



SAHANA
system limited

Date: 31/08/2023

The Manager
The National Stock Exchange of India Ltd.,
Listing Department,
Exchange Plaza,
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051.

Sub: NOTICE OF THE 3RD ANNUAL GENERAL MEETING (AGM).

REF: SAHANA SYSTEM LIMITED (TRADING SYMBOL – SAHANA)

Dear Sir/Ma'am,

We wish to inform you that the 3rd Annual General Meeting (AGM) of the Company will be held on Saturday, September 23, 2023 at 11:30 A.M. (IST) through Video Conferencing (VC)/Other Audio Visual Means (OVAM) in compliance with the applicable provisions of the Companies Act, 2013 and Circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

We enclose herewith the Notice of AGM along with the Annual Report of the Company for the year ended March 31, 2023.

You are requested to kindly take the same on record.

Thanking You,

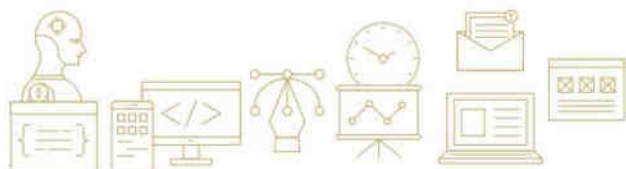
FOR, SAHANA SYSTEM LIMITED

Shah Hetang
Arunbhai

Digitally signed by
Shah Hetang Arunbhai
Date: 2023.08.31
18:09:24 +05'30'

HETANG ARUNKUMAR SHAH
MANAGING DIRECTOR
DIN: 02710970

Sahana System Limited
901-A-Block, Mondeal Square,
Nr. Iscon Elegance, S. G. Highway,
Prahlanagar, Ahmedabad - 380015
contact@sahanasystem.com | (079) 46014490
www.sahanasystem.com



CIN: U72500GJ2020PLC112865

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BOARD OF DIRECTORS AND KEY MANAGERIAL

PERSONNEL

MR. HETANG ARUNKUMAR SHAH	Chairman & Managing Director (w.e.f 07 th April, 2022) Original Date of Appointment as Executive Director of the Company : 24 th March, 2022
MR. PRATIK RAMJIBHAI KAKADIA	CEO (KMP) (w.e.f 06 th October, 2022)
MS. HETAL CHATURBHAI PATEL	Non-Executive & Non-Independent Director (w.e.f. 25 th October, 2021)
MS. EKTA ANKIT PATEL	Independent Director (w.e.f 18 th April, 2022)
MS. NISHITA MAYANK SANGHVI	Independent Director (w.e.f 18 th April, 2022)
MS. KHUSHBU ANKITKUMAR DALWADI	Company Secretary & Compliance Officer (w.e.f 30 th April, 2022)
MR. JATINKUMAR DHIRAJLAL JOGANI	CFO (KMP) (w.e.f 06 th October, 2022)

STATUTORY AUDITORS

M/s. Rahul Mistri and Co.,
Chartered Accountants, Gandhinagar

SECRETARIAL AUDITORS

M/s. Mukesh J & Associates,
Company Secretaries, Ahmedabad

BANKERS

Axis Bank Limited, Ahmedabad

REGISTERED OFFICE

901-A-Block, Mondeal Square, Nr. Iscon Elegance,
S.G. Highway, Prahladnagar, Ahmedabad-380015.
Tel: +91 79 4601 4490
Website: www.sahanasystem.com
E-mail: compliance@sahanasystem.com

REGISTRAR & SHARE TRANSFER AGENTS:

Purva Shareregistry (India) Private Limited
Unit No. 9, Ground Floor, Shiv Shakti Ind. Estt,
J. R. Boricha Marg, Lower Parel East, Mumbai-400011
Tel. No.: +91 022 23010771/8261
Email: support@purvashare.com

NOTICE OF 03RD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE THIRD (03RD) ANNUAL GENERAL MEETING OF THE MEMBERS OF SAHANA SYSTEM LIMITED WILL BE HELD ON SATURDAY, SEPTEMBER 23, 2023 AT 11:30 A.M. THROUGH VIDEO CONFERENCING/ OTHER AUDIO-VISUAL MEANS, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

ITEM NO. 1 – ADOPTION OF AUDITED FINANCIAL STATEMENTS

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2023 together with the Reports of the Board of Directors and the Auditors thereon.

ITEM NO. 2 – RE-APPOINTMENT OF A DIRECTOR

To appoint a Director in the place of MS. HETAL CHATURBHAI PATEL (DIN: 08381794), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, seeks re-appointment.

“RESOLVED THAT, pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. HETAL CHATURBHAI PATEL (DIN: 08381794), who retires by rotation, at this Annual General Meeting and being eligible, has offered herself for re-appointment, be and is hereby re-appointed as the Director of the company, liable to retire by rotation;

RESOLVED FURTHER THAT, the Board of Directors and the Company Secretary of the company be and are hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

ITEM NO. 3 – APPOINTMENT OF M/S. A.K. OSTWAL & CO., CHARTERED ACCOUNTANT AS STATUTORY AUDITOR OF THE COMPANY

To approve, and confirm the appointment of Statutory Auditors of the Company in order to fill the casual vacancy caused due to the resignation and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) and/or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendations of the Audit Committee, M/s. A. K. Ostwal & Co., Chartered Accountants, (Firm Registration Number: 107200W), who have confirmed their eligibility to be appointed as Statutory Auditors, in terms of the provisions of Section 141 of the Act and Rules related thereto, be and are hereby appointed as the Statutory Auditors of the Company for FY 2023-24 due to the casual vacancy caused by the resignation of M/s. Rahul Mistri and Co., Chartered Accountants, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in year 2024 (for FY 2023-24) , on such remuneration and out of pocket expenses as may be decided by the Board of directors in consultation with the said firm

**BY ORDER OF THE BOARD OF THE DIRECTORS
FOR, SAHANA SYSTEM LIMITED**

**SD/-
HETANG ARUNKUMAR SHAH
MANAGING DIRECTOR
DIN: 0271097**

**Registered Office:
901-A-Block, Mondeal Square, Nr. Iscon Elegance,
S.G. Highway, Prahladnagar, Ahmedabad-380015**

**Place: Ahmedabad
Date: 29/08/2023**

NOTES:

1. The approval of the Members of the Company is being sought through the remote e-voting facility only.
2. The Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 in relation to "Clarification on holding of annual general meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC /OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.



5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by CDSL.
7. 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 <https://www.sahanasystem.com/>. The Notice can also be accessed from the website of NSE Limited at www.nseindia.com and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com.

THE INTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- 1) The voting period begins on Wednesday, 20th September, 2023 at 09.00 a.m. and ends on Friday, 22nd September, 2023 at 05.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Saturday, 16th September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- 2) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- 3) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to

register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- 4) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e- Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>

Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL



Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

5) Login method of e-Voting for shareholders other than individual shareholders & physical shareholders.

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- 7) After entering these details appropriately, click on “SUBMIT” tab.
- 8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are



- eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - 10) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
 - 11) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - 12) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - 13) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - 14) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - 15) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
 - 16) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - 17) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to voteon.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizerto verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatorywho are authorized to vote, to the Scrutinizer and to the Company at the email address viz; mjassociates.pcs@gmail.com, if they have voted from individual tab & not uploaded same in theCDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

- 1) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.



- 2) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
- 3) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- 4) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience
- 5) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 6) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- 7) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at compliance@sahanasystem.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at compliance@sahanasystem.com. These queries will be replied to by the company suitably by email.
- 8) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- 9) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- 10) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

For Physical shareholders please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to compliance@sahanasystem.com.

For Demat shareholders, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to compliance@sahanasystem.com.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

**EXPLANATORY STATEMENT IN TERMS OF SECTION 102 OF THE
COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS**

Item No. 03

The Statutory Auditors of the Company, M/s. Rahul Mistri & Co. vide their letter dated 24th August, 2023 has tendered their resignation as the Statutory Auditors of the Company due pre-occupation and which has caused vacancy in the office of Statutory Auditor of the Company as envisaged by Section 139(8) of the Companies Act, 2013 ("Act") has been arisen.

Pursuant to Section 139 of the Companies Act, 2013 ("Act"), the Board of Directors of the Company, on the recommendation of the Audit Committee at its meeting held on 29th August, 2023, appointed M/s. A. K. Ostwal & Co., Chartered Accountants, (Firm Registration Number: 107200W), as the Statutory Auditors of the Company for FY 2023-24 after obtaining the consent under Section 139(1) of the Act in order to fill the casual vacancy caused by the resignation of M/s. Rahul Mistri & Co.

M/s. Rahul Mistri & Co., the erstwhile Statutory Auditors of the Company has been paid audit fees as per the decision of Board in consultation with the audit committee and auditors for conducting the statutory audit of the Company, for the financial year ended March 31, 2023.

The proposed fee payable to M/s. A. K. Ostwal & Co., shall be decided by the Board of Directors of the Company in consultation with the audit firm.

The Board accordingly recommends the ordinary resolutions set out at item No. 3 of this notice for approval of the members.

None of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 3 of the Notice.

EXHIBIT TO THE NOTICE

Details of Directors seeking Appointment/Re-appointment at the Annual General Meeting (Under Regulation 36 of the SEBI Listing Obligations and Disclosure Requirements, 2015)

NAME OF DIRECTOR	MS. HETAL CHATURBHAI PATEL
DIN	08381794
Date of Birth	October 21, 1986
Brief resume and nature of expertise in specific functional areas	Hetal Chaturbhai Patel aged 36 years is the Non-Executive Director of the company. She holds degree of Bachelor of Commerce from Saurashtra University. She is presently acting as Director i.e. Member of Board of Directors of Shri Vinayak Sahakari Bank Limited.
No. of Equity Shares held in the Company	0
Names of listed entities (Including this listed entity) in which the person holds the Directorship and the Membership of Committees of the board*	Other Directorship- 0 Other Committee Membership- NIL
Disclosure of Relationships between Directors inter-se	She is not related to any of other Director of the Company
Names of listed entities from which the person has resigned in the three (3) years	NIL

**Committee includes Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship across all Listed Companies including this company.*

**BY ORDER OF THE BOARD OF THE DIRECTORS
FOR, SAHANA SYSTEM LIMITED**

**SD/-
HETANG ARUNKUMAR SHAH
MANAGING DIRECTOR
DIN: 0271097**

**Registered Office:
901-A-Block, Mondeal Square, Nr. Iscon Elegance,
S.G. Highway, Prahladnagar, Ahmedabad-380015**

**Place: Ahmedabad
Date: 29/08/2023**

DIRECTORS' REPORT

TO

THE MEMBERS OF THE COMPANY

Your Directors feel great pleasure in presenting 03rd Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2023.

1. FINANCIAL HIGHLIGHTS

(Rs. in Lakhs except EPS)

S. NO.	PARTICULARS	CURRENT YEAR ENDED 31ST MARCH, 2023	PREVIOUS YEAR ENDED 31ST MARCH, 2022
1.	Total Revenue	2414.23	1217.39
2.	Other Income	-	-
3.	Total Income	2414.23	1217.39
4.	Profit before Depreciation & Amortization Expenses, Finance Cost and Tax	967.46	277.7
5.	Less : Depreciation and Amortization Expenses	17.02	9.93
6.	Finance Cost	64.25	72.24
7.	Profit before Tax	886.19	195.53
8.	Less: Provision for Tax	249.07	55
9.	Deferred Tax	(2.52)	(0.65)
10.	MAT Credit Entitlement	-	-
11.	Profit after Tax	639.64	141.18
12.	Interim Dividend	-	-
13.	Profit for the year	639.64	141.18
14.	Earnings per share (EPS)		
	Basic	11.48	2.54
	Diluted	11.48	2.54

2. REVIEW OF OPERATIONS

During the year under review, the Company's Revenue from Operations stood at Rs. 2414.23 lakhs compared to Rs. 1217.39 lakhs in the previous year. The Net Profit for the year stood at Rs. 639.64 Lakhs as against Rs. 141.18 Lakhs reported in the Previous Year.

3. CHANGE IN MANAGEMENT

In view of the appointments and resignation of Directors in the Board of the Company, following is the revised Composition of the Board;

SR NO.	NAME OF THE DIRECTORS	DESIGNATION	DIN/PAN	STATUS
1.	HETANG ARUNKUMAR SHAH	Managing Director	02710970	Promoter/Chairman
2.	HETAL CHATURBHAI PATEL	Non-Executive	08381794	Non-Independent
3.	EKTA ANKIT PATEL	Non-Executive	09574878	Independent Director
4.	NISHITA MAYANK SANGHVI	Non-Executive	09574964	Independent Director

4. ALTERATION OF MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION

The Company has converted into Public Limited Company, Consequent to Conversion from Private Limited Company to Public Limited Company, Name of the Company was changed from “Sahana System Private Limited” to “Sahana System Limited” w.e.f. 05th April, 2022.

