

## **Independent Auditor's Report**

**To the Members of Quick Heal Technologies Africa Limited**

### **Report on the standalone Ind AS financial statements**

We have audited the accompanying standalone financial statements of Quick Heal Technologies Africa Limited ('the Company'), which comprise the balance sheet as at 31 March 2021, 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.

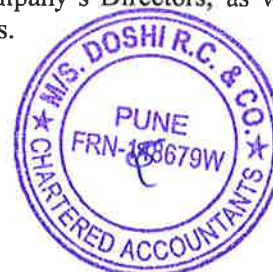
### **Auditor's responsibility**

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 31 March 2021 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**

**Shweta Milani**  
Partner  
Membership No. 169376

**Shweta Jugal Doshi**  
Digitally signed by Shweta  
Jugal Doshi  
Date: 2021.04.30 22:59:14  
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UDIN-21169376AAAAAB9700  
Date: April 30, 2021  
Place: Pune



**Quick Heal Technologies Africa Limited**  
**Balance sheet as at March 31, 2021**  
(All amounts are in KES unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	19,274	26,518
		<b>19,274</b>	<b>26,518</b>
<b>Current assets</b>			
(a) Inventories	4	35,406	35,406
(b) Financial assets			
(i) Trade receivables	5	1,08,45,536	83,06,318
(ii) Cash and cash equivalents	6	6,86,30,796	6,43,10,971
(c) Other current assets	7	35,270	-
		<b>7,95,47,007</b>	<b>7,26,52,695</b>
<b>Total assets</b>		<b>7,95,66,281</b>	<b>7,26,79,213</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	8	11,36,75,000	11,36,75,000
(b) Other equity	9		
(i) Retained earnings		(3,58,89,621)	(4,72,79,310)
<b>Total equity</b>		<b>7,77,85,379</b>	<b>6,63,95,690</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	10	-	-
(b) Total outstanding dues creditors other than micro enterprises and enterprises	10	16,57,719	59,29,591
(b) Other current liabilities	11	1,23,182	3,53,932
		<b>17,80,902</b>	<b>62,83,523</b>
<b>Total liabilities</b>		<b>17,80,902</b>	<b>62,83,523</b>
<b>Total equity and liabilities</b>		<b>7,95,66,281</b>	<b>7,26,79,213</b>

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

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

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

*Shweta Milani*

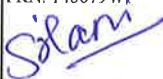

Shweta Milani  
Partner  
Membership Number: 169376  
UDIN: 21169376AAAAAB9700  
Place: Pune  
April 30, 2021

*Kailash Katkar*

Kailash Katkar  
Managing Director  
& Chief Executive Officer  
DIN: 00397191  
Place: Pune  
April 30, 2021



**Quick Heal Technologies Africa Limited**  
**Statement of profit and loss for the period ended March 31, 2021**  
(All amounts are in KES unless otherwise stated)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
<b>Income</b>			
Revenue from operations	12	1,89,00,005	2,76,87,733
Other income	13	1,59,27,079	13,11,307
<b>Total income</b>		<b>3,48,27,085</b>	<b>2,89,99,040</b>
<b>Expenses</b>			
Purchase of security software products	14 (a)	1,90,03,126	1,39,17,178
(Increase) / decrease in security software products	14 (b)	-	-
Depreciation and amortisation expense	15	7,244	10,352
Other expenses	16	44,27,026	40,97,227
<b>Total expenses</b>		<b>2,34,37,396</b>	<b>1,80,24,757</b>
<b>Profit before exceptional items and tax</b>		<b>1,13,89,689</b>	<b>1,09,74,283</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>1,13,89,689</b>	<b>1,09,74,283</b>
<b>Tax expense</b>			
Current tax	17	-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Profit for the period</b>		<b>1,13,89,689</b>	<b>1,09,74,283</b>
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>1,13,89,689</b>	<b>1,09,74,283</b>
Earnings per equity share [nominal value per share INR 10 (March 31, 2020: INR 10)]	18		
Basic		1.00	0.97
Diluted		1.00	0.97
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements.			
As per our report of even date			
for, Doshi R C & Co. Chartered Accountants FRN: 148679W,  <b>Shweta Milani</b> Partner Membership Number: 169376 UDIN: 21169376AAAAAB9700 Place: Pune April 30, 2021		For and on behalf of the Board of Directors of Quick Heal Technologies Africa Limited   <b>Kailash Katkar</b> Managing Director & Chief Executive Officer DIN: 00397191 Place: Pune April 30, 2021	



