

**SAFA SYSTEMS & TECHNOLOGIES  
LIMITED**

**Annual Report :- 2021-22**



<b>BOARD OF DIRECTORS</b>	<b>Faizal Bavaraparambil Abdul Khader Bavaraparambil Abdhulkadher Hydrose Sruthi Muhammed Ali Bengolan Anilkumar Sankaranarayanan Nair Sreejith</b>	<b>(Managing Director) (Non-Executive Director) (Whole Time Director) (Independent Director) (Independent Director)</b>
<b>COMPANY SECRETARY</b>	<b>Pushpita Dasgupta</b>	
<b>CHIEF FINANCIAL OFFICER</b>	<b>Harikrishnan Raghunathan Nair (Resigned w.e.f. 20<sup>th</sup> June,2022) Alingal Pandian Rajeswari (Appointed w.e.f. 20<sup>th</sup> June,2022)</b>	
<b>AUDITORS</b>	<b>Kapish Jain and Associates (Chartered Accountants) 504, B Wing , Statesman House, 148, Barakhamba Road, Connaught Place, New Delhi-110001</b>	
<b>BANKERS</b>	<b>ICICI Bank Limited</b>	
<b>REGISTERED OFFICE &amp;WORK</b>	<b>46/2631 B, Safa Arcade, Kaniyapilly Road,Chakkaraparambu, Ernakulam Kerala- 682028, India.</b>	
<b>E-MAIL CIN</b>	<b>office@sssinfo.in L52100KL2021PLC071051</b>	
<b>REGISTRARS &amp; SHARE TRANSFER AGENTS</b>	<b>Cameo Corporate Services Ltd, 'Subramanian Building', Club House Road, Chennai, Tamil Nadu,600002 Ph.: 044- 40020700 Email : investor@cameoindia.com</b>	
<b>STOCK EXCHANGE</b>	<b>BSE Limited</b>	
<b>ISIN</b>	<b>INE0JNA01014</b>	
<b>SECRETARIAL AUDITOR</b>	<b>Vikas Verma &amp; Associates, Company Secretaries, B-502, Statesman House, 148, Barakhamba Road, New Delhi- 110001</b>	

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## NOTICE

**Notice** is hereby given that the First Annual General Meeting of the members of Safa Systems & Technologies Limited will be held on **Tuesday, 27<sup>th</sup> September, 2022 at 03:00 P.M. (IST)** through Video Conferencing ("VC")/Other Audio- Visual means ("OAVM") to transact the following business:

### ORDINARY BUSINESS:

**Item 1: To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 and the reports of the Board of Directors and Auditors thereon as circulated to the Members, be and are hereby considered and adopted."

**Item 2: To appoint a Director in place of Mr. Bavaraparambil Abdhulkadher Hydrose (DIN: 01390977), who retires by rotation, and being eligible, offers himself for re-appointment and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Bavaraparambil Abdhulkadher Hydrose (DIN: 01390977) who retires by rotation at this meeting and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

**Item 3: To appoint M/s Kapish Jain & Associates (Firm Registration No: 022743N) as Statutory Auditors of the Company and in this regard, to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Audit Committee and Board of Directors of the Company, M/S Kapish Jain & Associates, Chartered Accountants (Firm Registration No. 022743N), be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting of the Company for a period of five consecutive years, till the Sixth (6<sup>th</sup>) Annual General Meeting, at such remuneration, as mutually agreed between the Board of Directors of the Company and the Auditors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient to give effect to this resolution.”

**SPECIAL BUSINESS:**

**Item No. 4- To increase the Borrowing limit of the Company upto INR 50 Crores and in this regard to consider and if thought fit, to pass, with or without modification(s), if any, the following resolution as Special Resolution:**

“**RESOLVED THAT** in pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force, the consent of the members be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time as they may think fit, any sum or sums of money up to INR 50,00,00,000/- (Indian Rupees Fifty Crores Only) on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, or in any other respect, or against any of the Company’s assets and/or properties whether moveable or immovable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid-up capital of the company and its free reserve.

“**RESOLVED FURTHER THAT** any Director or Company Secretary of the Company be and are hereby jointly or severally 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. 5- To make investments, give loans, guarantees and security in excess of limits specified under section 186 of the Companies Act, 2013 and in this regard to consider and, if thought fit, to pass, with or without modification(s), if any the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and subject to such other consents, permissions, approvals, as may be required in that behalf, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the



amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of Rs. 50 Crores (Rupees Fifty Crores only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors, be and are hereby authorized to sign and file the requisite e-forms filed with the Registrar of Companies & to do all such acts, deeds, matters and things which are necessary to give effect to the aforesaid resolution.”

**By Order of the Board of Directors  
For Safa Systems & Technologies Limited**

**Place: Ernakulam  
Date: 31-08-2022**

**Sd/-  
Pushpita Dasgupta  
Company Secretary and Compliance Officer  
Membership No.: A66854**

**NOTES:**

1. The Ministry of Corporate Affairs (“MCA”) has, vide its Circular no.21/2021, dated December 14, 2021 read together with circular dated January 13, 2021, April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as “MCA Circulars”), permitted convening the Annual General Meeting (“AGM”) through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”), without the physical presence of the Members at a common venue. In accordance with the MCA circulars, provisions of the Companies Act, 2013 (“the Act”) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the AGM of the Company is being held through VC/ OAVM. In compliance with the provisions of the Companies Act, 2013 (‘Act’), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) and MCA Circulars, the First AGM of the Company is being held through VC/OAVM on Tuesday, 27<sup>TH</sup> September, 2022 (IST).
2. The deemed venue for First AGM shall be the Registered Office of the Company at 46/2631 B, Safa Arcade, Kaniyapilly Road, Chakkaraparambu, Ernakulam , Kerala-682028 India
3. 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 MCA Circulars 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 e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

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 to at least 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 EGM/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 ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**
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 [www.sssinfo.in](http://www.sssinfo.in). The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

8. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
9. Listing Regulations has mandated that for making dividend payments, companies whose securities are listed on the stock exchanges shall use electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer etc. The companies and the registrar and share transfer agents are required to seek relevant bank details of shareholders from depositories/ investors for making payment of dividends in electronic mode. It is also mandatory to print the bank details on the physical instrument if the payment is made in physical mode. Accordingly, shareholders are requested to provide or update (as the case may be) their bank details with the respective depository participant for the shares held in dematerialised form and with the registrar and share transfer agent in respect of shares held in physical form. For further details about registration process, please contact your depository/ R&TA of the Company.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's RTA. You are also requested to update your Bank details by writing to the Company's RTA.
11. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018 requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 01, 2019 unless the securities are held in dematerialized form with the depositories. Therefore, shareholders are requested to take action to dematerialize the equity shares of the Company.
12. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and other documents referred to in the Notice and explanatory statement, will be available electronically for inspection via a secured platform without any fee by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to **office@sssinfo.in**.
13. Members are requested to notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.



14. Non-Resident Indian members are requested to inform RTA/respective DPs, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
15. The Board of Directors of the Company has appointed Mr. Vikas Kumar Verma, Managing Partner of M/s Vikas Verma & Associates, New Delhi as Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner.
16. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 20<sup>th</sup> September, 2022 to Tuesday, 27<sup>th</sup> September, 2022 (both day inclusive).
17. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting and shall within 48 hours of conclusion of the AGM shall submit a consolidated Scrutinizer's report of the total votes cast in favor of or against, if any, to the Chairman or any other person authorized by the Chairman, who shall countersign the same and declare the result of the voting forthwith.
18. The results along with Scrutinizer's Report, shall be displayed at the Registered Office and Corporate office of the Company and placed on the Company's website at [www.sssinfo.in](http://www.sssinfo.in) and the website of CDSL immediately after the result is declared. The results shall be simultaneously communicated to the Stock Exchange where the securities of the Company are listed. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.
19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
20. **THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**
  - (i) The voting period begins on 24<sup>th</sup> September, 2022 at 9:00 A.M. and ends on 26<sup>th</sup> September, 2022 at 5:00 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 i.e. 20<sup>th</sup> September, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) 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.

- (iv) 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 abovesaid 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	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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.

	<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 &amp; 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 <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>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: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select</p>

	<p>“Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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 &amp; voting during the meeting</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<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 &amp; 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 above mentioned 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
<p>Individual Shareholders holding securities in Demat mode with <b>CDSL</b></p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.</p>
<p>Individual Shareholders holding securities in Demat mode with <b>NSDL</b></p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at</p>

evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website i.e. **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:

	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• 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.</li> </ul>
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. <ul style="list-style-type: none"> <li>• 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).</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) 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.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN of the SAFA SYSTEMS & TECHNOLOGIES LIMITED.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) 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.
- (xvi) 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 vote on.
  - 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 scrutinizer to 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 signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [office@sssinfo.in](mailto:office@sssinfo.in) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.



**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:**

1. **For Demat shareholders** - Please update your email id & mobile no. with your respective Depository Participant (DP)
2. **For Individual Demat shareholders** - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

**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 atleast 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [office@sssinfo.in](mailto:office@sssinfo.in) The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [office@sssinfo.in](mailto:office@sssinfo.in). 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.

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](mailto: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 Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.



## **STATEMENT PURSUANT TO REGULATION 36(5) OF SEBI LISTING REGULATIONS**

### **ITEM NO. 3:**

M/s Kapish Jain & Associates (Firm Registration No.: 022743N) were appointed as the First Statutory Auditors of the Company.

The Board of Directors of the Company, on the recommendation of the Audit Committee, recommended for the approval of the members, the appointment of M/s Kapish Jain & Associates (Firm Registration No.: 022743N) as Statutory Auditors of the Company for a period of five years from the conclusion of this 01<sup>st</sup> AGM till the conclusion of the 06<sup>th</sup> AGM of the Company, at a remuneration mutually decided by the Board of Directors and Auditor and reimbursement of out of pocket expenses to conduct the Audit for the financial year 2022-23. The remuneration for the subsequent year(s) of their term shall be determined based on the recommendation of the Audit Committee and as mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

M/s Kapish Jain & Associates is a firm of Chartered Accountants in New Delhi, India. Kapish Jain & Associates provides services in the fields of audit and assurance, tax and regulatory, transaction advisory and consulting keeping in mind the regulatory and commercial environment within which the Firm's clients operate.

