	4.15
Note 23 -	
Depreciation & Amortisation Expenses	
Depreciation	2.18
	2.18
Note 24 -	
Other Expenses	
Audit Fees	0.85
Membership Fees	0.07
Legal & Professional Charges	4.35
General Expenses	1.94
Travelling Expenses	1.17
Preliminary Expenses W/off	0.02
ROC Filing Fees	2.75
	11.15
Details of Audit Fees:	
Statutory Audit Fees	0.85
	0.85
Note 25 -	
Earnings Per Share (EPS)	
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders	105.06
Weighted Average number of equity shares used as denominator for calculating EPS	11.69
Basic and Diluted Earnings Per Share (Weighted average)	8.99
Face Value per equity share (Rs.)	10.00






CLARA INDUSTRIES LIMITED

CIN: U25209UP2021PLC151537

Notes to Financial Statements for the year ended March 31, 2022

Note: 26:-

RELATED PARTIES TRANSACTIONS

Amount (in Lakhs.)

PARTICULARS	As on
	31st March, 2022
REVENUE ITEMS	
Remuneration to Directors & KMP	1.50
Sales made during the year	190.27
Expenses for Offer for Sale	-
NON REVENUE ITEMS	
Equity shares capital including securities premium against BTA executed	65.36
Loan availed	19.66
Loan paid/repaid	393.75
Total	670.54

Year Wise RPT transactions bifurcated amongst name of related parties

PARTICULARS	As on
	31st March, 2022
Parry Kukreja - Director	
Opening Balance	-
Net Asset acquired through BTA	65.36
Equity shares capital including securities premium against BTA executed	65.36
Loan availed	3.16
Loan Repaid	3.16
Closing Balance	-
Mrs. Shanta Rani - Relative of director	
Opening Balance	-
Remuneration	-
Rent	-
Expenses for Offer for Sale	-
Loan Taken pursuant to BTA	4.50
Loan Repaid	4.50
Closing Balance	-
M/s. Chand Plastic Corporation (Prop. Nikhil Kukreja) - Enterprise where control exist	
Opening Balance	-
Sales made during the year	190.27
Loan Taken pursuant to BTA	12.00
Loan Repaid	12.00
Advance from customer pursuant to BTA	41.47
Advance Receipt	172.31
Advance Paid	213.78
Amount Received	28.72
Closing Balance	161.55
Remuneration	
Anurag Saharawat (Company Secretary)	1.50







CLARA INDUSTRIES LIMITED
CIN: U25209UP2021PLC151537
NOTES FORMING PART OF FINANCIAL STATEMENTS

Note: 27

Restated Statement of Accounting Ratio		
Particulars	As at 31.03.2022	(Rs. In Lakhs)
		% of Variance
Current Assets [A]	646.94	
Current Liabilities [B]	146.64	
Current Ratio (in times) [A / B]	4.41	0.00%
Debt [A]	73.41	
Equity [B]	540.04	
Debt - Equity Ratio (in times) [A / B]	0.14	0.00%
Earnings available for debt service [A]	147.63	
Debt Service [B]	13.75	
Debt - Service Coverage Ratio (in times) [A / B]	10.74	0.00%
Net Profit after Taxes [A]	105.06	
Shareholder's Equity [B]	540.04	
Return on Equity Ratio (in %) [A / B]	0.19	0.00%
Sales [A]	364.89	
Inventory [B]	245.43	
Inventory Turnover Ratio (in times) [A / B]	1.49	0.00%
Net Sales [A]	364.89	
Trade Receivables [B]	261.41	
Trade Receivables Turnover Ratio (in times) [A / B]	1.40	0.00%
Net Credit Purchase [A]	383.28	
Trade Payables [B]	44.45	
Trade Payables Turnover Ratio (in times) [A / B]	8.62	0.00%
Net Sales [A]	364.89	
Current Assets [A]	646.94	
Current Liabilities [B]	146.64	
Working Capital [B]	500.30	
Net Working Capital Turnover Ratio (in times) [A / B]	0.73	0.00%
Net Profit [A]	105.06	
Net Sales [B]	364.89	
Net Profit Ratio (in %) [A / B]	28.79	0.00%
Earning Before Interest and Taxes [A]	145.45	
Capital Employed [B]	549.64	
Return on Capital Employed (in %) [A / B]	26.46	0.00%
Net Return on Investment [A]	-	
Final Value of Investment	-	
Initial Value of Investment	-	
Cost of Investment [B]	-	
Return on Investment (in %) [A / B]	-	-

Notes on ratio:

The company is newly incorporate so all the percentage will be 0% as the comparison cannot be done for the financial year 2021-22.

NOTE 28.

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- Crypto Currency or Virtual Currency
- Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- Registration of charges or satisfaction with Registrar of Companies
- Relating to borrowed funds

NOTE 29 DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

FOR GUPTA AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 329001E

JAY SHANKER GUPTA
PARTNER
MEM NO. 059535
Date: 30th May, 2022
Place: Kolkata



For CLARA INDUSTRIES LIMITED

PARRY KUKREJA
MANAGING DIRECTOR
DIN: 06649401

NIKHIL KUKREJA
DIRECTOR & CFO
DIN: 06649387

NIDHI VARUN KUMAR
COMPANY SECRETARY

Date: 30th May, 2022
Place: Saharanpur

CLARA INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

NOTE - 10

PROPERTY, PLANT & EQUIPMENT

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	COST / BOOK VALUE AS AT 02-09-2021	ADDITIONS	SALE / DEDUCTION	SURPLUS/ (LOSS)	COST / BOOK VALUE AS AT 31-03-2022	OPENING BALANCE 02-09-2021	FOR THE YEAR	DEDUCTION	CLOSING BALANCE 31-03-2022	AS AT 02-09-2021	AS AT 31-03-2022
Plant & Machinery											
Machinery Purchased through BTA	-	21.46	-	-	21.46	-	2.18	-	2.18	-	19.28
Bangle Machinery	-	0.45	-	-	0.45	-	-	-	-	-	0.45
Machineries	-	30.04	-	-	30.04	-	-	-	-	-	30.04
GRAND TOTAL	-	51.95	-	-	51.95	-	2.18	-	2.18	-	49.77



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CLARA INDUSTRIES LIMITED

CIN: U25209UP2021PLC151537

STATEMENT OF DEFERRED TAX (ASSETS/LIABILITIES)	
Particulars	(Amount in Lakhs) As at March 31, 2022
Depreciation as per Companies Act	2.18
Depreciation as per Income Tax Act	3.90
Difference in Depreciation	1.72
Gratuity Provision	-
Total Timing Difference	1.72
Tax Rate as per Income Tax (DTA) / DTL	25.17% 0.43
Net deferred tax liability/(Assets)	0.43

DEFERRED TAX ASSETS and LIABILITIES SUMMARY	
Particulars	(Amount in Lakhs) As at March 31, 2022
Opening Balance of (DTA) / DTL	-
Add: Provision for the Year	0.43
Closing Balance of (DTA) / DTL	0.43



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[Signature]

November 06, 2022

To,
The Compliance Relationship Department,
BSE Limited
P.J. Towers,
Dalal Street,
Mumbai- 400001

Scrip Code – 543435

Sub: Outcome of Board Meeting held on Sunday, November 06, 2022

Dear Sir/Madam,

In Continuation to our letter dated October 30, 2022 we wish to inform you that the Board of Directors of the Company at its meeting held today i.e., November 06, 2022 at 4.00 p.m. have approved the following:

1. Unaudited standalone Financial Results Along with Limited Review Report for the half-year ended on September 30, 2022;
2. To Raise funds by way of Right Issue of Equity Shares of the Company-

Accordingly, the Board considered the proposal for the offer and issuance of fully paid-up equity shares of the Company (the “Equity Shares”) for an amount not exceeding Rs. 40 Crores (Rupees Forty Crores) by way of a rights issue to the eligible equity shareholders of the Company as on the record date (to be determined and notified subsequently), in accordance with applicable laws, including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, subject to such approvals, as may be required under the applicable laws (“Rights Issue”).

For the purposes of giving effect to the Rights Issue, the detailed terms in relation to the Rights Issue, including but not limited to the issue price, rights entitlement ratio, record date, timing, and terms of payment will be determined in due course.;

Accordingly, in terms of Regulation 33 of the SEBI (LODR) Regulation ,2015, we enclose herewith:

1. Unaudited standalone Financial Results along with Limited Review Report i.e. LRR for the half-year ended on September 30, 2022; and

The Board Meeting held today commenced at 4.00 p.m. and concluded at 5.15 p.m.

This is for your information and record.

