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 31 March 2019, 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

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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 2019 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year then ended.

For A T S & CO
Chartered Accountants
Firm's Registration No: 145602W

Shweta Milani
Partner
Membership No. 169376

Date: 9 May 2019
Place: Pune

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Quick Heal Technologies America Inc.
Balance sheet as at 31 March 2019
(Amounts in USD unless otherwise stated)

	Particulars	Notes	As at 31 March 2019	As at 31 March 2018
	ASSETS			
(1)	**Non-current assets**			
	(a) Property, plant and equipment	3	659	10,020
	(b) Intangible assets	3	-	15
			659	**10,035**
(2)	**Current assets**			
	(a) Inventories	4	-	-
	(b) Financial assets			
	(i) Trade receivables	5	33,385	4,502
	(ii) Cash and cash equivalents	6	70,822	25,678
	(c) Current tax assets		2,303	-
			1,06,510	**30,180**
	Total assets		**1,07,169**	**40,215**
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity share capital	7	7,88,000	7,88,000
	(b) Other equity	8	(7,76,352)	(7,66,856)
			11,648	**21,144**
	Liabilities			
(1)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade and other payables	9	45,672	19,071
	(b) Other liabilities	10	49,849	-
			95,521	**19,071**
	Total equity and liabilities		**1,07,169**	**40,215**
	Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements

As per our report of even date
For A T S & CO
Chartered Accountants
FRN 145602W

Shweta Milani
Partner
Membership Number: 169376
Place: Pune
Date: 9 May 2019

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

Kailash Katkar
Director
DIN: 00397191
Place: Pune
Date: 9 May 2019

Quick Heal Technologies America Inc.
Statement of profit and loss for the period ended 31 March 2019
(Amounts in USD unless otherwise stated)

	Particulars	Notes	Year ended	
			31 March 2019	31 March 2018
(I)	Revenue from operations	11	1,43,134	86,461
(II)	Other income	12	18,447	26,206
(III)	**Total income**		**1,61,581**	**1,12,667**
(IV)	**Expenses**			
	Purchase of stock-in-trade	13	77,899	50,103
	Changes in inventories of stock-in-trade	14	1,194	-
	Employee benefits expense	15	3,742	41,654
	Depreciation and amortisation expense	3	1,208	3,875
	Other expenses	17	86,010	54,674
	Total expenses		**1,70,053**	**1,50,306**
(V)	loss before exceptional items and tax (I- IV)		(8,472)	(37,639)
(VI)	Exceptional items			-
(VII)	loss before tax (V-VI)		(8,472)	(37,639)
(VIII)	Less : Tax expense			
	(1) Current tax	19	1,024	1,074
	(2) Deferred tax			
(IX)	**Loss for the period from operations (VII-VIII)**		**(9,496)**	**(38,713)**
(X)	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss (net of tax)		-	-
	Items that will be reclassified to profit or loss (net of tax)		-	-
	Total other comprehensive income (net of tax)		-	-
(XI)	**Total comprehensive income for the period (IX+X) (Comprising loss and other comprehensive income for the period)**		**(9,496)**	**(38,713)**
(XII)	Loss per equity share (for continuing and discontinued operation):	20		
	(1) Basic		(0.01)	(0.04)
	(2) Diluted		(0.01)	(0.04)
	Summary of significant accounting policies	2		

The accompanying notes are an integral part of these financial statements

As per our report of even date
For A T S & CO
Chartered Accountants
FRN 145602W

A T S & CO FRN 145602W Chartered Accountants

Shweta Milani
Partner
Membership Number: 169376
Place: Pune
Date:

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

QUICK HEAL TECHNOLOGIES AMERICA INC.

Kailash Katkar
Director
DIN: 00397191
Place:
Date: 0 9 MAY 2019

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Quick Heal Technologies America Inc.
Cash flow statement for the period ended 31 March 2019
(Amounts in USD unless otherwise stated)

Particulars	Year ended	
	31 March 2019	**31 March 2018**
A. Cash flow from operating activities		
Profit before tax for the period	(8,472)	(37,639)
Adjustments to reconcile profit for the year to net cash generated from operating activities:		
Depreciation and amortization expense	1,208	3,875
Amounts written off	9,120	-
Operating profit before working capital changes	**1,856**	**(33,764)**
Changes in operating assets and liabilities		
(Increase) / decrease in trade receivables	(29,836)	3,769
(Increase) / decrease in other liabilities	49,849	
Increase / (decrease) in trade and other payables	26,602	(23,680)
Cash used in operating activities	**48,471**	**(53,675)**
Income tax paid	(3,327)	(1,780)
Net cash used in operating activities (A)	**45,144**	**(55,455)**
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		
Reduction of capital	-	(1,35,000)
Net cash generated from / (used in) financing activities (C)	-	**(1,35,000)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**45,144**	**(1,90,455)**
Cash and cash equivalents at the beginning of the period	25,678	2,16,133
Cash and cash equivalents at the end of the period	**70,822**	**25,678**
Components of cash and cash equivalents		
Cash on hand	-	-
Balances with banks		
On current account	70,822	25,678
Total cash and cash equivalents	**70,822**	**25,678**
Summary of significant accounting policies - Refer note 2		

