

Independent Auditor's Report**To the Members of Quick Heal Technologies America Inc.****Report on the standalone Ind AS financial statements**

We have audited the accompanying standalone financial statements of Quick Heal Technologies America Inc. ('the Company'), which comprise the balance sheet as at March 31, 2022, the statement of profit and loss (including other comprehensive income), the statement of cash flow and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the standalone Ind AS financial statements

The Company's Board of Directors is responsible for the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account requirements of Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to me, the aforesaid standalone financial statements give the information in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2022 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year then ended.

For, Doshi R C & Co.
Chartered Accountants
FRN: 148679W

Shilani

Shweta Milani
Partner
Membership No. 169376
UDIN- 22169376AIDNWX6066
Date: April 29, 2022
Place: Pune



Quick Heal Technologies America Inc.

Balance sheet as at March 31, 2022

(All amounts are in USD Thousands, unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
Assets			
Current assets			
(a) Financial assets			
(i) Trade receivables	3	30.11	12.41
(ii) Cash and cash equivalents	4	108.72	43.00
(b) Other current assets	5	1.70	1.79
		140.53	57.20
Total assets		140.53	57.20
Equity and liabilities			
Equity			
(a) Equity share capital	6	788.00	788.00
(b) Other equity	7		
(i) Retained earnings		(776.21)	(782.50)
Total equity		11.79	5.50
Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	8	-	-
(b) Total outstanding dues creditors other than micro enterprises and enterprises	8	124.88	47.98
(b) Other current liabilities	9	3.86	3.72
		128.74	51.70
Total liabilities		128.74	51.70
Total equity and liabilities		140.53	57.20

Summary of Significant accounting policies

The accompanying notes are an integral part of these financial statements

As per our report of even date

For, Doshi R C & Co.
Chartered Accountants
FRN: 148679W

Shweta Milani

Shweta Milani

Partner

Membership Number: 169376

UDIN: 22169376AIDNWX6066

Place: Pune

Date: April 29, 2022



For and on behalf of the Board of Directors of
Quick Heal Technologies America Inc.

Kailash Katkar

Kailash Katkar

Managing Director

& Chief Executive Officer

DIN: 00397191

Place: Pune

Date: April 29, 2022



Quick Heal Technologies America Inc.
Statement of profit and loss for the period ended March 31, 2022
(All amounts are in USD Thousands, unless otherwise stated)

Particulars	Notes	Period ended March 31, 2022	Period ended March 31, 2021
Income			
Revenue from operations	10	266.28	173.06
Other income	11	42.81	83.86
Total income		309.09	256.92
Expenses			
Purchase of security software products	12 (a)	266.13	179.63
(Increase) / decrease in security software products	12 (b)	-	0.40
Depreciation and amortisation expense	13	-	0.14
Other expenses	14	36.67	72.91
Total expenses		302.80	253.08
Profit before exceptional items and tax		6.29	3.84
Exceptional items			-
Profit before tax		6.29	3.84
Tax expense			
Current tax	15	-	-
Pertaining to profit for the current period		-	-
Adjustments of tax relating to earlier periods		-	-
Deferred tax		-	-
Total tax expense		-	-
Profit for the period		6.29	3.84
Total comprehensive income for the period		6.29	3.84
Loss per equity share (for continuing and discontinued operation): [nominal value of share USD 1 each]	16	0.01	0.00

Summary of Significant accounting policies
The accompanying notes are an integral part of these financial statements
As per our report of even date

For, **Doshi R C & Co.**
Chartered Accountants
FRN: 148679W

Shweta

Shweta Milani
Partner
Membership Number: 169376
UDIN: 22169376AIDNWX6066
Place: Pune
Date: April 29, 2022



For and on behalf of the Board of Directors of
Quick Heal Technologies America Inc.