Thanking you,

Yours faithfully,

For Clara Industries Limited

Parry Kukreja
Managing Director
DIN: 06649401

CLARA INDUSTRIES LIMITED

Regd. Off.: 127/1 Gram Simbhalka Junardar Paragna, Teshil and District Saharanpur Saharanpur Saharanpur UP-247001

CIN: U25209UP2021PLC151537, Phone: +91 8171884399
Email Id: nkkukreja@gmail.com, Website: www.clara.co.in

Statement of Un-Audited Financial Results for the Half Year Ended 30th September, 2022

Rs. in Lacs

Sr. No.	Particulars	6 Months ended 30.09.2022	6 Months ended 31.03.2022	Year to date figures as on 31.03.2022
		<i>Rs. in Lacs</i> Un-Audited	<i>Rs. in Lacs</i> Audited	Audited
1	Income from Operations			
	a) Revenue from Operations	522.46	361.62	364.89
	b) Other Operating Income	-	-	-
	c) Other Income	0.03	22.42	22.42
	Total Income from Operations (Net)	522.49	384.04	387.31
2	Expenses			
	(a) Cost of Material Consumed	280.01	188.00	189.24
	(b) Purchase of stock-in-trade	-	-	-
	(c) Direct Expenses	-	-	-
	(d) Changes in inventories	(48.18)	37.05	37.05
	(e) Employees Benefits Expenses	8.69	2.25	2.25
	(f) Finance Costs	3.06	4.15	4.15
	(g) Depreciation & Amortisation expense	4.70	2.18	2.18
	(h) Other Expenses	1.92	11.13	11.15
	Total Expenses	250.20	244.76	246.02
3	Profit before exceptional items and tax (1-2)	272.28	139.28	141.29
4	Exceptional Items (Net- Gain/Loss)	-	-	-
5	Profit before tax (3+4)	272.28	139.28	141.29
6	Tax Expense - Current Tax	68.74	35.80	35.80
	- Deffered Tax	(0.22)	0.43	0.43
7	Profit after tax from Continuing Operations (5-6)	203.76	103.05	105.06
8	Profit/(Loss) from Discontinuing Operations	-	-	-
9	Other Comprehensive Income			
	(a) Items that will not be reclassified to Profit & Loss	-	-	-
	(b) Income tax relating to items that will not be reclassified to Profit & Loss	-	-	-
	(c) Items that will be reclassified to Profit & Loss	-	-	-
	(d) Income tax relating to items that will be reclassified to Profit & Loss	-	-	-
10	Total Other Comprehensive Income (a+b+c+d)	-	-	-
11	Total Comprehensive Income (7+9)	203.76	103.05	105.06
12	Paid Up Equity Share Capital (FV of Rs. 10/- Each)	248.10	248.10	248.10
13	Earnings per Equity Share (EPS) of Rs. 10/- each (not annualized)			
(i)	a) Basic	8.21	8.82	8.98
	b) Diluted	8.21	8.82	8.98

Notes :

- 1 The above Financial Results were reviewed by Audit Committee and approved by the Board of Directors at the Meeting held on 06th November, 2022
- 2 The Figures for the previous periods have been regrouped and rearranged wherever considered necessary.
- 3 The above financial statements have been prepared in accordance with applicable Accounting Standard issued by the ICAI
- 4 The Compliance related to IND-AS is not applicable to our company as the company is listed on SME Platform of BSE.
- 5 Segment reporting as defined in Accounting Standars - 17 is not applicable, as the business of the company falls in one segment.
- 6 Corresponding quarter ended 30.09.2021 figures is not applicable as the company was listed on BSE SME platform on 29.12.2021
- 7 Corresponding Audited Figures for the year ended 31.03.2021 is not applicable as the company was incorporated on 02.09.2021

Place : Saharanpur
Date : 06.11.2022

For CLARA INDUSTRIES LIMITED

PARRY KUKREJA
Managing Director
DIN: 06649401



CLARA INDUSTRIES LIMITED
 Regd. Off.: 127/1 Gram Simbhalka Junardar Paragna, Teshil and District Saharanpur Saharanpur
 Saharanpur UP-247001

CIN: U25209UP2021PLC151537, Phone: +91 8171884399

Statement of Assets and Liabilities as at 30th, September 2022

Particulars	As at 30th, September 2022 (Rs. in Lacs)	As at 31st March, 2022 (Rs. in Lacs)
<u>EQUITY AND LIABILITIES</u>		
<u>EQUITY</u>		
Equity Share Capital	248.10	248.10
Other Equity	495.70	291.94
Total Equity	743.80	540.04
<u>LIABILITIES</u>		
<u>Non-Current Liabilities</u>		
Long Term Borrowings	10.66	9.60
Deferred Tax Liability(Net)	0.21	0.43
Total Non-Current Liabilities	10.87	10.03
<u>Current Liabilities</u>		
<u>Current Financial Liabilities</u>		
Borrowings	63.32	63.81
<u>Trade Payables</u>		
(a) Total Outstanding dues of micro enterprises and small enterprises	69.18	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	9.90	44.45
Other Current Liabilities	11.03	2.57
Short-term Provisions	104.54	35.80
Total Non-Current Liabilities	257.97	146.63
TOTAL EQUITY & LIABILITIES	1,012.64	696.70
<u>ASSETS</u>		
<u>Non-Current Assets</u>		
Property, Plant & Equipment, Intangible Assets		
- Tangible Assets	48.27	49.77
- Capital W-I-P	-	-
<u>Other Non - Current Asset</u>		
Deferred Tax Asset (Net)	-	-
Total Non-current Assets	48.27	49.77
<u>Current Assets</u>		
Inventories	238.73	245.43
Trade Receivables	544.22	261.41
Cash and Bank Balances	61.21	46.99
Short-term Loans and Advances	38.16	33.22
Other current assets	82.05	59.88
Total Current Assets	964.37	646.93
TOTAL ASSETS	1,012.64	696.70

For CLARA INDUSTRIES LIMITED

PARRY KUKREJA
 Managing Director
 DIN-06649401

Place : Saharanpur
 Date : 06.11.2022



CLARA INDUSTRIES LIMITED

Regd. Off.: 127/1 Gram Simbhalka Junardar Paragna, Teshil and District Saharanpur Saharanpur Saharanpur UP-247001

CIN: U25209UP2021PLC151537, Phone: +91 8171884399

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER, 2022

		Rs. in Lacs	
PARTICULARS		FIGURES THE PERIOD ENDED 30TH SEPTEMBER, 2022	FIGURES AS AT THE END OF 31ST MARCH, 2022
A	Cash Flow from Operating Activities :		
	Net Profit/(Loss) before tax	272.28	141.29
	Adjustments for:		
	Finance Cost	3.06	4.15
	Depreciation	4.70	2.18
	Operating Profit before working capital changes	280.04	147.62
	Increase / (Decrease) in Other Current Assets	(22.17)	(59.89)
	Increase / (Decrease) in Trade Payables	34.63	44.45
	Increase / (Decrease) in Other Current Liabilities	8.46	2.57
	(Increase) / Decrease in Inventories	6.70	(245.43)
	(Increase) / Decrease in Trade Receivable	(282.81)	(261.41)
	(Increase) / Decrease in Short Term Loans & Advances	(4.94)	(33.22)
	Operating Profit after working capital changes	19.91	(405.31)
	Less: Income Tax Paid	-	-
	Net Cash from/ (used in) Operating Activities	(A) 19.91	(405.31)
B	Cash Flow from Investing Activities :		
	(Purchase)/ Sale of Fixed Assets	(3.20)	(51.95)
	(Purchase)/ Sale of Capital W-I-P	-	-
	Net Cash from/ (used in) Investing Activities	(B) (3.20)	(51.95)
C	Cash Flow from Financing Activities :		
	Increase / (Decrease) in Short Term Borrowings	(0.49)	63.81
	Increase / (Decrease) in Long Term Borrowings	1.06	9.60
	Proceeds from issue of Equity share capital	-	434.99
	IPO Expenses	-	-
	Finance Cost paid	(3.06)	(4.15)
	Net Cash from/ (used in) Financing Activities	(C) (2.49)	504.25
	Net Increase/ (Decrease) in Cash & Cash Equivalents	(A+B+C) 14.22	46.99
	Cash & Cash Equivalents as at the beginning of the year	46.99	-
	Cash & Cash Equivalents as at the end of the year	61.21	46.99

For CLARA INDUSTRIES LIMITED

Parry Kukreja
PARRY KUKREJA
 Managing Director
 DIN-06649401



Place : Saharanpur
 Date : 06.11.2022



Gupta Agarwal & Associates

Independent Auditor's Review Report CHARTERED ACCOUNTANTS

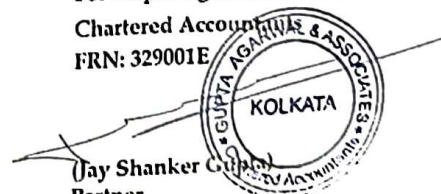
To The Board of Directors of
CLARA INDUSTRIES LIMITED

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of CLARA INDUSTRIES LIMITED (the Company) for the half year ended 30th September, 2022, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 ("Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard, prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results, prepared in accordance with the applicable Accounting Standards and other recognised accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Gupta Agarwal & Associates

Chartered Accountants

FRN: 329001E



(Jay Shanker Gupta)
Partner

(Mem. No. 059535)

