INNOVATING *to* PROTECT.
ADAPTING *to* GROW.

Quick Heal Technologies Limited
Annual Report FY 2021-22

Quick Heal
Security Simplified

SEQRITE

Index

CORPORATE OVERVIEW 01-42

STATUTORY REPORTS 43-147

FINANCIAL STATEMENTS 148-270

GLOSSARY 271-272

Disclaimer

This document contains statements about expected future events and financials of Quick Heal Technologies Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.

Investor Information

Market Capitalization on March 31, 2022 (as per NSE data)	₹ 1,029.67 Crores
BSE Code	539678
NSE Symbol	QUICKHEAL
Bloomberg Code	QUICKHEA:IN
Dividend Declared	₹ 4.5
AGM Date	August 26, 2022
AGM Mode/Venue	Through Video Conferencing (VC)/Other Audio Visual Means (OAVM)

Please find our online version at
https://www.quickheal.co.in/investors
Or simply scan to download

INNOVATING TO PROTECT. ADAPTING TO GROW.

Having started with offering protection for PCs in 1993, the journey of transforming over a course of more than 25 years into a market leader for retail cyber security products provider in India has been quite exhilarating for Quick Heal Technologies Limited.

Aspiring to be a thought leader in cyber security solutions at a global scale, our strategic strength lies in enriching our market acumen with constant research and deepening our market penetration with innovative products, crafted to suit the complex digital security needs of the present times. Being agile to adapt with the shifting market trends has enabled us to protect our customers against cyber threats and grow ourselves to a pioneering force within the industry domain.

Quick Heal
Security Simplified

OUR APPROACH TO REPORTING

BASIS OF REPORTING

This report has been prepared basis the essential guidelines of the Integrated Reporting <IR> and contains comprehensive information on our operational and financial performances. It elaborates on our strategic direction and our initiatives toward sustainable value creation.

REPORTING SCOPE AND BOUNDARY

This report, provides material information relating to our operating context, value creation model, performance, material risks, stakeholder interests, and governance pertaining to the financial year April 1, 2021 to March 31, 2022. It covers information about our operations and business segments in India and abroad and associated activities.

TARGET AUDIENCE

The report has been compiled with the ultimate objective of providing important and relevant information about our business to our key stakeholders for them to take informed decisions. These stakeholders include investors, employees, regulatory bodies, government and the society at large.

OUR APPROACH TO MATERIALITY

An issue is considered to be material if it has a significant bearing on our value creation ability and our stakeholder relationships within our internal and external operating environment.

REPORTING FRAMEWORK

This report aligns with the principles and guidelines of:

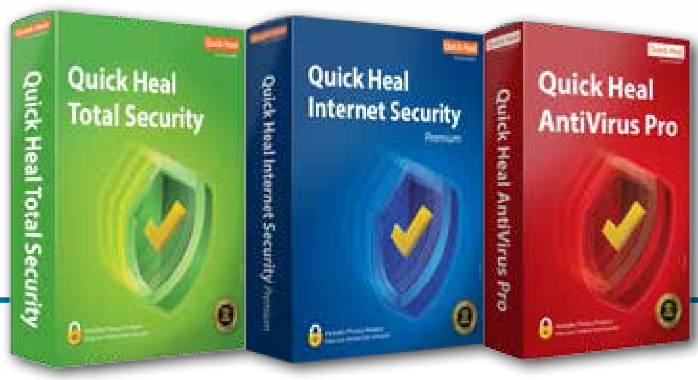
- International framework of the International Integrated Reporting Council (IIRC)
- United Nations Sustainable Development Goals (UNSDGs)
- The Companies Act, 2013 (and the rules made thereunder)
- Indian Accounting Standards and International Financial Reporting Standards
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Secretarial Standards issued by the Institute of Company Secretaries of India

MANAGEMENT ASSURANCE

The Board of Directors believes that this report presents the true and fair account of the financial and non-financial matters, performance and business model of the Company. It acknowledges its responsibilities to ensure the integrity of this report.

The following are the 17 UNSDGs referred to in the report:

HIGHLIGHTS OF 2021-22



ACCREDITATIONS

- Seqrite Endpoint Security EPS accredited with 'Advanced Approved Endpoint Protection' Certificate and the AV Test certification for top product for the second time in a row
- Seqrite certified and approved for its endpoint anti-malware solution by ICSA labs

OTHER DEVELOPMENTS

- Completed buyback at ₹ 245 amounting to an aggregate of ₹ 191 Crores (inclusive of taxes)

LEADERSHIP DEVELOPMENTS

- Appointed industry veteran Richard Stiennon to the Board who brings with him the experience in leading and advising some of the biggest cyber security companies
- Appointed Navin Sharma as the new CFO who brings with him the knowledge in all the areas of finance and business strategy

QUICK HEAL TECHNOLOGIES LIMITED: A SNAPSHOT

Quick Heal Technologies Limited (referred to as 'Quick Heal' or 'the Company' or 'we' hereinafter) is India's first listed entity dealing in cyber security solutions. We offer 100% 'Made in India' cyber security products to the retail consumers and enterprises, encompassing a wide range of platforms such as PCs, Laptops, MACs and Androids and state-of-the-art, research-backed enterprise data and network security solutions to organizations and government institutions with varying complexity of IT security requirements.

We have amplified our strengths with constant research & development efforts and delivered innovative solutions to our customers in India and globally. Driven by our core purpose of simplifying cyber security solutions for all, we are determined to stay ahead of the curve by adapting fast with the new industry trends and serving all our stakeholders with the same zeal and enthusiasm.

VISION

To be trusted by our customers in securing the digital world and aim to grow as reputable global market leader.

MISSION

Empowering the team to solve business problems.

PURPOSE

Innovate to 'simplify' securing digital experience.

100%
TOUCH POINTS

25+
YEARS EXPERTISE

Quick Heal
Security Simplified
SEQRITE

MARKET LEADERSHIP

In the retail segment

BUSINESS SEGMENTS

- Small Office/ Home Office (SOHO)
- SME
- Enterprise and Government

PLATFORMS

- Laptop
- Desktop
- Notepad
- Mobile
- Server
- Applications

A JOURNEY OF GLORIOUS GROWTH

Quick Heal Technologies Limited has always sought progress through innovation and adaptation. We have been evolving with the changing times so as to be able to stay at the forefront of the market developments and continue to lead the path by deploying state-of-the-art expertise and combat effectively the rapidly emerging cyber security challenges.

1993-95
Protected Early Generation of PCs

1996-2000
Secured PCs, Network, and Emails

2001-05
Ensured a Safe Online Experience

2006-10
Threat Protection for Smart Phones and Tablets

2011-16
Protecting Data, Transactions and Cloud Transitions

2017-22
Innovative AI-Driven Protection

Quick Heal
Security Simplified

FROM THE DESK OF THE MD AND CEO

At Quick Heal, we have emerged from a typical B2C antivirus player to a much larger cyber security solutions provider in the country.

DEAR STAKEHOLDERS,

With immense pleasure, I present to you the annual report of our business operations at Quick Heal Technologies Limited for the fiscal year 2021-22 and I am truly delighted to have this opportunity to share my perspective on performance and prospects for the same.

To begin with, vaccination across the world and back home have helped us all emerge successfully from the successive waves of the Covid-19 pandemic. In India, as on March 2022, 181 Crore doses of vaccine have been administered, covering 82 Crore people being fully vaccinated, constituting to 50% of the population. This has led to a huge boost in the consumer confidence and has set the wheels of the economy running again. The summary of Economic Survey 2021-22 by the Ministry of Finance, released in January 2022, stated that India would remain one of the fastest growing major economies in the world in the period of 2021-24. It has also stated that the country recorded a GDP growth rate of 8.7% in 2021-22 as against a contraction of 6.6% in 2020-21.

THREAT LANDSCAPE CONTINUES TO EVOLVE

Though the world regains normalcy, some of the changes in the ways of life that Covid-19 introduced are here to stay for a while. The principal among them being the adoption of digitalization and its impact on our daily lives. Internet has been embedded in our existence. It is there in all the activities forming a critical part of a human life such as medical care, banking & finance, education or essential needs. But most importantly, the businesses now have both physical as well as a virtual face. India has a humongous user base of over 845 Million internet users and over 760 Million smartphone users. As per the Ministry of Electronics and IT, the annual volume of digital payments has increased by 33%, from 5,554 Crore transactions in 2020-21 to 7,422 Crore transactions in 2021-22. This huge upsurge in digital connectivity and activities have made India a hotbed for cybercrime activities. Rising threats of ransomware, malware, phishing threats, fraudulent activities concerning crypto currencies on computers, smartphones as well as on the data networks of business conglomerates has compounded this risk manifold.

As per industry estimates, the cybercrime costs at the global level are expected to witness a growth of 15% annually over the next five years, reaching US$ 10.5 Trillion annually by 2025, up from US$ 3 Trillion in 2015. The Indian Computer Emergency Response Team (CERT-In) reported 6,07,220 cybersecurity incidents in India during the first half of 2021. It has been observed that key sectors of the economy such as Banking & Finance, Critical infrastructure and Manufacturing sectors are increasingly at risk of the cyber security breaches and malware attacks. Hence, the adoption of advanced cyber security tools becomes imperative for the business continuity and prosperity.

The global cyber security market is estimated to be around US$ 150 Billion and is expected to witness 11% CAGR till 2025. The enterprise market comprises 95% of the total cyber security market, while consumer security comprises the rest. Both these segments are expected to witness 11% and 4% CAGR till 2025, respectively. The product and service diversification at present equally distributed. However, the product segment is expected to grow at a quicker pace as against services.

As per the Indian Cyber Security Industry Report in October 2021, the Indian Cybersecurity services industry is estimated to grow to US$ 7.6 Billion in 2022 (versus US$ 4.3 Billion in 2019), according to Data Security Council of India (DSCI). The growth rate is likely to remain strong till 2024-25, with an expected CAGR of 21%. State sponsored attacks causing concerns to national security have become the new normal. They have become pretext to any further major movements by nations as seen in the Russia Ukraine war. Thus, investing in cybersecurity has become critical to strengthen the national defense as well. Flexible work culture has increased the perimeter and attack surface of the organizations through their BYOD policies.

OUR PRESENCE AND PERFORMANCE

We, at Quick Heal, stand prepared to capture this market momentum with our strong thrust on R&D efforts. As a research-driven organization, we invest 25-30% of our revenues in R&D and ensure that our state-of-the-art, next-gen products are well suited to prevent the cyberattacks prevalent across globe through rich intelligence, latest product certifications and patents. We anticipate the next leg of growth in our business momentum to arrive from the growth of SME sector which is stabilizing after the disruptions caused by the pandemic. We claim a market share of over 30% in our Retail & SOHO segment whereas the Enterprise segment is witnessing a healthy growth of over 20% YoY.

Our consolidated revenue of ₹ 342 Crores for 2021-22 have increased by ~3% over the previous year. However, after adjusting for spill over of revenue in 2020-21 the

Company saw a growth of ~10% on a YoY basis. The retail segment witnessed 6% (adjusted for spill over) growth as against industry growth of 4%, whereas the enterprise segment witnessed 23% which is more than double of the global industry growth. Our investments towards R&D and sales & marketing programs increased 29% over the previous year, accounting for over 50% of the total revenue during the year.

Our commitment towards shareholder value creation is visible by growing profitably across both of our segments and driving solid unlevered cash flow. I am happy to state that, over the past three financial years, we have rewarded our shareholders with over ₹ 400 Crores through buyback and dividend distribution programs. A dividend of ₹ 4.5 per share was also proposed in the current year's board meeting in line with our dividend distribution policy.

We have been making conscious changes within ourselves to enable us the right to win through people, processes and technology. We have onboarded industry veterans from across globe in the product, sales, R&D, Finance and HR domain to lead us to where we intend. Owing to our culture of empowerment, we promise growth and development opportunities to our human resource through our Employee Value Proposition comprising three pillars of Fostering Innovation, Customer Centricity and Learning & Growth.

STAKEHOLDER ENGAGEMENT

We accord the highest priority to active engagement with our stakeholders on an ongoing basis. Since customer behaviour is largely reactive than proactive with respect to the cyber security issues in India, we have been constantly creating market awareness towards this issue through our marketing and CSR initiatives. We create awareness about the prevalent and potential cyber risk at the grassroot levels of India. Our one of the initiatives like 'Cyber Siksha for Cyber Suraksha' aims to spread awareness about cyber safety amongst people of various age groups, right from school students, their teachers, and their parents. Besides, we are actively involved in training

young talent methodically in the field of IT and Cyber Security through various pedagogical programs at our Quick Heal Academy. Not restricting our sphere of social responsibility to the cyber world, we are also working towards building an inclusive and sustainable community. We donated Arogya Yans in the aspirational districts of Hazaribagh and Bundelkhand, identified by the PMO office. We are also helping school kids in Maharashtra through mental wellness programs and creating cyber awareness in college students through innovative methods like street plays.

CLOSING NOTE

I would like to state that, we at Quick Heal, are working towards the goal of becoming a holistic cybersecurity player known for thought leadership across the globe and our commitment towards innovation would largely give us the necessary impetus in this direction. Needless to say, these goals and endeavours would not have been possible without the tireless efforts of our talented and nimble-footed employees who have proactively adapted themselves to all the challenges and emerged victorious. I would express my sincere gratitude for the Board of Directors for their valuable guidance and mentorship. I thank all our stakeholders, who have been our pillars of strength and whose confidence in our abilities and unwavering support has enabled us to traverse this transformational journey of 25+ years in the exciting field of cyber security.

Best Regards,

Dr. Kailash Katkar

MD & CEO

VALUE CREATION MODEL

	Service Capital	Intellectual Capital	Financial Capital
What is it?	Tangible and intangible assets or services used by the Company to carry out its business activities.	Intangible, knowledge-based assets.	Financial resources that the Company already has.
Management approach	Enhance presence and reach out to the deepest corners to provide cyber security solutions and services.	Consider innovation as the Company's strategic element.	Create value for shareholders through sustainable growth.
Inputs	Adequate IT infra assets and owned property.	₹ 89.75 Crores Investment in Research & Development.	Equity: ₹ 58.01 Crores Retained earnings: ₹ 502.90 Crores
Outputs	Market Leader in the Consumer Segment.	2 New lines of Products under Seqrite brand Hawkk Series launched. Seqrite certified and approved for its endpoint, anti-malware solution by ICSA labs.	Revenue: ₹ 341.9 Crores PAT: ₹ 83.19 Crores Proposed Dividend/Share: ₹ 4.5

Human Capital	Customer Capital	Social and Natural Capital
Employee knowledge, skills, experience and motivation.	Ability to comprehend customer needs and deliver the right product and services.	Promoting community development and well-being and environment conservation.
Guarantee the availability of a committed and qualified workforce. Offer an inclusive and balanced work environment.	Providing proactive solutions.	Ensuring inclusive growth.
986 Employees	Prevailing cyber security threats and vulnerabilities that may impact the customers digitization journey.	Expenditure in CSR: ₹ 2.42 Crores

OPERATING CONTEXT

The adoption of information technology (IT) has grown by leaps and bounds in India, especially since the pandemic of Covid-19. Mobile devices, IoT, social media and Bring Your Own Device (BYOD), crypto currency and metaverse have become the new buzzwords. Though these developments are welcome, they present numerous challenges. We believe that these can be combated by being agile in innovating newer cyber security solutions and adapting faster to match pace with the rising complexities in the IT arena, thus creating value for all our stakeholder groups.

RESOURCES

- A very strong Balance sheet with zero burden of leverage, Total Equity of ₹ 627.63 Crores
- Highly skilled and motivated human talent pool of 986 employees
- A robust country-wide distribution network comprising more than 30,000 distributors in 22 cities of India
- International presence in around 47 countries, further bolstered by operational entities in five countries
- Very high brand value derived from well-entrenched industry presence and expertise for more than 25+ years

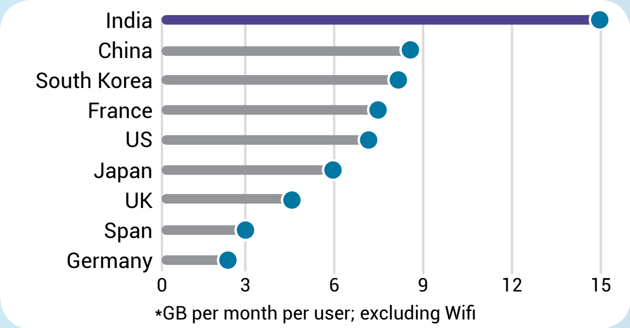
VALUE CREATION PROCESS

External Business Environment: A Strong Mix of Evolving Cyber Threats and Opportunities

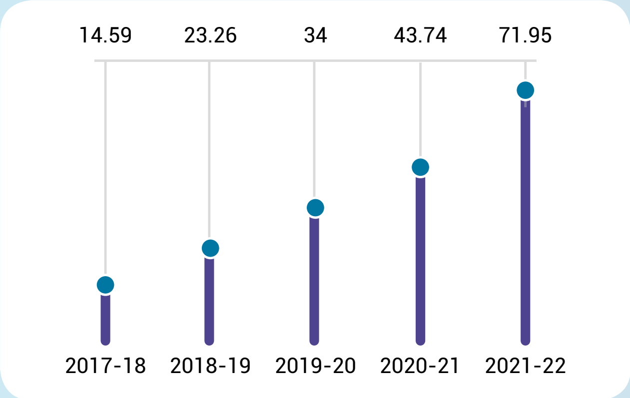
In India, the market size for the cyber security solutions is expanding on a massive scale because of the following trends:

- Growing penetration of internet and smartphone user – Over 845 Million internet users over and 760 Million smartphone users
- Growing internet usage – up by 500% between 2015-16 to 2020-21
- Growing mobile data usage – up by 2,000% between 2015-16 to 2020-21
- 1.32 Billion people are enrolled in the world's largest unique digital identity program
- 639 Million users are engaged in social media
- With 27 Billion+ application downloads on mobiles, India stood second in the world in 2021
- The Indian Computer Emergency Response Team (CERT-In) reported 6,07,220 cybersecurity incidents during the first half of 2020-21
- Ransomware attacks are increasingly targeting industrial control system (ICS) endpoints that support critical utilities, such as water and power
- ₹ 165 Million is the average cost of a data breach in India in 2020-21, showing a striking increase of 17.85% from 2019-20.

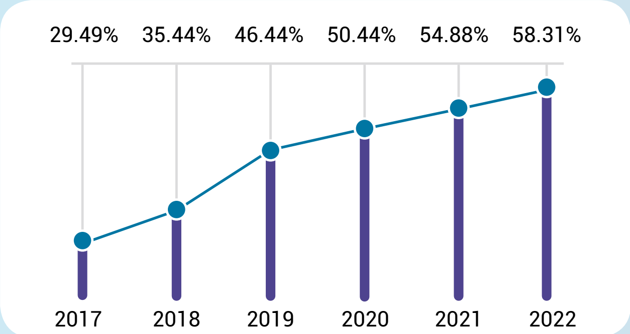
Indian Mobile data usage highest in the world*



Digital Transactions - ₹ Billion



Social Network Penetration - India



Internal Business Environment: Steadfast Strategic Pillars

CORPORATE CHARTER

Vision
To be trusted by our customers in securing the digital world and aim to grow as reputable global market leader.

Mission
Empowering the team to solve business problems.

Core Purpose
Innovate to 'simplify' securing digital experience.

STRUCTURED AND ROBUST R&D APPROACH

Security Labs: Analysing threat vectors across the globe and conceptualize advanced protection

Product Development Team: Designing & building cutting edge products & solutions

Product Management Team: Responding to the market needs for the products in a timely manner

Quality Assurance Team: Relentlessly maintaining and creating industry benchmarks for quality

Incidence Response Team: Framing prompt responses to critical attacks/ outages and ensuring business continuity of the customers

PROFICIENT LEADERSHIP

Industry veterans at the helm of affairs guiding the Company in line with deep-rooted ethical value system, risk management and an equal focus on sustainability and social responsibility

OUTCOMES

- Revenue growth by 6% (post adjusting for spillover) under Retail segment
- Revenue growth by 23.4% under Enterprise & Government segment
- Market share of Retail Segment – Over 30%
- Innovations to enhance strategic strengths
  - Product launches
  - Investment in API technology
  - Enterprise Security Product Suite
    - GoDeep.AI - one of the most innovative, AI-based malware hunting engines
    - Seqrite Hawk - premium suite of next-generation enterprise cybersecurity solutions
    - Seqrite Hawk Eye - An intuitive cloud-based platform enterprise grade centralized security management
- Total Tax expenses for the year: ₹ 25.49 Crores
- Proposed Dividend: ₹ 4.5 per share
- Enhancing the social impact through:
  - Quick Heal Foundation – Our CSR arm
  - Cyber Siksha for Cyber Suraksha – an initiative for spreading cyber security awareness
  - Quick Heal Academy (QHA) – premier institute engaged in imparting cybersecurity education programs
  - Amount of CSR expenditure – ₹ 2.42 Crores

Quick Heal
Security Simplified

SERVICE
CAPITAL

Service Capital reflects our ability to deliver innovative cyber security products and solutions across the world and enhance our market leadership.

ESTABLISHED FOOTHOLD ACROSS INDIA AND THE WORLD

Four Operational Entities Across the Globe:

India (HO)
Quick Heal Technologies Limited

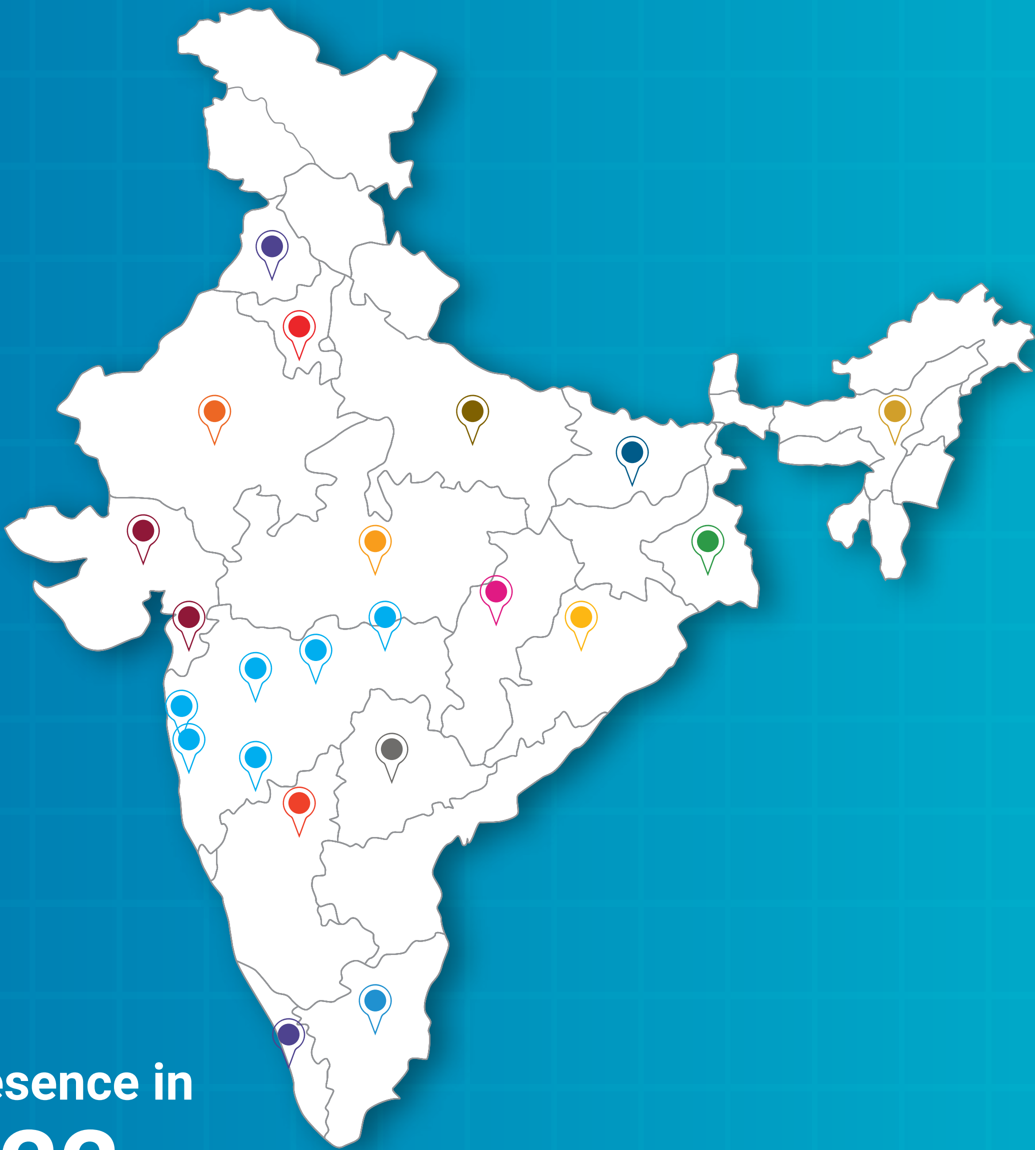
Japan
Quick Heal Japan KK

UAE
Seqrite Technologies DMCC

USA
Quick Heal Technologies America Inc.

Presence in 47 Countries

- Australia
- Bangladesh
- Benin
- Cambodia
- Canada
- Chile
- Colombia
- Congo
- Ecuador
- El Salvador
- France
- Gambia
- Germany
- Guinea
- Honduras
- Hong Kong
- Italy
- Japan
- Jordan
- Kenya
- Kuwait
- Macao
- Malaysia
- Mauritius
- Mexico
- Morocco
- Netherlands
- New Zealand
- Nigeria
- Saudi Arabia
- Singapore
- Solomon Islands
- South Africa
- South Korea
- Sri Lanka
- Panama
- Paraguay
- Peru
- Philippines
- Qatar
- Rwanda
- Thailand
- Turkey
- Uganda
- UAE
- USA
- Venezuela



Presence in 22 Cities

- Chandigarh
- New Delhi
- Jaipur
- Lucknow
- Patna
- Guwahati
- Ahmedabad
- Indore
- Surat
- Nashik
- Nagpur
- Mumbai
- Pune
- Aurangabad
- Kolhapur
- Raipur
- Kolkata
- Bhubaneshwar
- Hyderabad
- Bengaluru
- Chennai
- Kochin

This map is a generalized illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

INTELLECTUAL CAPITAL

Intellectual Capital reflects our ability to innovate and deliver 'ahead of times' solution on the back of our strong R&D capabilities.

INNOVATION: THE BACKBONE OF OUR GROWTH

Exponential growth like this is visible on the horizon because businesses are embracing digital transformation for improved productivity and increased revenues. The technologies involved are rapidly evolving with Cloud computing, IoT, BYOD, AI and machine learning phenomenon. However, this proliferation of newer technologies and mobility devices has spiked the cybersecurity incidents as well. With data as the new oil, we might witness need for whole new range of products in cyber security such as Zero Trust, Data Privacy and security, Extended Detection and Response, Cloud Security, Network Security, etc.

At Quick Heal, innovation is the core strategic element. To meet the evolving needs in cyber security domain, we have finalized our top five core elements for product development:

Simplicity

Security

Privacy

Performance

Coherence (products working at one unit)

STRATEGIC PRIORITIES FOR PRODUCT DEVELOPMENT

- Safeguard data-at-rest from ransomware attacks
- Implement strong authentication, access and identity management
- Identify and classify vulnerable sensitive data across hybrid IT
- Prevent lateral movement through zero trust and granular network segmentation
- Secure cloud assets for the enterprises at they move data and workloads to the cloud, and meet compliance with regulations such as those from FFIEC, EBA, GDPR, etc
- Enable the secure remote workforce (including all the devices, users & third parties) with zero-trust access to corporate applications from anywhere

VALUE ACCRETIVE ACTIONS

SEQRITE HAWKK AND SEQRITE HAWKKEYE

A premium suite of next-generation, intuitive AI-based and Cloud-powered cybersecurity solutions enable the organizations to get a wholistic account of their cyber security threats and vulnerabilities, generate actionable insights, ensure compliance and bolster defense against the next wave of cyberattacks. It lends protection across the entire network of complex organizational data and devices including endpoints, mobile devices and data infrastructure. Individual Hawkk-products will address various tenets of cybersecurity each while an interconnecting fabric will provide a single pane of performance review and management for the Company.

L7 Defense

Quick Heal invested US$ 2 Million in Israel-based cybersecurity startup L7 Defense that specializes in application program interface (API) security and next-generation web application firewall (NG-WAF). APIs have become critical for data sharing and application integration. Majority of the web traffic has now become API traffic as several organizations and services are moving to web application-centric infrastructure. This makes them vulnerable to malicious attacks that expose organizations to new and continuously evolving threats.

The move strengthens Quick Heal's solution stack to secure modern enterprises against the next-generation of cyber-attacks. It shall strategically allow us to further extend our technological leadership, to increase our exposure and gain further market awareness.

GODEEP.AI

GoDeep.AI enables us to use our vast telemetry and sample sets to detect unknown cyber threats. We use Artificial Intelligence and Machine Learning (ML) internally to learn from known threats and use that learning to identify new / unknown threats.

PATENTED TECHNOLOGIES

USPTO 10,387,649 | USPTO 10,311,234 | USPTO 8,973,136
USPTO 8,914,908 | USPTO 8,347,389 | USPTO 7,945,955

CERTIFICATIONS:

ISO 9001:2015

ISO 20000-1:2011

ISO 27001:2013

Seqrite EPS accredited with AV TEST - Top Product (Windows)

ICSA Labs Endpoint Anti-Malware Certification Dec 2021

Seqrite EPS accredited with "AV TEST - Advanced Approved Endpoint Protection" Certificate

STRATEGIC ADVANTAGES WE GET FROM THE PATENTS AND CERTIFICATIONS:

- Attestation of our product quality and product-market fit
- Increased market awareness for our products
- Creating and securing competitive moat
- Increased customer trust

THREE MAJOR MARKET TRENDS WE SEE EMERGING AFTER 5-YEARS:

Growth of hybrid and multi-cloud

Multi-vendor approach to cloud migration and a persistence of on-prem workloads leads to increasing complexity; a purely 'cloud-native' world is still far off for the enterprise segment.

Regulatory and splinternet

Many countries are developing data privacy, protection and localization regulations, which may lead to different security / infra needs as well as key threats in different localities, leading some companies to 'split' their network into multiple stacks for certain regions.

Automation & DevOps

Digitization is expanding log volumes which requires additional capacity and automation to find 'signal from noise', while agile developer teams have increased security responsibilities.

Expanding Attack Surface Area

An increasing number of attack surfaces (e.g. IoT devices) and attackers is increasing the remit of the security organization.

FINANCIAL CAPITAL

Financial Capital generates surpluses that drives the financial engine. Our key performance indicators reflects on how we have strengthened our financial foundation for a sustainable growth.

KEY PERFORMANCE INDICATORS (KPIs)

- Debt-Free Balance sheet
- 25+ Years of Eminent Industry Presence
- India's First Listed Entity providing Cyber Security Products
- Market Leader in Retail Segment
- Significant growth in SME sector
- Shareholding Structure
    - Promoter and promoter group: 72.83%
    - Public: 22.06%
    - Others: 5.11%

PERFORMANCE TRENDS

Revenues (₹ in Crores)

2021-22	341.90
2020-21	333.04
2019-20	286.14

EBITDA Margin (in %)

2021-22	31.26%
2020-21	42.47%
2019-20	31.94%

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) (₹ in Crores)

2021-22	106.87
2020-21	141.46
2019-20	91.40

PAT Margin (in %)

2021-22	24.33%
2020-21	32.11%
2019-20	26.00%

Profit After Tax (PAT) (₹ in Crores)

2021-22	83.19
2020-21	106.97
2019-20	74.40

HUMAN CAPITAL

Human Capital refers to our endeavours towards building a strong people cultures. We believe in providing equal opportunities to our employees and creating a growth-intuitive culture, aligned to the organizational objectives.

KEY INITIATIVES

HYBRID MODEL

We have been practicing hybrid model since the onset of Covid-19. We did not witness any major impact on productivity. On the contrary, overall productivity levels of several teams have gone up.

EMPLOYEE SAFETY

We have established several measures and practices to enhance employee safety. Some of them include:

Office infrastructure

Office infrastructure is designed in a way to provide utmost safety to employees. There are free passages and adequate spaces, to reduce chances of accident. All doors are access controlled to monitor external entries and the entire office is under CCTV surveillance and physical guards, thus enhancing workplace security.

Fire safety

We have installed fire safety equipment like fire extinguishers, sprinklers and water hydrant inside office premises. We also conduct periodic fire drills along with employees & ERT team members. Our office entry/exit, lifts, parking, common area points are made in such a ways to freely enable the entry and exit for all the employees.

Covid-19 protocols

We have been sanitising office twice a day and have installed sanitizer stands at all the entry points. We have provided adequate handwashing facilities, extended pantry services on desk for convenience and have been constantly educating people to follow Covid-19 norms. We also conducted vaccination drives for employees.

EMPLOYEE UPSKILLING AND TECH-ENABLEMENT

We consistently provide upskilling training to our employees. This include cross training of products and channels in technical support. We also conducted micro learning sessions, workshops on idea pitching and excellence built up and ensured conference and webinar participation. We also provide monthly product refresher & soft skills training & assessment for tech support team. We also provide technical certification reimbursement upto ₹ 200,000.

NEW DIGITAL TOOLS

We launched LMS and one central catalogue of learning content. We procured Pluralsight license for catering to technical skills.

EMPLOYEE ENGAGEMENT & COMMUNICATION INITIATIVES

We undertook several initiatives to strengthen engagement and motivation levels. These include:

1. Launching of Oorja -Employee focussed meeting and new joiner connect
2. Regular HRBP connects
3. MAP (manager development program) - Manger sensing by skip level team members
4. Half Yearly town hall
5. Yearly ESAT survey
6. HR help desk to address employee queries
7. SART-Suspicious Activity Reporting Tool
8. POSH committee to address sexual harassment issues

EMPLOYEE SATISFACTION SURVEYS

We measure overall employee satisfaction parameters through the following:

- Vision and Mission of Quick Heal
- Team Culture, Team Learning, and Work Relationships
- My Career and Growth
- My Line Manager
- Company Work Environment & Culture
- My Satisfaction and Engagement
- Corporate Social Responsibility & Diversity
- Creditability-Communication & Involvement, Competence and Integrity
- Respect-Collaboration & Caring
- Camaraderie
- Loyalty Quotient
- Net Promoters Score

GOAL AND OBJECTIVE SETTING - OBJECTIVES AND KEY RESULTS (OKR)

OKR is a methodology to drive business results for which performance management is a key tool to realize the results. Its goal setting methodology has been adopted by teams and individuals in Quick Heal to create challenging goals with clear and measurable targets and metrics.
It helps drive the behaviours which are objective and performance driven. CEO published organizational goals to the leadership team and OKR's were further cascaded. Employees set their own OKRs in collaboration with their managers, and are held accountable and is reviewed through quarterly check-ins.

CUSTOMER CAPITAL

Customer Capital refers to our ability to build relation with our end consumers by proactively responding to their needs.

ADAPTING WITH AGILITY : IDENTIFYING NEEDS AND ADDING PROTECTION

We are committed to create value continuously for our customers, partners and employees by identifying their needs through research and market intelligence, and adopting three-pronged approach of Integrity, Innovation and Teamwork. Contributing to the nation's 'Digital India' initiative, we strive to develop innovative solutions which protects the digital safety and freedom of everyone with privacy. It further allows us to strengthen our market share across both retail and enterprise segment.

₹ 28 Crores

INVESTMENTS FOR BRAND AND PRODUCT PROMOTION

OUR SOCIAL MEDIA ENGAGEMENT METRICS ACROSS DIFFERENT PLATFORMS

Quick Heal

- Facebook: 2 Lakh+ (Followers)
- Youtube: 4.5K+ (Subscribers)
- Instagram: 2K+ (Followers)
- Twitter: 97K+ (Followers)
- LinkedIn: 48K+ (Followers)

Seqrite

- LinkedIn: 4K+ (Followers)
- Twitter: 15K+ (Followers)
- Youtube: 500+ (Subscribers)
- Facebook: ~1.5K (Followers)

DELIVERING EXCEPTIONAL CUSTOMER SERVICE

- ISO 20000 certified 24x7 customer support process featuring multi-lingual end-user support in English, Hindi and several other major regional Indian languages
- Multi-channel support services including remote access support as well as onsite support pan India
- Availability of data sheets, product videos and manuals on the website for providing information on technical specifications, installation guide, and upgrade mechanisms; uploaded 75 such videos for the Enterprise segment and 11 videos for the Retail segment
- Release of various articles, technical papers, quarterly threat reports and conducting webinars in the area of security software

CRITICAL NEEDS IDENTIFIED FOR OUR GROWING ENTERPRISE & GOVERNMENT SEGMENT

Government

Governments have long realized the need for national cyber defense and are formulating policies in accordance. But steadily, they are shifting their focus on creating ecosystems and collaborations across levels of government in other countries as well. The cybersecurity growth in the government sector is primarily driven by increased digitization of government systems and rising cyber-attacks on critical state infrastructure. The top needs to be addressed include:

1. Support and Security for Critical Infrastructure
2. Resilience Against Botnets and Other Distributed Threats
3. Address Cyber Economic Crimes
4. Prevent Internet-Facilitated Proliferation of Arms and Strategic Technology
5. Prevent of Cyber-Enabled Smuggling and Money Laundering

Enterprise

As enterprises adopt new technologies with digital transformation with wider base of third-party devices, they also expand digital attack surface and network vulnerabilities. To avoid reputational damage and financial losses attached with data breaches, cybersecurity is a priority discussion across the boardrooms. The top needs to be addressed include:

- Social engineering that gains unauthorized network access
- Distributed-Denial-of-Service (DDoS) attacks resulting in ransom payments
- Insider threats abusing network access privileges
- Enhancing Software Supply Chain Security considering third and fourth party vendors
- Advanced persistent threats having ongoing, undetected access over long periods of time

STRATEGIC RESPONSE TO THESE NEEDS BY QUICK HEAL

1. Continuous investments in product innovation and development for delivering robust enterprise cybersecurity solutions
2. Multi-layered enterprise cybersecurity approach to provide the most innovative and robust cybersecurity solutions for CISOs and SOC teams to detect and thwart attacks
3. Frequent connects with wide array of partners – Enterprises, Governments, Academia, and Research Agencies to discover needs and insights and design our enterprise cybersecurity solutions in accordance
4. Established Security Labs to continuously monitor rapidly evolving threat landscape and provide guidance
5. Thought Leadership at various industry and trade platforms to enhance cyber awareness and cyber protection
6. Leverage digital and E-commerce platforms for business growth
7. Increase partner network engagements
8. Industry/segment specific solutions' approach

Quick Heal
Security Simplified

SOCIAL AND NATURAL CAPITAL

Social and Natural Capital refers to our endeavours towards promoting community development and well-being as well as our efforts towards environment conservation.