Kailash

Kailash Katkar
Managing Director
& Chief Executive Officer
DIN: 00397191
Place: Pune
Date: April 29, 2022



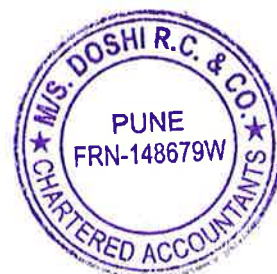
Quick Heal Technologies America Inc.**Statement of changes in equity for the period ended March 31, 2022***(All amounts are in USD Thousands, unless otherwise stated)***A. Equity share capital**

	No.	Amount
Equity shares of USD 1 each issued, subscribed and fully paid-up		
As at April 1, 2020	7,88,000	788
- Addition	-	-
As at March 31, 2021	7,88,000	788
- Addition	-	-
As at March 31, 2022	7,88,000	788

B. Other equity

Other equity attributable to equity holders of the Company

	Retained earnings	Total
Balance as at April 1, 2020	(786.34)	(786.34)
Profit for the year	3.84	3.84
Other comprehensive income	-	-
Total comprehensive income	3.84	3.84
Balance as at March 31, 2021	(782.50)	(782.50)
Profit for the year	6.29	6.29
Other comprehensive income	-	-
Total comprehensive income	6.29	6.29
As at March 31, 2022	(776.21)	(776.21)



Quick Heal Technologies America Inc.

Cash flow statement for the period ended March 31, 2022

(All amounts are in USD Thousands, unless otherwise stated)

Particulars	Period ended March 31, 2022	Period ended March 31, 2021
A. Cash flow from operating activities		
Profit before tax for the period	6.29	3.84
Adjustments to reconcile profit for the year to net cash generated from operating activities:		
Depreciation and amortization expense	-	0.14
Amounts written off - sale of asset	-	0.10
Operating profit before working capital changes	6.29	4.08
Changes in operating assets and liabilities		
(Increase) / decrease in trade receivables	(17.70)	0.58
(Increase) / decrease in inventories	-	0.40
(Increase) / decrease in Other Current Assets	0.09	(1.78)
(Increase) / decrease in other liabilities	0.14	(18.68)
Increase / (decrease) in trade payables	76.91	(34.60)
Cash used in operating activities	65.73	(50.00)
Income tax paid	-	-
Net cash used in operating activities (A)	65.73	(50.00)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-	-
Net cash used in investing activities (B)	-	-
Cash flows from financing activities		
Net cash generated from / (used in) financing activities (C)	-	-
Net increase / (decrease) in cash and cash equivalents (A + B + C)	65.73	(50.00)
Cash and cash equivalents at the beginning of the period	43.00	93.00
Cash and cash equivalents at the end of the period	108.73	43.00
Components of cash and cash equivalents		
Cash on hand		-
Balances with banks		
On current account	108.72	43.00
Total cash and cash equivalents	108.72	43.00

Summary of significant accounting policies

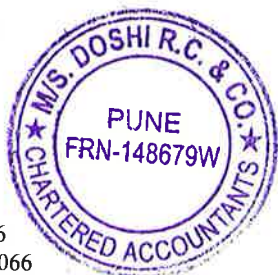
The accompanying notes are an integral part of these financial statement

As per our report of even date

For, Doshi R C & Co.
Chartered Accountants
FRN: 148679W

Shweta Milani
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Partner
Membership Number: 169376
UDIN: 22169376AIDNWX6066
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For and on behalf of the Board of Directors of
Quick Heal Technologies Limited

Kailash Katkar

Kailash Katkar
Managing Director
& Chief Executive Officer
DIN: 00397191
Place: Pune
Date: April 29, 2022



Quick Heal Technologies America Inc.

Notes forming part of financial statements for the period ended March 31, 2022

(All amounts are in USD Thousands, unless otherwise stated)

1 Company overview

1.1 General information

Quick Heal Technologies America Inc. ("the Company") is a private limited Company domiciled in the United States of America and incorporated in January 2012. The Company is engaged in the business of providing internet security software. The Company is wholly owned subsidiary of Quick Heal Technologies Limited.

The principal place of business and registered address of the Company is Massachusetts, USA.

The financial statements for the year ended March 31, 2022 were authorised for issue by the Director on April 29, 2022

1.2 Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments. The accounting policies are consistently applied by the Company during the period and are consistent with those used in previous year except for the changes in accounting policies required to be made on adoption of Indian Accounting Standards notified under the Companies Act, 2013.

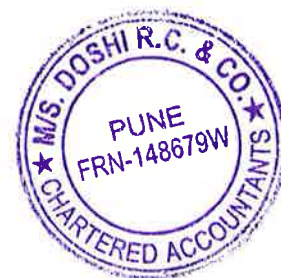
1.3 Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2 Summary of significant accounting policies

(a) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities at the end of period / year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.