The accompanying notes are an integral part of these financial statements

As per our report of even date
For A T S & CO
Chartered Accountants
FRN 145602W

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Shweta Milani
Partner
Membership Number: 169376
Place: Pune
Date:

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

QUICK HEAL TECHNOLOGIES AMERICA INC

Kailash Katkar
Director
DIN: 00397191
Place:
Date: 09 MAY 2019

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Quick Heal Technologies America Inc.
Statement of changes in equity for the period ended 31 March 2019
(Amounts in USD unless otherwise stated)

A. Equity share capital

Balance as at 1 April 2017	Changes in equity share capital during the period	Balance as at 31 March 2018
9,23,000	(1,35,000)	7,88,000

Balance as at 1 April 2018	Changes in equity share capital during the period	Balance as at 31 March 2019
7,88,000	-	7,88,000

B. Other equity

Particulars	Reserves and surplus	Total
	Retained earnings	
Balance as at 1 April 2017	**(7,28,143)**	**(7,28,143)**
Loss for the year	(38,713)	(38,713)
Balance as at 31 March 2018	**(7,66,856)**	**(7,66,856)**
Balance as at 1 April 2018	**(7,66,856)**	**(7,66,856)**
Loss for the year	(9,496)	(9,496)
Balance as at 31 March 2019	**(7,76,352)**	**(7,76,352)**

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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 31 March 2019 were authorised for issue by the Director on 9 May 2019.

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.

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(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
Furniture and fixtures	10
Office equipment	5
Computer - Server	6
Leasehold improvements	10
Software	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.

(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.

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- 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.

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(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.

(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.

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(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

(k) Leases

Where the Company is lessee

Operating lease:

Lease arrangements under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease rental under operating lease are recognised in the statement of profit and loss on a straight line basis.

(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.

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(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.

(q) Standards issued but not yet effective

Ind AS 116: Leases' will replace existing standard 'Ind AS 17: Leases' and its related appendices. The new standard is effective from the accounting periods starting on or after 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. No significant impact is expected for leases in which the Company is a lessee / lessor.

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Quick Heal Technologies Inc.
Notes to the financial statements for the year ended 31 March 2019
(Amounts in USD unless otherwise stated)

Note 3: Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment						Intangible assets		Grand total
	Computers	Computer - Server	Office equipment	Leasehold improvements	Furniture and fixtures	Total	Software	Total	
Gross block									
As at 1 April 2017	1,187	212	1,328	17,900	1,083	21,710	209	209	21,919
Additions during the period	-	-	-	-	-	-		-	-
Disposals during the period	-	-	-	-	-	-		-	-
As at 31 March 2018	**1,187**	**212**	**1,328**	**17,900**	**1,083**	**21,710**	**209**	**209**	**21,919**
As at 1 April 2018	**1,187**	**212**	**1,328**	**17,900**	**1,083**	**21,710**	**209**	**209**	**21,919**
Additions during the period		-	-	-	-	-		-	-
Disposals during the period	235	212	1,328	17,900	1,083	20,758	209	209	20,967
As at 31 March 2019	**952**	-	-	-	-	**952**	-	-	**952**
Accumulated depreciation and amortisation									
As at 1 April 2017	830	97	763	5,728	425	7,843	168	168	8,011
Charge for the period	226	45	255	3,152	170	3,848	26	26	3,874
Depreciation on deletions	-	-	-	-	-	-	-	-	-
As at 31 March 2018	**1,056**	**142**	**1,018**	**8,880**	**595**	**11,691**	**194**	**194**	**11,885**
As at 1 April 2018	**1,056**	**142**	**1,018**	**8,880**	**595**	**11,691**		-	**11,691**
Charge for the period	56	11	65	239	831	1,201	7	7	1,208
Depreciation on deletions	819	153	1,083	9,119	1,426	12,599	7	7	12,606
As at 31 March 2019	**293**	-	-	-	-	**293**	-	-	**293**
Net block									
As at 31 March 2019	**659**	-	-	-	-	**659**	-	-	**659**
As at 31 March 2018	**131**	**70**	**310**	**9,020**	**488**	**10,020**	**15**	**15**	**10,034**

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Quick Heal Technologies America Inc.
Notes to the financial statements for the year ended 31 March 2019
(Amounts in USD unless otherwise stated)

Note 4: Inventories

Particulars	As at	
	31 March 2019	31 March 2018
Traded goods - Unified threat machine	-	1194
Less: Provision for non-moving inventory	-	(1,194)
Total	-	-

Note 5: Trade receivables

Particulars	As at	
	31 March 2019	31 March 2018
Unsecured, considered good	33,385	4,502
Total	**33,385**	**4,502**

Note: 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.

