



CLARA INDUSTRIES LTD.

CIN:- L25209UP2021PLC151537

Regd. Office :- 127/1, Gram Simbhalka JunardarPargana, Tehsil and District Saharanpur.
Pincode :- 247001 Uttar Pradesh, India

Phone :- +91 8171884399, Email :- info@clara.co.in Website :- www.clara.co.in

September 06, 2023

To,
Compliance Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001

Dear Sir/Madam,

Ref: Scrip Code – 543435
Sub: Annual Report for the Financial Year 2022-23:

Pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company for the financial year 2022-23.

Please take the above information on record.

Please acknowledge the receipt

Thanking you,

Yours faithfully,

For Clara Industries Limited
PARRY
Digitally signed
by PARRY
KUKREJA
Date: 2023.09.06
8:10:22 +05'30'
Managing Director
DIN: 06649401

Clara

INDUSTRIES LIMITED



2nd ANNUAL REPORT

2022-23



bring BRIGHTNESS to your life



www.clara.co.in

Chairman's MESSAGE



Dear Shareholders,

With immense pride and a sense of accomplishment, I extend my warm welcome to you as we present the second annual report of Clara Industries Limited. As we traverse our second year in business, I am filled with gratitude for the exceptional progress we have made and the exciting avenues that unfold before us.

Our journey in the realm of plastic manufacturing has been nothing short of inspiring. Over the past year, we have expanded our footprint across a diverse range of products that speak to our commitment to innovation, quality, and sustainability.

From plastic packaging films that ensure the safe transit of goods to printed flexible packaging that captures attention and conveys messages,

Clara Industries continues to play a pivotal role in shaping the future of packaging solutions. Our plastic mats have found their place in countless homes, offices, and industries, offering durability and functionality that exceeds expectations.

Our foray into plastic granules not only showcases our dedication to providing raw materials but also aligns with our vision of contributing to a circular economy. These granules, meticulously produced, find their way into various products, reducing waste and conserving resources.

The realm of engineered plastic packaging has been a testament to our commitment to customization and tailored solutions. We take pride in partnering with our clients to create packaging that not only preserves their products but also resonates with their brand identity.

Chairman's MESSAGE



The addition of printing cylinders to our portfolio speaks to our holistic approach. These cylinders, meticulously crafted, form the backbone of high-quality printing, enabling us and our partners to put forth products that stand out in a competitive market.

As we celebrate these achievements, we also recognize our responsibilities. Clara Industries Limited is not just a business; it's a promise—a promise to deliver excellence, uphold sustainability, and contribute positively to society. We understand the significance of our role in minimizing environmental impact and are committed to pioneering practices that protect our planet for future generations.

Our journey into the second year has seen us rise above challenges, adapt to change, and embrace innovation. I extend my heartfelt gratitude to our shareholders for their trust and confidence in our journey. Your support fuels our drive to reach greater heights and make a lasting impact.

I would also like to extend my appreciation to our dedicated team, whose unwavering dedication and relentless pursuit of perfection have been the cornerstone of our success. To our partners and customers, your faith in our products and services drives us to continually raise the bar.

As we step into another promising year, I invite each of you to share in our enthusiasm, to explore the possibilities that lie within our diverse product range, and to be a part of the positive change we aspire to bring.

Thank you for being an integral part of Clara Industries Limited's journey. Here's to a future filled with innovation, collaboration, and shared success.

Sincerely,
Mrs. Parry Kukreja
Managing Director

OUR BUSINESS



Packaging Films Business

PP Mats

Flexible Packaging Business

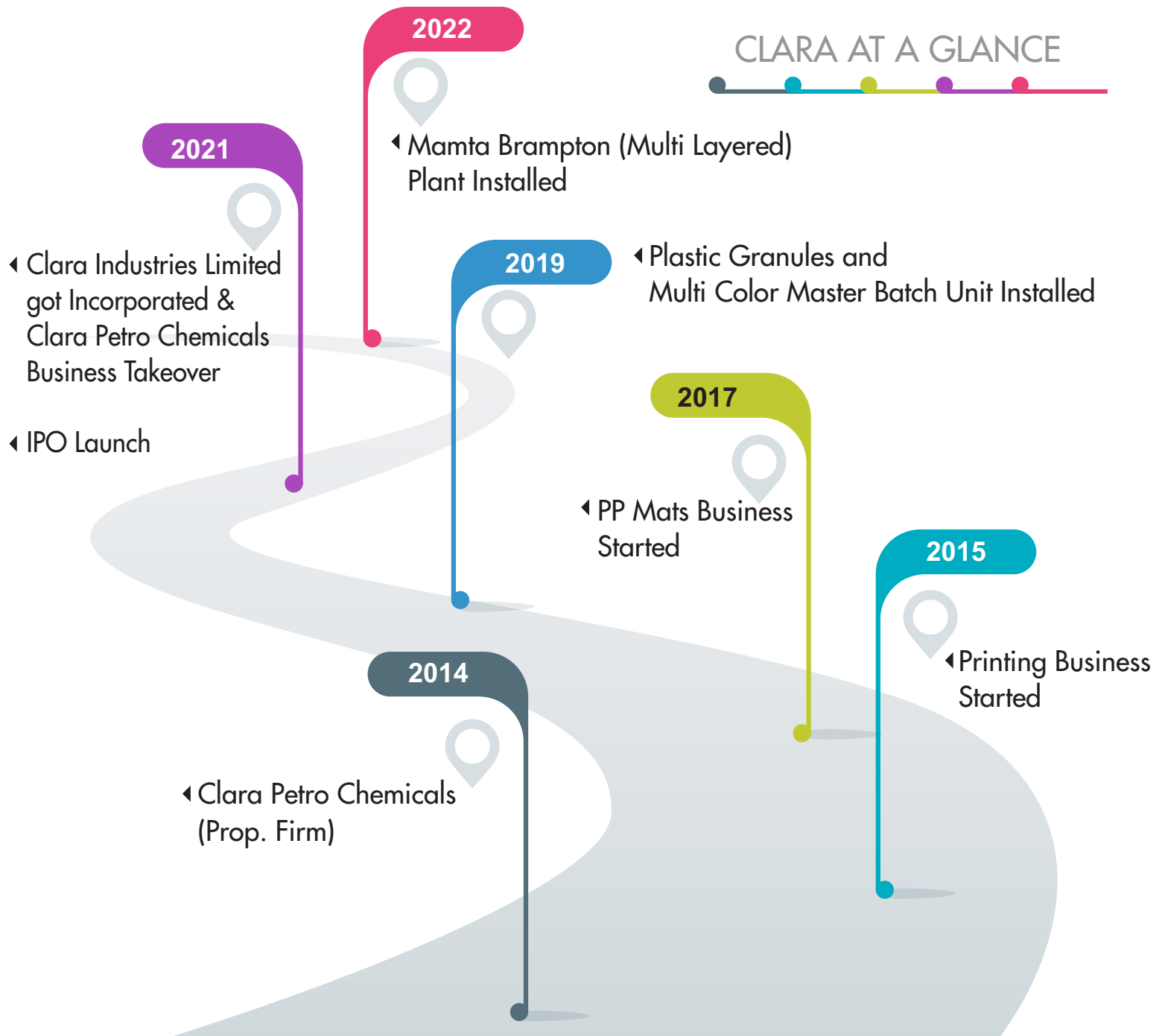
Engineering Packaging Business

Aseptic Liquid Packaging Business

Chemicals Business

Printing Cylinders Business

BUSINESS GROWTH

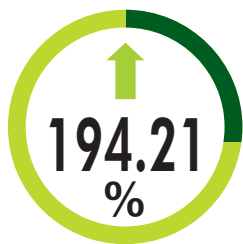


BUSINESS HIGHLIGHTS | FY 23

Standalone

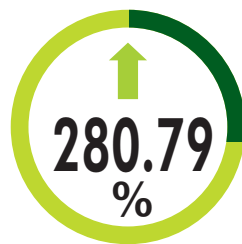
Revenue

₹ 1139.52 lac



Profit Before Tax

₹ 538.04 lac



Profit After Tax

₹ 394.61 lac



Total Sales Volume

₹ 1138.32 lac



BOARD OF DIRECTOR'S



Mrs. Parry Kukreja
Managing Director



Mr. Nikhil Kukreja
Executive Director & CFO



Mrs. Priyanka Mediratta
Director - Non Executive



Mr. Ajay Kumar Jain
Independent Director



Mr. Manmohan Singh
Independent Director

CORPORATE

GOVERNANCE COMMITTEE

Audit Committee

1. Mr. Ajay Kumar Jain
2. Mr. Manmohan Singh
3. Mr. Nikhil Kukreja

Nomination & Remuneration Committee

1. Mr. Manmohan Singh
2. Mr. Ajay Kumar Jain
3. Mrs. Priyanka Mediratta

Stakeholders Remuneration Committee

1. Mr. Ajay Kumar Jain
2. Mr. Manmohan Singh
3. Mr. Nikhil Kukreja

Internal Complaints Committee

1. Mrs. Murti
2. Mrs. Parry Kukreja
3. Mr. Vidya Bhushan Tyagi
4. Mr. Rakesh Kumar Pal





KEY MANAGERIAL PERSONNEL

Company Secretary & Compliance Officer

Mrs. Nidhi Varun Kumar
H.No. 37, Lalitpur Ramnagar, Nanital (UK)-24416
Cell : +91 8171884399
E-mail : cs@clara.co.in

Chief Financial Officer

Mr. Nikhil Kukreja
H.No. 4/911, Zafar Nawaj, Saharanpur-247001
Cell : +91 97600 23604
E-mail : cfo@clara.co.in

AUDITORS

Statutory Auditors

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

Secretarial Auditors

M/s Verma Ashish & Co.
Company Secretaries
MIG-8, 1st Floor, Avas Vikas,
Opp. Dr. Mohan Panday Hospital
Delhi Road, Saharanpur-247001 (U.P.)
E-mail : vermaashish@gmail.com



Registered Office

127/1 Gram Simbhalka Junardar Paragna, Teshil and Di
Saharanpur- 247001, Uttar Pradesh, India
Tel: +91- 81718 84399
E-mail: info@clara.co.in
Website www.clara.co.in



Registered To The Issue

BIGSHARE SERVICES PRIVATE LIMITED
Office No S62,6th Floor, Pinnacle Business Park, Next to Ah
Centre, Mahakali caves Road, Andheri (East) Mumbai-400 093
Maharashtra, India
Tel: +91 -22-62638200122
Email: rightsissue@bigshareonline.com
Website: www.bigshareonline.com



BANKERS

- Punjab National Bank
- Union Bank of India



Company Listing Details

BSE Limited-SME Platform
PJ Towers, Dalal Street, Mumbai-400001



Investers Relations

Mrs. Nidhi Varun Kumar
Company Secretary & Compliance Officer
E-mail : info@clara.co.in

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Disclaimer:

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

NOTICE

NOTICE is hereby given that the 2nd Annual General Meeting of the Members of Clara Industries Limited will be held on Thursday 28th September, 2023 at 3:00 P.M. at 127/1 Gram Simbhalka Junardar Paragna, Teshil and District Saharanpur (UP) 247001 IN, to transact the following businesses: -

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2023, including the Audited Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss for the financial year ended on that date and the reports of the Board of Directors ("the Board") and Auditors thereon.

SPECIAL BUSINESS

2. APPOINTMENT OF MR. AVDHESH KUMAR KAMBOJ (DIN: 09526364) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory modification (s) or re-enactment thereof from time to time, read with Article of Association of the Company and Regulation 19 (4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015, and applicable regulations thereof, Mr. Avdhesh Kumar Kamboj (DIN: 09526364) who was appointed as an Independent Director of the Company pursuant to recommendation by the Nomination and Remuneration Committee, consent of the members be and is hereby accorded for appointment of Mr. Avdhesh Kumar Kamboj (DIN: 09526364) as an Independent Director of the Company, who meets all the criteria for independence as provided under Section 149(6) of the Act and has submitted a declaration that he meets the criteria for independence, not liable to retire by rotation, to hold for a term upto 5 consecutive years commencing from September 28th, 2023.

RESOLVED FURTHER THAT any Director or the Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorized to take all such steps, as may be necessary, proper or expedient, to give effect to this resolution and to do all such acts, deeds, matters and things as may be incidental thereto."

Registered Office:

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

By Order of the Board of Directors
For Clara Industries Limited

Sd/-
Parry Kukreja
Managing Director
DIN: 06649401

Place: Saharanpur

Date September 06, 2023

NOTES

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a Member of the Company. The Instrument appointing a proxy must be deposited with the Company at its Registered Office, not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a proxy, on behalf of not more than fifty members, holding in aggregate not more than ten percent of the total share capital of the Company, carrying voting rights. Members holding more than ten percent of the total share capital of the Company, carrying voting rights may appoint a single person as a proxy, who shall not act as a proxy for any other Member. Attendance Slip, Proxy Form and the Route Map along with a prominent landmark of the venue of the Meeting are annexed with this Annual Report.
2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect proxies lodged, at any time during the business hours of the Company, provided not less than 3 days written notice is given to the Company.
3. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.clara.co.in. The Notice can also be accessed from the websites of the Stock Exchange i.e., BSE Limited at www.bseindia.com
4. Members/Proxies attending the Meeting must carry with them, duly signed and stamped Attendance Slip and deposit it at the entrance of the venue of the Meeting. Members are also requested to carry their copy of the Annual Report of the Company, to the Meeting.
5. The Register of Member and Transfer Books will remain closed from Wednesday, the 20th day of September, 2023 to Thursday, the 28th day of September, 2023 (both days inclusive) for the purpose of Annual General Meeting.
6. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
7. The notice is being sent all members, whose names appear on the Register of Members/List of beneficial owners.
8. In case shares are jointly held, this form should be completed and signed (as per the specimen signature registered with the company) by the first named member and in his/her absence, by the next named member.
9. Copy of relevant documents referred to in this notice are open for inspection at the registered office of the Company on all working days, except holidays between 11.00 A.M to 2.00 P.M upto the date of declaration of the results.