The Company has obtained a certificate from the auditors of the Company that they meet the criteria of independence, eligibility and qualification as prescribed in section 141 of the Act. As required under the SEBI Listing Regulations, M/s Kapish Jain & Associates, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

None of the directors and key managerial personnel or their relatives are interested financially or otherwise in the resolution as set out in item no. 3 of this notice.

The Board recommends the resolution set out at Item No. 3 of the Notice for approval by the Members by way of an Ordinary Resolution.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **ITEM NO. 4:**

Keeping in view existing and future financial requirements to support its business operations, the Company may need additional funds. For this purpose, the Company may, from time to time, raise finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and free



reserves of the Company. Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, the borrowing limit is proposed to increase upto 50 crores.

Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting. In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company.

The approval of the members is sought pursuant to Section 180(1)(c) of the Companies Act, 2013 and rules made thereunder.

No Director or any of the Key Managerial Personnel of the Company or their relatives are, directly or indirectly, concerned or interested in the Resolution.

The Board recommends the above special resolution for your approval.

**ITEM NO. 5:**

Pursuant to the provisions of Section 186(2) of the Companies Act, 2013 ('Act'), the Company shall not directly or indirectly: -

(a) give any loan to any person or other body corporate;  
(b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and

(c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate,

exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is higher.

Pursuant to the provisions of Section 186(3) of the 'Act', where the giving of any loan or guarantee or providing any security or the acquisition of securities exceeds the limits specified in Section 186(2) of the 'Act', prior approval by means of a Special Resolution passed at a General Meeting is necessary. In terms of Rule No.11(1) of the Companies (Meeting of Board and its Powers) Rules ('Rules'), where a loan or guarantee is given or security has been provided by a company to its wholly-owned subsidiary or a joint venture, or acquisition is made by a holding company, by way of subscription of securities of its wholly-owned subsidiary, the requirement of Section 186(3) of the 'Act' shall not apply, however it will be included for the purpose of overall limit. In the normal course of business, the Company may be required to give loans or guarantees or make investments in excess of the limits specified in Section 186(2) of the 'Act'.



Accordingly, it is proposed to seek prior approval of Members vide an enabling Resolution to provide loans, guarantees and make investments up to a sum of Rs. 50 crores (fifty crores) over and above the aggregate of free reserves and securities premium account of the Company at any point of time.

None of the Directors or Key Managerial Personnel of the Company (including relatives of Directors and Key Managerial Personnel) is in any way, whether financially or otherwise, concerned or interested, in the said resolution.

The Board of Directors recommends the Special Resolution as set out at Item No. 5 of the Notice for approval by the members.

**By Order of the Board of Directors  
For Safa Systems & Technologies Limited**

**Place: ERNAKULAM  
Date: 31-08-2022**

**Sd/-  
Pushpita Dasgupta  
Company Secretary and Compliance Officer  
Membership No.: A66854**

**ANNEXURE TO NOTICE**

**Details of Director seeking appointment/re-appointment in the forthcoming Annual General Meeting**

**[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings]**

<b>Name</b>	<b>Mr. Bavaraparambil Abdhulkadher Hydrose</b>
<b>DIN</b>	01390977
<b>Date of Birth</b>	10/03/1953
<b>Date of first Appointment</b>	21/09/2021
<b>Qualifications</b>	Under Graduate
<b>Expertise in specific functional area</b>	Business Management
<b>Directorship in other Companies *</b>	a. Safa Plywood Private Limited b. Safa Formulations Private Limited c. Baba Infra Tech Private Limited
<b>Memberships / Chairmanship of Committees across all Public Companies *</b>	Nil
<b>Relationship with other Directors / Key Managerial Personnel</b>	Father of Faizal Bavaraparambil Abdul Khader
<b>No. of shares held in the Company either by self or on a beneficial basis for any other person</b>	Nil

## DIRECTORS' REPORT

To,  
The Members of  
Safa Systems & Technologies Limited

Your Directors have pleasure in presenting the 01<sup>st</sup> Directors' Report (Post Incorporation and Post Listing) on the business and operations of **Safa Systems & Technologies Limited** (The Company) together with the Audited Financial Statements of Accounts of the Company for the Financial Year ended March 31, 2022.

### 1. FINANCIAL HIGHLIGHTS:

(Rupees in Lakhs)

P A R T I C U L A R S	FY 2021-22	FY 2020-21
Revenue from Operations	12,667.79	-
Other Income	165.54	-
<b>Total Revenue</b>	<b>12,833.33</b>	-
Employee Benefit Expenses	20.66	-
Finance Cost	134.90	-
Other Expenses	12,640.66	-
<b>Total Expenses</b>	<b>12,796.23</b>	-
Profit/Loss Before Tax	37.10	-
Less: Tax Expense	9.32	-
<b>Profit for the Year</b>	<b>27.78</b>	-
Other Comprehensive Income	-	-
<b>Total Comprehensive Income/(loss) for the year</b>	<b>27.78</b>	-
Earning Per Shares (Basic)	0.18	-
Earning Per Shares (Diluted)	0.18	-

### 2. STATE OF COMPANY AFFAIRS AND REVIEW OF OPERATIONS:

During the Financial Year ended 31<sup>st</sup> March, 2022, the Company has recorded total revenue of INR 1,28,33,33,000/- (Indian Rupees One Hundred Twenty Eight Crores thirty Three Lakhs and Thirty- three thousand Only). During the reporting period, the Company has earned Net Profit of INR 27,78,000/- (Rupees Twenty seven Lakhs and Seventy Eight thousand Only) .

### 3. SHARE CAPITAL:

#### (i) Changes in the Capital Structure:



**Authorized Share Capital:**

The Company incorporated with an Authorized Share Capital of ₹10,00,00,000 comprising of 1,00,00,000 Equity Shares of ₹10/- each, as on 21<sup>st</sup> September, 2021.

There was increase in Authorized Share Capital from ₹10,00,00,000 comprising of 1,00,00,000 Equity Shares of ₹10/- each to ₹15,50,00,000 comprising of 1,55,00,000 Equity Shares of ₹10/- each.

**Paid-Up Share Capital:**

During the reporting period,

The Company was converted from partnership firm to Public Limited Company dated 21<sup>st</sup> September, 2021 with a paid-up capital of INR 8,43,75,000/-divided into 84,37,500 Equity Shares of INR 10/- (Indian Rupees Ten Only) each.

The Company also converted loans and allotted shares aggregating to 19,03,200 Equity Shares and 7,36,850 Equity Shares vide Board Resolution passed in the Board meeting on 08<sup>th</sup> December, 2021.

Further, pursuant to Initial Public Offer ("IPO") of Equity Shares, the Company has allotted 40,00,000 Equity Shares of INR 10/- vide Board Resolution passed in the Board meeting on 04<sup>th</sup> February, 2022.

On March 31, 2022, the paid-up capital stood at INR 15,07,75,500/- (Indian Rupees Fifteen Crores Seven Lacs Seventy five Thousand Five hundred Only) divided into 1,50,77,550 Equity Shares of INR 10/- (Indian Rupees Ten Only) each.

**(ii) Initial Public Offer and Listing of Shares:**

The members of the Company had passed a Special Resolution in Extra Ordinary General Meeting held on December 06, 2021 for listing its Equity shares on SME Platform of BSE Limited ("SME Exchange"), M/S Finshore Management Services Limited acted as Merchant Banker and Lead Manager to execute the listing procedure in compliance with SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018, SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 & Securities Contract Regulation Act, 1956.

The equity shares of your Company are listed on BSE Limited with effect from February 09, 2022 pursuant to Initial Public Offer of the Company.

4. **DEPOSITS:**

During the reporting period, your Company has not accepted any deposits, falling within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

However, the Company has taken Unsecured Loan from the Directors and their relatives of an amount Rs. 97,47,584/- (Indian Rupees Ninety Seven Lacs Forty Seven Thousand and Five Hundred and Eighty-four). The Directors have also given a declaration that the funds given to the company is out of their owned funds.

5. **DIVIDEND:**

The Board of Directors did not recommend any dividend for the year.

6. **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

7. **AMOUNTS, IF ANY, WHICH IT PROPOSES TO CARRY TO ANY RESERVES:**

We do not propose to transfer any amount to general reserve.

8. **CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

During the reporting period, we have incorporated the company by converting the Partnership firm into a Public Limited Company in the name of "Safa Systems & Technologies Limited" on September 21, 2021 with the main objects of distribution of electronic items like smart phones, gadgets, LCD'S, Smart TV, Laptops, etc....

9. **REVISION OF FINANCIAL STATEMENT, IF ANY:**

There was no revision in the financial statements of the Company.

10. **DIRECTORS & KEY MANAGERIAL PERSONNEL:**

**Details of Board of Directors of the Company who were appointed during the year:**

During the reporting period, there is change in the Board of Directors of the Company, as on March 31<sup>st</sup>, 2022 the composition of the Board and Key Managerial Personnel is as mentioned below.

DIN No. / PAN	Name Of Director/KMP	Designation	Date of Appointment	Date of Resignation
01390977	Bavaraparambil Abdhulkadher Hydrose	Non-Executive Director	21/09/2021	-
07729191	Faizal Bavaraparambil Abdul Khader	Managing Director	21/09/2021	-
09237016	Sruthi Muhammed Ali	Wholetime Director	21/09/2021	-
09248528	Bengolan Anilkumar	Independent Director	06/12/2021	-
09250652	Sankaranarayanan Nair Sreejith	Independent Director	06/12/2021	-
BSTPD0037L	Pushpita Dasgupta	Company Secretary and Compliance Officer	03/12/2021	
APCPR2843D	Harikrishnan Raghunathan Nair	Chief Financial Officer	03/12/2021	

**The changes in the Board of directors of the company were as follows:**

- i.) Mr. Bengolan Anilkumar (DIN: 09248528 ) was duly appointed as an Independent Director of the Company for a term of five consecutive years commencing from December 06, 2021.
- ii.) Mr. Sankaranarayanan Nair Sreejith (DIN: 09250652), was duly appointed as an Independent Director of the Company for a term of five consecutive years commencing from December 06, 2021.