Alteration of Object Clause

At the Extra-ordinary General Meeting held on 14th May, 2022, The Company has altered its Object clause by inserting new clauses 4, 5, 6.

5. DIVIDEND AND RESERVES

In order to conserve resources and to meet financial requirements to implement its future plans, your Directors do not propose any dividend for the year under review.

During the year under review ₹ Nil was transferred to General Reserves.

6. SHARE CAPITAL OF THE COMPANY

During the year Company has increased its Authorized Share Capital in the manner set forth below:

Particulars of Change		Date of AGM / EGM Shareholders' Meeting	
From	To		
₹5,00,00,000 consisting of 50,00,000 equity shares of ₹10.00 each	₹10,00,00,000 consisting of 1,00,00,000 equity shares of ₹10.00 each	02/09/2022	EGM

During the Year Company has increased its Paid up Capital in the manner set forth below:

Bonus Issue



Date of Allotment	No of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration
09/09/2022	24,76,219	10/-	NA	Other Than Cash Consideration

Listing of Shares on SME exchange of NSE

Your directors are pleased to inform you that the Company's securities have been listed on SME Exchange of NSE Limited from 12th June, 2023.

The company got its equity shares listed via Initial Public Offer on SME Exchange of NSE Limited:

The Company made initial Public Offer (IPO) for 24,25,000 Equity Shares for cash at a price of Rs. 135/- per share including a premium of Rs. 125/- per share aggregating to Rs. 3,273.75 Lakhs through an Initial Public Offer.

7. MANAGEMENT DISCUSSIONS AND ANALYSIS

The Management Discussion and Analysis Report on the operations of the Company, as required under Regulation 34 read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and as approved by the Board of Directors, is provided in a separate section and forms an integral part of this Report.

8. ANNUAL RETURN:

The Annual Return of the Company will be placed on the website of the company pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules 2014, the web link of the same is at <https://www.sahanasystem.com/>

9. PUBLIC DEPOSITS:

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014, *However, the Company has borrowed money as Unsecured Loan from Mr. Pratik Kakadia who is the promoter of the Company and M/s. Bartek Enterprise which is relative of KMP. However on the date of this director report, the company has repaid the said loans.*

10. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3) (c) of the Companies Act, 2013:

- a. That in the preparation of the Annual Accounts for the year ended 31st March, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c. That the directors have taken proper and sufficient care 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;
- d. The Annual Accounts have been prepared on a going concern basis;
- e. That the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. That the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. CORPORATE GOVERNANCE REPORT

As per the provisions of Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions related to Corporate Governance as specified in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V shall not apply to a listed entity being listed on SME Exchange of NSE.

Thereby presently the Company is not required to comply with the above provisions of Corporate Governance.

Accordingly, the Report on Corporate Governance and Certificate regarding compliance of conditions of Corporate Governance are not made a part of the Annual Report.

12. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING / OUTGO:

Details regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are stated below:

Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, details regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo for the year under review are as follows:

A. Conservation of Energy

a. Steps taken or impact on conservation of energy
– The Operations of the Company do not consume energy intensively. However, Company continues to implement prudent practices for saving electricity and other energy resources in day-to-day activities.

b. Steps taken by the Company for utilizing alternate sources of energy – Though the activities undertaken by the Company are not energy intensive, the Company shall explore alternative sources of energy, as and when the necessity arises.

B. Technology Absorption

a. The efforts made towards technology absorption – The Company continues to take prudential measures in respect of technology absorption, adaptation and take innovative steps to use the scarce resources effectively.

b. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – Not Applicable

C. The Particulars of Foreign Exchange and Outgo for the year under review are: (Rs. in Lakhs)

PARTICULARS	YEAR ENDED 31ST MARCH, 2023	YEAR ENDED 31ST MARCH, 2022
FOREIGN EXCHANGE EARNING	135.22	7.26
FOREIGN EXCHANGE OUTGO	NIL	NIL

13. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

During the year under review, no employee was in receipt of remuneration exceeding the limits as prescribed under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The necessary disclosure with respect to the remuneration of Directors and employees as required under Section 197(12) of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as **Annexure –I** to this Report.

14. CASH FLOW AND CONSOLIDATED FINANCIAL STATEMENTS:

As required by Regulation 34(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Cash Flow Statement is appended. As the Company does not have any Subsidiary Company or Associate Company or Joint Venture Company, it is not required to publish Consolidated Financial Statement.

15. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under section 149(6)

of the Companies Act, 2013 and Regulation 16 (1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

16. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board received a declaration from all the directors under Section 164 and other applicable provisions, if any, of the Companies Act, 2013 that none of the directors of the company is disqualified under the provisions of the Companies Act, 2013 ("Act") or under the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

(I) APPOINTMENT & RESIGNATION OF DIRECTORS

During the financial year 2022-23, there were following changes in the board of directors of the company-

Name of Director	Date of Change	Particulars of Changes
Ms. Shardaben Rameshbhai Kakadiya	10 th June, 2022	Resignation
Ms. Hetal Chaturbhai Patel	18 th April, 2022	Change in Designation to Non-Executive Director
Mr. Hetang Arunkumar Shah	07 th April, 2022	Change in Director to Managing Director
Ms. Ekta Ankit Patel	18 th April, 2022	Appointment of as Independent Director
Ms. Nishita Mayank Sanghvi	18 th April, 2022	Appointment of as Independent Director

Accordingly, at present, the structure of Board of Directors is as follows:

SR. NO.	DESIGNATION	NAME OF DIRECTORS
1.	Managing Director & Chairman	Mr. HETANG ARUNKUMAR SHAH (As Managing Director w.e.f. 07 th April, 2022)
2.	Non-Executive & Non-Independent	Mr. HETAL CHATURBHAJI PATEL
3.	Independent Director (Non-Executive)	Ms. EKTA ANKIT PATEL
4.	Independent Director (Non-Executive)	Mr. NISHITA MAYANK SANGHVI

(II) RETIREMENT BY ROTATION

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Ms. Hetal Chaturbhai Patel (DIN: 08381794), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment and your Board recommends her re-appointment.

(III) KEY MANAGERIAL PERSONNEL

During the year under review, there were following changes in Key Managerial Personnel of the company

Name of Director	Date of Change	Particulars of Changes
Mr. Hetang Arunkumar Shah	07 th April, 2022	Change in Director to Managing Director
Mr. Pratik Ramjibhai Kakadia	06 th October, 2022	Appointment as Chief Executive Officer (CEO)
Ms. Khushbu Ankitkumar Dalwadi	30 th April, 2022	Appointment as Company Secretary & Compliance Officer (CS)
Mr. Jatin Dhirajlal Jogani	06 th October, 2022	Appointment of Chief Financial Officer (CFO)

Accordingly, at present, the following are the Key Managerial Personnel of the company:

SR. NO.	DESIGNATION	NAME OF DIRECTORS
1.	Managing Director	Mr. Hetang Arunkumar Shah (as an MD w.e.f. 07/04/2022)
2.	Chief Executive Officer (CEO)	Mr. Pratik Ramjibhai Kakadia (w.e.f 06/10/2022)
3.	Company Secretary & Compliance Officer (CS)	Ms. Khushbu Ankitkumar Dalwadi (w.e.f 30/04/2022)
4.	Chief Financial Officer (CFO)	Mr. Jatin Dhirajlal Jogan (w.e.f 06/10/2022)

17. MEETINGS OF THE BOARD

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. A tentative annual calendar of the Board and Committee Meetings is informed to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

The notice of meeting of Directors and Committees is given well in advance to all the Directors of the Company. The agenda of the Board / Committee meetings is circulated not less than 7 days prior to the date of the meeting. The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the year under review, 22 (Twenty Two) Board Meetings were convened and the intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

NAME OF DIRECTOR	CATEGORY	NUMBER OF MEETINGS WHICH DIRECTOR WAS	MEETINGS ATTENDED
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ENTITLED TO ATTEND			
Mr. HETANG ARUNKUMAR SHAH	Managing Director	22	22
Mr. HETAL CHATURBHAI PATEL	Non-Executive Director	22	22
MS. EKTA ANKIT PATEL	Independent Director	21	21
MS. NISHITA MAYANK SANGHVI	Independent Director	21	21

18. SEPARATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on 21st October, 2022 to review, among other things, the performance of non-independent directors and the Board as whole, evaluation of the performance of the Chairman and the flow of communication between the Board and the management of the Company.

19. COMMITTEES OF THE BOARD

The Company's Board has the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee

i) AUDIT COMMITTEE:

The Board at its Meeting held on 09th May, 2022 constituted the Audit Committee.

During the financial year 2022 -2023, (4) meetings of Audit Committee were held on 09th May, 2022, 25th August, 2022, 17th December, 2022 and 09th January, 2023.

The table below highlights the composition and attendance of the Members of the Committee. The requisite quorum was present at all the Meetings.

NAME OF MEMBERS	DESIGNATION	MEETINGS ATTENDED
MS. NISHITA MAYANK SANGHVI	CHAIRPERSON	4
MS. EKTA ANKIT PATEL	MEMBER	4
MS. HETANG ARUNKUMAR SHAH	MEMBER	4

The Company Secretary has acted as the Secretary to the Committee.

All the recommendations made by the Audit Committee were accepted by the Board of Directors. The terms of reference of the Audit Committee shall include but not limited to the following:



- a) To recommend the appointment/re-appointment/ re-placement and terms of appointment of the Auditors of the Company.
- b) To review and monitor Auditor's independence and performance and effectiveness of audit process.
- c) To review with the Management the Quarterly Financial Results before submission to the Board for approval.
- d) Review the adequacy of internal control system. Finding of any internal investigations by the internal auditors in to matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- e) Approval or any subsequent modification of transactions of the Company with related parties.
- f) Reviewing the Company's risk management policy.
- g) To scrutinize inter-corporate loans and investments made by the Company.
- h) To evaluate the Internal Financial Controls and Risk Management Systems.
- i) To carry out valuation of undertakings and the assets of the Company, wherever it is necessary.
- j) To review, with the management, performance of Statutory and Internal Auditors, adequacy of the Internal Control System.
- k) To review the functioning of the Whistle Blower Mechanism.
- l) To approve appointment of Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate.
- m) To carry out any other function, as may be assigned to Audit Committee pursuant to any amendments to the Listing Regulations and the applicable provisions of the Act.
- n) To oversee the Company's financial reporting process and disclosure of the financial information to ensure that the financial statements are correct, sufficient and creditable.
- o) To review the following information/document:
 - Management Discussion and Analysis of financial condition and results of operation;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letter/letters of internal control weakness issued by the Statutory Auditors;
 - Internal audit reports relating to internal control weakness;
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.

ii) **NOMINATION AND REMUNERATION COMMITTEE**

The Board at its Meeting held on 09th May, 2023 constituted the Nomination and remuneration Committee (hereinafter referred as "NRC").

During the financial year 2022-23, 2 (Two) meetings of NRC were held on 09th September, 2022, and 22nd March, 2023.

The table below highlights the composition and attendance of the Members of the Committee. The requisite quorum was present at the Meeting.

NAME OF MEMBERS	DESIGNATION	MEETINGS ATTENDED
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MS. NISHITA MAYANK SANGHVI	CHAIRPERSON	2
MS. EKTA ANKIT PATEL	MEMBER	2
MS. HETAL CHATURBHAI PATEL	MEMBER	2

The Company Secretary has acted as the Secretary to the Committee.

The broad terms of reference of the NRC, as approved by the Board, are in compliance with Section 178 of the Companies Act, 2013 which are as follows:

- To lay down criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- To formulate a criteria for evaluation of performance of Independent Directors and the Board of Directors.
- To recommend remuneration to be paid to a Director for any service rendered by him to the Company which are of a professional nature and provide an opinion, whether such Director possess the requisite qualification for the practice of such profession.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- To decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- To recommend to the Board the appointment and removal of the Directors, including Independent Directors.
- Carrying out functions as delegated by the Board of Directors from time to time.

The Board of Directors has framed “Remuneration and Nomination Policy” which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The said Policy is annexed herewith as **Annexure - II** to this report.

iii) **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Board at its Meeting held on 09th May, 2023 constituted the Stakeholder Relationship Committee. (hereinafter referred as “SRC”)

During the financial year 2022-23, 10th September, 2022 (One) meeting of SRC were held as there are not more than 1000 shareholders.

The table below highlights the composition and attendance of the Members of the Committee. The requisite quorum was present at the Meeting.

NAME OF MEMBERS	DESIGNATION	MEETINGS ATTENDED
MS. EKTA ANKIT PATEL	CHAIRPERSON	01
MS. NISHITA MAYANK SANGHVI	MEMBER	01
MR. HETANG ARUNKUMAR SHAH	MEMBER	01

The Company Secretary has acted as the Secretary to the Committee.