**Quick Heal Technologies Africa Limited**  
**Cash flow statement for the period ended March 31, 2021**  
**(All amounts are KES , unless otherwise stated)**

	March 31, 2021	March 31, 2020
<b>A. Cash flow from operating activities</b>		
Profit before tax	1,13,89,689	1,09,74,283
Adjustment to reconcile profit before tax to net cash flows:		
Net (gain) / loss foreign exchange differences	(19,27,939)	(13,10,102)
Depreciation and amortization expense	7,244	10,352
Provision for doubtful debts and advances	-	(9,80,649)
Bad debts written off	1,16,309	9,20,683
<b>Operating profit before working capital changes</b>	<b>95,85,303</b>	<b>96,14,568</b>
Movements in working capital:		
(Increase)/decrease in trade receivables	(7,27,588)	3,36,615
(Increase)/decrease in other assets	(35,270)	-
Increase/(decrease) in trade payables	(42,71,872)	4,16,257
Increase/(decrease) in other current liabilities	(2,30,750)	1,53,079
<b>Cash generated from operations</b>	<b>43,19,825</b>	<b>1,05,20,518</b>
Direct taxes paid (net of refunds)	-	-
<b>Net cash flow from operating activities (A)</b>	<b>43,19,825</b>	<b>1,05,20,518</b>
<b>Net (decrease) in cash and cash equivalents (A+B+C)</b>	<b>43,19,825</b>	<b>1,05,20,518</b>
Cash and cash equivalents at the beginning of the period	6,43,10,971	5,37,90,453
<b>Cash and cash equivalents at the end of the period</b>	<b>6,86,30,796</b>	<b>6,43,10,971</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks		
On current account	6,86,30,796	6,43,10,971
<b>Total cash and cash equivalents</b>	<b>6,86,30,796</b>	<b>6,43,10,971</b>

**Summary of significant accounting policies**

The accompanying notes are an integral part of these financial statement

As per our report of even date

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

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

*Shweta Milani*

**Shweta Milani**  
Partner  
Membership Number: 169376  
UDIN: 21169376AAAAAB9700  
Place: Pune  
April 30, 2021

*Kailash Katkar*

**Kailash Katkar**  
Managing Director  
& Chief Executive Officer  
DIN: 00397191  
Place: Pune  
April 30, 2021



**Quick Heal Technologies Africa Limited**

**Statement of changes in equity for the period ended March 31, 2021**

(All amounts are in KES unless otherwise stated)

**A. Equity share capital**

	No.	Amount
11,365,500 Equity shares of KSH 10 each issued, subscribed and fully paid-up		
As at April 01, 2019	1,13,67,500	11,36,75,000
- Addition	-	-
As at March 31, 2020	1,13,67,500	11,36,75,000
- Addition	-	-
As at March 31 2021	1,13,67,500	11,36,75,000

**B. Other equity**

Other equity attributable to equity holders of the Company

	Retained earnings	Total
Balance as at April 01, 2019	(5,82,53,593)	(5,82,53,593)
Profit for the period	1,09,74,283	1,09,74,283
Other comprehensive income	-	-
Total comprehensive income	1,09,74,283	1,09,74,283
Balance as at March 31, 2020	(4,72,79,310)	(4,72,79,310)
Profit for the period	1,13,89,689	1,13,89,689
Other comprehensive income	-	-
Total comprehensive income	1,13,89,689	1,13,89,689
Balance as at March 31, 2021	(3,58,89,622)	(3,58,89,622)





**Quick Heal Technologies Africa Limited**  
**Notes forming part of financial statements for the period ended March 31, 2021**  
(Amounts in KSH unless otherwise stated)

**1 Company overview**

**1.1 General information**

Quick Heal Technologies Africa Limited ("the Company") is a limited liability incorporated in December 2011. The Company is engaged in the business of trading in antivirus software.