10. Any member desirous of getting any information on the accounts of the Company is required to forward his/her queries at least 7 days prior to the meeting so that the required information can be made available at the meeting.
11. Members are requested to intimate change in their address immediately to M/s. Bigshare Services Private Limited, the Company's Registrar and Share Transfer Agents, at their office at Club House Road, Opp. Vasant Oasis, Makwada Road, Marol, Anheri, Mumbai-400059, Maharashtra.
12. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
13. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s. Big share Services Private Limited, Registrar and Share Transfer Agents of the Company, at their address given above.
14. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio number in the attendance slip for attending the meeting. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
15. For members who have not registered their email address, physical copies of the Notice of the 2nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members may also note that Notice of 2nd Annual General Meeting and Annual report for 2022-23 will be available on company's website: <http://www.clara.co.in/> for their download.
16. Members who have not registered their email addresses so far are requested to register their e-mail address for receiving all communications including annual report, notices, circulars etc. from the company electronically.
17. M/s. Verma Ashish & Co. (Proprietor Mr. Ashish Verma) Practicing Company Secretary, (C.P No. 22530) has been appointed as the Scrutinizer to scrutinize voting at the AGM in a fair and transparent manner. The Scrutinizer will submit, not later than 2 days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
18. Since Ballot form is provided to the members pursuant to the provisions of section 108 of the companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, voting by show of hands are not allowed.
19. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM.

20. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.clara.co.in. The same will be communicated to the stock exchanges where the company shares are listed viz. The Bombay Stock Exchange.
21. For any assistance or information about shares etc. Members may contact the company.
22. An Explanatory Statement under Section 102 of the Companies Act, 2013 ("Act") relating to item no. 2 as mentioned above is annexed hereto as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Registered Office:

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

Place: Saharanpur
Date September 06, 2023

By Order of the
For Clara Industries Limited

Sd/-
Parry Kukreja
Managing Director
DIN: 06649401

CLARA INDUSTRIES LIMITED



ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS

Pursuant to Section 102 of the Companies Act, 2013 ("the Act"):

ITEM NO: 2

APPOINTMENT OF MR. AVDHESH KUMAR KAMBOJ (DIN: 09526364) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

The Board of Directors of the Company had appointed Mr. Avdhesh Kumar Kamboj (DIN: 09526364) as Independent Director of the Company. In accordance with the provisions of Companies Act, 2013, Mr. Avdhesh Kumar Kamboj (DIN: 09526364) appoint as in independent director in Annual General Meeting and is eligible to be appointed as an Independent Director for a term upto five years. A brief profile of Mr. Avdhesh Kumar Kamboj (DIN: 09526364), including nature of her expertise, is annexed to this Notice. The Company has received a declaration of independence from Mr. Avdhesh Kumar Kamboj (DIN: 09526364). In the opinion of the Board, Mr. Avdhesh Kumar Kamboj (DIN: 09526364) fulfils the conditions specified in the Companies Act, 2013 and the Equity Listing Agreement, for appointment as Independent Director of the Company. None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution.

The Board commends the Ordinary Resolution set out at Item No. 2 for approval of the Members.

Registered Office:

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

Place: Saharanpur
Date September 06, 2023

By Order of the
For Clara Industries Limited

Sd/-
Parry Kukreja
Managing Director
DIN: 06649401

DETAILS OF THE DIRECTOR SEEKING APPOINTMENT

| | |
|--|---|
| Name of the Director | Mr. Avdhesh Kumar Kamboj |
| Designation | Independent Director |
| DIN | 09526364 |
| Nationality | Indian |
| Date of Birth | January 02, 1987 |
| Date of Appointment | September 28th, 2023 (Approval of shareholders) |
| Qualification | Master in Defence Studies |
| Experience in special functional area | Mr. Avdhesh Kumar Kamboj is a highly qualified professional & he has specialization in business & financial analysis. |
| Seeking Appointment / re-appointment | Appointment |
| No. of shares held in the Company | NA |
| Relationship with any Director(s) or Manager or Key Managerial Personnel of the Company | Mr. Avdhesh Kumar Kamboj is not related to any existing directors of the Company. |
| Names of the other listed entities in which the person also holds the directorship and the membership of Committees of the board | NA |
| Name of listed entities from which the person has resigned in the past three years | NA |
| In the case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements | The role and capabilities as required in the case of an independent director are well defined in the Policy on Nomination, Appointment, and Removal of Directors. Further, the Board has a defined list of core skills / expertise / competencies, in the context of its business and sector for it to function effectively. The Nomination and Remuneration Committee of the Board has evaluated the profile of Mr. Avdhesh Kumar Kamboj and concluded that Mr. Avdhesh Kumar Kamboj possess the relevant skill and capabilities to discharge the role of Independent Directors. |

MEETING

ATTENDANCE SLIP

(Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.)

| | | | |
|-----------------|--|---------------|--|
| DP Id * | | Client Id* | |
| Regd. Folio No. | | No. of Shares | |

Applicable for shares held in electronic form

Name(s) and address of the shareholder / Proxy in full: _____

I/we hereby record my/our presence at the 2nd Annual General Meeting of the Company being held on Thursday, 28th September, 2023 at 3:00 P.M.. at the registered office of the Company at 127/1 Gram Simbhalka Junardar Paragna, Teshil and District Saharanpur UP 247001 IN.

Please (✓) in the box

MEMBER

PROXY

Signature of Shareholder / Proxy

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies Management and Administration) Rules, 2014]

CIN : L25209UP2021PLC151537

Name of the Company : CLARA INDUSTRIES LIMITED

Registered Office : 127/1 Gram Simbhalka Junardar Paragna, Teshil and District
Saharanpur UP 247001 IN

| | |
|------------------------|--|
| Name of the member(s): | |
| Registered address: | |
| E-mail Id: | |
| Folio No. / Client Id: | |
| DP ID: | |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 2nd Annual General Meeting of the Company, to be held on Thursday, 28th September, 2023 at 3:00 P.M.. at the registered office of the Company at 127/1 Gram Simbhalka Junardar Paragna, Teshil and District Saharanpur UP 247001 IN., and at any adjournment thereof in respect of such resolutions as are indicated below:

| Item No. | Description of Resolutions: |
|---------------------------|--|
| Ordinary Business: | |
| 1. | Adoption of the Audited Balance Sheet of the Company for the Financial Year ended 31st March, 2023 together with the Report of the Board of Directors and Auditors thereon |
| Special Business: | |
| 2. | Appointment of MR. AVDHESH KUMAR KAMBOJ (DIN: 09526364) as an Independent Director of the Company. |

Signed this day of 2023

Signature of shareholder(s)

Signature of Proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the

Meeting.

2. Any alteration or correction made to this Proxy form must be initialed by the signatory/ signatories.

Form No. MGT-12

POLLING PAPER

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

| Sr. No. | Particulars | Details |
|---------|--|---------|
| 1 | Name and Registered Address of the Sole / First named Shareholders | |
| 2 | Name(s) of the Joint Holder(s), (if any) | |
| 3 | Registered Folio Number / DP ID No.* *(Applicable to Investors holding shares in dematerialized Form) | |
| 4 | Number of Share(s) held | |

I / We hereby exercise my / our votes in respect of the Resolutions set out in the Notice dated September 06, 2023 as set out below to be passed by the means of Ballot by giving my / our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate boxes below (tick in the bot boxes will render the ballot invalid).

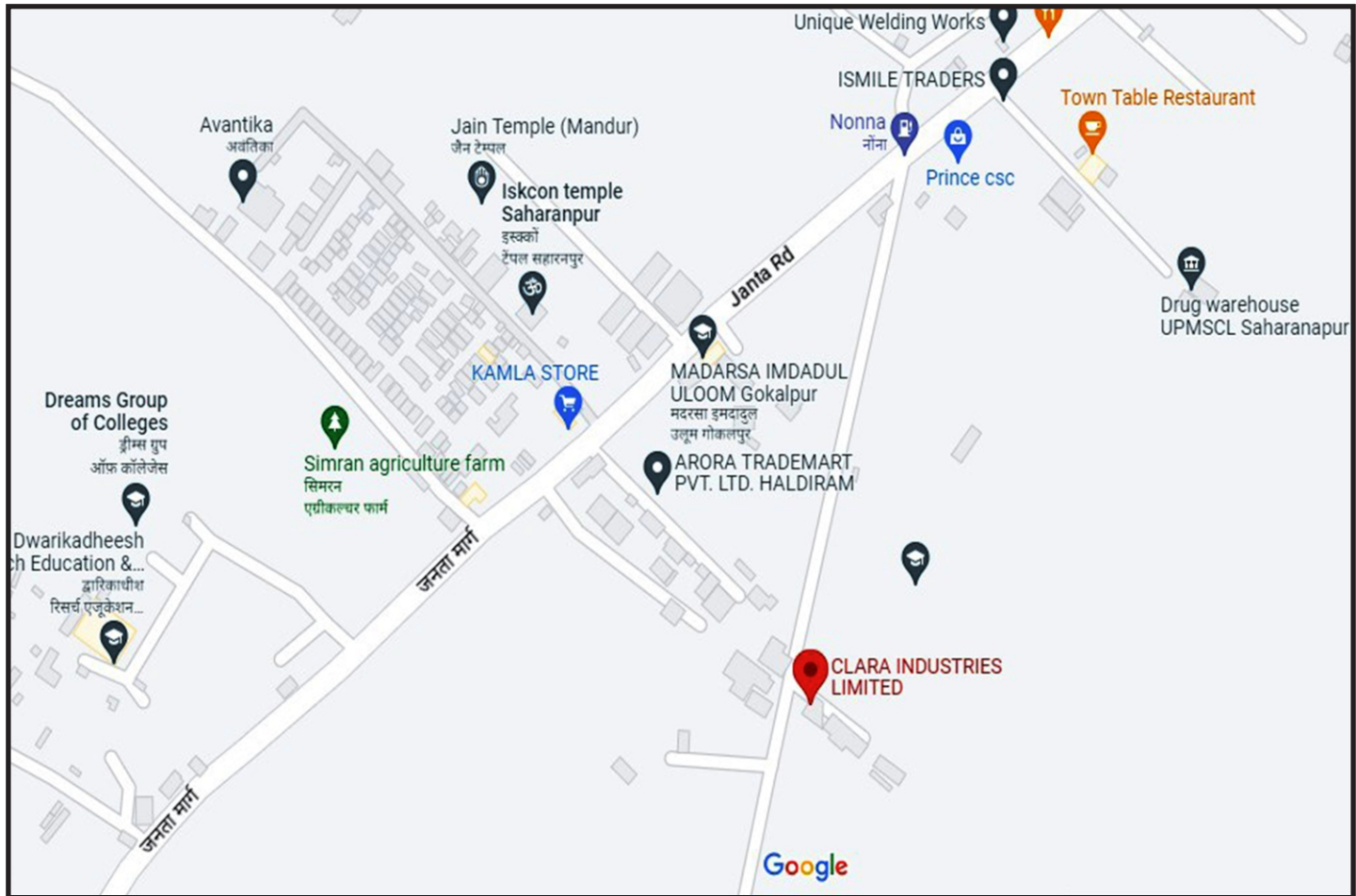
| Sr. No. | Description | Type of Resolution | No. of Shares | (FOR) I / We assent to the Resolution | (AGAINST) I / We dissent to the Resolution |
|---------|--|--------------------|---------------|---------------------------------------|--|
| 1. | Adoption of Annual Audited Standalone & Consolidated Financial Statements and Reports Thereon. | Ordinary | | | |
| 2. | Appointment of Mr. Avdhesh Kumar Kamboj (DIN: 09526364) as an Independent Director of the Company. | Special | | | |

Place:

Date:

(Signature of Shareholder)

ROUTE MAP OF THE VENUE OF AGM



DIRECTORS' REPORT

To,
The Members,
Clara Industries Limited

Your directors have pleasure in presenting the Second Annual Report together with the Audited Statements of Accounts of the Company on Stand-alone basis for the year ended on March 31, 2023.

FINANCIAL RESULTS:

The Company's financial performance, for the year ended on March 31, 2023 is given in the table below:

(₹ in Lakh)

| Sr. No. | Particulars | For the year ended on March 31, 2023 | % of total income | For the period from 2nd September, 2021 to 31st March, 2022 | % of total income |
|--------------|---|--------------------------------------|-------------------|---|-------------------|
| I. | Revenue from Operations | 1,138.32 | 99.90% | 364.89 | 94.21% |
| II. | Other income | 1.19 | 0.10% | 22.42 | 5.78% |
| III. | Total Revenue (I+II) | 1,139.52 | 100 | 387.31 | 100% |
| IV. | Expenses: | | | | |
| | Cost of Material Consumed | 630.85 | 55.36% | 189.24 | 48.87% |
| | Changes in Inventories of Finished Goods | (77.01) | -6.76% | 37.05 | 9.57% |
| | Employee benefits expense | 11.46 | 1.01% | 2.25 | 0.58% |
| | Finance costs | 6.69 | 0.59% | 4.15 | 1.07% |
| | Depreciation and amortization expenses | 9.57 | 0.84% | 2.18 | 0.56% |
| | Other expenses | 13.07 | 1.15% | 11.15 | 2.88% |
| | Total Expenses (IV) | 594.62 | 52.18% | 246.02 | 63.52% |
| V. | Profit before exceptional and extraordinary items and tax (III-IV) | 544.90 | 47.82% | 141.29 | 36.48% |
| VI. | Exceptional items- Provision for CSR expenses | 6.86 | 0.60% | - | - |
| VII. | Profit before extraordinary items and tax (V - VI) | 538.04 | 47.22% | 141.29 | 36.48% |
| VIII. | Extraordinary Items | - | - | - | - |
| IX. | Profit before tax (VII- VIII) | 538.04 | 47.22% | 141.29 | 36.48% |
| X. | Tax Expenses | | | | |
| | - Current Tax | 139.22 | 12.22% | 35.80 | 9.24% |
| | - Earlier years tax | 4.69 | 0.41% | - | - |
| | - Deferred Tax | (0.47) | -0.04% | 0.43 | 0.11% |
| | Tax Expense for The Year | 143.43 | 12.60% | 36.23 | 9.35% |
| XI. | Profit (Loss) for the period from continuing operations (IX-X) | 394.61 | 34.63% | 105.06 | 27.12% |

PERFORMANCE OF THE COMPANY

Your Company is primarily engaged in the business of manufacturing of LDPE, HDPE, PP, BOPP, ADHESIVE TAPES and its related products and activities and also to carry on the business of Manufacturers and traders of Plastic Bags, Industrial Packaging SELF ADHESIVE TAPES, PRINTING AND PLAIN MULTI LAYERED FLEXIBLE PACKAGING, MANUFACTURER OF PP PLASTIC MATS, TWINE AND ROPES

The Total Revenue: of the Company increased by Rs. 752.21 Lakh or 194.21% to Rs. 1,139.52 Lakh for the financial year 2022-23. from 387.31 Lakh for the financial year 2021-22.