At Quick Heal, growth is synonymous with an inclusive, all-round growth of not only the business verticals and employees but also for the communities associated with us. Being sensitive to their needs, we have adapted our business approach to accord equal priority to undertaking projects benefitting them. This would result in not only promoting relations of trust with them, but also improving the quality of life of people directly or indirectly impacted through business operations and creating value for shareholders through sustainable growth. The gist of such projects is as follows:

QUICK HEAL FOUNDATION

- 23,50,000+ Lives directly impacted since 2016 for Cyber Security Awareness through 'Cyber Siksha for Cyber Suraksha' initiative and street plays
- 1,00,000+ Lives impacted since 2020 through Covid-19 relief measures such as:
  - Distributed free immunity booster medicines to frontline workers
  - Organized health camps and assisted in the smooth functioning of Covid-19 centres
  - Donated medical vans to NGOs to heal tribal population
  - Distributed food grains during lockdown
  - Distributed PPE kits to NGOs
  - Donated to PM Cares Fund
- 45,000+ Lives directly impacted since 2016 by imparting Life Skills Education for underprivileged children

QUICK HEAL ACADEMY

Provides need-based training, corporate training, workshops and seminars for the following pedagogical programs:

- Cyber Security and Forensics
- Cyber Threat Intelligence
- Malware Analysis & Reverse Engineering
- Security Operations Centre (SOC)
- Electronic Crime Scene Investigation

The Academy has partnered with renowned universities for furthering cyber education amid the youth and honing cyber talent for the future (including offering internship and placement opportunities at Quick Heal).

CHITKARA UNIVERSITY

MoU with Chitkara University for introducing an additional stream in Cyber Security for the four-year Undergraduate program

QUANTUM UNIVERSITY

MoU with Quantum University for a joint B. Tech (Hons.) with specialization in Cyber Security

MANAV RACHNA UNIVERSITY

MoU with Manav Rachna University (MRU) for a joint B. Tech in Cyber Security & Threat Intelligence, program

PARUL UNIVERSITY

MoU with Parul University, Vadodara for Joint B. Tech Program (4 Years)

SAGE UNIVERSITY

MoU with Sage University (Indore) for a joint B. Tech in Cyber Security program

'CYBER SHIKSHAA PROGRAM' AN INITIATE OF DSCI AND MICROSOFT:

Quick Heal as the training partner has targeted to train 5000 students across India creating cyber security awareness through online program

In addition to above, our **environmental sensitivity** in our business operations is reflected in the following initiatives:

- Installation of **45 KW** Solar power plant at Thube Park, Shivajinagar office; the plant is operational and generating more than 5% of total energy requirement for location.
- Policy in place for regulating e-waste
- Reduced electricity consumption
- Responsible usage of packaging
- Hybrid model for less carbon emission

GOVERNANCE

At Quick Heal, we have always focused on building a strong governance framework with responsible and transparent governance policies to create a long-term value for the stakeholders. Our approach to value creation is founded on our robust corporate governance framework. It encompasses a holistic approach with fair and accountable operations – while maintaining integrity and conducting ethical business practices.

BOARD OF DIRECTORS

DR. KAILASH KATKAR

MD & CEO

Drives the strategic direction for the Company while nurturing a strong leadership team to drive its execution

DR. SANJAY KATKAR

Joint MD & CTO

Spearheads the creation and subsequent development of the core product technology

MR. SHAILESH LAKHANI

Non-Executive Director

Serves as the MD at Sequoia Capital India. Previously, he worked at Redknee's India subsidiary as the Managing Director

MR. AMITABHA MUKHOPADHYAY

Independent Director

Over three decades of experience in corporate finance, legal and litigation, strategy and M&A. Served as the Group CFO of Thermax

AIR MARSHAL (RETD) BHUSHAN NILKANTH GOKHALE

Independent Director

Served on the board of defense PSUs and adviser to government institutions; had worked in the National Security Council & has been consultant to DRDO

MR. MEHUL SAVLA

Independent Director

Serves as Director for RippleWave Equity Advisors LLP; previously worked at JP Morgan, ICICI Securities and SEBI

MS. APURVA JOSHI

Independent Director

Certified bank forensic accounting professional and anti–money laundering expert

MR. RICHARD STIENNON

Independent Director

Serves as Chief Research Analyst at IT-Harvest, and sits on the advisory boards of several start-ups; has been the part of advisory of cybersecurity companies like Symantec, McAfee, Cisco, Microsoft and Trend Micro

5
INDEPENDENT DIRECTORS

1
WOMEN DIRECTOR

TRUSTING THE EXPERT HANDS

DR. KAILASH KATKAR

Managing Director & Chief Executive Officer
Co-founder of the Company

Has been the guiding star for the growth of Quick Heal Technologies with his strong leadership capabilities and business acumen; has nurtured all the business functions and verticals be it strategy, execution or client relations, with disciplined and enthusiastic approach

DR. SANJAY KATKAR

Joint Managing Director and Chief Technical Officer
Co-Founder of the Company

An alumnus of University of Pune with Master's Degree in Computer Science, he is at the helm of all the research, product development and global strategy endeavours at Quick Heal; has also served as the Director of Association of Anti-Virus Researchers, Asia and is a distinguished speaker at various industry forums

MR. NAVIN SHARMA

Chief Financial Officer

Responsible for driving growth and lead strategy through organic & inorganic channels. Previously was the CFO with Sterlite Technologies for the technology business. Navin has worked with RPG Group and Century Textiles and Industries Limited and brings vast experience in the areas of M&A, customer acquisition, financial planning and analysis and managing overseas operations

MR. SANJAY AGRAWAL

Chief Product Officer

Responsible for driving the overall product vision and strategy in line with market expectations. Sanjay is an entrepreneurial engineering and product leader with two decades of experience and proven success in building cybersecurity products for the global markets. A computer engineering graduate from University of Illinois, Sanjay holds a Ph.D. and M.S. from Stanford University in Electrical Engineering and Computer Science (EECS)

MR. KULDEEP RAINA

Head, Global Enterprise Sales

Responsible for leading the enterprise and Government sales strategy and managing the vertical on a global level. Passionate technocrat with a rich flare for sales and ability to drive targets in dynamic business environment. Over two decades of diverse sales experience, including leadership roles in cybersecurity companies

MR. DEEPAK MISHRA

Head, Retail Sales

Responsible for enhancing market share and driving channel strategy for the retail brand. He has an extensive exposure in sales and distribution, channel management, and building a robust distribution to drive productivity and profitability. Over two decades of experience in FMCG, Beverages, Telecom and IT Industries

STAKEHOLDER ENGAGEMENT AND MATERIALITY

Stakeholder engagement can be defined as the systemic identification, analysis, planning and implementation of actions designed to address stakeholder needs. At Quick Heal, we understand the needs and wants of all our stakeholder groups and always strive to adhere to their needs, through constant engagement and dialogue. This process helps build a trust-worthy relationship with them, leading to creation of value across the board.

For any business, the material issues refer to the factors that one believes may impact the ability of the business to create value for the short-medium-and long-term standpoints. Management of these issues, therefore, becomes of paramount importance. At Quick Heal, we understand this and therefore, are constantly understanding the issues regularly in the context of the macroeconomic environment, changing business environment, trends and feedback from stakeholders.

As a part of our materiality process, we have identified the stakeholders that are material from the business standpoint. The responses that we receive through engagement with them, are filtered based on their needs, demands, and expectations. These issues are further rated by the level of importance, by us and our stakeholders. Accordingly, we arrive at the materiality factors for our business.

MATERIAL ISSUES IDENTIFIED BY THE COMPANY:

Parameters of high importance

CUSTOMER-CENTRICITY	ECONOMIC	RESPONSIBLE BUSINESS PRACTICES
Customer service	Product pricing	Ethical practices, anti-bribery, and corruption
Customer privacy and data protection	Financial performance	Transparency
Innovation and IT deployment	Cost control and profit margin	CSR management
Customer satisfaction	Market/Product competition	Grievance mechanisms
Product quality	Industry Shifts & Trends	Health and safety
Technology advancement	Delivering appropriate shareholders' returns	Supplier satisfaction/relationship
Brand loyalty and Company reputation		Gender diversity
		Talent retention and succession
		Operational excellence

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. Kailash Katkar
MD & CEO

Dr. Sanjay Katkar
Joint MD & CTO

Mr. Shailesh Lakhani
Non-Executive Director

Mr. Amitabha Mukhopadhyay
Independent Director

Air Marshal (Retd) Bhushan Nilkanth Gokhale
Independent Director

Mr. Mehul Savla
Independent Director

Ms. Apurva Joshi
Independent Director

Mr. Richard Stiennon
Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Navin Sharma
Chief Financial Officer

Mr. A. Srinivasa Rao
Company Secretary

AUDITORS

MSKA & Associates
Chartered Accountants

LIST OF BANKERS

State Bank of India
Citi Bank
ICICI Bank
Bank of India
HDFC Bank
Kotak Mahindra Bank

REGISTERED OFFICE

Marvel Edge,
Office No. 7010 C & D, 7th Floor,
Viman Nagar, Pune - 411014
Tel: +91 20 66813232
E-mail id: cs@quickheal.co.in
Website: www.quickheal.co.in

STATUTORY REPORTS

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN ECONOMY: PERFORMANCE AND OUTLOOK

As the lingering fear of various variants and waves of the Covid-19 pandemic diminishes, the Indian economic growth engine gathers momentum. The performance across the sectors has been satisfactory, barring the temporary challenges like inflationary pressure due to disruptions in global supply chain, shortage of semiconductor chips, rising energy prices and increase in input cost. These factors may have a lingering effect in the initial quarters of 2022-23 as well chiefly due to geopolitical crisis between Russia and Ukraine. However, India would be able to counter these pressures with relative ease due to its huge domestic consumer base and stability in the overall operating governance of the nation.

As per the data and estimates released by Ministry of Statistics and Program Implementation (MOSPI), GDP has grown by 8.7% in 2021-22 as against a contraction of 6.6% in 2020-21. The Government's supply side reforms have helped the economy shift gears into expansionary mode. As per the results of the Economic Survey released by the Ministry of Finance in January 2022, the capex has grown by 13.5% YoY during April 2021 to November 2021. Merchandise exports have crossed US$ 400 Billion benchmark during March 2022 which is a heartening indicator as to the inherent resilience and health of the Indian economy. Index of Industrial Production (IIP) grew at 17.4 percent (YoY) during April-November 2021 as compared to (15.3) percent in April-November 2020. Services exports surpassed pre-pandemic level in January-March quarter of 2020-21 and grew by 21.6 percent in the first half of 2021-22 - strengthened by global demand for software and IT services exports. As per the International Monetary Fund (IMF)'s World Economic Outlook projections, India's real GDP is expected to have grown at the fastest pace this year making it the fastest growing major economy in the world.

INDUSTRY STRUCTURE AND DEVELOPMENTS

CYBER SECURITY MARKET

Global Cyber Security Market

The global cyber security market stood at US$ 137 Billion in 2020 and is expected to witness a CAGR of 11% upto 2025. The growth is likely to be driven by the Enterprise segment, which is expected to grow thrice the pace of the growth of the Consumer market over the corresponding period. The market share during the period, for the Enterprise Segment is expected to increase to 97% from 95%, which is likely to be propelled by a significant share gain by the Products segment. For the Consumer segment, however, it is likely to dip to 3% from 5%. (Source: Based on our industry estimates).

Rising prevalence of digitization, e-commerce, machine learning, internet-of-things (IoT), and cloud infrastructure will constitute to be the key growth drivers for the Global Cyber Security Market. Governments across the world are investing heavily into setting up extensive data networks with respect to matters of critical importance for the nations. Given the data sensitivity, they are highly vulnerable to cyberattacks which would entail heavy investments in cyber security solutions to protect the data. As per the report by the European Cybersecurity Organization, the U.K. Government invested nearly US$ 2.30 Billion in internet and network security projects for defense and research in 2020. This is further anticipated to stimulate market growth. Similarly, the introduction of new network security solutions such as zero-trust network security would boost the market's growth.

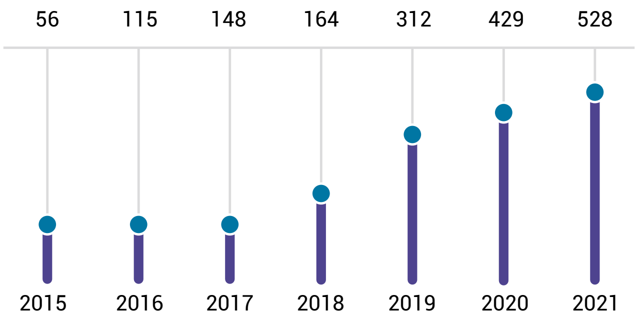
At a global level, USA occupies the leading position in the cyber security market, mainly on account of growing e-commerce platforms and increasing instances of cyberattacks and data breaches. Asia Pacific, a major cyber service provider across the globe, is expecting a huge

(Source: https://www.oecd.org/economy/india-economic-snapshot/#:~:text=Economic%20Forecast%20Summary%20(December%202021,cent%20in%20FY%202023%2D24.)

boost in the cyber security market due to rising government expenditure, coupled with various security projects. Middle East and Africa are also following suit with rising government spending for internet security. This, while the Emerging markets like APAC, EMEA and Latin America are expected to grow by 15% on a Y-o-Y basis. Major conglomerates across Europe are also enhancing their cyber security which is contributing to the higher demand for cyber security solution in that continent.

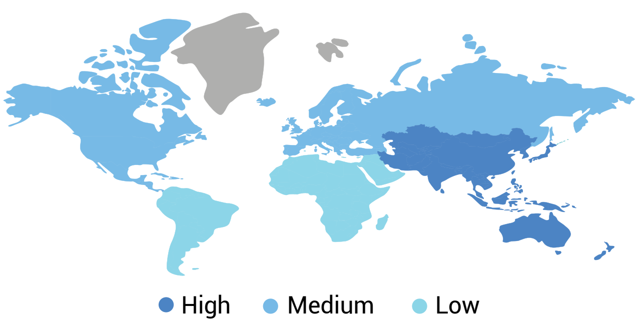
The increase in adoption of IoT and BYOD trend, especially after the onset of the Covid-19 pandemic has compounded the security risk for all the devices and applications for majority of businesses, educational institutes, and government organizations, as the tracking of data across multiple devices becomes very complex. Hence, there is an increasing need for security products that would address this need across multiple devices and platforms.

Global Cybersecurity Market – Number of Data breach hacking or IT incidents, 2015-2021



Source: HIPPA Journal, 2021

'Global Cybersecurity Market – Growth, Trends, Covid-19 Impact and Forecasts (2022-2027) Report' states that over 40 Million patients will suffer due to a violation of personal data according to Healthcare Information and Management Systems Society (HIMSS). As per the data mentioned in this report, Asia Pacific would be a high growth market for cyber security solutions. Among Asian countries, India has experienced a rapid rise in cybercrime registration. In fact, India ranks fifth in the world in terms of overall DNS hijacks and accounts for 37% of the global breaches in terms of records compromised or stolen.

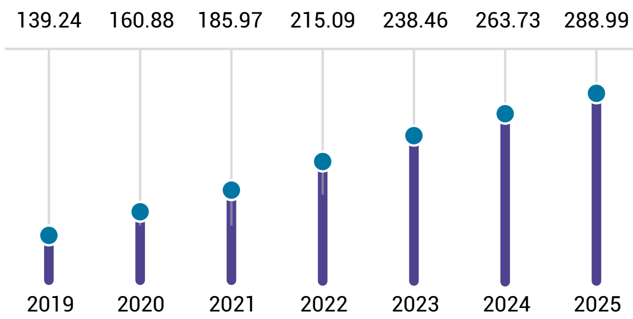


(Source: https://www.mordorintelligence.com/industry-reports/cyber-ecurity-market)

INDIAN CYBER SECURITY MARKET

The Indian cyber security market is anticipated to witness a strong and consistent growth owing to growing digitization and its associated vulnerabilities. As per the leading statistical data platform Statista, India is one of the largest markets for internet usage. It also houses the largest share of users experiencing any sort of cybercrime such as financial frauds, online gaming, and stalking due to lack of awareness and education. Such ratio is nearly 30% higher than the global average percentage. The outbreak of the Covid-19 pandemic has further worsened the situation and necessitated heavy investment in protection and encryption. In fact, India's BFSI sector, one of the most vulnerable sectors, has planned to spend over US$ 800 Million on cybersecurity by 2022.

Indian Cyber Security Market (in ₹ Billion)



(Source: https://www.statista.com/statistics/1197074/india-cyber-security-market-size/)

WHY INDIA NEEDS TO BE SECURED?

3.8 Thousand+

Government services were provided over the internet in 2021

(Source: Statista)

US$ 300 Billion to US$ 1 Trillion

3x growth of value of digital payments

(Source: CLSA)

1 Billion

Smartphone users by 2026

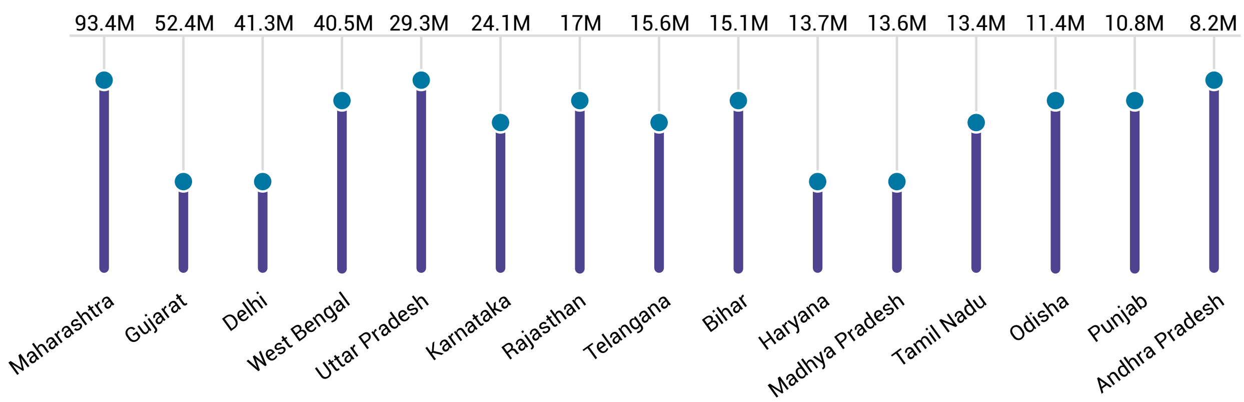
(Source: A Deloitte study)

~62%

Large and midcap companies in India are still in the formative stages of digitalization

(Source: DBS Digital Readiness Survey)

Global Cybersecurity Market – Number of Data breach hacking or IT incidents, 2015-2021



(Source: Quick Heal Annual Threat Report 2022)

(Source: https://www.business-standard.com/podcast/technology/is-india-prepared-to-protect-itself-from-cyber-attacks-122031000062_1.html)

PROVISIONS FOR CYBER SECURITY IN INDIA

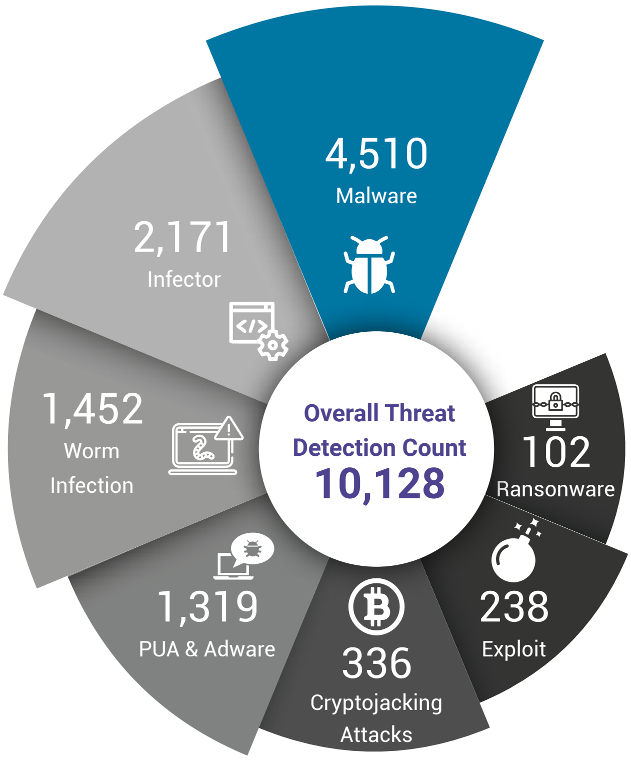
In the Union Budget for 2022-23, the government has intended to give a major thrust towards cyber security, with an allocation of ₹ 515 Crores on cyber security. This is 10x more than the expenditure in 2014-15. Out of this amount, about ₹ 215 Crores are reserved for CERT-In, the nodal agency dealing with cyber security threats. Although the spending on CERT-In has gone up 4X over this period, the cumulative expenditure incurred is significantly lesser than other countries. Much will be dependent on the Indian Government's push towards the formation of the National Cybersecurity Strategy, which was announced in 2020.

Given the changing technological landscape, its importance to corporates, and a significant uptick in the number of data breaches over the last few years, the Joint Parliamentary Committee (JPC) had undertaken an exercise to formulate India's data protection regime. In December 2021, it published its report along with the finalized Data Protection Bill (DP Bill) 2021. The DP Bill had been proposed with a far-sight to change the way data is used by businesses. It is long-awaited and a desperately needed piece of legislation that would replace the existing inadequate and obsolete data protection regulations, It is expected to help safeguard individual's privacy rights and encourage an equitable and transparent use of data for innovation and growth, while generating jobs, raising user knowledge about their privacy and hold data fiduciaries and processors accountable. Thereby, unleashing the digital economy,

CYBER THREATS LOOMING LARGE

Assessing the cyber security scenario in the light of the planned developments mentioned above, India needs to reinforce its cyber protection on a massive scale. The year 2021 has seen many cyberattacks such as ransomware, malware attacks, and vulnerability exploitations. However, attacks on the supply chains such as SolarWinds Hack, Kaseya Management Software, Codecov Coverage Tool, and Log4j library posed a greater threat. Malware continues to be a significant problem worldwide, and the ever-evolving nature of the attacks makes the problem even more challenging.

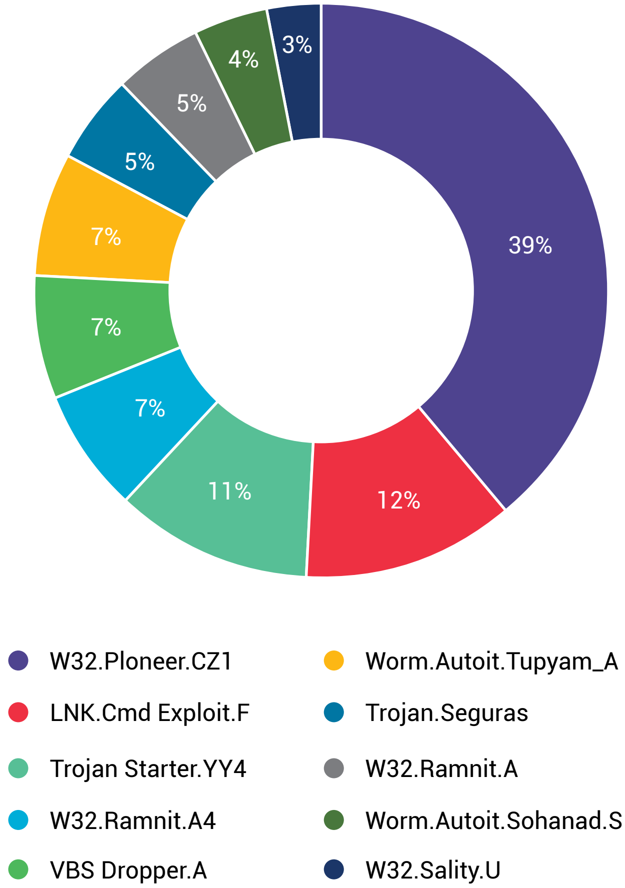
Average number of threats detected every hour for 2021



(Source: Seqrite Annual Threat Report 2022)

TOP 10 MALWARES OF 2021

The Below figure represents the Top 10 Windows malware in 2021. These malware have made it to list based upon their rate of detection annually.



(Source: Quick Heal Annual Threat Report 2022)

EMERGING CYBER SECURITY TRENDS

Four key trends shaping near-term cybersecurity programs:

GROWTH OF HYBRID AND MULTI-CLOUD

Description: Multi-vendor approach to cloud migration and a persistence of on-prem workloads leads to increasing complexity; a purely 'cloud-native' world is still far off for the enterprise segment

Needs: Mix of solutions needed will evolve with accelerated cloud migration and perpetual hybrid environmentals

Emerging technologies needed to implement cloud security and identify at the 'edge' to enable a Zero Trust architecture

REGULATORY AND SPLINTERNET

Description: Many countries are developing data privacy, protection and localization regulations, which may lead to different security / infra needs as well as key threats in different localities, leading some companies to 'split' their network into multiple stacks for certain regions

Needs: Tools and services to manage and govern data residency / localization requirements

Multi-cloud architectures to implement split infrastructure

PKI tools and infrastructure to manage x-border data usage

AUTOMATION & DEVOPS

Description: Digitization is expanding log volumes which requires additional capacity and automation to find 'signal from noise', while agile developer teams have increased security responsibilities

Needs: Real-time orchestration in the Security Operations Centre (SOC) to detect and respond to events

Threat intelligence to deliver specific insights to target SOC tooling

High impact, extensible tools for developer teams to 'shift left' to a DevSecOps mentality

EXPANDING ATTACK SURFACE AREA

Description: An increasing number of attack surfaces (e.g. IoT devices) and attackers is increasing the remit of the security organization

Needs: Increasing urgency to modernize cyber / technology infrastructure cyber / technology infrastructure to protect businesses

C-suite preparedness for new threats impacting business operations (e.g. ransomeware)

IoT / OT environments under threat in need of protection

In the light of rapidly shifting digitalization scenario, the cyber threats are also evolving and become more and more sophisticated – led by the vulnerabilities of the system caused by BYOD, remote working and shifting of key sectors of the economy such as Banking and Finance, Healthcare on virtual pane in addition to physical presence. Similarly, the cyber security is gaining prominence w.r.t. the national security and the utilities services security such as electricity grid, national defense mechanism also. Owing to these developments, the following trends are seen emerging in the cyber security arena:

Remote Work Cybersecurity

Throughout the year 2022, the focus for the organizations would be on bolstering their network security policies and infrastructure to ensure data safety, seamless operations and rapid response to cyberattacks. To secure their data, devices and networks following the hybrid work model prevalent after the Covid-19 pandemic, the organizations would be attending to the issues such as single-layered protection, lack of firewall implementation, lack of protection to broadband connections on priority basis.

Implementation of Responsible and Ethical AI

In the light of enhancing security of the entities, data and infrastructure of national importance, implementation of ethical and responsible AI technologies is perceived to be highly advantageous to detect, prevent and counter rapidly the sophisticated and massive cyberattacks. Besides, the governments across the world are deciding on the legislation, policies and regulations regarding the use of AI in cybersecurity.

Smart Budgeting for Cyber Security

Organizations around the world would implement smart budgeting techniques in their pursuit of obtaining the best cyber security tools and protocols. The focus would be on trying to identify organization-specific cyber vulnerabilities and allocate budgets towards vulnerability management and network security instead of merely possessing advanced technologies and products.

(Source: https://www.securitymagazine.com/articles/97059-three-top-of-mind-cybersecurity-trends-in-2022#:~:text=Allocations%20of%20budgets%20will%20become,possessing%20advanced%20technologies%2and%20products.)

Future Opportunities in India for Cyber Security Solutions

According to United Nations' specialized agency for information and communication technologies – International Telecommunication Union (ITU) India has moved up by 37 places to rank as the tenth best country in the world in the Global Cybersecurity Index (GCI). With rapidly rising digital and cloud adoption, artificial intelligence, digital payments, e-commerce activities and rising instances of hacking and malware attacks, there will be a healthy appetite for security solutions across both home and offices. Traditional defense strategies won't be able to counter these new-fangled AI-enhanced threats, APTs and ransomware, triggering the following opportunities:

- Increase in the number of connected devices (smart phones, IoT sensors, bring your own device (BYOD), etc.) amplifies the impact of the endpoint segment and hence, Endpoint security becomes highly critical
- Identity protection would work as a strong barricade against the threats of preventing unauthorized access to resources/data
- Owing to data privacy and protection becoming the focal point of cyber security, data security products such as encryption, tokenization, data loss prevention, and information rights management would witness higher growth
- Domain-specific cybersecurity products - powered by the right combination of use cases, data quality, and business outcomes would lead the market
- ML and AI are increasingly becoming the integral components of cybersecurity solutions and we would see more and more next-gen cyber security solutions using these technologies; AI would also be highly important for the business conglomerates to counter AI-powered cybercrimes
- Secure architectures such as Access Secure Edge (SASE), Software Defined Perimeter, and Zero Trust supporting "work from anywhere" for both employees and third parties would be the preferred IT environment
- Cloud-based cybersecurity enabling the users to install and deploy anti-malware, antivirus, and other security tools through cloud computing would be prevalent
- Big Data analytics would be one of the most powerful methods for forecasting and fighting cyber-attacks by detecting abnormalities in user behaviour, network activity, and other such important parameters

BUSINESS OVERVIEW

Quick Heal Technologies Limited is India's first listed cybersecurity products company, dealing with providing cyber security solutions through our 100% 'Made in India' products designed to simplify IT security management across the length and depth of devices and on multiple platforms. Capable to serve and secure countries, cities and companies, we are undisputed leader in our retail segment with over 30% in the Indian market deriving our strength from our robust sales & distribution network pan India. The other business segment in which we are steadily gaining momentum is Government and Enterprise segment where we are present through our brand 'Seqrite'.

Driven by our mission of empowering the team to solve business problems, we are determinedly marching towards our vision of being a company that is trusted by its customers in securing the digital world and aim to grow as reputable global market leader. Our core purpose of innovating to 'simplify' securing digital experience guides us on our endeavours and business decisions across all the verticals. With a laser-sharp focus for over 25 years on enhancing the R&D capability to derive latest cyber security solutions to meet the evolving challenges, our current portfolio of cloud-based security and advanced machine learning enabled solutions stops threats, attacks and malicious traffic before it strikes.

OUR VERTICALS

Retail Segment

With over 30% of the market share in India and having served millions of customers every year, we claim the market leadership position in this segment. We have observed a healthy growth in this segment based on the virtual learning environment. Our robust, nation-wide distribution channel comprising over 200 Tier I distributors and over 30,000 Tier II and Tier III distributors has further helped us enhance brand visibility and market penetration, thereby supplementing the growth of this segment. The principal products offered include a range of Anti-Virus solutions.

New Launches of 2021-22 Include:

- AV 22
- Mobile Security

Enterprise and Government Segment

The Enterprise segment and Government has been the steady growth engine for the Company. With emergence of newer trends such as digital payment network, remote working, big data, AI & ML Virtual Reality & Metaverse, the cyber world is increasingly becoming complex. Rapid shifts in technologies and pace of innovations gives the organizations multiple opportunities of expansion and growth while also leaving them vulnerable to threats of disruptions from the cyber attacks compromising the security and privacy of sensitive data. We aim to provide simplified, yet complete solution for all the cyber security needs of an organization. Under this segment, we have principally two product suites under our enterprise arm Seqrite – Seqrite Hawkk and Seqrite Hawkkeye

New Launches/version upgrades of 2021-22 Include:

- EPS (Endpoint Security)
- EPS (Endpoint Security) Cloud
- EMM (Enterprise Mobility Management)
- HawkkHunt (Endpoint Detection & Response)
- HawkkEye (Centralized Security Management)

Seqrite Hawkk is a premium, AI-based suite of next-generation cybersecurity solutions aimed at empowering enterprises to secure their digital transformation journey by enabling to gather the organization a complete picture about its vulnerabilities, threat points and current cyber security posture. Similarly, 'Seqrite HawkkEye' is an intuitive, cloud-based centralized security management platform that will empower enterprises to manage multiple security products from a single dashboard. Aiming to deliver cyber security solutions based on endpoint detection and response (EDR), zero trust, data privacy and cloud-based network security, Seqrite stands committed to empower CISOs and IT leaders to get comprehensive visibility into their organization's cyber security, generate actionable insights, ensure compliance and boost their organization's defense against the next wave of cyberattacks across endpoints and mobile devices, enterprise data infrastructure, and enterprise applications. Powered by AI, Cloud and Patented technologies, the new range of solutions are easy to use, lightweight and can be deployed within minutes.

OUR EXCELLENCE DRIVERS

Research and Development (R&D)

Cyber security scenario around the globe is highly fluid. In order to keep pace with the pace of new developments as well as to retain the market leadership position, we have always laid strong emphasis on continuous investments in R&D. In 2021-22, R&D investments increased by 33% YoY basis and was ~26% of our revenue with major focus towards developing next generation cybersecurity products relevant for global enterprise customers. We have a solid product roadmap through the next couple of years. In line with our focus on R&D, we have strengthened the R&D leadership team under the leadership of Mr. Sanjay Agarwal as Chief Product Officer (CPO) and Mr. Bibhuti Kar as R&D and Engineering Head. Our R&D team is continuously working towards existing product upgrades with newer features. This is crucial, as it helps sustain our leadership position.

Strong and Diversified Channel Network

Our robust network of around 35,000 channel partners across India, built over a period of over 25 years, has helped us reach our customers and identify and satisfy their needs on timely basis. Our retail channel partner base is arguably the biggest in India. Our strong internal sales and marketing team works closely with customers and channel partners to provide active after-sales support as well as apt training and development to understand and implement new products and features on regular basis. It further allows us to penetrate deeper under both the segments of Retail and Enterprise. Our channel partners are equipped to assist our customers with technical information, related sales assistance as well as after-sales support services to all our users. We are also witnessing shift of buying behaviour from traditional channel towards online channels. While, this market is still in the early stages, it is growing slowly and steadily. We have grown over 10% in our online business, majority of it happening through our own website.

Best-in-class Customer Support

We uphold the value of delivering exceptional customer service which goes a long way in building a loyal customer base. We have undertaken the following measures to fulfil our promise of rendering best in class customer support:

- ISO 20000 certified customer support process featuring multi-lingual end-user support in English, Hindi and several other major regional Indian languages
- Multi-channel support services including Remote access support as well as Onsite support pan India
- Availability of data sheets, product videos and manuals on the website for providing information on technical specifications, installation guide, and upgrade mechanisms. Have uploaded 75 such videos for the Enterprise segment and 11 videos for the Retail segment
- Release of various articles, technical papers, quarterly threat reports and conducting webinars in the area of security software

Deeply entrenched industry expertise and market presence

Recognized by NASSCOM's DSCI as 'Cybersecurity Product Pioneer in India' 2019, we have been dealing in the cyber security solutions since 1993. With over 27 years of experience, backed by market expertise developed through constant research have enabled us to gain the trust of our customers and generate highly positive brand value. We have expanded our sphere of operations to 22 major cities in India and across 47 countries of the world.

HUMAN RESOURCES

We consider our human talent pool of ~1,000 employees as the asset that is the most critical for our success and sustainable growth. Being an equal opportunity employer, we are proud to state that our employees belong to different backgrounds and cultures. The Company has developed a robust human resources policy that ensures welfare of the employees and focusses on providing employees a healthy, safe and conducive work environment, in addition to apt career growth and personal development opportunities. Such skilled workforce should result in our customers getting an enhanced experience with our products and services. We are proud to have launched the Employee Value Proposition to empower employees to unleash their full potential. We ensure that the employees are fairly compensated and provided performance- linked incentives as per the industry standards. The employees are provided training on a regular basis to enhance their work and personal skills. Also, as the normalcy has started returning after the Covid-19 pandemic; the shift from Work-from-Home to Work-from-Office and Hybrid work culture has been smooth without any impact on the employees' productivity.

FINANCIAL OVERVIEW

Revenue from Operations

For 2021-22, revenue from operations increased by ~3% from ₹ 333.04 Crores in 2020-21 to ₹ 341.90 Crores in 2021-22. The share of the Retail and Enterprises & Government segments in the total revenue pool stood at 78% and 22%, respectively. We have witnessed a strong performance on account of vigorous growth of 23% in the enterprise segment and economic activities picking up pace due to lifting the Covid-19 led restrictions. The steady renewals in the retail segment led to a growth in the revenues of the retail segment, a segment that commands a majority of our earnings base. Adjusting for the spillover revenue in 2020-21, the retail segment demonstrated 6% growth YoY. The Enterprise segment continues to grow and crossed an ARR (Annualized Revenue runrate) of over ₹ 100 Crores.