Quick Heal Technologies America Inc.

Notes forming part of financial statements for the period ended March 31, 2022

(All amounts are in USD Thousands, unless otherwise stated)

(b) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of property, plant and equipment that are not ready to be put to use.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period / year during which such expenses are incurred.

Gains or losses arising from disposal of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

(c) Intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

(d) Depreciation and amortization

Depreciation on Property, Plant and Equipment is provided using the Written Down Value Method ('WDV') over the useful lives of the assets estimated by the management. Intangible assets are amortized on a straight line basis over their estimated useful lives commencing from the day the asset is made available for use.

The management estimates the useful lives for the Property, Plant and Equipment as follows:

Assets	Useful lives (Years)
Computers	3

(e) Impairment of property, plant and equipment and other intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.



Quick Heal Technologies America Inc.

Notes forming part of financial statements for the period ended March 31, 2022

(All amounts are in USD Thousands, unless otherwise stated)

(f) Financial instruments

i) Financial assets

Initial recognition and measurement

Financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified as:

- Financial assets at amortized cost

Financial assets that are held within a business model whose objective is to hold assets for collecting contractual cash flows and whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at amortized cost using the effective interest rate method. The change in measurements are recognized as finance income in the statement of profit and loss.

- Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the assets' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding are subsequently measured at fair value. Fair value movements are recognized in other comprehensive income.

- Financial assets at fair value through profit or loss (FVTPL)

Any financial asset which does not meet the criteria for categorization as financial instruments at amortized cost or as FVTOCI, is classified as financial instrument at FVTPL. Financial instruments included within the FVTPL category are subsequently measured at fair value with all changes recognized in the statement of profit and loss.

ii) Financial liabilities

- Financial liabilities at amortized cost

Financial liabilities such as loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. The change in measurements are recognized as finance costs in the statement of profit and loss.

- Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss if the recognition criteria as per Ind AS 109 are satisfied. Gains or losses on liabilities held for trading are recognized in statement of profit and loss. Fair value gains or losses on liabilities designated as FVTPL attributable to changes in own credit risk are recognized in other comprehensive income. All other changes in fair value of liabilities designated as FVTPL are recognized in the statement of profit and loss. The Company has not designated any financial liability as at FVTPL.



Quick Heal Technologies America Inc.

Notes forming part of financial statements for the period ended March 31, 2022

(All amounts are in USD Thousands, unless otherwise stated)

iii) Impairment

Financial assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortized cost and financial assets that are debts instruments and are measured at fair value through other comprehensive income (FVTOCI). ECL is the difference between contractual cash flows that are due and the cash flows that the Company expects to receive, discounted at the original effective interest rate.

For trade receivables, the Company recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

(g) Foreign currency translation

The Company presents the financial statements in USD which is also the functional currency.

Initial recognition

Foreign currency transactions are recorded in the functional currency of the Company, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the values were determined.

Exchange differences

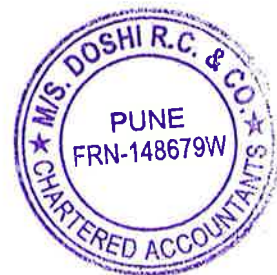
Exchange differences arising on conversion / settlement of foreign currency monetary items and on foreign currency liabilities are recognized as income or expenses in the period / year in which they arise.

(h) Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of internet security products

Revenue from sales of internet security products is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on dispatch of the goods to its customers.



Quick Heal Technologies America Inc. .

Notes forming part of financial statements for the period ended March 31, 2022

(All amounts are in USD Thousands, unless otherwise stated)

(i) Inventories

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Traded goods are valued at lower of cost and net realizable value. Cost included cost of purchase and other costs incurred in bringing the inventories to present location and condition. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(j) Income taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.



Quick Heal Technologies America Inc.