It also mentions here that our revenue from operations is Rs. 1,138.32 Lakh for the financial year 2022-23 as compared to Rs. 364.89 Lakh for the financial year 2021-22 representing an incline of 211.96% on account of increase in sales because of fast recovery from covid pandemic.

The company in spite of many challenges and competitive market conditions was able to achieve satisfactory Sales and Net Profit (After Tax) figures. The management is of the opinion that in the coming future as the overall situation seems to be improving and Directors are optimistic about Company's business and hopeful of better performance with increased revenue in next year.

There has been no change in the business of the Company during the financial year ended March 31, 2023.

CAPITAL STRUCTURE:

Your Company during the FY 2022-2023 has increased its Authorised Equity Share Capital from Rs. 2,50,00,000/- (Rupees Two crore Fifty Lakh Only) divided into 25,00,000 (Twenty-Five Lakh Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 11,00,00,000/- (Rupees Eleven crore Only) divided into 1,10,00,000 (One Crore Ten Lakh Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each ranking pari passu with the existing Equity Shares of the Company.

CHANGE IN DIRECTORSHIP:

There have been no changes in the constitution of Board during the year under review i.e., Financial Year 2022-2023.

None of the Directors of the Company is disqualified for being appointed / re-appointed as directors of the company as per the provisions of Section 164 of the Companies Act, 2013

CHANGES IN NATURE OF BUSINESS

There is no significant change made in the nature of the company during the financial year ended March 31, 2023.

ANNUAL RETURN:

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company <https://clara.co.in/>

GENERAL RESERVES:

The Accounting Standards permit that the amounts in the Profit after tax stands are included in the Reserve & Surplus Schedule; hence the Company has not transferred any amount to its General Reserves.

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Companies Act, 2013.

The performance of the Board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board process, information and functioning etc.

The Board was of the view that the performance of the Board as a whole was adequate and fulfilled the parameters stipulated in the evaluation framework in its pro-growth activity. The Board also ensured that the Committee functioned adequately and independently in terms of the requirements of the Companies Act, 2013.

Further, the individual directors fulfilled their applicable responsibilities and duties laid down by the Companies Act, 2013 and at the same time contributed with their valuable knowledge, experience and expertise to grab the opportunity and counter the adverse challenges faced by the Company during the year.

PARTICULARS OF EMPLOYEES:

No employee in the Company was in receipt of remuneration in excess of the amount mentioned Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

DEPOSITS FROM PUBLIC:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 in the year under review.

DIVIDEND:

The Board of Directors of your company has not declared any Dividend for the current financial year ended March 31,2023.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

Pursuant to section 134(3)(d) of the Act, your Company confirm having received necessary declarations from all the Independent Directors under section 149(7) of the Companies Act, 2013 declaring that they meet the criteria of independence laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SEPARATE MEETING OF INDEPENDENT DIRECTOR

In terms of requirement of Schedule IV of the Companies Act, 2013, Independent Director had a separate meeting on December 04, 2022 without the attendance of Non-Independent Director and Members of management. All the Independent Directors were present at the said meeting. The activities prescribed in paragraph VII of Schedule IV to the Act were carried out at the said meeting.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY TRANSACTIONS:

The particulars of contracts or arrangements with related parties referred to in Section 188 (1) entered by the Company during the financial year ended March 31, 2023 is annexed hereto in prescribed Form AOC-2 as Annexure-A and forms part of this report.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

Except as mentioned below, there are no significant events occurred during the financial year after the date of financial statements.

Our Company has taken in principal approval on proposed rights issue of fully paid-up equity shares by the company from BSE as on date 09-02-2023.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES (IF ANY)

Your Company has no subsidiary Company, Joint Ventures or Associate Companies during the year under review.

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

In pursuance of the provision of Section 135 of the Companies Act, 2013, the CSR provisions are not applicable to our Company for F.Y 2022-2023.

However, for the current year i.e. 2023 - 24, the same has become applicable to the Company, since the Profits of the financial year 2022 - 23 has exceeded the limits prescribed for CSR Provisions. Therefore, the company has created a provision of Rs. 6,86,000.00 (Rupees Six Lakh Eighty Six Thousand Only) for CSR Expenditure.

MEETINGS OF BOARD OF DIRECTORS:

The Board of Directors met 8 (Eight) times during the year under review that is on 20.05.2022, 30.05.2022, 18.06.2022, 12.08.2022, 08.09.2022, 06.11.2022, 04.01.2023, 14.02.2023, The maximum gap between any two Board Meetings was less than one Hundred and Twenty days.

DIRECTORS' ATTENDANCE RECORD

The last Annual General Meeting was held on September 30, 2022. The attendance record of the Directors at the Board Meetings during the year ended on March 31, 2023, and at the last Annual General Meeting is as under

| Name of Directors | Number of Board Meetings Attended During theyear | Whether attended last Annual General Meeting |
|------------------------|--|--|
| Mr. Nikhil Kukreja | 8 out of 8 | Yes |
| Ms. Parry Kukreja | 8 out of 8 | Yes |
| Ms. Priyanka Mediratta | 8 out of 8 | Yes |
| Mr. Ajay Kumar Jain | 7 out of 8 | Yes |
| Mr. Manmohan Singh | 8 out of 8 | Yes |

BOARD COMMITTEES:

In accordance with requirement SEBI (Listing Obligations and Disclosure Requirements), 2015, provisions on Corporate Governance the Board of Directors of the Company had constituted following Committees. The details of which are as under:

- Audit Committee
- Nomination & Remuneration Committee
- Shareholders & Investor's Grievance Committee
- Internal Complaint Committee

The composition of various committees is as follows:

AUDIT COMMITTEE

The terms of reference of the Audit Committee are as per the guidelines set out in the Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with the stock exchanges read with Section 177 of the Companies Act, 2013. The detail of the Committee is as follows: follows:

| Sr. No. | Members | Din and Membership No. | Designation |
|---------|----------------|------------------------|-------------|
| 1. | AJAY KUMAR | 01408067 | CHAIRMAN |
| 2. | MANMOHAN SINGH | 07790507 | MEMBER |
| 3. | NIKHIL KUKREJA | 06649387 | MEMBER |

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company has constituted a Nomination & Remuneration Committee, as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015, with the object of Remuneration & Nomination committee is to recommend / review the remuneration of Managing Directors / Wholetime Directors. The remuneration policy of the Company is directed towards rewarding performance and attracting new talents / retaining them. While deciding the remuneration, the Committee considers the financial position of the Company, trend in the Industry, Appointee's qualification, experience, past performance, past remuneration etc.

| Sr. No. | Members | Designation | Number of Meetings Attended during the year |
|---------|--------------------|-------------|---|
| 1. | MANMOHAN SINGH | CHAIRMAN | 3 out of 3 |
| 2. | AJAY KUMAR JAIN | MEMBER | 3 out of 3 |
| 3. | PRIYANKA MEDIRATTA | MEMBER | 3 out of 3 |

STAKEHOLDERS RELATIONSHIP AND INVESTOR GRIEVANCE COMMITTEE

The Committee is in charge of looking after grievances of Investors and Shareholders. The detail of the Committee is as follows:

| Sr. No. | Name of Key Managerial Personnel | Designation | Number of Meetings Attended during the year |
|---------|----------------------------------|-------------|---|
| 1. | Ajay Kumar Jain | Chairman | 4 out of 4 |
| 2. | Manmohan Singh | Member | 4 out of 4 |
| 3. | Nikhil Kukreja | Member | 4 out of 4 |

INTERNAL COMPLAINT COMMITTEE

The Committee is in charge of looking after grievances of Internal complaints of the company The detail of the Committee is as follows:

| Sr. No. | Members | Designation | Number of Meetings Attended during the year |
|---------|---------------------|-------------|---|
| 1. | MS. MURTI | Chairman | 1 out of 1 |
| 2. | MS. PARRY KUKREJA | Member | 1 out of 1 |
| 3. | RAKESH KUMAR PAL | Member | 1 out of 1 |
| 4. | VIDYA BHUSHAN TYAGI | Member | 1 out of 1 |

DEMATERLISATION OF SHARES AND LIQUIDITY

Currently 100% of the Company Share Capital is held in dematerialized form.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In line with the provisions of the Section 177(9) of the Companies Act, 2013 and the Regulation 22 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, your Company has adopted Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company.

This vigil mechanism provides for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the chairperson of the Audit committee, in exceptional cases. The Company Secretary is the designated officer for effective implementation of the policy and dealing with the complaints registered under the policy

ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The company's policy requires the conduct of all operations in such manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

MANAGEMENT DISCUSSION & ANALYSIS REPORTS

The Management Discussion and Analysis Report of the Company is annexed to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

- (i) To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of the Section 134(3)© of the Companies Act, 2013.
- (ii) That in the preparation of the annual financial statements for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (iii) That such accounting policies, as mentioned in the Financial Statements as 'Significant Accounting Policies' have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2021 and of the profit of the Company for the year ended on that date;
- (iv) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (v) That the annual financial statements have been prepared on a going concern basis.
- (vi) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- (vii) That proper system to ensure compliance with the provisions of all applicable laws was in place and was adequate and operating effectively.

STATUTORY AUDITORS:

The Company's Auditors, M/s. Gupta Agarwal & Associates, Chartered Accountants, who were appointed with your approval at the 1st Annual General Meeting for a period of five years, will complete their present term on conclusion of the ensuing 18th Annual General Meeting of the Company.

SECRETARIAL AUDITORS

The Board had appointed M/s. Verma Ashish & Co. (Peer reviewed firm) (Membership No. 59867), Practicing Company Secretary, to carry out secretarial audit Pursuant to provision of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit report is annexed herewith as "Annexure A"

BOARD'S COMMENT ON THE AUDITORS' REPORT:

The Statutory Auditors Report for Financial Statement on Standalone basis for the financial year 2022-23, when read together with the relevant notes to the accounts and accounting policies was self explanatory and do not call for any further comment.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has not given any loans or guarantees or investments covered under the provisions of section 186 of the Companies Act, 2013 during the Financial Year 2022-23..

MATERIAL CHANGES

Except as stated below there have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements on Standalone and Consolidated basis relate and the date of this Report.

Company had filed Draft Prospectus of right issue equity shares with SME platform of BSE Limited on January 12, 2023 and received In Principle approval on February 09, 2023.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review and hence are not required to be given.

The Company has not entered into any technology transfer agreement and also there are no foreign currency earnings and outgo during the financial year.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS:

There are no significant and material orders passed by the Regulators/Courts, which would impact the going concern status of the Company and its future operations.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company has an effective internal financial control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures which also covers adherence to the Company's Policies for safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and timely preparation of reliable financial disclosures. The Company's internal financial control system is commensurate with its size, scale and complexities of its operations.

CORPORATE GOVERNANCE

The Company being listed on the Small and Medium Enterprise Platform is exempted from provisions of corporate governance as per Regulation 15 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015. Hence no corporate governance report is disclosed in this Annual Report. It is Pertinent to mention that the Company follows Majority of the provisions of the corporate governance voluntarily.

COST AUDITOR:

The company does not fall under the criteria specific in Section 148 of the Companies Act, 2013 and hence the provisions of cost auditor appointment and maintenance of cost records are not applicable.

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, 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.

| 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 |
| 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 Term: Appointed as Independent Director with effect from September 28, 2021 to September 27, 2026. | |

OUR MANAGEMENT

| Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in designation and Term | Other Directorships in Companies |
|--|--|
| <p>Name: 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</p> | <ul style="list-style-type: none"> <i>Kahan Transformer Private Limited</i> |

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The company is committed to provide a work environment free from all forms of discrimination, including sexual harassment. The Company Recognizes that sexual harassment of employees violates their right to work in a respectful and stress-free environment with dignity. There were no complaint received / pending under the provision of sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to express their gratitude to Ministry of Corporate Affairs and other agencies of Central and State government for their kind support and guidance.

Your Directors also wish to place on record their appreciation for the dedicated efforts put in by the employees of the Company at all levels who have contributed to the growth and performance of your Company.

Your Directors also thank the clients, vendors, bankers and advisers of the Company for their continued support.

In conclusion, your Directors thank you, the members of the Company for your support and seek your continued patronage for achieving better results.