Other Income

Other income stood at ₹ 19.20 Crores for 2021-22, as compared to ₹ 24.16 Crores for 2020-21, owing to reduction in interest income mainly on account of reduction in interest income from financial instruments.

Operating Expenses

The major expenses covered under the head 'Operating Expenses' are purchase of security software products, employee benefits expenses, depreciation and other expenses. Some of the major changes in operating expenses are explained below:

Employee Benefits Expenses

The Company's employee benefits expenses were up by 21.6% YoY amounting to ₹ 139.49 Crores in 2021-22, as compared to ₹ 114.74 Crores in 2020-21. The total number of employees increased to 986 as at the end of 2021-22 compared to 972 as at the end of 2020-21. The increase in the cost could mainly be attributed to increased headcount, increased replacement cost and normal annual increments.

Web Publishing Charges

The Company's web publishing charges were down by 18.1% YoY amounting to ₹ 1.12 Crores in 2021-22, as compared to ₹ 1.37 Crores in 2020-21. The decrease in the cost could mainly be attributed to optimization of usage of bandwidth and further rate negotiations done with the vendor.

Technology Subscription Charges and Fees for Technical Services

The Company's Technology Subscription Charges and Fees for Technical Services expense were up by 16.1% YoY amounting to ₹ 7.09 Crores in 2021-22, as compared to ₹ 6.11 Crores in 2020-21. The increase in the cost could mainly be attributed to increased R&D activities and investment in new products.

Rent

The Company's rent expenses amounted to ₹ 1.49 Crores in 2021-22, as compared to ₹ 1.53 Crores in 2020-21, a marginal decrease of 2.5%.

Rates and Taxes

The Company's rates and taxes amounted to ₹ 0.88 Crores in 2021-22, as compared to ₹ 1.19 Crores in 2020-21, a decrease of 26.0%.

Insurance

The Company covers various risks to safeguard and protect Company assets. These include liability risk, such as D&O, E&O and other liability insurance. The asset insurance covers all offices, fit-outs, furniture and other accessories. During the year, the insurance cost amounted to ₹ 0.41 Crores in 2021-22, as compared to ₹ 0.37 Crores for 2020-21, depicting an increase of 9.9%.

Repairs and Maintenance

The Company's total repairs and maintenance expenses amounted to ₹ 2.92 Crores for 2021-22, as compared to ₹ 3.18 Crores in 2020-21, a decrease of 8.0%.

Business Promotion, Advertising and Sales Promotion Expenses

The advertising and sales promotions expenses stood at ₹ 18.93 Crores in 2021-22 as against ₹ 20.47 Crores in 2020-21. Similarly, business promotion expenses stood at ₹ 8.75 Crores in 2021-22 as against ₹ 2.15 Crores in 2020-21. The principal reason behind this increase is provisions made for the future pay-out related business promotion.

Travelling and Conveyance Expenses

The travelling and conveyance amounted to ₹ 3.16 Crores in 2021-22, as compared to ₹ 1.34 Crores for 2020-21, showing an increase of 136.5% because of ease of restrictions and increase in travelling post pandemic.

Communication Expenses

Communication expenses amounted to ₹ 9.78 Crores for 2021-22, as compared to ₹ 7.25 Crores for 2020-21, an increase of 34.9%. The increase was mainly on account of increase in Cloud services.

Office Expenses

Office expenses decreased to ₹ 2.78 Crores for 2021-22, as compared to ₹ 2.82 Crores for 2020-21, a decrease of 1.6%.

Legal and Professional Fees

The Company's legal and professional fees for 2021-22 was ₹ 14.78 Crores, as compared to ₹9.33 Crores for 2020-21, an increase of 58.4% over the previous year, the reason being increase in outsourcing expenses pertaining to investment in new products.

Provision for Doubtful Debts And Advances/Bad Debts Written Off

During the year, the provision for doubtful debts and bad debts was ₹ 3.44 Crores, as compared to ₹(0.33) Crores for 2020-21. The increase is on account of provisions made for few debtors which are overdue for more 180 days as per internal provisioning policy. However, this does not necessarily considered bad debts basis our past collection trends.

Miscellaneous Expenses

During the year, the miscellaneous expenses stood at ₹ 1.48 Crores in 2021-22, as compared to ₹ 1.63 Crores in 2020-21, a decrease of 9.4%.

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

EBITDA (excluding other income) was ₹ 106.86 Crores for 2021-22, as compared to ₹ 141.46 Crores for 2020-21, a decline of 24.5% on YoY basis. The overall decrease in EBITDA was primarily on account of higher investments in R&D and S&M. As per prudent accounting policy, we do not capitalize our R&D investments and charge it to the P&L.

Interest

The Company does not have interest expenses, as it does not have any debt on its balance sheet.

Depreciation

Depreciation expense amounted to ₹ 17.38 Crores for 2021-22, as compared to ₹ 19.49 Crores for 2020-21, a decline of 10.8%. The reduction was mainly on account of reduction in gross blocks.

Profit After Tax

Profit After Tax amounted to ₹ 83.19 Crores for 2021-22, as compared to ₹ 106.97 Crores in 2020-21 registering a decline of 22.2% owing to increased investment towards R&D and S&M.

Equity

Total equity remained at ₹ 58.01 Crores, as on March 31, 2022, as against ₹ 64.21 Crores, as on March 31, 2021.

Retained Earnings

During the year, Retained Earnings decreased to ₹ 502.90 Crores, as on March 31, 2022, as compared to ₹ 576.20 Crores, as on March 31, 2021 on account of Buyback.

Property, Plant and Equipment (PPE) and Intangible Assets

During the year, PPE (excluding CWIP and including investment property) balances decreased to ₹ 131.30 Crores, as of March 31, 2022, from ₹ 140.47 Crores, as of March 31, 2021. The reduction was on account of disposal of fixed assets. Intangible assets increased to ₹ 5.74 Crores, as of March 31, 2022, from ₹ 5.28 Crores, as of March 31, 2021.

Non-Current Financial Assets

The investment under non-current financial assets as on March 31, 2022, stood at ₹ 27.46 Crores, as compared to ₹32.19 Crores, as on March 31, 2021. This is mainly on account of maturity of mutual funds.

Income Tax Assets (NET)

The income tax assets (net) as on March 31, 2022, were

₹ 15.80 Crores, as compared to ₹ 12.15 Crores on March 31, 2021.

CURRENT FINANCIAL ASSETS

Investments

Investments reflect the cash generated by the Company and invested in relatively conservative instruments, pending further use of the funds in the business of the Company. As on March 31, 2022, the total current investment stood at ₹ 290.07 Crores, as compared to ₹ 383.31 Crores as on March 31, 2021, showing a decrease of 24.3% mainly on account of the buy-back of ₹ 191 Crores (inclusive of taxes).

Trade Receivables

The trade receivables stood at ₹ 171.96 Crores, as on March 31, 2022, compared to ₹ 150.63 Crores, as on March 31, 2022. The receivables days increased to 170 days, as on March 31, 2022, as compared to 150 days as on March 31, 2021. The rise in receivable days was mainly due to liquidity issues with a few of our retail dealers.

Other Current Assets

The Company's other current assets amounted to ₹ 3.58 Crores, as of March 31, 2022, as compared to ₹ 6.81 Crores, as on March 31, 2021. The decrease is mainly due to decrease in advance paid to suppliers.

Dividend

Total dividend paid in 2021-22 was ₹ 23.17 Crores vs NIL in 2020-21. However, the interim dividend for 2019-20 was paid in the same year.

RISKS AND CONCERNS

Risk of Obsolescence

With every passing year, the cyber-attacks seem to be gaining in on sophistication and complexity. This threat gets compounded not only on the commercial front but also involves destructive forces operating at the international level posing a threat to sovereign security. Due to this continuously evolving nature of IT security threats, we need to keep upgrading our products. Any delays in the introduction of such new solutions, updates, enhancements and features for effectively protecting end users against new security threats, can impact our competitive position, product reputation, and business prospects. Our products compatibility with variety of hardware, software applications, operating systems and networking protocols is important for our products and solutions to be adopted by customers. Quick Heal lays strong emphasis on continuous investments in research & development to ensure that the latest evolving threats are addressed through timely updates and features introduced to the users. During 2021-22, the R&D investments made by the Company were around 26.2% of total revenues. It has a strong R&D team of approximately 347 people working on identifying new threats and devising new solutions and features across retail and enterprise and Government segments. The Covid-19 pandemic has accelerated the adoption of Hybrid Work Culture, Hybrid Learning Environment and Bring Your Own Device (BYOD) and hence the solutions like zero trust network access, zero trust application access are becoming the key drivers for such customer needs, along with giving rise to data privacy which is a key element to address compliance issues of the enterprise customers. Zero trust, data privacy among others are becoming the need of the hour.

Competition Risk

The IT security market is very competitive with presence of international and Indian companies such as Symantec, Trend Micro, Kaspersky, McAfee, Sophos, Norton, Fortinet, Bit defender, WardWiz, e-Scan, NPAV and K7 among others. The hardware OEMs or operating system software such as Microsoft, Cisco Systems and International Business Machines Corp. (IBM), HP and Lenovo increasingly incorporate the system and network security functionality into their products and enhance that functionality either through internal development or through strategic alliances or acquisitions. Such companies may use these advantages to offer solutions that are perceived to be as effective as ours at a lower price or for free as part of a larger product package or solely in consideration for maintenance and services fees. This potentially impacts the average realization per unit of the product sold by us. Quick Heal is currently the market leader in the retail segment and in addition to metros, we also have strong presence in Tier II and Tier III cities. Compared to global players in India, we have much wider depth and distribution reach through our expansive partner network. Unlike other brands, we do not operate on 'National Distributor' model but have built a strong reach with direct distributors and T1 partners across the length and breadth of the country. Further, our consistent marketing efforts, partner/retailer influence and promotional activities help us in converting and attracting new customers. Our superior customer support is our largest differentiator. We provide multi-lingual end user support in English, Hindi and several other major regional Indian languages and multi-modal support to users through phone, email, SMS, online chat, support forum and remote access.

Quick Heal has good market share in the SMB market segment and positions its comprehensive Seqrite portfolio in this segment. We also aspire to grow into the mid-enterprise market segment. The presence of established global players in the enterprise and Government segment poses challenge for the Quick Heal's business growth. However, our 25+ years legacy, broad product portfolio, local R&D presence, deep intelligence of threat landscape, distributed sales, technical support gives us an edge in competition. One of the core challenges other than the competition in mid-market and large enterprises is listing of our products on various analyst ratings, like Gartner Magic Quadrant, NSS labs/EAL certifications. It is challenging for vendors if they don't have such visibility, especially in global markets like MEA, Europe, APJ where we are new entrants and we need to establish credibility.

Channel Partner Dependency Risk

We rely significantly on our channel partners to sell and support our solutions. Our channel partners include service providers, system integrators, resellers and distributors. Our agreements with channel partners are non-exclusive, meaning our partners may offer customers software security products from other companies, including products that compete with our solutions. If our channel partners do not effectively market and sell our solutions or choose to use greater efforts to market and sell their own solutions or the solutions of our competitors, our business operations will be adversely affected. Adverse changes in our channel partner network or relationships with channel partners could adversely affect the quantity and pricing of the solutions offered by us which may in turn materially and adversely affect our business prospects. Quick Heal has strong brand recognition in the Indian IT security market which is evident from the fact that it leads the retail market with more than 30% market share. Our strong brand has helped us to extensively grow our partner network across India. We have built two-tier distribution model to ensure the rightful reach and mitigation of financial risks. Our sales team is closely involved in maximising product availability across the channel and providing technical/ sales assistance. We provide ongoing training (in sync with technical support centres) to channel partners for providing support services to end users. This helps us to ensure that our partners are able to effectively sell our products and remain loyal to our brand.

Seqrite, the Enterprise segment, is moving towards highly customer-centric approach. This brings in less dependency on partners, as we have direct touch points with customers and we are also structuring every deal with them which directly allows us high QC on deals we sign up. And in fact with this model, partners are more collaboratively working with us to enhance deals and deal sizes. With a growing partner ecosystem, one of the key elements is to refresh with new technologies that is in line to customer needs and we need to provide them disruptive technologies before the competitors.

Credit Risk

Antivirus and Cyber Security solutions retail industry predominantly works on Stock and Sell model. Hypercompetitive business landscape in this industry entails heavy stocking at all levels and plays a pivotal role in driving market share. Majority of our sales and revenues are driven by our channel partners. Any broader market or economic condition affecting their cashflow, in turn, affects us. We typically offer our channel partners around 30-60 days of credit. The extension granted on this front to mitigate the ill-impact of the Covid-19 pandemic had resulted in higher number of debtors days. However, with the situation returning to normalcy and the sales picking up, we will witness reduced number of debtors days. The credit exposure in the market is still quite high and it is a potential threat in the given circumstances. However, we maintain strict control over the credit exposure and take all due precaution in assessing the credit worthiness of our partners to mitigate this risk. The sales team as well continuously works very closely with the entire partner ecosystem to ensure faster sales turnaround and timely collection. To further mitigate the risk, we strengthened T1 partner infra with 226 distributors spread across the country. Similarly T2 partner infra was strengthened with 1,700+ partners spread in both Urban and Rural geographies of the country. This will help us spread the business to more number of partners, thereby attracting more investment and further mitigating the risk. For enterprise business, currently we have a number of tier I partners that have a credit line with us - currently, on a credit line of 60-90 days, and 90%+ of our payments are within credit limit assigned to them. We will be moving up towards high value deals, which poses a bit of risk from mid-segment partners as implementation and customer payments make take more than 90 days and these partners do have financial strength to sustain such high value deals. To minimize this risk we are recruiting national distributors that will help us to reduce the credit risk, as they will act as aggregators and every Tier II partner has credit terms with distributors. Hence no impact to us. Distributors will reduce our credit risks drastically. For international markets and partners we are following the same model so that our credit is minimized.

Risk of Infringement of Intellectual Property Rights and Proprietary Technology

By the nature of our business and the industry in which we operate, the intellectual rights protection available to us is uncertain. However, we have a registered Trademark for our Corporate Logo "Quick Heal®" and enjoy statutory protection accorded to our Trademark. The degree of protection to our patents, copyrights, trade secrets and other intellectual property rights may differ according to the laws of the countries in which we operate. As of 2021-22 in India, we have obtained certifications and patents for:

- Seqrite Endpoint Security - Certified and approved by ICSA Labs in 2021
- Seqrite Endpoint Security - Certified with Advanced Approved Endpoint Protection by AV-Test 2021
- Seqrite Endpoint Security - Certified as 'Top Product' for enterprises by AV-Test in 2021
- AV Test - Approved Corporate Endpoint Protection
- AV Test - Top Product
- ICSA Labs Certified Endpoint Security
- USPTO 10,387,649 - Signatureless Behaviour-based Detection Technology
- USPTO 10,311,234 - Anti-Ransomware technology
- USPTO 8,973,136 - System and method for protecting computer systems from malware attacks
- USPTO 8,914,908 - A completely automated computer-implemented system and method for piracy control based on update requests
- USPTO 8,347,389 - System for protecting devices against virus attacks
- USPTO 7,945,955 - Virus detection in mobile devices having insufficient resources to execute virus detection software

Typically, we do not obtain signed license agreements from customers who license products from us. In these cases, we include an electronic version of an end- user license in all of our electronically distributed software and a printed license with our products that are distributed in a box. Although this is common practice for software companies that sell off-the- shelf products to have licenses that are not signed by the licensee, certain legal authorities believe that such licenses may not be enforceable under the laws of many jurisdictions. Proprietary technology used in our solutions is critical to our success. We typically protect our intellectual property under patent, trademark, copyright and trade secret laws and through a combination of confidentiality procedures, contractual provisions and other methods, all of which offer only limited protection. For example, we have been granted four patents in the United States and have registered trademarks such as "Quick Heal", "Guardian", "Security Simplified®", "Aapke PC mein kaun rehta hai, Virus ya Quick Heal®" and "Surf Canister®" in India. We have registered trademarks for "Quick Heal®" and "Seqrite®" in the European Union. We have also obtained trademark registration for "Quick Heal®" in various countries such as Australia, Japan and the United States, among others, where we currently do business or are planning to do business.

Internal Control and Systems

The Company's internal control systems adequately includes set of rules, policies and procedures that drive business, increase efficiency and strengthen adherence to policies. These controls and systems are designed keeping the nature of our business, its size and complexity in mind. Our statutory and internal auditors review our business and procedures on a periodical basis to avoid errors and a systematic flow of our business activities. All the significant observations, if any, are duly acted upon promptly. Reports of the same are thoroughly reviewed by the Audit Committee at their meeting.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of Quick Heal Technologies Limited, which are forward looking. By their nature, forward- looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward- looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion and Analysis of Quick Heal Technologies Limited's Annual Report 2021-22.

NOTICE

Notice is hereby given that the 27th Annual General Meeting ("AGM") of the Members of **Quick Heal Technologies Limited** will be held on Friday, August 26, 2022 at 03:30 P.M. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. **Adoption of Financial Statements:**

   To receive, consider and adopt

   (a) the audited standalone financial statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and the Auditors thereon; and

   (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 and the report of Auditors thereon

2. **To declare Dividend on equity shares:**

   To declare a final dividend of ₹ 4.50/- per equity share of face value ₹ 10/- each for the year ended March 31, 2022.

3. **Appointment of Mr. Sanjay Katkar as a director liable to retire by rotation:**

   To appoint a director in place of Mr. Sanjay Katkar (DIN: 00397277), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Approval for the Buyback of Equity Shares of the Company:**

   To consider and if thought fit to pass with or without modification(s), the following resolution as an **Special Resolution:**

   "RESOLVED THAT in accordance with Article 9 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and 110 and all other applicable provisions, if any, of the Companies Act, 2013, as amended, (the **"Act"**), the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014, including any amendments, statutory modifications or re-enactments thereof, for the time being in force and in compliance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the **"Buyback Regulations"**), and including any amendments, statutory modifications or re-enactments for the time being in force, and subject to such other approvals, permissions and sanctions as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by the appropriate authorities which may be agreed by the Board of Directors of the Company (hereinafter referred to as the **"Board"**, which expression includes any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution) and subject to such conditions and modifications as may be prescribed or imposed by Securities and Exchange Board of India (**"SEBI"**), the stock exchanges on which the Equity Shares of the Company are listed (**"Stock Exchanges"**) and other authorities, institutions or bodies (**"Appropriate Authorities"**), the consent of the shareholders is hereby accorded for the buyback by the Company of its fully paid-up equity shares of a face value of ₹ 10/- each (**"Equity Shares"**) representing 8.6% of the total-paid-up Equity Share capital, from the equity shareholders of the Company as on the record date (**"Record Date"**), at a price of ₹ 300/- per Equity Share (**"Buyback Price"**) payable in cash for an amount not exceeding ₹ 150 Crore (Rupees One Hundred and Fifty Crore only) (hereinafter referred to as the **"Buyback Size"**). The Buyback Offer Size does not include any expenses incurred or to be incurred for the Buyback like filing fee payable to SEBI, advisory fees, public announcement publication expenses, printing and dispatch expenses, transaction costs viz. brokerage, applicable taxes such as securities transaction tax, goods and services tax, stamp duty, filing fees, advisors' fees, brokerage, public announcement expenses and other incidental and related expenses. The Buyback Offer Size is **24.71%** and **24.66%** of the aggregate of the fully paid-up Equity Share capital and free reserves as per the latest audited standalone and consolidated financial statements of the Company as on March 31, 2022 respectively. The Buyback offer will comprise a purchase of up to 50,00,000 Equity Shares at a price of ₹ 300/- (Rupees Three Hundred only) per Equity Share on a proportionate basis through the "Tender Offer" route (hereinafter referred to as the **"Buyback"**), in accordance and consonance with the provisions contained in the Buyback Regulations, the Act, Share Capital Rules and Management Rules.

   RESOLVED FURTHER THAT in terms of Section 69 of the Act, the Company shall implement the Buyback out of its securities premium account and other free reserves and that the Buyback shall be through the Tender Offer route in such manner as may be prescribed under the Act and the Buyback Regulations and on such terms and conditions as the Board may deem fit.

   RESOLVED FURTHER THAT all of the shareholders of the Company will be eligible to participate in the Buyback, including promoters and promoter group of the Company (including members thereof) and persons in control (including persons acting in concert), who hold Equity Shares as of the Record Date to be subsequently decided by the Board or a committee of the Board.

   RESOLVED FURTHER THAT as required by Regulation 6 of the Buyback Regulations, the Company shall buyback Equity Shares from the equity shareholders on a proportionate basis under the Tender Offer

NOTICE (Contd.)

route, provided that 15% of the number of Equity Shares which the Company proposes to buyback or the number of Equity Shares entitled as per the shareholding of small shareholders, as defined in the Buyback Regulations (**"Small Shareholders"**), as of the Record Date, whichever is higher, shall be reserved for Small Shareholders.

RESOLVED FURTHER THAT the Company shall implement the Buyback through the "tender offer" route as prescribed under the Buyback Regulations using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, as amended, read with the circulars issued in relation thereto, including the circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, and circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021 or such other circulars or notifications or amendments as may be applicable.

RESOLVED FURTHER THAT the Buyback from the shareholders who are residents outside India including Foreign Corporate Bodies (including erstwhile Overseas Corporate Bodies), Foreign Institutional Investors/ Foreign Portfolio Investors, Non- Resident Indians, shareholders of foreign nationality, shall be subject to such approvals, if any and to the extent required from the concerned authorities including approvals from the Reserve Bank of India **("RBI")** under the Foreign Exchange Management Act, 1999 and the rules and regulations framed and amended thereunder, and that such approvals shall be required to be taken by such non-resident shareholders.

RESOLVED FURTHER THAT nothing contained hereinabove shall confer any right on the part of any shareholder to offer, or any obligation on the part of the Company or the Board to buyback any shares and / or impair any power of the Company or the Board to terminate any process in relation to such Buyback if so permissible by law.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the power(s) conferred hereinabove as it may in its absolute discretion deem fit, to any Committee (**"Buyback Committee"**) / any one or more Director(s)/Officer(s)/ Authorized Representative(s) of the Company to give effect to the aforesaid resolutions, including but not limited to finalizing the terms of the Buyback like record date, entitlement ratio, the time frame for completion of Buyback; appointment of managers to the Buyback, brokers, lawyers, depository participants, escrow agents, bankers, advisors, registrars, scrutinizers, consultants/intermediaries/agencies, as may be required, for the implementation of the Buyback; preparing, finalizing, signing and filing of the public announcement, the draft letter of offer/ letter of offer with SEBI, the Stock Exchanges where the Equity Shares are listed and other appropriate authorities and to make all necessary applications to the appropriate authorities for their approvals including but not limited to approvals as may be required from the SEBI and RBI; and initiating all necessary actions for preparation and issue of various documents including public announcement, draft letter of offer, letter of offer, opening, operation and closure of necessary accounts including escrow account, special account with the bank, demat escrow account, trading account, entering into escrow agreements as required under the Buyback Regulations, filing of declaration of solvency, obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law, extinguishing dematerialized shares and physically destroying share certificates in respect of the Equity Shares bought back by the Company, and filing such other undertakings, agreements, papers, documents and correspondence, as may be required to be filed in connection with the Buyback with the SEBI, RBI, Government of India, BSE Limited (**"BSE"**), National Stock Exchange of India Limited (**"NSE"**) (together with BSE, the **"Stock Exchanges"**), Registrar of Companies, Depositories and / or other relevant authorities.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

By Order of the Board of Directors
For **Quick Heal Technologies Limited**

Sd/-
Kailash Katkar
Managing Director & CEO
(DIN: 00397191)

Place: Pune
Date: July 21, 2022

Registered Office:
Marvel Edge, Office No. 7010 C & D, 7th Floor, Viman Nagar, Pune- 411014 **CIN:** L72200MH1995PLC091408
Tel: +91 20 66813232
E-mail ID: cs@quickheal.co.in
Website: www.quickheal.co.in

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (**"MCA"**), vide its General Circular Nos. 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021, 20/2021, 21/2021 and 02/2022 dated April 8, 2020, April 13, 2020, June 15, 2020, September 28, 2020, December 31, 2020, June 23, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 respectively (**"MCA Circulars"**) and applicable circulars issued by the Securities and Exchange Board of India (**"SEBI"**), allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

2. The relevant details, 36(3) of SEBI LODR Regulations and Secretarial Standards (SS) issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.

3. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, with respect to the Special Business to be transacted as aforesaid is annexed hereto.

4. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to jbbhave@gmail.com.

7. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

8. Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

9. The Register of Members and Share Transfer Books shall remain closed from Saturday August 20, 2022 to Friday, August 26, 2022 (both days inclusive), for the purpose of AGM.

10. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Registrar of the Company (Link Intime).

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Link Intime.

12. Non-Resident Indian Members are requested to inform Link Intime, immediately of: a) Change in their residential status on return to India for permanent settlement. b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

13. The Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts and Arrangements in which Directors are Interested, as maintained under Section 170 and section 189 respectively of the Companies Act, 2013, will be available for inspection by the Members at AGM.

14. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.quickheal.co.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Link Intimehttps://instavote.linkintime.co.in

NOTICE (Contd.)

15. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

16. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

17. Procedure and instructions relating to e-Voting:

The voting period begins on August 23, 2022 at 12:01 AM (IST) and ends on August 25, 2022 at 5:00 PM (IST). During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 19, 2022 may cast their vote electronically. The e-voting module shall be disabled by Link Intime for voting thereafter.

Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post June 09, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	• Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.

NOTICE (Contd.)

Type of shareholders	Login Method
	• If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration • Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. • Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in ▶ Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: - **A. User ID:** Shareholders/ members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company. **B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. **C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) **D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company. • Shareholders/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter). ▶ Click "confirm" (Your password is now generated). 2. Click on 'Login' under **'SHARE HOLDER'** tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'**. 4. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon. 5. E-voting page will appear. 6. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link). 7. After selecting the desired option i.e. Favour / Against, click on **'Submit'**. A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes'**, else to change your vote, click on 'No' and accordingly modify your vote.

NOTICE (Contd.)

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorized representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

o Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**

o Enter **User ID,** select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'**.

- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/ her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

➢ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

➢ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

➢ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 22-23058542-43.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at https://instavote.linkintime.co.in, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

Process and manner for attending the Annual General Meeting through InstaMeet

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in

▶ Select the **"Company"** and **'Event Date'** and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/

Company shall use the sequence number provided to you, if applicable.

C. **Mobile No.:** Enter your mobile number.

D. **Email ID:** Enter your email id, as recorded with your DP/Company.

▶ Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on cs@quickheal.co.in.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

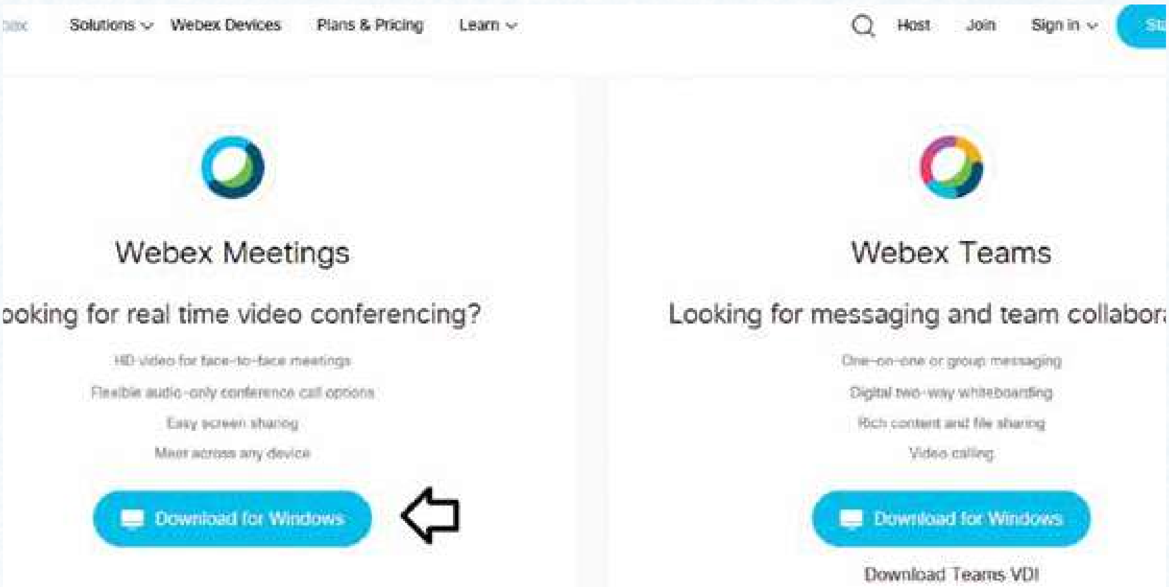
NOTICE (Contd.)

ANNEXURE

Guidelines to attend the AGM proceedings of Link Intime India Private Limited: InstaMEET

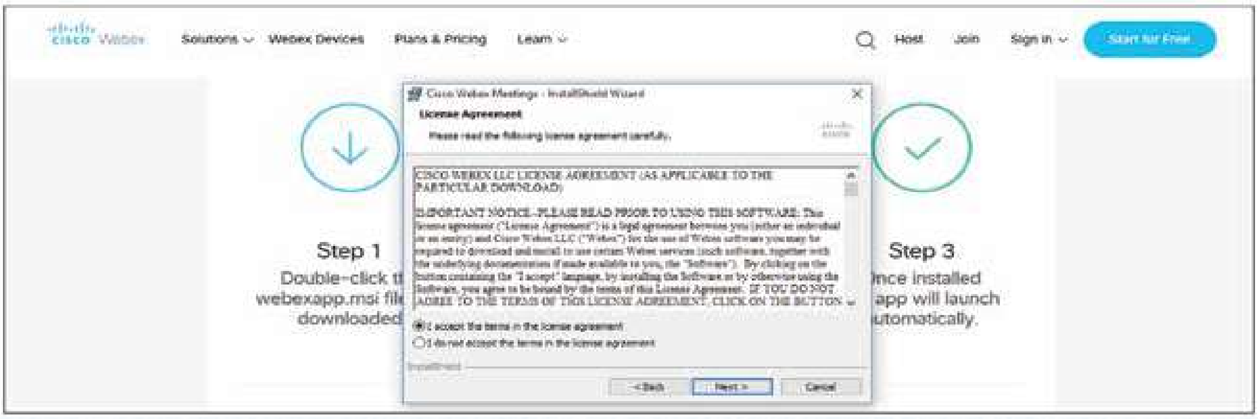
For a smooth experience of viewing the AGM proceedings of Link Intime India Private Limited InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

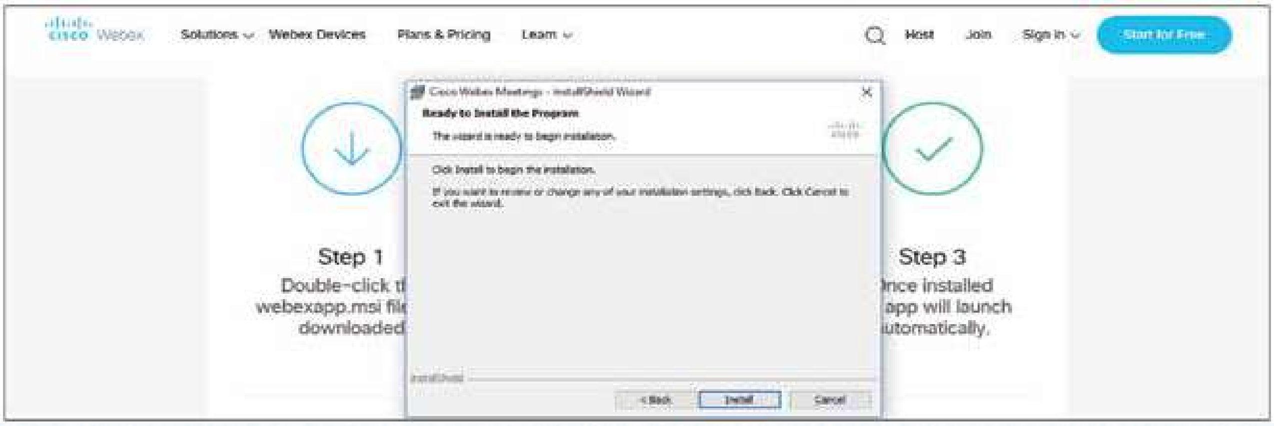
a) Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/



NOTICE (Contd.)

Step 1	**Enter your First Name, Last Name and Email ID and click on Join Now.**
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now





or

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO 4: APPROVAL OF BUYBACK

Pursuant to the provisions of the Companies Act, 2013, as amended, (the **"Companies Act"**), the Companies (Share Capital and Debentures) Rules, 2014, as amended (the **"Share Capital Rules"**), "), the Companies (Management and Administration) Rules 2014 (the **"Management and Administration Rules"**), as amended, to the extent applicable Article 9 of the Articles of Association of the Company, and in compliance with the Buyback Regulations, the Board of Directors of the Company (the **"Board"**) at its meeting held on July 21, 2022 has, subject to the approval of the shareholders of the Company by way of special resolution through e-voting and subject to such approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, approved the buyback of up to 50,00,000 fully paid-up equity shares of face value of ₹ 10/- each of the Company (**"Equity Shares"**) (representing up to 8.6% of the total issued and paid-up equity share capital of the Company as per the audited standalone financial statements as at and for the period ended March 31, 2022) at a price of ₹ 300/- per Equity Share (the **"Buyback Price"**) payable in cash for an aggregate amount of up to ₹ 150 Crores (Rupees One Hundred and Fifty only), which is 24.71% and 24.66% of the aggregate of the fully paid-up equity share capital and free reserves as per the latest audited standalone and consolidated financial statements of the Company, as at March 31, 2022, respectively (the **"Buyback Size"**) (excluding any expenses incurred or to be incurred for the Buyback like filing fee payable to SEBI, advisory fees, public announcement publication expenses, printing and dispatch expenses, transaction costs viz. brokerage, applicable taxes such as buyback tax, securities transaction tax, goods and service tax, stamp duty, etc. and other incidental and related expenses (**"Transaction Costs"**)), through the "tender offer" route as prescribed under the Buyback Regulations and the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the circulars issued in relation thereto, including the circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016, and circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021 or such other circulars or notifications or amendments as may be applicable (the process being referred hereinafter as **"Buyback"**), on a proportionate basis, from the equity shareholders / beneficial owners of the Equity Shares of the Company as on the Record Date to be subsequently decided by the Board or a committee of the Board. Since the Buyback constitutes more than 10% of the total paid-up equity capital and free reserves of the Company, in terms of Section 68(2)(b) of the Companies Act, it is necessary to obtain the consent of the shareholders of the Company, for the Buyback by way of a special resolution. Further, as per Section 110 of the Companies Act read with Rule 22(16) (g) of the Management and Administration Rules along with General Circular No. 14/2020 dated April 8, 2022, General Circular No. 17/2020 dated April 13, 2022, General Circular No. 22/2020 dated June 15, 2022, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 8, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021 and General Circular No. 3/2022 dated May 5, 2022 notified by the Ministry of Corporate Affairs, the consent of the shareholders of the Company to the Buyback is required to be obtained by means of e-voting. Accordingly, the Company is seeking your consent for the aforesaid proposal as contained in the resolution appended to this Notice. Certain figures contained in this notice, including financial information, have been subject to rounding-off adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Requisite details and material information relating to the Buyback are given below:

(a) Date of the Board meeting at which the proposal for buy back was approved by the Board of Directors of the Company – July 21, 2022 **("Board Meeting Date")**

(b) Necessity for the Buyback

The Buyback is being undertaken by the Company after taking into account the operational and strategic cash requirements of the Company in the medium term and for returning surplus funds to the shareholders in an effective and efficient manner. The Buyback is being undertaken for the following reasons:

(i) The Buyback will help the Company to distribute surplus cash to its shareholders holding Equity Shares thereby enhancing the overall return for them;

(ii) The Buyback, which is being implemented through the tender offer route as prescribed under the Buyback Regulations, would involve a reservation of up to 15% of the Equity Shares, which the Company proposes to buyback, for small shareholders or the actual number of Equity Shares entitled as per the shareholding of small shareholders on the Record Date, whichever is higher. The Company believes that this reservation for small shareholders would benefit a significant number of the Company's public shareholders, who would be classified as "Small Shareholders";

(iii) The Buyback is generally expected to improve return on equity through distribution of cash and improve earnings per share by reduction in the equity base of the Company, thereby leading to long term increase in shareholders' value; and

(iv) The Buyback gives an option to the Eligible Shareholders (as defined below) to either (A) participate in the Buyback and receive cash in lieu of their Equity Shares which are accepted under the Buyback, or (B) not to participate in the Buyback and get a resultant increase in their percentage shareholding in the Company post the Buyback, without additional investment.

(c) Maximum number of securities that the Company proposes to buyback

The Company proposes to buy back up to 50,00,000 fully paid up Equity Shares of face value of ₹ 10/- (Rupees ten only) each.

(d) Buyback price and the basis of arriving at buyback price

(i) The Equity Shares of the Company are proposed to be bought back at a price of ₹ 300/- (Rupees Three Hundred only) per Equity Share.

(ii) The Buyback Price has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average prices and closing price of the Equity Shares on the Stock Exchanges where the Equity Shares of the Company are listed.

(iii) The Buyback Price represents:

- premium of 71.81% and 72.89% to the volume weighted average market price of the Equity Shares on the BSE and the NSE, respectively, during the 3 (three) months period preceding July 15, 2022, being the date of intimation to the Stock Exchanges regarding the Board Meeting Date (**"Intimation Date"**); and
- premium of 57.29% and 58.11% to the volume weighted average market price of the Equity Shares on the BSE and the NSE, respectively, during the 6 (six) months preceding the Intimation Date; and
- premium of 79.75% and 79.96% over the closing price of the Equity Shares on the BSE and the NSE respectively, as on the Intimation Date.
- premium of 50.87% and 50.98% over the closing price of the Equity Share on BSE and NSE, respectively, as on July 21, 2022, being the Board Meeting Date.