Stakeholders Relationship Committee is empowered to oversee the Redressal of Stakeholders complaints pertaining to transfer of shares, non-receipt of annual reports, non-receipt of declared dividends, issue of duplicate certificates, transmission /demat / remat of shares and other miscellaneous grievances.

20. ANNUAL PERFORMANCE EVALUATION BY THE BOARD

Pursuant to the provisions of the Act and the Listing Regulations, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Directors was completed during the year under review.

The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors and Non-Executive Director. The Board of Directors expressed their satisfaction with the evaluation process.

21. DIRECTORS TRAINING AND FAMILIARIZATION

The Company undertakes and makes necessary provision of an appropriate induction programme for new Director(s) and ongoing training for existing Directors. The new Director(s) are introduced to the Company culture, through appropriate training programmes. Such kind of training programmes helps develop relationship of the directors with the Company and familiarize them with Company processes. The management provides such information and training either at the meeting of Board of Directors or at other places.

The induction process is designed to:

- build an understanding of the Company's processes and
- fully equip Directors to perform their role on the Board effectively

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expectations from them.

22. DETAILS OF FRAUD REPORT BY AUDITOR:

As per auditors' report, no fraud u/s 143 (12) reported by the auditor.

23. AUDITORS

(I) STATUTORY AUDITORS:

M/S Rahul Mistri & Co., Chartered Accountants, Surat having Firm Registration No. 0120410W, were appointed as Statutory Auditors of the Company for a term of 05 (Five) years for the



financial year 2021-2022 to 2025-2026, on such remuneration as may be fixed by the Board of Directors of the Company.

M/s. Rahul Mistri & Co., vide letter dated 24th August, 2023 has tendered his resignation as the Statutory Auditors of the Company due to Pre-occupation.

Board hereby recommends to the Shareholders for the appointment of M/s. A.K. Ostwal & Co., Chartered Accountant (Firm Registration Number: 107200W), as a Statutory Auditor of the Company at the upcoming Annual General Meeting for financial year 2023-24 to fill in the casual vacancy caused by resignation of M/s. Rahul Mistri & Co .

Notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

(II) INTERNAL AUDITORS:

As the Company was in process to undergo listing of its securities with Emerge Exchange of NSE Limited during the financial year 2022-23. The company got its securities listed on June 12, 2023, Appointment of Internal Auditor of the Company is not applicable Pursuant to Provision of Section 138 of The Companies Act, 2013, read with Companies (Accounts) Rules, 2014.

(III) SECRETARIAL AUDITORS:

As the Company was in process to undergo listing of its securities with Emerge Exchange of NSE Limited during the financial year 2022-23. The company got its securities listed on June 12, 2023 and hence pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has hereby appointed M/s. **Mukesh J. & Associates, Company Secretaries, Ahmedabad, Gujarat** to conduct Secretarial Audit of the company as applicable by virtue of listing of securities for the year ended on 31st March, 2023.

Secretarial Audit Report issued by M/s. **Mukesh J. & Associates**, , Company Secretaries in Form MR- 3 is annexed herewith as **Annexure IV** and forms an integral part of this Report. The reply to observations of Secretarial Auditor is attached as addendum to Directors report

24. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Internal financial controls of the company are adequate keeping in mind Company's business size and mode of operations. All process and safety measures are followed to protect from any financial or business loss, unauthorized use or disposition of its assets. All the transactions are properly regulated through proper channels to maintain control.

The Company is adhering to all the applicable Accounting Standards. Further, there are teams which looks after the internal checks and verifies the internal control system in accordance with policies of the Company.

25. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

As the Company is not having net worth of rupees five hundred Crores or more, or turnover of rupees one thousand Crores or more or a net profit of rupees five Crores or more during previous financial year,

The Company is not required to comply with the provisions of Section 135 of the Companies Act, 2013 with the regard to the formation of the CSR Committee and undertaking of Social Expenditure as required under the said Section.

26. SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

As Company does not have any Subsidiaries or Associates Companies or Joint ventures, it is not required to give disclosure in Form AOC-1 Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014.

27. RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations.

There were no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature.

A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions, if any. The Company has adopted a Related Party Transactions Policy.

The details have been enclosed pursuant to clause (h) of subsection (3) of Section 134 of Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules 2014 – 'AOC-2'- **Annexure III.**

28. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:

The particulars of loans, guarantees and investments, if any taken or given, have been disclosed in the financial Statement.

29. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

The material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of the report are mentioned as below:

Initial Public Offer & consequent listing of Shares on SME Exchange of NSE Limited:

The Company made initial Public Offer (IPO) for 24,25,000 Equity Shares for cash at a price of Rs. 135/- per share including a premium of Rs. 125/- per share aggregating to Rs. 3,273.75 Lakhs



through an Initial Public Offer. Your Directors are pleased to inform you that the Company's securities have been listed on SME Exchange of NSE Limited w.e.f 12th June, 2023.

30. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In pursuance to Section 177 of the Companies Act, 2013, the Company has adopted a Vigil Mechanism / Whistle Blower Policy to deal with instance of fraud and mismanagement, if any.

The Company promotes ethical behavior in all its business activities and has adopted a mechanism of reporting illegal or unethical behavior. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the employees / workers. The mechanism also provides for adequate safeguards against victimization of directors and employees who avail of the mechanism and also provide for direct access to the Chairperson of the Audit Committee in the exceptional cases. The confidentiality of those reporting violation is maintained and they are not subjected to any discriminatory practice. However, no violation of laws or unethical conduct etc. was brought to the notice of the Management or Audit Committee during the year ended 31st March, 2023. We affirm that during the financial year 2022-23, no employee or director was denied access to the Audit Committee.

31. RISK MANAGEMENT POLICY

Your Company has an elaborated risk Management procedure and adopted systematic approach to mitigate risk associated with accomplishment of objectives, operations, revenues and regulations. Your Company believes that this would ensure mitigating steps proactively and help to achieve stated objectives. The entity's objectives can be viewed in the context of four categories Strategic, Operations, Reporting and Compliance. The Risk Management process of the Company focuses on three elements, viz. (1) Risk Assessment; (2) Risk Management; (3) Risk Monitoring.

Audit Committee has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risk that the organization faces. The key risks and mitigating actions are also placed before the Audit Committee of the Company. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

32. POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your company believes in providing a healthy, safe and harassment-free workplace for all its employees. Further company ensures that every women employee is treated with dignity and respect.

The Company has in place an Anti-Sexual Harassment Policy as per the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Your Directors further states that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

33. Details of Application made or proceeding pending under Insolvency And Bankruptcy Code 2016

During the year under the review, there were no applications made or proceedings pending in the name of the company under the insolvency and bankruptcy code, 2016.

34. Details of Difference between valuation amount on one time settlement and valuation while availing loan from banks and financial institutions.

During the year under the review, there has been no one time settlement of loans taken from banks and financial institutions.

35. ACKNOWLEDGEMENT

The Board of Directors wishes to express its gratitude and record its sincere appreciation for the commitment and dedicated efforts put in by all the employees. Your Directors take this opportunity to express their grateful appreciation for the encouragement, cooperation and support received by the Company from the local authorities, bankers, clients, suppliers and business associates. The directors are thankful to the esteemed shareholders for their continued support and the confidence reposed in the Company and its management.

FOR, SAHANA SYSTEM LIMITED

SD/-
HETANG ARUNKUMAR SHAH
MANAGING DIRECTOR
DIN: 02710970

Registered Office:
901-A-Block, Mondeal Square, Nr. Iscon Elegance, S.G. Highway,
Prahladnagar, Ahmedabad-380015

Place: Ahmedabad
Date: 29/08/2023

ANNEXURE I

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2022-23,	Hetang Arunkumar Shah		Hetal Chaturbhai Patel
	Managing Director		Non-Executive & Non-Independent Director
	N.A.		N.A.
The ratio of the Fee for attending Board/Committee Meetings and Commission of each Director to the median remuneration of the employees of the Company for the financial year	Ekta Ankit Patel		Nishita Mayank Sanghvi
	Independent Director		Independent Director
	N.A.		N.A.
The percentage increase in remuneration of each director, if any, in the financial year 2022-23.	Hetang Arunkumar Shah		Hetal Chaturbhai Patel
	Managing Director		Non-Executive & Non-Independent Director
	N.A.		N.A.
The percentage increase in remuneration of each Key Managerial Personnel (KMP), if any, in the financial year 2022-23.	Pratik Ramjibhai Kakadia	Khushbu Ankitkumar Dalwadi	Jatinkumar Dhirajlal Jogani
	Chief Executive Officer (CEO)	Company Secretary	Chief Financial Officer (CFO)
	N.A.	*N.A.	*N.A.
<p>(Explanation: (i) the expression “median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one;</p> <p>(ii) if there is an even number of observations, the median shall be the average of the two middle values)</p> <p>* The Company has appointed Ms. Khushbu Ankitkumar Dalwadi as Company Secretary of the Company during the F.Y. 2022-23 so The Percentage Increase in Remuneration of each Key Managerial Personnel is not applicable</p> <p>* The Company has appointed Mr. Jatinkumar Dhirajlal Jogani as CFO of the Company during the F.Y. 2022-23 so The Percentage Increase in Remuneration of each Key Managerial Personnel is not applicable</p>			
The number of permanent employees on the rolls of the Company as on 31st March, 2023.	34		
The percentage increase in the median remuneration of employees in the financial year.	The median remuneration of the employees in the financial year was increased by 109.8765%		
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average incremental in FY 2023 for Managerial Personnel: N.A.		
	Average incremental in FY 2023 for Non-Managerial Personnel: 95.36%		
	No Exceptional increase given in the Managerial Remuneration		
Affirmation that the remuneration is as per the remuneration policy of the Company	Yes		

* Median calculated is against employees active throughout the full financial year in FY 2022-23.

ANNEXURE II

NOMINATION AND REMUNERATION POLICY

1. Preface:

Sahana System Limited ("The Company"), in order to attract motivated and retained manpower in competitive market, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Regulations and Disclosure Requirements) Regulation, 2015 as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated and recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

2. Objectives:

The Key Objectives of the Nomination and Remuneration Policy would be:

- A. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- B. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- C. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

3. Definition:

- a) **"Board"** means Board of Directors of the Company.
- b) **"Director"** means Directors of the Company.
- c) **"Committee"** means the Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board.
- d) **"Company"** means Sahana System Limited
- e) **"Independent Director"** means a Director referred to in Section 149(6) of the Companies Act, 2013.
- f) **"Key Managerial Personnel"** means:
 - i. Executive Chairman or Chief Executive Officer and/or Managing Director;
 - ii. Wholetime Director;
 - iii. Chief Financial Officer;
 - iv. Company Secretary;
 - v. Such other Officer as may be prescribed under the applicable statutory provisions /regulations.

- g) **“Senior Management”** means personnel of the Company who occupy the position of Head of any department/ division/ unit.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. Guiding principles:

The guiding principle is to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (including Independent Director) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.

- a. To carry out evaluation of performance of Directors, Key Management Personnel as well as Senior Management Personnel.
- b. The level and composition of remuneration and the other terms of employment is reasonable and sufficient to attract, retain and motivate executives of the Company shall be competitive in order to ensure that the Company can attract and retain competent Executives.
- c. To determine remuneration based on Company's size and financial position and trends and practice on remuneration prevailing in the similar Industry. When determining the remuneration policy and arrangements for Directors/ KMP's and Senior Management, the Committee considers pay and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.
- d. The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully. The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

5. Coverage:

A. Policy on Appointment and Nomination of Directors, Key Managerial Personnel and Senior Management:

1.) Appointment criteria and qualifications:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and KMP and recommend to the Board his / her appointee.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion

to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

- c) The Company shall not appoint or continue the employment of any person as Wholetime Director who has attained the age of seventy years.

***Provided that** the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.*

- d) Any appointment made at Senior Management Level shall be placed before the meeting of the Board of Directors of the Company.

2.) Tenure of Employment:

a) Managing Director/Whole-time Director/Executive Director

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director, Whole-Time Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director

An Independent Director shall hold office for a term up to five consecutive years on Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director Serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

The Committee shall satisfy itself with regard to the independent nature of the Director vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

c) Evaluation:

The Committee shall evaluate performance of every Director, KMP and Senior Management Personnel at regular period of one year.

The Board shall take into consideration the performance evaluation Director, KMP and Senior Management Personnel at the time of Re-appointment.

B. Policy on remuneration of Director, KMP and Senior Management Personnel:

- 1) The remuneration/compensation/commission etc. to the Managing Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- 2) The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made there under.
- 3) Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director.
- 4) Where any insurance is taken by the Company on behalf of its Managing Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- 5) Remuneration to Whole-time/ Executive/ Managing Director, KMP and Senior Management Personnel;

a) Fixed Pay:

The Managing Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

6) Remuneration to Non- Executive / Independent Director;**a) Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

The Independent Director shall be entitled to reimbursement of expenses for participation in the Board and other meeting.

c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

d) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

6. Reward principles and objectives:

Our remuneration policy is guided by a common reward framework and set of principles and objectives as particularly envisaged under section 178 of the Companies Act 2013, inter alia

principles pertaining to determining qualifications, positives attributes, integrity and independence etc.