The postal number of Quick Heal Technologies Africa Limited is 38606, Nairobi, Kenya.

The financial statements are authorised for issue by the board of directors on April 30, 2021

**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.

**(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) Depreciation**

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.

The management estimates the useful lives for the property, plant and equipment as follows:

Assets	Useful lives (Years)
Computers	3
Office equipment	5
Furniture and fixtures	10



**(d) Impairment of property, plant and equipment**

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.

**(e) 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**

### **Initial recognition and measurement**

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### **- 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.

## **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.

## **(f) Foreign currency translation**

The Company presents the financial statements in Kenyan Shillings (KSH) 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 year in which they arise.

## **(g) 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.

## **(h) 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.



(i) **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 correlation to the

(j) **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.

**(k) 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.

**(l) 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.

**(m) 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.

**(n) 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.

**(o) 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.

**(p) 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 Africa Limited**

Notes forming part of financial statements for the period ended March 31, 2021

(All amounts are in KES unless otherwise stated)

**3. Property, plant and equipment**

	Computers and server	Office equipment	Furniture and fixtures	Total
<b>Cost (Gross) (refer note 2)</b>				
At April 01, 2019	33,200	29,828	98,294	1,61,322
Additions	-	-	-	-
Disposals/written-offs	-	-	-	-
<b>At March 31, 2020</b>	<b>33,200</b>	<b>29,828</b>	<b>98,294</b>	<b>1,61,322</b>
Additions	-	-	-	-
Disposals/written-offs	-	-	-	-
<b>At March 31, 2021</b>	<b>33,200</b>	<b>29,828</b>	<b>98,294</b>	<b>1,61,322</b>
<b>Depreciation (Gross) (refer note 2)</b>				
At April 01, 2019	32,244	27,480	64,728	1,24,452
Depreciation charge for the period	604	1,058	8,690	10,352
Disposals/written-offs	-	-	-	-
<b>At March 31, 2020</b>	<b>32,848</b>	<b>28,538</b>	<b>73,418</b>	<b>1,34,804</b>
Transfer	-	-	-	-
Depreciation charge for the period	222	581	6,440	7,244
Disposals/written-offs	-	-	-	-
<b>At March 31, 2021</b>	<b>33,070</b>	<b>29,119</b>	<b>79,859</b>	<b>1,42,048</b>
<b>Net block</b>				
At April 01, 2019	956	2,348	33,566	36,870
At March 31, 2020	352	1,290	24,876	26,518
At March 31, 2021	130	709	18,435	19,274

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**Quick Heal Technologies Africa Limited**  
**Notes forming part of financial statements for the period ended March 31, 2021**  
**(All amounts are in KES unless otherwise stated)**

**4. Inventories**

	As at March 31, 2021	As at March 31, 2020
<b>At lower of cost and net realisable value</b>		
Finished goods - Security softwares	35,406	35,406
<b>Total</b>	<b>35,406</b>	<b>35,406</b>

**5. Trade receivables**

	As at March 31, 2021	As at March 31, 2020
Trade receivables	12,89,608	83,06,318
Trade receivable from related parties	95,55,928	-
<b>Total</b>	<b>1,08,45,536</b>	<b>83,06,318</b>

**Break-up for security details:**

	As at March 31, 2021	As at March 31, 2020
<b>Trade receivables</b>		
Considered good - Secured	-	-
Considered good - Unsecured	1,08,45,536	83,06,318
Receivable which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
<b>Total</b>	<b>1,08,45,536</b>	<b>83,06,318</b>

\* 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.