The closing market price of the Equity Shares as on the Intimation Date was ₹ 166.90 and ₹ 166.70 and as on the Board Meeting Date was ₹ 198.85 and ₹ 198.70 on the BSE and the NSE, respectively.

(e) Maximum amount of funds required for the Buyback and its percentage of the total paid up capital and free reserves and source of funds from which Buyback would be financed.

The maximum amount required for Buyback will not exceed ₹ 150 Crores (Rupees One Hundred and Fifty Crores only) (excluding Transaction Costs).

The maximum amount mentioned aforesaid is 24.71% and 24.66% of the aggregate of the fully paid-up equity share capital and free reserves as per the latest audited standalone and consolidated financial statements of the Company as on March 31, 2022 (being the latest audited financial statements available as on the Board Meeting Date), respectively, which is within the prescribed limit of 25%.

The funds for the implementation of the proposed Buyback will be sourced out of free reserves and securities premium of the Company and any other source as may be permitted by the Buyback Regulations or the Companies Act. Borrowed funds from banks and financial institutions, if any, will not be used for the Buyback.

The Company shall transfer from its free reserves or securities premium account, a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve account.

(f) Method to be adopted for the Buyback

The Buyback shall be on a proportionate basis through the tender offer route, as prescribed under the Buyback Regulations, to the extent permissible, and the "Mechanism for acquisition of shares through Stock Exchanges" as prescribed under the SEBI Circular.

NOTICE (Contd.)

The Buyback will be implemented in accordance with the Companies Act, Rules, to the extent applicable, the Buyback Regulations and on such terms and conditions as may be deemed fit by the Company.

As required under the Buyback Regulations, the Company will announce a record date for the Buyback for determining the names of the shareholders holding Equity Shares of the Company who will be eligible to participate in the Buyback (**"Eligible Shareholder(s)"**). Subject to the approval of the special resolution under this Notice and subject to SEBI's comments on the draft letter of offer, Eligible Shareholders will receive a letter of offer along with a tender/offer form indicating their entitlement.

The Equity Shares to be bought back is divided in two categories:

(i) Reserved category for small shareholders; and

(ii) General category for all other shareholders.

As defined in Regulation 2(1)(n) of the Buyback Regulations, a "small shareholder" is a shareholder who holds Equity Shares having market value, on the basis of closing price on Stock Exchange having highest trading volume as on record date, of not more than ₹ 200,000/- (Rupees Two Hundred Thousand only).

In accordance with Regulation 6 of the Buyback Regulations, 15% of the number of Equity Shares which the Company proposes to buyback or such number of Equity Shares entitled as per the shareholding of small shareholders as on the record date, whichever is higher, shall be reserved for the small shareholders as part of this Buyback.

Based on the holding on the Record Date, the Company will determine the entitlement of each Eligible Shareholder to tender their shares in the Buyback. This entitlement for each Eligible Shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the record date and the ratio of the Buyback applicable in the category to which such shareholder belongs. In order to ensure that the same shareholders with multiple demat accounts/folios do not receive a higher entitlement under the Small Shareholder category, the Company proposes to club together the Equity Shares held by such shareholders with a common PAN for determining the category (Small Shareholder or General) and entitlement under the Buyback. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical. In case of physical shareholders, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Company will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, pension funds/trusts, insurance companies etc., with common PAN will not be clubbed together for determining the category and will be considered separately, where these Equity Shares are held for different schemes and have a different demat account nomenclature based on information prepared by the Registrar and Transfer Agent as per the shareholder records received from the Depositories.

Shareholders' participation in Buyback will be voluntary. Eligible Shareholders holding Equity Shares of the Company can choose to participate and get cash in lieu of shares to be accepted under the Buyback or they may choose not to participate. Eligible Shareholders holding Equity Shares of the Company may also accept a part of their entitlement. Eligible Shareholders holding Equity Shares of the Company also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other shareholders, if any.

The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the shareholder as on the record date.

The Equity Shares tendered as per the entitlement by Eligible Shareholders holding Equity Shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations. The settlement under the Buyback will be done using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI Circular.

Participation in the Buyback by shareholders may trigger capital gains taxation in India and in their country of residence. The Buyback transaction would also be chargeable to securities transaction tax in India. The shareholders are advised to consult their own legal, financial and tax advisors prior to participating in the Buyback.

Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the letter of offer to be sent to the Eligible Shareholder(s).

(g) Time limit for completing the Buyback

Subject to receipt of regulatory consents and approvals, if any, the Buyback is proposed to be completed within 12 months from the date of passing of special resolution detailed in this Notice.

(h) Compliance with Section 68(2)(c) of the Companies Act

The aggregate paid-up share capital and free reserves as per the latest audited standalone financial statements of the Company as on March 31, 2022 is ₹ 607.04 Crores. Under the provisions of the Companies Act, the funds deployed for the Buyback cannot exceed 25% of the aggregate of the fully paid-up share capital and free reserves of the Company i.e., ₹ 151.76 Crores. The maximum amount proposed to be utilized for the Buyback, ₹ 150 Crores (Rupees One Hundred and Fifty Crores only), is therefore within the limit of 25% of the Company's fully paid-up share capital and free reserves as per the latest audited standalone financial statements of the Company as on March 31, 2022. Further, under the Companies Act, the number of Equity Shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity capital of the Company in that financial year. Since the Company proposes to buyback up to 50,00,000 Equity Shares, the same is within the aforesaid 25% limit.

(i) Details of holding and transactions in the shares of the Company

(i) The aggregate shareholding of the Promoter and Promoter Group and persons who are in control as on the Board Meeting Date and the date of this Notice, i.e., July 21, 2022, are as follows:

S. No.	Name of Shareholder	No. of Equity Shares	% Shareholding
1	Kailash Sahebrao Katkar	1,69,86,298	29.28
2	Sanjay Sahebrao Katkar	1,69,86,298	29.28
3	Anupama Kailash Katkar	41,44,007	7.14
4	Chhaya Sanjay Katkar	41,44,007	7.14
5	Sneha Kailash Katkar	2,567	--
Total		**4,22,63,177**	**72.84**

(ii) No Equity Shares were purchased or sold by the Promoter and Promoter Group and persons in control of the Company during a period of six months preceding the Board Meeting Date and the date of this Notice, i.e. July 21, 2022.

(j) Intention of Promoter and Promoter Group to participate in Buyback

In terms of the Buyback Regulations, under the tender offer route, the Promoter and Promoter Group have an option to participate in the Buyback. In this regard, the Promoters have expressed their intention to participate in the Buyback vide their letters dated July 21, 2022 and may tender up to an aggregate maximum of 36,41,860 Equity Shares or such lower number of Equity Shares in accordance with the provisions of the Buyback Regulations. Please see below the maximum number of Equity Shares to be tendered by each of the Promoters.

S. No.	Name of the Promoter	Maximum Number of Equity Shares intended to be offered in the Buyback
1	Kailash Sahebrao Katkar	14,63,810
2	Sanjay Sahebrao Katkar	14,63,810
3	Anupama Kailash Katkar	3,57,120
4	Chhaya Sanjay Katkar	3,57,120
Total		**36,41,860**

The Buyback will not result in any benefit to Promoter and Promoter Group or any Directors of the Company except to the extent of the cash consideration received by them from the Company pursuant to their respective participation in the Buyback in their capacity as equity shareholders of the Company, and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to reduction in the equity share capital of the Company post Buyback.

Since the entire shareholding of the members of the Promoter and Promoter Group who intend to participate in the Buyback is in demat mode, the details of the date and price of acquisition/sale of the Equity Shares by the Promoters is set out below:

NOTICE (Contd.)

Kailash Katkar

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)	Consideration
31-Mar-96	Allotment	100	10	10	1,000
31-Mar-97	Allotment	16,000	10	10	1,60,000
30-May-97	Transfer	(1,000)	10	10	10,000
31-Mar-98	Allotment	8,400	10	10	84,000
23-Feb-04	Allotment	8,012	10	10	80,120
25-Feb-04	Allotment	3,488	10	10	34,880
31-Mar-05	Bonus issue	70,000	10	-	-
6-Mar-06	Bonus issue	3,15,000	10	-	-
13-Mar-07	Bonus issue	12,60,000	10	-	-
31-Mar-08	Bonus issue	12,60,000	10	-	-
29-Jan-09	Allotment	70,000	10	10	7,00,000
6-Aug-10	Transposition	(62,600)	10	-	-
8-Sep-10	Transfer	(1,45,464)	10	768.67	11,18,13,813
17-Jan-10	Transfer	(10,910)	10	768.67	83,86,190
25-May-11	Allotment	2,897	10	0.5178*	1,500*
26-Feb-14	Bonus issue	1,95,57,461	10	-	-
16-Feb-16^	OFS in IPO	(18,40,000)	10	321	59,06,40,000
12-Jun-19	Buyback	(17,16,671)	10	275	47,20,84,525
21-Jun-21	Buyback	(18,08,415)	10	245	44,30,61,675
Total		**1,69,86,298**			

* 2,897 Shares were issued as per Scheme of merger of Cat Labs Private Limited (Transferor) and Quick Heal Technologies Private Limited (Transferee) in 2011. Therefore, cost of acquisition of shares in the Transferor Company has been apportioned to the shares of Transferee Company as 150 Shares of Cat Labs Private Limited of ₹ 10 each aggregating to ₹ 1,500.

^ Date of allotment of shares under IPO.

Sanjay Katkar

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)	Consideration
31-Mar-96	Allotment	100	10	10	1,000
31-Mar-97	Allotment	16,000	10	10	1,60,000
30-May-97	Transfer	(1,000)	10	10	10,000
31-Mar-98	Allotment	4,400	10	10	44,000
1-Jun-00	Transfer	4,000	10	10	40,000
15-Jul-03	Transfer	4,000	10	10	40,000
23-Feb-04	Allotment	8,013	10	10	80,130
25-Feb-04	Allotment	3,488	10	10	34,880
31-Mar-05	Bonus issue	70,000	10	-	-
6-Mar-06	Bonus issue	3,15,000	10	-	-
13-Mar-07	Bonus issue	12,60,000	10	-	-
31-Mar-08	Bonus issue	12,60,000	10	-	-
29-Jan-09	Allotment	70,000	10	10	7,00,000
6-Aug-10	Transposition	(62,600)	10	-	-
8-Sep-10	Transfer	(1,45,464)	10	768.67	11,18,13,813
17-Jan-10	Transfer	(10,910)	10	768.67	83,86,190
25-May-11	Allotment	2,897	10	0.5178*	1,500*
26-Feb-14	Bonus issue	1,95,57,461	10	-	-
16-Feb-16^	OFS in IPO	(18,40,000)	10	321	59,06,40,000
12-Jun-19	Buyback	(17,16,671)	10	275	47,20,84,525
21-Jun-21	Buyback	(18,08,415)	10	245	44,30,61,675
Total		**1,69,86,298**			

* 2,897 Shares were issued as per Scheme of merger of Cat Labs Private Limited (Transferor) and Quick Heal Technologies Private Limited (Transferee) in 2011. Therefore, cost of acquisition of shares in the Transferor Company has been apportioned to the shares of Transferee Company as 150 Shares of Cat Labs Private Limited of ₹ 10 each aggregating to ₹ 1,500.

^ Date of allotment of shares under IPO.

NOTICE (Contd.)

Anupama Katkar

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)	Consideration
March 31, 1997	Allotment	3,000	10	10	30,000
February 23, 2004	Allotment	2,000	10	10	20,000
March 31, 2005	Bonus Issue	10,000	10	-	-
March 6, 2006	Bonus Issue	45,000	10	-	-
March 13, 2007	Bonus Issue	1,80,000	10	-	-
March 31, 2008	Bonus Issue	1,80,000	10	-	-
March 25, 2010	Transfer	1,40,000	10	10	14,00,000
August 6, 2010	Transposition	62,600	10	0	0
May 25, 2011	Allotment	2,897	10	0.5178*	1,500*
February 26, 2014	Bonus Issue	43,78,479	10	0	0
June 12, 2019	Buyback	(4,18,800)	10	275	11,51,70,000
June 21, 2021	Buyback	(4,41,169)	10	245	10,80,86,405
Total	**-**	**41,44,007**	**-**	**-**	**-**

* 2,897 Shares were issued as per Scheme of merger of Cat Labs Private Limited (Transferor) and Quick Heal Technologies Private Limited (Transferee) in 2011. Therefore, cost of acquisition of shares in the Transferor Company has been apportioned to the shares of Transferee Company as 150 Shares of Cat Labs Private Limited of ₹ 10 each aggregating to ₹ 1,500.

Chhaya Katkar

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)	Consideration
March 31, 1997	Allotment	3,000	10	10	30,000
February 23, 2004	Allotment	2,000	10	10	20,000
March 31, 2005	Bonus Issue	10,000	10	-	-
March 6, 2006	Bonus Issue	45,000	10	-	-
March 13, 2007	Bonus Issue	1,80,000	10	-	-
March 31, 2008	Bonus Issue	1,80,000	10	-	-
March 25, 2010	Transfer	1,40,000	10	10	14,00,000
August 6, 2010	Transposition	62,600	10	0	0
May 25, 2011	Allotment	2,897	10	0.5178*	1,500*
February 26, 2014	Bonus Issue	43,78,479	10	0	0
June 12, 2019	Buyback	(4,18,800)	10	275	11,51,70,000
June 21, 2021	Buyback	(4,41,169)	10	245	10,80,86,405
Total	**-**	**41,44,007**	**-**	**-**	**-**

* 2,897 Shares were issued as per Scheme of merger of Cat Labs Private Limited (Transferor) and Quick Heal Technologies Private Limited (Transferee) in 2011. Therefore, cost of acquisition of shares in the Transferor Company has been apportioned to the shares of Transferee Company as 150 Shares of Cat Labs Private Limited of ₹ 10 each aggregating to ₹ 1,500.

(k) Confirmations from Company as per the provisions of Buyback Regulations and Companies Act

(i) All the Equity Shares for Buyback are fully paid up;

(ii) The Company shall not issue any Equity Shares or other securities (including by way of bonus, or convert any outstanding ESOPs/outstanding instruments into Equity Shares) from the date of resolution passed by the shareholders approving the proposed Buyback till the date of expiry of the Buyback period;

(iii) The Company shall not raise further capital for a period of one year from the date of expiry of the Buyback period, except in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares;

(iv) The Company shall not withdraw the Buyback after the draft letter of offer is filed with SEBI or the public announcement of the offer to buyback is made;

(v) The Company shall not buyback locked-in shares and non-transferable shares or other specified securities till the pendency of the lock-in or till the shares or other specified securities become transferable;

NOTICE (Contd.)

(vi) The Company shall transfer from its free reserves or securities premium account, a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve account;

(vii) The Company confirms that there are no defaults subsisting in repayment of deposits, redemption of debentures or interest thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

(viii) The Company further confirms that a period of more than three years has lapsed since any such default which has ceased to subsist.

(ix) The Company shall not buyback its Equity Shares from any person through negotiated deals whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;

(x) The Company has been in compliance with Sections 92, 123, 127 and 129 of the Companies Act; as amended, and

(xi) The ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up Equity Share capital and free reserves after the Buyback.

(xii) The Company shall not make any offer of buyback within a period of one year reckoned from the date of expiry of the Buyback Period;

(xiii) The Company has not undertaken a buyback of any of its securities during the period of one year immediately preceding the Board Meeting Date.

(xiv) That funds borrowed from Banks and Financial Institutions, if any, will not be used for the Buyback;

(xv) The Company shall comply with the statutory and regulatory timelines in respect of the buyback in such manner as prescribed under the Companies Act and/or the Buyback Regulations and any other applicable laws;

(xvi) There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date;

(xvii) The buyback shall be completed within a period of one (1) year from the date of passing of this special resolution approving the buyback through e-voting;

(xviii) The Company shall pay the consideration only by way of cash.

(xix) The Company shall not buyback its shares or other specified securities so as to delist its shares or other specified securities from the stock exchange as per Regulation 4(v) of Buyback Regulation.

(l) Confirmations from the Board

The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and, after taking into account the financial position of the Company including the projections and also considering all contingent liabilities, has formed the opinion that:

(i) That immediately following the Board Meeting Date and the date on which the results of the e-voting for the proposed Buyback will be announced, there will be no grounds on which the Company could be found unable to pay its debts;

(ii) That as regards the Company's prospects for the year immediately following the Board Meeting Date and the date on which the results of the e-voting for the proposed Buyback will be announced, having regard to Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date; and

(iii) That in forming the aforementioned opinion, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act and the Insolvency and Bankruptcy Code, 2016, as amended.

(m) Report addressed to the Board of Directors by the Company's Auditors on the permissible capital payment and the opinion formed by Directors regarding insolvency

The text of the Report dated July 21, 2022 of MSKA & Associates, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

Quote

Statutory Auditor's report in respect of proposed buyback of equity shares by Quick Heal Technologies Limited ('the Company') in terms of clause (xi) of Schedule I of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 (as amended) ("Buyback Regulations").

To,
The Board of Directors
Quick Heal Technologies Limited
Marvel Edge, Office No. 7010 C&D,
7th Floor, Opposite Neco Garden Society,
Viman Nagar, Pune – 411014

We have performed the following procedures agreed with you vide engagement letter dated July 21, 2022, in connection with the proposal of Quick Heal Technologies Limited ('Company') to buy-back its shares in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ('the Act) read with Rule 17 of Companies (Share Capital and Debentures) Rules 2014 ('the Rules') and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 ('the Regulation'), approved by the Board of Directors of the Company at the Board Meeting held on July 21, 2022.

Board of Directors Responsibility for the statement

The preparation of the Statement of determination of the amount of permissible capital payment for the buyback in accordance with proviso to Section 68(2)(c) of the Companies Act, 2013 and the compliance with the SEBI Buyback Regulations, is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes design, implementation and maintenance of control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The Board of Directors are responsible to make full inquiry into the affairs and prospects of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date of the board meeting as well as the date of special resolution passed by the Shareholders at their meeting held for the purposes of the buyback and such declaration has been signed by at-least two directors.

Auditor's Responsibility

Pursuant to the requirements of the Regulations, it is our responsibility to provide reasonable assurance on the following "Reporting Criteria":

i) Whether the amount of capital payment for the buyback is within the permissible limit and computed in accordance with the provision of Section 68 of the Act;

ii) Whether the Board of Directors has formed the opinion, as specified in Clause (x) of Schedule I to the Regulation, on reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the date of board meeting as well as the date of special resolution passed by the Shareholders at their meeting held for the purposes of the buyback; and

iii) Whether, we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as of any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

The standalone and consolidated financial statements as at March 31, 2022, have been audited by us, on which we issued an unmodified audit opinion vide our reports dated May 5, 2022. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

NOTICE (Contd.)

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

We have been provided with the following documents:

a) Audited standalone and consolidated financial statement of the Company for the year ended March 31, 2022.

b) Board Resolution for approval of buyback of shares and approval of declaration of Directors in terms of section 68(6) of Companies Act, 2013 dated July 21, 2022.

c) Calculation of permissible amount of buy back of securities as per section 68 of the Act.

d) Affidavit verifying the declaration of solvency dated July 21, 2022 stating that Company shall not be rendered insolvent within a period of one year from the date as per the provision of the Act read with the Rules and the Regulation.

e) Article of Association of the Company.

f) Calculation of debt to capital ratio.

g) Bank confirmations regarding the outstanding debts, if any.

A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mentioned in Auditor's Responsibility paragraph above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement

1. Inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statement for the year ended March 31, 2022.
2. Examined authorization for buyback from the Article of Association of the Company.
3. With respect to the amount of permissible capital payment for buy back of shares, verified whether the same is within the limits as specified under Section 68 of the Act.
4. Examined the ratio of debt owned by the Company, if any, is not more than twice the capital and free reserves after such buyback, based on both, the audited standalone and consolidated financial statement of the Company as on March 31, 2022.
5. Examined the bank confirmations obtained.
6. Examined that all the shares for buyback are fully paid up.
7. Examined resolutions passed in the meetings of the Board of Directors for approval of buyback of shares and declaration of solvency by Directors.
8. Examined affidavit verifying the declaration of solvency dated July 21, 2022.

Opinion

Based on our examination and according to the information and explanation given to us, in our opinion

1. Statement of permissible capital payment towards buyback of shares as annexed to this report, has been properly determined in accordance with Section 68 of the Act and Regulation 4(i) of Regulations; and
2. The Board of Directors at their meeting held on July 21, 2022 have formed its opinion, as specified in clause (x) of Schedule I of the Regulation, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of board meeting as well as the date of special resolution passed by the Shareholders at their meeting held for the purposes of the buyback, and we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matter mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Our report is addressed to Board of Directors of the Company pursuant to the requirement of the Regulation solely to enable them to include it (a) in the explanatory statement to be included in the notice of AGM to be circulated to the shareholders, (b) in the public announcement to be made to the Shareholders of the Company, (c) in the draft letter of offer and letter of offer to be filed with the Securities and Exchange Board of India, the stock exchanges, the Registrar of Companies as required by the Regulations, the National Securities Depository Limited and the Central Depository Securities (India) Limited and for providing to the Manager to the Buyback Offer, and should not be used by any other person or for any other purpose. This report may not be useful for any other purpose. MSKA & Associates shall not be liable to the Company or any other concerned, for any claims, liabilities or expenses relating to this assignment. This report relates only to the items specified above.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

SD/-
Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 22111700ANKGOR5667

Place: Pune
Date: July 21, 2022

Encl: Statement of permissible capital payment

NOTICE (Contd.)

STATEMENT OF PERMISSIBLE CAPITAL PAYMENT

Computation of amount of permissible capital payment towards buyback of equity shares in accordance with Section 68(2) of the Act

(Amount in ₹ Crores)

Particulars	As at March 31, 2022	
	Standalone	Consolidated
Equity Share Capital	58.01	58.01
Total (A)	58.01	58.01
Retained Earnings	501.70	502.9
Securities Premium Account	2.30	2.3
General reserves	45.03	45.03
Total Free Reserves (B)	549.03	550.23
Grand Total (A+B)	607.04	608.24
Maximum amount of capital payment permissible for the buy back-back of equity shares in accordance with Section 68(2) of the Act (25% of paid up equity capital and free reserves)	151.76	152.06

Notes:

1. Calculation in respect of Permissible Capital payment for buy back is based on the audited standalone and consolidated financial statement for the year ended March 31, 2022.
2. Amalgamation reserve, capital redemption reserve, employee stock option reserve, reserve on fair value through other comprehensive income and foreign currency translation reserve has not been considered for the purpose of above computation.

For and on behalf of Quick Heal Technologies Limited

Sd/-
Kailash Katkar
Managing Director & Chief Executive Officer
DIN Number: 00397191

Place: Pune
Date: July 21, 2022

Sd/-
Navin Sharma
Chief Financial Officer

Place: Pune
Date: July 21, 2022

Unquote

None of the Directors and Key Managerial Personnel (including relatives of directors or key managerial personnel) of the Company is concerned or interested, financially or otherwise, in this resolution and the Board recommends the resolution to be passed as Special Resolution.

BY ORDER OF THE BOARD OF DIRECTORS
Quick Heal Technologies Limited

Sd/-
Kailash Katkar
Managing Director& CEO
(DIN: 00397191)

Place: Pune
Date: July 21, 2022

NOTICE (Contd.)

ANNEXURE TO THE NOTICE

Details of Director seeking reappointment at the 27th Annual General Meeting

Particulars	**Mr. Sanjay Katkar, Joint Managing Director & CTO**
Date of Birth	November 29, 1970
Date of Appointment	August 07, 1995
Qualifications	Masters in Computer Science
Expertise in specific functional areas	Development of anti-virus software, technology and related services
Number of equity shares held in the Company	1,69,86,298
List of directorships held in other companies *	Dreambook Production (OPC) Private Limited
Number of Board Meetings attended during 2021-22	5 of 5
Chairperson/Member in the Committees of the Boards of companies in which he is a director	Nil
Relationships directors inter se	Brother of Mr. Kailash Katkar
Remuneration last drawn	₹ 1.54 Crores

*Based on disclosures received from the director.

DIRECTORS' REPORT

Dear Members,

Quick Heal Technologies Limited

The Board of Directors of your Company is pleased to present the 27th Director's Report along with the audited Standalone and Consolidated financial statements, for the financial year ended March 31, 2022.

1. FINANCIAL RESULTS:

(₹ in Crores)

Particulars	Consolidated		Standalone	
	2021-2022	2020-2021	2021-2022	2020-2021
Revenue from Operations (Net)	341.90	333.04	341.55	333.52
Other Income	19.20	24.16	19.17	23.94
Total Income	**361.10**	**357.20**	**360.72**	**357.46**
Expenses	235.04	191.58	235.72	192.15
Depreciation	17.38	19.49	17.38	19.48
Total Expenditure	**252.42**	**211.07**	**253.10**	**211.63**
Profit Before Tax	**108.68**	**146.13**	**103.56**	**145.83**
Total Tax	25.49	39.16	25.37	39.04
Profit After Tax	**83.19**	**106.97**	**78.19**	**106.79**

1 Crore = 10 Million

The abovementioned figures are extracted from financial statements prepared in accordance with the Indian accounting standards (IND AS).

The Standalone and Consolidated financial Statements of the Company for the financial year 2021-22 are prepared in compliance with the applicable provisions of the Companies Act 2013 **(the 'Act')** including Indian Accounting Standards specified under section 133 of the Act. The audited standalone and consolidated Financial Statements together with the Auditors' Report thereon forms part of the Annual Report of the financial year 2021-22. The Auditors' Report on Standalone and consolidated financials is unmodified.

2. COMPANY PERFORMANCE OVERVIEW AND OUTLOOK

Your Company recorded a total income of ₹ 361.10 Crores for the financial year 2021-22 as against ₹ 357.20 Crores in 2020-21 resulting in an increase of 1.09% in the total income during the year under review on consolidated basis. The Profit after Tax of the Company was decreased by 22.23% from ₹ 106.97 Crores in the year 2020-21 to ₹ 83.19 Crore in the year under review.

Outlook of the business has been discussed in detail in the **"Management Discussion and Analysis" ('MD&A')** which forms a part of this Annual Report.

3. DIVIDEND

The Board of Directors of your Company at their meeting held on May 05, 2022 has recommended a final Dividend @ 45% i.e. ₹ 4.50/- per equity share of ₹ 10/- each, for the financial year 2021-22. The payment of aforesaid Dividend is subject to the approval of the Members at the ensuing Annual General Meeting ('AGM') of the Company.

The total dividend for the financial year 2021-22 would involve a total outflow of ₹ 26.08 Crores resulting in a dividend pay-out of 33.35% of the standalone profits of the Company.

In view of the changes made under the Income Tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source.

The dividend recommended for the financial year 2021-22, is in compliance with the Dividend Distribution Policy in terms of regulation 43A of the SEBI LODR Regulations. The Dividend Distribution Policy of the Company is also hosted on the website of the Company and can be viewed at https://www.quickheal.co.in/documents/investors/Dividend-Distribution-Policy-21.pdf.

4. BUYBACK OF EQUITY SHARES

Pursuant to the approval of the Board on March 10, 2021 and approval of shareholders through special resolution dated April 18, 2021 passed through postal ballot/e-voting, your Company completed buyback of 6,326,530 equity shares of the Company for an aggregate amount of ₹ 155 Crores, being 24.09% of the aggregate of the fully paid up equity share capital and free reserves as per the last audited financial statements of the Company as on March 31, 2020 on standalone basis at ₹ 245/- per equity share, in June 2021. The buyback was made from all existing shareholders of the Company as on May 03, 2021, being the record date for the purpose, on a proportionate basis under the tender offer route in accordance with the provisions contained in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 and the Companies Act, 2013 and rules made thereunder. The pre-buyback paid up capital of the Company was ₹ 64,20,15,180/- and after extinguishing 63,26,530 equity shares, the post-buyback paid up share capital is ₹ 57,88,13,380/-.

5. TRANSFER OF PROFITS TO RESERVES

Your Directors have decided not to transfer any amount to General Reserve and to carry forward the entire profit under the Statement of Profit & Loss.

As per section 69 of the Companies Act, 2013, the Company has created Capital Redemption Reserve of ₹ 6.33 Crores which is equal to the nominal value of the shares bought back as an appropriation from Securities Premium Reserve.

6. PUBLIC DEPOSITS

During the year under review, your Company did not accept any deposits under section 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, as amended from time to time.

7. REPORT ON PERFORMANCE OF SUBSIDIARIES

The Company has three subsidiaries as on March 31, 2022. There are no associates or joint venture company(ies) within meaning of Section (2)(6) of the Companies Act, 2013. There has been no material change in the nature of the business of the subsidiaries.

Quick Heal Technologies Africa Limited got de-registered w.e.f. February 04, 2022. The Company in the board meeting held on August 07, 2021, had passed a resolution for dissolution of Quick Heal Technologies Japan KK.

A statement containing salient features of the financial statements of subsidiary Companies in Form AOC-1, as required under section 129 (3) of the Companies Act, 2013, forms a part of this Directors' Report and is annexed as **Annexure A**. The audited financial statements in respect of each of the subsidiaries shall be kept open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. to 1:00 p.m. up to the date of the forthcoming AGM. Further, the Company will make available the audited annual accounts and related information of the subsidiary companies, upon request by any Member of the Company.

8. MANAGEMENT DISCUSSION AND ANALYSIS

As per the provisions of Regulation 34 of the SEBI LODR Regulations a detailed review by the Management of the business operations of the Company is presented under separate section "Management Discussion and Analysis" which forms a part of this Annual Report. The MD&A Report captures your Company's performance, industry trends and other material changes with respect to your Company.

9. CORPORATE GOVERNANCE REPORT

The Corporate Governance Report highlighting the endeavors of the Company in ensuring transparency, integrity and accountability in its functioning has been incorporated as a separate section, forming part of the Annual Report. The Board of Directors reaffirm their continued commitment to good corporate governance practices.

Your Company believes in adopting best practices of corporate governance. The Company has complied with the regulatory provisions for Corporate Governance as prescribed under Schedule V of SEBI LODR Regulations. The quarterly Corporate Governance Reports are submitted with the stock exchanges in compliance with the regulatory provisions. A certificate from M/s J. B. Bhave & Co., Practicing Company Secretaries, confirming compliance of conditions of the Corporate Governance, forms a part of this Annual Report.

10. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

A Business Responsibility and Sustainability Report as per Regulation 34 of the SEBI LODR Regulations, detailing the various initiatives taken by the Company on the environmental, social and governance front forms an integral part of this Annual Report.

11. INTERGATED REPORT

The Company, has voluntarily provided Integrated

Report which encompasses both financial and non-financial information to enable the Members to take informed decisions and have a better understanding of the Company's long term perspective. The Report also touches upon aspects such as organisation's strategy, governance framework, performance and prospects of value creation based on the six forms of capital viz. financial, manufactured service, intellectual, human, social & relationship and natural capital.

12. RISK MANAGEMENT

The Company has put in place a robust risk management framework which facilitates identification of risks and also mitigation thereof. The Risk Management Committee is updated on the risks on a quarterly basis. There are no risks which in the opinion of your Board threaten the existence of the Company. However, risks that may pose a concern including impact of Covid-19 are explained under MD&A which forms part of this Annual Report.

13. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT

There have been no material changes and commitments which affect the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

14. LISTING ON STOCK EXCHANGES

The Company's shares are listed on BSE Limited and the National Stock Exchange of India Limited. The Company had duly paid the listing fees to both the stock exchanges.

15. COMPLIANCE WITH THE CODE OF CONDUCT

A declaration signed by the Managing Director & CEO affirming compliance with the Company's Code of Conduct by the Directors and Senior Management Personnel, for the financial year 2021-22, as required under Schedule V of the SEBI LODR Regulations forms a part of this Annual Report.

16. DIRECTORS & KEY MANAGERIAL PERSONNEL

As on March 31, 2022, the Board comprised of two Executive Directors, five Non-Executive Independent Directors and one Non-Executive Director. The Board is well diversified and consists of one Women Independent Director.

Mr. Sanjay Katkar (DIN:00397277), Joint Managing Director & CTO of the Company, retires by rotation at the ensuing AGM and, being eligible, offers himself for re-appointment. A Profile of Mr. Sanjay Katkar, as required by Regulation 36(3) of the SEBI LODR Regulations is given in the Notice convening the forthcoming AGM.

Mr. Kailash Katkar, Managing Director & CEO, Mr. Sanjay Katkar, Joint Managing Director & CTO, Mr. Navin Sharma, Chief Financial Officer ("CFO") and Mr. A. Srinivasa Rao, Company Secretary are the Key Managerial Personnel of the Company within the meaning of sections 2(51) and 203 of the Companies Act, 2013 read together with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as on March 31, 2022.

During the year Mr. Richard Stiennon (DIN: 09324046) was appointed as a non-executive Independent Director of the Company w.e.f. September 27, 2021 and the same was approved by shareholders vide postal ballot/E-voting on January 16, 2022. Further, Mr. Nitin Kulkarni had resigned as CFO w.e.f. October 26, 2021 and Mr. Navin Sharma was appointed as CFO w.e.f. October 27, 2021.

17. BOARD AND ITS COMMITTEES' MEETINGS

During the financial year 2021-22, five Board meetings were held on May 15, 2021, August 07, 2021, October 25, 2021, January 24, 2022 and March 29, 2022 respectively. The maximum time gap between any two meetings did not exceed prescribed period of one hundred twenty days. The details of the attendance of Directors at the Board Meetings and Committees Meetings such as Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee are given in the corporate Governance Report which forms part of this Report.

18. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of your Company to the best of their knowledge and ability hereby state and confirm that:

a. In the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the same period;

c. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. The annual accounts have been prepared on a going concern basis;

e. Proper internal financial controls have been laid down in the Company that are adequate and were operating effectively.

f. Proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and are operating effectively.

19. DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from each Independent Director under section 149(7) of the Companies Act, 2013 that he/she fulfils the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI LODR Regulations.

The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and the Code of Conduct for Directors and Senior Management personnel of the Company.

Based on the confirmations/disclosures received from the Directors under Section 149(7) of the Companies Act 2013 and on evaluation of the relationships disclosed, the following Non-Executive Directors are considered as Independent Directors:

a. Mr. Amitabha Mukhopadhyay

b. Mr. Mehul Savla

c. Ms. Apurva Joshi

d. Mr. Bhushan Gokhale

e. Mr. Richard Stiennon

20. BOARD EVALUATION

The Board has established a comprehensive process to evaluate the performance of the Board, its Committees and of individual directors. The performance evaluation matrix defining the criteria of evaluation for each of the above has been put in place. The performance evaluation of the Independent Directors was carried out by the other members of the Board (excluding the Director being evaluated). A meeting of the Independent Directors without the presence of representatives of management was held on March 02, 2022 to review the performance of Non-Independent Directors and the Board as a whole. The Chairperson of the Nomination & Remuneration Committee had updated the other members of the Board about the outcome of the evaluation process.

21. SUCCESSION PLANNING

Your Company have an effective mechanism for succession planning which focuses on orderly succession of Directors and other senior management team. The Nomination and Remuneration Committee implements this mechanism, with the help of HR and in concurrence with the Board.

The process for senior management was initiated by defining the unique roles by differentiating competencies. Key roles will be identified and succession planning will be designed where certain key business roles were identified which will enhance organisational performance and provides long term competitive advantage. Currently your company is in the completion stage of final step i.e identification of successors and required training will be provided to those successors to build leadership capabilities across all business units and mitigating risk of loss of experienced leadership.

DIRECTORS' REPORT (Contd.)

22. COMMITTEES OF THE BOARD

During the year under review, the composition of different Committees of your Board of Directors is given hereunder:

Sr. No	Committee	Composition			
1	Audit Committee	Mr. Amitabha Mukhopadhyay (Chairperson)	Mr. Sanjay Katkar	Mr. Bhushan Gokhale##	Mr. Mehul Savla
2	Nomination and Remuneration Committee	Mr. Mehul Savla (Chairperson)	Mr. Kailash Katkar	Mr. Amitabha Mukhopadhyay	Ms. Apurva Joshi
3	Stakeholders Relationship Committee	Mr. Bhushan Gokhale## (Chairperson)	Mr. Kailash Katkar	Mr. Amitabha Mukhopadhyay	Ms. Apurva Joshi
4	Risk Management Committee*	Ms. Apurva Joshi (Chairperson)	Mr. Kailash Katkar	Mr. Sanjay Katkar	-
5	Corporate Social Responsibility Committee	Ms. Apurva Joshi (Chairperson)	Mr. Kailash Katkar	Mr. Sanjay Katkar	-

*Risk Management committee was constituted on May 15, 2021

##Appointed as a Member of Committee effective May 15, 2021

23. SECRETARIAL AUDIT REPORT

As required by Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Audit Committee has recommended and the Board has appointed M/s. J B Bhave & Co., Practicing Company Secretaries, Pune as the Secretarial Auditors of the Company for the financial year 2022-23. There are no qualifications/ observations/ remarks in the Secretarial Audit Report for the year ended March 31, 2022.

The Secretarial Auditor's Report forms part of this Annual Report, annexed as **Annexure B.**

24. STATUTORY AUDITORS

M/s MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W), were appointed by the Shareholders at the 24th AGM held on July 15, 2019 as Statutory Auditors for a term of five consecutive years to hold office until conclusion of 29th AGM. Pursuant to the amendment to Section 139 of the Companies Act, 2013 effective from May 07, 2018, ratification by shareholders every year for the appointment of Statutory Auditors is no longer required and accordingly, the Notice of ensuing 27th AGM does not include the proposal for seeking shareholders' approval for ratification of Statutory Auditors appointment.

