A. K. OSTWAL & CO.
CHARTERED ACCOUNTANTS

## CERTIFICATE ON RATIOS FOR BASIS FOR ISSUE PRICE

Date: May 20, 2023

To,
**The Board of Directors**
**Sahana System Limited**
**(Formerly known as Sahana System Private Limited)**
901-A-Block, Mondeal Square,
Nr. Iscon Elegance, S.G. Highway,
Prahladnagar Ahmedabad – 380 015

**Unistone Capital Private Limited**
305, A Wing, Dynasty Business Park,
Andheri Kurla road, Andheri East,
Mumbai, Maharashtra – 400059, India.
(Unistone Capital Private Limited referred to as the **"Book Running Lead Manager-I"**)

**Interactive Financial Services Limited**
612, 6th Floor, Shree Balaji Heights,
Kokilaben Vyas Marg, Ellisbridge,
Ahmedabad – 380 009, Gujarat, India
(Interactive Financial Services Limited referred to as the **"Book Running Lead Manager-II"**)

Dear Sir(s):

**Sub: Proposed initial public offering of equity shares of Rs. 10/- each ("the Issue") of Sahana System Limited (Formerly known as Sahana System Private Limited) ("the Company")**

In connection with calculation of the issue price of the Equity Shares in the Issue, we have verified the information mentioned in **Annexure A** with respect to the Company, extracted from the financial statements of the Company as at and for the financial years ended March 31, 2021, March 31, 2022 and March 31, 2023 and other relevant records of the Company.

We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India.

This certificate is for your information and for inclusion in the draft red herring prospectus (the "**DRHP**"), the red herring prospectus (the "**RHP**") and the prospectus ("**Prospectus**"), to be issued by the Company in relation to the Issue and to be filed/registered with the Securities and Exchange Board of India, the Emerge Platform of National Stock Exchange of India Limited (the "**Stock Exchange**") and the Registrar of Companies, as may be required.

This certificate may be relied upon by the Book Running Lead Manager and the legal counsel appointed in relation to the Issue. We hereby consent to the extracts of this certificate being used in the DRHP, the RHP, the Prospectus and in any other material used in connection with the Issue. We also consent to the submission of this certificate as may be necessary, to any regulatory authority and / or for the records to be maintained by the Book Running Lead Manager in connection with the Issue and in accordance with applicable law.

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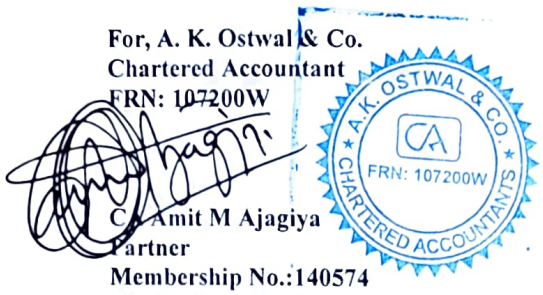
**Head Office: 517, Jeevandeep Complex, Nr. Nirmal Hospital, Ring Roadm Surat – 395 002.**
**Phone: 0261 –2901508 Mobile: 98989 20895, E-Mail: akostwalco@gmail.com**

Terms capitalised and not defined herein shall have the same meaning as ascribed to them in the Draft Red Herring Prospectus.

Yours sincerely,

**For, A. K. Ostwal & Co.**
**Chartered Accountant**
**FRN: 107200W**




**CA Amit M Ajagiya**
**Partner**
**Membership No.:140574**
**Peer Review No: 011897**
**Date: May 20, 2023**
**Place: Ahmedabad**
**UDIN: 23140574BGTQMI9226**

Annexure A

**I. Basic and diluted earnings per share ("EPS")**

| Financial Year | Basic and Diluted EPS (in ₹) | Weights |
|---|---|---|
| **Fiscal 2023** | **11.48** | **3** |
| **Fiscal 2022** | **2.54** | **2** |
| **Fiscal 2021** | **0.30** | **1** |
| Weighted Average | 6.64 | |