UDIN: 22059535BCGUR06001

Place: Kolkata

Date: 6th day of November, 2022

Head Office : 23, Gangadhar Babu Lane, Inax Lohia Square, 3rd Floor, Room No. 3A, Kolkata - 700 012
Ph: 033 46921021, Mob: +91 9831012639, 9836132639
Email: guptaagarwalassociates@gmail.com

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ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

ACCOUNTING RATIOS

Following are the Key Accounting Ratios for the financial year ended March 31, 2022 and September 30, 2022:

Particulars	March 31, 2022	September 30, 2022
Earnings Per Share (EPS) (Basic and Diluted) (₹)	8.99	8.21
Return on Net Worth (%)	19.44	27.39
Net Asset Value per Share (₹)	21.77	29.98
EBITDA (₹ in Lakhs)	147.63	280.04
EBITDA (%)	40.46	53.60

Formula:

- Earnings Per Share (₹):** Net Profit after tax for the year attributable to Equity Shareholders divided by weighted average no of equity shares outstanding during the period.
- Return on Net Worth (%):** Net Profit after tax for the year attributable to Equity Shareholders divided by Net Worth at the end of the period multiplied by 100.
- Net Asset Value Per Share (₹):** Net Assets as at the year-end/ period end divided by total number of equity shares outstanding at the end of the period.
- EBITDA (₹ in lacs):** Profit before tax plus finance costs plus depreciation and amortisation expense less interest income.
- EBITDA (%):** $[\text{EBITDA} / (\text{Revenue} - \text{Interest Income})] * 100$

CAPITALISATION STATEMENT

The capitalization statement of the Company as at March 31, 2022 and as adjusted for the Issue as per financial statements is as follows:

Particulars	Pre-Issue as at March 31, 2022 (Rs. in lakhs)	Adjusted for the issue
Total Borrowings		
Current Borrowings (A)	63.81	[•]
Non-current Borrowings (including current maturity) (B)	9.60	[•]
Total Borrowings (C) = (A) + (B)	73.41	[•]
Total Equity		
Equity Share Capital (D)	248.10	[•]
Other Equity (E)	291.95	[•]
Total Equity (F) = (D) + (E)	540.04	[•]
Ratio: Non-current Borrowings (including current maturity/ Total Equity (G) = (C) / (F)	0.14	[•]

Notes: The figures disclosed above are based on the audited books of accounts of the Company as at March 31, 2022.

MARKET PRICE INFORMATION

Our Equity Shares are listed on BSE. The Rights Equity Shares being issued pursuant to this Issue have not been listed earlier and will be listed on the Stock Exchange pursuant to this Issue. For details, see “Terms of the Issue” on page 90. Our Company has received in-principle approval for listing of the Rights Equity Shares on the Stock Exchange to be issued pursuant to this Issue from BSE by letter dated [●]. Our Company will also make applications to BSE to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars. For the purposes of this Issue, the Designated Stock Exchange is BSE Limited.

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of our Equity Shares for the year, or the month, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
4. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

The high, low and average closing prices recorded on the BSE, during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Year	High (₹)	Date of High	Volume on date of High (No. of Equity Shares)	Low (₹)	Date of low	Volume on date of Low (No. of Equity Shares)
April 1, 2022 to December, 30 2022	189.75	December 30, 2022	24,000	81.70	May 26, 2022	3,000
December 29, 2021 to March 31, 2022	109.00	February 07, 2022	60,000	42.00	December 30, 2021	3,03,000

*Our Company got listed on BSE Limited on December 29, 2021

Source: www.bseindia.com

Stock Prices for the last six months

The high and low prices and volume of Equity Shares traded on the respective dates during the last six months is as follows:

Month	High (₹)	Date of High	Volume on date of High (No. of Equity Shares)	Low (₹)	Date of Low	Volume on date of Low (No. of Equity Shares)
December, 2022	189.75	December 30, 2022	24,000	115.00	December 02, 05, 2022	6,000
November, 2022	135.35	November 10, 2022	42,000	115.00	November 29, 2022	3,000
October, 2022	120.60	October 20, 2022	7,500	89.95	October 07, 2022	3,000
September, 2022	110.25	September 05, 2022	1,500	85.10	September 29, 2022	4,500
August, 2022	132.30	August 11, 2022	10,500	109.00	August 29, 2022	4,500
July, 2022	138.70	July 27, 2022	6,000	95.00	July 22, 2022	4,500

Source: www.bseindia.com

Week end closing prices of the Equity Shares for the last four weeks

Week ended on	Closing prices (₹)	High (₹)	Date of High	Low (₹)	Date of low
December 09, 2022	153.03	153.03	December 09, 2022	113.00	December 07, 2022
December 16, 2022	169.35	177.10	December 14, 2022	160.70	December 12, 2022
December 23, 2022	148.95	172.00	December 21, 2022	156.75	December 22, 2022
December 30, 2022	189.75	189.75	December 30, 2022	152.00	December 26, 2022

The closing market price of the Equity Shares of our Company prior to the date of this Draft Letter of Offer i.e. [●] was Rs. [●] on BSE.

The Issue Price is Rs. [●] per Rights Equity Share and has been arrived at by our Company prior to the determination of the Record Date.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Financial Statements which is included in this Draft Letter of Offer. The following discussion and analysis of our financial condition and results of operations is based on our Consolidated Financial Statements for the years ended March 31, 2022 including the related notes and reports, included in this Draft Letter of Offer is prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Consolidated Financial Statements have been derived from our audited statutory consolidated financial statements. Accordingly, the degree to which our Consolidated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.

This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these Forward-Looking Statements as a result of certain factors such as those described under chapters titled "Risk Factors" and "Forward Looking Statements" beginning on pages 17 and 13, respectively of this Draft Letter of Offer.

Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ended March 31 of that year.

BUSINESS OVERVIEW

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. In flexible packaging, we do manufacture printed films with surface printing as well as reverse printing, 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 gazette 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 boost during seasons. 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 has 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.

Our product range includes;

- a) Packaging Films.
- b) Flexible Packaging.
- c) Horticulture Bags.
- d) HDPE Bottles.
- e) Plastic Matts.
- f) Printed and non-printed Plastic Sheets.
- g) Plastic Bangles.

OUR SIGNIFICANT ACCOUNTING POLICIES AND NOTES

(1.a) Basis of preparation of financial statement:

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies have been consistently applied except where specifically stated in financial statement and notes to accounts of the non-conformity with the relevant Accounting Standard.

(2.1) Significant Accounting Policies:

(a) Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the end of the reporting period and the reported amounts of revenue and expenses during the reported period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the Carrying amounts of Assets or Liabilities in future periods.

(b) Property, Plant & equipment and Intangible Assets:

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. The cost of an asset comprises of its purchase price and any directly attributable cost of bringing the assets to working condition for its intended use. Expenditure on additions, improvements and renewals is capitalized and expenditure for maintenance and repairs is charged to profit and loss account.

Depreciation is provided on Written Down value basis based on life assigned to each asset in accordance with Schedule II of the Act or as per life estimated by the Management.

An asset is treated as impaired asset when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the profit & loss account is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been changed in the estimate of recoverable amount.

(c) Revenue Recognition:

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from sale of goods or services are recognized on delivery of the products or services, when all significant contractual obligations have been satisfied, the property in the goods is transferred for price, significant risk and rewards of ownership are transferred to the customers and no effective ownership is retained.

In the financial statement, revenue from operation does not include Indirect taxes like sales tax and/or Goods & service tax.

(d) Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of Investments.

On disposal of investment, the difference between its carrying amount and net disposal proceeds are charged or credited to the statement of profit and loss.

(e) Inventories:

Inventory of W-I-P and Raw materials are valued at lower of cost and net realizable value. Cost is determined on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

There is no stock of finished goods lying with the company.

(f) Employee Benefits:

Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to the provident fund is charged to the statement of profit and loss for the year when an employee renders the related services.

(g) Taxation:

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Income Tax Act'1961 enacted or substantively enacted at the reporting date.

Deferred Tax Assets or Deferred Tax Liability is recognized on timing difference being the difference between taxable incomes and accounting income. Deferred Tax Assets or Deferred Tax Liability is measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred Tax Assets arising from timing differences are recognized to the extent there is a reasonable certainty that the assets can be realized in future.

(h) Borrowing Cost:

Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(i) Segment Reporting:

The Company is engaged in business of provide manufacturing of LDPE, HDPE, PP, BOPP, ADHESIVE TAPES. Considering the nature of Business and Financial Reporting of the Company, the Company is operating in only one Segment. Hence segment reporting is not applicable.

(j) Provisions and Contingent Liabilities:

A provision is recognized when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(k) Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(l) Current Assets, Loans & Advances:

In the opinion of the Board and to the best of its knowledge and belief the value on realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and repayable on demand.

SEGMENT REPORTING

As the Company is dealing in only in Manufacturing and trading Business Segment is not applicable to the company.

There are no identical Geographical Segment of the Company as there are no major differences in factors affecting the segment of market.

DISCONTINUING OPERATIONS

During the years/period, the company has not discontinued any of its operations.