Place: Saharanpur

Dated: September 06, 2023

For and on behalf of the Board of Directors
 Sd-
Parry Kukreja
 Managing Director
 DIN: 06649401

CLARA INDUSTRIES LIMITED



FORM NO. AOC -2

(Pursuant to Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at Arm's length basis: There were no contracts or arrangements or transactions that were not entered at arm's length basis

| SR. NO. | PARTICULARS | DETAILS |
|---------|--|----------|
| 1. | Name (s) of the related party & nature of relationship | N. A. |
| 2. | Nature of contracts / arrangements / transaction | N. A. |
| 3. | Duration of the contracts / arrangements / transaction | N. A. |
| 4. | Silent terms of the contracts of arrangements or transaction including the value, if any | N. A. |
| 5. | Justification for entering in contracts or arrangements or transaction | N. A. |
| 6. | Date of approval by the board | N. A. |
| 7. | Amount paid as advances, if any | N. A. |

Details of material contracts or arrangement or transactions at arm's length basis

| SR. NO. | PARTICULARS | DETAILS |
|---------|---|---|
| a) | Name (s) of the related party & nature of relationship | As per of Notes to Financial Statements on Standalone basis for the year ended March 31, 2023 |
| b) | Nature of contracts / arrangements / transactions | |
| c) | Duration of the contracts / arrangements / transactions | |
| d) | Salient terms of the contracts or arrangements or transactions including the value, if any: | |
| e) | Date(s) of approval by the Board, if any: | |
| f) | Amount paid as advances, if any: | |

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2023
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Date: September 6th, 2023

To,

The Members,
CLARA INDUSTRIES LIMITED
CIN: L25209UP2021PLC151537
127/1 Gram Simbhalka Junardar Paragna
Teshil and District Saharanpur,
Saharanpur, Uttar Pradesh 247001

Dear Sir / Madam,

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good Corporate Governance practice by Clara Industries Limited (CIN: L25209UP2021PLC151537) (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon. Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed with regulatory authorities, and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended 31st March, 2023, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter:

I herewith report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test check basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company and produced before us for the financial year ended 31st March, 2023, as per the provisions of:

- (I) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; (not applicable during the period of audit);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (to the extent applicable to the Company);
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)

- Regulations, 1993, regarding the Companies Act and dealing with client;
- d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.
 - (v) Foreign Exchange Management Act, 1999 and the rules and regulations made there under, to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB) (not applicable during the period of audit);
 - (vi) Other specifically applicable laws of the Company during the period under review:
 - (i) Income Tax Act, 1961;
 - (ii) Goods and Services Tax, 2017;
 - (iii) Indian Contract Act, 1872;
 - (iv) Information Technology Act, 2000;
 - (v) The Environment Protection Act, 1986;
 - (vi) Trademark Act, 1999;
 - (vii) Factories Act, 1948.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with The Bombay Stock Exchange or Securities and Exchange Board of India (Listing Obligations And Disclosures Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

We further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

There has been following notable changes in the constitution of Board during the year under review i.e. Financial Year 2022-2023

1. Mr. Anurag Saharawat having Membership No. 66170 was resigned as Company Secretary and Compliance Officer with effect from April 14, 2022.
2. Ms. Nidhi Varun Kumar having Membership No. 28283 was appointed as Company Secretary and Compliance Officer with effect from May 20, 2022.

None of the Directors of the Company is disqualified for being appointed / re-appointed as directors of the company as per the provisions of Section 164 of the Companies Act, 2013.

2. As per the Information provided by the management, adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All the decisions in the board meetings were carried through by majority while there were no dissenting member's views and hence not captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

CLARA INDUSTRIES LIMITED



I/we further report that during the audit period the company has Conducted following businesses during the financial year under review:-

1. Company has made public issue (Initial public Issue) during the year under review.

The opinion given by CS ASHISH VERMA Prop of M/s. Verma Ashish & Co., Company Secretary in practice and examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013.

I further Report that, during the year, it was not mandatory on the part of the Company to comply with the following Regulations / Guidelines as covered under MR-3:

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;

Based on the aforesaid information and explanation provided by the Officers and Employees of the Company and based on test checking made by us, we report that during the financial year under review, the Company has substantially complied with the provisions of the above mentioned Act/s including the applicable provisions of the Companies Act, 2013 and Rules, Regulations, Standards etc. Save and except below we have not found material observation / instances of material non Compliance in respect of the same.

FOR VERMA ASHISH & CO.
Company Secretary

Date : September 6th, 2023

Place : Saharanpur

Note : This Report has to be read with "Annexure - A"

UDIN : A059867E000957665

CS ASHISH VERMA
Prop.
ACS: 59867
C.P.: 22530
PRC 2331/2022

CLARA INDUSTRIES LIMITED



“ANNEXURE A”

Date: September 6th, 2023

Ref: SA/01/2022-23/CLARA

To,

The Members,
CLARA INDUSTRIES LIMITED
CIN: L25209UP2021PLC151537
127/1 Gram Simbhalka Junardar Paragna
Teshil and District Saharanpur,
Saharanpur, Uttar Pradesh 247001

Dear Sir / Madam,

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis (by verifying records made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained Management representation external opinion from Independent Professional Company Secretary in practice about the compliance of laws, rules and regulations and occurrence of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

FOR VERMA ASHISH & CO.
Company Secretary

Date : September 6th, 2023

Place : Saharanpur

CS ASHISH VERMA
Prop.
ACS: 59867
C.P.: 22530
PRC 2331/2022

CFO CERTIFICATION

To,
The Board of Directors
Clara Industries Limited

I, Nikhil Kukreja, the Chief Financial Officer (CFO) of the Company do here by certify to the Board that:

1. We have reviewed financial statements and the cash flow statement for the year ending 31st March, 2023 and that to the best of their knowledge and belief:
 - (I) These statements do not contain any materially untrue statement or omit any material factor contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee:
 - (I) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting;

Date : September 6th, 2023
Place : Saharanpur

For Clara Industries Limited
Sd/-
Nikhil Kukreja
Chief Financial Officer
(DIN: 06649387)

BUSINESS OVERVIEW

Your Company 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.

We have our manufacturing unit located at 127/1 Gram Simbhalka Junardar Paragna, Tehsil and District Saharanpur247001, Uttar Pradesh, India, having a total area of approximately 14,714 sq. ft. as on date. 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 believe

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 ourself 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.

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.

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 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 the statement of profit and loss.

Depreciation is provided on Written Down value basis based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013 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 Authority 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) 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.

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, 2023.

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.

Other Income: Our Other income comprises discount received from suppliers.

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 salaries, wages & bonus, staff welfare expenses and contribution to fund

Our finance costs comprise of interest on bank overdraft/ CC, interest on term loan.

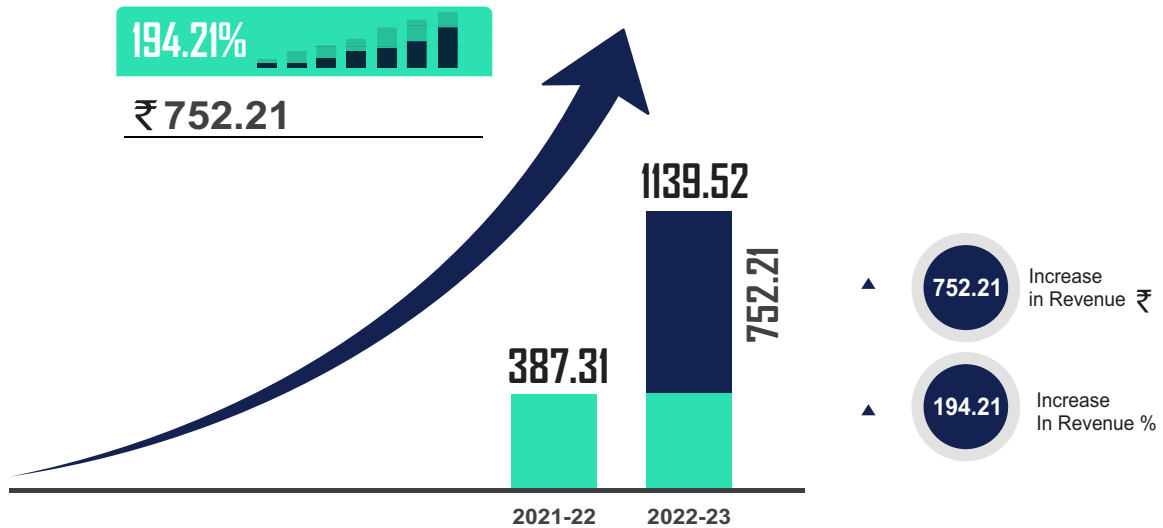
Depreciation and amortisation expenses: Tangible assets are depreciated over periods corresponding to their estimated useful lives. Depreciation includes depreciation charged on tangible assets.

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.

FINANCIAL & OPERATIONAL PERFORMANCE - OVERVIEW

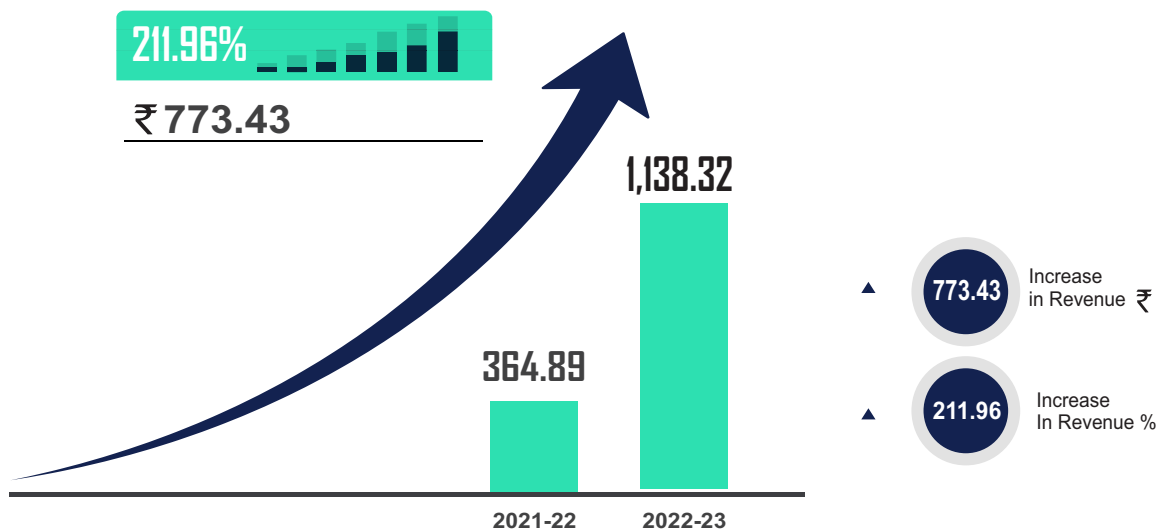
INCOME

Total Revenue: Our total revenue increased by ₹ 752.21 Lakh or 194.21% to ₹ 1,139.52 Lakh for the financial year 2022-23 from 387.31 Lakh for the financial year 2021-22.



REVENUE FROM OPERATIONS

Our revenue from operations is Rs. 1,138.32 Lakh for the financial year 2022-23 as compared to Rs. 364.89 Lakh for the financial year 2021-22 representing an incline of 211.96% on account of increase in sales because of fast recovery from covid pandemic.



FINANCIAL & OPERATIONAL PERFORMANCE - OVERVIEW**OTHER INCOME**

Our other income is Rs. 1.19 Lakh for the financial year 2022-23 as compared to Rs. 22.42 Lakh for the financial year 2021-22 representing a decrease of 94.68% on account of decrease of discount received.

EXPENSES

Our total expenses excluding finance cost, depreciation and tax expenses is Rs. 578.36 Lakh for the financial year 2022-23 as compared to Rs. 239.69 Lakh for the financial year 2021-22 representing an increase of 141.30% due to increase in total revenue.

COST OF MATERIAL CONSUMED

Our cost of material is Rs. 630.85 Lakh for the financial year 2022-23 as compared to Rs. 189.24 Lakh for the financial year 2021-22 representing an increase of 233.36% due to increase in purchase of raw material and other direct expenses.

Cost of Material Consumed

CHANGES IN INVENTORY

Our Changes in inventory is Rs. (77.01) Lakh for the financial year 2022-23 as compared to Rs.37.05 Lakh for the financial year 2021-22 representing a decrease of 307.88% due to increase in production.

EMPLOYEE BENEFITS EXPENSES

Our employee benefit expenses is Rs.11.46 Lakh for the financial year 2022-23 as compared to Rs.2.25 Lakh for the financial year 2021-22 representing an increase of 409.73% due to increase in salaries & staff welfare expenses.

FINANCE COSTS

Our Finance cost is Rs. 6.69 Lakh for the financial year 2022-23 as compared to Rs.4.15 Lakh for the financial year 2021-22 representing an increase of 60.95% on account of increase of loan in monthly equated instalments and appreciation in interest rates.

DEPRECIATION AND AMORTIZATION EXPENSE

The depreciation increased by 338.93% to Rs.9.57 Lakh for the financial year 2022-23. from Rs.2.18 Lakh for the financial year 2021-22 due to wear and tear of assets.

OTHER EXPENSES

Our other expenses increased by 17.19% to Rs.13.07 Lakh for the financial year 2022-23 from Rs.11.15 Lakh for the financial year 2021-22 which is 1.15% and 2.88% of the total revenue of respective years. This was mainly due to overall increase in scale of operations.

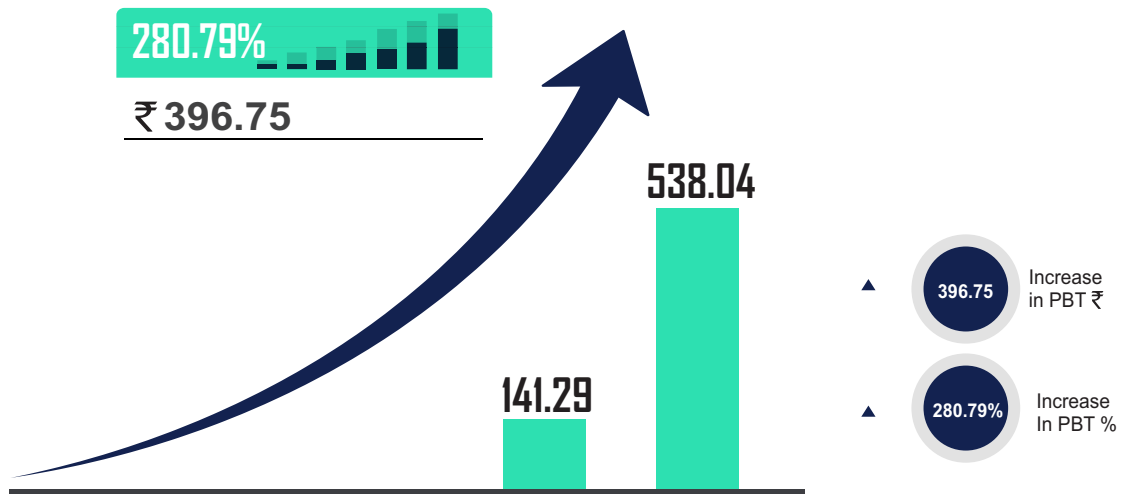
TAX EXPENSES

Our tax expenses for the financial year 2022-23 amounted to Rs.143.43 Lakh as against tax expenses of Rs.36.23 Lakh for the financial year 2021-22. The net increases of Rs.107.2 Lakh is on account of increase in Current Tax Liability including Deferred Tax.

