



SAHANA SYSTEM LIMITED

Corporate Identity Number: U72500GJ2020PLC112865

Our company was originally formed as a partnership firm in the name and style of "M/s. Oceans Technologies" through partnership deed dated March 1, 2013. Further, the name of the partnership firm was changed from "M/s Oceans Technologies" to "M/s Sahana System" on April 30, 2019, and the partnership firm was converted into Private Limited company under part I (Chapter XXI) of the Companies Act, 2013 and incorporated as 'Sahana System Private Limited' on February 20, 2020, pursuant to Certificate of Incorporation issued by RoC, Ahmedabad. The Company was converted into a public limited company pursuant to shareholders resolution passed at the General Meeting of our Company held on March 31, 2022, and the name of our Company was changed to 'Sahana System Limited' and a Fresh Certificate of Incorporation dated April 5, 2022 was issued by the RoC, Ahmedabad. The Corporate Identification Number of our Company is U72500GJ2020PLC112865. For details of incorporation, change of name and registered office of our Company, please refer to chapter titled "General Information" and "History and Certain Corporate Matters" beginning on pages 54 and 124 respectively of the Red Herring Prospectus.

Registered office: 901-A-Block, Mondeal Square, Nr. Iscon Elegance, S.G. Highway, Prahladnagar, Ahmedabad-380015.
Tel: +91-79-4601 4490; **E-mail:** cs@sahanasystem.com; **Website:** www.sahanasystem.com;
Contact Person: Khushbu Ankitkumar Dalwadi, Company Secretary and Compliance Officer
Corporate Identity Number: U72500GJ2020PLC112865.

OUR PROMOTER: PRATIK KAKADIA

INITIAL PUBLIC ISSUE OF UP TO 24,25,000* EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF SAHANA SYSTEM LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹ [●] LAKHS OF WHICH UP TO 1,25,000 EQUITY SHARES OF FACE VALUE OF ₹ [●] EACH FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKETMAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH AT A PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING TO ₹ [●] IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 30.33% AND 28.76% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.

*Subject to finalization of the basis of allotment.

THE ISSUE IS BEING MADE IN ACCORDANCE WITH REGULATION 229(1) OF THE SEBI ICDR REGULATIONS
QIB CATEGORY : NOT MORE THAN 10% OF THE ISSUE
NON-INSTITUTIONAL INVESTOR CATEGORY : NOT LESS THAN 45% OF THE ISSUE
RETAIL CATEGORY : NOT LESS THAN 45% OF THE ISSUE
MARKET MAKER PORTION : UPTO 1,25,000 EQUITY SHARES OR 5.15% OF THE ISSUE

PRICE BAND : ₹ 132 TO ₹ 135 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH.

THE FLOOR PRICE IS 13.2 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 13.5 TIMES OF THE FACE VALUE.

BIDS CAN BE MADE FOR A MINIMUM OF 1000 EQUITY SHARES AND IN MULTIPLES OF 1000 EQUITY SHARES THEREAFTER.

Risks to Investors:

- i. The average cost of acquisition of shares of our promoter Pratik Kakadia is ₹ 4.99.
- ii. Weighted Average Cost of Acquisition for all Equity Shares transacted in one year, eighteen months and three years preceding the date of the Red Herring Prospectus by all the shareholders:

<i>Period</i>	<i>Weighted Average Cost of Acquisition (in ₹)#</i>	<i>Upper end of the Price band (₹ 135) is 'X' times the Weighted Average Cost of Acquisition</i>	<i>Range of acquisition price: Lowest Price - Highest Price (in ₹)</i>
Last 1 year	Nil	N.A	0*-0
Last 18 months	4.98	27.11	0*-1225
Last 3 years	4.98	27.11	0*-1225

#As certified by our Peer review Auditors, by way of their certificate dated May 26, 2023.

*** Shares allotted through Bonus Issue.**

- iii. The two BRLMs are associated with the Issue have handled 16 public issues in the past three years, out of which 3 issue closed below the issue price on listing date.

Name of the BRLMs	Total Public Issues	Issues closed below IPO price on listing date
Unistone Capital Private Limited	9	1
Interactive Financial Services Limited	7	2
Total	16	3

- iv. The Price/Earnings ratio based on diluted EPS for Fiscal 2023 for our Company at the upper end of the Price Band is 11.78 times.

- v. Weighted Average Return on Net Worth for fiscals 2023, 2022 and 2021 is 55.74%

- vi. The Weighted average cost of acquisition compared to floor price and cap price.

Past Transactions	Weighted average cost of acquisition	Floor Price	Cap Price
	(₹)	132	135
WACA of Equity Shares that were issued by our Company	7.48	17.65 times	18.05 times
WACA of Equity Shares that were acquired or sold by way of secondary transactions	N.A.	N.A.	N.A.