25. COST RECORDS

As per section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Cost Records are required to be maintained by the Company for certain product. The Company has maintained all the required records and received a compliance report on the same from M/s. Bhavesh Marolia & Associates, Cost Accountants.

26. INTERNAL AUDITORS

The the Audit Committee has recommended and the Board has appointed Ernst & Young LLP, Chartered Accountants, as Internal Auditors of the Company for the financial year 2022-23.

27. REMUNERATION OF DIRECTORS, KEY MANAGERAIL PERSONNEL AND SENIOR MANAGEMENT

As required under Section 197 (12) of the Act read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing details of personnel drawing remuneration in excess of the prescribed limit under the said rules, are annexed as **'Annexure C'** to the Directors' Report. The Statement containing names of top ten employees, in terms of remuneration drawn and the particulars of employees as required under section 197 (12) of the act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is provided in a separate statement in part B of '**Annexure C**'.

During the year under review, the Company continued to focus on talent conservation and talent development.

28. EMPLOYEE STOCK OPTIONSCHEMES

Your Company have three Employee Stock Option Plans namely, Employees Stock Option Scheme 2010, Employees Stock Option Scheme 2014 and Employees Stock Option Scheme 2021 for granting term based and performance-based Stock Options to Employees.

The above schemes are in line with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulation, 2021 **("SBEB and SE Regulations")**. The Company has obtained a certificate from the Secretarial Auditors of the Company stating that the Schemes have been implemented in accordance with the SBEB and SE Regulations and the resolutions passed by the members. A copy of the certificate is available for inspection by members in electronic mode. The details as required to be disclosed under the SBEB and SE Regulations can be accessed at https://www.quickheal.co.in/investors.

During the year under report, no employee has been granted stock options, equal to or exceeding 1% of the issued capital of your Company. The details of activities under the scheme have been summarised in the Notes forming part of Financial Statements and annexed as **Annexure D**.

The Company in the board meeting held on October 25, 2021, decided to opt for postal ballot for shareholders' approval for increase in the pool of Quick Heal Technologies Limited ESOP Scheme 2021 from the existing 20,00,000 Stock Options to 40,00,000 Stock Options and got the approval from shareholders on January 16, 2022.

29. SECRETARIAL STANDARDS

The Company has followed the applicable Secretarial Standards, i.e SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and General Meetings' respectively.

30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required to be furnished under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are as under:

a. Energy Conservation

The operations of the Company involve low energy consumption. The Company has ensured that adequate measures are being taken to conserve energy.

b. Technology Absorption, Adaptation and Innovation

The Company continues to use the latest technology for improving the productivity and quality of its products and services and also focuses on innovation and protecting consumers around the world with latest technology. With its continued focus on R&D, the Company aims at releasing newer features as well as newer products in retail as well as enterprise & government segment.

The Company has intensified its efforts on unique opportunities which the small and mid-size businesses are projecting with the digitisation of India. Developing products that will address the dynamic cyber threats to these businesses and protecting their valuable data is an important area where the Company is innovating. In coming years, more investment will go into R&D of several technologies targeted towards products for enterprise, government and retail segments of your Company.

c. Foreign Exchange earnings and outgo:

Total foreign exchange earnings and outgo for the financial year were as follows:

(₹ in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Total foreign exchange outgo	7.51	9.21
Total foreign exchange earnings	14.94	13.67

31. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There are no Loans, Guarantees provided by the Company as on March 31, 2022.

32. RELATED PARTY TRANSACTIONS

All the related party transactions carried out during the year were carried out at arm's length basis and in ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company.

All the transactions with related parties were approved by the Audit Committee and the Board of Directors. The particulars of contracts entered during the year are given in Form AOC-2 enclosed as **Annexure E**.

33. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Your Company has a strong commitment towards the society we live in. Your Company had formed a public charitable trust 'Quick Heal Foundation' and implements its CSR objects through the Foundation. The Company strives to promote Cybersecurity awareness, promotion of education and community development. The Company's CSR policy is available on our website at https://www.quickheal.co.in/documents/investors/policies/csr-policy-2021.pdf

During the year under review, the Company had spent total of ₹ 2,49,30,694/- on CSR activities, vis-à-vis ₹ 2,49,30,551/- which is equivalent to 2% as per provisions of the Section 135 of the Companies Act, 2013. The Company continues to remain committed towards undertaking CSR activities for the welfare of the society.

A detailed report on CSR activities of your Company under the provisions of the Companies Act, 2013 during the financial year 2021-22 is given as **Annexure 'F'**.

34. ADEQUACY OF INTERNAL FINANCIALCONTROLS

The Board of Directors of your Company are responsible for ensuring that the Internal Financial Controls ("IFC") are laid down in the Company and that such controls are adequate and are operating efficiently and effectively. The Company's IFC policies are commensurate with its requirements and are operating effectively. The IFC covered the policies and procedures adopted by the Company for ensuring orderly and efficient conduct of business including adherence to the Company's policies, safeguarding of the assets of the Company, prevention and detection of fraud and errors, accuracy and completeness of accounting records and the timely preparation of reliable financial information.

35. VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a well laid down Vigil Mechanism/ Whistle Blower Policy, details of which are given in the Report on Corporate Governance forming a part of this Annual Report. The Company has also uploaded the said Whistle Blower Policy on its website at https://www.quickheal.co.in/documents/investors/policies/whistleblower-policy-&-vigil-mechanism.pdf

36. INVESTOR EDUCATION AND PROTECTION FUND

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends of a company which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund ("IEPF"). In terms of the foregoing provisions of the Act, no dividend amount or shares were required to be transferred to the IEPF by the Company during the year ended March 31, 2022.

37. OTHER MATTERS

Your Directors state that during the financial year under review -

i. Neither the Managing Director nor the Whole-time Director of the Company received any remuneration or commission from any of its subsidiaries.

ii. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.

iii. No fraud has been reported by the Auditors to the Audit Committee or the Board.

iv. There is no change in the nature of the business of the Company.

v. There is no proceeding pending under Insolvency and Bankruptcy Code, 2016

vi. There is no instance of onetime settlement with any Bank or Financial Institution.

38. ANNUAL RETURN

Pursuant to Section 92(3) of the Act, the Annual Return as on March 31, 2022 is available on Companies website on https://www.quickheal.co.in/investors/financial-information#annualResults

39. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Internal Committee(s) has been set up across all its required locations to address complaints received regarding sexual harassment. There were no complaints reported during the financial year 2021-22.

40. APPRECIATION

Your Board places on record sincere gratitude and appreciation for all the employees who had, mostly through remote working, during the pandemic time delivered as per organisational requirements. The Board conveys its appreciation for its customers, vendors, investors, bankers, end users, dealers, distributors, business partners and other business constituents during the year under review. We also thank the support received from various government and regulatory authorities.

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

Sd/-	Sd/-
Kailash Katkar	**Sanjay Katkar**
Managing Director & CEO	Joint Managing Director & CTO
(DIN: 00397191)	(DIN: 00397277)

Place: Pune
Date: July 21, 2022

ANNEXURE A

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Sr. No	Particulars	Quick Heal Technologies America Inc.	Quick Heal Technologies Japan KK.	Quick Heal Technologies Africa Limited#	Seqrite Technologies DMCC
1	Reporting Currency	US$	JPY	KES	AED
2	Exchange rate on the last date of relevant financial year	75.5100	0.61933	0.65241	20.5542
3	Date on which Subsidiary was acquired	January 02, 2012	April 02, 2012	December 02, 2011	November 13, 2016
4	Share Capital	7,88,000	28,00,00,000	3,56,13,764	3,00,000
5	Reserves and Surplus	(7,76,215)	(23,84,86,979)	(35,176,621)	4,731
6	Total Assets	1,40,523	4,35,66,053	4,37,152	4,26,155
7	Total Liabilities	1,28,738	20,53,032	-	1,21,425
8	Investments	-	-	-	-
9	Turnover	2,66,277	1,09,46,750	-	3,58,577
10	Profit before taxation	6,285	(10,818)	7,13,009	28,735
11	Provision for taxation	-	17,60,003	-	-
12	Profit after taxation	6,285	(17,70,821)	7,13,009	28,735
13	Proposed dividend	-	-	-	-
14	Extent of Shareholding	Wholly Owned	Wholly Owned	Wholly Owned	Wholly Owned

#Quick Heal Technologies Africa Limited was de-registered w.e.f. February 04, 2022

ANNEXURE B

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,
The Members
QUICK HEAL TECHNOLOGIES LIMITED
Marvel Edge 7010 C & D Opposite NECO garden Society,
Viman Nagar Pune MH 411014 IN

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **QUICK HEAL TECHNOLOGIES LIMITED** (CIN: L72200MH1995PLC091408) (Hereinafter called 'the Company')

Secretarial Audit was conducted for the financial year 2021-22, in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances of the Company and for expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to me and representations made by the Management, during the audit period covering the financial year ended on March 31, 2022 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and legal compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of the following list of laws and regulations:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements Regulations, 2018; **[Not applicable during the Audit Period]**

c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

e) Securities and Exchange Board of India SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021;

f) Securities And Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **[Not applicable during the Audit Period]**

g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

h) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable during the Audit Period]**

i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2006 regarding the Companies Act and dealing with client

j) SEBI (Delisting of Equity Shares) Regulations, 2009 **[Not applicable during the Audit Period]** and circulars/ guidelines issued thereunder;

(vi) Other Applicable Laws: As informed by the management, there are no other laws applicable specifically to the Company.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ANNEXURE B (Contd.)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

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

Adequate notice is given to all directors to schedule the committee and Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period: -

1. The Company had passed Special Resolution on April 18, 2021 through Postal Ballot for buy back of 6,326,530 Equity Shares of ₹ 10 each (representing 9.85 % of total issued and paid up equity share capital of the Company as per the Audited Standalone Statement as at March 31, 2020) at a price of ₹ 245 per equity share.
2. The said buy back process was completed on June 21, 2021 and the Company has extinguished 63,26,530 equity shares bought back during the process.
3. The Company in the board meeting held on August 07, 2021 has passed a resolution for dissolution of Quick Heal Technologies Japan KK, a Wholly Owned Subsidiary.
4. On September 27, 2021, on the recommendation of the Nomination and Remuneration Committee, the board of directors has co-opted Mr. Richard Dennis Stiennon as an additional director (Independent category).
5. Mr. Nitin Kulkarni tendered his resignation as the Chief Financial Officer of the Company with effect from October 26, 2021.
6. Mr. Navin Sharma was appointed as Chief Financial Officer of the Company and designated as Key Managerial Personnel under section 203 of the Companies Act, 2013, with effect from October 27, 2021.
7. The Company in the board meeting held on 25th October 2021, decided to opt for postal ballot for shareholders' approval for:
    1) Appointment of Mr. Richard Stiennon as an Independent Director for a term of 5 (five) consecutive years commencing from September 27, 2021 to September 26, 2026.
    2) Approval for increase in the pool of Quick Heal Technologies Limited ESOP Scheme 2021 from the existing 20,00,000 to 40,00,000 Stock Options

The e-voting period commenced on December 18, 2021 and ended on January 16, 2022. Both the above resolutions were passed with requisite majority by the shareholders of the Company.

FOR **J. B. BHAVE & CO.**
Company Secretaries

Sd/-
Jayavant B. Bhave
Proprietor
FCS: 4266 CP. 3068
PR No. 1238/2021
UDIN: F004266D000314061

Place: Pune
Date: May 13, 2022

Annexure to the Secretarial Audit Report of Quick Heal Technologies Limited (2021-2022)

Auditors' Responsibility

My Report of even date is to be read along with this letter.

In accordance with the ICSI Auditing Standards (CSA1 to CSA4) I wish to state as under-

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR **J. B. BHAVE & CO.**
Company Secretaries

Sd/-
Jayavant B. Bhave
Proprietor
FCS: 4266 CP. 3068
PR No. 1238/2021
UDIN: F004266D000314061

Place: Pune
Date: May 13, 2022

ANNEXURE C

A. Details of the Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 and the comparison of remuneration of each Key Managerial Personnel (KMP) on CTC basis per annum, against the performance of the Company are as follows:

Sr. No.	Name of Director / KMP & Designation	% increase (decrease) in remuneration in the 2021-22	Ratio of remuneration of each Director to the median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the Company
1.	Kailash Katkar, Managing Director & CEO	10.88	21.68	The total income is increased by 1.09% whereas profit after tax decreased by 22.22% during financial year 2021-22.
2.	Sanjay Katkar, Jt. Managing Director & CTO	7.52	21.02	
3.	Shailesh Lakhani Non–Executive Director	Nil	-	
4.	Mehul Savla Independent Director	33.33	1.05	
5.	Apurva Joshi Independent Director	33.33	1.05	
6.	Amitabha Mukhopadhyay Independent Director	Nil	1.31	
7.	Bhushan Gokhale Independent Director	33.33	1.05	
8.	Richard Stiennon# Independent Director	Nil	0.53	
9	Nitin Kulkarni* Chief Financial Officer	7.14	-	
10	A. Srinivasa Rao Company Secretary	6.84	-	
11.	Navin Sharma@ Chief Financial Officer	NA	-	

#Appointed as Independent Director of the Company effective September 27, 2021

*Ceased to be CFO of the Company effective October 26, 2021

@Appointed as CFO of the Company effective October 27, 2021

2. The median remuneration of employees of the Company during financial year 2021-22 was ₹ 7,61,115/-
3. In the financial year 2021-22, there was an increase of 10.47% in the median remuneration of the employees as compared to that of 2020-21.
4. As on March 31, 2022, there were 986 permanent employees who were on rolls of the Company.
5. Relationship between average salary increase in remuneration & Company's performance: The Profit after Tax for the financial year ended March 31, 2022 decreasedby 22.22% whereas the median remuneration increased by 10.47%.
6. Comparison of remuneration of the Key Managerial Personnel(s) against the performance of the Company: The total remuneration of the Key Managerial Personnel(s) was increase by 2.06% from ₹ 40.33 Crore in 2020-21 to ₹ 41.16 Crore in 2021-22, whereas Profit after Tax decreased by 22.22% from ₹ 106.95 Crores in 2020-21 to ₹ 83.19 Crores in 2021-22.
7. The average percentage increase in salaries of employees excluding Key Managerial Personnel(s) was 8.69% over the previous year. The average increase in salaries of Key Managerial Personnel(s) was 3.76%. The increase in KMP remuneration were based on the recommendations of the 'Nominations & Remuneration Committee' as per the industry benchmark.
8. All remuneration paid is as per the Remuneration Policy of the Company.

ANNEXURE C (Contd.)

B. Details of the employees who were employed throughout the financial year and received a remuneration of ₹ 1.02 Crore or above per annum OR the employees who were employed for a part of the financial year and received remuneration of ₹ 8.5 Lakhs p.m. under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name	Designation	Qualification	Age (Yrs.)	Joining Date	Experience (Yrs.)	Nature of Employment	*Total Remuneration (in ₹ Crore)	ESOP	Previous Employment	Relationship with any Director of the Company
Kailash Katkar	Managing Director & CEO	Matriculation	54	August 07, 1995	34	Permanent	1.65	-	Promoter	Brother of Mr. Sanjay Katkar
Sanjay Katkar	Joint Managing Director & CTO	Master in Computer Science	50	August 07, 1995	26	Permanent	1.60	-	Promoter	Brother of Mr. Kailash Katkar
Kuldeep Raina	Vice President & Global Head Of Sales	Bachelor in Computer Science& Engineering	52	June 17, 2019	28	Permanent	2.31	103500	Color Tokens India LLP	No
Bibhuti Bhusan Kar	Head of Research & Development	M. Tech	50	September 07, 2020	23	Permanent	2.34	4000	Sophos Technologies Private Limited	No
Sanjay J Agrawal	Chief Product Officer	Bachelor of Science in Computer Engineering,	50	October 19, 2020	28	Permanent	2.60	151000	Self Employed	No
Navin Sharma	Chief Financial Officer	Chartered Accountant	44	October 25, 2021	18	Permanent	1.40	15000	Sterlite Technologies Limited	No

**Total Remuneration includes salary, allowances, incentive and perquisites.*

Pursuant to Rule 5(2)(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Mr. Sanjay Agarwal, Mr. Bibhuti Kar and Mr. Kuldeep Raina are not holding 2% or more of the equity shares of the Company respectively.

Particulars of employees posted and working in a country outside India, not being directors or their relatives, drawing more than ₹ 1.02 Crores per annum or ₹ 8.5 Lakhs per month, as the case may be, as may be decided by the Board, shall not be circulated to the members in the Board's report, but such particulars shall be filed with the Registrar of Companies while filing the financial statement and Board Reports.

Yes

ANNEXURE C (Contd.)

Information as per Rule 5(2) and 5(3) of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Top ten employees in terms of remuneration drawn during the financial year 2021-22:

Name	Designation	Qualification	Age (Yrs.)	Joining Date	Experience (Yrs.)	Nature of Employment	Total Remuneration (in ₹)	ESOP	Previous Employment	Relationship with any Director of the Company
Reetu Raina	CHRO	MBA (HR)	44	23-Dec-2019	21	Permanent	1,00,99,992	1,03,500	Sterlite Technologies Limited	No
Vinaya Sathyanarayana	Senior Director - Product Management	MBA/PGDM (Information Management)	41	02-Dec-2020	18	Permanent	1,00,00,000	45,000	Color Tokens India LLP	No
Amith Gopalakrishnachar*	Senior Director - Strategy	MBA – Business Administration	44	26-Apr-2021	22	Permanent	93,00,000	25,000	Ernst & Young LLP	No
Anil Kaushik #	Principal Engineer	Master's in software system	46	24-Feb-2021	21	Permanent	90,00,000	30,000	Sophos Technologies Private Limited	No
Ranvijai Singh Bhadauria	Senior Director - Engineering	Bachelor of Technology - Electronics	54	13-Sept-2021	32	Permanent	90,00,000	-	Cisco	No
Nandakishore Saboo	Director Engineering	Bachelor of Engineering - Electronics & Communications	39	01-Jun-2021	17	Permanent	85,00,000	20,000	Color Tokens India LLP	No
Sanjay Luhade	Global Head - Information Technology	Bachelor of Engineering - Electronics	53	06-Jul-2020	27	Permanent	81,75,000	42,500	BNY Mellon Technologies	No
Aparajithan Vaidyanathan	Senior Director - Technical Architecture & Innovation	MBA (Finance, Project Management)	41	08-Jan-2021	20	Permanent	81,00,000	40,000	SecureID Solutions India Private Limited	No
Mahesh Shankar	Head of Government & Hi-Touch	Post Graduate Diploma in Management – Marketing & Sales	49	12-Jul-2021	27	Permanent	80,00,000	10,000	Quantela	No
Sourav Biswas	Senior Director - Product Management	M.Sc, M.B.A – Marketing	49	09-Aug-2021	14	Permanent	80,00,000	10,000	Securonix UEBA AND SIEM	No

** Ceased to be employee w.e.f October 6, 2021*

 # Ceased to be employee w.e.f January 21, 2022

ANNEXURE D

ESOP Details as on March 31, 2022

Particulars	**Details of ESOP Schemes**		
	ESOP 2010	**ESOP 2014**	**ESOP 2021**
Options granted	Total options granted until date: 16,62,800 Options granted during fiscal 2022: Nil Options granted during fiscal 2021: Nil Options granted during fiscal 2020: Nil Options granted during fiscal 2019: Nil Options granted during fiscal 2018: Nil	Total options granted until date: 20,28,900 Options granted during fiscal 2022: Nil Options granted during fiscal 2021: 5,76,700 Options granted during fiscal 2020: 1,19,600 Options granted during fiscal 2019: 4,77,300 Options granted during fiscal 2018: 30,000	Total options granted until date: 11,55,500 Options granted during fiscal 2022: 11,55,500 Options granted during fiscal 2021: Nil Options granted during fiscal 2020: Nil Options granted during fiscal 2019: Nil Options granted during fiscal 2018: Nil
Pricing formula	discounted cash flow method		
Exercise price of options	₹ 37.50 to ₹ 115.24	₹ 93.00 to ₹ 294.33/-	₹ 114.00 to ₹ 176.00/-
Total number of options vested	14,66,722	8,81,770	Nil
Total number of options exercised	14,00,951	4,41,267	Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted	14,00,951	7,22,980	Nil
Options forfeited/lapsed/ cancelled	Nil	78,301	1,87,600
Variation in terms of options	Nil	Nil	Nil
Options outstanding (in force)	Nil	7,63,513	9,67,900
Person wise details of options granted to			
(i) Directors and key management employees	Please see Note 1 below	Please see Note 2 below	Please see Note 3 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil	Nil	Please see Note 4 below
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil	Nil	Nil
Fully diluted EPS on exercise of options calculated in accordance with the applicable Accounting Standards	₹ 13.94		
Difference between employee compensation cost using the fair value method and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company	Nil Impact on EPS (basic): Nil Impact on EPS (diluted): Nil		

ANNEXURE D (Contd.)

Particulars	Details of ESOP Schemes		
	ESOP 2010	ESOP 2014	ESOP 2021
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price: Nil	Weighted average exercise price: ₹ 139.03	Weighted average exercise price: ₹ 157.42
	Weighted average fair value: 96.83		
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Our Company has adopted discounted cash flow method to estimate the fair value of the options with the following assumptions: i. Risk free interest rate: 6.42%; ii. Expected life: Grant IV:2.06 - 6.94 Grant VII: 2.49- 6.52 Grant VIII: 2.66- 6.35 Grant IX: 2.74- 6.27 Grant X :5.39 – 3.75 Grant XI: 4.26 – 4.75 Grant XII: 4.77- 4.49 Grant XIII: 5.2-3.81 Grant XIV: 5.54-3.47 Grant XV: 5.57-3.44 Grant XVI: 6.27-2.74 Grant XVII: 6.75-2.25 Grant XVIII: 7.06-1.94 Grant XIX: 7.25-1.75 Grant XX: 7.71-1.29 Grant XXI: 7.85-1.15 Grant XXII: 8.12-0.88 Grant XXIII: 8.37- 0.64 Grant XXIV: 8.42-0.58 Grant XXV: 8.48- 0.52 Grant XXVI: 8.57- 0.43 Grant XXVII: 8.36- 0.64 Grant XXVIII: 8.36- 0.64 iii. Expected volatility: 35.22% iv. Expected dividends: 1.58% Price of underlying share in market at the time of Grant XXVIII of option: ₹ 231.00		
Vesting schedule	Options are vested in four instalments based on performance of the employee.		
Lock-in	Nil		
Impact on liability for options outstanding of the last two years on fair value	Fiscal 2021-22: ₹ 4.68Crore Fiscal 2020-21: ₹ 0.62Crore		

Note 1: Details regarding options granted to our Directors and Key Management Personnel are set forth below under ESOP 2010:

Name of director/ Key Management Personnel	Total No. of options granted	Total No. of options vested*	No. of options exercised	No. of options forfeited	Total No. of options outstanding
NONE					

ANNEXURE D (Contd.)

Note 2: Details regarding options granted to our Directors and Key Management Personnel are set forth below under ESOP 2014:

Name of director/ Key Management Personnel	Total No. of options granted	Total No. of options vested*	No. of options exercised	No. of options forfeited	Total No. of options outstanding
NONE					

Note 3: Details regarding options granted to our Directors and key management personnel are set forth below under ESOP 2021:

Name of director/ Key Management Personnel	Total No. of options granted	Total No. of options vested*	No. of options exercised	No. of options forfeited	Total No. of options outstanding*
Navin Sharma	15,000	Nil	Nil	Nil	15,000
A. Srinivasa Rao	3,000	750	Nil	Nil	2,250

* *Options are vested based on the performance of the employee*

Note 4: Employee who received a grant of options amounting to 5% or more of the options granted during the year 2021-22

Name of Employee	Total No. of options granted	Grant Price (in ₹)
Reetu Raina	3,500	142.16
Reetu Raina	1,00,000	176.00
Sanjay Agrawal	1,51,000	113.72
Deepak Mishra	1,00,000	176.00
Kuldeep Raina	3,500	142.16
Kuldeep Raina	1,00,000	176.00

ANNEXURE E

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule (2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

1. Details of contracts or arrangements or transactions not at Arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis:

Contract 1

Sr. No.	Particulars	Details
a)	Name (s) of the related party	Sanjay Sahebrao Katkar HUF
b)	Nature of Relation ship	Mr. Sanjay Katkar is Joint Managing Director & CTO
c)	Nature of contracts / arrangements /transaction	Lease Deed
d)	Duration of the contracts/ arrangements / transaction	10 years
e)	Salient terms of the contracts or arrangements or transaction	Hiring of Property
f)	Justification for entering into such contracts or arrangements or transactions	Approval of shareholders obtained on June 11, 2014
g)	Contract Value per year (₹ in Crores)	0.12

Contract 2

Sr. No.	Particulars	Details
a)	Name (s) of the related party	Mr. Kailash Katkar
b)	Nature of Relation ship	Managing Director & CEO
c)	Nature of contracts / arrangements /transaction	Leave & License
d)	Duration of the contracts/ arrangements / transaction	1 year
e)	Salient terms of the contracts or arrangements or transaction	Hiring of Property
f)	Justification for entering into such contracts or arrangements or transactions	Approval of board obtained on May 15, 2021
g)	Contract Value per year (₹ In Crores)	0.08*

* This Leave and License Agreement was terminated w.e.f. January 31, 2022

ANNEXURE F

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.]

1. BRIEF OUT LINE ON CSR POLICY OF THE COMPANY:

Corporate Social Responsibility ("CSR") activities undertaken reflects the core values and achievements of how the Company does business as an employer, a security solutions provider and a corporate citizen – a necessity that demands that Quick Heal be trustworthy, an ethical business partner that customers can count on.

Digital security is of utmost importance in the current scenario. Quick Heal believes that progress is possible only with a deep commitment to community welfare. Since inception, the goal has been to protect customer from Internet-based attacks and intrusion by hackers.

Quick Heal conducts cyber safety and awareness workshops for school and college students, teachers and parents as an integral part of its corporate vision. It is an ambitious cross-district project to Educate, Empower and Protect India's young cyber citizens on the topics of online safety and security, Digital citizenship and information literacy.

2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Apurva Joshi	Chairperson – Independent Director	1	1
2	Kailash Katkar	Member – Managing Director & CEO	1	1
3	Sanjay Katkar	Member – Jt Managing Director & CTO	1	1

3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.	https://www.quickheal.co.in/documents/investors/policies/csr-policy-2021.pdf https://www.quickhealfoundation.org/
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).	Not Applicable for the financial year under review
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	₹ 143/-

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2021-22	143/-	Nil

6 Average net profit of the Company as per section 135(5). ₹ **1,24,65,27,537/-**

7. (a) Two percent of average net profit of the Company as per section135(5) - ₹ **2,49,30,551/-**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - **NIL**

(c) Amount required to be set off for the financial year, if any – ₹ **30,00,200/-**

(d) Total CSR obligation for the financial year (7a+7b-7c):₹ **2,19,30,351/-**

ANNEXURE F (Contd.)

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount(in ₹)	Date of transfer
2,49,30,551/-	Nil	Not Applicable	-	Nil	-

(b) Details of CSR amount spent against **ongoing projects** for the financial year: **Not Applicable**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in)	Amount spent in the current financial Year (in)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation- Through Implementing Agency	
				State.	District.						Name	CSR Registration number

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area(Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation- Through implementing agency	
				State	District			Name	CSR Registration number
1	Contribution to Schedule VII activities	(i), (ii), (viii)	Yes	PAN India		1,97,15,494	No	Quick Heal Foundation	CSR00005777
2.	Contribution to Schedule VII activities	(i)	Yes	Maharashtra	Washim	22,15,000	Yes		
	TOTAL					**2,19,30,494**			

(d) Amount spent in Administrative Overheads - **Nil**

(e) Amount spent on Impact Assessment, if applicable – **Not Applicable**

(f) Total amount spent for the Financial Year(8b+8c+8d+8e) - ₹ **2,19,30,494/-**

ANNEXURE F (Contd.)

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section135(5)	2,49,30,551
(ii)	Total amount spent for the Financial Year	2,49,30,694
(iii)	Excess amount spent for the financial year[(ii)-(i)]	143
(iv)	Surplus arising out of the CSR projects or programmes or Activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	143

9. (a) Details of Unspent CSR amount for the preceding three financial years: NIL

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135(6)(in ₹)	Amount spent in the reporting Financial Year(in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details). - NOT APPLICABLE**
    (a) Date of creation or acquisition of the capital asset(s).
    (b) Amount of CSR spent for creation or acquisition of capital asset.
    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5). - **NOT APPLICABLE**

Sd/-
Kailash Katkar
Managing Director & CEO

Sd/-
Ms. Apurva Joshi
Chairperson of CSR Committee

REPORT ON CORPORATE GOVERNANCE

The Directors' Report on the Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) is given below.

1. COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE:

Corporate Governance has been an integral part of the way we have been doing our business since inception. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. Efficient corporate governance requires a clear understanding of the respective roles of the Board of Directors ("Board") and of senior management and their relationships with others in the corporate structure. Sincerity, fairness, good citizenship and commitment to compliance are key characteristics that drive relationships of the Board and senior management with other stakeholders. Your Company is in compliance with the requirements stipulated under Regulation 17 to 27 (excluding Regulation 24 as there is no material or listed subsidiary) read with Schedule V of LODR 2015, as applicable, with regard to corporate governance.

2. BOARD OF DIRECTORS:

As on March 31, 2022, the Company has eight Directors. Of the eight Directors, six are Non-Executive Directors out of which five Directors are Independent Directors. The Board of Directors of the Company critically evaluates the Company's strategic direction, policies and their effectiveness. The actions of the Board are committed towards sustainably elevating the Company's value creation process. The Board of the Company strives to achieve higher standards and provide oversight and guidance to Management in strategy implementation, risk management and fulfillment of stated goals and objectives.

The Board has unrestricted access to all the Company related information. The senior executives, who can provide additional insights and updates, are also invited at the meetings.

(i) Composition of Board

The Company's policy is to maintain optimum combination of Executive, Non-Executive and Independent Directors. The Board of Directors presently consists of eight Directors as detailed hereunder indicating their status as independent or otherwise against their respective names:

Executive Directors

Sr. No.	Name of the Director	Designation	Category
1.	Mr. Kailash Katkar	Managing Director & CEO	Promoter
2.	Mr. Sanjay Katkar	Joint Managing Director & CTO	Promoter

Non-Executive (Non-Independent) Directors

Sr. No.	Name of the Director	Designation	Category
1.	Mr. Shailesh Lakhani	Non-Executive Director	Non-Independent

Non-Executive Independent Directors

Sr. No.	Name of the Director	Designation	Category
1.	Mr. Amitabha Mukhopadhyay	Director	Independent Director
2.	Mr. Mehul Savla	Director	Independent Director
3.	Ms. Apurva Joshi	Director	Independent Director
4.	Mr. Bhushan Gokhale	Director	Independent Director
5.	Mr. Richard Stiennon#	Director	Independent Director

#Appointed as Director w.e.f. September 27, 2021

Except Mr. Kailash Sahebrao Katkar, Managing Director & CEO and Mr. Sanjay Sahebrao Katkar, Joint Managing Director & CTO, none of our Directors are related to each other.

(ii) Independent Directors

Your Company had, in its Annual General Meeting (AGM) held on August 06, 2021 appointed Mr. Bhushan Gokhale as an Independent Director and appointed Mr. Richard Stiennon as an Independent Director by way of postal ballot on January 16, 2022 pursuant to Sections 149, 152 and Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder and as per LODR, 2015. The tenure of all Independent Directors is five years.

The Company has received declarations as stipulated under Section 149(7) of the Companies Act, 2013 and as per the applicable clause(s) of LODR, 2015 from each Independent Director confirming that they are not disqualified from being appointed /continuing as Independent Director and fulfil the conditions specified under SEBI LODR Regulations and are thus independent of management. Your Company had also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 and LODR, 2015. The terms and conditions of the appointment of Independent Directors have been displayed on the website of the Company and can be accessed through the following link: https://www.quickheal.co.in/documents/investors/policies/Terms-And-Conditions-For-Appointment-Of-Independent-Director.pdf

(iii) Board Meetings

During the financial year 2021-22, 5 (Five) Board meetings were held, details are as under;

S. No.	Date of Meeting
1.	May 15, 2021
2.	August 08,2021
3.	October 25, 2021
4.	January 24, 2022
5.	March 29, 2022

The maximum time gap between any two meetings did not exceed prescribed period of one hundred twenty days.

(iv) Attendance of Directors, other Directorships and other details

Attendance of Directors at the Board Meetings, last Annual General Meeting and number of Directorships in Public Companies are given below:

Name of the Director	No of Board Meeting attended	Attendance at last AGM	No. of Directorships held in public companies (including this Company)#	Name of the Companies	No. of Memberships (M)/ Chairpersonships (C) in board Committee(s) [including this Company]^
Mr. Kailash Katkar	05	Yes	01	Quick Heal Technologies Limited- Managing Director	0(C), 1(M)
Mr. Sanjay Katkar	05	Yes	01	Quick Heal Technologies Limited- Joint Managing Director	0(C), 01(M)
Mr. Shailesh Lakhani	03	Yes	01	Quick Heal Technologies Limited- Non-Executive Director	Nil
Mr. Amitabha Mukhopadhyay	05	Yes	03	1. Quick Heal Technologies Limited- Independent Director 2. Safepack Industries Limited Independent Director 3. IFB Agro Industries Limited Independent Director	02(C), 02(M)
Mr. Mehul Savla	05	Yes	01	Quick Heal Technologies Limited- Independent Director	0 (C),1(M)

REPORT ON CORPORATE GOVERNANCE (Contd.)

Name of the Director	No of Board Meeting attended	Attendance at last AGM	No. of Directorships held in public companies (including this Company)#	Name of the Companies	No. of Memberships (M)/ Chairpersonships (C) in board Committee(s) [including this Company]^
Ms. Apurva Joshi	05	Yes	02	1. Quick Heal Technologies Limited- Independent Director 2. Associated Alcohols & Breweries Limited- Independent Director	00(C), 1(M)
Mr. Bhushan Gokhale	05	Yes	01	Quick Heal Technologies Limited- Independent Director	01(C), 01(M)
Mr. Richard Stiennon*	03	No	01	Quick Heal Technologies Limited- Independent Director	Nil

** Mr. Richard Stiennon appointed as Director w.e.f. September 27, 2021*

 # Number of Directorships held in other public companies does not include Foreign Companies.

^ Only Covers Memberships/Chairpersonships of Audit Committee & Stakeholders Relationship Committee.

Except Mr. Kailash Sahebrao Katkar, Managing Director & CEO and Mr. Sanjay Sahebrao Katkar, Joint Managing Director & CTO, none of our Directors are related to each other.

As on March 31, 2022, none of the Directors on the Board is a Director in more than 20 companies (including not more than 10 Public Limited Companies) as specified in Section 165 of the Companies Act, 2013. None of the Independent Director serves as an Independent Director in more than 7 Listed Companies and Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in LODR, 2015) across all the public companies in which he/ she is a director.

None of the non- executive directors are holding any shares or convertible instruments in the Company.

(v) Conduct of Board Meetings:

The Board meets at least once in a calendar quarter, inter alia, to approve the quarterly financial results, the strategic business plan, review of business operations and the annual budget. Additionally, Board Meetings are convened to transact special business, as and when necessary.

Agenda papers, containing all relevant information, are made available to the Board well in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. Presentations are made to the Board by the Business and Functional Heads on operations as well as various aspects concerning the Company. The Directors also have independent access to the Senior Management at all times. The draft Minutes of the Meetings are circulated to the Directors for their comments and the final minutes are thereafter entered into the Minutes Book within 30 days of the conclusion of the respective Meetings.

There is also an effective post meeting follow-up, review and action taken reporting process for the action taken on decisions of the Board and Committees. The Minutes of the meetings of all the Committees and also the subsidiaries are placed before the Board for noting.

(vi) Familiarisation Programme for Board Members including Independent Directors

The Board members are provided with the requisite documents/brochures, reports and internal policies to enable them to familiarise with Company's business, procedures and practices.

Periodic presentations are also made at the Board and Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. The Key Managerial Personnel / Senior Managerial Personnel through periodic presentations familiarise the Independent Directors with the strategy, operations and functions of the Company and also appraise the Directors about their roles, rights and responsibilities in the Company to enable them to make effective contribution and discharge their functions as a Board Member.

The familiarisation programme for Independent Directors in terms of the provisions of LODR, 2015 is uploaded on the website of the Company and can be accessed through following link: https://www.quickheal.co.in/documents/investors/Details-of-Familiarisation-Programmes-22.pdf

(vii) Independent Directors' Meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and as per applicable regulation of LODR, 2015, a meeting of the Independent Directors of the Company was held on March 02, 2022 without the presence of Non-Independent Directors and representatives of the management.

(viii) Evaluation of Board Effectiveness

In terms of the provisions of the Companies Act, 2013 read with Rules issued thereunder and as per applicable Clauses of LODR, 2015, the Board of Directors have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended March 31, 2022, as per the policy of the Company. The evaluation of the Directors was based on various aspects, inter-alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution. The Board comprises of the qualified members who bring in the required skill, competence and expertise that allows them to make effective contributions to the Board and its Committees. The members were appointed considering their skill, competence and expertise in the areas of Leadership, Finance, Business, Technology and Human Resources. Below is the table of specific areas of focus or expertise of individual Board members.