FINANCIAL & OPERATIONAL PERFORMANCE - OVERVIEW

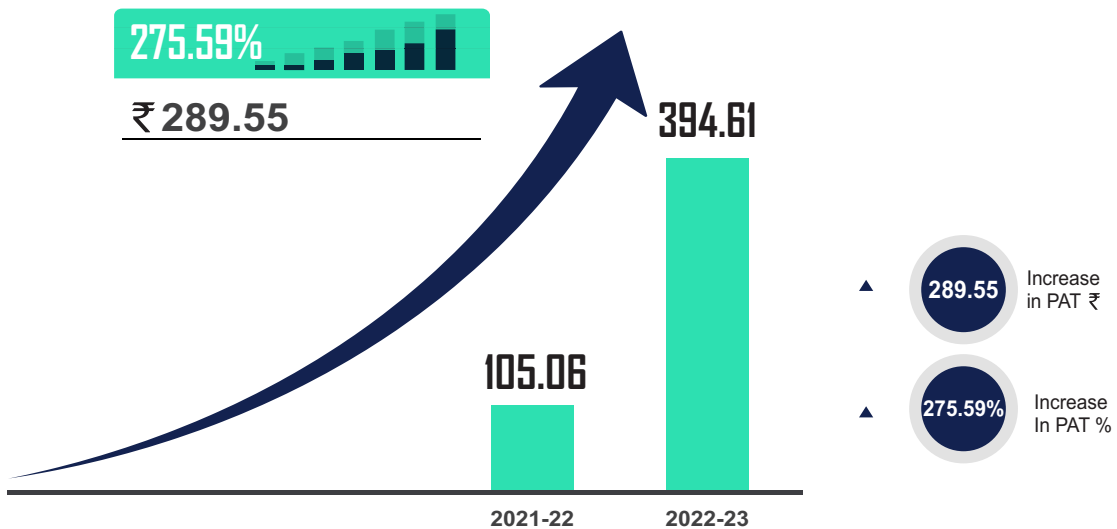
PROFIT BEFORE TAX

Our profit before tax increased by 280.79% to Rs.538.04 Lakh for the financial year 2022-23 from Rs.141.29 Lakh for the financial year 2021-22. The increase was mainly due to the factors described above.



PROFIT AFTER TAX

Our profit after tax increased by 275.59% to Rs.394.61 Lakh for the financial year 2022-23 from Rs.105.06 Lakh for the financial year 2021-22 reflecting a net increases of Rs.289.55 Lakh due to aforementioned reasons.

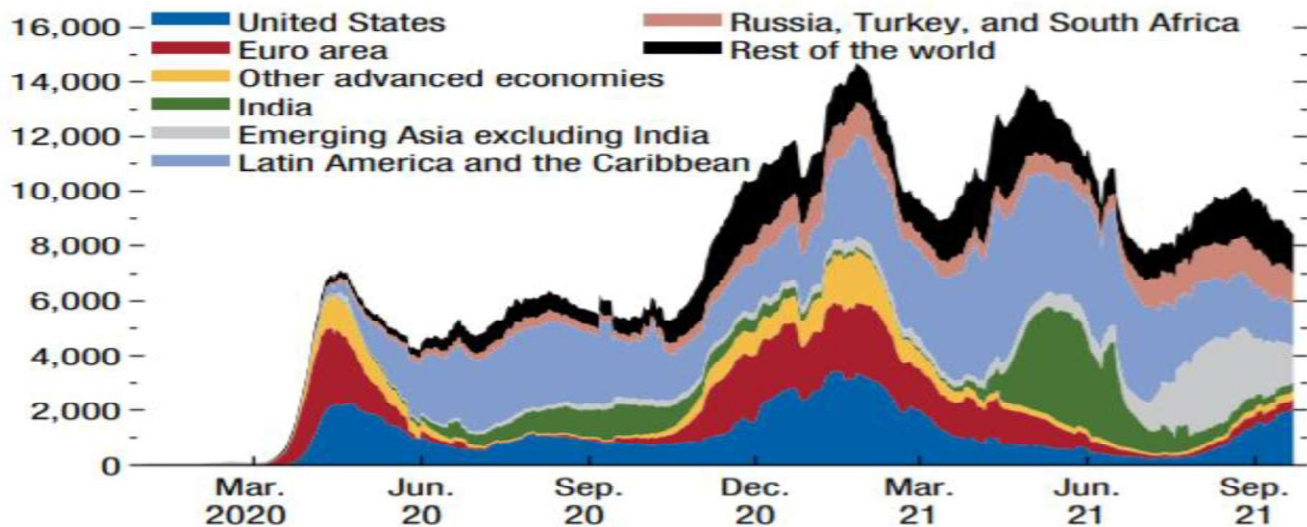


GLOBAL ECONOMY AT LARGE

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

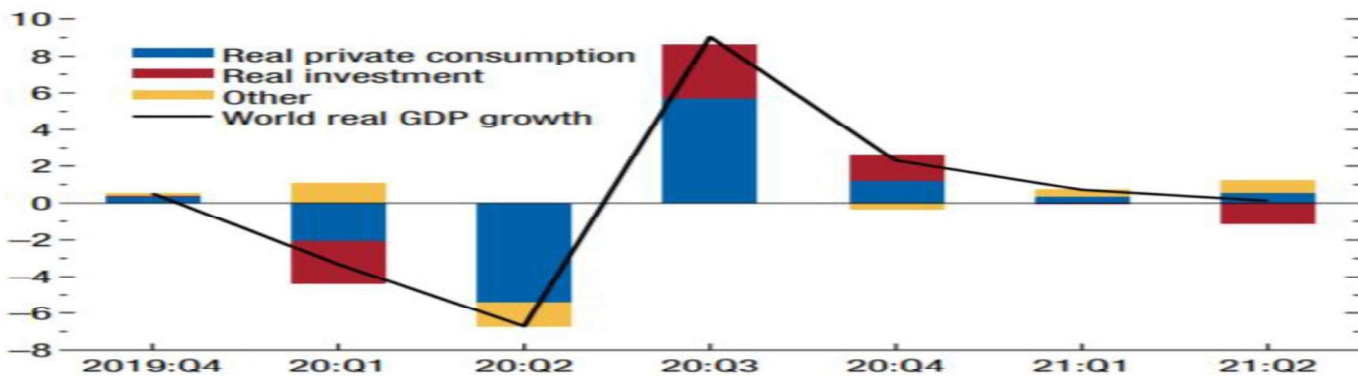
prospects are highly uncertain. These increases in inflation are occurring even as employment is below pre-pandemic levels in many economies, forcing difficult choices on policymakers particularly in some emerging market and developing economies. The chapter first discusses the global outlook and risks, 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.



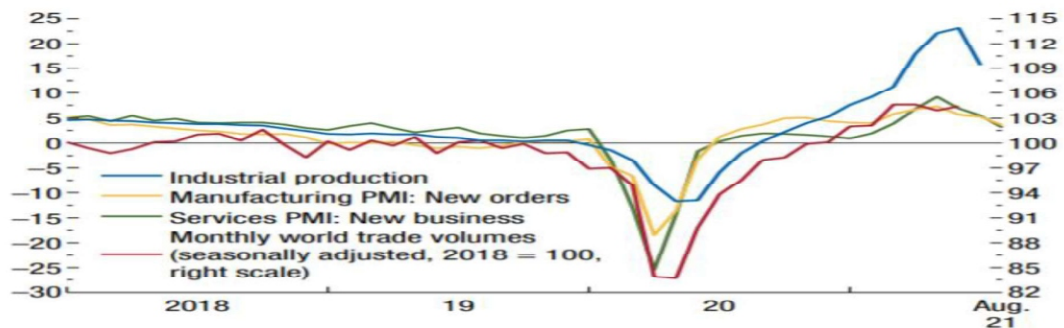
Sources: Haver Analytics; and IMF staff calculations.

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.

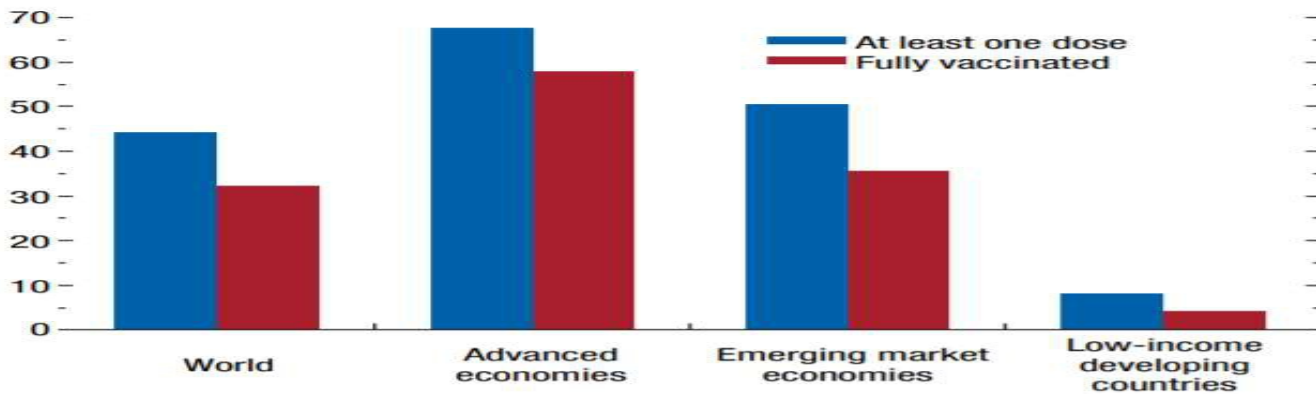


Sources: CPB Netherlands Bureau for Economic Policy Analysis; Haver Analytics; Markit Economics; and IMF staff calculations.
Note: PMI above 50 indicates expansion while below 50 indicates contraction. PMIs = purchasing managers' indexes.

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 (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.

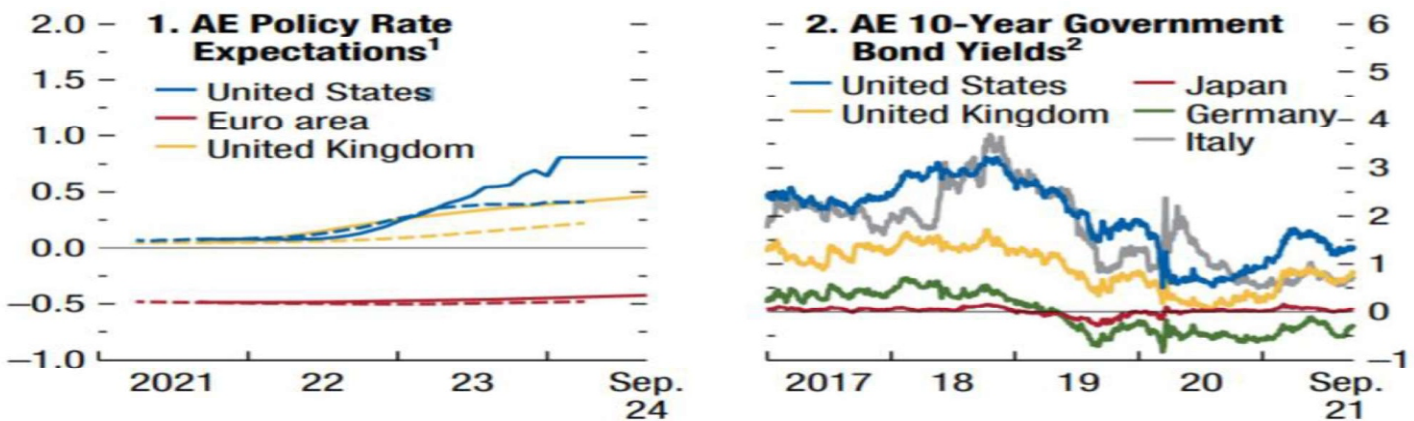
By contrast, the rest of the world has starkly lower shares of population that are fully vaccinated against COVID-19, at about 36 percent in emerging market economies and less than 5 percent in low-income developing countries. In these market economies will join advanced economies in gaining broad vaccine 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 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. 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. 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-october2021>)

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- an 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:

- (1) 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).
- (2) In August 2021, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 52.3.
- (3) The gross GST (Goods and Services Tax) revenue collection stood at Rs. 112,020 crore (US\$ 15.21 billion) in August 2021.
- (4) 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.
- (5) India's Index of Industrial Production (IIP) for July 2021 stood at 131.4 against 122.6 for June 2021.
- (6) Consumer Food Price Index (CFPI) Combined inflation was 3.11 in August 2021 against 3.96 in July 2021.
- (7) 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 cro

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 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:

- (1) 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.
- (2) In August 2021, NITI Aayog and Cisco collaborated to encourage women's entrepreneurship in India.
- (3) 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.
- (4) In August 2021, Prime Minister Mr. Narendra Modi launched digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- (5) 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.
- (6) In June 2021, the Indian government signed a US\$ 32 million loan with World Bank for improving healthcare services in Mizoram.
- (7) 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.
- (8) 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.
- (9) 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, access to exporters / importers anytime and anywhere.
- (10) 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.