7. Disclosure of Information:

Information on the total remuneration of members of the Company's Board of Directors, Executive Board of Management and senior management may be disclosed in the Company's annual financial statements.

8. Application of the Nomination and Remuneration Policy

This Nomination and Remuneration Policy shall apply to all future employment agreements with members of Company's Senior Management including Key Managerial Person and Board of Directors.

The Remuneration Policy is binding for the Board of Directors. In other respects, the Remuneration Policy shall be of guidance for the Board. The Board of Director reserves the right to modify the policy as and when recommended by the Nomination and Remuneration Committee either in whole or in part without assigning any reason whatsoever.

Annexure III

FORM NO. AOC-2

[Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rules 8 (2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of Contracts / Arrangements entered into by the Company with the Related Parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain Arm's Length transactions under third proviso thereto:

A. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH

BASIS: There are no such transactions during the year which are not at arm's length basis.

B. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS:

i.	Name (s) of the Related Party and nature of Relationship	Pratik Kakadia-Promoter	Shardaben Ramjibhai Kakadia-Director/Promoter Group	Hetal Chaturbhai Patel-Director/Promoter Group	Bartek Enterprise-Promoter Group	Khushbu Amitkumar Dalwadi-Company Secretary	Shri Vinayak Sahakari Bank Ltd-Enterprise in which promoter exercise control
ii.	Nature of contract/arrangement/transactions	Loan Taken Loan Repaid	Loan Taken Loan Repaid	Loan Taken Loan Repaid	Loan Taken Loan Repaid	Salary	Sales
	Duration of contract/arrangements/transactions	Transactional	Transactional	Transactional	Transactional	01/04/2022 TO 31/03/2023	01/04/2022 TO 31/03/2023
iii.	Salient Terms of contract/arrangements/transactions including the value if any	Rs. 69.13 Lakhs Rs. 85.82 Lakhs	Rs. 11.39 Lakhs Rs. 19.70 Lakhs	Rs. 129.20 Lakhs Rs. 86.24 Lakhs	Rs. 52.18 Lakhs Rs. 5.89 Lakhs	Rs. 2.70 Lakhs	Rs. 1.57 Lakhs
iv.	Date(s) of approval						

	by the Board						
v.	Amount paid as Advances, if any	NIL	NIL	NIL	NIL	NIL	NIL
vi.							

FOR, SAHANA SYSTEM LIMITED

SD/-
HETANG ARUNKUMAR SHAH
MANAGING DIRECTOR
DIN: 02710970

Registered Office:
901-A-Block, Mondeal Square, Nr. Iscon Elegance, S.G. Highway
Prahladnagar, Ahmedabad-380015

Place: Ahmedabad
Date: 29/08/2023

FORM MR-3**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
SAHANA SYSTEM LIMITED,
901-A-Block, Mondeal Square, Nr. Iscon Elegance,
S.G. Highway, Prahladnagar, Ahmedabad-380015.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SAHANA SYSTEM LIMITED (CIN: U72500GJ2020PLC112865)** (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct of statutory compliance and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed 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 the secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, 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 the reporting made hereinafter:

We have examined the books, papers, minute books, forms, and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, there being no Overseas Direct Investment and External Commercial Borrowings; *Not applicable for the period under review.*

(v) The following Regulations and Guidelines are 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; *Not applicable as there was no reportable event during the financial year under review.*

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('the Regulations'); *Not applicable as there was no reportable event during the financial year under review.*

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; *Not applicable as there was no reportable event during the financial year under review.*

d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client; *Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;.*

e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; *Not applicable as there was no reportable event during the financial year under review.*

f) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not applicable for the review period; *Not applicable as there was no reportable event during the financial year under review.*

g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *Not applicable as there was no reportable event during the financial year under review.*

h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; *Not applicable as there was no reportable event during the financial year under review.*

(vi) As informed to us, there are no laws that are specifically applicable to the Company based on its sector/industry.

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

- a) Secretarial Standards issued by the Institute of Company Secretaries of India;
- b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR').

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

- 1.) *During the year under review, the company has accepted loans and advances from Mr. Pratik Kakadia who is the promoter of the Company and M/s. Bartek Enterprise which is relative of KMP and hence it falls under non-compliance as per provisions of section 73 of the Companies Act, 2013 as company has not adhered to rules prescribed under chapter V of Acceptance of Deposits by Companies and, Companies (Acceptance and Deposits) Rules, 2014.*

We further report that:

The Board of Directors of the Company is duly constituted with the proper balance of the 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.

Adequate notice is 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.

The majority decision is carried unanimously while the dissenting members' views if any are captured and recorded as part of the Minutes.

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

We further report that during the audit period under review, the Company has allotted 24,76,219 Equity Shares of face value of Rs. 10/- each for consideration other than cash as Bonus Shares on date 09th September, 2022.

Apart from the above-stated Corporate actions, there were no specific events/actions were having a major bearing on the Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc.

***Note:** Our appointment was made by the Board of Directors in the meeting held on 18/08/2023. Further, the secretarial audit and the Certification on this Form MR-3 have been done on basis of the documents made available to us by the company.*

**For, MUKESH J & ASSOCIATES,
Company Secretaries
(ICSI Unique Code: S2021GJ796900)
Peer Review Certificate No.: 2874/2023**

**Mukesh Jiwnani
Proprietor
ACS No: 29793
COP No: 23381
UDIN: A029793E000883921**

**Place: Ahmedabad
Date: 29/08/2023**

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

Annexure A

To,

The Members,

SAHANA SYSTEM LIMITED,

901-A-Block, Mondeal Square, Nr. Iscon Elegance,

S.G. Highway, Prahladnagar, Ahmedabad-380015.

Our report of even date is to be read along with this letter.

1. The maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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 a test basis to ensure those correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company has also compliance with Tax Laws.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events, etc.
5. Compliance with the provisions of corporate laws, rules, regulations, and standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.
6. As regards the books, papers, forms, reports, and returns filed by the Company under the provisions referred to in our Secretarial Audit Report in Form No. MR-3 the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns, and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns, and documents.
7. 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, MUKESH J & ASSOCIATES,
Company Secretaries
(ICSI Unique Code: S2021GJ796900)
Peer Review Certificate No.: 2874/2023

Mukesh Jiwnani
Proprietor
ACS No: 29793
COP No: 23381
UDIN: A029793E000883921

Place: Ahmedabad
Date: 29/08/2023

ADDENDUM TO SECRETARIAL REPORT FOR THE YEAR 2022-23 IN RESPECT OF OBSERVATIONS MADE BY SECRETARIAL AUDITOR REPORT ON THE SECRETARIAL AUDIT OF SAHANA SYSTEM LIMITED FOR THE YEAR ENDED 31ST MARCH, 2023.

Ref No.	SECRETARIAL AUDITOR'S OBSERVATIONS	COMPANY'S REPLY
1.	<i>During the year under review, the company has accepted loans and advances from Mr. Pratik Kakadia who is the promoter of the Company and M/s. Bartek Enterprise which is relative of KMP and hence it falls under non-compliance as per provisions of section 73 of the Companies Act, 2013 as company has not adhered to rules prescribed under chapter V of Acceptance of Deposits by Companies and, Companies (Acceptance and Deposits) Rules, 2014</i>	The Board has considered the said non-compliance and has repaid borrowing amount as on date of board report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

KEY ECONOMIC AND INDUSTRY TRENDS

Global growth, estimated at 3.4 percent in 2022, is projected to fall to 2.9 percent in 2023 before rising to 3.1 percent in 2024. Compared with the October forecast, the estimate for 2022 and the forecast for 2023 are both higher by about 0.2 percentage point, reflecting positive surprises and greater-than expected resilience in numerous economies. Negative growth in global GDP or global GDP per capita which often happens when there is a global recession is not expected.

Nevertheless, global growth projected for 2023 and 2024 is below the historical (2000–19) annual average of 3.8 percent. The forecast of low growth in 2023 reflects the rise in central bank rates to fight inflation- especially in advanced economies as well as the war in Ukraine. The decline in growth in 2023 from 2022 is driven by advanced economies; in emerging markets and developing economies, growth is estimated to have bottomed out in 2022. Following the path of global demand, world trade growth is expected to decline in 2023 to 2.4 percent, despite an easing of supply bottlenecks, before rising to 3.4 percent in 2024.

Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022–23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

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.

The importance of technology in our modern world means that the technology industry is a true force to be reckoned with. The sheer size of the industry makes it one of the dominant sectors in the global economy, and the rapid growth and rate of change within the industry make it a central player in developing business standards and regulations. The impact of technology goes far beyond the core tech industry, though. While there are myriad opportunities directly related to digital product development or service delivery, there are countless more opportunities opening up around the world as technology influences every business and every industry vertical.

The IT & BPM sector has become one of the most significant growth catalysts for the Indian economy, contributing significantly to the country's GDP and public welfare. The IT industry accounted for 7.4% of India's GDP in FY22, and it is expected to contribute 10% to India's GDP by 2025.

As innovative digital applications permeate sector after sector, India is now prepared for the next phase of growth in its IT revolution. India is viewed by the rest of the world as having one of the largest Internet user bases and the cheapest Internet rates, with 76 crore citizens now having access to the internet.

The current emphasis is on the production of significant economic value and citizen empowerment, thanks to a solid foundation of digital infrastructure and enhanced digital access provided by the Digital India Programme. India is one of the countries with the quickest pace of digital adoption. This was accomplished through a mix of government action, commercial innovation and investment, and new digital applications that are already improving and permeating a variety of activities and different forms of work, thus having a positive impact on the daily lives of citizens.

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies

now offer an entire new gamut of opportunities for top IT firms in India.

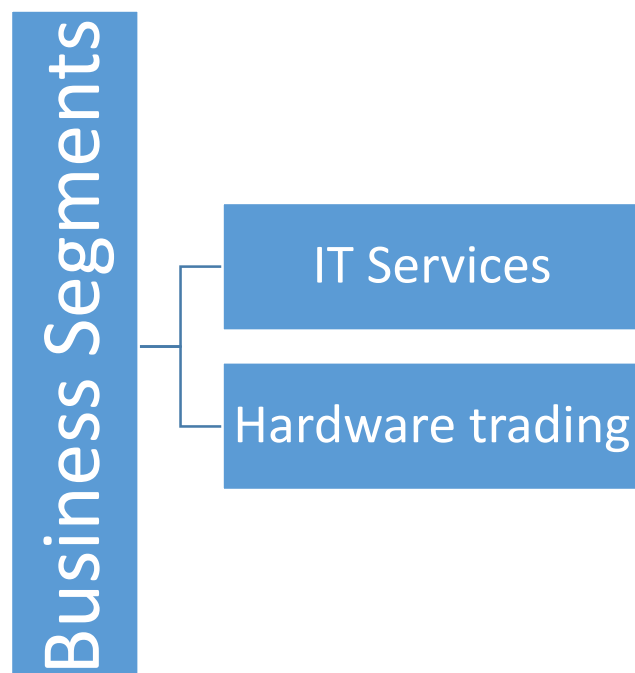
The Indian IT & business services industry is expected to grow to US \$ 19.93 billion by 2025. Spending on information technology in India is expected to reach US \$ 144 billion in 2023. The cloud market in India is expected to grow three-fold to US \$ 7.1 billion by 2022 with the help of growing adoption of big data, analytics, artificial intelligence, and the Internet of Things (IoT).

BUSINESS SEGMENT

We have been certified as CMMI Maturity Level – 3 in E-Commerce department by Equalitas Certifications Limited, a CMMI Institute Partner and we have also received ISO 9001:2015 and ISO/IEC 27001:2013 accreditation from Equalitas Certifications Limited. Our Company is also recognized as a start up by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry vide certificate no. DIPP57260. The recognition certificate is valid for 10 years from the date of incorporation of the Company till up to February 19, 2030. The Company is registered under “IT Services” Industry and “Product Development” sector.

We are engaged in the business of offering IT related services including web app development, mobile application development, AI & ML development, ChatBot development, product prototyping, graphics designing, UI / UX design, SEO & ASO, digital marketing, website & application migration, cyber security and outsourcing of IT services. Some of the industries we cater to includes healthcare, surveillance, retail, education / e learning, restaurants, banking, media & entertainment and fintech. We are also engaged in the trading of hardware instruments related to Franking Machines / Computers / LED / Laptops. So far, we have been successful in getting repeated order from our clients.