**Key Managerial Personnel:**

1. Mr. Harikrishnan Raghunathan Nair was appointed as Chief Financial Officer and Ms. Pushpita Dasgupta was appointed as Company Secretary and Compliance Officer, (Key Managerial Personnel(s)) of the Company in the meeting of the Board of Directors held on December 03, 2021.

*\*Mr. Harikrishnan Raghunathan Nair resigned from the position of Chief- Financial Officer on 20<sup>th</sup> June, 2022 and Ms. Alingal Pandian Rajeswari was appointed as the Chief- Financial Officer of the company.*

In terms of the provisions of Sections 2 (51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following employees were holding the position of Key Managerial Personnel ('KMP') of the Company as on March 31, 2022:

Mr. Faizal Bavaraparambil Abdul Khader -	Managing Director
Mrs. Sruthi Muhammed Ali -	Wholetime Director
Mr. Harikrishnan Raghunathan Nair -	Chief Financial Officer
Ms. Pushpita Dasgupta -	Company Secretary and Compliance Office

**11. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

During the Financial Year under review 05 (Five) meetings of the Board of Directors were held. The dates on which the said meetings were held:

- 01<sup>st</sup> October, 2021,
- 03<sup>rd</sup> December, 2021,
- 08<sup>th</sup> December, 2021,
- 19<sup>th</sup> January, 2022,
- 04<sup>th</sup> February, 2022

The intervening gap between the Meetings was within the period prescribed under the SEBI (LODR) Regulations, 2015 and Companies Act, 2013.

S. No.	Name Of Director	Designation	No. of Board Meeting eligible to attend	No. of Meetings attended	No. Meeting in which absent
1.	Faizal Bavaraparambil Abdul Khader	Managing Director	5	5	0

2.	Bavaraparambil Abdhulkadher Hydrose	Director	5	5	0
3.	Sruthi Muhammed Ali	Director	5	5	0
4.	Bengolan Anilkumar	Independent Director	3	3	0
5.	Sankaranarayanan Nair Sreejith	Independent Director	3	3	0

**Retirement by Rotation:**

As per the provisions of the Companies Act, 2013, Mr. Bavaraparambil Abdhulkadher Hydrose (DIN: 01390977) is due to retire by rotation and being eligible, offers himself for re-appointment at the 01<sup>st</sup> Annual General Meeting of the Company.

**Declaration by Independent Directors:**

Pursuant to Section 149 (7) of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Company has received declarations from all the Independent Directors of the Company confirming that they meet the ‘criteria of Independence’ as prescribed under Section 149 (6) of the Act and have submitted their respective declarations as required under Section 149 (7) of the Act and the Listing Regulations. In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

**Board Committees:**

Currently, the Board has following committees: Audit Committee and Nomination & Remuneration Committee.

**Audit Committees:**

The Audit Committee of the Company is constituted/re-constituted in line with the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. The Audit Committee

is constituted in line to monitor and provide effective supervision of the management's financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity, and quality of Financial Reporting.

During the Financial Year under review 01 (One) meeting of the Audit Committee was convened and held. The dates on which the said meetings were held:

- 31<sup>st</sup> December, 2021.

S. No	Name of the Members	Designation	No. of Audit Committee Meetings attended during the year
1.	Bengolan Anilkumar	Chairman and Independent Director	1
2.	Bavaraparambil Abdhulkadher Hydrose	Member and Director	1
3.	Sankaranaryan Nair Sreejith	Member and Independent Director	1

During the year, all recommendations of the audit committee were approved by the Board of Directors.

#### **Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee of the Company is constituted/re-constituted in line with the provisions of Regulation 19 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee recommends the appointment of Directors and remuneration of such Directors. The level and structure of appointment and remuneration of all Key Managerial personnel and Senior Management Personnel of the Company, as per the Remuneration Policy, is also overseen by this Committee.

During the Financial Year under review 01 (One) meeting of the Nomination and Remuneration Committee were convened and held. The dates on which the said meetings were held:

- 08<sup>th</sup> December, 2021

S. No	Name of the Members	Designation	No. of Nomination and remuneration Committee Meetings attended during the year
1.	Sankaranaryan Nair Sreejith	Chairman and Independent Director	1
2.	Bengolan Anilkumar	Member and Independent Director	1

3.	Bavaraparambil Abdhulkader Hydrose	Member and Non- Executive Director	1
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#### **Stakeholders Relationship Committee:**

The Company has a Stakeholder Relationship Committee of Directors in compliance with provisions of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices /annual reports, etc.

During the Financial Year under review 01 (One) meeting of **Stakeholders Relationship Committee** were convened and held. The dates on which the said meetings were held:

- 19<sup>th</sup> January, 2022.

S. No	Name of the Members	Designation	No. of Stakeholders Relationship Committee Meetings attended during the year
1.	Bengolan Anilkumar	Chairman and Independent Director	1
2.	Faizal Bavaraparambil Abdul Khader	Member and Independent Director	1
3.	Bavaraparambil Abdhulkadher Hydrose	Member and Non-Executive Director	1

#### **12. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY:**

Our Company was originally incorporated as “Safa Systems & Solutions”, a Partnership firm in the State of Kerala on October 18, 2012. Subsequently, we have converted the Partnership firm into a Public Limited Company in the name of “Safa Systems & Technologies Limited” on September 21, 2021.

The members of the Company had passed a Special Resolution in Extra Ordinary General Meeting held on December 06, 2021 for listing its Equity shares on SME Platform of BSE Limited (“SME Exchange”), the company came with an Initial Public Offer of 40,00,000 Equity Shares of Face Value Of ₹10/- Each (“Equity Shares”), for cash at a price of ₹10/- per equity share at par (the “Issue Price”), aggregating to ₹400.00 Lakhs (“The Issue”)

**13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE U/S 186 OF THE COMPANIES ACT, 2013:**

Particulars of loan given, investment made, guarantees given and security provided under section 186 of the Companies Act, 2013, if any, are provided in the notes of financial statement.

**13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

According to Section 134(5) (e) of the Companies Act, 2013, the term “Internal Financial Control (IFC)” means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to the company’s policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. The company has a well-placed, proper and adequate Internal Financial Control System which ensures that all the assets are safeguarded and protected and that the transactions are authorized recorded and reported correctly. To further strengthen the internal control process, the company has developed the very comprehensive compliance management tool to drill down the responsibility of the compliance from the top management to executive level.

The compliance relating to Internal Financial controls have been duly certified by the statutory auditors.

**14. CORPORATE SOCIAL RESPONSIBILITY:**

Provisions of Corporate Social Responsibility are not applicable on the Company. Therefore, Company has not developed and implemented any Corporate Social Responsibility Initiatives as provisions of Section 135(1) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

**15. CORPORATE GOVERNANCE:**

Provisions of Para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 are not applicable to your Company. Hence, report on Corporate Governance is not annexed.

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

The particulars as prescribed under sub-section (3)(m) of Section 134 of the Companies Act, 2014 read with Rule 8(3) of Companies (Accounts) Rules, 2014 are annexed herewith at “Annexure-I”.

**17. BOARD EVALUATION:**

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations").

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

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

The Board evaluated the performance of Independent Directors and Individual Directors considering various parameters such as their familiarity with the Company's vision, policies, values, code of conduct, their attendance at Board and Committee Meetings, whether they participate in the meetings constructively by providing inputs and provide suggestions to the Management/Board in areas of domain expertise, whether they seek clarifications by raising appropriate issues on the presentations made by the Management/reports placed before the Board, practice confidentiality, etc. It was observed that the Directors discharged their responsibilities in an effective manner. The Directors possess integrity, expertise and experience in their respective fields.

**20. STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE AS PER RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:**

Disclosure pertaining to remuneration and other details as required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in "Annexure-II" to this Report.

The Statement containing the particulars of employees as required under section 197(12) of the Companies Act, 2013 read with rule 5(2) and other applicable rules (if any) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report.

**21. RATIO OF REMUNERATION TO EACH DIRECTOR:**

During the year Company has given remuneration to the Directors of the Company.

S.no	Name of the Director	Designation	Amount(in Rs)
1	Faizal Bavaraparambil Abdul Khader	Managing Director	13,20,000
2	Sruthi Muhammed Ali	Wholetime Director	13,20,000

**22. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:**

The Nomination & Remuneration Committee of Directors have approved a Policy for Selection, Appointment, Remuneration and determine Directors' Independence of Directors which inter-alia requires that composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and senior management employees and the Directors appointed shall be of high integrity with relevant expertise and experience so as to have diverse Board and the Policy also lays down the positive attributes/criteria while recommending the candidature for the appointment as Director. Nomination & Remuneration Policy is uploaded on the website of the Company i.e. at [www.sssinfo.in](http://www.sssinfo.in)

**RISK MANAGEMENT:**

The Company is taking every care for minimizing the risk involved in the manufacturing process of the unit, business of dealers and agents and Investment Business. Our Company believes that managing helps in maximizing returns. Responsible staff is employed to take every care to minimize the risk factor in the factory. Our company does not have any separate Risk Management Policy as the unit run by it is small in size and the elements of risk threatening the company's existence is almost negligible.

**23. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:**

During the year, there is no transaction entered with related parties referred to in Section 188(1) of the Companies Act, 2013 read with Rule 8(2) of Companies (Accounts) Rules, 2014. Therefor there is no requirement to attached Form AOC-2 in **Annexure -III** Related party transactions if any, are disclosed in the notes to financial statements.

**24. NO FRAUDS REPORTED BY STATUTORY AUDITORS**

During the Financial Year 2021-22, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

**25. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

During the reporting period, the Company does not have any Subsidiary, Joint Venture or Associate Company hence provisions of Section 129(3) of the Companies Act, 2013 relating to preparation of consolidated financial statements are not applicable.