ROAD AHEAD

As per the data published in a Department of Economic Affairs report, in the first

a 20.1% YoY growth, recovering >90% of the preadded (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 vaccination coverage among citizens. This also provided an optimistic outlook to further revive industrial activities. of FY22. The

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 e 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>)

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

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, 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 BUSINESS 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 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 cons

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 siness 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 location in next two years. This 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

- ◀ Location Advantage of Manufacturing unit
- ◀ Strong Clientele
- ◀ Quality of Products

WEAKNESS

- ◀ Intense Competition from Unorganized Player
- ◀ Change in regulatory norms in our country.

OPPORTUNITIES

- ◀ Goods ban from China will increase our sales
- ◀ Exploring New Export Markets

THREATS

- ◀ Fluctuation in Raw Material Costs
- ◀ Factory and Machinery on lease

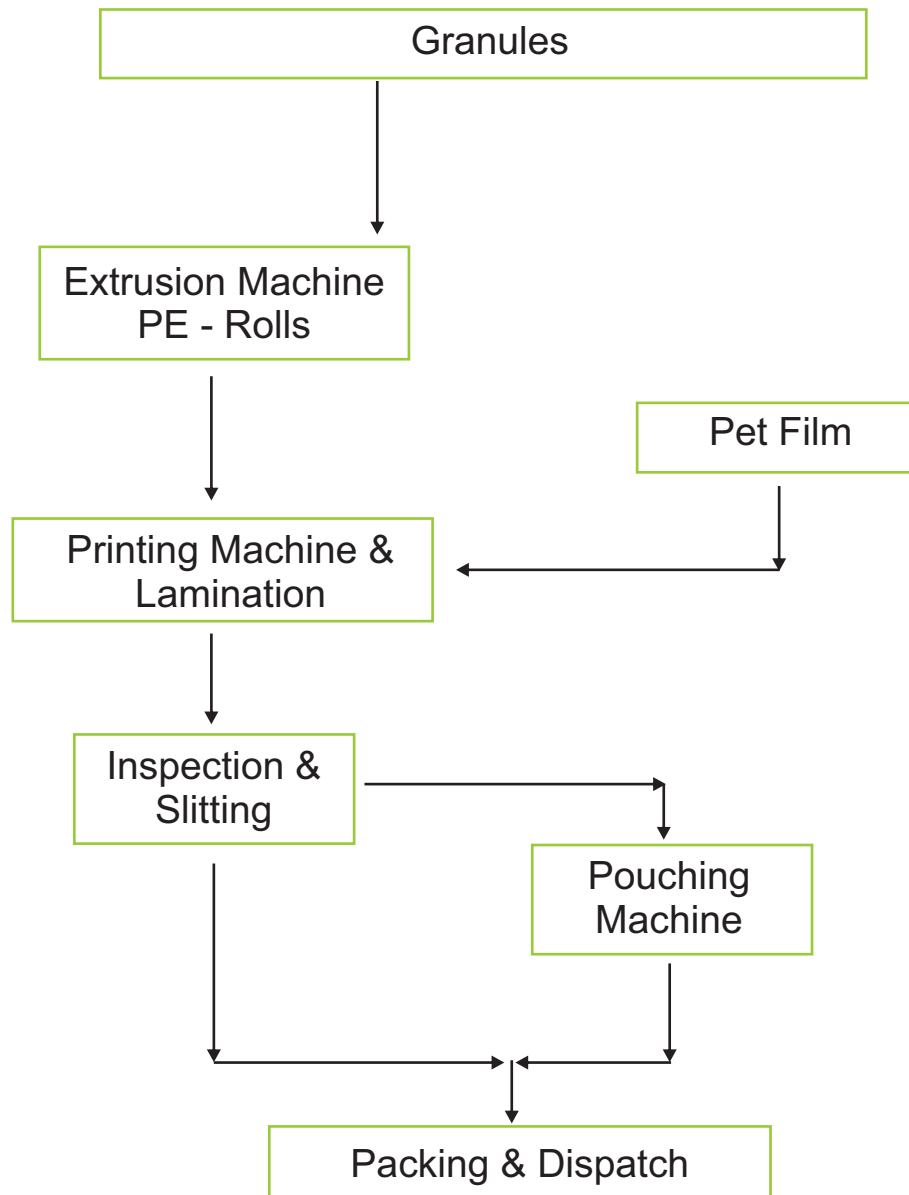
OUR MACHINERY

| Sr. No. | Name of Machine | Qty. | Sr. No. | Name of Machine | Qty. |
|---------|--|------|---------|------------------------------|------|
| 1 | Bottom Seal (34 Inches) * | 1 | 14 | Extruder Machine | 12 |
| 2 | Bottom Seal (28 Inches) * | 1 | 15 | Mixture Machine | 1 |
| 3 | Six Colour Rotogravure Printing Machine with Hot Air and Compressor* | 1 | 16 | Compressor | 2 |
| 4 | Six Colour Flexed Printing Machine with Hot Air | 1 | 17 | Granulating Machine | 4 |
| 5 | Side Seal Machine (24 Inches) | 1 | 18 | Generator | 1 |
| 6 | Side Seal Machine (28 Inches) | 1 | 19 | Granulating Machine | 1 |
| 7 | Pouching Machine with Compressor | 1 | 20 | Warping Machine | 1 |
| 8 | Slitting Machine | 1 | 21 | Agro Grinder | 1 |
| 9 | Core Cutter | 1 | 22 | Grinder | 1 |
| 10 | 4/6 Loom Machine | 7 | 23 | Zipper Pouching | 1 |
| 11 | 6/9 Loom Machine | 8 | 24 | Machine Spare Parts | 1 |
| 12 | 5/7 Loom Machine | 2 | 25 | Mamta Brampton (Multi Layer) | 1 |
| 13 | Self Adhesive Tape Machine | 2 | | | |

*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.

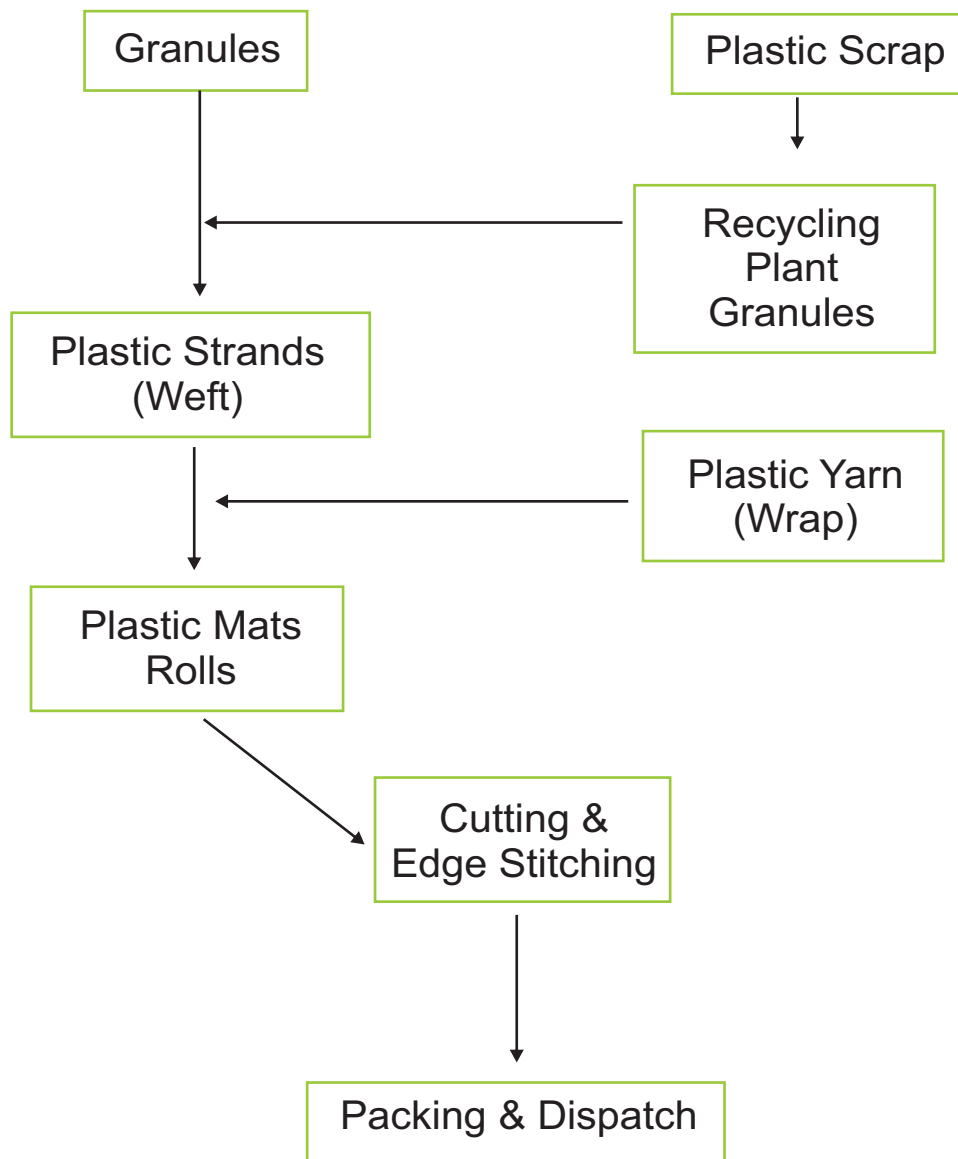
OUR MANUFACTURING PROCESS

Processing Chart for Flexible Packing



OUR MANUFACTURING PROCESS

Processing Chart of Plastic Mats





FLEXIBLE PACKAGING

We "CLARA" at 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.



HORTICULTURE BAGS

We "CLARA" at 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:

- (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.



PLASTIC MATS

Plastic Mat is made using premium virgin quality polypropylene straws to offer strength, softness and beauty. We use our Plastic waste material' srecycled granules also to make the mats. Carpet - Floor Mat is lightweight, portable and very easy to maintain. 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.



TRANSPARENT PLASTIC

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.



PRINTED PLASTIC FILMS

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.



PLASTIC BANGLES

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.

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 2023, the Statement of Profit and Loss and the statement of Cash Flows for the year ended on March 31, 2023 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 year ended March 31, 2023, 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 2023 taken on record by the Board of Directors, none of the directors is

disqualified as on 31st March 2023 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.

Place: Kolkata

Date: May 05, 2023

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

Jay Shanker Gupta
Partner
Membership No: 059535
UDIN: 23059535BGSWTU9155

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 year ended 31st March 2023 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 2023, 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.

Place: Kolkata

Date: May 05, 2023

For **Gupta Agarwal & Associates**

Chartered Accountants

Firm's Registration No: 329001E

Jay Shanker Gupta

Partner

Membership No: 059535

UDIN: 23059535BGSWTU9155

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 year ended March 31, 2023; 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.
- © 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 & INVESTMENT 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: Nil

Outstanding as on 31.03.2023: 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 | 100.00 | - | - |

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)]

In our opinion and according to information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) for the financial year ended on 31st March, 2023.

The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

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. INTERNAL AUDIT: [CLAUSE 3(xiv)]

The company have an internal audit system commensurate with the size and nature of its business and internal audit report has been considered by us.

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

Place: Kolkata
Date: May 05, 2023

Jay Shanker Gupta
Partner
Membership No: 059535
UDIN: 23059535BGSWTU9155

CLARA INDUSTRIES LIMITED

CIN: L25209UP2021PLC151537
BALANCE SHEET AS ON 31ST MARCH, 2023



(Rs. In lakhs)

| Particulars | Note | As on 31st March, 2023 | As on 31st March, 2022 |
|--|------|---------------------------|---------------------------|
| <u>EQUITY AND LIABILITIES</u> | | | |
| Shareholders Funds: | | | |
| Share Capital | 3 | 248.10 | 248.10 |
| Reserves & Surplus | 4 | 686.56 | 291.95 |
| | | 934.66 | 540.05 |
| Share Application Money Pending Allotment | | | |
| | | - | - |
| Non-Current Liabilities | | | |
| Long-Term Borrowings | 5 | 9.60 | 9.60 |
| Deferred Tax Liabilities (Net) | 11 | - | 0.43 |
| | | 9.60 | 10.03 |
| Current Liabilities | | | |
| Short-Term Borrowings | 6 | 401.39 | 63.81 |
| Trade Payables | 7 | | |
| - Due to MSME | | 56.39 | - |
| - Due to Other than MSME | | 3.10 | 44.45 |
| Other Current Liabilities | 8 | 20.69 | 2.57 |
| Short-Term Provisions | 9 | 146.08 | 35.80 |
| | | 627.65 | 146.63 |
| TOTAL | | | |
| | | 1,571.90 | 696.71 |
| <u>ASSETS</u> | | | |
| Non-Current Assets | | | |
| Property, Plant & Equipment and Intangible Assets | | | |
| - Tangible Assets | 10 | 43.54 | 49.77 |
| - Intangible Assets | | - | - |
| Deferred Tax Assets (Net) | 11 | 0.04 | - |
| | | 43.59 | 49.77 |
| Current Assets | | | |
| Inventories | 12 | 288.13 | 245.43 |
| Trade Receivables | 13 | 724.83 | 261.41 |
| Cash and Cash Equivalents | 14 | 120.93 | 46.99 |
| Short-Term Loans and Advances | 15 | 285.02 | 33.22 |
| Other Current Assets | 16 | 109.41 | 59.89 |
| | | 1,528.32 | 646.94 |
| TOTAL | | | |
| | | 1,571.90 | 696.71 |
| Significant Accounting Policies | 2.1 | | |