DISCUSSION ON RESULTS OF OPERATION

The following discussion on results of operations should be read in conjunction with the Audited Financial Results of our Company for the financial years ended March 31, 2022.

Revenue and Expenditure

Total Revenue: Our total revenue comprises of revenue from operations and other income.

Revenue from operations: Our revenue from operations comprises of sale of manufactured and traded Corrugated Boxes.

Other Income: Our Other income comprises interest income, dividend received and others.

Expenses: Our expenses comprise of cost of materials consumed, changes in inventories of finished goods, employee benefit expenses, Finance cost, Depreciation and amortisation expenses and other expenses.

Cost of materials consumed comprises adjustment of raw materials and work in progress and purchase, Power & Fuel charges, Repair to Machinery, Labour Charges, Freight inward, punching charges & designing charges, transportation charges and factory expenses.

Changes in inventory of finished goods consist of change in our inventory of finished goods as at the beginning and end of the year.

Our employee benefit expense consists of directors' remuneration, salaries, wages & bonus, staff welfare expenses and contribution to fund.

Our finance costs comprise of interest on bank overdraft/ CC, interest on term loan, interest on unsecured loan and other finance cost.

Depreciation and amortisation expenses: Tangible assets are depreciated over periods corresponding to their estimated useful lives. Depreciation includes depreciation charged on tangible assets.

Other expenses: Other expenses mainly include Office expense, repairs & maintenance, printing & stationary, mobile expenses/ telephone, professional fees, insurance charges, medical expenses, business promotion & commission on sales, rates & taxes, CDSL Custody charges, Diwali Gifts, Donation, Training Expense, tour & travels, Roc fees, bank charges and audit fees.

RESULTS OF OPERATIONS

The following table sets forth select financial data from our audited financial statement of profit and loss for the period from September 2, 2021 to March 31, 2022 the components of which are also expressed as a percentage of total revenue for such periods:

(₹ in Lakh)			
Sr. No.	Particulars	For the period from September, 2021 to 31st March, 2022	% of total income
I.	Revenue from Operations	364.89	94.21
II.	Other income	22.42	5.78
III.	Total Revenue (I+II)	387.31	100
IV.	Expenses:		
	Cost of Material Consumed	189.24	48.87
	Changes in Inventories of Finished Goods	37.05	9.57
	Employee benefits expense	2.25	0.58
	Finance costs	4.15	1.07
	Depreciation and amortization expenses	2.18	0.56
	Other expenses	11.15	2.88
	Total Expenses (IV)	246.02	63.52
V.	Profit before exceptional and extraordinary items and tax (III-IV)	141.29	36.48
VI.	Exceptional items	-	-
VII.	Profit before extraordinary items and tax (V - VI)	141.29	36.48
VIII.	Extraordinary Items	-	-
IX.	Profit before tax (VII- VIII)	141.29	36.48
X.	Tax Expenses		
	- Current Tax	35.80	9.24
	- Deferred Tax	0.43	0.11
	Tax Expense for The Year	36.23	9.35
XI.	Profit (Loss) for the period from continuing operations (IX-X)	105.06	27.12

Note: The company was incorporated on September 02, 2021, hence no comparison can be framed from earlier years financial position.

OTHER KEY RATIOS

The table below summaries key ratios in our Audited Financial Statements for the year ended March 31, 2022:

Particulars	For the year ended March 31, 2022
Fixed Asset turnover Ratio	7.33
Debt Equity Ratio	0.14
Current Ratio	4.41
Inventory Turnover ratio	1.49

Fixed Asset Turnover Ratio: This is defined as revenue from operations divided by total fixed assets excluding capital work in progress and intangible assets, based on Audited Financial Statements.

Debt Equity Ratio: This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturities of long-term debt, based on Audited Financial Statements.

Current Ratio: This is defined as current assets divided by current liabilities, based on Audited Financial Statements.

Inventory Turnover Ratio: This is defined as revenue from operations divided by average inventory. Average inventory is computed by dividing the sum of opening inventory and closing inventory by two, based on Audited Financial Statements.

CASH FLOWS

The table below summaries our cash flows from our Audited Financial Statements for the financial years 2022:

Particulars	For the year ended March 31, 2022
Net cash (used in)/ generated from operating activities	(405.29)
Net cash (used in)/ generated from investing activities	(51.95)
Net cash (used in)/ generated from financing activities	504.24
Net increase/ (decrease) in cash and cash equivalents	46.99
Cash and Cash Equivalents at the beginning of the period	-
Cash and Cash Equivalents at the end of the period	46.99

Operating Activity***Financial year 2021-22***

Our net cash generated from operating activities was ₹(405.29) Lakh for the financial year 2021-22. Our operating profit before working capital changes was ₹ 147.63 Lakh for the financial year 2021-22 which was primarily adjusted against increase in Inventories by ₹245.43 Lakh, increase in trade receivables by ₹261.41 Lakh, increase in Loans and Advances by ₹33.22 Lakh, increase in other current assets by ₹59.89 Lakh, increase in Trade Payables by ₹44.45 Lakh, and increase in other current liabilities by ₹2.57 Lakh.

Investing Activities***Financial year 2021-22***

Net cash used in investing activities was ₹51.95 Lakh for the financial year 2021-22. This was primarily on account of Purchase of Fixed Assets of ₹51.95 Lakh.

Financing Activities

Financial year 2021-22

Net cash generated from financing activities for the financial year 2021-22 was ₹504.24 Lakh. This was primarily on account of increase in short-term borrowing of ₹63.81 Lakh, increase in long-term borrowing of ₹9.60 Lakh, Proceeds from Issue of Share capital of ₹158.11 Lakh, Proceeds from Initial Public Offer of ₹276.88 Lakh and finance cost paid of ₹4.15 Lakh.

SECTION VIII: LEGAL AND OTHER INFORMATION**OUTSTANDING LITIGATIONS AND DEFAULTS**

Except as disclosed below, there is no outstanding litigation with respect to (i) Issues of moral turpitude or criminal liability on the part of our Company and our Group Company; (ii) material violations of statutory regulations by our Company and/or our Group Company; (iii) economic offences where proceedings have been initiated against our Company and/or our Group Company; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position; and (v) other litigation, including civil or tax litigation proceedings, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position or is otherwise material in terms of for the purpose of litigation disclosures in this Draft Letter of Offer.

In this regard, please note the following:

1. Any outstanding litigation involving our Company and/or our Group Company, i.e., proceedings other than litigation involving, criminal liability, material violations of statutory regulations or proceedings related to economic offences, shall be considered material and shall be disclosed in this Draft Letter of Offer or the Abridged Draft Letter of Offer.
2. Pre-litigation notices received by our Company and/or our Group Company from third parties (excluding notices pertaining to any offence involving, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company and/or our Group Company are impleaded as defendants in litigation proceedings before any judicial forum.

Our Board, in its meeting held on 04th January, 2023 determined that outstanding dues to the small-scale undertakings and other creditors exceeding ₹ 10 lakhs (Rupees Ten Lakhs) of the Company's trade payables for the last audited financial statements shall be considered as material dues for the Company ("Material Dues").

Our Company, its Directors, Promoters and Group Companies are not Willful Defaulters and there have been no violations of securities laws in the past or pending against them.

CONTINGENT LIABILITIES OF OUR COMPANY

As on 04th January, 2023, our Company has the following Contingent Liabilities:

		₹ in lakhs)
Sr. No.	Particulars	Amount
1.	Income Tax demands / Notices before CIT Appeals / TDS	NIL
2.	Bank Guarantees / Corporate Guarantees	NIL
	Total	NIL

LITIGATIONS INVOLVING OUR COMPANY**LITIGATIONS INVOLVING OUR COMPANY****LITIGATIONS AGAINST OUR COMPANY****CRIMINAL LITIGATIONS**

Nil

ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES

Nil

OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

Nil

LITIGATIONS FILED BY OUR COMPANY**CRIMINAL LITIGATIONS**

Nil

OTHER MATTERS BASED ON THE MATERIALITY POLICY OF THE COMPANY

LITIGATIONS INVOLVING DIRECTORS OTHER THAN PROMOTERS OF OUR COMPANY**LITIGATIONS AGAINST OUR DIRECTORS OTHER THAN PROMOTERS****CRIMINAL LITIGATIONS****1. Mr. Manmohan Singh – Independent director**

Sr. No.	Case filed by	Case filed against	Court / Case No.	Brief details of the case	Status	Amount involved
1	Anamika Jain (Drugs Inspector, Saharanpur)	Man Mohan Singh	District and Sessions Judge 9-Sri. Ravi Kant / Addl. District Judge C r No. 7	Drugs and Cosmetics Act, Sec.25(4) - Reports of Government Analysts,1 Sec.7 - The Drugs Consultative Committee, Sec.27 - Penalty for manufacture, sale, etc., of cosmetics in contravention of this Chapter (Please see case summary reproduced below this table)	Unknown	Unascertained