The Company operates in the following segments:



Period	Total Revenue (Rs. In Lakhs)	IT Services		Hardware Trading	
		Revenue (Rs. In Lakhs)	Contribution in revenue from operations	Revenue (Rs. In Lakhs)	Contribution in revenue from operations
FY 2021	331.47	294.37	88.92%	36.74	11.08%
FY 2022	1,217.40	835.38	68.62%	382.02	31.38%
FY 2023	2,414.23	1,135.51	47.03%	1,278.72	52.97%

Our Business Segments

1. Web app development

2. Mobile application development

3. AI & ML Development
4. ChatBot Development
5. Product prototyping
6. Graphics designing
7. UI/UX design
8. SEO & ASO
9. Digital Marketing
10. Website & Application Migration
11. Cyber Security
12. Hardware Trading

Our Competitive Strengths

1. End to end IT services
2. Leveraging the experience of our Promoter
3. Quality of Services
4. Certifications, Awards and Accreditations

Our Business Strategy

1. Expand our domestic and international presence
2. Focus on new service offerings and technology enabled through innovation
3. Enhancing Operating Effectiveness and Efficiency
4. Enter into growing Electric Vehicle Industry

KEY FACTORS AFFECTING THE RESULTS OF OPERATIONS

Our Company's future results of operations could be affected potentially by the following factors:

1. Changes in Laws and Regulations that apply to our Industry.
2. Changes in Fiscal, Economic or Political conditions in India
3. Company's inability to retain experienced staff.
4. Failure to adapt the changing technology in our industry of operation may adversely affect our business.
5. Failure to comply with regulations prescribed by authorities of the jurisdiction in which we operate.
6. Competition with existing and new entrants
7. Reduction of the subcontract from the big contracting Company.

CUSTOMERS OF THE COMPANY

Our top ten customers contribute to 82.00%, 91.46% and 74.33% of our revenue from operations for the financial year ended Financial Year 2023, Financial Year 2022, and Financial Year 2021 respectively. The loss of a significant client would have a material adverse effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these clients or that we will be able to replace these clients in case we lose any of them. Furthermore, major events affecting our clients, such as bankruptcy, change of management, mergers and acquisitions could adversely impact our business. If any of our major clients becomes bankrupt or insolvent, we may lose some or all of our business from that client and our receivable from that client would increase and may have to be written off, adversely impacting our financial condition and profitability.

A customer's decision to purchase our services or products often involves a comprehensive implementation process across the customer's network(s) which includes customer education, evaluation by a number of employees in our customers' organization and, often, a significant strategic or operational decision by our customers. Our sales efforts involve educating our customers about the use and benefits of our products and solutions, including any potential cost savings achievable by organization that partner with us

STRATEGIC RESPONSES TO OPPORTUNITIES AND THREATS

OPPORTUNITY / THREAT	SAHANA APPROACH
Competition	<p>We face competition from various organized and unorganized players in the market. Competition emerges from small as well as big players operating in the IT industry. The organized players in the industry compete with each other by providing low-rated product, high quality, consistent and time bound products and value-added services. We believe the principal elements of competition in our business are consistent and quality products, their prioritized production and delivery and strong relations with suppliers.</p> <p>We do not have formal agreement with customers and thus they may procure from other suppliers. Some of players may already have a robust procurement network and develop better relations with customers, which could impact our revenue and profitability. In the future, we may also face competition from new entrants in the segment</p>
Insurance	<p>We maintain insurance coverage on our office premises / meeting rooms etc. We believe that we maintain all material insurance policies that are customary for companies operating in our industry. The insurance policies are reviewed periodically to ensure that the coverage is adequate. Our insurance policies are generally annual policies that we renew regularly. Although we attempt to limit and mitigate our liability for damages our insurance may not be enforceable in all instances, or the limitations of liability may not protect us from entire liability for damages.</p>
Growth in the Indian economy	<p>General economic conditions in India have a significant impact on our results of operations. The Indian economy has grown rapidly over the past decade and is expected to continue to grow in the future. We believe growth in the overall economy has driven, and will drive, the underlying demand for our products.</p>
Fluctuations in demand for our services	<p>Our top ten customers contribute to 82.00%, 91.46% and 74.33% of our revenue from operations</p>



	for the financial year ended Financial Year 2023, Financial Year 2022, and Financial Year 2021 respectively. The loss of a significant client would have a material adverse effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these clients or that we will be able to replace these clients in case we lose any of them. Furthermore, major events affecting our clients, such as bankruptcy, change of management, mergers and acquisitions could adversely impact our business. If any of our major clients becomes bankrupt or insolvent, we may lose some or all of our business from that client and our receivable from that client would increase and may have to be written off, adversely impacting our financial condition and profitability.
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RISK AND CONCERN

The risk management function is integral to the company and its objectives includes ensuring that critical risk are identified continuously, monitored and managed effectively in order to protect the company's business. However, the changes in the tax laws, Government policies and regulatory requirement might affect the company's business. The management has laid down robust risk management framework essential for identification, assessment, monitoring and mitigation of various risks to ensure smooth flow of operations adhering to stringent guidelines.

OUTLOOK

The profit margins in the industry are high. However, the Company has taken required remedial measures. The Company is confident to meet the challenges with its strength in marketing network, its strategic planning, Research & Development and cost reduction exercise.

FINANCIAL PERFORMANCE OVERVIEW

The discussions in this section relate to the Rupee-denominated financial results pertaining to the year that ended March 31, 2023. The financial statements of Sahana System Limited are prepared in accordance with the Accounting Standards (referred to as 'AS') prescribed under section 133 of the Companies Act, 2013, as amended from time to time. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the financial statements. The following table gives an overview of the financial results of the company:

(Rs in Lakhs except EPS)

	F.Y 2022-23			F.Y 2021-22	
	Revenue	% of Revenue	Growth	Revenue	% of Revenue
Revenue from operations	2,414.23	100%	1.98 Times	1,217.39	100%
Earnings before interest, tax,	967.46	40.07%	3.48 Times	277.70	22.81%



depreciation and amortization (EBITDA) (before other income)					
Profit Before Tax (PBT)	886.19	36.71%	4.53 Times	195.53	16.06%
Earnings per share (in Rs.)	11.48	-	4.52 Times	2.54	4.52 Times

ANALYSIS OF REVENUE GROWTH

On a reported basis, SSL' revenue grew 1.98 Times in FY 2023, compared to the prior year.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

	2022-23	2021-22
Debtors Turnover Ratio	4.02	4.92
Inventory Turnover Ratio	1.26	0.43
Debt Service Coverage Ratio	15.06	3.84
Current Ratio	1.71	1.36
Debt Equity Ratio	0.45	1.17
Trade Payable turnover Ratio	4.58	2.90
Net Profit Margin	25.71%	10.00%
Return on Equity Ratio	58.68%	27.85%
Return on Capital Employed	61.96%	27.95%
P/E Ratio	0.87	3.94
Return on Investment	32.34%	11.07%

DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF:

F.y 2022-23 is a landmark year for your company, as the company got listed on NSE (National Stock Exchange) having completed a successful IPO by raising Rs. 32.73 Crore which received a strong support from investors at large i.e. Indian as well as International investors. The Company has incurred the 1.98 times more profit during the year as compare to last year by expanding the business.

INTERNAL CONTROL SYSTEMS & RISK MANAGEMENT

The Internal Control System facilitates the effectiveness and efficiency of Company operations and ensures the reliability of financial information and compliance with laws and regulations. In particular, the accounting control system is an important element of the Internal Control System as it helps ensure that the Company is not exposed to excessive financial risks and that financial internal and external reporting is reliable.

Your Company has robust internal audit and control systems. They are responsible for independently evaluating the adequacy of internal controls and provide assurance those operations and business

units adhere to internal policies, processes and procedures as well as regulatory and legal requirements. Internal audit team defines and review scope, coordinates and conducts risk based

internal audits with quarterly frequency across Company through their audit firm. Existing audit procedures are reviewed periodically to enhance effectiveness, usefulness and timeliness. The Internal control procedures include proper authorization and adherence to authorization matrix, segregation of roles and responsibilities, physically verification, checks and balances and preventive checks on Compliance risk and overseeing of periodical financials etc.

Internal audit entails risk assessment and detailed verification of processes, adequacy of maintenance of accounting records, documentation and supporting, authorizations, review of internal controls, compliance with management policies and laid down procedures, compliance with applicable accounting standards and to verify adherence with applicable statutes, rules, regulation, byelaws, and circulars of the relevant statutory and regulatory authorities.

Your Company continuously monitors and revisits the risks associated with its business. It has institutionalized the procedure for identifying, minimizing and mitigating risks and the same are reviewed periodically. The Company's Structured Risk Management Process attempts to provide confidence to the stakeholders that the Company's risks are known and well managed. The management of the Company has identified some of the major areas of concern having inherent risk, viz. Client Concentration, Technology Risks and Credit Control. The processes relating to minimizing the above risks have already been put in place at different levels of management. The management of the Company reviews the risk management processes and implementation of risk mitigation plans. The processes are continuously improved. Risk Management comprises three key components which are as below:

- **Risk identification**
- **Risk assessment and mitigation**
- **Risk monitoring and assurance**

The risk mitigation plans are reviewed regularly by the Management and Audit Committee of your Company.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process at all locations and management development programs to upgrade skills of managers. Objective appraisal systems based on key result areas (KRAs) are in place for senior management staff. Human resource is considered as key to the future growth strategy of the Company and looks upon to focus its efforts to further align human resource policies, processes and initiatives to meet its business needs. In order to focus on keeping employees abreast of technological and technical developments, the Company provides opportunity for training and learning. The overall Industrial relations atmosphere continued to be cordial.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied therein. Important factors that could make a difference include cyclical demand and pricing in the Company's principal markets, changes in Government regulations and tax regime, economic developments within India and other ancillary factors.

FOR, SAHANA SYSTEM LIMITED

SD/-
HETANG ARUNKUMAR SHAH
MANAGING DIRECTOR
DIN: 02710970

Registered Office:
901-A-Block, Mondeal Square, Nr. Iscon Elegance, S.G. Highway,
Prahladnagar, Ahmedabad-380015

Place: Ahmedabad
Date: 29/08/2023

INDEPENDENT AUDITOR'S REPORT

To the Members of

SAHANA SYSTEM LIMITED (Formerly known as Sahana System Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of SAHANA SYSTEM LIMITED (Formerly known as Sahana System Private Limited) ("the Company"), which comprise the balance sheet as at March 31, 2023, and the statement of Profit and Loss and statement of cash flows for the period starting from April 1, 2022 to March 31, 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 as at March 31, 2023, its profit/loss and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with



the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone 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 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the

Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. 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 Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) 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 purposes 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 Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of Sec 197(16) of the Act as amended, we report that Section 197 is not applicable to a private company. Hence reporting as per Section 197(16) is not required.
- 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 does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of it's knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend have been declared or paid during the year by the company.

For Rahul Mistri And Co.
Chartered Accountants
FRN: 147586W

Place: Gandhinagar

CA Rahul Mistri

Date: 15-06-2023
UDIN:23184595BGTKBN3902

Proprietor
Membership No. 184595

Annexure 'A'

With reference to the Annexure A, referred to in the Independent Auditors Report to the members of the Company on the Financial Statements for the period starting from April 1, 2022 to March 31, 2023, we report following:

- (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties other than the self-constructed property are held in the name of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revealed any of its Property, Plant and Equipment and intangible assets during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties other than the self-constructed property are held in the name of the Company.
- (a) As explained to us, the inventories (excluding the third party stock) were physically verified by the management at reasonable intervals during the year other than for stock lying with third parties. In our opinion the frequency of verification is reasonable and the coverage and procedure of such verification by the management is appropriate. As explained to us, there were no discrepancies of 10% or more in aggregate for each class on physical verification of inventory as compared to the book records.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ` 500.00 Lakh, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns and statements comprising (stock statements, book debt statements, and statements on ageing analysis of the debtors) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company, of the respective quarters. except for the following:

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties. Accordingly, clause 3(iii) (a), (A) & (B), (b), (c), (d), (e) and (f) of the order are not applicable.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any investment

or given guarantee or security during the year under review. Accordingly clause 3(iv) of the order is not applicable.

The Company has not accepted any deposits from the public during the year under review.

Except for the following:

Sr. No.	Name of the statue	Amount	Amou nt ` in lakhs
1	Pratik Kakadiya (Shar holder)	1,23,59,00 0/-	
2	Sardaben Kakadia (Sharehold er)	5,00,000/-	

As explained to us, the Central Government has not prescribed the maintenance of Cost records under sub section (1) of section 148 of the companies Act, 2013. Accordingly, clause 3(vi) of the Order is not applicable.

- (a) The company does not have liability in respect of Service Tax, Duty of excise, Sales tax and value added tax during the year since effective 1st July 2017, these statutory dues has been subsumed in to Goods & Service Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, ESIC, income-tax, duty of customs, Goods & Service Tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

- (b) According to the information and explanations given to us, there are no material dues of Goods & Service Tax, Duty of Customs which have not been deposited with the appropriate authorities on account of any dispute.