AS PER OUR REPORT OF EVEN DATE ATTACHED

For CLARA INDUSTRIES LIMITED

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

PARRY KUKREJA
MANAGING DIRECTOR
DIN : 06649401

NIKHIL KUKREJA
DIRECTOR & CFO
DIN : 06649387

NIDHI VARUN KUMAR
COMPANY SECRETARY

Jay Shanker Gupta
Partner

Membership No: 059535
UDIN: 23059535BGSWTU9155

Date: May 05, 2023
Place: Saharanpur

Place: Kolkata
Date: May 05, 2023

CLARA INDUSTRIES LIMITED
CIN: L25209UP2021PLC151537

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2023

(Rs. In lakhs)

| Particulars | Note | For the year ended on 31st March, 2023 | For the period from 2nd September, 2021 to 31st March, 2022 |
|---|------|---|---|
| Income : | | | |
| Revenue From Operations | 17 | 1,138.32 | 364.89 |
| Other Income | 18 | 1.19 | 22.42 |
| Total Revenue | | 1,139.52 | 387.31 |
| Expenses : | | | |
| Cost Material Consumed | 19 | 630.85 | 189.24 |
| Change in Inventory | 20 | (77.01) | 37.05 |
| Employee Benefits Expenses | 21 | 11.46 | 2.25 |
| Finance Costs | 22 | 6.69 | 4.15 |
| Depreciation and Amortization Expense | 23 | 9.57 | 2.18 |
| Other Expenses | 24 | 13.07 | 11.15 |
| Total Expenses | | 594.62 | 246.02 |
| Profit before exceptional and extraordinary items and tax | | 544.90 | 141.29 |
| Exceptional items - Provision for CSR expenses | | 6.86 | - |
| Profit before extraordinary items and tax | | 538.04 | 141.29 |
| Extraordinary Items | | - | - |
| Profit Before Tax | | 538.04 | 141.29 |
| Tax Expense : | | | |
| (1) Prior Year Taxes | | - | - |
| (2) i) Current Tax | | 139.22 | 35.80 |
| ii) Earlier years tax | | 4.69 | - |
| (3) Deferred Tax | | (0.47) | 0.43 |
| Profit / (Loss) for the period from continuing operations | | 394.61 | 105.06 |
| Profit / (loss) from discontinuing operations | | - | - |
| Tax expense of discontinuing operations | | - | - |
| Profit / (Loss) from Discontinuing operations after tax | | - | - |
| Profit / (Loss) for the period | | 394.61 | 105.06 |
| Earnings Per Share (EPS) | 25 | 15.91 | 8.99 |
| Basic and Diluted (Rs) | | 15.91 | 8.99 |
| Significant Accounting Policies | 2.1 | | |

AS PER OUR REPORT OF EVEN DATE ATTACHED
For CLARA INDUSTRIES LIMITED

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

PARRY KUKREJA
MANAGING DIRECTOR
DIN : 06649401

NIKHIL KUKREJA
DIRECTOR & CFO
DIN : 06649387

NIDHI VARUN KUMAR
COPANY SECRETARY

Date: May 05, 2023
Place: Saharanpur

Jay Shanker Gupta
Partner

Membership No: 059535
UDIN: 23059535BGSWTU9155

Place: Kolkata
Date: May 05, 2023

CLARA INDUSTRIES LIMITED
CIN: L25209UP2021PLC151537

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2023

(Rs. In lakhs)

| | Particulars | As on 31st March, 2023 | As on 31st March, 2022 |
|-----------|---|---------------------------|---------------------------|
| A. | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Net profit before tax | 538.04 | 141.29 |
| | Adjustment for | | |
| | Add: Depreciation and amortisation | 9.57 | 2.18 |
| | Finance cost | 6.69 | 4.15 |
| | Provision for CSR | 6.86 | |
| | | 561.16 | 147.63 |
| | Less : Interest on Long term and current non-trade investments | | |
| | Interest on loans , deposits etc | - | |
| | | 561.16 | 147.63 |
| | Operating profit before working capital changes | 561.16 | 147.63 |
| | Changes in working capital : | | |
| | Adjustment for (increase)/decrease in operating assets : | | |
| | Add : Inventories | (42.71) | (245.43) |
| | Trade receivables | (463.42) | (261.41) |
| | Other current assets | (49.52) | (59.89) |
| | Short term loans and advances | (251.79) | (33.22) |
| | | (246.28) | (452.32) |
| | Adjustment for increase/(decrease) in operating liabilities : | | |
| | Add : Trade payables | 15.04 | 44.45 |
| | Other current liabilities | 18.12 | 2.57 |
| | | | |
| | Cash generated from Operations | (213.12) | (405.30) |
| | Less: Prior Year Tax | - | |
| | Less : Direct taxes paid | 40.49 | |
| | Net cash from Operating Activities (A) | (253.61) | (405.30) |
| A. | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | Purchase of Fixed Assets | (3.34) | (51.95) |
| | Net cash/(used) in Investing Activities (B) | (3.34) | (51.95) |
| C. | CASH FLOW FROM FINANCING ACTIVITIES | | |
| | Short Term Borrowings | 337.58 | 63.81 |
| | Long Term Borrowings | - | 9.60 |
| | Proceeds from Issue of Share Capital | - | 158.11 |
| | Proceeds from IPO | - | 276.88 |
| | Interest paid | (6.69) | (4.15) |
| | Net cash/(used) in Financing Activities (C) | 330.89 | 504.24 |
| D. | INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | 73.94 | 46.99 |
| | Cash and Cash Equivalents at the beginning of the year | 46.99 | - |
| | Cash and Cash Equivalents at the end of the year | 120.93 | 46.99 |

CLARA INDUSTRIES LIMITED
CIN: L25209UP2021PLC151537
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2023

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:

- (Rs. In lakhs)

- Cash In Hand
- With Scheduled Banks
On Current Accounts

| | As on 31st March, 2023 | As on 31st March, 2022 |
|--|-----------------------------------|-----------------------------------|
| | 30.24 | 13.33 |
| | 90.69 | 33.66 |
| | <u>120.93</u> | <u>46.99</u> |

AS PER OUR REPORT OF EVEN DATE ATTACHED
For CLARA INDUSTRIES LIMITED

PARRY KUKREJA
MANAGING DIRECTOR
DIN : 06649401

NIKHIL KUKREJA
DIRECTOR & CFO
DIN : 06649387

NIDHI VARUN KUMAR
COMPANY SECRETARY

Date: May 05, 2023
Place: Saharanpur

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

Jay Shanker Gupta
Partner

Membership No: 059535
UDIN: 23059535BGSWTU9155

Place: Kolkata
Date: May 05, 2023

CLARA INDUSTRIES LIMITED

CIN: L25209UP2021PLC151537

Notes to Financial Statements for the period ended March 31, 2023

| (Amount in Lakhs) | (Amount in Lakhs) |
|-----------------------|-----------------------|
| As on 31st March 2023 | 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 |
| | 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 |
| | 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, 2023 | | As on 31st March, 2022 | |
|--|------------------------|-------------------|------------------------|-------------------|
| | No of shares | (Amount in Lakhs) | No of shares | (Amount in Lakhs) |
| Ordinary Equity Shares | | | | |
| Equity shares at the beginning of the period | 50,000.00 | 5.00 | 50,000.00 | 5.00 |
| Add : Shares issued against BTA | 87,140.00 | 8.71 | 87,140.00 | 8.71 |
| Add : Preferential allotment | 1,17,000.00 | 11.70 | 1,17,000.00 | 11.70 |
| Add : Bonus Issue | 15,24,840.00 | 152.48 | 15,24,840.00 | 152.48 |
| Add : Fresh issue through IPO | 7,02,000.00 | 70.20 | 7,02,000.00 | 70.20 |
| Outstanding at the end of the period | 24,80,980.00 | 248.10 | 24,80,980.00 | 248.10 |

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 31.03.2023 | | As at 31.03.2022 | | % Change during the Year |
| | No. of shares | % of Shares | No. of shares | % of Shares | |
| Name of the Shareholders | | | | | |
| NIKHIL KUKREJA | 2,82,310.00 | 11.38 | 4,08,310.00 | 16.46 | (30.86) |
| PARRY KUKREJA | 13,70,628.00 | 55.25 | 13,70,628.00 | 55.25 | - |
| SHANTI RANI | 7.00 | 0.00 | 7.00 | 0.00 | - |
| ISHA SACHDEVA | 7.00 | 0.00 | 7.00 | 0.00 | - |
| PRIYANKA MEDIRATTA | 14.00 | - | 14.00 | 0.00 | - |
| TOTAL | 16,52,966.00 | 66.62 | 17,78,966.00 | 71.70 | |

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

| Ordinary Equity Shares | As on 31st March, 2023 | | As on 31st March, 2022 | |
|---------------------------|------------------------|-------------|------------------------|-------------|
| | No of shares | % of Shares | No of shares | % of Shares |
| Name of the Share Holders | | | | |
| NIKHIL KUKREJA | 2,82,310 | 11.38% | 4,08,310 | 16.46% |
| PARRY KUKREJA | 13,70,628 | 55.25% | 13,70,628 | 55.25% |
| RAHUL JHUNJHUNWALA | 1,38,000 | 5.56% | 1,23,000 | 4.96% |

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 2023 | (Amount in Lakhs) As on 31st March 2022 |
|-------------------------------------|---|---|
| Securities Premium | 186.89 | - |
| As at beginning of the period | - | 364.35 |
| Add: Additions during the year | - | 152.48 |
| Less: Bonus Issued | - | 24.98 |
| Less: IPO Expenses | - | - |
| | 186.89 | 186.89 |
| Profit & Loss Account | 105.06 | - |
| As per last balance sheet | 394.61 | 105.06 |
| Add: Current Year's Profit / (Loss) | - | - |
| | 499.67 | 105.06 |
| | 686.56 | 291.95 |

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 2023 | (Amount in Lakhs) As on 31st March 2022 |
|--------------------|---|---|
| From Other Parties | 9.60 | 9.60 |
| | 9.60 | 9.60 |

Note 6 -

Short Term Borrowings

Secured

Overdraft Limit from PNB
Covid Loan from PNB

Unsecured

From Directors

| | (Amount in Lakhs) | (Amount in Lakhs) |
|--------------------------|-------------------|-------------------|
| Overdraft Limit from PNB | 53.14 | 55.09 |
| Covid Loan from PNB | 4.62 | 8.72 |
| From Directors | 343.63 | - |
| | 401.39 | 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- Simbhal 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 2023 | (Amount in Lakhs) As on 31st March 2022 |
|----------------|---|---|
| Trade Payables | 56.39 | - |
| - MSME | 3.10 | 44.45 |
| - Others | - | - |
| | 59.49 | 44.45 |

(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 31.03.2023 | As on 31.03.2022 |
| Less than 1 years | 55.36 | 44.45 |
| 1-2 yrs | 4.13 | - |
| 2-3 yrs | - | - |
| More Than 3 yrs | - | - |
| TOTAL | 59.49 | 44.45 |

Note 8 -

Other Current Liabilities

Audit Fees payable
Advance from Debtors
TDS payable

| (Amount in Lakhs) | (Amount in Lakhs) |
|-----------------------|-----------------------|
| As on 31st March 2023 | As on 31st March 2022 |
| 0.75 | 0.50 |
| 19.78 | 2.07 |
| 0.16 | |
| 20.69 | 2.57 |

Note 9 -

Short Term Provision

Income Tax Payable
Provision for CSR expenses

| | |
|---------------|--------------|
| 139.22 | 35.80 |
| 6.86 | |
| 146.08 | 35.80 |

Note 11 - Deferred Tax (Asset)/Liability

Deferred Tax Asset
Add : Current Year Provision

| | |
|---------------|-------------|
| 0.43 | - |
| 0.47 | (0.43) |
| (0.04) | 0.43 |

Note 12 - Inventories

Raw Material
Work in Progress

| | |
|---------------|---------------|
| 181.30 | 215.60 |
| 106.84 | 29.82 |
| 288.13 | 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
Debts outstanding for period exceeding six months

| | |
|---------------|---------------|
| 378.77 | 261.41 |
| 346.06 | - |
| 724.83 | 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 | |
|--------------------|-------------------------------------|---------------|
| | 31.03.2023 | 31.03.2022 |
| Less than 6 months | 378.77 | 261.41 |
| 6 months- 1 year | 172.24 | - |
| 1-2 yrs | 173.82 | - |
| 2-3 yrs | - | - |
| More Than 3 yrs | - | - |
| TOTAL | 724.83 | 261.41 |

Note 14 - Cash & Bank Balances

| | (Amount in Lakhs) As on 31st March, 2023 | (Amount in Lakhs) As on 31st March, 2022 |
|--|--|--|
| Cash In Hand | 30.24 | 13.33 |
| <u>Balances With Banks (Current A/c)</u> | | |
| ICICI Bank | 0.10 | 0.10 |
| PNB | 8.79 | 3.47 |
| PNB New | - | - |
| Union Bank | 81.80 | 30.10 |
| | 120.93 | 46.99 |

Note 15 - Short Term Loans & advances

(Unsecured considered good by the Management)

| | | |
|--|---------------|--------------|
| Security Deposits | 6.74 | 3.22 |
| Short term advances given to parties | 278.28 | 30.00 |
| (Balances are subjected to ledger confirmations) | | |
| | 285.02 | 33.22 |

Note 16 - Other Current Assets

| | | |
|---------------------------|---------------|--------------|
| Advance given to supplier | 83.02 | 43.65 |
| GST receivable | 26.34 | 16.24 |
| TCS | 0.04 | |
| | 109.41 | 59.89 |

| | Amount (in Lakhs.) For the year ended 31st March, 2023 | Amount (in Lakhs.) For the period ended 31st March, 2022 |
|-------------------------------------|--|--|
| Note 17 - | | |
| Revenue from operations | | |
| Sale of Manufactured goods: | | |
| Packing Products | 283.03 | 185.15 |
| Plastic Mats | 714.13 | 107.93 |
| Plastic Bangles | 141.16 | 71.82 |
| Total | 1,138.32 | 364.89 |
| Note 18 - | | |
| Other Income | | |
| Interest on Income Tax | 0.16 | - |
| Discount Received | 1.03 | 22.42 |
| | 1.19 | 22.42 |
| Note 19 - | | |
| Cost of Material Consumed | | |
| Opening Stock of Raw material | 215.60 | - |
| Add: Purchases during the year | 549.17 | 244.36 |
| Add: Purchase of stock through BTA | - | 138.92 |
| | 764.77 | 383.28 |
| Add: Direct Expenses: | | |
| Power | 25.68 | 8.05 |
| Freight | 1.20 | 3.64 |
| Other Direct expenses | 3.14 | - |
| Labour charges | 17.36 | 9.87 |
| | 812.15 | 404.84 |
| Less: Closing Stock of Raw material | 181.30 | 215.60 |
| Consumption | 630.85 | 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 | 29.82 | - |
| Add: Acquired through BTA | - | 66.87 |
| Closing WIP | 106.84 | 29.82 |
| Change in Inventories | (77.01) | 37.05 |

| | Amount (in Lakhs.) For the year ended 31st March, 2023 | Amount (in Lakhs.) For the period ended 31st March, 2022 |
|-----------------------------------|--|--|
| Note 21 - | | |
| Employee Benefits Expenses | | |
| Salaries | 10.88 | 2.25 |
| Contribution to Fund | 0.57 | - |
| | 11.46 | 2.25 |