*Notes:*

1. *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e.sum of (EPS x Weight) for each year /Total of weights.*
2. *Basic and diluted EPS are based on the Restated Financial Information.*
3. *The face value of each Equity Share is ₹10.*
4. *Earnings per Share (₹) = Profit after tax excluding exceptional items before other comprehensive income attributable to equity shareholders for the year/period divided by the weighted average no.of equity shares during the respective year/period.*
5. *Earnings per Share calculations are in accordance with the notified Accounting Standard 20 'Earnings per share'.*
6. *The figures disclosed above are based on the Restated Financial Statements.*
7. *Pursuant to a resolution of Board of Directors dated 24th March, 2022 and the shareholders meeting dated 24th March, 2022, the Company approved issue 90 bonus shares of face value ₹ 10 each for every 1 existing fully paid-up equity share of face value ₹ 10 each and resolution of Board of Directors dated 02nd September, 2022 and the shareholders meeting dated 02nd September, 2022, the Company approved issue 4 bonus shares of face value ₹ 10 each for every 5 existing fully paid-up equity share of face value ₹ 10 each.. The impact of split of shares and issue of bonus shares are retrospectively.*

**II. Price/Earning ("P/E") ratio in relation to Price Band of ₹ [•] to ₹ [•] per Equity Share:**

| Particulars | P/E at the Floor Price (number of times)* | P/E at the Cap Price (number of times)* |
|---|---|---|
| **P/E ratio based on Basic EPS for Fiscal 20[•]** | **[•]** | **[•]** |
| **P/E ratio based on Diluted EPS for Fiscal 20[•]** | **[•]** | **[•]** |

**To be updated at Prospectus stage.*

*Note: Price / Earning (P / E) ratio is computed by dividing the price per share by earnings per share.*

**III. Return on Net Worth ("RoNW")**

Derived from the Restated Financial Statements:

| Fiscal | RoNW (%) | Weight |
|---|---|---|
| **Fiscal 2023** | **59.24%** | **3** |
| **Fiscal 2022** | **31.23%** | **2** |
| **Fiscal 2021** | **94.27%** | **1** |
| **Weighted Average** | **55.74%** | **6** |

*Notes:*

1. *Weighted Average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. sum of (RoNW x Weight) for each year / Total of weights.*
2. *The figures disclosed above are based on the Restated Financial Statements of our Company.*
3. *Return on Net Worth (%) = Restated Profit/(loss) attributable to owners of the holdingcompany/ net worth at the end of the year/ period;*
4. *Net-worth, as restated at the end of the relevant period (Equity attributable to the owners of the company, excluding non-controlling interest)*

**IV. Net asset value per Equity Share (face value of ₹ 10 each)**

Net Asset Value per Equity Share derived from the Restated Financial Statements:

| Particulars | Amount (₹) |
|---|---|
| **Net Asset Value per Equity Share as of 31/03/2023** | **19.38** |
| **Net Asset Value per Equity Share as of 31/03/2022** | **8.15** |
| **After completion of the Offer** | |
| **(i) At Floor price*** | **[•]** |
| **(ii) At Cap Price*** | **[•]** |
| **Issue Price per equity share*** | **[•]** |

**To be updated at Prospectus stage.*

*Notes:*

1. *Net Asset Value per Equity Share is calculated as total equity divided by weighted average number of equity shares outstanding during the respective year/period.*
2. *Pursuant to a resolution of Board of Directors dated 24th March, 2022 and the shareholders meeting dated 24th March, 2022, the Company approved issue 90 bonus shares of face value ₹ 10 each for every 1 existing fully paid-up equity share of face value ₹ 10 each and resolution of Board of Directors dated 02nd September, 2022 and the shareholders meeting dated 02nd September, 2022, the Company approved issue 4 bonus shares of face value ₹ 10 each for every 5 existing fully paid-up equity share of face value ₹ 10 each.. The impact of split of shares and issue of bonus shares are retrospectively considered for the computation of net asset value per equity shares.*

**V. Key financial and operational 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.



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| KPI | Explanations |
|---|---|
| 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. |
| EBITDA (₹ Lakhs) | EBITDA provides information regarding the operational efficiency of the business. |
| EBITDA Margin (%) | 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. |
| Interest Coverage Ratio | The interest coverage ratio is a debt and profitability ratio used to determine how easily a company can pay interest on its outstandingdebt. |
| Return on Capital employed (RoCE) (%) | It is calculated as profit before tax plus finance costs divided by total equity plus non-current liabilities. |
| Current Ratio | It tells management how business can maximize the current assets on its balance sheet to satisfy its current debt and other payables. |
| Net Capital Turnover Ratio | This metric enables us to track the how effectively company is utilizing its working capital to generate revenue. |

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated [●] and the members of the Audit Committee have verified the details of all KPIs pertaining to the Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this DRHP.