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- ix. (a) According to information & explanations given to us, the company has not defaulted in repayment of loans or borrowings or in the payment of interest to Banks and financial institutions during the year.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company

has not been declared willful defaulter by any bank or financial institution or government or any government authority.

	(c)	The Company has not taken any term loan during the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
	(d)	According to the information and explanations given to us and on an overall examination of the financial statements of the Company has not raised funds during the year.
	(e)	According to the information and explanations given to us, the company does not have subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(e) of the Order is not applicable.
	(f)	According to the information and explanations given to us, the company does not have subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(f) of the Order is not applicable.
x.	(a)	The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
	(b)	According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
xi.	(a)	According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
	(b)	According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT - 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
	(c)	As represented by the management, there are no whistle blower complaints received by the company during the year.
xii.		In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not required.
xiii.		According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
xiv.	(a)	In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of the entity.

	(b)	We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
xv.		According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
xvi.	(a)	The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.
	(b)	The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve bank of India. Accordingly, 3(xvi)(c) of the Order is not applicable.
	(c)	According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.
xvii.		The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
xviii.		There has been no resignation of the statutory auditors of the Company during the year. Accordingly, 3(xviii) of the Order is not applicable.
xix.		According to the information and explanations given to us, 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 and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, we believe that material uncertainty exists as on the date of the audit report indicating that Company is not 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.
xx.		According to the information and explanations given to us by the management, the Corporate Social Responsibility (CSR) is not applicable to the company. Accordingly, clause 3(xx)(a) and (b) of the Order are not applicable.

For Rahul Mistri And Co.
Chartered Accountants
FRN: 147586W

Place: Gandhinagar
Date: 15-06-2023
UDIN:23184595BGTKBN3902

CA Rahul Mistri
Proprietor
Membership No. 184595

Annexure 'B'

Report on Internal Financial Controls with reference to financial statements

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 SAHANA SYSTEM LIMITED (Formerly known as Sahana System Private Limited) ("the Company") as of March 31, 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. 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 judgement, 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 authorisations 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 error or fraud 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 November 30, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Rahul Mistri And Co.
Chartered Accountants
FRN: 147586W

Place: Gandhinagar
Date: 15-06-2023
UDIN:23184595BGTKBN3902

CA Rahul Mistri
Proprietor
Membership No. 184595



SAHANA SYSTEM LIMITED
(Formerly known as SAHANA SYSTEM PRIVATE LIMITED)
CIN: U72500GJ2020PLC112865

Balance Sheet as at 31st March, 2023

Particulars	Note No.	31/03/2023 Rs. In Lakh	31/03/2022 Rs. In Lakh
I. EQUITY & LIABILITIES			
SHAREHOLDERS' FUNDS:			
(a) Share Capital	3	557.15	309.53
(b) Reserves and Surplus	4	500.46	127.48
(c) Money received against share warrants		-	-
SHARE APPLICATION MONEY PENDING ALLOTMENT			
NON CURRENT LIABILITIES			
(a) Long Term Borrowings		-	-
(b) Deferred Tax Liabilities		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
CURRENT LIABILITIES			
(a) Short Term Borrowings	5	477.02	512.62
(b) Trade Payables	6	472.85	327.83
small enterprises; and		-	-
(B) total outstanding dues of creditors other than		-	-
micro enterprises and small enterprises.		-	-
(c) Other Current Liabilities	7	137.66	146.92
(d) Short Term Provisions	8	267.47	0.50
Total		2,412.61	1,424.88
II. ASSETS			
NON CURRENT ASSETS			
(a) Property, Plant and Equipment and Intangible assets			
(i) Property, Plant and Equipment	9	31.74	23.03
(ii) Intangible assets		0.22	0.19
(ii) Capital work-in-progress		-	-
(ii) Intangible assets under development	9	61.71	61.71
(b) Non Current Investments		-	-
(c) Deferred Tax Assets (net)		-	-
(d) Long Term Loans and Advances		2.36	-
(e) Other non-current assets		-	-
CURRENT ASSETS			
(a) Current investments			
(b) Inventories	10	1,316.78	845.88
(c) Trade Receivables	11	720.34	480.06
(d) Cash and Bank Balances	12	10.69	9.81
(e) Short Term Loans and Advances	13	268.77	4.20
(f) Other Current Assets		-	-
Total		2,412.61	1,424.88
III. NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-24		

As per our report of even date

For Rahul Mistri and Co.
Chartered Accountants
FRN: 147586W

For and on behalf of the Board of

SAHANA SYSTEM LIMITED
(Formerly known as SAHANA SYSTEM PRIVATE LIMITED)

Rahul Mistri
Proprietor
(Mem No.184595)
UDIN: 23184595BGTKBN3902

Hetang Arunkumar Shah
Chairman and Managing Director
(DIN: 02710970)

Hetal Patel
Non-Executive Director
(DIN: 08381794)

Date: 15-06-2023
Place: Gandhinagar

Date: 15-06-2023
Place: Ahmedabad

Khushbu Dalwadi
Company Secretary

Jatinkumar Jogani
Chief Financial Officer



SAHANA SYSTEM LIMITED
(Formerly known as SAHANA SYSTEM PRIVATE LIMITED)
CIN: U72500GJ2020PLC112865

Statement of Profit and Loss for the Period ended 31st March, 2023

Particulars	Note	31/03/2023	31/03/2022
		Rs. In Lakh	Rs. In Lakh
I. Revenue from Operations	14	2,414.23	1,217.39
II. Other Income	15	-	-
TOTAL INCOME		2,414.23	1,217.39
III. EXPENSES			
(a) Purchases & Other Direct Expenses	16	1,835.33	483.34
(b) Changes in Inventories	17	470.90	(155.23)
(c) Employee Benefit Expenses	18	52.96	51.22
(d) Finance Costs	19	64.24	72.24
(e) Depreciation and Amortisation	9	16.65	12.25
(f) Operating and Other Expenditure	20	29.38	560.37
TOTA EXPENSES		1,527.66	1,024.18
IV. ITEMS AND TAX		886.57	193.22
V. Exceptional Items		-	-
VI. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		886.57	193.22
VII. Extraordinary items		-	-
VIII. PROFIT BEFORE TAX		886.57	193.22
IX. TAX EXPENSE:			
(a) Provision for Current Tax		265.97	71.49
(b) Deferred Tax		-	-
X. OPERATIONS		620.60	121.73
XI Profit/(loss) from discontinuing operations		-	-
XII Tax expense of discontinuing operations		-	-
XIII (AFTER TAX)		-	-
XIV PROFIT (LOSS) FOR THE PERIOD		620.60	121.73
VII. EARNINGS PER SHARE			
- Basic	22.1	11.14	175.31
- Diluted	22.1	11.14	175.31
Weighted average number of equity shares (face value of Rupees 10.00 each)		5571493	69433
VIII. NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1-24		

As per our report of even date

For **Rahul Mistri and Co.**
Chartered Accountants
FRN: 147586W

For and on behalf of the Board of

SAHANA SYSTEM LIMITED
(Formerly known as SAHANA SYSTEM PRIVATE LIMITED)

Rahul Mistri
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Khushbu Dalwadi
Company Secretary

Jatinkumar Jogani
Chief Financial Officer

SAHANA SYSTEM LIMITED
(Formerly known as SAHANA SYSTEM PRIVATE LIMITED)
CIN: U72500GJ2020PLC112865

Statement of Cash Flow for the Period ended 31st March, 2023

Particulars	31/03/2023	31/03/2022
	Rs. In Lakh	Rs. In Lakh
I. Cash flow from operating activities		
Profit before Tax	886.57	193.22
Adjustments for:		
Depreciation and amortisation	16.65	12.25
Finance costs	64.24	72.24
Operating profit / (loss) before working capital changes	967.47	277.70
Movements in Working Capital		
(Increase) / Decrease Inventories	- 470.90	155.23
(Increase) / Decrease Trade Receivables	- 240.28	465.48
(Increase) / Decrease Other Current Assets	- 264.57	2.70
Increase / (Decrease) Trade payables	145.02	322.20
Increase / (Decrease) Short Term Borrowings	- 35.60	217.22
Increase / (Decrease) Short Term Provisions	266.97	0.25
Increase / (Decrease) Other current liabilities	- 9.26	130.38
Net Cash Generated/(Used in) Operations	358.85 -	110.09
Direct Taxes Paid including for past years	- 265.97	71.49
Dividend & Dividend Tax Paid	-	-
Net cash flow from / (used in) operating activities (A)	92.88 -	181.58
II. Cash flow from Investing activities		
Purchase of Fixed Assets	25.39 -	31.34
Change in Long Term Loans and Advances	- 2.36	-
Net cash flow from / (used in) investing activities (B)	23.03 -	31.34
III. Cash flow from financing activities		
Finance cost	- 64.24	72.24
Issue of Equity Shares (Including Bonus Shares)	-	308.53
Utilization of Reserve for Bonus Equity Shares	- 247.62	14.36
Net cash flow from / (used in) financing activities (C)	311.86	221.93
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	195.95	9.01
Cash and cash equivalents at the beginning of the year	9.81	0.80
Cash and cash equivalents at the end of the year *	186.14	9.81
* Comprises:		
(a) Cash on hand	0.06	-
(b) Balances with banks		
(i) In current accounts	10.63	9.81
(ii) In deposit accounts	-	-

Notes:

- (i) The Cash flow statement has been prepared by Indirect Method as prescribed in AS-3 "Cashflow Statement"
(ii) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.

As per our report of even date

For Rahul Mistri and Co.
Chartered Accountants
FRN: 147586W

For and on behalf of the Board of

SAHANA SYSTEM LIMITED
(Formerly known as SAHANA SYSTEM PRIVATE LIMITED)

Rahul Mistri
Proprietor
(Mem No.184595)
UDIN: 23184595BGTKEB3902

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Khushbu Dalwadi
Company Secretary

Jatinkumar Jogani
Chief Financial Officer

Date: 15-06-2023
Place: Gandhinagar

Date: 15-06-2023
Place: Ahmedabad

SAHANA SYSTEM LIMITED

(Formerly known as SAHANA SYSTEM PRIVATE LIMITED)

CIN: U72500GJ2020PLC112865

Notes Forming Part of Financial Statements

(1) CORPORATE INFORMATION:

CORPORATE INFORMATION

SAHANA SYSTEM LIMITED (Formerly known as SAHANA SYSTEM PRIVATE LIMITED) (the Company) was incorporated in 2020. The company is engaged in IT Services and Digital Marketing and development of Software and trading of Computer Hardware.

(2) SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS:

The financial statements of the Company are prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Companies Act, 2013 (to the extent notified) The financial statements are prepared on accrual basis under the historical cost convention.

The company is a Small and Medium sized company (SMC) as defined in the general instructions in respect of, Accounting standards notified under the Companies Act, 1956 which are presently applicable under section 133 of the act read with Rule 7 of the Companies (Accounts) Rules 2014. Accordingly the company has complied with the Accounting Standards as applicable to small and medium sized company.

2.2 USE OF ESTIMATES:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known or materialise.

2.3 INVENTORIES:

Inventories are valued at the lower of cost on FIFO and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including transit insurance and receiving charges.

2.4 CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

SAHANA SYSTEM LIMITED
(Formerly known as SAHANA SYSTEM PRIVATE LIMITED)
CIN: U72500GJ2020PLC112865

Notes Forming Part of Financial Statements

2.5 CASH FLOW STATEMENT

As Company fall under definition of small company, Cash Flow Statement shall not applicable.

2.6 DEPRECIATION AND AMORTISATION

Depreciation is provided on Written Down Value Method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013;

Residual value of five percent is considered in respect of all assets.

2.7 REVENUE RECOGNITION

Sales / Purchases are recognised, net of returns and trade discounts, deductions claimed and / or allowed on account of price difference, quantity discount, claims for shortages, if any, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods. Sales exclude sales tax and value added tax. When there is uncertainty about the ultimate collectability, the revenue recognition is postponed until such uncertainty is resolved.

2.8 OTHER INCOME:

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.9 TANGIBLE FIXED ASSETS:

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

2.10 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

2.11 CASH FLOWS STATEMENT:

Cash flows statement are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals of past or future cash receipts and payments. The cash flows from regular operating, investing and financing activities of the company are segregated.

SAHANA SYSTEM LIMITED
(Formerly known as SAHANA SYSTEM PRIVATE LIMITED)
CIN: U72500GJ2020PLC112865

Notes Forming Part of Financial Statements

2.12 EMPLOYEE BENEFITS:

Employee benefits like gratuity is paid and accounted at the time of retirement of employee.

2.13 BORROWING COSTS:

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

2.14 EARNINGS PER SHARE:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.15 TAXES ON INCOME:

Current tax is amount of tax on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.16 IMPAIRMENT OF ASSETS:

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount.

2.17 PROVISIONS AND CONTINGENCIES:

A provision is recognised when the Company has a present obligation as a result of past events and 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 (excluding retirement benefits) are not discounted to their present value and are determined based on the 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 disclosed in the Notes.