**Quick Heal Technologies Africa Limited**

Notes forming part of financial statements for the period ended March 31, 2021

(All amounts are in KES unless otherwise stated)

**6. Cash and cash equivalents**

	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
On current account	6,86,30,796	6,43,10,971
<b>Total</b>	<b>6,86,30,796</b>	<b>6,43,10,971</b>

**7. Others assets**

	As at March 31, 2021	As at March 31, 2020
Current (unsecured, considered good)		
Balances with government authorities	1,520	-
Advance to suppliers	33,750	-
<b>Total current</b>	<b>35,270</b>	<b>-</b>
<b>Total current</b>	<b>35,270</b>	<b>-</b>
<b>Total non - current</b>	<b>-</b>	<b>-</b>

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**Quick Heal Technologies Africa Limited**
**Notes forming part of financial statements for the period ended March 31, 2021**
**(All amounts are in KES unless otherwise stated)**
**8. Equity share capital**

	As at March 31, 2021	As at March 31, 2020
<b>Authorized shares</b>		
12,500,000 (March 31, 2020: 12,500,000) equity shares of KES 10 each	1,25,00,000	1,25,00,000
	<b>1,25,00,000</b>	<b>1,25,00,000</b>
<b>Issued, subscribed and fully paid-up shares</b>		
11,367,500 (March 31, 2020: 11,367,500) equity shares of KES 10 each fully paid up	11,36,75,000	11,36,75,000
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>11,36,75,000</b>	<b>11,36,75,000</b>

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

	As at March 31, 2021		As at March 31, 2020	
	No.	KES	No.	KES
At the beginning of the period	1,13,67,500	11,36,75,000	1,13,67,500	11,36,75,000
Issued during the period	-	-	-	-
Increase / decrease during the year	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>1,13,67,500</b>	<b>11,36,75,000</b>	<b>1,13,67,500</b>	<b>11,36,75,000</b>

**(b) Terms / rights attached to equity shares**

The Company has only one class of equity shares having par value of KSH 10 per share. Each holder of the equity shares is entitled to one vote per share. The Company declares and pays dividend in AED. The dividend proposed by Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting. During the year ended 31 March 2021 the amount per share dividend recognised as distribution to equity shareholders was Nil ( 31 March 2020: 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.

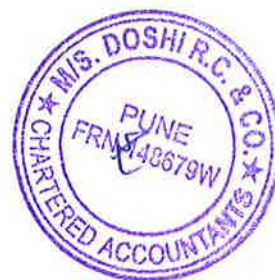
**(c) Shares held by holding/ ultimate holding company and /or their subsidiaries/ associates**

	As at March 31, 2021	As at March 31, 2020
	Number	Number
Quick Heal Technologies Limited, the holding company	1,13,67,500	1,13,67,500
1,13,67,500 (31 March 2020: 1,13,67,500 ) equity shares of KSH 10 each fully paid		

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

	As at March 31, 2021		As at March 31, 2020	
	Number	% holding	Number	% holding
<b>Equity shares of KSH 10 each fully paid up</b>				
Quick Heal Technologies Limited, the holding company	1,13,67,500	100%	1,13,67,500	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 Africa Limited****Notes forming part of financial statements for the period ended March 31, 2021****(All amounts are in KES unless otherwise stated)****9. Other equity**

	As at March 31, 2021	As at March 31, 2020
(a) Retained earnings		
Balance as at the beginning of the year	(4,72,79,310)	(5,82,53,592)
Add: Amount transferred from surplus balance in the statement of profit and loss	1,13,89,689	1,09,74,283
Balance as at end of the year	<u>(3,58,89,621)</u>	<u>(4,72,79,310)</u>



**Quick Heal Technologies Africa Limited****Notes forming part of financial statements for the period ended March 31, 2021****(All amounts are in KES unless otherwise stated)****10. Trade payables**