**26. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases.

**27. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

During the reporting period, no material orders have been passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**28. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013, with respect to Directors Responsibilities Statement, it is hereby confirmed:

- (a) That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2022 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 or loss of the company for the year review;
- (c) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) That the directors had prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2022 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 had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## **29. AUDITORS & AUDITOR'S REPORT:**

### **Statutory Auditor:**

Pursuant to the provisions of Section 139 of the Act and the rules framed thereafter M/S Kapish Jain & Associates, Chartered Accountants appointed as the first Statutory Auditors of the Company by the Board of directors for the financial year 2021-22 ,since its incorporation at such remuneration as may be mutually agreed between the parties.

Further, the Company is continuing with the same Statutory Auditors and appointing for M/S Kapish Jain & Associates, Chartered Accountants for a further period of five financial years, i.e. from the First Annual General Meeting to Sixth Annual General Meeting. The notes on accounts referred to in the auditors' report are self-explanatory and therefore don't call for any further comments by the Board of directors.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification or explanation.

### **Secretarial Auditor:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Vikas Verma & Associates, Practicing Company Secretaries, to carry out Secretarial Audit for the financial year 2021-22. The Secretarial Audit report is annexed as "**Annexure - IV**" to this Report. The report does not contain any qualifications.

The Auditors' Report does not contain any qualifications, reservations or adverse remarks.

### **Cost Auditor:**

Pursuant to Section 148 of the Companies Act, 2013 maintenance of cost accounts and requirement of cost audit is not applicable.

### **Internal Auditor:**

The Company has complied with the requirement of the Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, and other applicable provisions of the Act.

**30. SECRETARIAL STANDARDS**

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

**31. ANNUAL RETURN**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an annual return is uploaded on website of the Company [www.sssinfo.in](http://www.sssinfo.in)

**32. FAMILIARISATION PROGRAMMES**

The Company familiarises its Independent Directors on their appointment as such on the Board with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc. through familiarisation programme. The Company also conducts orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis. The familiarisation programme for Independent Directors is disclosed on the Company's website [www.sssinfo.in](http://www.sssinfo.in).

**33. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Management's Discussion and Analysis Report for the year under review, as stipulated under regulation 34 (3) and Part B of schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 is annexed to this Annual Report as "Annexure - V".

**34. CODE OF CONDUCT:**

Commitment to ethical professional conduct is a must for every employee, including Board Members and Senior Management Personnel of the Company. The Code is intended to serve as a basis for ethical decision-making in conduct of professional work. The Code of Conduct enjoins that each individual in the organization must know and respect existing laws, accept and provide appropriate professional views, and be upright in his conduct and observe corporate discipline. The duties of Directors including duties as an Independent Director as laid down in the Companies Act, 2013 also forms part of the Code of Conduct. All Board Members and Senior Management Personnel affirm compliance with the Code of Conduct annually.

**35. INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under.

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which redresses complaints received on sexual harassment. During the financial year under review, the Company has not received any complaints of sexual harassment from any of the women employees of the Company.

**36. DETAILS OF APPLICATION MADE OR ANY PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:**

During the reporting period, no application made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

**37. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH REASONS THEREOF:**

During the reporting period, no such valuation has been conducted in the financial year.

**38. STATEMENT ON OTHER COMPLIANCES**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the reporting period:

- a. Details relating to deposits covered under Chapter V of the Act.
- b. Issue of equity shares with differential voting rights as to dividend, voting or otherwise;
- c. Issue of shares (including sweat equity shares) to employees of the Company.
- d. Neither the Managing Director nor any of the Whole-time Directors of the Company receive any remuneration or commission.;

**39. WEBSITE OF THE COMPANY:**

Your Company maintains a website [www.sssinfo.in](http://www.sssinfo.in) where detailed information of the Company and specified details in terms of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 have been provided.



**ACKNOWLEDGEMENT:**

The Directors regret the loss of life are deeply grateful and have immense respect for every person. The Directors wish to convey their appreciation to all of the Company's employees for their contribution towards the Company's performance. The Directors would also like to thank the shareholders, employee unions, customers, dealers, suppliers, bankers, governments and all other business associates for their continuous support to the Company and their confidence in its management.

**Date: 31-08-2022**  
**Place: Ernakulam**

**For & on behalf of the Board**  
**Safa Systems & Technologies Limited**

**Sd/-**  
**Faizal Bavaraparambil Abdul Khader**  
**Managing Director**  
**DIN: 07729191**

**Sd/-**  
**Sruthi Muhammed Ali**  
**Wholetime Director**  
**DIN: 09237016**

**"ANNEXURE-I"**

**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

[Pursuant to Section 134 (3) (m) read with Rule 8(3) of Companies (Accounts) Rules, 2014]

**(A) Conservation of Energy**

(i)	The steps taken or impact on conservation of energy;	NA
(ii)	The steps taken by the company for utilizing alternate sources of energy;	NA
(iii)	The capital investment on energy conservation equipments.	NA

**(B) Technology absorption**

(i)	The efforts made towards technology absorption;	NA
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution;	NA
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NA
	(a) The details of technology imported;	NA
	(b) The year of import;	NA
	(c) Whether the technology been fully absorbed;	NA
	(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NA
(iv)	The expenditure incurred on Research and Development.	NA

**(C) Foreign exchange earnings and Outgo-**

(i)	The Foreign Exchange earned in the terms of actual inflows during the year;	NA
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(ii)	Foreign Exchange outgo during the year in terms of actual outflow.	NA
		NA

**Date: 31-08-2022**  
**Place:Ernakulam**

**For & on behalf of the Board**  
**Safa Systems & Technologies Limited**

Sd/-  
**Faizal Bavaraparambil Abdul Khader**  
Managing Director  
DIN: 07729191

Sd/-  
**Sruthi Muhammed Ali**  
Wholetime Director  
DIN: 09237016

**"ANNEXURE-II"**

Information of Particulars of employees pursuant to Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S.NO.	PARTICULARS	REMARKS
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	1. FAIZAL BAVARAPARAMBIL ABDUL KHADER- INR 13,20,000/- 2. SRUTHI MUHAMMED ALI- INR 13,20,000/-
3	The percentage increase in the median remuneration of employees in the financial year.	NIL
4	The number of permanent employees on the rolls of Company.	18 employees
5	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.	NIL
6	Affirmation that the remuneration is as per the remuneration policy of the Company	The Directors affirm that the remuneration paid to Directors, KMPs and employees is as per the Remuneration Policy of the Company.

**INFORMATION ABOUT REMUNERATION AND PARTICULARS OF EMPLOYEES**

Name of Employee	Ms. Pushpita Dasgupta
Designation of the Employee	Company Secretary
Remuneration received	INR 32,500/-
Nature of employment	Permanent
Qualification and Experience of Employee	Company Secretary 1 year
Date of Commencement of Employment	Appointed on 03 <sup>rd</sup> December, 2021
Age of Employee	26 Years
Last Employment held by such employee before joining the company	NA
Percentage of Equity Shares held by the employee	NIL
whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	NO

**Date: 31-08-2022**  
**Place: Ernakulam**

**For & on behalf of the Board**  
**Safa Systems & Technologies Limited**

**Sd/-**  
**Faizal Bavaraparambil Abdul Khader**  
**Managing Director**  
**DIN: 07729191**

**Sd/-**  
**Sruthi Muhammed Ali**  
**Whole-time Director**  
**DIN: 09237016**



**FORM NO. AOC-2**

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

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto:

**1. Details of contracts or arrangements or transactions not at arm’s length basis:**

**M/s Safa Systems & Technologies Limited** has not entered into any contract or arrangement or transaction with its related parties which is not at arm’s length basis during financial year 2021-22.

**2. Details of material contracts or arrangements or transactions at arm’s length basis:**

**M/s Safa Systems & Technologies Limited** has entered into contract or arrangement or transaction with its related parties which is at arm’s length basis during financial year 2021-22 are as follows:

Name of Related Party and Nature of Relationship	Nature of contracts/ arrangement/ transactions	Duration of contracts/ arrangement/ transactions	Salient terms of contracts/ arrangements /transactions including the value, if any	Date(s) of approval by the board, if any	Amount paid as advance, if any
NIL	NIL	NIL	NIL	NIL	NIL

Date: 31-08-2022  
Place:Ernakulam

For & on behalf of the Board  
Safa Systems & Technologies Limited

Sd/-  
Faizal Bavaraparambil Abdul Khader  
Managing Director  
DIN: 07729191

Sd/-  
Sruthi Muhammed Ali  
Whole-time Director  
DIN: 09237016

**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**

(For the financial year ended 31<sup>st</sup> March, 2022)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Board of Directors,  
Safa Systems & Technologies Limited  
46/2631 B, Safa Arcade, Kaniyapilly Road, Chakkaraparambu,  
Ernakulam Kerala- 682028

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Safa Systems & Technologies Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and as produced before us, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> day of March, 2022, (the audit period) complied with the statutory provisions listed hereunder and also that the Company has a 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 **Safa Systems & Technologies Limited** ("The Company") and as produced before us for the financial year ended on 31<sup>st</sup> Day of March, 2022 (audit period) according to the provisions of:

- I. The Companies Act, 2013 (the Act) including any amendment thereto and the Rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company: -

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including any amendment thereto
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof and other applicable rules, regulations, and other communications issued from time to time.

**VI. Other laws applicable to the Company:-**

The Factories Act, 1948, Industrial Disputes Act, 1947, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, Employee State Insurance Act, 1948, The Employees Provident Fund and Miscellaneous Provisions Act, 1952, The Payment of Bonus Act, 1965, The Payment of Gratuity Act, 1972, The Contract Labour (Regulation and Abolition) Act, 1970, The Maternity Benefits Act, 1961, The Income Tax Act, 1961, Weekly Holiday Act, 1942, Goods and Services Tax (GST), The Sexual Harassment of Women at workplace (Prevention Prohibition and Redressal) Act, 2013 & amendments thereunder and other laws applicable to the Company as per the representations made by the Company, if any.

However, as per the explanations given to us and the representations made by the Management, there was no action/event occurred in pursuance of:

- a. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



Requiring compliance thereof by the company and were not applicable during the financial year ended, 31<sup>st</sup> March, 2022 under review.

**We have also examined compliance with the applicable provisions of the following:**

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment thereto.

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

During the period under review, the Company came up with Initial Public Offer ('IPO') of 40,00,000 Equity Shares of INR 10/- each at an issue price of INR 10/- each.