**Financial KPI of our Company**

| Metric | As of and for the Fiscal | | |
|---|---|---|---|
| | 31/03/2023 | 31/03/2022 | 31/03/2021 |
| Revenue From Operations (₹ In Lakhs) | 2414.23 | 1217.39 | 331.47 |
| Total Revenue (₹ In Lakhs) | 2414.23 | 1217.39 | 331.47 |
| EBITDA (₹ In Lakhs) | 967.46 | 277.70 | 84.30 |
| EBITDA Margin (%) | 40.07% | 22.81% | 25.43% |
| Profit After Tax (₹ In Lakhs) | 639.64 | 141.18 | 16.44 |
| Pat Margin (%) | 26.49% | 11.60% | 4.96% |
| Return On Equity (Roe) (%) | 83.52% | 60.14% | 178.31% |
| Debt To Equity Ratio | 0.44 | 1.13 | 41.47 |
| Interest Coverage Ratio | 15.06 | 3.84 | 1.45 |



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| Metric | As of and for the Fiscal | | |
|---|---|---|---|
| | 31/03/2023 | 31/03/2022 | 31/03/2021 |
| Return On Capital Employed (ROCE) (%) | 61.05% | 27.76% | 10.88% |
| Current Ratio | 1.57 | 1.35 | 0.94 |
| Net Capital Turnover Ratio | 1.55 | 1.26 | 0.45 |

*Notes:*

a) *Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.*

b) *EBITDA refers to earnings before interest, taxes, depreciation, amortisation, gain or loss from discontinued operations and exceptional items. EBITDA excludes other income but includes reversal of provision of doubtful debts.*

c) *EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.*

d) *Net Profit Ratio/Margin quantifies our efficiency in generating profits from our revenue and is calculated by dividing our net profit after taxes but before other comprehensive income by our revenue from operations.*

e) *Return on equity (RoE) is equal to profit after tax for the year divided by the total equity during that period and is expressed as a percentage.*

f) *Debt to equity ratio is calculated by dividing the debt (excluding lease liabilities) by total equity (which includes issued capital and all other equity reserves).*

g) *Interest Coverage Ratio measures our ability to make interest payments from available earnings and is calculated by dividing EBIDTA by finance cost payment.*

h) *RoCE (Return on Capital Employed) (%) is calculated as profit before tax plus finance costs divided by total equity plus non-current liabilities.*

i) *Current Ratio is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the current assets by current liabilities.*

j) *Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and iscalculated by dividing our revenue from operations by our working capital (i.e., current assets less current liabilities).*

## VI. Weighted average cost of acquisition ("WACA"), floor price and cap price:

### a) Primary Transactions:

Price per share of Issuer Company based on primary / new issue of shares, excluding issuance of bonus shares, during the 18 months preceding the date of filing of the DRHP / RHP, where such issuance is equal to or more than 5 per cent of the fully diluted paid-up share capital of the Issuer Company (calculated based on the pre-issue capital before such transaction/s), in a single transaction or multiple transactions combined together over a span of rolling 30 days;

| Date of allotment | No. of equity shares allotted* | Face value per equity share (₹) | Issue price per equity share (₹)* | Nature of allotment | Nature of consideration | Total Consideration (in ₹ Lakhs |
|---|---|---|---|---|---|---|
| 21/03/22 | 3933493 | 10 | 7.48 | Conversion of Unsecured Loan | Other than cash | 294.17 |
| **Weighted average cost of acquisition (WACA)** | | | | | | **7.48** |

**Adjusted for bonus shares allotted in the ratio of Ninety equity shares for every One equity share pursuant to Broad resolution dated 24th March, 2022 and bonus shares allotted in the ratio of Four equity shares for every Five equity share pursuant to Broad resolution dated 02nd September, 2022*

**b) Secondary Acquisition:**

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where our Promoters, members of our Promoter Group or Shareholder(s) having the right to nominate director(s) in the Board of Directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this DRHP, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Issue capital before such transaction(s)and excluding ESOPs granted but not vested),in a single transaction or multiple transactions combined together over a span of rolling 30 days

**Weighted average cost of acquisition, Floor Price and Cap Price**

Based on the disclosures in (a) and (b) above, the weighted average cost of acquisition of Equity Shares as compared with the Floor Price and Cap Price is set forth below:

| Past Transactions | Weighted average cost of acquisition (₹) | Floor Price ₹ [•] | Cap Price ₹ [•] |
|---|---|---|---|
| Weighted average cost of acquisition (WACA) of Primary issuances | 7.48 | [•] | [•] |
| Weighted average cost of acquisition (WACA) of secondary transactions | NA | [•] | [•] |

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