	As at March 31, 2021	As at March 31, 2020
Total outstanding dues to micro enterprises and small enterprises	-	-
Total outstanding dues creditors other than micro enterprises and small enterprises	8,56,226	7,70,310
Total outstanding to related parties	8,01,493	51,59,281
<b>Total</b>	<b>16,57,719</b>	<b>59,29,591</b>

**11. Other liabilities**

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Withholding tax payable	13,954	11,682
VAT payable	1,05,541	3,42,250
Advances from customer	3,687	-
<b>Total</b>	<b>1,23,182</b>	<b>3,53,932</b>
<b>Total current</b>	<b>1,23,182</b>	<b>3,53,932</b>
<b>Total non - current</b>	<b>-</b>	<b>-</b>

**Terms and conditions of the above financial and other liabilities:**

- Trade payables are non-interest bearing and have an average term of 60 days.
- Taxes such as withholding tax and vat payable are non interest bearing and are generally paid within the due date.



**Quick Heal Technologies Africa Limited**

Notes forming part of financial statements for the period ended March 31, 2021

(All amounts are in KES unless otherwise stated)

**12. Revenue from operations (net)**

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of security software products	1,89,00,005	2,76,87,733
<b>Total</b>	<b>1,89,00,005</b>	<b>2,76,87,733</b>

**Revenue from contracts with customers:**

The Company generates revenue from sale of security license software.

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers	1,89,00,005	2,76,87,733
Revenue from others	-	-
<b>Total</b>	<b>1,89,00,005</b>	<b>2,76,87,733</b>

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.

**13. Other income**

	Year ended March 31, 2021	Year ended March 31, 2020
Foreign exchange gains (net)	19,27,939	13,10,102
Miscellaneous income	1,39,99,140	1,206
<b>Total</b>	<b>1,59,27,079</b>	<b>13,11,307</b>

**14. Details related to cost of security software devices and software products**

	Year ended March 31, 2021	Year ended March 31, 2020
<b>(a) Purchase of security software products</b>		
Security software products	1,90,03,126	1,39,17,178
<b>Sub-total</b>	<b>1,90,03,126</b>	<b>1,39,17,178</b>
<b>(b) (Increase)/decrease in security software products</b>		
Inventory at the beginning of the period	35,406	35,406
Less: Inventory at end of the period	35,406	35,406
<b>Sub-total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,90,03,126</b>	<b>1,39,17,178</b>

**Details of inventory**

	As at March 31, 2021	As at March 31, 2020
<b>Finished goods</b>		
Security software products	35,406	35,406
	<b>35,406</b>	<b>35,406</b>

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**Quick Heal Technologies Africa Limited**  
**Notes forming part of financial statements for the period ended March 31, 2021**  
**(All amounts are in KES unless otherwise stated)**

**15. Depreciation and amortisation expense**

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property, plant and equipment (refer note 3)	7,244	10,352
<b>Total</b>	<b>7,244</b>	<b>10,352</b>

**16. Other expenses**

	Year ended March 31, 2021	Year ended March 31, 2020
Rates and taxes	17,482	46,080
Travelling and conveyance	48,000	48,000
Communication costs	36,000	36,000
Legal and professional fees	30,50,877	33,09,988
Payment to statutory auditor	6,30,000	6,30,000
Provision for doubtful debts and advances	-	(9,80,649)
Bad debts written off	1,16,309	9,20,683
Miscellaneous expenses	5,28,358	87,125
<b>Total</b>	<b>44,27,026</b>	<b>40,97,227</b>

**Payment to auditor**

	Year ended March 31, 2021	Year ended March 31, 2020
As auditor:		
Audit fees	6,30,000	6,30,000
<b>Total</b>	<b>6,30,000.00</b>	<b>6,30,000.00</b>





**Quick Heal Technologies Africa Limited****Notes forming part of financial statements for the period ended March 31, 2021****(All amounts are in KES unless otherwise stated)****Note 17: Income taxes**

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 incurred in previous years 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. Such tax losses are utilised in current year against the taxable profits.