Director	Area of Expertise
Kailash Katkar, Managing Director & Chief Executive Officer	Corporate Governance, Sales, Marketing, Customer services, Technical support and administration
Sanjay Katkar, Joint managing Director & Chief Technical Officer	Technical Strategy, Technical Governance, Customer services
Amitabha Mukhopadhyay, Independent Director	Financial, treasury management and taxation expertise Corporate Governance, Compliance and Audit purview, Large scale global operations, Mergers & Acquisitions, Business Strategy and Planning
Mehul Savla, Independent Director	Global Business, Corporate Governance, Financial Management, Mergers & Acquisitions, Securities Market Expert, Business Strategy
Apurva Joshi, Independent Director	Corporate Governance, Financial Management, , Risk Management, Business Strategy
Bhushan Gokhale, Independent Director	Strategy, General Management, Administration, Human Resources
Shailesh Lakhani, Non-Executive Director	Global Business, Corporate Governance, Financial Management, Mergers & Acquisitions, Securities Market Expert, Business Strategy
Richard Stiennon, Independent Director	Technical Strategy, Technical Governance, global operations, Mergers & Acquisitions Business Strategy and Planning

3. BOARD COMMITTEES

The Committees constituted by the Board plays a very important role in the governance structure of the Company. The composition and the terms of reference of these Committees are approved by the Board and are in line with the requirement of the Companies Act, 2013 and as per applicable Clauses of LODR, 2015. During the financial year ended March 31, 2022, there were following 5 (Five) Committees of the Directors viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee. The Board in order to execute buyback procedures, in its meeting held on March 10, 2021 formed a Buyback Committee comprising of Mr. Kailash Katkar, Managing Director & CEO, Mr. Sanjay Katkar, Joint Managing Director & CTO, Mr. Amitabha Mukhopadhyay, Independent Director, Mr. Mehul Savla, Independent Director, Mr. Nitin Kulkarni, Chief Financial Officer, Mr. A. Srinivasa Rao, Company Secretary, Mr. Deepak Kalera, Finance Controller and Mr. Vinav Agarwal, Compliance Officer. During the year, the Buyback Committee executed the buyback procedure as required by SEBI (Buyback of Securities) Regulation, 2018. The Buyback committee was dissolved on August 07, 2021.

REPORT ON CORPORATE GOVERNANCE (Contd.)

(i) Audit Committee

Composition and Attendance:

The composition of the Audit Committee is in conformity with the provisions of Section 177 of the Companies Act, 2013 and as per applicable Clauses of LODR, 2015. 4(Four) meetings of the Committee were held during the financial year ended March 31, 2022.

During the year under review, the Audit Committee met on May 15, 2021, August 07, 2021, October 25, 2021 and January 24, 2022.

Names of Members of the Audit Committee and their attendance at the Meetings are given below:

Name	Status	Number of Meetings Attended
Mr. Amitabha Mukhopadhyay	Chairperson	04
Mr. Sanjay Katkar	Member	04
Mr. Bhushan Gokhale*	Member	03
Mr. Mehul Savla	Member	04
Ms. Apurva Joshi#	Member	01

**Mr. Bhushan Gokhale was appointed as member of committee w.e.f May 15, 2021*

#Ms. Apurva Joshi ceased to be member of committee w.e.f May 15, 2021

The Chief Financial Officer regularly attends the Audit Committee Meetings and the Company Secretary acts as the Secretary to the Audit Committee.

Terms of Reference:

The "Terms of Reference" of the Audit Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and as per applicable Clauses of LODR, 2015.

Whistle Blower Policy – Vigil Mechanism

The Company has formulated a Whistle Blower Policy ("WBP") in accordance with the requirements of Section 177(9) of the Companies Act, 2013 read together with Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 22 of the LODR, 2015.

The WBP provides for establishment of Vigil Mechanism for directors, employees and stakeholders to report genuine concerns or grievances. It encourages all employees, directors and business partners to report any suspected violations promptly and intends to investigate any bonafide reports of violations. It also specifies the procedures and reporting authority for reporting unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy or any other unethical or improper activity including financial irregularities, including fraud, or suspected fraud, wastage / misappropriation of Company's funds/assets etc.

The WBP also provides for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee, in exceptional cases.

(ii) Nomination and Remuneration Committee:

Composition and attendance:

The Nomination and Remuneration Committee consists of four Directors, three being Independent and one Executive Director. During the financial year ended March 31, 2022, 01 (One) meeting of the Nomination and Remuneration Committee was held.

During the year under review, the Committee met on May 15, 2021.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Names of Members of the Committee and their attendance at the Meeting are given below:

Name	Status	Number of Meetings Attended
Mr. Mehul Savla	Chairperson	01
Mr. Amitabha Mukhopadhyay	Member	01
Mr. Kailash Katkar	Member	01
Ms. Apurva Joshi	Member	01

Terms of Reference:

The Terms of Reference of the Nomination and Remuneration Committee are in conformity with Section 178 of the Companies Act, 2013.

Details of Remuneration paid to the Directors during the financial year ended March 31, 2022:

(a) Executive Directors

Sr. No.	Name of the Director	Gross salary (in ₹)	Commission/ Incentive (in ₹)	Contribution to PF (in ₹)	Total. (in ₹)	Notice period
1.	*Mr. Kailash Katkar	1,30,34,112	26,88,200	Nil	1,57,22,312	6(six) Months
2.	*Mr. Sanjay Katkar	1,27,39,874	26,88,200	Nil	1,54,28,074	6(six) Months

** As per the Employment Agreement dated: August 12, 2020, Mr. Kailash Katkar & Mr. Sanjay Katkar have been provided with 1 (one) Car each by the Company.*

Particulars of sitting fee paid to the Non-Executive Directors during the financial year ended March 31, 2022 are as follows:

Sr. No.	Name of the Director	Sitting fees paid (in ₹)*
1.	Mr. Amitabha Mukhopadhyay	2,70,000
2.	Mr. Mehul Savla	2,70,000
3.	Ms. Apurva Joshi	3,50,000
4.	Mr. Bhushan Gokhale	2,50,000
5.	Mr. Richard Stiennon	90,000

* mentioned sitting fees is exclusive of goods and services tax.

There has been no material pecuniary relationship or transactions between the Company and Non-Executive Directors during the financial year 2021-22.

During the year under review, no convertible instruments have been issued to any of the Non-Executive Directors of the Company.

Performance evaluation criteria for independent directors

The performance evaluation of the Independent Directors is based on various aspects, inter-alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution. The Board comprises of the qualified members who bring in the required skill, competence and expertise that allows them to make effective contributions to the Board and its Committees. The members were appointed considering their skill, competence and expertise in the areas of Leadership, Finance, Business, Technology and Human Resources.

Criteria of making payments to non-executive directors

In addition to the sitting fees, the Company also pays commission to the Non-Executive Directors for their overall engagement and contribution for the Company's business. The Commission is paid on basis of complexities handled by them, the time spent on the critical policy decisions, higher degree of engagement and contributions made in the meetings and their active participating keeping in view the principle of collective responsibility.

Stock Options granted to Directors

The Company had not granted Stock Options (ESOPs) to any Director during the financial year 2021-22.

(iii) Stakeholders Relationship Committee:

The Terms of Reference of the Stakeholders Relationship Committee are in conformity with Section 178 of the Companies Act, 2013 and Clause 20 of the LODR, 2015.

The Stakeholders Relationship Committee consists of Four Directors, of which three are Independent and one is Executive Director. The Stakeholders Relationship Committee is headed by Mr. Bhushan Gokhale, Independent Director of the Company.

During the year under review, the Committee met on January 24, 2022

Names of Members of the Committee are given below:

Name	Status	No. of Meetings Attended
Ms. Apurva Joshi	Member	01
Mr. Amitabha Mukhopadhyay	Member	01
Mr. Kailash Katkar	Member	01
Mr. Bhushan Gokhale^	Chairperson	01

^Mr. Bhushan Gokhale appointed as Chairperson of Committee effective May 15, 2021

Pursuant to the LODR, 2015 and Listing Agreement with the Stock Exchanges, Mr. Vinav Agarwal has been appointed as the Compliance Officer who monitors the share transfer process and liaises with the Authorities such as SEBI, Stock Exchanges, and Registrar of Companies etc. The Company complies with the various requirements of the LODR, 2015 & Listing Agreement and depositories with respect to transfer of shares and share certificates are sent to them within the prescribed time.

The Committee looks into the grievances of the Shareholders related to transfer of shares, payment of dividend and non-receipt of annual report and recommends measure for expeditious and effective investor service etc.

The Company has duly appointed Link Intime (India) Private Limited as Share Transfer Agent (R&T Agent) for servicing the shareholders holding shares in physical or dematerialised form. All requests for dematerialisation of shares are likewise processed and confirmations thereof are communicated to the investors within the prescribed time.

During the year under review, no Investor complaints were pending.

Number of shareholders' complaints received	Number not solved to the satisfaction of shareholders	Number of pending complaints.
01	Nil	Nil

(iv) Risk Management Committee: Terms of reference:

Composition:

The Risk Management Committee consists of three Directors and representatives of management, out of which one is Independent and two are Executive Directors and senior executives of the Company. During the year under review, 03 (three) meetings of the Risk Management Committee were held.

During the year under review, the Committee met on August 07, 2021, October 25, 2021 and January 24, 2022.

Names of Members of the Committee and their attendance at the Meetings are given below:

Name	Status	Number of Meetings Attended
Ms. Apurva Joshi	Chairperson	03
Mr. Kailash Katkar	Member	03
Mr. Sanjay Katkar	Member	03

Name	Status	Number of Meetings Attended
Mr. Sanjay Luhade	Member	03
Mr. Nitin Kulkarni#	Member	03
Mr. Navin Sharma*	Member	00
Mr. A. Srinivasa Rao	Member	03

Ceased to be CFO of the Company effective October 26, 2021.

* Appointed as member of the Committee effective May 05, 2022

Terms of Reference:

The Terms of Reference of the Risk Management Committee are in conformity with regulation 21 of SEBI LODR Regulations.

(v) Corporate Social Responsibility Committee: Terms of Reference:

Composition:

The CSR Committee consists of three Directors, out of which one is Independent and two are Executive Directors. During the year under review, CSR Committee met on May 11, 2021.

Names of Members of the Committee and their attendance at the Meetings are given below:

Sr. No	Name	Status	No. of Meetings Attended
1.	Ms. Apurva Joshi	Chairperson	1
2.	Mr. Kailash Katkar	Member	1
3.	Mr. Sanjay Katkar	Member	1

Terms of Reference:

The Terms of Reference of the CSR Committee are in conformity with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

4. GENERAL BODY MEETINGS:

The details of last three Annual General Meetings are mentioned below:

Sr. No.	Date of AGM	Venue
1.	August 06, 2021	Through Video Conferencing/ Other audio visual means
2.	August 11, 2020	Through Video Conferencing/ Other audio visual means
3.	July 15, 2019	Hotel Ramee Grand, Apte Road, Pune – 411015

Sr. No.	Financial Year	Date	Day	Time	Number of Special resolution(s) Passed	Details of Special Resolutions passed
1.	2020-21	August 06, 2021	Friday	11.00 AM	Nil	NA
2.	2019-20	August 11, 2020	Tuesday	11.00 AM	3 (Three)	1. Re-appointment of Ms. Apurva Joshi as an Independent Director 2. Re-appointment of Mr. Mehul Savla as an Independent Director 3. Variation of IPO Proceeds
3.	2018-19	July 15, 2019	Monday	11.00 AM	2 (Two)	1. Variation of IPO Proceeds 2. Service of documents to shareholders through particular mode

REPORT ON CORPORATE GOVERNANCE (Contd.)

5. DISCLOSURES:

(i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large.

The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management or their relatives and its subsidiaries or that may have any potential conflict with the interests of the Company. Related Party transactions are disclosed in the notes to the Financial Statements.

(ii) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

No penalties or strictures have been imposed on the Company by the stock exchanges or SEBI or any other statutory authorities relating to capital markets.

(iii) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause

The Company has complied with all the mandatory requirements of LODR, 2015

(iv) Compliance with non-mandatory requirements (as on March 31, 2022)

The Company has adopted following non-mandatory requirements of LODR, 2015.

(1) Shareholders' Rights

The quarterly results are regularly posted on the website of the Company.

(2) Audit Qualifications

For the financial year under review, there were no audit qualifications in the Company's financial statements. The Company continues to adopt best accounting practices.

6. MEANS OF COMMUNICATION:

i)	Quarterly Results	The quarterly, half yearly and yearly financial results of the Company are regularly mailed /sent to the stock exchanges immediately after they are approved by the Board. They are also published in the Newspapers, in the prescribed format under the LODR.
ii)	Newspapers wherein results normally published	Financial Express and Prabhat
iii)	Any website, where displayed	www.quickheal.co.in
iv)	Whether it also displays official news releases	The Company displays the Press Releases as and when released.
v)	The Presentations made to institutional investors or to the analysts	The Company holds Investor Presentations and meetings from time to time and Presentations made thereat are also sent to the Stock Exchanges as well as displayed on the website of the Company.
vi)	NSE Electronic Application Processing System (NEAPS)	The NEAPS is a web based application designed by NSE for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.
vii)	BSE Corporate Compliance & Listing Centre (the 'Listing Centre')	BSE's Listing Centre is a web based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on the Listing Centre.
viii)	SEBI Complaint Redressal System (SCORES)	The investor complaints are processed in a centralised web based complaint redressal system. The salient features of this system are: Centralised Data Base of all complaints, online upload of Action Taken Report (ATRs) by the concerned companies and online viewing by investors of action taken on the complaint and its current status.

7. GENERAL SHAREHOLDERS' INFORMATION

7.1	**Annual General Meeting :**		
	- Date and Time	August 26, 2022 at 11.00 A.M.	
	- Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.	
7.2	**Financial Calendar 2022-23 (Tentative) :**	Annual General Meeting – (Next Year)	September 2023
		Financial Reporting	
		Results for quarter ending June 30, 2022	On or before August 14, 2022
		Results for quarter ending September 30, 2022	On or before November 14, 2022
		Results for quarter ending December 31, 2022	On or before February 14, 2023
		Results for year ending March 31, 2023 (Audited)	On or before May 30, 2023
7.3	**Book Closure date :**	August 19, 2022 to August 23, 2022 (both days inclusive) for Annual General Meeting.	
7.4	**Dividend Payment date :**	On or before September 26, 2022	
7.5	**Unclaimed Shares :**	None	

There are 'Nil' Share Certificates lying unclaimed with the Company as on date of this Report. In the event of unclaimed Share Certificate, the Company hereby undertakes to comply with the relevant regulations of LODR, 2015.

7.6	**(a) Listing of Equity Shares on Stock Exchanges**	National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G – Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

The Company confirms that it has paid annual listing fees due to both the above stock exchanges.

	(b) Listing of GDS on Stock Exchange	Not Applicable
	(c) Debenture Trustee:	Not Applicable
7.7	**Stock Code**	Trading Symbol – BSE Limited: 539678
	(Equity Shares)	Trading Symbol – National Stock Exchange of India : QUICKHEAL
	International Securities Identification Number (ISIN)	
	Equity Shares : INE306L01010	
	Correspondence Address: Marvel Edge, Office No. 7010, C & D, 7th Floor, Viman Nagar, Pune – 411 014.	

REPORT ON CORPORATE GOVERNANCE (Contd.)

7.8

Stock Market Price Data	National Stock Exchange of India Limited (NSE)		BSE Limited (BSE)	
	Month's High Price (In ₹)	Month's Low Price (In ₹)	Month's High Price (In ₹)	Month's Low Price (In ₹)
April, 2021	202.90	182.50	203.80	182.20
May, 2021	242.90	181.05	242.80	181.00
June, 2021	287.65	220.40	287.45	220.60
July, 2021	317.00	268.05	317.10	286.15
August, 2021	318.90	214.00	319.90	214.40
September, 2021	244.00	218.25	244.00	218.25
October, 2021	244.90	221.05	245.00	221.40
November, 2021	238.65	210.05	238.40	209.95
December, 2021	257.00	212.65	257.00	212.60
January, 2022	251.00	193.90	251.10	194.25
February, 2022	216.15	170.50	224.80	170.75
March, 2022	190.95	172.35	190.80	172.30

7.09 **Registrar & Transfer Agents:** Link Intime India Private Limited, - C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083, Phone: 022- 4918 6200

7.10 **Distribution of shareholding as at March 31, 2022:**

By size of shareholding	Shareholders		Equity shares held	
Nominal Value (₹)	**Number**	**Percentage (%)**	**Number**	**Percentage (%)**
1 - 5000	64,680	94.56	47,70,175	8.22
5001 - 10000	1,991	2.91	15,80,921	2.73
10001 - 20000	924	1.35	13,95,799	2.41
20001 - 30000	329	0.48	8,32,402	1.43
30001 - 40000	131	0.19	4,67,464	0.81
40001 - 50000	102	0.15	4,74,942	0.82
50001 - 100000	145	0.21	10,67,762	1.84
100001 & Above	101	0.15	4,74,20,136	81.75
TOTAL	**68,403**	**100**	**5,80,09,601**	**100**

By size of shareholding	Shareholders	
	Number	**Percentage (%)**
Clearing Members	85,488	0.15
Other Bodies Corporate	6,24,302	1.08
Foreign Company	20,96,896	3.61
Hindu Undivided Family	6,57,830	1.13
Nationalised Banks	25	0.00
Non Resident Indians	4,28,040	0.74
Non Resident (Non-Repatriable)	1,04,051	0.18
Public	1,07,02,071	18.49
Promoters	4,22,63,177	72.86
Limited Liability Partnership	19,892	0.03
Foreign Portfolio Investors (Corporate)	10,27,829	1.77
Total	**5,80,09,601**	**100**

REPORT ON CORPORATE GOVERNANCE (Contd.)

7.11	**Dematerialisation of shares :**	5,80,09,600 Nos of Shares has been dematerialised as on March 31, 2022 & 01 Share was in Physical Form. Trading in equity shares of the Company is permitted only in dematerialised form.
7.12	**Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion dates and likely impact on equity.**	Nil
7.13	**Plant locations:**	Nil
7.14	**Investor Correspondence:** For transfer / dematerialisation of shares, payment of dividend on shares, query on Annual Report and any other query on the shares of the Company..	Link Intime India Private Limited C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India Tel: +91 (22) 4918 6200; Fax: +91 (22) 4918 6195; email id: :rnt.helpdesk@linkintime.co.in; website: www.linkintime.co.in
	Shareholders holding shares in electronic mode should address all their correspondence relating to change of address, bank mandate and status to their respective Depository Participants (DPs).	
	<u>Important Communication to Members:</u> Members must be aware that Ministry of Corporate Affairs (MCA) has started a "Green Initiative in the Corporate Governance", whereby it has allowed paperless compliances by the Companies in the field of servicing of notice / documents, including Annual Report through emails. Further, in compliance with Ministry of Corporate Affairs ("MCA") has vide its circular dated May 05, 2020 read with circulars dated April 08, 2020 and April 13, 2020 and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Therefore, Members who have not yet registered their email addresses are requested once again to register their email addresses in respect of their shareholding in electronic mode with the Depository Participants, including any change in their email id. Members holding shares in physical mode are requested to register their email addresses with the Company / Link Intime India Private Limited, the Registrar & Transfer Agent.	

8. OTHER INFORMATION

(a) Risk Management Framework:

The Company has an appropriate place mechanism to inform the Board members about the risk assessment and minimisation procedures and periodical reviews to ensure that risk is controlled by the executive management through the means of a properly defined framework. The Risk Register is presented before the Members of Audit Committee, every quarter.

(b) CEO and CFO Certification

The Managing Director & CEO and Chief Financial Officer (CFO) of the Company give annual certification on financial reporting and internal controls to the Board in terms of LODR, 2015. They also give quarterly certification on financial results while placing the financial results before the Board in terms of LODR, 2015.

(c) Code of Conduct

The Company has laid down a code of conduct for all Board members and Senior Management personnel of the Company. The code of conduct is available on the website of the Company. The declaration of the Chairman and Managing Director & CEO is part of this report.

9. OTHER MANDATORY DISCLOSURES AS PER LODR AMENDMENT REGULATIONS:-

a. Certificate from Practicing Company Secretary

The Company has obtained a certificate from a J.B. Bhave & Co., Company Secretaries in practice as required under Listing regulations, confirming that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

REPORT ON CORPORATE GOVERNANCE (Contd.)

b. Details of total fees paid to statutory Auditors

The details of the total fees (excluding GST) for all the services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

(in ₹)

	Year ended March 31, 2022	Year ended March 31, 2021
As auditor:		
Audit fees	9,25,000	8,30,000
Limited review	24,75,000	22,50,000
In other capacity:		
Others (including certification fees)	2,95,750	2,56,250
Reimbursement of expenses	-	20,500
Total	**36,95,750**	**33,56,750**

c. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The details of the complaints filed, disposed of and pending during the financial year pertaining to sexual harassment is provided in the Directors' Report of this Annual report

d. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

Nil

General Disclosures

a. A summary of transactions with related parties in the ordinary course of business are periodically placed before the Audit Committee;

b. The mandatory disclosure of transactions with related parties in compliance with the applicable Accounting Standards are a part of this Annual Report;

c. The Policy on Related Party Transactions and for determining Material Subsidiaries is disclosed and available in web link of the Company i.e. https://www.quickheal.co.in/investors/.

d. While preparing the annual accounts in respect of the financial year ended March 31, 2022, no accounting treatment was different from that prescribed in the Accounting Standards;

e. The Company does not have a material non-listed Indian subsidiary as defined under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, the Company has unlisted subsidiary companies abroad. The minutes of the Board meetings of the subsidiary companies are placed at the Board meetings of the Company. Details of significant transactions and arrangements entered into by the subsidiary companies are noted by the Board. The Audit Committee of the Company reviews the financial statements of the subsidiary companies, including investments made by such subsidiaries. The Company has adopted a policy for determining material subsidiaries which is displayed on the Company's website https://www.quickheal.co.in/investors/.

f. The Company has a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and a Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons, in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

   Mr. Vinav Agarwal, Assistant Company Secretary has been appointed as the Compliance Officer for the purpose of this Code.

g. The Company has obtained a certificate from M/s J B Bhave & Co., Company Secretaries, Pune that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

h. Compliance with Non- Mandatory Provisions:

   1. The Chairman of the Board is an executive director

   2. Your Company publishes financial results in two newspapers. Further, the Financial results are available on the website of your Company and of the stock exchanges where the shares of your Company are listed, i.e., BSE Limited and National Stock Exchange of India Limited. Therefore, no individual intimations are sent to the shareholders.

   3. The Auditors' Opinion on the Financial Statements is unmodified.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website. I confirm that the Company has in respect of the year ended March 31, 2022, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them. For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, Company Secretary and the Chief Human Resource Officer as on March 31, 2022.

Sd/-
Kailash Katkar
Managing Director & CEO
DIN: 00397191

CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

(As per Provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 as amended from time to time)

To,
The Members of
QUICK HEAL TECHNOLOGIES LIMITED
Office No. 7010 C & D, Marvel Edge, 7th Floor,
Viman Nagar, Pune, Maharashtra, 411014

Sub: Corporate Governance Compliance Certificate of Quick Heal Technologies Limited

I have examined all relevant records of **Quick Heal Technologies Limited** (CIN: L72200MH1995PLC091408) for the purpose of certifying compliance of the conditions of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2022. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the above certification.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was carried out in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of my examination of the records produced, explanations and information furnished, I certify that the Company has complied with the mandatory conditions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable and amended from time to time for the financial year ended March 31, 2022.

For **J. B. Bhave & Co.**
Company Secretaries

Sd/-
Jayavant Bhave
Proprietor
FCS: 4266 CP. 3068
UDIN: F004266D000314169
PR No.: 1238/2021

Place: Pune
Date: May 13, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
QUICK HEAL TECHNOLOGIES LIMITED
Office No. 7010 C & D, Marvel Edge, 7th Floor,
Viman Nagar, Pune, Maharashtra, 411014

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **QUICK HEAL TECHNOLOGIES LIMITED** having CIN: **L72200MH1995PLC091408** and having registered office at Marvel Edge 7010 C & D Opposite NECO garden Society, Viman Nagar Pune- 411014, Maharashtra(hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	Designation	DIN	Date of appointment in Company
1	Kailash Sahebrao Katkar	Executive Director, CEO-Managing Director	00397191	17/08/1995
2	Sanjay Sahebrao Katkar	Executive Director, Managing Director	00397277	17/08/1995
3	Shailesh Lakhani	Non-Executive - Non Independent Director	03567739	29/04/2014
4	Mehul Savla	Non-Executive - Independent Director	02137699	13/06/2011
5	Bhushan Nilkanth Gokhale	Non-Executive - Independent Director	01493276	12/08/2020
6	Apurva Pradeep Joshi	Non-Executive - Independent Director	06608172	21/08/2015
7	Amitabha Mukhopadhyay	Non-Executive - Independent Director	01806781	10/06/2019
8	Richard Dennis Stiennon	Non-Executive - Independent Director	09324046	27/09/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is specifically being issued in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **J. B. Bhave & Co.**
Company Secretaries

Sd/-
Jayavant Bhave
Proprietor
FCS: 4266 CP. 3068
UDIN: F004266D000314169
PR No.: 1238/2021

Place: Pune
Date: May 13, 2022

COMPLIANCE CERTIFICATE: CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

A. We have reviewed financial statements and the cash flow statement for the period April 01, 2021 to March 31, 2022 and that to the best of our knowledge and belief:

1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period April 01, 2021 to March 31, 2022 which is fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee:

1) significant changes in internal control over financial reporting during the period April 01, 2021 to March 31, 2022;

2) significant changes in accounting policies during the period April 01, 2021 to March 31, 2022 and that the same have been disclosed in the notes to the financial statements; and

3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
Kailash Katkar
Chief Executive Officer

Sd/-
Navin Sharma
Chief Financial Officer

RISK MANAGEMENT REPORT

OVERVIEW:

Quick Heal Technologies Limited is one of the leading IT security solutions Company. Each Quick Heal product is designed to simplify IT security management across the length and depth of devices and on multiple platforms. They are customised to suit consumers, small businesses, Government establishments and corporate houses.

A number of practices and forms are adopted by the management while taking decisions and monitoring performance, including functional and business review, which addresses current performance and future direction and changes thereto, as well as addressing potential risks. As a part of strengthening and institutionalizing the decision making process and monitoring the exposures that are faced by Quick Heal, a formalised Enterprise Risk Management System (ERM) is being implemented on an Enterprise-Wide-Scale.

Identifying and Managing Risk is a skill that is sought to be strengthened through this process and an effort at making decision making more consistent in a way that the business objectives are met most of the times. The ERM process seeks to provide greater confidence to the decision maker and thus enhance achievement of objectives.

As a part of the Corporate Governance requirements under the Companies Act, 2013 and also under the Listing Agreement of the Stock Exchanges, there is a requirement for Public Listed Companies to have Risk Management Policy in place.

Quick Heal is committed to ensuring:

- Sustainable business growth,
- Safeguard of all stakeholders interest
- Minimal surprises in performance due to internal and external business environment changes
- Adherence to applicable regulatory requirements and
- Help business leaders and management decide on the rationale for either of;
    - o Taking the risk
    - o Safeguards / insurance to taking that risk (i.e. sharing it with others or avoiding it altogether)
    - o Costs of such safeguards vis-à-vis upside / downside of accepting risks
    - o Periodic review of the afore-stated positions

The Risk Management Policy establishes a formal framework of Enterprise Risk Management in your Company and is the basis for all ERM related activities in the organisation.

OBJECTIVE OF RISK MANAGEMENT:

The Objective of Enterprise Risk Management is superior achievement of business goals through:

- improved and consistent decision making taken by all in the organisation and
- a culture of thinking about the downside and upside of decision making based on judgment and data

In the process regulatory requirements for a Risk Management System and Policy are also sought to be complied.

To realise the risk management objective, the Company aims to ensure that:

- The identification and management of risk is integrated in day-to-day management of the business
- Risks are identified, assessed in the context of the measurable scales of Consequence and Likelihood, continuously monitored and managed to an acceptable level,
- The escalation of risk information is timely, accurate and complete, to support decision making at all management levels.

RISK MANAGEMEN PROCESS:

Risk Identification and Reviews:

Comprehensive risk identification using a well-structured systematic process is critical, because a potential risk not identified will be excluded from further analysis. Identification should include all risks whether or not they are under the control of the Company.

Each Risk Owner must monitor the risks faced by the function on a regular basis and more specifically on a quarterly basis assess the risks that they face as a group based on the defined objectives, internal and external context realities and the Stakeholder objectives. It will not be limited to a review of risks already identified but will include a review of the changes in the environment. This review should include identification for all significant areas. Workshops or brainstorming sessions may be conducted amongst the group to identify new risks that may have emerged over a period of time. This review will include a documented analysis of the reasons for all successes and failures vis-à-vis the Objectives in the daily working or projects undertaken and identifying the learning for the future.

Risk Assessment:

The risk will be assessed on qualitative two fold criteria. The two components of risk assessment are (a) the likelihood of occurrence of the risk event, and (b) the magnitude of impact if the risk event occurs. The combination of likelihood of occurrence and magnitude of impact provides the risk level.

The magnitude of the impact of an event, should it occur and the likelihood of the event and its associated consequences, are assessed in 2 stages –

1. Inherent Risk – Assessment before considering any action taken to mitigate the consequence or likelihood of risk.

2. Residual or Controlled Risk – Assessment in the context of the existing controls that mitigate the consequence or likelihood of Risk.

The impact and likelihood may be determined using statistical analysis and calculations. Alternatively, where no past data are available, subjective estimates may be made which reflect an employees, or group`s degree of belief that a particular event or outcome will occur.

Risk Evaluation:

Impact and Likelihood are combined to produce a level of risk. For each risk, the score for likelihood and impact should be multiplied to arrive at combined score. The risk is classified into four categories based on combined score (values) that are:

1. Extreme
2. High
3. Cautionary &
4. Acceptable

Risk Treatment/Action Plan:

Risk Treatment involves identifying the range of options for treating risk, assessing those options, preparing risk management plans and implementing them. Treatment options may include:

- Accepting the risk level within the established criteria
- Transferring the risk to other parties e.g. insurance
- Avoiding the risk by hedging/adopting safer practices or policies and
- Reducing the likelihood of occurrence and/or consequences of risk event.

Action plans need to be time bound and responsibility driven to facilitate future status monitoring. Mitigating practices and controls shall include determining policies, procedure, practices and processes in place and additional resource allocation what will ensure that existing level of risks is brought down to an acceptable level. In many cases significant risk may still exist after mitigation of risk level through the risk treatment process. These residual risks need to be monitored.

Escalation of Risks:

It is critical to institute an effective system of escalation which ensures that specific issues are promptly communicated and followed up appropriately. Every employee of the Company has responsibility of identifying and escalating the risks to appropriate levels within the Company. This involves an assessment of controls to mitigate the risks. In case controls are not performing as designed or the proportion of deviation is high there is a need to reassess the Risk and also put in place a corrective program. The internal Risk Committee heads will determine whether the risk needs immediate escalation to next level or it can wait till subsequent periodic review.

All the risks are classified into the following categories while reporting:

1. Strategic
2. Compliance
3. Operational
4. Financial

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

1.	Corporate Identity Number (CIN) of the Listed Entity:	L72200MH1995PLC091408
2.	Name of the Listed Entity:	Quick Heal Technologies Limited
3.	Year of incorporation:	August 07, 1995
4.	Registered office address:	Marvel Edge, Office No. 7010 C & D, 7th Floor, Opposite Neco Garden Society, Viman Nagar, Pune 411014.
5.	Corporate address:	Marvel Edge, Office No. 7010 C & D, 7th Floor, Opposite Neco Garden Society, Viman Nagar, Pune 411014.
6.	E-mail:	cs@quickheal.co.in
7.	Telephone:	+91 20 66813232
8.	Website:	https://www.quickheal.co.in
9.	Financial year for which reporting is being done:	April 01, 2021 to March 31, 2022
10.	Name of the Stock Exchange(s) where shares are listed:	• BSE Limited (BSE) – BSE Ticker: 539678 • National Stock Exchange of India Limited (NSE) – NSE Ticker: QUICKHEAL
11.	Paid-up Capital:	₹ 580,096,010/- divided into 5,80,09,601 equity shares of ₹ 10/- each
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Name: Mr. Vinav Agarwal Designation: Compliance Officer Telephone number: 020-66813232 E-mail Id: cs@quickheal.co.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together):	The disclosures under this report are made on Standalone basis.

Products/services

14. Details of business activities (accounting for 90% of the Turnover):

Quick Heal provides IT security solutions to consumers, small businesses and Government establishments and corporate houses. Further details are provided in the Management Discussion and Analysis section of this report.

S. No.	Description of Main Activity	Description of Business Activity	% Of Turnover of the entity
1.	Software Publishing	Software publishing includes production, supply and documentation of ready-made (non-customized) software, operating systems software, business & other applications software, computer games software for all platforms.	NA
2.	Software Production & Supply	Consultancy includes providing the best solution in the form of custom software after analyzing the user's needs and problems. Custom software also includes made-to-order software based on orders from specific users. Also, included are writing of software of any kind following directives of the users; software maintenance, web-page design	NA

15. Products sold by the entity (accounting for 90% of the entity's Turnover):

Antivirus software products for Retail and enterprise customers

S. No.	Product/Service	NIC Code	% of total Turnover Contributed (FY 2022)
1.	Consumer Products (Retail & SOHO) – Quick Heal Antivirus Solutions	72211	NA
2.	Enterprise & Government Solutions	72211	NA

Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Total number of offices
National	22
International	01

17. Markets served by the entity:

a. Number of locations

Locations	Numbers
National (No. of States)	PAN India
International (No. of Countries)	47

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports as a percentage of the total turnover of the Company is ~4%

c. A brief on types of customers

Quick Heal Technologies Limited is one of the leading IT security solutions Company. Each Quick Heal product is designed to simplify IT security management across the length and depth of devices and on multiple platforms. They are customized to suit consumers, small businesses, Government establishments and corporate houses.

Quick Heal is a smart, easy to use and an extremely fuss-free product for your everyday protection against IT threats and viruses. That makes us one of the most trusted Antivirus brands among retail consumers.

Seqrite is the enterprise arm of Quick Heal. Seqrite' s cybersecurity solutions suite enables organizations to secure their endpoints, data, networks, and users across geographies. Seqrite provides cybersecurity services to Corporates, PSUs, Government, and Law Enforcement Agencies.

Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			EMPLOYEES			
1.	Permanent (D)	986	818	82.96%	168	17.04%
2.	Other than Permanent (E)	84	53	63.10%	31	36.90%
3.	**Total employees (D + E)**	1070	871	81.40%	199	18.59%
			WORKERS*			
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
6.	**Total workers (F + G)**	NA	NA	NA	NA	NA

* There are no workers in the employment of the Company

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

b. Differently abled Employees and workers:

Sr. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	NA	NA	NA	NA	NA
2.	Other than Permanent (E)	NA	NA	NA	NA	NA
3.	**Total differently abled employees (D + E)**	NA	NA	NA	NA	NA
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than permanent (G)	NA	NA	NA	NA	NA
6.	**Total differently abled workers (F + G)**	NA	NA	NA	NA	NA

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		(B)	% (B / A)
Board of Directors	8	1	12.5%
Key Management Personnel	3	0	0

20. Turnover rate for permanent employees and workers

	2019-20 (Voluntary attrition in the year prior to the previous FY)	2020-21 (Voluntary attrition in previous FY)	2021-22 (Voluntary attrition rate in current FY)
Employees	37.4%	20.3%	29.46%

Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

Sr No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Quick Heal Technologies Japan K.K	Subsidiary	100	No
2	Quick Heal Technologies Africa Limited*	Subsidiary	100	No
3	Quick Heal Technologies America Inc.	Subsidiary	100	No
4	Seqrite Technologies Dubai DMCC	Subsidiary	100	No

* Quick Heal Technologies Africa Limited got de-registered w.e.f. February 04, 2022

CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

(i) Yes, CSR is applicable on the Company

(ii) Turnover: ₹ 341.55 Crores

(iii) Net Worth: ₹ 627.21 Crores

Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism In Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	2021-22			2020-21		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. https://www.quickheal.co.in/documents/investors/policies/whistleblower-policy-&-vigil-mechanism.pdf	0	0	NA	0	0	NA
Investors (Other than shareholders)		0	0	NA	0	0	NA
Shareholders		0	0	NA	1	0	NA
Employees		2	2	NA	6	6	NA
Customers		4,23,345	8	5 out of 8 are still open, 3 are resolved in Q1 of this year	1,92,872*	7	NA
Value Chain Partners		5,355	0	NA	6,542*	0	NA
Others (Please Specify)		0	0	NA	0	0	

*Due to CRM & CTI Transition, data is available from July, 2020 to March 2021

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Nil

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions			P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes											
1.	**a.**	**Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Y	N	Y	Y	Y	N	N	Y	Y
	b.	**Has the policy been approved by the Board? (Yes/No)**	Y	N	Y	Y	Y	N	N	Y	Y
	c.	**Web Link of the Policies, if available**	Y	N	Y	Y	Y	N	N	Y	Y
2.	**Whether the entity has translated the policy into procedures. (Yes / No)**		Y	N	Y	Y	Y	N	N	Y	Y

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Y	N	Y	Y	Y	N	N	Y	Y
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	N	N	N	N	N	N	N	N	N
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA	NA	NA	NA	NA	NA	NA	NA	NA

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	NA
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	The Board of Directors of the Company and Stakeholders Relationship Committee is responsible for implementation and oversight of the Business Responsibility policies.
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Stakeholders Relationship Committee of the Board of Directors of the Company is responsible for decision making on sustainability related issues.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against Above policies and follow up action	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No								

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P2	P3	P4	P5	P 6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) **Yes.**	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No) **No**.	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (Yes/No) **No**.	NA	NA	NA	NA	NA	NA	NA	NA	NA
Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Principle 1: Business should conduct and govern itself with ethics, transparency and accountability	**Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle**	**Principle 3: Business should promote the well-being of all employee**
Principlel 4: Business should respect the interests of, and be responsive towards, all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	**Principle 5: Business should respect and promote human rights**	**Principle 6: Business should respect, protect and make efforts to restore environment**
Principle 7: Business, when engaged in influencing public and regulatory policy/policies, should do so in a responsible manner	**Principle 8: Business should support inclusive growth and equitable development**	**Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner**

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

PRINCIPLE 1

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% Age of persons in respective category covered by the awareness programmes
Board of Directors & Key Managerial Personnel	5 (as a part of Board Meetings)	Updates and awareness related to regulatory changes are conducted for the Board of Directors and Key Managerial Personnel. Topics covered includes: a. Corporate Governance b. Companies Act c. SEBI Listing Regulations	100%
Key Managerial Personnel	NA	NA	NA
Employees other than BoD and KMPs	595	Skill upgradation	55.60%
Workers	NA	NA	NA

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEB0. I (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

During the year, Company had not paid any fines / penalties /punishment/ award/ compounding fees/ settlement which are material in nature.