The equity shares of your Company are listed on BSE Limited with effect from February 09, 2022 pursuant to Initial Public Offer of the Company.

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

Adequate notice to schedule the Board Meetings, agenda and detailed notes on agenda were sent to all directors at least seven days in advance or within prescribed time as the case may be, 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.

Decisions at the Board Meetings, as represented by the management and explanations given to us, were taken unanimously/requisite majority. As per the minutes of the meetings, duly recorded and signed by the Chairman, the decisions of the Board were unanimous/with requisite majority and no dissenting views have been recorded.

We further report that, as representation made by the Management of the company and based on the information received and records maintained by the Company, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Vikas Verma & Associates  
(Company Secretaries)**

**Date: 30.08.2022  
Place: New Delhi**

**Sd/-  
Vivek Rawal  
(Partner)  
M. No-A43231  
COP-22687  
UDIN-F009192D000879380**

*\*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,

**Safa Systems & Technologies Limited**  
46/2631 B, Safa Arcade,  
Kaniyapilly Road ,Chakkaraparambu,  
Ernakulam Kerala- 682028

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit to the extent there are shown to us during the 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 test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Vikas Verma & Associates**  
**(Company Secretaries)**

**Date: 30.08.2022**  
**Place: New Delhi**

**Sd/-**  
**Vivek Rawal**  
**(Partner)**  
**M. No-A43231**  
**COP-22687**  
**UDIN-F009192D000879380**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

### I. Overview:

The objective of this report is to convey the Management’s perspective on the external environment and trading and distribution of mobile phones, electronic gadgets as well as strategy, operating and financial performance, material developments in human resources and industrial relations, risks and opportunities and internal control systems and their adequacy in the Company during the FY 2021-22. This should be read in conjunction with the Company’s financial statements, the schedules and notes thereto and other information included elsewhere in the Integrated Report. The Company’s financial statements have been prepared in accordance with Indian Accounting Standards (‘Ind AS’) complying with the requirements of the Companies Act, 2013, as amended and regulations issued by the Securities and Exchange Board of India (‘SEBI’) from time to time.

### **Industry Structure and Developments:**

#### **Global Economy:**

The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have re-imposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. Further, the ongoing retrenchment of China’s real estate sector and slower-than-expected recovery of private consumption and the ongoing tension between Russia and Ukraine have limited the growth prospects.

#### **Indian Economy:**

Amidst the challenges brought by the COVID-19 pandemic leading to disruptions in supply chain and surging inflation rate, the Indian Government introduced various policies to cushion the impact on the domestic economy and in specific vulnerable sections of society and the business sector. Through its policies, the Government significantly increased capital expenditure on infrastructure projects to build back medium-term demand and aggressively implemented supply-side measures to prepare the economy for a sustained long-term expansion. With the vaccination programme having covered the majority of the population, recovering economic momentum and the likely long-term benefits of supply-side reforms in the pipeline, the Indian economy is in a good position to witness GDP growth of around 8.0%-8.5% in 2022-23.

### **Technology Industry:**

The effects of COVID-19 are having a significant impact on the technology sector, affecting raw materials supply, disrupting the electronics value chain, and causing an inflationary risk on products. More positively, the disruption has caused an acceleration of remote working, and a rapid focus on evaluating and de-risking the end-to-end value chain. In addition, potential carbon emission reductions could result in renewed focus on sustainability practices. This article considers the shifting landscape across a number of areas, including:

- Hardware/software
- IT services
- Semiconductors
- Network equipment

### **Risks, Concerns and Threats:**

With the financial reforms likely to add impetus to industry growth and likelihood of stable political environment, the domestic market should pose better opportunities in terms of volume growth.

Achieving sustainable growth can also present challenges. The skills, expertise, the supply chain to develop products, are major threats for sustaining in the long term.

As companies seek business solutions to address remote work, social distancing and the need for in-store alternatives, the demand for developer and engineering talent is likely to increase. Retaining top talent will be essential.

Expect relatively high impact on the smartphone industry because of its labor-intensive supply chain. Smartphone production is projected to decline by 12% YoY in 1Q20; server revenue is projected to decline by 16% YoY in 1Q20.

### **Internal Control Systems and Their Adequacy**

The Company strongly believes that a robust internal control mechanism is a prerequisite to ensure that an organization functions ethically, complies with all legal and regulatory requirements and observes the generally accepted principles of good corporate governance. To enable this, the Company has established a strong internal control system for the Company, which is comprised of policies, guidelines and procedures to ensure the orderly and efficient financial and business conduct.

The Company has adopted strong internal control systems backed by constant reviews and up-gradation. Internal Audit, Statutory Audit by external agencies and the Audit Committee, look into the internal control aspects and further advice on the corrective measures as and when required.

### **Outlook:**

The Board of Directors and the Management of the Company are pursuing various available options to rehabilitate the Company and considering future business plans for the Company.



**Cautionary Statement:**

The statements in this section describe the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other incidental factors.

**Date: 31-08-2022**  
**Place: Ernakulam**

**For & on behalf of the Board**  
**Safa Systems & Technologies Limited**

**Sd/-**  
**Faizal Bavaramparambil Abdul Khader**  
**Managing Director**  
**DIN: 07729191**

**Sd/-**  
**Sruthi Muhammed Ali**  
**Whole-time Director**  
**DIN: 09237016**





F.R.N. 022743N

# KAPISH JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

Head Office: 504, B-Wing, Statesman House, 148, Barakhamba Road, New Delhi - 110001 | Phone : +91-11-43708987  
Mobile : +91 9971 921466 | Email : ca.kapish@gmail.com | Website : www.kapishjainassociates.com; www.cakja.com

## INDEPENDENT AUDITOR'S REPORT

To the Members of **Safa Systems & Technologies Limited**  
**Report on the Audit of the Standalone Financial Statements**

### Opinion

We have audited the accompanying standalone financial statements of **Safa Systems & Technologies Limited ("the Company")** which comprises the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss and Statement of Cash Flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022 and profit 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 Standalone 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 standalone 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 on the Standalone Financial Statements.

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Safa Systems & Technologies Limited Report on the Audit of the Standalone Financial Statements**

The Director's report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

#### **Management's and Board of Director's Responsibilities for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other accounting principles generally accepted in India. 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 of 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management and Board of Directors are 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.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of Standalone Financial Statement**

Our objectives are to obtain reasonable assurance about whether the Standalone 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 standalone 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 standalone 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.

## INDEPENDENT AUDITOR'S REPORT

### To the Members of **Safa Systems & Technologies Limited** **Report on the Audit of the Standalone Financial Statements**

- 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 with reference to Standalone Financial Statements 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

### **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, based on our audit we report, to the extent applicable 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 Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

## INDEPENDENT AUDITOR'S REPORT

### To the Members of **Safa Systems & Technologies Limited** **Report on the Audit of the Standalone Financial Statements**

- (e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the Internal Financial Control with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in the “**Annexure B**”.
- (g) 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
  - 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 during the period ended 31 March 2022;
  - iv.
    - The management has represented that, to the best of its 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 persons or entities, 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 (“Ultimate Beneficiaries”) by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
    - The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, 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 (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
    - Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (a) and (b) above contain any material mis-statement.
  - v. The Company has not declared or paid any dividend during the period ended 31 March 2022.

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **Safa Systems & Technologies Limited**  
**Report on the Audit of the Standalone Financial Statements**

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

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

For **Kapish Jain & Associates,**  
Chartered Accountants  
Firm's Registration No.: 022743N

Sd/-  
**Kapish Jain**  
Partner  
Membership No.: 514162  
UDIN: 22514162AJYBGY6789

**Place:** New Delhi  
**Date:** 30 May 2022

**Annexure B referred to in Paragraph 2 clause (g) under “Report on Other Legal and Regulatory Requirements” section of the Independent Auditor’s Report of even date to the members of Safa Systems & Technologies Limited on the standalone financial statements for the year ended 31 March 2022**

Independent Auditor’s Report on the Internal Financial Controls with reference to the Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the standalone financial statements of Safa Systems & Technologies Limited (“the Company”) as at and for the year 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company on that date.

**Responsibilities of Management 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 Act.

**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 the Institute of Chartered Accountants of India (“ICAI”) and deemed to be prescribed under section 143(10) of the Act, 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 ICAI. 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 were 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 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 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 unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Annexure B referred to in Paragraph 2 clause (g) under “Report on Other Legal and Regulatory Requirements” section of the Independent Auditor’s Report of even date to the members of Safa Systems & Technologies Limited on the standalone financial statements for the year ended 31 March 2022**

**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 period are subject to the risk that Internal financial controls 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, adequate internal financial controls systems over financial reporting and such internal financial controls systems over financial reporting were operating effectively as at 31 March 2022, based on internal financial controls systems 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 systems over financial reporting issued by the Institute of Chartered Accountants of India.

For **Kapish Jain & Associates**,  
Chartered Accountants  
Firm’s Registration No.: 022743N

Sd/-

**Kapish Jain**

Partner

Membership No.: 514162

UDIN: 22514162AJYBGY6789

**Place:** New Delhi

**Date:** 30 May 2022

**Annexure A referred to in Paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of the Independent Auditor’s Report of even date to the members of Safa Systems & Technologies Limited on the standalone financial statements for the year ended 31 March 2022**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (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 property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) 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 property (other than properties where the Company is the lease and the lease agreement duly executed in the favour of the Company) are held in the name of the Company.
- (d) 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 revalued its Property, Plant and Equipment or intangible assets or both during the year.
- (e) 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 or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- (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 a working capital limit in excess of Rs 5 crore by bank or financial institution based on the security of current assets during the year. The quarterly statements, in respect of the working capital limits have been filed by the Company with such financial institution and such statements are in agreement with the books of accounts of the Company for the respective periods, which were not subject to audit.
- (iii) 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 provided guarantee or security secured or unsecured to companies, firms, limited liability partnerships or any others parties during the year. However, the company has granted loan to the parties during the year, details of the loan is stated in sub-clause (a) below.
- (a) 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 granted any loan to its subsidiaries and others during the year.