**Note 22 -
Finance Costs**

| | Amount (in Lakhs.) For the year ended 31st March, 2023 | Amount (in Lakhs.) For the period ended 31st March, 2022 |
|--|--|--|
| Interest on loan from Bank & Financial Institution | 6.35 | 3.99 |
| Bank Charges | 0.34 | 0.17 |
| | 6.69 | 4.15 |

**Note 23 -
Depreciation & Amortisation Expenses**

| | | |
|--------------|-------------|-------------|
| Depreciation | 9.57 | 2.18 |
| | 9.57 | 2.18 |

**Note 24 -
Other Expenses**

| | | |
|------------------------------|--------------|--------------|
| Audit Fees | 1.00 | 0.85 |
| Accounting Charges | 0.72 | |
| Advertisement | 0.57 | - |
| BSE Charges | 0.53 | - |
| Membership Fees | 0.07 | 0.07 |
| Insurance | 0.11 | - |
| Internet Expenses | 0.08 | - |
| GST Reversal | 0.00 | |
| License Fees | 0.25 | |
| Legal & Professional Charges | 1.40 | 4.35 |
| Office Expenses | 0.38 | - |
| General Expenses | 0.51 | 1.94 |
| Travelling Expenses | 0.66 | 1.17 |
| Software purchase | 0.17 | |
| Directors' Sitting fees | 0.10 | - |
| Preliminary Expenses W/off | - | 0.02 |
| ROC Filing Fees | 6.52 | 2.75 |
| | 13.07 | 11.15 |

Details of Audit Fees:

| | | |
|----------------------|-------------|-------------|
| Statutory Audit Fees | 1.00 | 0.85 |
| | 1.00 | 0.85 |

**Note 25 -
Earnings Per Share (EPS)**

| | Amount (in Lakhs.) As on 31st March, 2023 | Amount (in Lakhs.) As on 31st March, 2022 |
|--|---|---|
|--|---|---|

| | | |
|--|-----------|-----------|
| Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders | 394.61 | 105.06 |
| Weighted Average number of equity shares used as denominator for calculating EPS | 24,80,980 | 11,69,247 |
| Basic and Diluted Earnings Per Share (Weighted average) | 15.91 | 8.99 |
| Face Value per equity share (Rs.) | 10.00 | 10.00 |

CLARA INDUSTRIES LIMITED
CIN: L25209UP2021PLC151537

Notes to Financial Statements for the period ended March 31, 2023

Note: 26:-

RELATED PARTIES TRANSACTIONS

| PARTICULARS | Amount (in Lakhs.) | |
|---|---------------------------|---------------------------|
| | As on 31st March, 2023 | As on 31st March, 2022 |
| REVENUE ITEMS | | |
| Remuneration to Directors & KMP | 1.20 | 1.50 |
| Sales made during the year | 0.60 | 190.27 |
| Expenses for Offer for Sale | - | - |
| NON REVENUE ITEMS | | |
| Equity shares capital including securities premium against BTA executed | - | 65.36 |
| Loan availed | 344.64 | 19.66 |
| Advance paid | 2.28 | - |
| Loan paid/repaid | 4.88 | 393.75 |
| Total | 353.60 | 670.54 |

Year Wise RPT transactions bifurcated amongst name of related parties

| PARTICULARS | Amount (in Lakhs.) | |
|---|---------------------------|---------------------------|
| | As on 31st March, 2023 | 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 | 97.06 | 3.16 |
| Loan Repaid | - | 3.16 |
| Closing Balance | 97.06 | - |
| Nikhil Kukreja - Director | | |
| Opening Balance | - | - |
| Loan availed | 247.58 | - |
| Loan Repaid | 0.96 | - |
| Closing Balance | 246.62 | - |
| Mrs. Shanta Rani - Relative of director | | |
| Opening Balance | - | - |
| Loan Taken pursuant to BTA | - | 4.50 |
| Loan Repaid | - | 4.50 |
| Closing Balance | - | - |
| Priyanka Mediratta - Relative of director | | |
| Opening Balance | - | - |
| Advance Given | 2.28 | - |
| Closing Balance | 2.28 | - |
| M/s. Chand Plastic Company (Prop. Rohit Kukreja) - Relative of director | | |
| Opening Balance | - | - |
| Sales made | 0.60 | - |
| Payment received | 0.25 | - |
| Closing Balance | 0.35 | - |
| M/s. Chand Plastic Corporation (Prop. Nikhil Kukreja) - Enterprise where control exist | | |
| Opening Balance | 161.55 | - |
| 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 | 3.92 | 213.78 |
| Amount Received | 15.71 | 28.72 |
| Closing Balance | 149.76 | 161.55 |
| Remuneration | | |
| Anurag Saharawat (Company Secretary) | - | 1.50 |
| Nidhi Varun Verma | 1.20 | - |

CLARA INDUSTRIES LIMITED
CIN: L25209UP2021PLC151537
NOTES FORMING PART OF FINANCIAL STATEMENTS

Note: 27

Restated Statement of Accounting Ratio

| Particulars | | (Rs. In Lakhs) | | Reason for Variance (applicable where variance is more than 25%) |
|--|----------------|------------------|------------------|---|
| | | As at 31.03.2023 | As at 31.03.2022 | |
| Current Assets | [A] | 1,528.32 | 646.94 | Current ratio decreased by 44.81% due to increase in Current liability, majorly due to increase in short term borrowings for the F.Y. 2022-23 |
| Current Liabilities | [B] | 627.65 | 146.63 | |
| Current Ratio (in times) | [A / B] | 2.43 | 4.41 | |
| Debt | [A] | 410.98 | 73.41 | Debt-equity ratio increased by 223.49% due to increase in short term borrowings for the F.Y. 2022-23 |
| Equity | [B] | 934.66 | 540.05 | |
| Debt - Equity Ratio (in times) | [A / B] | 0.44 | 0.14 | |
| Earnings available for debt service | [A] | 554.29 | 147.63 | Debt-service coverage ratio increased by 133.28% due to increase in Earning before interest, depreciation and tax during the F.Y. 2022-23 |
| Debt Service | [B] | 6.69 | 4.15 | |
| Debt - Service Coverage Ratio (in times) | [A / B] | 82.90 | 35.54 | |
| Net Profit after Taxes | [A] | 394.61 | 105.06 | Return on equity ratio increased by 117.02% due to increase in PAT during the F.Y. 2022-23 |
| Shareholder's Equity | [B] | 934.66 | 540.05 | |
| Return on Equity Ratio (in %) | [A / B] | 42.22% | 19.45% | |
| Sales | [A] | 1,138.32 | 364.89 | Inventory turnover ratio increased by 165.72% due to increase in turnover during the F.Y. 2022-23 |
| Inventory | [B] | 288.13 | 245.43 | |
| Inventory Turnover Ratio (in times) | [A / B] | 3.95 | 1.49 | |
| Net Sales | [A] | 1,138.32 | 364.89 | Trade Receivables Turnover Ratio (in times) |
| Trade Receivables | [B] | 724.83 | 261.41 | |
| Trade Receivables Turnover Ratio (in times) | [A / B] | 1.57 | 1.40 | |
| Net Purchase | [A] | 549.17 | 383.28 | Trade Payables Turnover Ratio (in times) |
| Trade Payables | [B] | 59.49 | 44.45 | |
| Trade Payables Turnover Ratio (in times) | [A / B] | 9.23 | 8.62 | |
| Net Sales | [A] | 1,138.32 | 364.89 | Working capital turnover ratio increased by 73.29% due to increase in turnover during the F.Y. 2022-23 |
| Current Assets | | 1,528.32 | 646.94 | |
| Current Liabilities | | 627.65 | 146.63 | |
| Working Capital | [B] | 900.67 | 500.30 | |
| Net Working Capital Turnover Ratio (in times) | [A / B] | 1.26 | 0.73 | |
| Net Profit | [A] | 394.61 | 105.06 | Net Profit Ratio (in %) |
| Net Sales | [B] | 1,138.32 | 364.89 | |
| Net Profit Ratio (in %) | [A / B] | 34.67% | 28.79% | |
| Earning Before Interest and Taxes | [A] | 544.72 | 145.45 | Return on capital employed ratio increased by 118% due to increase in PAT during the F.Y. 2022-23 |
| Capital Employed | [B] | 944.25 | 549.64 | |
| Return on Capital Employed (in %) | [A / B] | 57.69% | 26.46% | |
| Net Return on Investment | [A] | - | - | Return on Investment (in %) |
| Final Value of Investment | | - | - | |
| Initial Value of Investment | | - | - | |
| Cost of Investment | [B] | - | - | |
| Return on Investment (in %) | [A / B] | | | |

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 CLARA INDUSTRIES LIMITED

PARRY KUKREJA
MANAGING DIRECTOR
DIN : 06649401

NIKHIL KUKREJA
DIRECTOR & CFO
DIN : 06649387

NIDHI VARUN KUMAR
COPANY SECRETARY

Date: May 05, 2023
Place: Saharanpur

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

Jay Shanker Gupta
Partner

Membership No: 059535
UDIN: 23059535BGSWTU9155

Place: Kolkata
Date: May 05, 2023

CLARA INDUSTRIES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023
NOTE - 10
PROPERTY, PLANT & EQUIPMENT

(Rs. In lakhs)

| PARTICULARS | GROSS BLOCK | | | | | DEPRECIATION | | | | NET BLOCK | |
|---------------------------------|--|-------------|---------------------|--------------------|--|----------------------------------|-----------------|-----------|----------------------------------|---------------------|---------------------|
| | COST / BOOK VALUE AS AT 02-09-2021 | ADDITIONS | SALE / DEDUCTION | SURPLUS/ (LOSS) | COST / BOOK VALUE AS AT 31-03-2023 | OPENING BALANCE 02-09-2021 | FOR THE YEAR | DEDUCTION | CLOSING BALANCE 31-03-2023 | AS AT 31-03-2022 | AS AT 31-03-2023 |
| Plant & Machinery | | | | | | | | | | | |
| Machinery Purchased through BTA | 21.46 | - | - | - | 21.46 | 2.18 | 3.49 | - | 5.67 | 19.28 | 15.79 |
| Bangle Machinery | 0.45 | - | - | - | 0.45 | - | 0.08 | - | 0.08 | 0.45 | 0.37 |
| Machineries | 30.04 | 3.17 | - | - | 33.21 | - | 5.97 | - | 5.97 | 30.04 | 27.25 |
| Furniture | - | 0.17 | - | - | 0.17 | - | 0.03 | - | 0.03 | - | 0.14 |
| GRAND TOTAL | 51.95 | 3.34 | - | - | 55.29 | 2.18 | 9.57 | - | 5.75 | 49.77 | 43.54 |

CLARA INDUSTRIES LIMITED
CIN: L25209UP2021PLC151537

| STATEMENT OF DEFERRED TAX (ASSETS/LIABILITIES) | |
|--|---|
| Particulars | (Amount in Lakhs) As at March 31, 2023 |
| Depreciation as per Companies Act | 9.57 |
| Depreciation as per Income Tax Act | 7.69 |
| Difference in Depreciation | (1.88) |
| Gratuity Provision | - |
| Total Timing Difference | (1.88) |
| Tax Rate as per Income Tax | 25.17% |
| (DTA) / DTL | (0.47) |
| Net deferred tax liability/(Assets) | (0.47) |

| DEFERRED TAX ASSETS and LIABILITIES SUMMARY | |
|--|---|
| Particulars | (Amount in Lakhs) As at March 31, 2023 |
| Opening Balance of (DTA) / DTL | 0.43 |
| Add: Provision for the Year | (0.47) |
| Closing Balance of (DTA) / DTL | (0.04) |

CLARA INDUSTRIES LIMITED

CIN: L25209UP2021PLC151537



NOTES FORMING PART OF FINANCIAL STATEMENTS

(1) Corporate Information:

The Company is incorporated on September 02, 2021 vide Certificate of Incorporation bearing Registration Number 151537 issued by the Registrar of Companies, Kanpur with the name & style of CLARA INDUSTRIES LIMITED.

The Company is engaged in the business of provide manufacturing of LDPE, HDPE, PP, BOPP, ADHESIVE TAPES and its related products & activities also to carry on the business of Manufacturers and traders of Plastic bags, Industrial packaging SELF ADHESIVE TAPES.

(1.a) Basis of Preparation:

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 change 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

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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,

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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.

(l) 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.

AS PER OUR REPORT OF EVEN DATE ATTACHED

For CLARA INDUSTRIES LIMITED

PARRY KUKREJA
MANAGING DIRECTOR
DIN : 06649401

NIKHIL KUKREJA
DIRECTOR & CFO
DIN : 06649387

NIDHI VARUN KUMAR
COMPANY SECRETARY

Date: May 05, 2023
Place: Saharanpur

For **Gupta Agarwal & Associates**

Chartered Accountants
Firm's Registration No: 329001E

Jay Shanker Gupta

Partner

Membership No: 059535
UDIN: 23059535BGSWTU9155

Place: Kolkata
Date: May 05, 2023

Clara

INDUSTRIES LIMITED



Regd. Office :- 127/1,
Gram Simbhalka Junardar
Pargana, Tehsil and
District Saharanpur



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