The Defendant i.e. Manmohan Singh was the proprietor of M/s Acromat Pharma Lab, the said Lab was involved in manufacturing Medicines. The sample of the Ciprocetin (Ciprofloxacin Eye / Ear drop) manufactured by the Lab was sent by the Plaintiff Ms. Anamika Jain, Inspector of Drugs and Cosmetics to The State Drugs Controller, Uttar Pradesh (hereinafter “the Controller”) for the purpose of testing and analysis. The Plaintiff has filed a suit under section 25 (4), 17 and 27 Drugs and Cosmetics Act, 1940 bearing case registration number 400011/2015 with the Additional District and session Judge against the Defendant claiming that The State Drugs Controller, Uttar Pradesh after testing found out that the sample of Ciprocetin (Ciprofloxacin Eye / Ear drop) contained Ciprofloxacin Hydrochloride equivalent to Ciprofloxacin only 5% of the prescribed quantity, which as per the applicable regulations should have been between 90% - 110% of the prescribed quantity. The defendant has denied the allegations and claimed that the wrong sample was sent to the Controller and requested that test should be conducted again, on the correct sample. The same was conducted by the Controller and the report in Form-2 dated October 03, 2015 of the test showed that the quantity of Ciprofloxacin Hydrochloride equivalent to Ciprofloxacin is between 90%- 110% of the prescribed quantity. However, the plaintiff inadvertently forgot to withdraw the case, and as a result the matter is currently pending in Additional District and Session Judge, Saharanpur.

ACTION BY REGULATORY OR STATUTORY AUTHORITIES

Nil

DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGE AGAINST OUR PROMOTERS IN THE LAST FIVE FINANNCIAL YEARS

Nil

OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY

Nil

LITIGATIONS FILED BY OUR DIRECTORS OTHER THAN PROMOTERS OF OUR COMPANY**CRIMINAL LITIGATIONS**

Nil

OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY

Nil

LITIGATIONS INVOLVING PROMOTERS OF OUR COMPANY**LITIGATIONS AGAINST PROMOTERS OF OUR COMPANY****CRIMINAL LITIGATIONS**

Nil

ACTION BY REGULATORY AND STATUTORY AUTHORITIES:

Nil

OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY

Nil

LITIGATIONS FILED BY PROMOTERS OF OUR COMPANY**CRIMINAL LITIGATIONS****1. Nikhil Kukreja**

Sr. No.	Case filed by	Case filed against	Case / FIR No.	Brief details of the case	Status	Amount involved
2.	Nikhil Kukreja	Anant Arora and others	FIR No. - Unknown Police Station – Kotwali Nagar The Complaint has lodged a FIR against named individuals under sections 420, 467, 468, 471, 120B, 504 and 506 of the IPC, 1860	In and around the year 2015, the Complainant was fraudulently cheated through a criminal conspiracy by the perpetrators of fraud who made the Complainant believe and deliver a large quantity of goods valued at Rs. 2,06,16,000/- by forging and submitting fake government purchase order and documents.	Unknown	Rs. 2,06,16,000/- (Two Crores Six Lakhs, Sixteen Thousand Only)

INCOME TAX:**INDIRECT TAX**

Outstanding Demand against Promoter PARRY KUKREJA

Sr No.	Assessment Year	Section Code	Outstanding Demand	Accrued Interest
1.	2019-20	143(1a)	3520	3430

OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY

Nil

LITIGATIONS FILED BY OUR GROUP COMPANY**CRIMINAL LITIGATIONS**

Nil

OTHER MATTERS BASED ON THE MATERIALITY POLICY OF THE COMPANY

Nil

LITIGATIONS INVOLVING OUR GROUP COMPANIES**LITIGATIONS AGAINST OUR GROUP COMPANIES****CRIMINAL LITIGATIONS**

Nil

ACTIONS BY REGULATORY OR STATUTORY AUTHORITIES

Nil

OTHER MATTERS BASED ON MATERIALITY POLICY OF OUR COMPANY:

Nil

LITIGATIONS FILED BY OUR GROUP COMPANIES**CRIMINAL LITIGATIONS**

Nil

OTHER MATTERS BASED ON THE MATERIALITY POLICY OF THE COMPANY

Nil

TAX PROCEEDINGS INVOLVING OUR COMPANY, DIRECTORS, PROMOTERS AND GROUP COMPANIES*(₹ in Lakhs)*

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**	01	0.07
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

*To the extent quantifiable excluding interest and penalty thereon

Directors excluding Promoters

**All outstanding demands prior to AY 2020-2021 is not yet made available on the Income Tax new updated portal.

MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET

Except as mentioned under the chapter - "*Management Discussion and Analysis of Financial Condition and Result of Operation*" beginning on page 73 and 70 of this Draft Letter of Offer, there have been no material developments, since the date of the last audited balance sheet.

OUTSTANDING DUES TO MICRO, SMALL & MEDIUM ENTERPRISES OR ANY OTHER CREDITORS

In accordance with our Company's materiality policy, below are the details of the Creditors where there is outstanding amounts as per last audited balance sheet

(₹ in lakhs)

Sr. No.	Particular	Amount
1.	Total Outstanding dues to Micro, Small & Medium Enterprises	Nil
2.	Total Outstanding dues to creditors other than Micro, Small & Medium Enterprises	44.45
Total		44.45

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies / regulatory authorities / certification bodies required to undertake the Issue or continue our business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. It must, however, be distinctly understood that in granting the approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The Company has its business located at the following locations:

Registered Office and Factory Address: 127/1 Gram Simbhalka Junardar Paragna, Tehsil and District Saharanpur-247001, Uttar Pradesh, India.

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any statutory authority are required to continue those activities. The following statement sets out the details of licenses, permissions and approvals taken by the Company under various Central and State Laws for carrying out its business.

I. APPROVALS OBTAINED BY OUR COMPANY

S. No.	*NATURE OF LICENSE/APPROVAL	REGISTRATION/ LICENSE NO.	ISSUING AUTHORITY	DATE OF GRANT	VALIDITY
INCORPORATION AND RELATED APPROVALS					
1.	Certificate of Incorporation in the name of "Clara Industries Limited"	151537	Registrar of Companies, Maharashtra	September 02, 2021	One Time registration
TAX RELATED APPROVALS					
2.	Permanent Account Number ("PAN")	AAJCC7361E	Income Tax Department	September 02, 2021	One Time registration
3.	Tax Deduction Account Number ("TAN")	MRTC04865A	Income Tax Department	September 02, 2021	One Time registration
GOODS AND SERVICES TAX REGISTRATION					
4.	Registration Certificate of Goods & Service Tax ("GST")	09AAJCC7361E1ZJ	Central Board of Excise and Customs	Issued on – September 09, 2021 Valid from – September 09, 2021	One Time registration
BUSINESS RELATED APPROVALS					
5.	*Import Export Code (IEC)	AAJCC7361E	Director General of Foreign Trade	November 01, 2021	One Time Registration
6.	Udyam Registration Certificate	Udyam – UP-0008554	Ministry of Micro Small and Medium Enterprises	Date of registration – September 17, 2021	One Time Registration
LABOUR RELATED APPROVAL/REGISTRATIONS					
7.	Factories Act, 1948	Application initiated			
8.	Consent under The Air (Prevention and Control of Pollution) Act, 1981	Application for Transfer in the name of Clara Industries is submitted to UPPCB One Time Registration			
9.	Consent under The Water (Prevention and Control of Pollution) Act, 1974	Application for Transfer in the name of Clara Industries is submitted to UPPCB			
10.	Certificate of Registration under Plastic Waste Management Rules, 2016	Application for Transfer in the name of Clara Industries is submitted to UPPCB			

S. No.	*NATURE OF LICENSE/APPROVAL	REGISTRATION/ LICENSE NO.	ISSUING AUTHORITY	DATE OF GRANT	VALIDITY
11.	Provident Fund Registration Certificate	MRMRT2455737000	Employees' Provident Fund Organization	September 06, 2021	One Time registration
REGISTRATION UNDER EMPLOYEE STATE INSURANCE					
12.	Employees' State Insurance Corporation	67000876970000999	Deputy Director	September 02, 2021	One Time Registration

* All these certificates do not have current registered office address, since the company has recently shifted its registered office address and therefore the company is under process of making an application to change the old registered office address to new / current registered office address.

II. CERTIFICATES

S. No.	Particulars / Description	Certificate / Registration Number	Date of Registration	Validity / Status
1.	Quality Management System ISO 9001:2015	INQ/UP-7854/1121	November 09, 2021	November 08, 2024

III. THE DETAILS OF DOMAIN NAME REGISTERED ON THE NAME OF THE COMPANY:

S. No.	Domain Name and ID	IANA ID	Creation Date	Registration Expiry Date
1.	https://www.clara.co.in	146	September 16, 2021	September 16, 2026

IV. MATERIAL LICENSES / APPROVALS FOR WHICH OUR COMPANY HAS APPLIED FOR:

Apart from as mentioned above, our Company has not applied for any license / approvals

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on November 06, 2022 pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

The Draft Letter of Offer has been approved by our Board pursuant to its resolution dated January 04, 2022.