	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Income tax expense reported in the statement of profit and loss and statement of comprehensive income</b>		
Current tax	-	-
Deferred tax	-	-
<b>Income tax expense</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of effective tax rate</b>		
	Year Ended March 31, 2021	Year Ended March 31, 2020
Accounting profit/(loss) before tax from continuing operations	1,13,89,689	1,09,74,283
Tax @ 30%	(34,16,907)	(32,92,285)
<i>Utilisation of previous year losses</i>	34,16,907	32,92,285
<b>Income tax expense</b>	<b>-</b>	<b>-</b>

**Note 18: Earnings per share**

	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Numerator for basic and diluted EPS</b>		
Net profit after tax (In KSH) (A)	1,13,89,689	1,09,74,283
<b>Denominator for basic and diluted EPS</b>		
Weighted average number of equity shares (In numbers) (B)	1,13,67,500	1,13,67,500
Basic and diluted earnings per share of face value of KSH 10 each (A / B)	1.00	0.97



**Note 19: 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	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Transactions during the year</b>		
<b>Quick Heal Technologies Limited</b>		
- Purchase of internet security software licenses	1,94,59,626	1,39,17,178
- Marketing Support Service Fee	1,39,99,127	-
<b>Balances - receivable/ (payable) at the period</b>		
<b>Quick Heal Technologies Limited</b>		
- Outstanding balances arising from purchase of goods	8,01,493	51,59,281
- Trade Receivables	95,55,928	-

**Note 20: 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'.



**Quick Heal Technologies Africa Limited****Notes forming part of financial statements for the period ended March 31, 2021****(All amounts are in KES 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, 2021	As at March 31, 2020
Total liabilities	17,80,902	62,83,523
Less : Cash and cash equivalents	6,86,30,796	6,43,10,971
<b>Net debt</b>	<b>(6,68,49,894)</b>	<b>(5,80,27,448)</b>
 Total equity	 7,77,85,379	 6,63,95,690
<b>Net debt to equity ratio</b>	<b>(0.86)</b>	<b>(0.87)</b>

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, 2021	As at March 31, 2020
<b>Assets</b>		
<b>Current financial assets</b>		
Trade receivables	1,08,45,536	83,06,318
Cash and cash equivalents	6,86,30,796	6,43,10,971
<b>Total</b>	<b>7,94,76,331</b>	<b>7,26,17,289</b>
 <b>Liabilities</b>		
<b>Current financial liabilities</b>		
Trade and other payables	16,57,719	59,29,591
<b>Total</b>	<b>16,57,719</b>	<b>59,29,591</b>

Carrying values of all financial assets and liabilities approximate to fair value at 31 March 2021 and 31 March 2020. 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 interest rate risk since the Company does not have any interest rate borrowings. There are no outstanding foreign currency contracts, accordingly foreign currency risk is not applicable.

#### 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 loans and 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 receivables and loans.

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, 2021	As at March 31, 2020
<b>Current financial assets</b>		
Trade receivables	1,08,45,536	83,06,318
Cash and cash equivalents	6,86,30,796	6,43,10,971
<b>Total</b>	<b>7,94,76,331</b>	<b>7,26,17,289</b>

None of the Company's cash equivalents, are past due or impaired. Regarding loans and trade receivables, there are no indications as of 31 March 2021, that 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, 2021	As at March 31, 2020
Upto 6 months	1,04,50,344	79,06,046
More than 6 months	2,19,612	4,00,271
<b>Total</b>	<b>1,06,69,956</b>	<b>83,06,318</b>

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.



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, 2021	As at March 31, 2020
Trade and other payables		
- Upto 6 months	16,57,719	59,29,592
- More than 6 months		

### Note 24: Going concern

The company has accumulated loss of KSH -358,89,621 for the year ended March 31, 2021. (March 31, 2020: net loss of KES -472,79,310)

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.