Notes forming part of financial statements for the period ended March 31, 2022

(All amounts are in USD Thousands, unless otherwise stated)

(k) Leases

Effective April 01, 2019, the Company adopted IND AS 116 "Leases" under the modified retrospective approach without restatement of comparatives. The Company elected to apply the practical expedient to not reassess whether a contract is or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IND AS 17 were not reassessed. The definition of a lease under IND AS 116 was applied only to contracts entered into or changed on or after April 01, 2019

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IND AS 116, the Company recognizes right-of-use assets and lease liabilities for most leases.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the entities incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

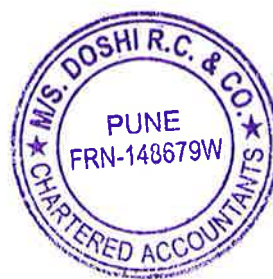
- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonable certain to assess option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.



Quick Heal Technologies America Inc.

Notes forming part of financial statements for the period ended March 31, 2022

(All amounts are in USD Thousands, unless otherwise stated)

(l) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences (which cannot be carried forward) such as paid annual leave, overseas social security contributions and performance incentives.

(m) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

(n) Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

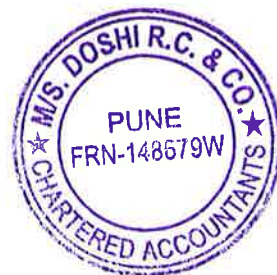
Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate assets but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

(o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(p) Cash & cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



Quick Heal Technologies America Inc.

Notes forming part of financial statements for the period ended March 31, 2022

(All amounts are in USD Thousands, unless otherwise stated)

(q) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered.



Quick Heal Technologies America Inc.**Statement of changes in equity for the period ended March 31, 2022***(All amounts are in USD Thousands, unless otherwise stated)***3. Trade receivables**

	As at March 31, 2022	As at March 31, 2021
Trade receivable from related parties	12.54	4.47
Trade receivables from others	17.57	7.94
Total	30.11	12.41

Break-up for security details:

	As at March 31, 2022	As at March 31, 2021
Trade receivables		
Considered good - Secured	-	-
Considered good - Unsecured	30.11	12.41
Receivable which have significant increase in credit risk		
Receivables - credit impaired	-	-
Total	30.11	12.41

Trade Receivables ageing schedule for the year ended March 31, 2022

Particulars	Outstanding for following periods from due date of payment	
	Less than 6 months	More than 6 months
Undisputed Trade receivables – considered good	29.61	0.50
Total	29.61	0.50

Trade Receivables ageing schedule for the year ended March 31, 2021

Particulars	Outstanding for following periods from due date of payment	
	Less than 6 months	More than 6 months
Undisputed Trade receivables – considered good	12.41	-
Total	12.41	-

* The management has evaluated credit impairment allowance based on the net outstanding position.

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. Trade receivables are non interest bearing and generally on credit terms of 30 to 60 days.

4. Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
On current account	108.72	43.00
Total	108.72	43.00

5. Others assets

	As at March 31, 2022	As at March 31, 2021
Current (unsecured, considered good)		
Prepaid expenses	0.24	0.33
Balances with government authorities	1.46	1.47
Total current	1.70	1.79



Quick Heal Technologies America Inc.**Statement of changes in equity for the period ended March 31, 2022***(All amounts are in USD Thousands, unless otherwise stated)***6. Equity share capital**

	As at March 31, 2022	As at March 31, 2021
Authorized shares		
1,750,000 (March 31, 2021: 1,750,000) equity shares of USD 1 each	1750	1750
	1,750	1,750
Issued, subscribed and fully paid-up shares		
788,000 (March 31, 2021: 788,000) equity shares of USD 1 each	788	788
Total issued, subscribed and fully paid-up share capital	788	788

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2022	As at March 31, 2021
		No.
At the beginning of the period	7,88,000	7,88,000
Issued during the period		
Increase / decrease during the year	-	-
Outstanding at the end of the period	7,88,000	7,88,000

(b) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of USD 1 per share. Each holder of the equity shares is entitled to one vote per share. The Company declares and pays dividend in USD. The dividend proposed by Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting. During the year ended March 31, 2022 the amount per share dividend recognised as distribution to equity shareholders was Nil (March 31, 2021: Nil).