The Letter of Offer has been approved by our Board pursuant to its resolution dated [●].

The Company has received In-principle approval from BSE vide their letter dated [●] for listing of Right Equity Shares to be allotted in the Issue.

The Company will also make applications to the BSE to obtain their trading approval for the Rights Entitlements as required under the January 22, 2020 – Rights Issue Circular.

The Company has been allotted the ISIN- [●] for the Rights Entitlements to be credited to the respective demat account of the Equity Shareholders of the Company. For details, see “Terms of the Issue” beginning on page 90 of this Draft Letter of Offer.

PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

1. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.
2. The companies with which our Directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.
3. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been identified as Wilful Defaulters by the RBI.
4. None of our Directors are associated with the securities market in any manner.
5. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been declared as fugitive economic offenders.
6. None of our Directors currently holds nor have held directorship(s) in the last five years in a listed Company whose shares have been or were suspended from trading on any stock exchange or in a listed Company which has been / was delisted from any stock exchange.
7. There are no proceedings initiated by SEBI, BSE or ROC, etc., against our Company, Directors, Group Companies.

PROHIBITION BY RBI

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

COMPLIANCE WITH COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Draft 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.

COMPLIANCE WITH SEBI ICDR REGULATIONS

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for “*In-Principle Approvals*” for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE Limited is the Designated Stock Exchange for this Issue.

COMPLIANCE WITH CLAUSE (1) OF PART B OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

- i. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with the Designated Stock Exchange;
- ii. The reports, statements and information referred to above are available on the website of stock exchange; and
- iii. Our Company has an investor grievance handling mechanism which includes meeting of the Stakeholders’ Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

This Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is not exceeding Rs. 5,000.00 Lakh, however the final letter of offer will be filed with SEBI for dissemination purpose.

DISCLAIMER CLAUSE OF BSE LIMITED

The Designated Stock Exchange for the purposes of this Issue is BSE Limited. As required, a copy of this Draft Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of this Draft Letter of Offer will be produced by our Company in the Letter of Offer.

DISCLAIMER FROM OUR COMPANY

Our Company accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisements or any other material issued by or at instance of the above-mentioned entities and that anyone placing reliance on any other source of information, including website of our Company would be doing so at his or her own risk.

Investors will be required to confirm and will be deemed to have represented to our Company and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Our Company shall make all relevant information available to the Eligible Equity Shareholders in accordance with SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer.

No dealer, sales person or other person is authorised to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

DISCLAIMER IN RESPECT OF JURISDICTION

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

NO OFFER IN THE UNITED STATES

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 “**SECURITIES ACT**”), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and the Letter of Offer/ Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed “Overseas Shareholders” to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

For more detail, please refer “*Notice to Investor*” on page 10 of this Draft Letter of Offer.

FILING

For details, please refer section titled “*General Information*” on page 37 of this Draft Letter of Offer.

LISTING

The Designated Stock Exchange for the purposes of the Right Issue will be BSE Limited. Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

SELLING RESTRICTIONS

The Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. The Letter of Offer is not to be reproduced or distributed to any other person. The distribution of the Letter of Offer, Abridged Letter of Offer and Application Form and Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer, Abridged Letter of Offer and Application Form and Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer, Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that the Letter of Offer has been filed with the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

The Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If the Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in the Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of the Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

Our Company has adequate arrangements for the redressal of investor complaints. Redressal norm for response time for all correspondence including shareholders complaints is within 15 (fifteen) days. Additionally, we have been registered with SCORES, as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Letters are filed category wise after being duly attended. A well-arranged correspondence system has been developed for letters of a routine nature.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Bigshare Services Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Our Company provides easy access to information regarding our services and ensure timely disclosures of financial as well as non-financial material information. Grievances are resolved in a timely, efficient and fair manner, and processes are promptly initiated to prevent recurrence.

GRIEVANCE REDRESSAL MECHANISM

The Company has an established mechanism for investor services and grievance handling, with RTA and the Compliance Officer of the Company for this purpose, being important functional nodes.

Some of the key steps undertaken by the Company for handling Investor Grievances are enumerated as follows:

Bigshare Services Private Limited (RTA) is entrusted with handling all share related matters.

Investors can lodge a complaint by giving details of their name, folio no., DP ID / Client ID, nature and full particulars of their complaint directly to the company at info@clara.co.in

All the investor complaints/grievance received through SEBI by online “SEBI Complaints Redress System” (SCORES) are checked regularly and replied/resolved expeditiously.

As required under Regulation 13 of the Listing Regulations, the Company files with the Stock Exchanges and places the statement of investor complaints at the Board meeting on a quarterly basis.

STATUS OF OUTSTANDING INVESTOR COMPLAINTS

As on the date of this Draft Letter of Offer, there were no outstanding Investor complaints.

As mentioned, our Company is registered with the SCORES. Consequently, Investor grievances are tracked online by our Company. The average time taken by the Registrar to the Issue for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

INVESTOR GRIEVANCES ARISING OUT OF THIS ISSUE

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue. The agreement between the Company and the Registrar to the Issue provides for a period for which records shall be retained by the Registrar to the Issue in order to enable the Registrar to the Issue to redress grievances of Investors.

All grievances relating to the ASBA process or R-WAP process may be addressed to the Registrar to the Issue, with a copy to the SCSB in case of ASBA process, giving full details such as Folio No. / Demat Account No., name and address, contact telephone/ cell numbers, email id of the first Applicant, number of Rights Equity Shares applied for, serial number of Application Form, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), the name of the bank/ SCSB and the branch where the Application Form was deposited, along with a photocopy of the acknowledgement slip (in case of ASBA process) and copy of e-acknowledgment (in case of R-WAP process). In case of renunciation, the same details of the Renounee should be furnished. For details on the ASBA and R-WAP process, please see the chapter titled “*Terms of the Issue*” on Page 90 of this Draft Letter of Offer.

Investors may contact the Compliance Officer at the below mentioned address and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post -Issue related problems such as non-receipt of allotment advice / share certificates / Demat credit / refund orders etc.

Registrar to the Issue

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri East, Mumbai – 400 059, Maharashtra, India.

Tel: +91 – 22 – 6263 8200

Email: rightsissue@bigshareonline.com

Investor Grievance E-mail: investor@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Mr. Vijay Surana

SEBI Registration No.: INR000001385

Company Secretary and Compliance Officer

Ms. Nidhi Varun Kumar

Clara Industries Limited

127/1 Gram Simbhalka Junardar Paragna, Tehsil and District Saharanpur- 247001, Uttar Pradesh, India

Tel: +91- 81718 84399
Email: info@clara.co.in
Website: www.clara.co.in

SECTION IX: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, before submitting an Application Form. Our Company is not liable for any amendments, modifications or changes in applicable law which may occur after the date of this Draft Letter of Offer. Investors who are eligible to apply under the ASBA process or B-WAP (only for original shareholders), as the case may be, are advised to make their independent investigations and to ensure that the Application Form and the Rights Entitlement Letter is correctly filled up.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 ("SEBI – Rights Issue Circular"), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility. However, in view of the COVID-19 pandemic and the lockdown measures undertaken by Central and State Governments, relaxation from the strict enforcement of the SEBI – Rights Issue Circular has been provided by SEBI, vide its Circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020 and Circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020. As per the said circular, in case the physical shareholders who have not been able to open a demat account or are unable to communicate their demat details, in terms of clause 1.3.4 of the SEBI – Rights Issue Circular, to the Company or Registrar to the Issue, for credit of REs within specified time, such physical shareholders may be allowed to submit their application subject to the conditions prescribed in the SEBI Circulars dated May 06, 2020 and July 24, 2020.

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form was available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019. Since Allotment in this Issue will occur subsequent to May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar. Further, 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, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period.

The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, The Letter of Offer, the Abridged Letter of Offer, including the Application Form and the Rights Entitlement Letter, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.

OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchanges and terms and conditions as stipulated in the Allotment Advice.

Important:

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).

Further, our Company will undertake all adequate steps to reach out to the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company and 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 either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., B-WAP (only for Original Shareholders). Original Shareholders shall mean the Resident Shareholders who are holding the Equity Shares of our Company as on the Record Date i.e. [●] (hereinafter referred to as the “**Original Shareholders**”). However, the Shareholders who receive the renounced Equity Shares offered in this Issue shall not be considered as Original Shareholders and shall not be eligible to apply through B-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using optional mechanism. For details, see “*Procedure for Application through the ASBA Process*” and “*Procedure for Application through B-WAP*” on pages 102 and 100 respectively.

For guidance on the Application process through B-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk on the website of the Registrar to the Issue at www.bigshareonline.com or call helpline number (+91-22-6263 8200). For details, see “*Procedure for Application through B-WAP*” on page 100.