**Annexure A referred to in Paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of the Independent Auditor’s Report of even date to the members of Safa Systems & Technologies Limited on the standalone financial statements for the year ended 31 March 2022**

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we are in opinion that the terms and conditions of the loan given are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than 90 days in respect of loans granted to companies, firms, LLPs or other parties.
- (e) 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 granted any loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans.
- (f) 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 granted any loan which is repayable on demand or without specifying any terms or period of repayment.
- (iv) 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 complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security, as applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company’s products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees’ state insurance, income-tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts during the year.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender during the year.
  - (b) According to the information and explanations given to us including confirmations received from banks and financial institution, representation received from the management of the

**Annexure A referred to in Paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of the Independent Auditor’s Report of even date to the members of Safa Systems & Technologies Limited on the standalone financial statements for the year ended 31 March 2022**

Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution.

- (c) In our opinion and according to the information and explanations given to us, the Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilized for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary companies.
- (x) (a) In our opinion and according to the information and explanations given to us, money raised by way initial public offer were applied for the purpose for which these were obtained.  
(b) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debenture during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.  
(b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable Accounting Standard
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system which is commensurate with the size and nature of its business.  
(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under review.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

**Annexure A referred to in Paragraph 1 under “Report on Other Legal and Regulatory Requirements” section of the Independent Auditor’s Report of even date to the members of Safa Systems & Technologies Limited on the standalone financial statements for the year ended 31 March 2022**

- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report 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. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not fulfil the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Kapish Jain & Associates**,  
Chartered Accountants  
Firm’s Registration No.: 022743N

Sd/-  
**Kapish Jain**  
Partner  
Membership No.: 514162  
UDIN: 22514162AJYBGY6789

**Place:** New Delhi  
**Date:** 30 May 2022

**SAFA SYSTEMS & TECHNOLOGIES LIMITED**  
**CIN: L52100KL2021PLC071051**  
**Balance Sheet as at 31 March 2022**

*(All amounts in ₹ lacs, unless otherwise stated)*

	Note	As at 31 March 2022
<b>Equity and liabilities</b>		
<b>Shareholders' funds</b>		
Share capital	3	1,507.76
Reserves and surplus	4	27.78
		1,535.54
<b>Share Application Money Pending Allotment</b>		
		-
<b>Non-current liabilities</b>		
Long-term borrowings	5	695.54
Deferred tax liability		-
Other long-term liabilities		-
Long-term provisions		-
		695.54
<b>Current liabilities</b>		
Short-term borrowings	5	2,644.48
Trade payables	6	
(A) Total outstanding dues of micro enterprises and small enterprises; and		-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		578.37
Other current liabilities		-
Short-term provisions	7	22.04
		3,244.89
<b>Total</b>		<b>5,475.97</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment and Intangible Assets	8	
Tangible assets		63.59
Intangible assets		0.13
Capital work-in-progress		-
Intangible assets under development		-
Deferred tax assets	9	0.09
Non-current investment		-
Long-term loans and advances	10	209.65
Other non-current assets		-
		273.46
<b>Current assets</b>		
Current investment		-
Inventories	11	1,275.55
Trade receivables	12	3,017.32
Cash and bank balances	13	150.12
Short-term loans and advances	10	600.08
Other current assets	14	159.44
		5,202.50
<b>Total</b>		<b>5,475.97</b>

The accompanying notes are an integral part of these financial statements.  
This is the Balance Sheet referred to in our report of even date.

For **Kapish Jain & Associates**  
Chartered Accountants  
Firm Registration No.: 022743N

For and on behalf of the Board of Directors of  
**Safa Systems & Technologies Limited**

Sd/-  
**Kapish Jain**  
Partner  
Membership No.: 514162

**Place:** New Delhi  
**Date:** 30 May 2022

Sd/-  
**Bavaraparambil Abdul Khader Faizal**  
Managing Director  
DIN 07727191  
**Place:** Ernakulam

Sd/-  
**Bavaraparambil Abdhul Kadher Hydrose**  
Director  
DIN 01390977  
**Place:** Ernakulam

Sd/-  
**Pushpita Das Gupta**  
Company Secretary  
M. No. A66854  
**Place :** New Delhi

Sd/-  
**Harikrishnan Raghunathan Nair**  
Chief Financial Officer  
PAN APCPR2843D  
**Place:** Ernakulam

**SAFA SYSTEMS & TECHNOLOGIES LIMITED**

CIN: L52100KL2021PLC071051

Statement of Profit and Loss for the period 21 June 2021 to 31 March 2022

*(All amounts in ₹ lacs, unless otherwise stated)*

	Note	For the period ended 31 March 2022
<b>Revenue</b>		
Revenue from operations	15	12,667.79
Other income	16	165.54
<b>Total revenue</b>		<b>12,833.33</b>
<b>Expenses</b>		
Purchases of stock-in-trade	17	13,780.19
(Increase)/decrease in the inventories of stock-in-trade	18	(1,275.55)
Employee benefits expense	19	20.66
Finance cost	20	134.90
Depreciation and amortisation expense	21	2.00
Other expenses	22	134.02
<b>Total expenses</b>		<b>12,796.23</b>
<b>Profit / (Loss) before tax</b>		<b>37.10</b>
Tax expense		
- Current tax		9.41
- MAT credit entitlement		-
- Deferred tax		(0.09)
<b>Profit / (Loss) for the Period</b>		<b>27.78</b>
Earnings per equity share	23	
[Nominal value per share: ₹10 (previous period: NA)]		
Basic (in ₹)		0.18
Diluted (in ₹)		0.18

The accompanying notes are an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For **Kapish Jain & Associates**

Chartered Accountants

Firm Registration No.: 022743N

For and on behalf of the Board of Directors of

**Safa Systems & Technologies Limited**

Sd/-

**Kapish Jain**

Partner

Membership No.: 514162

**Place:** New Delhi**Date:** 30 May 2022

Sd/-

**Bavaraparambil Abdul****Khader Faizal**

Managing Director

DIN 07727191

**Place:** Ernakulam

Sd/-

**Bavaraparambil Abdhul****Kadher Hydrose**

Director

DIN 01390977

**Place:** Ernakulam

Sd/-

**Pushpita Das Gupta**

Company Secretary

M. No. A66854

**Place :** New Delhi

Sd/-

**Harikrishnan Raghunathan Nair**

Chief Financial Officer

PAN APCPR2843D

**Place:** Ernakulam

**SAFA SYSTEMS & TECHNOLOGIES LIMITED**  
**CIN: L52100KL2021PLC071051**  
**Cash Flow Statement for the period 21 June 2021 to 31 March 2022**

*(All amounts in ₹ lacs, unless otherwise stated)*

	For the period ended 31 March 2022
<b>A. Cash flow from operating activities</b>	
Profit before tax	37.10
<b>Adjustments for :</b>	
Depreciation and amortisation expense	2.00
Net loss on disposal of property, plant and equipment	1.26
Interest income	-
Interest expenses	134.90
<b>Operating (loss)/profit before working capital changes</b>	<b>175.26</b>
<b>Changes in working capital:</b>	
Decrease / (Increase) in Inventories	(1,275.55)
Decrease / ( Increase ) in Trade Receivable	(3,017.32)
Decrease / ( Increase ) in Loans and Advances	(809.73)
Decrease / ( Increase ) in Other Assets	(159.44)
Increase / ( Decrease ) in Trade Payables	578.37
Increase / (Decrease) in Provisions	12.63
Increase / ( Decrease ) in Other Liabilities	-
<b>Cash (used) /generated from operations</b>	<b>(4,495.77)</b>
Taxes paid (net of refunds)	-
<b>Net cash (used in)/from operating activities (A)</b>	<b>(4,495.77)</b>
<b>B. Cash flow from investing activities</b>	
Purchase of tangible and intangible assets	(67.63)
Sale of fixed assets	0.65
<b>Net cash used in investing activities (B)</b>	<b>(66.98)</b>
<b>B. Cash flow from financing activities</b>	
Interest & Finance Cost	(134.90)
Proceeds from issues of equity shares	1,507.76
( Repayments ) / proceeds of long term borrowings	695.54
( Repayments ) / proceeds of short term borrowings	2,644.48
<b>Net cash from financing activities (C)</b>	<b>4,712.87</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>150.12</b>
Cash and cash equivalents at the beginning of the period	-
<b>Cash and cash equivalents at the end of the period</b>	<b>150.12</b>
<b>Cash and cash equivalents comprise of:</b>	
Cash on hand	31.75
Balance with banks	
- in current accounts	5.87
- deposits with original maturity of less than three months	112.50
<b>Total</b>	<b>150.12</b>

**Notes:**

<sup>1</sup> The above cash flow statement has been prepared under the Indirect Method as set out in Accounting Standard-3 Cash Flow Statement, specified under Section 133 of the Companies Act, 2013.

<sup>2</sup> Figures in brackets indicate cash outflow.

The accompanying notes are an integral part of these financial statements.  
This is the Cash Flow Statement referred to in our report of even date.

For **Kapish Jain & Associates**  
Chartered Accountants  
Firm Registration No.: 022743N

For and on behalf of the Board of Directors of  
**Safa Systems & Technologies Limited**

Sd/-  
**Kapish Jain**  
Partner  
Membership No.: 514162

Place: New Delhi  
Date: 30 May 2022

Sd/-  
**Bavaraparambil Abdul**  
**Khader Faizal**  
Managing Director  
DIN 07727191  
Place: Ernakulam

Sd/-  
**Bavaraparambil Abdhul**  
**Kadher Hydrose**  
Director  
DIN 01390977  
Place: Ernakulam

Sd/-  
**Pushpita Das Gupta**  
Company Secretary  
M. No. A66854  
Place : New Delhi

Sd/-  
**Harikrishnan Raghunathan Nair**  
Chief Financial Officer  
PAN APCPR2843D  
Place: Ernakulam

(All amounts in ₹ lacs, unless otherwise stated)

**3 Share capital**

	As at 31 March 2022	
	Number of shares	Amount
<b>Authorised share capital</b>		
Equity shares of ₹ 10 each	15,500,000	1,550.00
	<b>15,500,000</b>	<b>1,550.00</b>
<b>Issued, subscribed and fully paid-up share capital</b>		
Equity shares of ₹ 10 each fully paid-up	15,077,550	1,507.76
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>15,077,550</b>	<b>1,507.76</b>

**(a) Reconciliation of equity share capital**

	As at 31 March 2022	
	Number of shares	Amount
<b>Equity Shares:</b>		
Balance as at the beginning of the period	-	-
Issued during the period	15,077,550	1,507.76
Balance as at the end of the period	<b>15,077,550</b>	<b>1,507.76</b>

**(b) Rights, preferences and restrictions attached to equity shares****Equity Shares**

The Company has one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. All shareholders are equally entitled to dividend. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts, if any) in the proportion of equity shares held by the shareholders.