In the event of liquidation of the incorporation, the holders of ordinary equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

(c) Shares held by holding/ ultimate holding company and /or their subsidiaries/ associates

	As at March 31, 2022	As at March 31, 2021
Quick Heal Technologies Limited, the holding	788	788
7,88,000 (31 March 2021: 7,88,000) equity shares of USD 1 each fully paid		

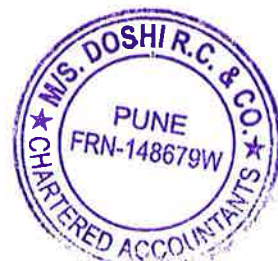
(d) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2022		As at March 31, 2021	
	Nos.	% holding	Nos.	% holding
Equity shares of USD 1 each fully paid up				
Quick Heal Technologies Limited, the holding company	788000	100%	788000	100%

(e) Shareholding of Promoters

Shares held by promoters at the end of the year			% Change during the year	
S. No	Promoter name	% of total shares		
1	Quick Heal Technologies Limited	100%		

The shareholding information has been extracted from the records of the Company including register of shareholders/ members and is based on legal ownership of shares.



Quick Heal Technologies America Inc.**Statement of changes in equity for the period ended March 31, 2022***(All amounts are in USD Thousands, unless otherwise stated)***7. Other equity**

	As at March 31, 2022	As at March 31, 2021
(a) Retained earnings		
Balance as at the beginning of the year	(782.50)	(786.34)
Add: Amount transferred from surplus balance in the statement of profit and loss	6.29	3.84
Balance as at end of the year	(776.21)	(782.50)

Retained earnings

Retained Earnings represents surplus i.e. balance of the relevant column in the Statement of Changes in Equity;

8. Trade payables

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues to micro enterprises and small enterprises	-	-
Total outstanding dues creditors other than micro enterprises and small enterprises	4.01	-
Total outstanding to related parties	120.87	47.98
Total	124.88	47.98

* Includes amount payable to independent directors

Trade payable ageing Schedules for the year ended March 31, 2022

	Outstanding for the period	
	Less than 1 year	More than 1 year
(i) MSME	-	-
(ii) Others	124.88	-
Total	124.88	-

Trade payable ageing Schedules for the year ended March 31, 2021

	Outstanding for the period	
	Less than 1 year	More than 1 year
(i) MSME	-	-
(ii) Others	47.98	-
Total	47.98	-

9. Other liabilities

	As at March 31, 2022	As at March 31, 2021
Current		
Other liabilities (includes advances from customers)	3.86	3.72
Total	3.86	3.72
Total current	3.86	3.72
Total non - current	-	-

Terms and conditions of the above financial and other liabilities:

- Trade payables are non-interest bearing and have an average term of 60 days.
- Other liabilities are non interest bearing and have an average term of 45 days.



Quick Heal Technologies America Inc.**Statement of changes in equity for the period ended March 31, 2022***(All amounts are in USD Thousands, unless otherwise stated)***10. Revenue from operations (net)**

	Period ended March 31, 2022	Period ended March 31, 2021
Sale of security software products	266.28	173.06
Total	266.28	173.06

11. Other income

	Period ended March 31, 2022	Period ended March 31, 2021
Profit on sale of fixed assets (net)	-	0.03
Miscellaneous income	42.81	83.84
Total	42.81	83.86

12. Details related to cost of security software devices and software products

	Period ended March 31, 2022	Period ended March 31, 2021
(a) Purchase of security software products		
Security software products	266.13	179.63
Sub-total	266.13	179.63
(b) (Increase)/decrease in security software products		
Inventory at the beginning of the period	-	0.40
Less: Inventory at end of the period	-	-
Sub-total	-	0.40
Total	266.13	180.03

Details of raw materials consumed

	Period ended March 31, 2022	Period ended March 31, 2021
Security software devices - Unified Threat Management (UTM)	-	-
	-	-

Details of inventory

	As at March 31, 2022	As at March 31, 2021
Raw materials		
Security software devices - Unified Threat Management (UTM)	-	-
	-	-
Finished goods		
Security software products	-	-
Security software products	-	-

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Quick Heal Technologies America Inc.**Statement of changes in equity for the period ended March 31, 2022***(All amounts are in USD Thousands, unless otherwise stated)***13. Depreciation and amortisation expense**

	Period ended March 31, 2022	Period ended March 31, 2021
Depreciation on property, plant and equipment		0.14
Total	-	0.14

14. Other expenses

	Period ended March 31, 2022	Period ended March 31, 2021
Rates and taxes	1.35	0.95
Communication costs	-	0.25
Legal and professional fees	7.79	46.94
Foreign exchange loss (net)	0.09	-
Miscellaneous expenses	27.44	24.77
Total	36.67	72.91

15. Deferred Tax

Deferred tax assets are recognised for tax loss carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

The Company did not recognise deferred tax asset in respect of losses amounting to USD 6,287 (March 31, 2021: USD 4) that can be carried forward against future taxable income since it is not probable that taxable profits will be available against which the deductible temporary difference can be utilised.