Monetary					
	NGRBC	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NA	NA	NA	NA	NA
Settlement	NA	NA	NA	NA	NA
Compounding fee	NA	NA	NA	NA	NA
Penalty/ Fine	NA	NA	NA	NA	NA

Non-Monetary				
	NGRBC	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	NA	NA
Punishment	NA	NA	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

No appeal/ Revision filed during the year

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, our Code of Conduct complies with the legal requirements of applicable laws and regulations. Link of the policy: https://www.quickheal.co.in/documents/company_policies/Company_Code_of_Conduct.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery.

There have been no cases involving disciplinary action taken by any law enforcement agency for the charges of bribery / corruption against directors / KMP / employees that have been brought to our attention.7

	2021-22	2020-21
Directors	NA	NA
KMPs	NA	NA
Employees	NA	NA
Workers	NA	NA

6. Details of complaints with regard to conflict of interest:

	2021-22		2020-21	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of Directors	NA	NA	NA	NA
Number of complaints received in relation to issues of Conflict of the KMPs	NA	NA	NA	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

NA

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year.

Total number of awareness programmes held	Topics/principles covered under the training	% Age of the value chain partners covered (by value of the business done with such partners) under the awareness programmes
86	Cyber Security	50%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If yes, provide details of the same:

Yes. The Company receives an annual declaration (changes from time to time) from its Board members and KMP on the entities they are interested in and ensures requisite approvals as required under the statute as well as the Company's policies are in place before transacting with such entities / individuals.

PRINCIPLE 2

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	2021-22	2020-21	Details of Improvements in environmental and social impacts
R&D	89.75%	67.52%	Quick Heal's investment in R&D have resulted in protection of society from cyberattacks and also resulted in creation of employment in the society
Capex	NA	NA	NA

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

2. a. **Does the entity have procedures in place for sustainable sourcing?**

Yes, the Company has a Procurement Policy in place which considers sustainability, financial viability of the suppliers, quality of good and services, while procuring any material/sourcing any parts/ engaging in any service engagements.

b. **If yes, what percentage of inputs were sourced sustainably?**

100%

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Quick Heal is an IT security solutions provider company and does not manufacture any products hence this question is not applicable to the Company's operations. Our Company had installed water aerators to optimize the water consumption at all taps. This helped us to save water at large extent. We also installed power sensors to reduce power wastage.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

No, EPR is not applicable.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

Not applicable since the nature of our products do not require such assessment

NIC Code	Name of Product / Service	% Of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
NA	NA	NA	NA	NA	NA

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Since the Company is not the manufacturer of the products but only the developer, the product does not have any significant social and environment impact. Further, certain product packing contains paper and polycarbonate material. Paper material is disposed responsibly and polycarbonate material is recycled by local scrap vendors.

Name of Product / Description of the risk /	Action Taken Service	Name of Product / Description of the risk /
NA	NA	NA
NA	NA	NA
NA	NA	NA

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	2021-22	2020-21
NA	NA	NA

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Paper material is disposed responsibly and polycarbonate material is recycled by local scrap vendors.

	2021-22			2020-21		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (Including Packaging)	NA	NA	NA	NA	NA	NA
E-Waste	NA	NA	NA	NA	NA	NA
Hazardous Waste	NA	NA	NA	NA	NA	NA
Other Waste	NA	NA	NA	NA	NA	NA

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA

PRINCIPLE 3

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% Of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	818	818	100%	818	100%	NA	NA	818	100%	NA	NA
Female	168	168	100%	168	100%	168	100%	NA	NA	NA	NA
Total	986	986	100%	986	100%	168	100%	818	100%	NA	NA
Other than Permanent employees											
Male	53	53	100%	53	100%	NA	NA	NA	NA	NA	NA
Female	31	31	100%	31	100%	31	100%	NA	NA	NA	NA
Total	84	84	100%	84	100%	31	100%	NA	NA	NA	NA

b. Details of measures for the well-being of workers:

Category	% Of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent employees											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

1. Details of retirement benefits, for Current Financial Year and Previous Financial Year

Benefits	2021-22			2020-21		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the Authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Y	100%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	3.96%	NA	Y	4.84%	NA	Y
Others – please specify	NA	NA	NA	NA	NA	NA

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, all offices are accessible to differently abled employees.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, We follow principle of equal opportunity for everyone. The link of the policy is https://www.quickheal.co.in/documents/company_policies/Company_Code_of_Conduct.pdf.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees	
	Return to work rate	Retention rate
Male	100%	100%
Female	100%	100%
Total	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, give details of the mechanism)
Permanent Employees	Yes
Other than Permanent Employees	Yes

The Company is committed to providing a safe and conducive work environment to all of its employees and associates. Transparency and openness are organizational values and are practised across all levels. Employees are encouraged to share their concerns with their Reporting Manager or the members of the senior management. Employees can reach out independently to the Human Resource Function if they so choose to. The Company has an open-door approach, wherein any employee irrespective of hierarchy has access to the senior management. Our mechanisms include Suspicious Activity Reporting Tool (SART) which allows employees to report all their grievances on the SART Portal. This tool allows employees to maintain their confidentiality and also ensures that there are independent and unbiased investigations done for all reported grievances. In addition, our whistle blower policy allows all our employees to report any kind of suspected or actual misconduct in the organization in an anonymous manner. Stakeholders other than permanent employees of the Company can raise their grievances via e-mail to the concerned person/management.

The Company has formulated a Policy on Prevention of Sexual Harassment at Workplace for prevention, prohibition and redressal of sexual harassment at workplace and Internal Complaints Committee has also been set up to redress any such complaints received. The Company periodically conducts sessions for employees across the organization to build awareness about the Policy and the provisions of the Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

	2021-22			2020-21		
	Total employees / workers in respective category (A)	No. of employees / Workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / Workers in respective category (C)	No. of employees / Workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	Nil	Nil	Nil	Nil	Nil	Nil
- Male	Nil	Nil	Nil	Nil	Nil	Nil
- Female	Nil	Nil	Nil	Nil	Nil	Nil

8. Details of training given to employees and workers:

Category	2021-22					2020-21				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/ A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	818	NA*		497	60.76%	821	NA*		80	9.72%
Female	168			98	40.48%	158			20	12.65%
Total	986			595	60.34%	974			100	10.27%
Workers										
Male	NA	NA		NA	NA	NA	NA		NA	NA
Female	NA	NA		NA	NA	NA	NA		NA	NA
Total	NA	NA		NA	NA	NA	NA		NA	NA

** The Company provides regular trainings on Health & Safety to all its employees. The Company aims to provide highest quality training and minimising workplace accidents, without focusing upon the number of hours spent in the training.*

9. Details of performance and career development reviews of employees and worker.

Category	2021-22			2020-21		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	818	661	80.81%	821	717	87.33%
Female	168	135	80.36%	158	132	83.54%
Total	986	796	80.73%	974	849	87.17%
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? If yes, the coverage such system?

No

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

No

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Not Applicable

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

No

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	2021-22	2020-21
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
Total recordable work-related injuries		Nil	Nil
No. of fatalities		Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)		Nil	Nil

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Company took different measures to maintain hygiene & sanitation in company premises. Hand sanitizer made available at all entry points, regular temperature & oxygen level checking were done during Covid-19.

Access to company premises are controlled by Access control system & physical security guards are available at all entry/ exit points. Premises are under CCTV surveillance. Which ensure security of premises & employees. Company installed the Fire safety equipment's like Fire Extinguishers, Fire Hydrant & sprinkler System, Smoke detectors, FM200.

13. Number of Complaints on the following made by employees and workers:

	2021-22			2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year.

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	4 office premises assessed by ISO auditor (during ISO9001, ISO20001, ISO27001 audit)
Working Conditions	0

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Incident management process is in place to track & take corrective action. No incident reported during 2020-21, 2021-22.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of Employees.

Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company obtain documents from partners to ensure timely deduction and deposit of statutory dues.

3. **Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable Employment	
	2021-22	2020-21	2021-22	2020-21
Employees	0	0	0	0

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

   No

5. **Details on assessment of value chain partners.**

   No such assessment was made

	% Of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NA
Working Conditions	NA

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   NA

PRINCIPLE 4:

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   Stakeholders play an integral role in our journey and we recognize the need to partner with them and understand their concerns to deliver the ambitious targets which we have set for ourselves as a part of the organizational vision. We aim to understand the requirement of our stakeholders and attempt to respond to them through various initiatives and programmes. Our process of stakeholder engagement involves identifying key internal and external stakeholders followed by analyzing the impact of each stakeholder groups on our business and vice versa. Based on the exercise carried out, we prioritized our key stakeholders to understand their expectations and concerns. Through regular interactions with our stakeholders across various channels, we have been able to strengthen our relationships and enhance our organizational strategy. We have identified the key stakeholder groups and each stakeholder continues to contribute in their own way in creating a shared value.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Partners	Yes	Email	Continuous	• Stronger partnerships • Demand Sustainability • Credit worthiness • Ethical Behavior • Fair Business Practices • Governance
Customers	Yes	Email	Continuous	• Understanding client, industry and business challenges • Identifying opportunities to improve Quick Heal's service and products for cross-selling • Deciding on investments and capabilities required to fulfil demand • Understanding client's data privacy and security requirements
Investors	Yes	Email, Newspapers, website	Continuous	• Educating the investor community about quick Heal's value creation model and business strategy for the long term • Helping investors voice their concerns regarding company policies, reporting, strategy, etc. • Understanding shareholder expectations
Employees	Yes	Email, website	Continuous	• Career Management and Growth Prospects • Learning opportunities • Compensation structure • Building a safety culture and inculcating safe work practices among employees Ongoing desire for more flexible working hours • Improving Diversity and Inclusion

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Website Link: https://www.quickheal.co.in/documents/investors/policies/stakeholder-relationship-committee-charter.pdf

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity. NA

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

Website Link: https://www.quickheal.co.in/documents/investors/policies/Vulnerability-Disclosure-Policy.pdf

PRINCIPLE 5

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	2021-22			2020-21		
	Total (A)	No. of employees covered (B)	% (B / A)	Total (C)	No. of employees covered (D)	% (D / C)
Employees						
Permanent	986	443	44.93%	974	337	34.53%
Other than permanent	84	30	35.71%	91	27	29.67%
Total Employees	1070	473	44.21%	1065	364	34.18%

2. **Details of minimum wages paid to employees and workers, in the following format:**

All employees and contractors have been paid more than the minimum wage in accordance with the applicable laws.

Category	2021-22					2020-21				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Workers										
Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

3. Details of remuneration/salary/wages, in the following format:

Refer Annexure C of the Board Report forming part of this Annual Report.

	Male		Female	
	Number	**Median remuneration/ salary/ wages of respective category**	**Number**	**Median remuneration/ salary/ wages of respective category**
Board of Directors (BoD)	7	₹ 42.96 Lakhs	1	0
Key Managerial Personnel	4	₹ 102.90 Lakhs	0	NA
Employees other than BoD and KMP	NA	NA	NA	NA
Workers	NA	NA	NA	NA

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Our mechanisms include Suspicious Activity Reporting Tool (SART) which allows employees to report all their grievances on the SART Portal. This tool allows employees to maintain their confidentiality and also ensures that there are independent and unbiased investigations done for all reported grievances. In addition, we also have the Whistle-blower policy in place which allows everyone to report any malpractices observed directly to the Board of Directors. We also have an Internal Complaints Committee in place who ensure that all cases are treated fairly by doing a thorough investigation without any prejudice.

6. Number of Complaints on the following made by employees:

	2021-22			2020-21		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Sexual Harassment	0	0	0	0	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human Rights related issues	0	0	0	0	0	0

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Internal Committee is established to deal with harassment and any complaint is dealt with as per the Anti-Sexual Harassment Policy of the Company.

8. Do human rights requirements form part of your business agreements and contracts?

Yes

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	0
Forced or Involuntary Labour	0
Sexual Harassment	0
Discrimination at workplace	0
Wages	0
Others – please specify	0

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Nil

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Processes are in place to address human rights grievances/complaints wherever there is a possibility of engaging manpower.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

No

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners:

	% Of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	NA
Discrimination at workplace	NA
Child labour	NA
Forced Labour/ Involuntary labour	NA
Wages	NA
Others - Specify	NA

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

NA

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

PRINCIPLE 6

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	2021-22	2020-21
Total electricity consumption (A)	25,04,257 units	26,06,769 units
Total fuel consumption (B) DG set units	52,405 units	33717 units
Energy consumption through other sources (C) Solar	59, 286 units	56, 542 units
Total energy consumption (A+B+C)	26,15,948 units	26,97,028 units
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	7659.05 GJ/₹ Cr	7550.47 GJ/₹ Cr
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   No

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	2021-22	2020-21
Water withdrawal by source (in kiloliters)		
(i) Surface water (corporation or building management)	2,047	4,672
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	2,047	4,672
Total volume of water consumption (in kilolitres)	2,047	4,672
Water intensity per rupee of turnover (Water consumed / turnover)	5.99 kL/₹Cr	13.08 kL/₹Cr
Water intensity(optional) – the relevant metric may be selected by the entity	NA	NA

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   NA

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format: (generated by D sets)**

Parameter	Please specify unit	2021-22	2020-21
NOx	g/kW-hr	3.1	3.0
SOx	g/kW-hr	3.0	2.9
Particulate matter (PM)	g/kW-hr	0.1	0.1
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others –please specify	NA	NA	NA

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & Its intensity, in the following format:**

Parameter	Unit	2021-22	2020-21
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	NA	NA
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	NA	NA
Total Scope 1 and Scope 2 emissions per rupee of turnover	'--'	NA	NA
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	'--'	NA	NA

7. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

No

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	2021-22	2020-21
Total Waste generated (in metric tonnes)		
Plastic waste (A)	NA	NA
E-waste (B)	1.1	0.223
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
Total (A+B + C + D + E + F + G + H)	1.1	0.223
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	1.1	0.223
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total	1.1	0.223
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	NA	NA
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA
(iii) Other disposal operations	NA	NA
Total	NA	NA

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Your Company being an IT security solution providing organization, does not manufacture physical products and therefore does not use any hazardous or toxic chemicals in any of its processes. The Company has offices and facility operations, and the waste is generated from the auxiliary processes used to run these facilities. Based on the nature of services,

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

Quick Heal's facilities mostly generate electronic, electrical, and municipal solid waste, and generate very less hazardous waste and do not use toxic chemicals. Potentially hazardous and regulated wastes such as lead-acid batteries and waste lube oil are generated in relatively smaller proportions which are disposed through government approved recyclers as per regulations. E-waste is disposed to government approved e-waste recyclers.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NA	NA	NA	NA
NA	NA	NA	NA

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company has complied with applicable environmental law/regulations/ guidelines.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	2021-22	2020-21
From renewable sources		
Total electricity consumption (A)	56,542	59,286
Total fuel consumption (B)	NA	NA
Energy consumption through other sources (C)	NA	NA
Total energy consumed from renewable sources (A+B+C)	56,542	59,286
From non-renewable sources		
Total electricity consumption (D) (Electricity + DG)	25,63,574	26,40486
Total fuel consumption (E) (Only for DG)	4,385	3,675
Energy consumption through other sources (F)	NA	NA
Total energy consumed from non-renewable sources (D+E+F)	25,63,574	26,40486

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

2. Provide the following details related to water discharged:

Parameter	2021-22	2020-21
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	NA	NA
- With treatment – please specify level of Treatment (STP by building management)	2,047	4,673
(ii) To Groundwater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) To Seawater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	NA	NA

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	2021-22	2020-21
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	NA	NA
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity(optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(ii) Into Groundwater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

Parameter	2021-22	2020-21
(iii) Into Seawater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	NA	NA

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	2021-22	2020-21
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	NA	NA
Total Scope 3 emissions per rupee of turnover		NA	NA
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Use of Solar power	Installed 45Kw solar plat at R&D center located at Shivajinagar office, Pune	Generating approx. 60,000 units of electricity per year

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, your Company have a well-defined business continuity plan / Disaster recovery plan in place. The objective is to ensure the sustenance of business operations during different types of business interruptions / major disruptions & Disasters, which may impact all critical activities like, development, delivery & support to customers, IT Services, Facility and people.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

No adverse impact

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

NA

PRINCIPLE 7

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

The Company is a member of:

1. Confederation of Indian Industries
2. Data Security Council of India
3. Proventus Angel Network LLP
4. Computers and Media Dealers Association

b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Confederation of Indian Industries	National
2.	Data Security Council of India	National
3.	Proventus Angel Network LLP	Maharashtra
4.	Computers and Media Dealers Association	Maharashtra

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

There is no anti-competitive behavior, abuse of dominant position or unfair trade practices cases pending against the Company.

Name of Authority	Brief of the case	Corrective Action Taken
NA	NA	NA

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

The Company does not advocate public policy positions

Sr. No	Public policy advocated	Method resorted by such advocacy	Whether information available in public domain (Yes/No)	Frequency of review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web Link if available
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA

PRINCIPLE 8

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Not Applicable

Name and brief of project	SIA Notification	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant Web Link
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No	Name of Project of which R&R is going	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In ₹)
NA	NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA	NA

3. Describe the mechanisms to receive and redress grievances of the community.

The Committee looks into the grievances of the Shareholders related to transfer of shares, payment of dividend and non-receipt of annual report and recommends measure for expeditious and effective investor service etc.

The Whistle Blower Policy (WBP) provides for establishment of Vigil Mechanism for directors and employees to report genuine concerns or grievances.

Website Link: https://www.quickheal.co.in/documents/investors/policies/whistleblower-policy-&-vigil-mechanism.pdf

4. Percentage of input material (Inputs to total inputs by value) sourced from suppliers:

	2021-22	2020-21
Directly sourced from MSMEs/small producers	NA	NA
Sourced directly from within the district and neighbouring district	NA	NA

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken	Details of negative social impact identified
NA	NA	NA
NA	NA	NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No	State	Aspirational District	Amount spent (In ₹)
1	Jharkhand	Hararibagh	11,87,743/-
2	Maharashtra	Washim	22,15,000/-

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprizing marginalized /vulnerable groups? No

(b) From which marginalized /vulnerable groups do you procure? NA

(c) What percentage of total procurement (by value) does it constitute? NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No	Intellectual property based on traditional knowledge	Owned/Acquired (Yes/ No)	Benefit Shared (Yes/ No)	Basis of calculating benefit share
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of Authority	Brief of the Case	Corrective action taken
NA	NA	NA

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% Of beneficiaries from vulnerable and marginalized groups
1	Covid relief	1.44 Lakh	Data not available
2	Life Skill Education	1000+	80%
3	Arogya Yans	2.5 Lakh	100%

PRINCIPLE 9

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Your Company follow a SOP to receive & respond to consumer complaints. Customer queries responded via support channels– Voice, Email, Chat, social media & Partner Desk Support for registered channel partners. Frontline Engineers (L-1) are primarily responsible to address customer queries on Voice/Chat/Email/Social media channels. Partner Desk is being taken care by Level-2 Team. Basis available FAQs/Knowledge Base frontline engineers assists customers on their queries. If query cannot be resolved on call, it will be escalated to Level-2 Team for remote support & further to SME Team. SME Team is responsible to file defects/bugs to concern stakeholders.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

	As a percentage of Total Turnover
Environmental & Social Parameters relevant to the product	NA
Safe & Responsible Usage	NA
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following

	2021-22		Remarks	2020-21		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy/ Advertising/ Cyber-Security	428	376	376 users gave no response when we asked them to reply for their consent to delete data. We deleted data of 52 users which gave consent to delete data	21	17	17 users gave no response when we asked them to reply for their consent to delete data. We deleted data of 4 users which gave consent to delete data

4. Details of instances pf product recalls on account of safety issues: Not Applicable

	Number	Reasons for recall
Voluntary Recalls	NA	NA
Forced Recalls	NA	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes.

Web Link: http://dlupdate.quickheal.com/documents/company_policies/Risk_Policy.pdf

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (Contd.)

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Nil

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Web Link: https://www.quickheal.co.in/home-users

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   Yes.

   Web Link: http://dlupdate.quickheal.com/documents/manual/manual_13.pdf

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Yes.

   Web Link: https://www.quickheal.co.in/eol-announcement

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes. The Company does consumer satisfaction survey on a periodic basis and compares the various parameters across multiple dimensions through peer comparison and its membership in the various chambers of commerce.

5. **Provide the following information relating to data breaches:**

   a) **Number of instances of data breaches along-with impact**

      Nil

   b) **Percentage of data breaches involving personally identifiable information of customers**

      Not Applicable

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of

Quick Heal Technologies Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of Quick Heal Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in

our audit of the standalone financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	**Revenue Recognition:** Refer the disclosures related to Revenue recognition in Note 24 to the accompanying Financial Statements. Revenue is recognized in accordance with Ind AS 115- Revenue from contracts with customers, in accordance with which revenue from the sale of security software products and devices is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods. The Application of Ind AS 115 involves certain key judgements relating to identification of separate performance obligations, determination of basis and its appropriateness for allocation of transaction price to the identified performance obligations; and recognition of such identified performance obligations based on timing of satisfaction (i.e. over time or point in time). Due to the significance of revenue and involvement of management judgments relating to identification of separate performance obligations, this is considered as a key audit matter.	Our audit procedures in respect of this area include, but are not limited to, following: 1. Obtained and read contract with customers and confirmed our understanding of the Company's sales process, including design and implementation of controls and tested the operating effectiveness of these controls on a sample basis. 2. Read and understood the Company's accounting policy for revenue recognition. 3. Confirmed our understanding of the nature of security software products sold by the Company. 4. Read the customer agreements, on a sample basis, to test the terms and conditions for sale of such products including identification of performance obligations and allocation of the transaction price to such performance obligation based on appropriate method, as applicable. 5. Discussed with management the key assumptions underlying the Company's assessment of cost related to identified performance obligations and tested mathematical accuracy of the underlying data used for computation and calculations made by the Company; and 6. Evaluated the appropriateness of the disclosures made in the financial statement in relation to revenue recognition as required by applicable accounting standards.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
2	**Provision for credit loss for accounts receivables** Refer Note 11 of Financial statement The Company has total outstanding trade receivable amounting to ₹ 204.76 Crore as at March 31, 2022 against which the Company has provided for ₹ 31.83 Crore towards expected credit loss in the books of account. We have identified provisioning for credit loss as a key audit matter as the calculation of credit loss provision is a complex area and requires management to make significant assumptions on customer payment behaviour and estimating the level and timing of expected future cash flows.	We evaluated the judgement and estimation used by management in recognising the expected credit loss provision. Our procedures included, but were not limited to the following: 1. Obtained understanding of the Company's policy on assessment of expected credit loss against trade receivables, including design and implementation of controls, validation of management review controls. We have tested the operating effectiveness of these controls on a sample basis; 2. Requested for and obtained independent balance confirmations from the Company's customers on a sample basis; 3. Verified subsequent receipts after the year-end on a sample basis; 4. Verified aging of trade receivables for a sample of customer transactions; 5. Obtained management's assessment and plan for recovery with respect to trade receivables outstanding for more than 180 days; 6. Assessed the methodology applied for recognising expected credit loss against the trade receivables in the current year and compared the Company's provisioning rates against historical collection data; and 7. Evaluated the appropriateness of the disclosures made in the financial statement in relation to such provision as required under applicable accounting standards
3	**Provision for Impairment of Investment in subsidiaries** Refer Note 8 of Financial statement. Investment in subsidiaries as on March 31, 2022 amounts to ₹ 23.36 Crores against which provision of ₹ 20.28 Crores was made towards impairment in the books of account. In accordance with Ind AS 36 - Impairment of assets, at each reporting period end, management assesses the existence of impairment indicators of investments in subsidiaries. Processes and methodologies for assessing and determining the recoverable amount of each investments are based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to identification of impairment indicators, forecast of future cash flows relating to the period covered by the Company's strategic business plan, normalized cash flows assumed as a basis for terminal value, as well as the long-term growth rates and discount rates applied to such forecasted cash flows. Since the amount of provision for impairment is material and involves significant management judgement and estimation, we have identified this as a key audit matter.	We evaluated the judgement and estimation used by management in recognising the impairment provision in case of investment in shares. Our procedures included, but were not limited to the following: 1. Obtained understating of the Company's policy on assessment of impairment of investments in shares and the assumption used by the management, including design and implementation of controls, validation of management review controls; 2. Verified the operating effectiveness of the controls on a sample basis; 3. Obtained and read the valuation report provided by the Company's independent valuation experts, and assessed the expert's competence, capability and objectivity; 4. Evaluated management's methodology, assumptions and estimates used in the calculations; 5. verified completeness, arithmetical accuracy and validity of the data used in the calculations; and 6. Evaluated the appropriateness of the disclosures made in the financial statement in relation to the above as required under applicable accounting standards.

INDEPENDENT AUDITOR'S REPORT (Contd.)

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report including Annexures to the Director's Report of the Company but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations

INDEPENDENT AUDITOR'S REPORT (Contd.)

received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 34(c) & (d) to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

iv.

(1) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(2) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Sd/-
Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 22111700AILNGZ6167

Place: Pune
Date: May 05, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF QUICK HEAL TECHNOLOGIES LIMITED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements for the year ended March 31, 2022 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Sd/-
Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 22111700AILNGZ6167

Place: Pune
Date: May 05, 2022

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF QUICK HEAL TECHNOLOGIES LIMITED FOR THE YEAR ENDED MARCH 31, 2022.

Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report

i. (a) A. The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.

ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate. No material discrepancies were noticed on such verification.

(b) According to the information and explanations provided to us, the Company has not been sanctioned working capital limits. Accordingly, the requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company.

iii. (a) The Company has not provided any loans or advances in the nature of loans or guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

(b) In our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest.

(c) According to the information and explanations given to us, there are no loans and advances in the nature of loan granted by the Company, Accordingly, the requirements under paragraph 3(i)(c), 3(i)(d), 3(i)(e) and 3(i)(f) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of investments made.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess have been regularly deposited by the company with appropriate authorities in all cases during the year.

(b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF QUICK HEAL TECHNOLOGIES LIMITED FOR THE YEAR ENDED MARCH 31, 2022. (Contd.)

Name of the statute	Nature of dues	Amount ₹ (in Crores)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Finance Act, 1994	Service tax on supply on licenses to end customer#	56.07	March 1, 2011 to March 31, 2014	Hon'ble Supreme Court	The Company has received favorable order from CESTAT Delhi. However, the department has preferred an appeal against the order of CESTAT Delhi which is pending for admission before Hon'ble Supreme Court
The Finance Act, 1994	Service tax on supply on licenses to end customer#	28.54	FY 2014-2015	CESTAT, Mumbai	
The Finance Act, 1994	Service tax on supply on licenses to end customer#	37.70	FY 2015-2016	CESTAT, Mumbai	
The Finance Act, 1994	Service tax on supply on licenses to end customer#	37.18	FY 2016-2017	Central excise and GST Pune Commissionerate	
The Finance Act, 1994	Service tax on supply on licenses to end customer#	1.57	FY 2017-2018	Central excise and GST Pune Commissionerate	
Income Tax Act,1961	Tax on account of disallowance of expenses on 14A and disallowance of Depreciation	0.10*	FY 2012-13	Commissioner of Income Tax (Appeals)	
Income Tax Act,1961	Tax on account of disallowance of expenses on 14A and disallowance of Depreciation	0.78*	FY 2013-14	Commissioner of Income Tax (Appeals)	
Income Tax Act,1961	Tax on account of disallowance of expenses on 14A	0.12*	FY 2015-16	Commissioner of Income Tax (Appeals)	
Income Tax Act,1961	Tax on account of disallowance of expenses on 14A and disallowances of Expenses	0.67*	FY 2016-17	Commissioner of Income Tax (Appeals)	
Income Tax Act,1961	Tax on account of disallowance of expenses on 14A and disallowances of Expenses	0.82*	FY 2017-18	Commissioner of Income Tax (Appeals)	
Income Tax Act,1961	Tax on account of disallowance of expenses on 14A and disallowances of Expenses	0.36*	FY 2019-20	Commissioner of Income Tax (Appeals)	
Maharashtra Value Added Tax Act-2002	Mismatching of Input Tax Credit	0.33**	FY 2014-15	Dy Commissioner Sales Tax (Appeals)	Amount paid under protest ₹ 0.01 Crores
Maharashtra Value Added Tax Act-2002	Mismatching of Input Tax Credit	0.43**	FY 2015-16	Dy Commissioner Sales Tax (Appeals)	Amount paid under protest ₹ 0.02 Crores

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF QUICK HEAL TECHNOLOGIES LIMITED FOR THE YEAR ENDED MARCH 31, 2022. (Contd.)

Name of the statute	Nature of dues	Amount ₹ (in Crores)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Sales Tax (Bombay) Rules 1957	Mismatching of Input Tax Credit	0.09**	FY 2015-16	Dy Commissioner Sales Tax (Appeals)	Amount paid under protest ₹ 0.005 Crores
Central Sales Tax (Bombay) Rules 1957	Mismatching of Input Tax Credit	0.15**	FY 2016-17	Dy Commissioner Sales Tax (Appeals)	Amount paid under protest ₹ 0.01 Crores
Maharashtra Value Added Tax Act-2002	Mismatching of Input Tax Credit	0.12**	FY 2017-18	Dy Commissioner Sales Tax (Appeals)	Amount paid under protest ₹ 0.01 Crores

#The amount of tax is calculated using the tax rates applicable during the relevant assessment year based on the amount of disallowances / adjustments under dispute.

* The amount of tax is calculated using the tax rates applicable during the relevant assessment year based on the amount of disallowances / adjustments under dispute.

** including interest if any.

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix. (a) The Company does not have any loans or borrowings and repayment to lenders during the year. Accordingly, the provision stated in paragraph 3(ix)(a), 3(ix)(b), 3(ix)(c), 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company;

(b) According to the information and explanations given to us, there are no funds raised on short term basis have been utilised for long term purposes.

x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

xi. (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company nor on the Company.

(b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.

xii. (a) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered internal audit reports issued by internal auditors during our audit.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF QUICK HEAL TECHNOLOGIES LIMITED FOR THE YEAR ENDED MARCH 31, 2022. (Contd.)

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.

(b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.

(d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph clause 3 xvi (d) of the order are not applicable to the company.

xvii. According to the information explanation provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx. (a) According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of section 135 of the act read with schedule VII. Accordingly, reporting under clause 3(xx)(a) and clause 3(xx)(b) of the Order is not applicable to the Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Sd/-
Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 22111700AILNGZ6167

Place: Pune
Date: May 05, 2022

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF QUICK HEAL TECHNOLOGIES LIMITED

Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Quick Heal Technologies Limited on the Financial Statements for the year ended March 31, 2022

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Quick Heal Technologies Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF QUICK HEAL TECHNOLOGIES LIMITED (Contd.)

management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Sd/-
Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 22111700AILNGZ6167

Place: Pune
Date: May 05, 2022

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2022

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	105.94	140.45
(b) Capital work-in-progress		-	2.11
(c) Intangible assets	6	5.72	5.26
(d) Investment property	7	25.36	-
(e) Investments in subsidiaries	8	2.98	12.23
(f) Financial assets			
(i) Investments	8	27.47	32.19
(ii) Other financial assets	9	0.49	0.54
(g) Income tax assets (net)	14	15.79	12.15
(h) Other non-current assets	15	0.47	2.46
		184.22	**207.39**
Current assets			
(a) Inventories	10	4.79	3.29
(b) Financial assets			
(i) Investments	8	290.07	383.31
(ii) Trade receivables	11	172.93	149.44
(iii) Cash and cash equivalents	12	3.97	9.50
(iv) Bank balances other than (iii) above	13	55.23	67.89
(v) Other financial assets	9	1.18	1.45
(c) Other current assets	15	3.50	6.68
(d) Assets classified as held for sale	16	-	1.60
		531.67	**623.16**
Total assets		**715.89**	**830.55**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	58.01	64.21
(b) Share application money pending allotment	SOCIE	-	-
(c) Other equity	18	569.20	691.59
Total equity		**627.21**	**755.80**
Liabilities			
Non-current liabilities			
(a) Net employee defined benefit liabilities	22	0.89	0.37
(b) Other non-current liabilities	21	0.52	-
(c) Deferred tax liabilities (net)	30	0.64	0.82
		2.05	**1.19**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	19	5.77	1.33
(b) Total outstanding dues creditors other than micro enterprises and small enterprises	19	59.97	48.35
(ii) Other financial liabilities	20	1.14	1.33
(b) Other current liabilities	21	19.29	18.22
(c) Net employee defined benefit liabilities	22	0.39	1.16
(d) Income tax liabilities (net)	23	0.07	3.17
		86.63	**73.56**
Total liabilities		**88.68**	**74.75**
Total equity and liabilities		**715.89**	**830.55**

Summary of significant accounting policies 3

The accompanying notes form an integral part of the financial statements.

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

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

Sd/-
Nitin Manohar Jumani
Partner
Membership Number: 111700

Place: Pune
Date: May 05, 2022

Sd/-
Kailash Katkar
Managing Director
& Chief Executive Officer
DIN: 00397191

Place: Pune
Date: May 05, 2022

Sd/-
Sanjay Katkar
Joint Managing Director
& Chief Technical Officer
DIN: 00397277

Place: Pune
Date: May 05, 2022

Sd/-
Navin Sharma
Chief Financial Officer

Place: Pune
Date: May 05, 2022

Sd/-
A. Srinivasa Rao
Company Secretary

Regs. No. FCS-9901

Place: Pune
Date: May 05, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Revenue from operations	24	341.55	333.53
Other income	25	19.17	23.94
Total income		**360.72**	**357.47**
EXPENSES			
Cost of materials consumed	26 (a)	1.00	1.03
Purchase of security software products	26 (b)	13.30	8.05
(Increase) / decrease in security software products	26 (c)	(1.89)	2.30
Employee benefits expense	27	138.34	113.20
Depreciation and amortisation expense	28	17.38	19.48
Other expenses	29	84.97	67.59
Total expenses		**253.10**	**211.65**
Profit before exceptional items and tax		**107.62**	**145.82**
Exceptional items [Refer note 40 (b)]		4.06	-
Profit before tax		**103.56**	**145.82**
Tax expense			
Current tax	30		
Pertaining to profit for the current year		25.76	33.92
Adjustments of tax relating to earlier periods (Net)		0.65	1.76
Deferred tax (benefit/ charge)		(1.04)	3.36
Total tax expense		**25.37**	**39.04**
Profit after tax		**78.19**	**106.78**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement of defined benefit plans		0.83	0.17
Income tax effect		(0.21)	(0.04)
		0.62	0.13
Net (loss) or gain on FVTOCI assets		2.73	-
Income tax effect		(0.65)	-
		2.08	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		2.70	0.13
Total comprehensive income for the year		**80.89**	**106.91**
Earnings per equity share [nominal value per share ₹ 10 (March 31, 2021: ₹ 10)]	31		
Basic		13.17	16.64
Diluted		13.10	16.62

Summary of significant accounting policies 3

The accompanying notes form an integral part of the financial statements.

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

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

Sd/-
Nitin Manohar Jumani
Partner
Membership Number: 111700
Place: Pune
Date: May 05, 2022

Sd/-
Kailash Katkar
Managing Director
& Chief Executive Officer
DIN: 00397191
Place: Pune
Date: May 05, 2022

Sd/-
Sanjay Katkar
Joint Managing Director
& Chief Technical Officer
DIN: 00397277
Place: Pune
Date: May 05, 2022

Sd/-
Navin Sharma
Chief Financial Officer
Place: Pune
Date: May 05, 2022

Sd/-
A. Srinivasa Rao
Company Secretary
Regs. No. FCS-9901
Place: Pune
Date: May 05, 2022

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	March 31, 2022	March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	103.56	145.82
Adjustment to reconcile profit before tax to net cash flows:		
Exceptional items	4.06	-
Net (gain) / loss foreign exchange differences	0.09	0.29
Employee share based payments expense	4.69	0.62
Depreciation and amortisation expense	17.38	19.48
Interest income	(2.90)	(7.13)
Provision for doubtful debts and advances	3.36	(3.86)
Property, plant and equipment written off	0.08	-
Bad debts written off	0.06	3.47
(Profit) / loss on sale of property, plant and equipment	(1.66)	(0.04)
Net gain on sale of investment	(2.84)	(3.01)
Net (gain) on FVTPL current investment	(7.41)	(9.00)
Operating profit before working capital changes	**118.47**	**146.64**
Movements in working capital:		
(Increase)/decrease in trade receivables	(27.00)	(36.11)
(Increase)/decrease in inventories	(1.50)	2.93
(Increase)/decrease in other financial assets	0.20	0.05
(Increase)/decrease in other assets	3.00	(1.78)
Increase/(decrease) in net employee defined benefit liabilities	0.58	0.84
Increase/(decrease) in trade payables	16.06	9.01
Increase/(decrease) in other current & non-current liabilities	1.59	7.88
Cash generated from operations	**111.40**	**129.46**
Direct taxes paid (net of refunds)	(32.34)	(29.17)
Net cash flow from operating activities (A)	**79.06**	**100.29**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advances)	(5.75)	(8.87)
Proceeds from sale of property, plant and equipment	4.30	0.06
Repatriation of funds / (Investments in subsidiaries)	5.19	(2.17)
Purchase of current investments	(408.85)	(621.89)
Sale of current investments	519.14	528.25
(Increase)/decrease in bank balances other than cash and cash equivalents	12.69	2.29
Interest received	2.83	7.87
Net cash (used in) investing activities (B)	**129.55**	**(94.46)**

STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	March 31, 2022	March 31, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid on equity shares	(23.13)	0.05
Tax on Buyback	(36.03)	-
Buyback Expenses	(1.72)	-
Proceeds from issuance of equity shares (including securities premium)	1.74	0.06
Payout for buyback of shares	(155.00)	-
Share application money pending allotment	-	-
Net cash flow (used in) financing activities (C)	**(214.14)**	**0.11**
Net (decrease) in cash and cash equivalents (A+B+C)	**(5.53)**	**5.94**
Cash and cash equivalents at the beginning of the year	9.50	3.56
Cash and cash equivalents at the end of the year	**3.97**	**9.50**
Components of cash and cash equivalents		
Cash on hand	0.04	0.04
Balances with banks		
On current account	3.30	6.26
On EEFC account	0.63	3.13
Cheques on hand	-	0.07
Total cash and cash equivalents (refer note 12)	**3.97**	**9.50**
Summary of significant accounting policies	3	

The accompanying notes form an integral part of the financial statements.