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. [●], 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 demat suspense escrow account (namely, “Clara Industries Limited- Demat 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:*

Please note that in accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to our Company or Registrar at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

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, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

- (i) the Eligible Equity Shareholders apply only through the alternative application platform, B-WAP (for Original Shareholders only);
- (ii) the Eligible Equity Shareholders are residents;
- (iii) the Eligible Equity Shareholders are not making payment from non-resident account;
- (iv) the Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and
- (v) the Eligible Equity Shareholders shall receive Rights Equity Shares, in respect of their Application, only in demat mode.

Accordingly, such resident Eligible Equity Shareholders are required to send a communication to our Company 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 Shares in such demat account.

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

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.

Authority for the Issue

The Issue has been authorized by a resolution of Board of Directors of our Company passed at their meeting held on November 06, 2022 pursuant to Section 62(1)(a) of the Companies Act.

The Board in their meeting held on [January 04, 2023] have determined the Issue Price at ₹ [●] per Equity Share and the Rights Entitlement as [2] Rights Equity Share for every [3] fully paid-up Equity Shares held on the Record Date i.e. [●].

Our Company has received in-principle approvals from BSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letter dated [●].

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held

dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date i.e. [●], decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

Rights Entitlement (“REs”) (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in the Application Form.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (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 (info@clara.co.in).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date i.e. [●], have not provided the details of their demat accounts to our Company or to the Registrar, they are required to communicate with the Registrar to the Issue in the manner provided on their website (www.bigshareonline.com). They may also communicate with the Registrar with the help of the helpline number +91 – 22 – 6263 8200) and their email address www.bigshareonline.com.

Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date i.e. [●] and applying through B-WAP (an additional optional facility).

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form only to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

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 Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar and our Company through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange websites. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer will be filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹10.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share), payable in full on Application, in the Issue. The Issue Price has been arrived at by our Company prior to the determination of the Record Date.

The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Board, at its meeting held on [●], has determined the Issue Price.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [2] Rights Equity Share for every [3] Equity Shares held on the Record Date i.e. [●].

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

Rights of instrument holder

Each Rights Equity Share shall rank *pari passu* with the existing Equity Shares of the Company.

Terms of Payment

Full amount of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) shall be payable on Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Rights Equity Share for [●] fully paid-up Equity Shares held on the Record Date i.e. [●]. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or not in the multiple of [●] the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

The existing Equity Shares of our Company are listed and traded under the ISIN: INE0JJS01014 on BSE (Scrip Code: 543435). The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE subject to necessary approvals. Our Company has received in-principle approval from BSE through letter dated [●]. Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company.

The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time.

If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as applicable.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, see “*Capital Structure – Subscription by our Promoters and Promoter Group*” on page 40.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. Application Forms would be required to be signed by all the joint holders to be considered valid.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

New Financial Instruments

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, 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 or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. 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 Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case, who make a request in this regard.

Further, our Company will undertake all adequate steps to dispatch the physical copies of the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, if feasible in the current COVID-19 situation. However, our Company and 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.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Regional language daily newspaper with wide circulation at the place where our Registered Office is situated.

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. The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or the optional mechanism. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. [●], see Section Terms of the Issue- "*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" on page 103.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email at least three days before the Issue Opening Date i.e. [●]. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email-to-email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company and 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.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

Investors can 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; and
- d) the Registrar's web-based application platform at www.bigshareonline.com (B-WAP).

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of resident 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 Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date i.e. [●] and applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on B-WAP and make online payment using the internet banking or UPI facility from their own bank account thereat. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking or UPI details (in case of Application through B-WAP which is available only for resident Investors).

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected, except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Rights Issue Circulars through the optional mechanism i.e. B-WAP. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and B-WAP. Incorrect depository account details or PAN number could lead to rejection of the Application. For

details see “*Grounds for Technical Rejection*” on page 107. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “*Application on Plain Paper under ASBA process*” on page 100.

Options available to the Eligible Equity Shareholders

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at www.bigshareonline.com and link of the same would also be available on the website of our Company at (www.clara.co.in). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

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, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. 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 103 and 110, respectively.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Procedure for Application through B-WAP:

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, a separate web-based application platform, i.e., the B-WAP facility (accessible at www.bigshareonline.com), has been instituted for making an Application in this Issue by resident Original Shareholder. Further, B-WAP is only an additional option and not a replacement of the ASBA process. At the B-WAP, resident Investors can access and submit the online Application Form in electronic mode using the B-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on B-WAP, the optional mechanism devised by the Registrar and make online payment using their internet banking or UPI facility from their own bank account thereat. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the optional facility, B-WAP will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB or using the optional mechanism are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section “*Application on Plain Paper under ASBA process*” on page 100.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation, if necessary, with the Designated Stock Exchange and in the manner prescribed under the section titled “*Terms of the Issue*” on page 94. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section “*Basis of Allotment*” on page 109.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

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 [●] Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., [●] to [●] (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) 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.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who has neither received the Application Form nor is in a position to obtain the Application Form either from our Company, Registrar to the Issue or from the website of the Registrar, can make an Application to subscribe to the Issue on plain paper through ASBA process. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

The envelope should be super scribed “*Clara Industries Limited – Rights Issue*” and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with our Company/Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently. may make an Application to subscribe to the Issue on plain paper, along with an account payee cheque or demand draft drawn at par, net of bank and postal charges, payable at Kanpur and the Investor should send such plain paper Application by registered post directly to the Registrar to the Issue. For details of the mode of payment, see “*Modes of Payment*” on page 102.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH B-WAP.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of Issuer,
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;

- Total amount paid at the rate of ₹ [●] per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted the following:

“I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (“US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (“United States”) or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act (“Regulation S”). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of us have reason to believe is a resident of the United States “U.S. Person” (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

“I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that the Company, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.bigshareonline.com. Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

Last date for Application

The last date for submission of the duly filled in Application Form is the Issue Closing Date i.e., [●]. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date i.e. [●]

If the Application together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue or the Registrar on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under “*Terms of the Issue - Basis of Allotment*” on page 109.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through B-WAP, the optional mechanism devised. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through the optional mechanism. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility.

Mode of payment for Non-Resident Investors

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar or our Company.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. 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 Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case, who make a request in this regard. Non-Resident Investors shall send their Right Entitlement credit request with ID proof to the Registrar to the Issue at rightsissue@bigshareonline.com.

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.
- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.

Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date i.e. [●] and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company, in the manner provided on the website of the Registrar to the Issue at

www.bigshareonline.com at least two Working Days prior to the Issue Closing Date i.e., [●]. They may also communicate with the Registrar with the help of the helpline number +91-22-62638200 and their email address rightsissue@bigshareonline.com

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

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, i.e. [●], desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such 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 103 and 110, respectively.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date i.e. [●] and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), 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 email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date i.e. [●]. The Eligible Equity Shareholders are encouraged to send the details by email due to lockdown and restrictions imposed due to current pandemic COVID-19;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date i.e. [●];
- (c) The Eligible Equity Shareholders can access the Application Form from:
 - the website of the Registrar at (www.bigshareonline.com);
 - our Company at (www.clara.co.in) and
 - 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 (i.e., 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 Eligible Equity Shareholders shall, who are, (a) Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) resident 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 i.e. [●], may also apply in this Issue during the Issue Period by filling the online Application Form available on B-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat, on or before the Issue Closing Date i.e. [●]. Such resident Eligible Equity Shareholders may be required to submit address, email address, contact details, copy of PAN and Client Master List, for verification of their Application. Further, such resident Eligible Equity Shareholder can:

- (a) apply for its Rights Equity Shares to the full extent of its Rights Entitlements;
- (b) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); and
- (c) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE i.e. [●] AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

For details of credit of the Rights Equity Shares to such resident Eligible Equity Shareholders, see “*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 page 110.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE i.e. [●].

FOR DETAILS, SEE “ALLOTMENT ADVICES/REFUND ORDERS” ON PAGE 109.

General instructions for Investors

- (a) Please read the Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
- (b) 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 i.e. [●], desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such 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 103 and 110, respectively.
- (c) Please read the instructions on the Application Form sent to you.
- (d) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- (e) Application should be made only through the ASBA facility or using B-WAP (for Original Shareholders only).
- (f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
- (g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “*Application on Plain Paper under ASBA process*” on page 100.
- (h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., B-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using B-WAP.
- (i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- (j) In case of Application through B-WAP, the Investors should enable the internet banking or UPI facility of their respective bank accounts.
- (k) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filled on B-WAP. Please note that on the Issue Closing Date i.e. [●], (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the optional facility will be available

until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

- (l) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- (m) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- (n) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- (o) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore, in case of Applications submitted using the optional facility, payments shall be made using internet banking or UPI facility. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (p) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (q) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.
- (r) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (s) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
- (t) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- (u) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/rights issues and clear demarcated funds should be available in such account for ASBA applications.

Do’s:

- (a) Ensure that the Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“**Demographic Details**”) are updated, true and correct, in all respects.

- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- (a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Investors applying through ASBA:

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Do's for Investors applying through B-WAP:

- (a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application;
- (b) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in the bank account through which payment is made using the B-WAP;

- (c) Ensure that you make the payment towards your application through your bank account only and not use any third-party bank account for making the payment;
- (d) Ensure that you receive a confirmation email/SMS on successful transfer of funds; and
- (e) Ensure you have filled in correct details of folio number, DP ID and Client ID, PAN as applicable, and all such other details as may be required.