Note 6: Cash and cash equivalents

Particulars	As at	
	31 March 2019	31 March 2018
Balances with banks:		
On current account	70,822	25,678
Total	**70,822**	**25,678**

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Quick Heal Technologies America Inc.
Notes to the financial statements for the year ended 31 March 2019
(Amounts in USD unless otherwise stated)

Note 7: Equity share capital

Particulars	As at	
	31 March 2019	31 March 2018
Authorised shares 17,50,000 (31 March 2018: 17,50,000) Equity shares of USD 1 each	17,50,000	17,50,000
	17,50,000	**17,50,000**
Issued, subscribed and fully paid-up share capital 7,88,000 (31 March 2018 : 7,88,000) Equity shares of USD 1 each fully paid	**7,88,000**	**7,88,000**

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	No.	(USD)	No.	(USD)
At the beginning of the year				
- Equity Shares	7,88,000	7,88,000	9,23,000	9,23,000
Issued during the year				
- Equity Shares	-	-	-	-
Reduction of capital during year				
- Equity Shares	-	-	1,35,000	1,35,000
At the end of the year	**7,88,000**	**7,88,000**	**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 31 March 2019 the amount per share dividend recognised as distribution to equity shareholders was Nil (31 March 2018 : 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

Particulars	As at	
	31 March 2019	31 March 2018
	-	-
Quick Heal Technologies Limited, the holding 7,88,000 (31 March 2018: 7,88,000) equity shares of USD 1 each fully paid	7,88,000	7,88,000

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

Particulars	As at 31 March 2019		As at 31 March 2018	
	No.	% holding	No.	% holding
Equity shares of USD 1 each fully paid up				
Quick Heal Technologies Limited, the holding	7,88,000	100%	7,88,000	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.

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Quick Heal Technologies America Inc.
Notes to the financial statements for the year ended 31 March 2019
(Amounts in USD unless otherwise stated)

Note 8 : Other equity

Particulars	As at	
	31 March 2019	31 March 2018
Retained earnings		
At the beginning of the year	(7,66,856)	(7,28,143)
Add : Loss for the year	(9,496)	(38,713)
At the end of the year	**(7,76,352)**	**(7,66,856)**
Total	**(7,76,352)**	**(7,66,856)**

Note 9 : Trade and other payables

Particulars	As at	
	31 March 2019	31 March 2018
Trade and other payables	45,672	19,071
Total	**45,672**	**19,071**

Note 10 : Other liabilities

Particulars	As at	
	31 March 2019	31 March 2018
Advance from customer	49,849	-
Total	**49,849**	**-**

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Notes to the financial statements for the year ended 31 March 2019
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Note 11: Revenue from operations

Particulars	Year ended	
	31 March 2019	31 March 2018
Sale of products		
Sale of traded goods (internet security software licenses)	1,43,134	86,461
Total	**1,43,134**	**86,461**

Note 12: Other income

Particulars	Year ended	
	31 March 2019	31 March 2018
Advertisement income	17,240	25,991
Foreign exchange gain	13	-
Amounts written back	1,194	214
Total	**18,447**	**26,206**

Note 13: Purchase of stock-in-trade

Particulars	Year ended	
	31 March 2019	31 March 2018
Purchase of internet security software licenses & license keys	77,899	50,103
Total	**77,899**	**50,103**

Note 14: Changes in inventories of stock-in-trade

Particulars	Year ended	
	31 March 2019	31 March 2018
Inventories at the end of the period		
Stock-in-trade	-	1,194
Inventories at the beginning of the period		
Stock-in-trade	1,194	1,194
(Increase) / decrease in inventories	**1,194**	**-**

Note 15: Employee benefits expense

Particulars	Year ended	
	31 March 2019	31 March 2018
Contribution to other funds	3,742	41,654
Total	**3,742**	**41,654**

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Quick Heal Technologies America Inc.