SAHANA SYSTEM LIMITED
(Formerly known as SAHANA SYSTEM PRIVATE LIMITED)
CIN: U72500GJ2020PLC112865

Notes Forming Part of Financial Statements

(3) SHARE CAPITAL

The authorised, issued, subscribed and fully paid-up share capital comprises of equity shares having a par value of Rs. 10 each as follows:

Particulars	As at 31st March 2023		As at 31st March 2022	
	No. Of Shares	Rs. In Lakh	No. Of Shares	Rs. In Lakh
AUTHORISED CAPITAL:				
Equity Shares of Rs. 10 each	1,00,00,000	1,000.00	50,00,000	500.00
ISSUED, SUBSCRIBED & FULLY PAID UP CAPITAL:				
Equity Shares of Rs. 10 each	55,71,493	557.15	30,95,274	309.53
	55,71,493	557.15	30,95,274	309.53

(Refer Notes (i) to (x))

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the ended 31st March, 2023:

Particulars	Number of shares	Rs. In Lakh	Number of shares	Rs. In Lakh
- Opening Balance	30,95,274	309.53	10,000	1.00
- Preferential Issue	-	-	24,014	2.40
- Bonus Issue	24,76,219	247.62	30,61,260	306.13
- Closing Balance	55,71,493	557.15	30,95,274	309.53

(ii) The Company has only one class of share capital namely Equity Shares having face value of Rs. 10 each.

(a) In respect of every equity share (whether fully paid or partly paid), voting right shall be in the same proportion as The capital paid up on such equity share bears to the total paid up equity capital of the Company.

(b) The dividend proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

(c) In the event of liquidation, the shareholders of equity shares are eligible to receive the remaining assets of the company after distribution of all preferential amounts, and due to creditors of the company in proportion to their share holdings.

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: NIL

(iv) Details of shares held by each shareholder holding more than 5% shares:

Name of the Shareholders	As at 31st March 2023		As at 31st March 2022	
	No. Of Shares	% Holding	No. Of Shares	% Holding
(i) PRATIK RAMJIBHAI KAKADIA	43,91,805	78.83%	24,39,892	78.83%
(ii) SHARDABEN RAMJIBHAI KAKADIYA	3,29,530	5.91%	1,83,072	5.91%
(iii) RAMAJIBHAI PARBATBHAI KAKADIA	66,830	1.20%	37,128	1.20%
(iv) HETAL CHATURBHAI PATEL	2,39,967	4.31%	1,33,315	4.31%
(v) DIPAK KANAIYALAL PATEL	5,43,325	9.75%	3,01,847	9.75%
(vi) KETAN MAGANBHAI KATHIRIYA	18	0.00%	10	0.00%
(vii) TRUPESH RAMESHBHAI RADADIA	18	0.00%	10	0.00%
	55,71,493	100.00%	30,95,274	100.00%

(v) Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts: NIL

(vi) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:
The Company has issued and allotted total 2476219 Equity Shares of Rupees 10.00 each as Bonus Equity Shares to the Shareholders of the Company in the Ratio of 4 Bonus Equity Shares of Rupees 10.00 each fully paid up for every 5 Equity Shares of Rupees 10.00 each fully paid up on September 9, 2022.
The Company has issued and allotted total 3061260 Equity Shares of Rupees 10.00 each as Bonus Equity Shares to the Shareholders of the Company in the Ratio of 90 Bonus Equity Shares of Rupees 10.00 each fully paid up for every 1 Equity Share of Rupees 10.00 each fully paid up on March 25, 2022.

(vii) Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date: NIL

(viii) Calls unpaid (showing aggregate value of calls unpaid by Directors and officers): NIL

(ix) Forfeited shares (amount originally paid-up): NIL

SAHANA SYSTEM LIMITED
(Formerly known as SAHANA SYSTEM PRIVATE LIMITED)
CIN: U72500GJ2020PLC112865

Notes Forming Part of Financial Statements

(x) Shareholding of Promoters:

Promoter name	As at 31st March 2023		As at 31st March 2022		% Change during the year	
	No. Of Shares	% Holding	No. Of Shares	% Holding	No. Of Shares	% Holding
(i) PRATIK RAMJIBHAI KAKADIA	43,91,805	78.83%	24,39,892	78.83%	1951913	0.00%
(ii) SHARDABEN RAMJIBHAI KAKADIYA	3,29,530	5.91%	1,83,072	5.91%	146458	0.00%
(iii) RAMAJIBHAI PARBATBHAI KAKADIA	66,830	1.20%	37,128	1.20%	29702	0.00%
(iv) HETAL CHATURBHAI PATEL	2,39,967	4.31%	1,33,315	4.31%	106652	0.00%
Shares held by promoters at the end of the year	50,28,132	90.25%	27,93,407	90.25%	2234725	0.00%

(4) **RESERVES AND SURPLUS**

Reserves and surplus consist of the following reserves:

Rs. In Lakh

	As at 31st March 2023	As at 31st March 2022
SURPLUS IN PROFIT & LOSS ACCOUNT:		
Balance as per Last Balance Sheet	127.48	20.11
Add: Profit for the Year	620.60	121.73
Less: Utilization for Bonus Equity Shares	247.62	14.36
Closing Balance	500.46	127.48
SECURITIES PREMIUM:		
Balance as per Last Balance Sheet	-	-
Add: By issue of Equity Shares	-	291.77
Less: Utilization for Bonus Equity Shares	-	291.77
Closing Balance	-	-
	500.46	127.48

SAHANA SYSTEM LIMITED
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Notes Forming Part of Financial Statements

(-) LONG TERM BORROWINGS

Long-term borrowings consist of the following:

	Rs. In Lakh	
Particulars	As at 31/3/2023	As at 31/03/2022
Loan From Related Parties:		
- Unsecured	-	-
Total	-	-

(5) SHORT TERM BORROWINGS

Short-term borrowings consist of the following:

	Rs. In Lakh	
Particulars	As at 31/3/2023	As at 31/03/2022
Loans repayable on demand:		
Secured		
From TMB Bank CC (Refer Note hereunder)	302.46	423.51
Unsecured		
From Loans and advances from related parties		
- Directors - Unsecured	45.98	16.34
- Directors' Relatives - Unsecured	5.00	72.76
- Shareholders - Unsecured	123.59	0.01
- Others - Unsecured	-	-
Total	477.02	512.62

Note : The loan from Tamilnad Mercantile Bank Limited was originally availed by the partnership firm M/s Oceans Technology which was subsequently converted into the public limited company M/s Sahana System Limited. However, the loan has not been transferred in the name of Sahana System Limited and hence a separate charge has not been created with the registrar of companies. Furthermore, interest payment of the said loan is being done by Sahana System Limited from its earnings.

(6) TRADE PAYABLES:

Trade Payables consist of the following:

	Rs. In Lakh	
Particulars	As at 31/3/2023	As at 31/03/2022
(A) Total outstanding dues of micro enterprises and small enterprises; and	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises.		
(a) Creditors of Goods & Services	472.85	327.83
(b) Creditors of Expences	-	-
(c) Other Payable	-	-
Total	472.85	327.83

Micro, Small and Medium Enterprises Disclosure

Micro, Small and Medium Enterprises Disclosure is as follow:

	Rs. In Lakh	
Particulars	As at 31/3/2023	As at 31/03/2022
(a) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year.	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accountang year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Total	-	-

Note: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Company. This has been relied upon by the auditors.

Trade payables due for payment as at 31 March,2023

Trade payables due for payment Disclosure is as follow:

	Rs. In Lakh				
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	472.85	-	-	-	472.85
(iii) Disputed dues —					
MSME	-	-	-	-	-
Others	-	-	-	-	-

SAHANA SYSTEM LIMITED
(Formerly known as SAHANA SYSTEM PRIVATE LIMITED)
CIN: U72500GJ2020PLC112865

Notes Forming Part of Financial Statements

Trade payables due for payment as at 31 March 2022 Rs. In Lakh
Trade payables due for payment Disclosure is as follow:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	322.20	5.63	-	-	327.83
(iii) Disputed dues —					
MSME	-	-	-	-	-
Others	-	-	-	-	-

(7) OTHER CURRENT LIABILITIES: Rs. In Lakh

Other Current liabilities consist of the following:

Particulars	As at 31/3/2023	As at 31/03/2022
Professional Fees Payable	4.30	3.80
GST Payable	30.31	20.25
TDS Payable	0.09	-
Advance from Customer	102.95	122.87
Total	137.66	146.92

(8) SHORT TERM PROVISIONS: Rs. In Lakh

Short Term Provisions consist of the following:

Particulars	As at 31/3/2023	As at 31/03/2022
Provision for Income Tax	265.97	-
Provision for Audit Fees	1.50	0.50
Total	267.47	0.50

LONG TERM LOANS AND ADVANCES: Rs. In Lakh

Long-term loans and advances consist of the following:

Particulars	As at 31/3/2023	As at 31/03/2022
(i) Deposit	2.36	-
Total	2.36	-

(10) INVENTORIES: Rs. In Lakh

Inventory consist of the following:

Particulars	As at 31/3/2023	As at 31/03/2022
Stock in Hand	697.35	226.45
Stock WIP	619.43	619.43
Total	1,316.78	845.88

(11) TRADE RECEIVABLES: Rs. In Lakh

Trade Receivables consist of the following:

Particulars	As at 31/3/2023	As at 31/03/2022
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment:		
(i) Considered Good	-	-
(ii) Considered Doubtful	-	-
Less: Provision for doubtful trade receivables	-	-
(b) Other Trade Receivables:		
(i) Considered Good	720.34	480.06
(ii) Considered Doubtful	-	-
Total	720.34	480.06

SAHANA SYSTEM LIMITED
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Notes Forming Part of Financial Statements

Trade Receivables ageing schedule as at 31 March, 2023 Rs. In Lakh
Disclosure on Trade Receivables ageing schedule is as follow:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	693.89	26.45	-	-	-	720.34
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Trade Receivables ageing schedule as at 31 March 2022 Rs. In Lakh
Disclosure on Trade Receivables ageing schedule is as follow:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	463.43	2.05	14.58	-	-	480.06
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

(12) CASH AND BANK BALANCES: Rs. In Lakh

Cash and Bank Balances consist of the following:

Particulars	As at 31/3/2023	As at 31/03/2022
(a) Cash and Cash Equivalents	0.06	-
(b) Balances with Bank		
(i) In Current Accounts	10.63	9.81
(ii) In Deposit Accounts	-	-
Total	10.69	9.81

(13) SHORT TERM LOANS AND ADVANCES: Rs. In Lakh

Short-term loans and advances consist of the following:

Particulars	As at 31/3/2023	As at 31/03/2022
Unsecured, Considered Good		
(i) Advances to Suppliers	249.50	1.98
(ii) Advance to others	-	1.71
(iii) TDS Receivable	18.96	0.07
(iv) TCS Receivable	0.32	0.44
Total	268.77	4.20

(14) REVENUE FROM OPERATIONS: Rs. In Lakh

Revenue from Operations include the Repairing Charges and Consultancy Charges provided by the company which are considered as core business area of the company.