- vii. One of the Objects of the issue is for installation of EV charging station in which promoter has no experience.

- viii. We may be unable to procure confirmed order from New & Renewable Energy Development Corporation of Andhra Pradesh Limited (NREDCAP) for the purpose for which funds are being raised from this Issue.

BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled "Risk Factors", the details about our Company under the section titled "Our Business" and its financial statements under the section titled "Financial Information" beginning on pages 29, 104 and 148 respectively of the Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investors may lose all or part of their investment.

The Issue Price is determined by our Company in consultation with the BRLMs on the basis of the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ [●], which is [●] times the face value.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Issue Price are:

- End-to-end IT services
- Quality of services
- Certifications, Awards and Accreditations
- Leveraging the experience of our Promoter.

For further details, please refer to the paragraph titled "Our Competitive Strengths" in the section titled "Our Business" on page 104 of the Red Herring Prospectus.

Quantitative factors

Information presented below is derived from our Company's Restated Financial Statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic and Diluted Earnings Per Share (EPS):

Financial Year/Period	Basic and Diluted EPS (in ₹)	Weights
March 31, 2023	11.48	3
March 31, 2022	2.54	2
March 31, 2021	0.30	1
Weighted Average EPS	6.64	

*Source: Restated Financial Statements

The Company does not have any diluted potential Equity Shares. Consequently, the basic and diluted profit/earning per share of the company remain the same.

Note:

Basic EPS and Diluted EPS calculations are in accordance with Accounting Standard 20 (AS-20) 'Earnings per Share', notified under Section 133 of Companies Act, 2013 read together along with paragraph 7 of the Companies (Accounts) Rules, 2014.

- o Basic and Diluted Earnings per share = Restated Profit Attributable to Equity Shareholders / Equivalent Weighted Average number of Equity Shares at the end of the year / period
- o The face value of each Equity Share is ₹10.
- o Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS * Weight) for each fiscal] / [Total of weights].

- o Weighted average number of Equity Shares are the number of Equity Shares outstanding at the beginning of the period/ year adjusted by the number of Equity Shares issued during the period/ year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/ year. The figures disclosed above are based on the Restated Financial Information of our Company.

2. Price/Earning (P/E) ratio in relation to price band of ₹ 132 to ₹ 135 per Equity Share:

Particulars	P/E at the lower end of the Price Band	P/E at the upper end of the Price Band
P/E ratio based on Basic EPS for Financial Year 2023	11.50	11.76
P/E ratio based on Diluted EPS for Financial Year 2023	11.50	11.76
Industry*		

*There are no listed companies in India that are engaged in a business similar to that of our company accordingly it is not possible to provide an industry comparison in relation to our company.

3. Return on Net Worth (RONW):

Financial Years	Return on Net Worth (RONW) (%)	Weights
March 31, 2023	59.24	3
March 31, 2022	31.23	2
March 31, 2021	94.27	1
Weighted Average RONW	55.74	

*Source: Restated Financial Statements

Note:

- The RONW has been computed using the below formula Restated Profit Attributable to Equity Shareholders * 100 / Restated Net worth for the year / period
- Weighted average Return on Net Worth = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. [(RoNW * Weight) for each fiscal year] / [Total of weights].

4. Net Asset value (NAV) per Equity Share

Particular	Amount (in ₹)
Net Asset Value per Equity Share as of March 31, 2023	19.38
After Completion of the Issue	
- At Floor Price	53.53
- At Cap Price	53.44
At Issue Price	[●]

Note:

- Net Asset Value per Equity Share has been calculated as net worth divided by Weighted Average No. of equity shares at the end of the year/period.
- Net worth has been computed as the aggregate of share capital and reserves and surplus (excluding revaluation reserves, if any) of our Company.

5. Comparison of Accounting ratios with Peer Group Companies

As on the date of the Red Herring Prospectus, there are no comparable peer which is listed companies in India and which are engaged in the same line of business as our Company, hence comparison with industry peers is not applicable.

6. Key Performance indicators ("KPIs")

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

KPI	Explanation
Revenue from Operations (₹ lakhs)	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Total Revenue	Total Revenue is used to tack the total revenue generated by the business including other income.
Operating EBITDA (₹ lakhs)	Operating EBITDA provides information regarding the operational efficiency of the business.
Operating EBITDA Margin (%)	Operating EBITDA Margin is an indicator of the operational profitability and financial performance of our business.
Profit After Tax (₹ lakhs)	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin	PAT Margin is an indicator of the overall profitability and financial performance of our business.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
Debt To Equity Ratio	Debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage.

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