Notes to the financial statements for the year ended 31 March 2019

(Amounts in USD unless otherwise stated)

Note 17: Other expenses

Particulars	Year ended	
	31 March 2019	31 March 2018
Business promotion expenses	11,353	-
Legal and professional fees	35,371	23,079
Sales commission	23,213	26,698
Communication costs	233	-
Payment to statutory auditor	1,701	2,067
Rates and taxes	961	101
Assets written off	9,120	83
Travelling and conveyance	935	-
Bank charges	3,124	2,646
Total	**86,010**	**54,674**

Payment to statutory auditor

Particulars	Year ended	
	31 March 2019	31 March 2018
As auditor		
-Audit fees	1,701	2,067
'-Other services	-	-
-Reimbursement of expenses	-	-
Total	**1,701**	**2,067**

Note 18 : 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 3,388 (31 March 2018: USD 15,055) 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

Particulars	Year ended	
	31 March 2019	31 March 2018
The major components of income tax are		
Current tax:		
Current income tax charge	1,024	1,074
Deferred tax:		
Recognised in statement of profit and loss		-
Recognised in other comprehensive income		-
Tax expense	**1,024**	**1,074**

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Reconciliation of effective tax rate

Particulars	Year ended	
	31 March 2019	31 March 2018
Accounting profit/(loss) before tax from continuing operations	(8,472)	(37,639)
Tax @ 40%	(3,389)	(15,056)
Add:		
Minimum corporate tax levied	1,024	1,074
Add:		
Deferred tax asset not recognised		
Current year losses	3,389	15,056
Income tax expense	**1,024**	**1,074**

Note 19 : Loss per share

Particulars	Year ended	
	31 March 2019	31 March 2018
Numerator for basic and diluted EPS		
Net loss after tax (In USD) **(A)**	(9,496)	(38,713)
Denominator for basic and diluted EPS		
Weighted average number of equity shares (In numbers) **(B)**	7,88,000	9,04,260
Basic and diluted loss per share of face value of USD 1 each **(A / B)**	(0.01)	(0.04)

Note 20 : 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
Quick Heal Technologies MENA (FZE)	Group Company
Farokh Karani*	Key management

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(Amounts in USD unless otherwise stated)

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

Name of the related party	**Year ended**	
	31 March 2019	**31 March 2018**
Transactions during the year		
Quick Heal Technologies Limited		
- Purchase of internet security software	77,898	50,103
- Advance for expenses received	-	-
Farokh Karani		
Salary	-	30,000

Balances - receivable/ (payable) at the period

Particulars	**Year ended**	
	31 March 2019	**31 March 2018**
Quick Heal Technologies Limited		
- Trade payable	(30,577)	(7,858)

Note 21 : 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 22 : Revenue from contracts with customers

The Company generates revenue from sale of security license software.

Particulars	**Year ended**	
	31 March 2019	**31 March 2018**
Revenue from contracts with customers	1,43,134	86,461
Revenue from others	-	-
	1,43,134	**86,461**

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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Note 23 : 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:

Particulars	**As at**	
	31 March 2019	**31 March 2018**
Total liabilities	95,521	19,071
Less : Cash and cash equivalents	70,822	25,678
Net debt	**24,699**	**(6,607)**
Total equity	11,648	21,144
Net debt to equity ratio	**2.12**	**(0.31)**

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 24 : Financial instruments by category

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

Particulars	**As at**	
	31 March 2019	**31 March 2018**
Assets		
Current financial assets		
Trade receivables	33,385	4,502
Cash and cash equivalents	70,822	25,678
Total	**1,04,207**	**30,180**
Liabilities		
Current liabilities		
Trade and other payables	45,672	19,071
Total	**45,672**	**19,071**

Carrying values of all financial assets and liabilities approximate to fair value at 31 March 2019 and 31 March 2018. Hence fair value hierarchy related disclosures are not applicable.

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Note 25 : Financial risk management

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

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 :

Particulars	As at	
	31 March 2019	31 March 2018
Current financial asset		
Trade receivables	33,385	4,502
Cash and cash equivalents	70,822	25,678
Total	**1,04,207**	**30,180**

None of the Company's cash equivalents, are past due or impaired. Regarding , trade receivables there are no indications as of 31 March 2019, that defaults in payment obligations would occur.

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

Particulars	As at	
	31 March 2019	31 March 2018
Upto 6 months	33,385	4,502
More than 6 months		-
Total	**33,385**	**4,502**

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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.

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.

Particulars	As at	
	31 March 2019	31 March 2018
Trade and other payables		
Upto 12 months	45,672	19,071
More than 12 months	-	-

Note 26 : Going concern

The Company has incurred net loss of USD 9,486 for the year ended 31 March 2019 (31 March 2018: USD 38,713) . 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.

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