Reconciliation of effective tax rate

	Period ended March 31, 2022	Period ended March 31, 2021
The major components of income tax are stated below:		
Current tax:		
Current income tax charge	-	-
Deferred tax:		
Recognised in statement of profit and loss	-	-
Recognised in other comprehensive income	-	-
Tax expense	-	-

Reconciliation of effective tax rate

	Period ended March 31, 2022	Period ended March 31, 2021
Accounting profit/(loss) before tax from continuing operations	6.29	3.84
Tax @ 40%	2.52	1.54
Add:		
Minimum corporate tax levied	-	-
Tax not levied under corporate tax rate	(2.52)	(1.54)
Add:		
Deferred tax asset not recognised		
Current year losses	(2.52)	(1.54)
Income tax expense	(2.52)	(1.54)



Quick Heal Technologies America Inc.**Statement of changes in equity for the period ended March 31, 2022***(All amounts are in USD Thousands, unless otherwise stated)***Note 16 : Loss per share**

	Period ended March 31, 2022	Period ended March 31, 2021
Numerator for basic and diluted EPS		
Net Profit / (loss) after tax (In USD) (A)	6.29	3.84
Denominator for basic and diluted EPS		
Weighted average number of equity shares (In numbers) (B)	7,88,000	7,88,000
Basic and diluted loss per share of face value of USD 1 each (A / B)	0.01	0.00

Note 17 : Related party disclosures

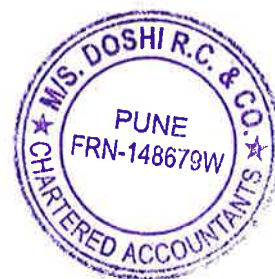
(I) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

The Company is controlled by Quick Heal Technologies Limited (the holding company) which owns 100% of the company's shares.

Name of the related party	Relationship
Quick Heal Technologies Limited	Holding Company

(II) Transactions during the period and balances outstanding with related parties:

Name of the related party	Period ended March 31, 2022	Period ended March 31, 2021
Transactions during the year		
Quick Heal Technologies Limited		
- Purchase of internet security software	266.13	179.63
-Marketing support service	39.14	76.01



Quick Heal Technologies America Inc.**Statement of changes in equity for the period ended March 31, 2022***(All amounts are in USD Thousands, unless otherwise stated)***Balances - receivable/ (payable) at the period**

Particulars	Period ended March 31, 2022	Period ended March 31, 2021
Quick Heal Technologies Limited	-	-
- Trade payable	120.87	47.98
- Trade receivable	12.54	4.47

Note 18 : Segment reporting

The business activities of the Company from which it earns revenues and incurs expenses; whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available involve predominantly one operating segment i.e. 'Trading in antivirus software'.

Note 19 : Revenue from contracts with customers

The Company generates revenue from sale of security license software.

	Period ended March 31, 2022	Period ended March 31, 2021
Revenue from contracts with customers	266.28	173.06
Revenue from others	-	-

The entire revenue from operations is recognised at point in time and relates to single operating segment. Accordingly, disaggregation of revenue disclosure is not applicable.

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Quick Heal Technologies America Inc.**Statement of changes in equity for the period ended March 31, 2022***(All amounts are in USD Thousands, unless otherwise stated)***Note 20 : Disclosure of Ratios**

	Year ended March 31 2022	Year ended March 31, 2021
1 Current Ratio (Current assets/ Current liabilities)	1.09	1.11
2 Debt-Equity Ratio(Includes only interest bearing liabilities)	-	-
3 Return on equity Ratio (Net Income/ Shareholder's Equity)	0.53	0.70
4 Inventory turnover ratio (Cost of goods sold/ Average Inventory)	-	-
5 Trade Receivables turnover ratio (Turnover/ Average Trade Receivables)	8.84	13.95
6 Trade payables turnover ratio (Total purchases/ Average Trade Payables)	2.13	3.74
7 Net capital turnover ratio (Turnover/ Net Assets)	22.58	31.45
8 Net profit ratio (Net profit/ Turnover)	2.36%	2.22%
9 Return on Capital employed (EBIT/Capital employed)	4.48%	6.71%
10 Return on investment (Earnings after tax/ Total capital employed)	4.48%	6.71%