Don'ts for Investors applying through B-WAP:

- (a) Do not apply from bank account of third parties.
- (b) Do not apply if you are a non-resident Investor.
- (c) Do not apply from non-resident account.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- (b) Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- (c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (e) Account holder not signing the Application or declaration mentioned therein.
- (f) Submission of more than one application Form for Rights Entitlements available in a particular demat account.
- (g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- (j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- (l) Physical Application Forms not duly signed by the sole or joint Investors.
- (m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (o) Applications which have evidence of being executed or made in contravention of applicable securities laws.

Applications under the B-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds):

- (a) Applications by non-resident Investors;
- (b) Payment from third party bank accounts; and

- (c) Applied from both modes i.e. B-WAP and ASBA in that case B-WAP application will be liable for rejection.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS OR THROUGH THE B-WAP (AVAILABLE ONLY FOR ORIGINAL RESIDENT SHAREHOLDERS), TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE i.e. [●]. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Multiple Applications

A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications.

In cases where multiple Applications are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in "*Capital Structure-Subscription by our Promoters and Promoter Group*" on page 40).

Underwriting

The Issue is not underwritten.

Issue schedule

Issue Opening Date	[●]
Last date for on-market renunciation of rights / Date of closure of trading of Rights Entitlements	[●]
Issue Closing Date	[●]
Finalising the basis of allotment with the Designated Stock Exchange (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

**Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).*

***Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.*

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- e) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

- (a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
- (b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- (c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Allotment Advices/Refund Orders

Our Company will issue and dispatch Allotment advice, refund instructions (including in respect of Applications made through the optional facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date i.e. [●]. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

In case of Applications through the optional facility B-WAP, refunds, if any, will be made to the registered bank account details in demat account. Therefore, the Investors should ensure that such bank accounts remain valid and active.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Automated Clearing House (“NACH”) except where Investors have not provided the details required to send electronic refunds or where the investors are otherwise disclosed as applicable or eligible to get refunds through direct credit and real-time gross settlement (“RTGS”).

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date i.e. [●].

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form was available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019. Since Allotment in this Issue will occur subsequent to May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until six months.

The letter of allotment or refund order would be sent by registered post or speed post to the sole/ first Investor’s address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked ‘Account Payee only’ and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

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

In case of Allotment to resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date i.e. [●], have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. [●], the following procedure shall be adhered to:

- (a) the Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account to be opened by our Company;
- (b) within 6 (six) months from the Allotment Date, such Eligible Equity Shareholders shall be required to 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;
- (c) Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;
- (d) In case of non-receipt of details of demat account as per (b) above, our Company shall conduct a sale of such Rights Equity Shares lying in the demat suspense account on the floor of the Stock Exchanges at the prevailing market price and remit the proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) to the bank account mentioned by the resident Eligible Equity Shareholders in their respective Application Forms and from which the payment for Application Money was made. In case such bank accounts cannot be identified due to any reason or bounce back from such account, our Company may use payment mechanisms such as cheques, demand drafts, etc. to such Eligible Equity Shareholders to remit such proceeds. Such Rights Equity Shares may be sold over such period of time as may be required, depending on liquidity and other market conditions on the floor of the Stock Exchanges after the expiry of the period mentioned under (b) above. Therefore, such proceeds (net of brokerage, applicable taxes and administrative and incidental charges) by way of sale of such Rights Equity Shares may be higher or lower than the Application Money paid by such Eligible Equity Shareholders;
- (e) Our Company shall send reminder notices seeking the requisite details of demat account prior to expiry of time period under (b) above, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details. After expiry of time period under (b) above, our Company or the Registrar shall not accept any requests by such Eligible Equity Shareholders for updation of details of demat account under any circumstances, including in case of failure to sell such Rights Equity Shares;
- (f) After the consummation of the sale of Rights Equity Shares on the floor of the Stock Exchanges, our Company shall send an intimation to the respective Eligible Equity Shareholders, giving details of such sale, including the sale price and break-up of net brokerage, taxes and administrative and incidental charges; and

- (g) If at the time of transfer of sale proceeds for default cases, the bank account from which Application Money was received is closed or non-operational, such sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law.
- (h) In case the details of demat account provided by the Eligible Equity Shareholders are not of his/ her own demat account, the Rights Equity Shares shall be subject to sale process specified under (d) above.

Notes:

1. Our Company will open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date i.e. [●] and have not provided details of their demat accounts to our Company or the Registrar, at least two Working Days prior to the Issue Closing Date, i.e. [●]. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.
2. The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.
3. There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares in proportion to amount paid-up on the Rights Equity Shares, as permitted under applicable laws.
4. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).
5. Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, etc., in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non-availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.

Payment of Refund

Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

1. **National Automated Clearing House (“NACH”)** – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the Depositories), except where the Applicant is otherwise disclosed as eligible to get refunds through NEFT, Direct Credit or RTGS.
2. **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, such MICR number and the bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

3. **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for such refund would be borne by our Company.
4. **RTGS** – If the refund amount exceeds ₹ 200,000 Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event such IFSC Code is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for such refund would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
5. For all other Investors, the refund orders will be dispatched through speed post or registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
6. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

Refund payment to Non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Option to receive Right Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (*care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company*). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
- Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form 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, desirous of subscribing to Rights Equity Shares in this Issue must check the procedure for application by and credit of Rights Equity Shares to such Eligible Equity Shareholders 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" on pages 103 and 110, respectively.

Investment by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid-up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent, except where pre-approval is provided.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended (“**SEBI VCF Regulations**”) and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended (“**SEBI FVCI Regulations**”) prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 (“**SEBI AIF Regulations**”) prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO accounts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (i) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (ii) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (iii) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the B-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the registered bank account, in case of an application using the B-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date i.e. [●]. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

- (a) All monies received out of the Issue shall be transferred to a separate bank account;
- (b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any

part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;

- (c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- (d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

- (i) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- (ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- (iii) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- (iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (v) Other than any Equity Shares that may be issued pursuant to exercise options under the ESOP 2016 and ESOP 2018, no further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.
- (vi) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- (vii) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.
- (viii) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- (ix) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- (x) Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum subscription

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90.00% of the Issue our Company shall refund the entire subscription amount received within 4 (Four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date i.e. [●] or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchanges will also be informed promptly.

The Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchanges.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchanges where the Equity Shares may be proposed to be listed.

Important

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in “**Risk Factors**” on page 17.

All enquiries in connection with the Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “**Clara Industries Limited – Rights Issue**” on the envelope to the Registrar at the following address:

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri East, Mumbai – 400 059, Maharashtra, India.

Tel: +91 – 22 – 6263 8200

Email: rightsissue@bigshareonline.com

Investor Grievance E-mail: investor@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Mr. Vijay Surana

SEBI Registration No.: INR000001385

CIN: U99999MH1994PTC07653

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.bigshareonline.com). Further, email ID provided by the Registrar for guidance on the Application process and resolution of difficulties is rightsissue@bigshareonline.com

The Issue will remain open for a minimum period of 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“DPIIT”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“FDI Circular 2020”), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue.

Our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION X: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, may be inspected at the registered office of the Company between 10 a.m. and 5 p.m. on all working days from the date of the Letter of Offer until the Issue Closing Date and Additionally, any person intending to inspect the abovementioned contracts and documents electronically, may do so, by writing an email to info@clara.co.in.

A. Material contracts for inspection

1. Registrar Agreement dated [●] between our Company and Registrar to the Issue;
2. Bankers to the Issue Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue

B. Material documents for inspection

1. Certified true copy of the Memorandum of Association and Articles of Association of our Company, as amended;
2. Certificate of Incorporation dated September 02, 2021 issued by Registrar of Companies, Kanpur
3. Resolution of the Board of Directors passed in its meeting dated November 05, 2022 approving this Issue;
4. Resolution of the Board of Directors passed in its meeting dated January 04, 2022 adopting the Draft Letter of Offer;
5. Consents of our Directors, our Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Legal Advisor to the Issue, the Registrar to the Issue, Bankers to our Company and Banker to the Issue to include their names in this Draft Letter of Offer / Letter of Offer and to act in their respective capacities;
6. Annual Reports of our Company for FY 2021-22,
7. A Statement of special tax benefits dated January 04, 2022 received from M/s. Gupta Agarwal & Associates, Chartered Accountants, Statutory Auditors regarding special tax benefits available to our Company and its shareholders;
8. Limited Review Report for the Six months ended September 30, 2022;
9. In-principle listing approval dated [●] from BSE.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify that no statement made in this Draft 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 Draft 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/-
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/-
MR. NIKHIL KHKREJA <i>Executive Director & CFO</i> DIN: 06649387	Sd/-

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

Sd/-

Sd/-

MR. NIKHIL KUKREJA
Chief Financial Officer
PAN: ALXPK7283K

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

Place: Saharanpur
Date: January 04, 2023