**(c) Particulars of shareholders holding more than 5 % equity share of the company**

	As at 31 March 2022	
	Number of shares	% holding in the shares
<b>Equity shares of ₹ 10 each fully paid up held by</b>		
Bavaraparambil Abdul Khader Faizal	2,884,000	19.13%
Bavaraparambil Abdhul Kadher Hydrose	1,181,250	7.83%
Sruthi Muhammed Ali	1,550,450	10.28%
Anaz Bavaraparambil Abdul Khader	1,181,250	7.83%
Bavaraparambil Abdul Khader Ayyoob	1,181,250	7.83%
Pathukunju Parayankudy Abubacker	1,181,250	7.83%
Arakkal Ayyoob Soumya	1,181,250	7.83%
	<b>10,340,700</b>	<b>68.58%</b>

(d) The Company has neither issued any bonus shares or issued shares pursuant to a contract without payment being received in cash nor has there been any buyback of shares in the current period.

**(e) Detail of share held by promoters as at 31 March 2022**

	Number of shares	% of total shares	% change during the year
Bavaraparambil Abdul Khader Faizal	2,884,000	19.13%	0.00%
Bavaraparambil Abdhul Kadher Hydrose	1,181,250	7.83%	0.00%
Sruthi Muhammed Ali	1,550,450	10.28%	0.00%
Anaz Bavaraparambil Abdul Khader	1,181,250	7.83%	0.00%
Bavaraparambil Abdul Khader Ayyoob	1,181,250	7.83%	0.00%
Pathukunju Parayankudy Abubacker	1,181,250	7.83%	0.00%
Arakkal Ayyoob Soumya	1,181,250	7.83%	0.00%
Safa Plywoods Private Limited	11,077,550	4.89%	0.00%

**4 Reserves and surplus**

	As at 31 March 2022
<b>Surplus / (Deficit) in the statement of profit and loss</b>	
Balance at the beginning of the period	-
Add: Profit / (Loss) for the period	27.78
<b>Total</b>	<b>27.78</b>

(All amounts in ₹ lacs, unless otherwise stated)

**5 Borrowings**

	As at 31 March 2022		
	Long term	Short term	Total
<b>A. Secured borrowings:</b>			
(a) Term loans			
- From Banks (State Bank of India - 40824589240)	329.92	41.07	370.99
- From Banks (State Bank of India - 40724326295)	-	214.11	214.11
- From Banks (HDFC Bank Limited - 63029318)	-	11.86	11.86
-Covid loan- CCECL(40820780034)	-	50.65	50.65
-Covid loan- GECL(40823775237)	268.15	129.16	397.30
(b) Repayable on demand			
- From Banks (State Bank of India OD CC -00000040771770440)	-	2,197.63	2,197.63
<b>Total secured borrowings</b>	<b>598.06</b>	<b>2,644.48</b>	<b>3,242.54</b>
<b>B. Unsecured borrowings:</b>			
- From directors	63.10	-	63.10
- From others	34.37	-	34.37
<b>Total unsecured borrowings</b>	<b>97.48</b>	<b>-</b>	<b>97.48</b>
<b>Total borrowings</b>	<b>695.54</b>	<b>2,644.48</b>	<b>3,340.02</b>

**Statement of Terms and Conditions of Long Term Borrowing:**

Name of Lender	Purpose	Rate of Interest	Repayment Schedule	Moratorium	Outstanding amount as at 31 March 2022
<b>Secured Loans</b>					
State Bank of India - 40824589240	Business	7.90%	85 installments	NA	370.99
State Bank of India - 40724326295	Business	7.90%	114 installments	NA	214.11
HDFC Bank Limited - 63029318	Business	8.70%	48 installments	NA	11.86
Covid loan- CCECL- (40820780034)	Business	7.40%	24 installments	6 months	50.65
Covid loan- GECL- 40823775237	Business	7.40%	48 installments	12 months	397.30
State Bank of India-OD CC -00000040771770440	Business	7.90%	NA	NA	2197.63
<b>Unsecured Loans</b>					
From Directors	Business	NA	NA	NA	63.10
From Others	Business	NA	NA	NA	34.37

**6 Trade payables**

	As at 31 March 2022
(a) MSME*	-
(b) Others	578.37
<b>Total</b>	<b>578.37</b>

\*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

**Ageing analysis of Trade Payables as on 31 March 2022**

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	
Undisputed dues					
(a) MSME	-	-	-	-	-
(b) Others	578.37	-	-	-	578.37
Disputed dues					
(a) MSME	-	-	-	-	-
(b) Others	-	-	-	-	-

**7 Short term provisions**

	As at 31 March 2022
Provision for employee benefits	6.80
Provision for income tax (including GST)	15.24
<b>Total</b>	<b>22.04</b>



## SAFA SYSTEMS &amp; TECHNOLOGIES LIMITED

CIN: L52100KL2021PLC071051

Notes to the financial statements for the period 21 September 2021 to 31 March 2022

*(All amounts in ₹ lacs, unless otherwise stated)***8 Property, plant and equipment****A) Tangible assets**

Particulars	Gross Block				Accumulated Depreciation				Net Block
	1 April 2021 Rs.	Additions Rs.	Disposals Rs.	31 March 2022 Rs.	1 April 2021 Rs.	For the year Rs.	Disposals Rs.	31 March 2022 Rs.	31 March 2022 Rs.
Furniture & fixtures	-	0.52	-	0.52	-	0.02	-	0.02	0.49
Computers	-	0.62	-	0.62	-	0.06	-	0.06	0.56
Building	-	43.09	-	43.09	-	0.65	-	0.65	42.44
Plants & machinery	-	2.34	-	2.34	-	0.07	-	0.07	2.27
Office equipments	-	0.44	-	0.44	-	0.04	-	0.04	0.40
Vehicles	-	20.48	2.00	18.48	-	1.14	0.09	1.05	17.43
<b>Total</b>	<b>-</b>	<b>67.48</b>	<b>2.00</b>	<b>65.48</b>	<b>-</b>	<b>1.98</b>	<b>0.09</b>	<b>1.89</b>	<b>63.59</b>

**B) Intangible assets**

Particulars	Gross Block				Accumulated Depreciation				Net Block
	1 April 2021 Rs.	Additions Rs.	Disposals Rs.	31 March 2022 Rs.	1 April 2021 Rs.	For the year Rs.	Disposals Rs.	31 March 2022 Rs.	31 March 2022 Rs.
Software	-	0.15	-	0.15	-	0.02	-	0.02	0.13
<b>Total</b>	<b>-</b>	<b>0.15</b>	<b>-</b>	<b>0.15</b>	<b>-</b>	<b>0.02</b>	<b>-</b>	<b>0.02</b>	<b>0.13</b>

(All amounts in ₹ lacs, unless otherwise stated)

**9 Deferred tax assets (net)**

	As at 31 March 2022
<b>Deferred Tax Liability for (A)</b>	
Depreciation	0.09
	<u>0.09</u>
<b>Deferred Tax Assets on account of (B)</b>	
Accumulated Losses	-
Disallowance under section 43B	-
	<u>-</u>
<b>Deferred tax assets (net) (A-B)</b>	<u><u>0.09</u></u>

**10 Loan and advances**

	As at 31 March 2022		
	Long Term	Short Term	Total
Security deposits	209.65	24.69	234.34
Receivable from revenue authorities	-	156.85	156.85
Other loans and advances	-	18.54	18.54
Advance to vendors	-	400.00	400.00
<b>Total</b>	<u>209.65</u>	<u>600.08</u>	<u>809.73</u>

**11 Inventories**

	As at 31 March 2022
<i>As certified by management</i>	
Stock-in-trade	1,275.55
<b>Total</b>	<u>1,275.55</u>

**12 Trade receivables**

	As at 31 March 2022
Secured & Considered Good	-
Unsecured & Considered Good	3,017.32
Doubtful	-
Less : Allowances for doubtful debts	-
<b>Total</b>	<u>3,017.32</u>

**Ageing analysis of Trade Receivables as on 31 March 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables						
-considered good	3,017.32	-	-	-	-	3,017.32
-considered doubtful	-	-	-	-	-	-
Disputed trade receivables						
-considered good	-	-	-	-	-	-
-considered doubtful	-	-	-	-	-	-

**13 Cash and bank balances**

	As at 31 March 2022
<b>Cash and cash equivalents</b>	
Cash on hand	31.75
Balance with bank	-
- in current accounts	5.87
	<u>37.62</u>
<b>Other bank balances</b>	
Balance in deposit accounts with original maturity of more than 3 months but less than 12 months	112.50
<b>Total</b>	<u>150.12</u>

**14 Other current assets**

	As at 31 March 2022
Interest Accrued	5.81
Incentive Receivable	153.35
Mediclame Insurance	0.27
<b>Total</b>	<u>159.44</u>

*(All amounts in ₹ lacs, unless otherwise stated)***15 Revenue from operations**

	For the period ended 31 March 2022
Sale of products (traded goods)	12,667.79
<b>Total</b>	<b>12,667.79</b>

**16 Other income**

	For the period ended 31 March 2022
Other income	165.54
<b>Total</b>	<b>165.54</b>

**17 Purchases of stock in trade**

	For the period ended 31 March 2022
Purchases of stock in trade	13,780.19
<b>Total</b>	<b>13,780.19</b>

**18 (Increase)/decrease in the inventories of stock in trade**

	For the period ended 31 March 2022
Stock at the end of the year (A)	1,275.55
Stock at the beginning of the year (B)	-
<b>(Increase)/decrease in the inventories of stock in trade (B-A)</b>	<b>(1,275.55)</b>