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Quick Heal Technologies America Inc.**Notes forming part of financial statements for the period ended March 31, 2022***(All amounts are in USD Thousands, unless otherwise stated)***Note 21 : Capital management**

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company is focused on maintaining a strong equity base to ensure independence, security, as well as financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

The Company's net debt to adjusted equity ratio at the reporting date are as follows:

	As at March 31, 2022	As at March 31, 2021
Total liabilities	128.74	51.70
Less : Cash and cash equivalents	108.72	43.00
Net debt	20.02	8.70
Total equity	11.79	5.50
Net debt to equity ratio	1.70	1.58

There are no changes in the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

Note 22 : Financial instruments by category

The carrying value and fair value of financial instruments by categories are as follows:

	As at March 31, 2022	As at March 31, 2021
Assets		
Current financial assets		
Trade receivables	30.11	12.41
Cash and cash equivalents	108.72	43.00
Total	138.83	55.41
Liabilities		
Trade payables	124.88	47.98
Total	124.88	47.98

Carrying values of all financial assets and liabilities approximate to fair value April 30, 2022 and April 30, 2021. Hence fair value hierarchy related disclosures are not applicable.

Note 23 : Financial risk management

The Company's financial risk policies comprise primarily of credit risk and liquidity risk. The Company is not exposed to foreign currency risk since the Company has not entered into foreign exchange transactions and interest rate risk since the Company does not have any borrowings.



Quick Heal Technologies America Inc.**Notes forming part of financial statements for the period ended March 31, 2022***(All amounts are in USD Thousands, unless otherwise stated)***Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company is exposed to credit risk for trade receivables.

Counterparty credit limits are reviewed by the Company on an annual basis, and are updated throughout the year subject to approval of the Company's credit committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The Company does not hold any collateral as security against its trade receivable.

The carrying value of the financial assets other than cash represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date are as follows :

	As at March 31, 2022	As at March 31, 2021
Current financial asset		
Trade receivables	30.11	12.41
Cash and cash equivalents	108.72	43.00
Total	138.83	55.41

None of the Company's cash equivalents, are past due or impaired. Regarding , trade receivables there are no indications as of March 31, 2022 that the defaults in payment obligations would occur.

The ageing of trade receivables at the reporting date that were not impaired are as follows :

	As at March 31, 2022	As at March 31, 2021
Upto 6 months	29.61	12.41
More than 6 months	0.50	-
Total	30.11	12.41

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.



Quick Heal Technologies America Inc.

Notes forming part of financial statements for the period ended March 31, 2022

(All amounts are in USD Thousands, unless otherwise stated)

The credit quality of the Company's customers is monitored on an ongoing basis and assessed for impairment where indicators of such impairment exist. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. In certain circumstances, the Company seeks collateral as security for the receivable. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforces compliance with the credit terms.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the remaining contractual maturities of financial liabilities at the reporting date.

	As at March 31, 2022	As at March 31, 2021
Trade and other payables		
Upto 12 months	124.88	47.98
More than 12 months	-	-

Note 24 : Going concern

The Company has earned net profit of USD 6 for the year ended March 31, 2022. (March 31, 2021: USD 4); however has accumulated loss position as on date.

The company is in the process of implementing a plan for its business strategies and policies, the outcome of which would result in the recovery of its losses. This plan has been approved by the board of directors of the holding company and has undertaken to provide such financial support as necessary to enable the Company to continue its operations and to meet its liabilities as and when they fall due on a continuing basis.

As per our report of even date

For, Doshi R C & Co.
Chartered Accountants
FRN: 148679W

Shweta Milani

Shweta Milani
Partner
Membership Number: 169376
UDIN: 22169376AIDNWX6066
Place: Pune
Date: April 29, 2022



For and on behalf of the Board of Directors of Quick Heal Technologies Limited

Kailash Katkar

Kailash Katkar
Managing Director
& Chief Executive Officer
DIN: 00397191
Place: Pune
Date: April 29, 2022