Particulars	For the year ended on 31/3/2023	For the year ended on 31/03/2022
Sale Of Service		
Domestic	1,000.29	831.98
Export	135.22	7.26
Sale Of Goods		
Domestic	1,278.72	378.15
Total	2,414.23	1,217.39

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(15) OTHER INCOME:

Other Income consist of the following:

	Rs. In Lakh	
Particulars	For the year ended on 31/3/2023	For the year ended on 31/03/2022
(i) Interest on Fixed Deposits	-	-
(ii) Ex Gratia Income	-	-
Total	-	-

(16) PURCHASES & OTHER DIRECT EXPENSES:

Purchases & Other Direct Expenses consist of the following and are net of returns

	Rs. In Lakh	
Particulars	For the year ended on 31/3/2023	For the year ended on 31/03/2022
<u>Purchases:</u>		
(i) Indigenous	1,835.33	483.34
(ii) Custom Duty	-	-
(iv) Air Freight, Insurance & Other Charges	-	-
Total	1,835.33	483.34

(17) CHANGES IN INVENTORIES:

	Rs. In Lakh	
Particulars	For the year ended on 31/3/2023	For the year ended on 31/03/2022
<u>Inventories at the end of the year</u>		
Stock-in-trade	697.35	226.45
Stock WIP	619.43	619.43
<u>Inventories at the beginning of the year</u>		
Stock-in-trade	226.45	71.23
Stock WIP	619.43	619.43
Total	470.90	155.23

(18) EMPLOYEE BENEFIT EXPENSES:

Employee Benefits Expenses Consist of the following

	Rs. In Lakh	
Particulars	For the year ended on 31/3/2023	For the year ended on 31/03/2022
Employee Salaries	47.69	47.72
PF & ESIC Contribution	5.27	-
Employees Bonus	-	3.50
<u>Remuneration to Directors:</u>		
Basic Remuneration	-	-
Total	52.96	51.22

(19) FINANCE COSTS:

Finance costs consist of the following:

	Rs. In Lakh	
Particulars	For the year ended on 31/3/2023	For the year ended on 31/03/2022
<u>Interest Expenses on:</u>		
(i) Borrowings		
Interest to Bank	63.74	72.21
Interest on Car Loan	-	-
(ii) Others:		
Interest on late payment of taxes	-	-
Interest to others	-	-
Bank Charges	0.51	0.03
Total	64.24	72.24

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Notes Forming Part of Financial Statements

(20) OTHER EXPENSES:

Rs. In Lakh

Other Expenses consist of the following

Particulars	For the year ended on 31/3/2023	For the year ended on 31/03/2022
<u>Administrative & Other Expenses</u>		
Accounting Charges	-	3.00
Advertisement Expenses	0.04	4.35
AMC & Maintenance Charges	0.40	1.85
Audit Fees	1.50	0.25
Cloud Expense	0.51	0.44
Depository Expenses	0.63	-
Directors' Sitting Fees	1.30	-
Donation Expenses	2.25	-
Electricity Expense	0.97	2.81
Information Technology Expenses	-	0.18
Insurance Expenses	1.03	2.87
Labour Charges	0.05	-
Late Fees	0.02	-
Legal & Professional Fees	2.97	4.29
Office Expense & Other Expense	1.51	2.83
Rent Expenses	9.02	-
ROC and other Registration Fees	6.27	7.58
Stationery Expenses	0.07	0.07
Subscription Charges	-	0.72
Telephone & Internet Exp	0.17	0.18
Tender Fees	0.05	-
Travelling Expenses	0.41	2.65
Work Contact Expenses	-	526.28
Petrol Expenses	0.02	-
Professional Tax	0.21	-
Total	29.38	560.37

Note: Payments to the auditors comprises of:

Rs. In Lakh

Details	For the year ended on 31/3/2023	For the year ended on 31/03/2022
Statutory Audit Fees	1.50	0.25
Taxation & Allied Matters	-	-
Company Law Matters	-	-
VAT Matters	-	-
Service Tax	-	-
Total	1.50	0.25



SAHANA SYSTEM LIMITED
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Notes Forming Part of Financial Statements

(9) Property, Plant and Equipment and Intangible assets

Rs. In Lakh

Particulars	Gross Block as at April 1, 2022	Additions	Deletions / Adjustments	Gross Block as at March 31, 2023	Accumulated Depreciation / Amortisation as at April 1, 2022	Depreciation / Amortisation for the year	Deletions / Adjustments	Accumulated Depreciation / Amortisation as at March 31, 2023	Net book value as at March 31, 2023	Net book value as at March 31, 2022
Tangible Assets:										
Computers and Related Equipments	12.19	14.59	0.00	26.78	9.01	7.23	0.00	16.24	10.55	3.18
Office Equipment	0.07	0.13	0.00	0.19	0.03	0.06	0.00	0.09	0.10	0.04
Furniture & Fixtures	0.61	0.33	0.00	0.94	0.27	0.17	0.00	0.44	0.49	0.33
Electronics & Fittings	3.38	10.31	0.00	13.70	1.11	2.43	0.00	3.54	10.16	2.28
Motor Vehicles	25.00	0.00	0.00	25.00	7.81	6.76	0.00	14.56	10.44	17.19
Total	41.25	25.36	0.00	66.61	18.22	16.65	0.00	34.87	31.74	23.03
Previous Year	10.10	31.16	-	41.25	5.98	12.25	-	18.22	23.03	4.12
Intangible Assets										
Software	0.19	0.04	0.00	0.22	0.00	0.00	0.00	0.00	0.22	0.19
Total	0.19	0.04	0.00	0.22	0.00	0.00	0.00	0.00	0.22	0.19
Previous Year	0.00	0.19	0.00	0.19	0.00	0.00	0.00	0.00	0.19	-
Grand Total	41.44	25.39	-	66.83	18.22	16.65	-	34.87	31.96	23.22
Intangible Assets under development aging schedule:										
Software	61.71	-	-	61.71	-	-	-	-	61.71	61.71
Total	61.71	-	-	61.71	-	-	-	-	61.71	61.71
Previous Year	61.71	-	-	61.71	-	-	-	-	61.90	61.71
Intangible assets under development aging schedule										
Intangible assets under development	Amount in CWP for a period of				Total					
	Less than 1 year	1-2 years	2-3 years	More than 3 years						
Projects in progress	-	-	-	61.71	61.71					
Projects temporarily suspended	-	-	-	-	-					
Total	-	-	-	61.71	61.71					



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Note 21: Additional Information to the Financial Statements:

Rs. In Lakh

21.1	Particulars	31-03-2023	31-03-2022			
	Contingent liabilities and commitments (to the extent not provided for)	Nil	Nil			
	Total Outstanding Dues to Micro, Small and Medium Enterprises for the year. The Company has not received any claim for interest from any supplier under the said Act.	Nil	Nil			
	Earnings in foreign currency	135.22	7.26			
	Value of Imports Calculated on CIF basis	Nil	Nil			
	Expenditure in foreign currency	Nil	Nil			
21.2	Statements of Account / balance confirmations, wherever received, have been reconciled and impact thereof, if any, has been dealt with to the extent agreed up on by the Company. Claims or deductions, which are not accepted by the Company, are treated as contingent liability and accounted for in the year of final settlement.					
21.3	In the opinion of management, the current assets, loans and advances have a value of realization in the ordinary course of business, at least to the amount equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of what is required.					
21.4	No dividends is proposed to be distributed to equity and preference shareholders for the period. There are no arrears of fixed cumulative dividends on preference shares.					
21.5	Amount raised through an issue of Equity Shares have been utilized for the purpose for which it was raised.					
21.6	The borrowings from banks and financial institutions have been used for the purpose for which it was taken at the balance sheet date.					
21.7	In the opinion of the Board, all the assets other than Property, Plant and Equipment, Intangible assets and non-current investments do have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.					
21.8	There are no Immovable Property in name of the Company.					
21.9	The Company has not revalued its Property, Plant and Equipment.					
21.10	No Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties.					
21.11	No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder					
21.12	Registration of charges or satisfaction with Registrar of Companies Since, the Loan availed from Tamilnad Mercantile Bank Limited is still in the name of Sahana System, (Partnership Firm of which the Company has been incorporated by conversion) and no document in the name of the Company has been executed, the Company has not created charge with the Registrar of Companies.					
21.13	The Company has not entered into any transactions with struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.					
21.14	The company does not have any subsidiary Companies and accordingly, it is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.					
21.15	Ratios					
	Particulars	Numerator	Denominator	31-03-2023	31-03-2022	Variance (%)
	Current Ratio	Current assets	Current liabilities	1.71	1.36	26.04%
	Debt - Equity Ratio	Total debt	Shareholder's equity	0.45	1.17	-61.55%
	Debt Service Coverage Ratio	Earnings available for debt service	Debt service	15.06	3.84	291.75%
	Return on Equity Ratio	Net profits after taxes	Shareholder's equity	58.68%	27.85%	110.67%
	Inventory turnover ratio	Inventory	Revenue	1.26	0.43	195.45%
	Trade Receivables turnover ratio	Revenue	Average trade receivable	4.02	4.92	-18.28%
	Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	4.58	2.90	58.14%
	Net capital turnover ratio	Revenue	Working capital	1.57	1.28	22.72%
	Net profit ratio	Net profit	Revenue	25.71%	10.00%	157.09%
	Return on Capital employed,	Earning before interest and taxes	Capital employed	61.96%	27.95%	121.64%
	Return on investment (i) Unquoted	Income generated from investments	Time weighted average investments	32.34%	11.07%	192.05%
	Ratio	Reason for Variation				
	Current Ratio	Ratio increased due to increase in the Current Assets of the Company.				
	Debt - Equity Ratio	Ratio Decreased due to increase in debt.				
	Debt Service Coverage Ratio	Ratio improved due to increase in earnings.				
	Return on Equity Ratio	Return of Equity decreased due to increase in equity capital of the Company.				
	Inventory turnover ratio	Ratio decreased due to increase in inventory amount.				
	Trade Receivables turnover ratio	Ratio decreased due to increase in trade receivables .				
	Trade payables turnover ratio	Ratio Increased due to increase in trade payables.				
	Net capital turnover ratio	Ratio Increased due to increase in revenue of the Company.				
	Net profit ratio	Ratio improved due to increase in revenue from supply of Services.				
	Return on Capital employed,	Ratio increased due to increase in income of the company.				
21.16	The Company has not entered into any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013.					
21.17	The Company has not traded or invested in any Crypto currency or Virtual Currency during the financial year.					
21.18	The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise).					

Save Paper to Save Trees. Save Trees to Save Mother Earth.

SAHANA SYSTEM LIMITED
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Note: Disclosures under Accounting Standards:

Rs. In Lakh except per share data

22.1	Earnings per share	31-03-2023	31-03-2022
	Basic & Diluted EPS		
	Net profit / (loss) for the year attributable to the equity shareholders	11.14	175.31
	Weighted average number of equity shares	620.60	121.73
	Face Value per Share	5571493	69433
		10.00	10.00

22.2	Deferred Tax Asset (Liability):		
	Tax effect of items constituting Deferred Tax Assets		
	On difference between book balance and tax balance of fixed assets		-
	Tax effect of items constituting Deferred Tax Liabilities		
	Net Closing Deferred Tax Asset \ (Liability) #		-
	Net Opening Deferred Tax Asset \ (Liability)		-
	Amount Debited \ (Credited) to P\L for the Year		-

22.3	Related party transactions		
	Details of related parties:		
	Description of relationship		
	Key Management Personnel (KMP)	Mr. Hetang Arunkumar Shah - Chairman and Managing Director	
		Ms. Hetal Chaturbhai Patel - Non-Executive Director	
		Mrs. Shardaben Ramjibhai Kakadia - Non-Executive Director	
		Mr. Pratik Kakadia - Relative of KMP	
		Mr. Ramjibhai Kakadia - Relative of KMP	
		BARTEK ENTERPRISE (Proprietorship of Relative of KMP)	
		Shri Vinayak Sahakari Bank Ltd	
	Relatives of Key Management Personnel (KMP)		
	Other Related Parties		

Note: Related parties have been identified by the Management.

Details of related party transactions during the period and balances outstanding as at March 31, 2023:

Nature	KMP	Relatives of KMP	Other Related Parties
i. Transactions			
Director Sitting Fees			
Ms. EKTA ANKIT PATEL	-	-	0.55
Ms. NISHITA MAYANK SANGHVI	-	-	0.80
Receipt of Loan			
Mr. Pratik Kakadia	69.16	-	-
Ms. Hetal Chaturbhai Patel	129.19	-	-
Mrs. Shardaben Ramjibhai Kakadia	-	11.39	-
Mr. Ramjibhai Kakadia	-	-	-
BARTEK ENTERPRISE	-	52.18	-
Repayment of Loan			
Mr. Pratik Kakadia	-	81.24	-
Ms. Hetal Chaturbhai Patel	86.24	-	-
Mrs. Shardaben Ramjibhai Kakadia	-	19.70	-
Mr. Ramjibhai Kakadia	-	-	-
BARTEK ENTERPRISE	-	5.89	-
Sales			
Shri Vinayak Sahakari Bank Ltd	-	-	1.57
ii. Balances Outstanding:			
Unsecured Loan			
Mr. Pratik Kakadia	-	73.70	-
Ms. Hetal Chaturbhai Patel	45.97	-	-
Mrs. Shardaben Ramjibhai Kakadia	-	5.00	-
Mr. Ramjibhai Kakadia	-	0.00	-
BARTEK ENTERPRISE	-	49.89	-
Trade Receivables			
Shri Vinayak Sahakari Bank Ltd	-	-	0.27

Note: Other Receivable consist of Director current account balance for business expense payment

- 23 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
- 24 Disclosure as prescribed under Schedule III to the Companies Act, 2013 is provided to the extent applicable. No Disclosure have been made in respect of matters/transactions/events which are not happened during the financial year.

As per our report of even date
For, **Rahul Mistri and Co.**
Chartered Accountants
FRN: 147586W

For and on behalf of the Board of
SAHANA SYSTEM LIMITED
(Formerly known as SAHANA SYSTEM PRIVATE LIMITED)

Rahul Mistri
Proprietor
(M. No. 184595)
UDIN: 23184595BGTKBN3902

Hetang Arunkumar Shah
Chairman and Managing Director
(DIN: 02710970)

Hetal Patel
Non-Executive Director
(DIN: 08381794)

Date: 15-06-2023
Place: Gandhinagar

Khushbu Dalwadi
Company Secretary
Date: 15-06-2023

Jatinkumar Jogani
Chief Financial Officer
Place: Ahmedabad