**19 Employee benefits expense**

	For the period ended 31 March 2022
Salaries, allowances and bonus	20.33
Staff welfare expenses	0.33
<b>Total</b>	<b>20.66</b>

**20 Finance cost**

	For the period ended 31 March 2022
Indirect expenses	
(a) On term loans	43.43
(b) On OD	79.79
Bank charges	11.68
<b>Total</b>	<b>134.90</b>

**21 Depreciation and amortization expense**

	For the period ended 31 March 2022
Depreciation on tangible assets	1.98
Amortisation on intangible assets	0.02
<b>Total</b>	<b>2.00</b>

**22 Other expenses**

	For the period ended 31 March 2022
Communication	5.67
Transportation charges	1.14
Advertisement	3.12
Travelling and conveyance	22.48
Credit card	6.75
Business promotion & marketing	3.25
Loading charges	0.02
Legal and professional	2.74
Payment to auditors (excluding GST):	
Statutory audit fee	2.00
Tax audit fee	0.50
Consultation fee	7.34
Vehicle maintenance & expenses	1.94
Electricity and water	0.75
Incentive, discount & commission	1.98
Insurance	0.75
Printing and stationery	1.22
Office expenses	1.34
Rent	1.33
Rates & taxes	14.70
Repair & maintenance	0.45
Director remuneration	26.40
Processing fees	0.85
IPO expenses	21.48
MCA fees	4.22
Loss on sale of vehicles	1.26
Miscellaneous expenses	0.37
<b>Total</b>	<b>134.02</b>

**23 Earnings per equity share (EPS)**

	For the period ended 31 March 2022
Net profit after tax available for equity shareholders (A)	27.78
Opening number of equity shares	-
Closing number of equity shares	15,077,550
Weighted average number of equity shares (B)	15,077,550
Basic EPS (A/B) in rupees	0.18
Diluted EPS (A/B) in rupees	0.18
Nominal value per equity share (₹)	10

**24 Contingent liabilities and capital commitments**

	For the period ended 31 March 2022
(a) Contingent liabilities	
- Outstanding Bank Guarantees	-
- Claim received but not acknowledged by the Company	-
(b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-
(c) The Company has commitments for services, purchase of goods and employee benefits, in normal course of business. The Company does not have any long-term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.	

**25 Related party disclosures**

- (a) **Enterprises exercising significant control :**  
**Holding company** Not applicable
- (b) **Key management personnel (KMP) and their relatives**  
 Mr. Bavaraparambil Abdul Khader Faizal (Director) (from 21 September 2021)  
 Mr. Bavaraparambil Abdhulkadher Hydrose (Director) (from 21 September 2021)  
 Mrs. Sruthi Muhammed Ali (Director) (from 21 September 2021)  
 Mr. Bengolan Anilkumar (Director) (from 06 December 2021)  
 Mr. Sankaranarayanan Nair Sreejith (Director) (from 06 December 2021)  
 Ms. Pushpita Das Gupta (Company Seceratory) (from 03 December 2021)  
 Mr Harikrishnan (CFO) (from 03 December 2021)
- (c) **Individuals owing directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual:**  
 Mr. Bavaraparambil Abdul Khader Ayyoob (relative)  
 Mr. Anaz Bavaraparambil Abdul Khader (relative)  
 Mr. Pathukunju Parayankudy Abubacker (relative)  
 Mr. Arakkal Ayyoob Soumya (relative)
- (d) **Enterprises over which any person described in (b) or (c) is able to exercise significant influence:**  
 M/s. Safa Plywoods Private Limited
- (e) **Transactions with related parties during period**

Nature of transactions	For the period ended 31 March 2022
<b>Share capital issued to (including security premium)</b>	
Bavaraparambil Abdul Khader Faizal	288.40
Bavaraparambil Abdhul Kadher Hydrose	118.13
Sruthi Muhammed Ali	155.05
Anaz Bavaraparambil Abdul Khader	118.13
Bavaraparambil Abdul Khader Ayyoob	118.13
Pathukunju Parayankudy Abubacker	118.13
Arakkal Ayyoob Soumya	118.13
Safa Plywoods Private Limited	110.78
<b>Remuneration to directors</b>	
Bavaraparambil Abdul Khader Faizal	13.20
Sruthi Muhammed Ali	13.20
<b>Unsecured borrowing taken</b>	
Bavaraparambil Abdul Khader Faizal	68.87
Bavaraparambil Abdul Khader Ayyoob	34.37
<b>Repayment of unsecured borrowing</b>	
Bavaraparambil Abdul Khader Ayyoob	5.77

**(f) Balances outstanding at period-end**

Nature of transactions	For the period ended 31 March 2022
<b>Share capital issued (including security premium)</b>	
Bavaraparambil Abdul Khader Faizal	288.40
Bavaraparambil Abdhul Kadher Hydrose	118.13
Sruthi Muhammed Ali	155.05
Anaz Bavaraparambil Abdul Khader	118.13
Bavaraparambil Abdul Khader Ayyoob	118.13
Pathukunju Parayankudy Abubacker	118.13
Arakkal Ayyoob Soumya	118.13
Safa Plywoods Private Limited	110.78
<b>Unsecured borrowing</b>	
Bavaraparambil Abdul Khader Faizal	63.10
Safa Plywoods Private Limited	34.37

*(All amounts in ₹ lacs, unless otherwise stated)***26 Expenditure / Earning in foreign currency (on accrual basis)**

Particulars	For the period ended 31 March 2022
Expenditure in foreign currency	-
Earning in foreign currency	-

**27 Dues to small and micro enterprises pursuant to section 22 of the micro, small and medium enterprises development ('MSMED') act, 2006 #:**

	For the period ended 31 March 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end.	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end.	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period.	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the period.	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period.	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period.	-
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 period) but without adding the interest specified under the MSMED Act.	-
Interest accrued and remaining unpaid as at the end of period.	-
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 MSMED Act.	-

# The details of amounts outstanding to micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 are as per available information with the Company.

- 28** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment received Presidential assent on 28th September 2020 and has been published in the Gazette of India. However, the date on which the provisions of the Code will come into effect has not been notified. Further, related Schemes and Rules are also awaited. The Company will evaluate the impact of the code after it has been notified.
- 29** In opinion of the Board, the loans & advances and other current assets have a value, which if realized in the ordinary course of business, will not be less than the value stated in the Balance Sheet.
- 30** The Company has not obtained Actuarial Valuation with regards to Employee's terminal benefits i.e., Gratuity and Leave Encashment as mandated by Accounting Standard 15 issued by the Institute of Chartered Accountants of India. In view of lesser number of employees on rolls, the Company has made provision for these benefits on actual basis as on the Balance Sheet date.
- 31** Balances appearing under loans & advances, trade receivables, trade payables, current assets and current liabilities are subject to confirmation in certain cases.
- 32** During the period, the Company has conducted physical verification of its property, plant and equipment in order to ensure their location, existence and assess their working condition. No discrepancies have been reported during such verification. No further depreciation is provided in respect of assets that are fully written down but are still in use.

(All amounts in ₹ lacs, unless otherwise stated)

**33 Additional regulatory information**

- (i) There are no proceedings that have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) (earlier Benami Transactions (Prohibition) Act, 1988) and the rules made thereunder.
- (ii) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (iii) There are no transactions / relationship with struck off companies.
- (iv) The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961). Further, there was no previously unrecorded income and no additional assets were required to be recorded in the books of account during the period.
- (v) The Company has neither traded nor invested in Crypto currency or Virtual Currency during the period ended March 31, 2022. Further, the Company has also not received any deposits or advances from any person for the purpose of trading or investing in Crypto Currency or Virtual Currency.
- (vi) The Company has not granted any loans or advances in the nature of Loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person which are repayable on demand or without specifying any terms or period of repayment (March 31, 2021: Nil).
- (vii) Valuation of PP&E, intangible asset and investment property: The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current period.
- (viii) The Company has complied 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, and there are no companies beyond the specified layers.

**(ix) Analytical Ratios**

Ratio	Numerator	Denominator	For the period ended 31 March 2022
- Current ratio (in times)	Total current assets	Total current liabilities	1.60
- Debt equity ratio (in times)	Total debts	Shareholders' Equity	0.45
- Debt service coverage ratio (in times)	Earnings available for debt service (Net profit before taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other non cash adjustments)	Debt service (Interest & lease payments + principal repayments)	1.29
- Return on equity ratio (in %)	Profits for the period less preference dividend (if any)	Average shareholder's equity	1.84%
- Inventory turnover ratio (in times)	Revenue from operations	Average inventory	9.93
- Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivable	4.20
- Trade payables turnover ratio (in times)	Cost of traded goods and other expenses	Average trade payables	23.83
- Net capital turnover ratio (in times)	Revenue from operations	Average working capital	6.47
- Net profit ratio (in %)	Profit for the period	Revenue from operations	0.22%
- Return on capital employed (in %)	Profit before tax and finance costs	Capital employed	7.71%
- Return on investment (in %)	Income generated from invested funds	Average invested funds	1.84%

34 The Company has a single reportable segment for the purpose of Accounting Standard 17.

35 The Company was incorporated on 21 September 2021. This is being the first profit & loss statement and balance sheet of the Company relating to the period 21 September 2021 to 31 March 2022, there are no corresponding figures for the previous period available.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **Kapish Jain & Associates**  
Chartered Accountants  
Firm Registration No.: 022743N

For and on behalf of the Board of Directors of  
**Safa Systems & Technologies Limited**

Sd/-  
**Kapish Jain**  
Partner  
Membership No.: 514162

Sd/-  
**Bavaraparambil Abdul Khader Faizal**  
Managing Director  
DIN 07727191  
**Place:** Ernakulam

Sd/-  
**Bavaraparambil Abdhul Kadher Hydrose**  
Director  
DIN 01390977  
**Place:** Ernakulam

**Place:** New Delhi  
**Date:** 30 May 2022

Sd/-  
**Pushpita Das Gupta**  
Company Secretary  
M. No. A66854  
**Place:** New Delhi

Sd/-  
**Harikrishnan Raghunathan Nair**  
Chief Financial Officer  
PAN APCPR2843D  
**Place:** Ernakulam