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

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

Sd/-
Nitin Manohar Jumani
Partner
Membership Number: 111700

Place: Pune
Date: May 05, 2022

Sd/-
Kailash Katkar
Managing Director
& Chief Executive Officer
DIN: 00397191

Place: Pune
Date: May 05, 2022

Sd/-
Sanjay Katkar
Joint Managing Director
& Chief Technical Officer
DIN: 00397277

Place: Pune
Date: May 05, 2022

Sd/-
Navin Sharma
Chief Financial Officer

Place: Pune
Date: May 05, 2022

Sd/-
A. Srinivasa Rao
Company Secretary

Regs. No. FCS-9901

Place: Pune
Date: May 05, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores, unless otherwise stated)

A. Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid-up	No.	Amount
As at April 1, 2020	**6,42,03,618**	**64.20**
- Employee stock option plan (ESOP)	4,250	-
- Buy Back	-	-
As at March 31, 2021	**6,42,07,868**	**64.20**
- Employee stock option plan (ESOP) (refer note 17)	1,28,263	0.13
- Buy Back	**(63,26,530)**	**(6.33)**
As at March 31, 2022	**5,80,09,601**	**58.01**

B. Share application money pending allotment

	As at March 31, 2022	As at March 31, 2021
Share application money pending allotment*	-	-

* Amount below rounding off norms adopted by the Company

C. Other equity

Other equity attributable to equity holders of the Company

Particulars	Share application money pending allotment	Employee stock options outstanding (ESOP)	Securities premium	Capital redemption reserve	Amalgamation reserve	General reserve	Retained earnings	Defined benefit plans through Other comprehensive income	Equity instruments through Other comprehensive income	Total
Balance as at April 1, 2020	**-**	**2.40**	**59.38**	**6.36**	**2.65**	**45.03**	**473.21**	**1.55**	**(6.57)**	**584.01**
Profit for the year	-	-	-	-	-	-	106.78	-	-	106.78
Other comprehensive income	-	-	-	-	-	-		0.13	-	0.13
Total comprehensive income	-	-	-	-	-	-	106.78	0.13	-	106.91
Expenses pertaining to share-based payments	-	0.62	-	-	-	-	-	-	-	0.62
Exercise of share options	-	-	0.05	-	-	-	-		-	0.05
Balance as at March 31, 2021	**-**	**3.02**	**59.43**	**6.36**	**2.65**	**45.03**	**579.99**	**1.68**	**(6.57)**	**691.59**
Profit for the year	-	-	-	-	-	-	78.19	-	-	78.19
Other comprehensive income	-	-	-	-	-	-	-	0.62	2.08	2.70
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**78.19**	**0.62**	**2.08**	**80.89**
Expenses pertaining to share-based payments	-	4.69	-	-	-	-	-	-	-	4.69
Exercise of share options	-	-	1.61	-	-	-	-	-	-	1.61
Transfer from ESOP	-	(0.69)	0.69	-	-	-	-	-	-	-
Utilised for buy back	-	-	(59.43)	-	-	-	(89.24)	-	-	(148.67)
Buyback Expenses	-	-	-	-	-	-	(1.72)	-	-	(1.72)
Transferred to Capital redemption reserve	-	-	-	6.33	-	-	(6.33)	-	-	-
Transactions with owners in their capacity as owners:										
Final equity dividend	-	-	-	-	-	-	(23.16)	-	-	(23.16)
Buyback Tax	-	-	-	-	-	-	(36.03)	-	-	(36.03)
Balance as at March 31, 2022	**-**	**7.02**	**2.30**	**12.69**	**2.65**	**45.03**	**501.70**	**2.30**	**(4.49)**	**569.20**

Summary of significant accounting policies

The accompanying notes form an integral part of the financial statements.

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

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

Sd/-
Nitin Manohar Jumani
Partner
Membership Number: 111700
Place: Pune
Date: May 05, 2022

Sd/-
Kailash Katkar
Managing Director
& Chief Executive Officer
DIN: 00397191
Place: Pune
Date: May 05, 2022

Sd/-
Sanjay Katkar
Joint Managing Director
& Chief Technical Officer
DIN: 00397277
Place: Pune
Date: May 05, 2022

Sd/-
Navin Sharma
Chief Financial Officer
Place: Pune
Date: May 05, 2022

Sd/-
A. Srinivasa Rao
Company Secretary
Regs. No. FCS-9901
Place: Pune
Date: May 05, 2022

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores, unless otherwise stated)

1. CORPORATE INFORMATION

Quick Heal Technologies Limited ("the Company"), a public company domiciled in India, was incorporated on August 7, 1995 under the Companies Act, 1956. The CIN of the Company is L72200MH1995PLC091408. The Company's shares are listed on the BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') w.e.f. February 18, 2016. The registered office of the Company is located at Marvel Edge, Office No.7010 C & D, 7th Floor, Viman Nagar, Pune 411014, Maharashtra, India.

The Company is engaged in the business of providing security software products. The Company caters to both domestic and international market.

The standalone financial statements of the Company for the year ended March 31, 2022 were authorised for issue in accordance with a resolution of the Board of Directors on May 5, 2022.

2. BASIS OF PREPARATION

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 read with Indian Accounting Standards Rules, 2015, as amended and other relevant provisions of the Act.

The standalone financial statements have been prepared on a historical cost basis, except for certain financial assets which have been measured at fair value. The standalone financial statements are presented in ₹ Crores; except when otherwise indicated.

Items	Measurement basis
Certain non-derivative financial instruments	Fair value
Equity-settled share based payment transactions	Fair value on date of grant
Defined benefit plan assets	Fair value

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies applied by the Company in preparing its standalone financial statements:

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle has been considered to be twelve months.

b) Foreign currencies

Functional and presentation currency

The Company's standalone financial statements are presented in Indian Rupees, which is also the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transaction and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

c) Fair value measurement

The Company measures financial instruments such as investments in equity shares (other than those in subsidiaries) at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions (refer note 4)
- Quantitative disclosures of fair value measurement hierarchy (refer note 42)
- Financial instruments risk management objectives and policies (refer note 43)

d) Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services.

Goods and Services Tax (GST) and other applicable taxes is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Accordingly, it is excluded from revenue. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of security software products and devices:

Revenue from the sale of security software products and devices (goods) is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Revenue

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts,volume rebates, value added taxes, goods and service tax (GST) and amounts collected on behalf of third parties.

In arrangements for sale of security software, the Company has applied the guidance in Ind AS 115, Revenue, by applying the revenue recognition criteria for each separately identifiable component of a single transaction. The arrangements generally meet the criteria for considering sale of security software and related services as separately identifiable components. For allocating the consideration, the Company has measured the revenue in respect of each separable component of a transaction at its fair value, in accordance with principles given in Ind AS 115. The Company allocates and defers revenue for the undelivered items based on the fair value of the undelivered elements.

Contract balances:

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (q) financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(ii) Income from services:

Revenues from support services are recognised as and when services are rendered. The Company collects GST on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

(iii) Revenue from software services:

The Company has applied the principal under Ind AS 115 to identify each performance obligation on licenses sold to customer. Revenue for identified performance obligation is recognised over the period of time, when such performance obligation is rendered. In absence of standalone selling price of the performance obligation, the contract price are allocated to each performance obligation of the contract on the basis of cost plus margin approach.

e) Other income

(i) Interest

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate ('EIR') applicable. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included under the head "Other income" in the statement of profit and loss.

(ii) Dividends

Income from dividend on investments is accrued in the year in which it is declared, whereby the Company's right to receive is established. Dividend income is included under the head "Other income" in the statement of profit and loss.

f) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 taxes relate to the same taxable Company and the same taxation authority.

g) Property, plant and equipment

Property, plant and equipment and capital work in progress are stated at cost net of accumulated depreciation and impairment losses, if any.

The cost comprises of the purchase price and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Each part of item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

Depreciation on property, plant and equipment is calculated on a written down value (WDV) basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Type of assets	Schedule II life (years)	Useful lives estimated by the management (years)	Rates (WDV)
Buildings	60	60	4.87%
Computers	3	3	63.16%
Electrical installations	10	10	25.89%
Furniture and fixtures	10	10	25.89%
Office equipment	5	5	45.07%
Server	6	6	39.30%
Vehicles	8	8	31.23%

Leasehold premises are amortised on a straight line basis over the period of lease, i.e. 30 years.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company depreciates building component of investment property over 60 years from the date of original purchase

The Company, based on technical assessment made by technical expert and management estimate, depreciates the building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives i.e. software's are amortised on a straight line basis over the period of expected future benefits i.e. over their estimated useful lives of Six years. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

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

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset;
- Its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of adequate resources to complete the development and to use or sell the asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life. Amortisation is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

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 recognises 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 Company 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 Company 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

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) Inventories

Inventories are valued at the lower of cost and net realisable value.

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.

- Raw materials are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories is not written down below cost of the finished product in which they will be incorporated are expected to be sold at or above cost. Cost of raw material is determined on a weighted average basis.
- Finished goods are valued at lower of cost and net realisable value. Cost includes direct material and labour and a proportion of manufacturing overhead based on normal operating capacity. Cost is determined on a weighted average basis.
- Traded goods are valued at lower of cost and net realisable 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 realisable 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.

The comparison of cost and net realisable value is made on item by item basis.

l) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

m) Provisions

A provision is recognised 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.

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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 recognised 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 recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

o) Retirement and other employee benefits

a) Short-term employee benefits

The distinction between short term and long term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay, etc. and are recognised in the period in which the employee renders the related service.

b) Post-employment benefits

(i) Defined contribution plan

The Company makes payment to provident fund scheme which is defined contribution plan. The contribution paid/payable under the schemes is recognised in the statement of profit and loss during the period in which the employee renders the related service. The Company has no further obligations under these schemes beyond its periodic contributions.

The Company recognise contribution payable to the provident fund scheme as an expenditure, when an employee renders the related services. If the contribution payable to the scheme for services received before balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then the excess recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or cash refund.

(ii) Defined benefit plan

The Company operates a defined benefit plan for its employees, viz. gratuity. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. The fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on a net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment; and

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

c) **Other long-term employment benefits:**

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the Balance Sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

p) Share based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment ("SBP") reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

q) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) **Financial assets**

Initial recognition and measurement of financial assets

All financial assets are recognised 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 purposes of subsequent measurement, financial assets are classified in the following categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that 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. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as expense/ (income) in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis. The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, loans and borrowings or payables as appropriate.

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

The Company's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

r) Investment in subsidiaries

Investment in subsidiaries is carried at cost less accumulated impairment in the standalone financial statements

s) Assets held for sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset (or disposal group) to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programmed to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

t) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturity of three months or less, which are subject to an insignificant risk of changes in value. In the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered as integral part of the Company's cash management.

u) Cash dividend

The Company recognises a liability to make cash distributions to the equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the provisions of the Act, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

v) Contributed equity

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

w) Earnings per share (EPS)

Basic EPS is calculated by dividing the Company's earnings for the year attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. The earnings considered in ascertaining the Company's EPS comprise the net profit after tax attributable to equity shareholders. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares) other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares. There were no instruments

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

excluded from the calculation of diluted earnings per share for the periods presented because of an anti-dilutive impact.

x) Segment reporting

An operating segment is a component of a company whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make decisions about resource allocation and assess its performance and for which discrete financial information is available. The Company has identified the Managing Director of the Company as its CODM.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Significant Judgement is required for identifying separate performance obligation, determination of basis and its appropriateness for allocation of transaction price to the identified performance obligations and recognition of such identified performance obligations based on timing of satisfaction (i.e. over time or point in time). The Company considered each promise in a contract with customer to transfer a goods or service that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer to identify separate performance obligation, transaction price is allocated to each performance obligation that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised goods or services to the customer and point of transfer of control in goods or service to determine whether the performance obligation is satisfied over time or at a point in time.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in note 31.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 42 for further disclosures.

Standards (including amendments) issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2022.

Ind AS 116: Covid-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond June 30, 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before June 30, 2022 from June 30, 2021. The amendment applies to annual reporting periods beginning on or after April 01, 2021.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land (refer note 1 below)	Leasehold premises	Buildings (refer note 2 below)	Computers and server	Office equipment	Electrical installations	Furniture and fixtures	Vehicles	Total
Cost (Gross) (refer note 3 below)									
At April 1, 2020	2.66	2.13	160.38	47.22	17.60	9.98	22.94	1.09	264.00
Additions	-	-	-	7.34	0.03	0.09	-	-	7.47
Reclassified as held for sale	-	-	2.83	-	-	-	-	-	2.83
Disposals/written-offs	-	-	-	-	0.18	0.02	0.12	0.04	0.36
At March 31, 2021	**2.66**	**2.13**	**157.55**	**54.56**	**17.45**	**10.05**	**22.82**	**1.05**	**268.28**
Transfer	-	-	32.43	-	-	-	-	-	32.43
Additions	-	-	0.11	4.75	0.57	0.12	0.44	-	5.99
Disposals/written-offs	-	-	0.90	1.19	0.77	0.68	2.79	-	6.33
At March 31, 2022	**2.66**	**2.13**	**124.33**	**58.12**	**17.25**	**9.49**	**20.47**	**1.05**	**235.51**
Depreciation (Gross) (refer note 3 below)									
At April 1, 2020	-	0.77	37.03	35.78	16.03	7.52	18.02	0.36	115.51
Depreciation charge for the year	-	0.07	6.01	5.23	0.45	0.64	1.25	0.23	13.88
Reclassified as held for sale	-	-	1.22	-	-	-	-	-	1.22
Disposals/written-offs	-	-	-	-	0.17	0.02	0.11	0.04	0.34
At March 31, 2021	**-**	**0.84**	**41.82**	**41.01**	**16.31**	**8.14**	**19.16**	**0.55**	**127.83**
Transfer	-	-	6.77	-	-	-	-	-	6.77
Depreciation charge for the year	-	0.07	5.33	6.64	0.23	0.48	0.89	0.16	13.80
Disposals/written-offs	-	-	0.37	1.15	0.74	0.61	2.42	-	5.29
At March 31, 2022	**-**	**0.91**	**40.01**	**46.50**	**15.80**	**8.01**	**17.63**	**0.71**	**129.57**
Net block									
At March 31, 2021	**2.66**	**1.29**	**115.73**	**13.55**	**1.14**	**1.91**	**3.66**	**0.50**	**140.45**
At March 31, 2022	**2.66**	**1.22**	**84.32**	**11.62**	**1.45**	**1.48**	**2.84**	**0.34**	**105.94**

Note:-

1. The value of land has been estimated based on the stamp duty valuation rate.
2. Building includes office building (including share in undivided portion of land) taken on long term lease i.e. 999 years.
3. The Company had elected to continue with the carrying value of property, plant and equipment as recognised in the financial statements as per previous GAAP and had regarded those values as the deemed cost on the date of transition (i.e. April 1, 2015). The Company has disclosed the gross block and accumulated depreciation above, for information purpose only. The accumulated depreciation as at April 1, 2015 was ₹ 22.82.

5. (A) AGEING OF TANGIBLE CWIP

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
At March 31, 2021					
Projects in progress	2.11	-	-	-	2.11
Projects temporarily suspended	-	-	-	-	-
	2.11	-	-	-	2.11

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
At March 31, 2022					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

6. INTANGIBLE ASSETS

Particulars	Software	Total
Cost (Gross) (refer note 1 below)		
At April 1, 2020	46.99	46.99
Purchase	0.91	0.91
At March 31, 2021	**47.90**	**47.90**
Purchase	3.74	3.74
Disposals	6.47	6.47
At March 31, 2022	**45 .17**	**45.17**
Amortisation (Gross) (refer note 1 below)		
At April 1, 2020	37.03	37.03
Amortisation for the year	5.61	5.61
At March 31, 2021	**42.64**	**42.64**
Amortisation for the year	3.28	3.28
Disposals	6.47	6.47
At March 31, 2022	**39.45**	**39.45**
Net block		
At March 31, 2021	**5.26**	**5.26**
At March 31, 2022	**5.72**	**5.72**

1. The Company had elected to continue with the carrying value of intangible assets as recognised in the financial statements as per previous GAAP and had regarded those values as the deemed cost on the date of transition (i.e. April 1, 2015). The Company has disclosed the gross block and accumulated amortisation above, for information purpose only. The accumulated amortisation as at April 1, 2015 was ₹ 17.44.

7. INVESTMENT PROPERTY

Particulars	Buildings	Total
Cost		
At April 1, 2020	-	-
Purchase	-	-
Disposals	-	-
At March 31, 2021	**-**	**-**
Transfer	32.43	32.43
Disposals	-	-
At March 31, 2022	**32.43**	**32.43**
Depreciation		
At April 1, 2020	-	-
Depreciation for the year	-	-
Disposals	-	-
At March 31, 2021	**-**	**-**
Transfer	6.77	6.77
Depreciation for the year	0.30	0.30
Disposals	-	-
At March 31, 2022	**7.07**	**7.07**
Net block		
At March 31, 2021	**-**	**-**
At March 31, 2022	**25.36**	**25.36**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Information regarding income and expenditure of Investment property

Particulars	As at March 31, 2022	As at March 31, 2021
Rental income derived from investment properties	0.85	-
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	**0.85**	**-**
Less – Depreciation	(0.30)	-
Profit arising from investment properties before indirect expenses	**0.55**	**-**
Less – Indirect expenses	-	-
Profit from investment properties	**0.55**	**-**

The Company's investment properties consist of commercial building in India given on non-cancellable lease for a period of 3 years.

Estimation of fair value

As at 31 March 2022, the fair values of the property is ₹ 39.40. The valuations are based on valuations performed by Mr. Devendra Patekar (Registered Valuer & Chartered Engineer) , an accredited independent valuer. Devendra Patekar is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties have been provided in Note 42.

1. The Company has no restriction on the realisability of its investment properties and no contractual obligations to purchase, or develop investment properties or for repairs, maintenance.

2. The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, age of the property. The fair value is based on valuation performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy

8. INVESTMENTS IN SUBSIDIARIES AND OTHERS

Particulars	As at March 31, 2022	As at March 31, 2021
Non - current investments		
Investment in equity shares (unquoted) (at cost)		
Investment in wholly owned subsidiaries		
5,600 (March 31, 2021: 5,600) equity shares of JPY 50,000 each fully paid-up in Quick Heal Technologies Japan K.K., Japan	17.44	17.44
Less: Impairment of investment in Quick Heal Technologies Japan K.K., Japan	(15.27)	(15.27)
	2.17	**2.17**
7,88,000 (March 31, 2021: 7,88,000) equity shares of USD 1 each fully paid-up in Quick Heal Technologies America Inc., USA	5.36	5.36
Less: Impairment of investment in Quick Heal Technologies America Inc., USA	(5.11)	(1.05)
	0.25	**4.31**
1,13,67,500 (March 31, 2021: 1,13,67,500) equity shares of KSH 10 each fully paid-up in Quick Heal Technologies Africa Limited, Kenya *	7.68	7.68
Less: Repatriation	(5.16)	-
Less: Transfer	(0.03)	-
Less: Impairment of investment in Quick Heal Technologies Africa Limited, Kenya	(2.49)	(2.49)
	-	**5.19**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
300 (March 31, 2021: 300) equity shares of AED 1,000 each fully paid-up in Seqrite Technologies DMCC, UAE	0.56	0.56
	0.56	**0.56**
Sub total - Investment in equity shares (unquoted) (at cost)	**2.98**	**12.23**
Investment carried at amortised cost		
Investment in tax free bonds		
7.35% Indian Railway Finance Corporation Limited Bonds	3.35	3.35
7.39% National Highway Authority of India Bonds	2.48	2.48
	5.83	**5.83**
Investments at fair value through profit and loss		
Investments in mutual funds (quoted)		
Investments in mutual funds	-	7.45
	-	**7.45**
Investment in Preference shares (unquoted)		
1,49,925 (March 31, 2021: 1,49,925) compulsory convertible preference shares (CCPS) of NIS 0.01 each fully paid-up in L7 Defense Limited	14.73	14.73
	14.73	**14.73**
Investments at fair value through OCI		
Investment in other equity shares (unquoted)		
4,472 (March 31, 2021: 4,472) equity shares of ₹ 10 each fully paid-up in Smartalyse Technologies Private Limited	6.67	6.67
Less: Fair value changes routed through OCI	(6.67)	(6.67)
	-	**-**
18,255 (March 31, 2021: 18,255) equity shares of NIS 0.01 each fully paid-up in L7 Defense Limited	2.18	2.18
	2.18	**2.18**
4,651 (March 31, 20121: 4,651) equity shares of SGD 0.001 each fully paid-up in Ray Pte. Limited	2.00	2.00
Add: Fair value changes routed through OCI	2.73	-
	4.73	**2.00**
Sub total - Investments	**27.47**	**32.19**
Total non - current investments	**30.45**	**44.42**
Current investments		
Investments at fair value through profit and loss		
Investments in mutual funds (quoted)		
Investments in mutual funds	290.07	383.31
Total current investments	**290.07**	**383.31**
Total non-current investments	**30.45**	**44.42**
Total current investments	**290.07**	**383.31**
Aggregate book value of quoted investments	290.07	390.76
Aggregate market value of quoted investments	290.07	390.76
Aggregate value of unquoted investments	30.45	36.97
Aggregate amount of impairment in value of investments	29.54	25.48
Investments carried at cost	2.98	12.23
Investments carried at amortised cost	5.83	5.83
Investments carried at fair value through profit or loss	304.80	405.49
Investments carried at fair value through other comprehensive income	21.64	18.91

* In the current year, Company had discontinued operation of Quick Heal Technologies Africa Limited, Kenya.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

9. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Interest accrued		
on bank balance	0.70	0.79
Security deposits	0.48	0.66
Total current	**1.18**	**1.45**
Non - current		
Bank balances		
Deposits with remaining maturity of more than twelve months	0.13	0.16
Security deposits	0.36	0.38
Total non - current	**0.49**	**0.54**
Other financial assets carried at amortised cost	1.67	1.99

Out of the total deposits, ₹ 0.20 (March 31, 2021: ₹ 0.16) are pledged against bank guarantees.

No loans are due from directors or other officers of the Company either severally or jointly with any other person. Nor any loans are due from firms or private companies respectively in which any director is a partner, a director or a member.

10. INVENTORIES

Particulars	As at March 31, 2022	As at March 31, 2021
At lower of cost and net realisable value		
Raw materials - Security software devices (Unified Threat Management)	0.31	0.70
Finished goods - Security softwares	4.48	2.59
Total	**4.79**	**3.29**

11. TRADE RECEIVABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	171.82	149.00
Trade receivable from related parties (refer note 39)	1.11	0.44
Total	**172.93**	**149.44**

Break-up for security details:

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables		
Considered good - Secured	-	-
Considered good - Unsecured	172.93	149.44
Receivables - credit impaired	31.83	28.47
Total	**204.76**	**177.91**

Impairment allowed (allowed for bad and doubtful debts)

Considered good - Unsecured	-	-
Receivable which have significant increase in credit risk	-	-
Receivables - credit impaired	(31.83)	(28.47)
	(31.83)	**(28.47)**
Total	**172.93**	**149.44**

* The management has evaluated credit impairment allowance base 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.

For terms and condition relating to related party receivables, refer note 39.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Break-up for security details:

Particulars	Outstanding as at March 2022						
	Not due	Less than 6 months	6 months - 1 year	1 - 2 year	2 -3 year	More than 3 year	Total
i) Undisputed Trade receivables - considered good	79.86	83.24	6.48	0.18	0.43	2.74	172.93
ii) Undisputed Trade Receivables - credit impaired	-	-	2.28	2.35	1.25	0.93	6.82
iii) Disputed Trade Receivables - credit impaired	-	-	0.07	0.63	3.23	21.08	25.01
Total	**79.86**	**83.24**	**8.83**	**3.16**	**4.91**	**24.75**	**204.76**

Particulars	Outstanding as at March 2021						
	Not due	Less than 6 months	6 months - 1 year	1 - 2 year	2 -3 year	More than 3 year	Total
i) Undisputed Trade receivables - considered good	84.02	55.39	5.60	1.67	0.05	2.71	149.44
ii) Undisputed Trade Receivables - credit impaired	-	-	0.62	4.13	0.37	0.67	5.79
iii) Disputed Trade Receivables - credit impaired	-	-	-	1.55	0.22	20.91	22.68
Total	**84.02**	**55.39**	**6.22**	**7.35**	**0.64**	**24.29**	**177.91**

12. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
On current account	3.30	6.26
On EEFC account	0.63	3.13
Cheques on hand	-	0.07
Cash on hand	0.04	0.04
Total	**3.97**	**9.50**

13. OTHER BANK BALANCES

Particulars	As at March 31, 2022	As at March 31, 2021
Bank balances		
Deposits with remaining maturity of less than twelve months	55.05	67.74
Unpaid dividend account	0.18	0.15
Total	**55.23**	**67.89**

Out of the total deposits, ₹ 0.17 (March 31, 2021: ₹ 0.22) are pledged against bank guarantees.

14. NON-CURRENT INCOME TAX ASSETS (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance tax (net of provision for tax)	15.79	12.15
Total	**15.79**	**12.15**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

15. OTHERS ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Current (unsecured, considered good)		
Prepaid expenses	3.03	4.17
Balances with government authorities	0.07	0.14
Advance to suppliers	0.37	2.37
Other assets	0.03	-
Total current	**3.50**	**6.68**
Non - current (unsecured, considered good)		
Prepaid expenses	0.47	0.29
Non - current (unsecured, considered doubtful)		
Capital advances	0.30	2.47
Less: provision for doubtful capital advances	(0.30)	(0.30)
Total non - current	**0.47**	**2.46**
Total current	**3.50**	**6.68**
Total non - current	**0.47**	**2.46**

16. ASSETS CLASSIFIED AS HELD

Particulars	As at March 31, 2022	As at March 31, 2021
Buildings	-	1.60
	-	**1.60**

Note : Assets classified as held for sale during the previous year was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification. The fair value of above assets was determined using the market value approach.

17. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised shares		
7,50,00,000 (March 31, 2021: 7,50,00,000) equity shares of ₹ 10 each	75.00	75.00
	75.00	**75.00**
Issued, subscribed and fully paid-up shares		
5,80,09,601 (March 31, 2021: 6,42,07,868) equity shares of ₹ 10 each	58.01	64.21
Total issued, subscribed and fully paid-up share capital	**58.01**	**64.21**

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No.	₹	No.	₹
At the beginning of the year	6,42,07,868	64.21	6,42,03,618	64.20
Issued during the year				
Add: Employee stock option plan (ESOP)	1,28,263	0.13	4,250	-*
Less: Shares bought back	63,26,530	6.33	-	-
Outstanding at the end of the year	**5,80,09,601**	**58.01**	**6,42,07,868**	**64.21**

(b) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting.

The Board of Directors, in their meeting on May 15, 2021, proposed a final dividend of ₹ 4.00 per equity share and the same was approved by the shareholders at the Annual General Meeting held on August 06, 2021. The amount was recognised as distributions to equity shareholders during the year ended March 31, 2022 and the total appropriation was ₹ 23.16 including Tax deduction at source.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

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

None.

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	% holding	Nos.	% holding
Equity shares of ₹ 10 each fully paid-up				
Kailash Katkar	1,69,86,298	29.28%	1,87,94,713	29.27%
Sanjay Katkar	1,69,86,298	29.28%	1,87,94,713	29.27%
Anupama Katkar	41,44,007	7.14%	45,85,176	7.14%
Chhaya Katkar	41,44,007	7.14%	45,85,176	7.14%
Sequoia Capital India Investment Holdings III	20,96,896	3.61%	32,56,661	5.07%

Shares held by promoters at the end of the year	As at March 31, 2022			As at March 31, 2021		
Promoter name	No. of Shares	% of total shares	% Change during the year March 31, 2022	No. of Shares	% of total shares	% Change during the year March 31, 2021
Kailash Sahebrao Katkar	1,69,86,298	29.28%	0.01%	1,87,94,713	29.27%	0.00%
Sanjay Sahebrao Katkar	1,69,86,298	29.28%	0.01%	1,87,94,713	29.27%	0.00%
Anupama Kailash Katkar	41,44,007	7.14%	0.00%	45,85,176	7.14%	0.00%
Chhaya Sanjay Katkar	41,44,007	7.14%	0.00%	45,85,176	7.14%	0.00%
Sneha Kailash Katkar	2,567	0.00%	0.00%	2,567	0.00%	0.00%

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.

(e) Buyback of shares

a) The Board of Directors of the Company at its meeting held on March 10, 2021 and the shareholders by way of postal ballot on April 18, 2021, approved the buy back of the Company fully paid equity shares of the face value of ₹ 10 each from its shareholder/beneficial owners of equity shares of the Company including promoters of the Company as on the record date, on a proportionate basis through the "tender offer" route at a price of ₹ 245 per share for an aggregate amount not exceeding ₹ 155. The Company completed the Buy Back Process on June 24, 2021 and has complied with all the requisite formalities with SEBI and ROC.

In line with the requirement of the Companies Act, 2013, an amount of ₹ 59.43 and ₹ 125.27 (Including tax on buy back of ₹ 36.03) has been utilised from securities premium and retained earnings respectively. In accordance with section 69 of the Companies Act, 2013, during the three months ended June 30, 2021, capital redemption reserve of ₹ 6.33 (representing the nominal value of the shares bought back) has been created as an apportionment from retained earnings. Consequent to such buy back, the paid-up equity share capital has reduced by ₹ 6.33. Further, transaction cost of buy back of shares of ₹ 1.72 has been reduced from retained earnings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

18. OTHER EQUITY

Particulars	As at March 31, 2022	As at March 31, 2021
a) Reserves and Surplus		
(i) Retained earnings		
Balance as at the beginning of the year	579.99	473.21
Add: Amount transferred from surplus balance in the statement of profit and loss	78.19	106.78
Less: Utilised for buy back	89.24	-
Less: Transfer to Capital Reserves	6.33	-
Less: Buyback Expenses	1.72	-
Less: Transactions with owners in their capacity as owners:		
Final equity dividend [amount per share ₹ Nil (March 31, 2021: ₹ 4)]	23.16	-
Tax on Buy Back	36.03	-
Balance as at end of the year	**501.70**	**579.99**
(ii) Securities premium		
Balance as at the beginning of the year	59.43	59.38
Add: Additions on ESOPs exercised	1.61	0.05
Add: Transferred from ESOP account	0.69	-
Less: Utilised for buy back	59.43	-
Balance as at end of the year	**2.30**	**59.43**
Balance transfer to retained earning	**-**	**-**
Balance as at end of the year	**2.30**	**59.43**
(iii) Amalgamation reserve		
Balance as at the beginning of the year	2.65	2.65
Balance as at end of the year	**2.65**	**2.65**
(iv) General reserve		
Balance as at the beginning of the year	45.03	45.03
Balance as at end of the year	**45.03**	**45.03**
(v) Capital redemption reserve		
Balance as at the beginning of the year	6.36	6.36
Add: Amount transferred from Retained earning	6.33	-
Balance as at end of the year	**12.69**	**6.36**
b) Other Equity		
Equity share option outstanding account		
Balance as at the beginning of the year	3.02	2.40
Add: Additions during the year	4.69	0.62
Less: Transfer to securities premium on exercise of stock options	0.69	-
Balance as at end of the year	**7.02**	**3.02**
(c) Other Comprehensive Income		
(i) Equity instruments through Other comprehensive income		
Balance as at the beginning of the year	(6.57)	(6.57)
Add: Additions during the year	2.08	-
Balance as at end of the year	**(4.49)**	**(6.57)**
ii) Define benefit through Other comprehensive income		
Balance as at the beginning of the year	**1.68**	**1.55**
Add: Additions during the year	**0.62**	**0.13**
Balance as at end of the year	**2.30**	**1.68**
Total (i+ii)	**(2.19)**	**(4.89)**
Total Equity	**569.20**	**691.59**

Retained earnings

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

Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Amalgamation reserve

Pursuant to the scheme of amalgamation ("the Scheme") sanctioned by the Honourable High Court of Bombay vide Order dated April 8, 2011, Cat Labs Private Limited (CLPL), subsidiary of the Company, had been merged with the Company with effect from April 1, 2010, the Appointed Date. The Company completed the process of amalgamation on May 2, 2011 on filing of above Court Orders with the Registrar of Companies. Accordingly, an amount of ₹ 2.65 was recorded as amalgamation reserve.

General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Capital redemption reserve account

In line with the requirement of the Companies Act, 2013, an amount of ₹ 59.43 and ₹ 125.27 (Including tax on buy back of ₹ 36.03) has been utilised from securities premium and retained earnings respectively. In accordance with section 69 of the Companies Act, 2013, during year ended March 31, 2022, capital redemption reserve of ₹ 6.33 (representing the nominal value of the shares bought back) has been created as an apportionment from retained earnings. Consequent to such buy back, the paid-up equity share capital has reduced by ₹ 6.33. Further, transaction cost of buy back of shares of ₹ 1.72 has been reduced from retained earnings.

Employee stock options outstanding account

The Company has two employee stock option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer note 33 for further details of these plans.

FVTOCI reserve

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

In the period of five years immediately preceding March 31, 2022:

The Board of Directors of the Company at its meeting held on March 5, 2019 and the shareholders by way of postal ballot on April 13, 2019, approved the buy back of the Company fully paid equity shares of the face value of ₹ 10 each from its shareholder/ beneficial owners of equity shares of the Company including promoters and promoter group of the Company as on the record date, on a proportionate basis through the "tender offer" route at a price of ₹ 275 per share for an aggregate amount not exceeding ₹ 175. The Company completed the Buy Back Process in June 2019 and has complied with all the requisite formalities with SEBI and ROC

In accordance with section 69 of the Companies Act, 2013, during the three months ended June 30, 2019, the Company has created 'Capital Redemption Reserve' of ₹ 6.36 equal to the nominal value of the shares bought back as an appropriation from Securities Premium Account.

Distribution made and proposed	Year ended March 31, 2022	Year ended March 31, 2021
Cash dividends on equity shares declared and paid:		
Final cash dividend for the year ended on March 31, 2021: ₹ 4 per share (March 31, 2020: ₹ Nil per share)	23.16	-
Proposed dividend on equity shares:		
Final cash dividend for the year ended on March 31, 2022 : ₹ 4.5 per share (March 31, 2021: ₹ 4 per share)	26.10	25.68

19. TRADE PAYABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues to micro enterprises and small enterprises (refer note 36)	5.77	1.33
Total outstanding dues creditors other than micro enterprises and small enterprises*	59.97	48.35
Total	**65.74**	**49.68**

* Includes amount payable to independent directors (refer note 39)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

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

Particulars	Outstanding as at March 2022					
	Not Due	Less than 1 year	1- 2 year	2- 3 year	More than 3 year	Total
(i) MSME	5.70	0.07	-	-	-	5.77
(ii) Others	40.80	14.95	0.83	0.21	0.08	56.87
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	0.22	0.14	2.72	3.08

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

Particulars	Outstanding as at March 2021					
	Not Due	Less than 1 year	1- 2 year	2- 3 year	More than 3 year	Total
(i) MSME	1.32	0.01	-	-	-	1.33
(ii) Others	28.63	13.70	1.96	0.15	0.01	44.45
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	0.02	0.02	0.90	0.28	2.68	3.90

20. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Other financial liabilities at amortised cost		
Payables for purchases of fixed assets	0.96	1.18
Unpaid dividend	0.18	0.15
Total	**1.14**	**1.33**
Total current	**1.14**	**1.33**

21. OTHER LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Deferred revenue	2.10	2.53
Tax deducted at source payable	3.36	2.46
GST / Vat payable	11.18	10.10
Other liabilities (includes advances from customers, security deposit and provident fund and other taxes)	2.65	3.13
Total	**19.29**	**18.22**
Non - current		
Security deposit	0.52	-
Total	**0.52**	**-**
Total current	**19.29**	**18.22**
Total non - current	**0.52**	**-**

Terms and conditions of the above financial and other liabilities:

- Trade payables are non-interest bearing and have an average term of 60 days.
- Payables for purchases of fixed assets are non interest bearing and have an average term of 90 days.
- Other liabilities (other than taxes and deferred revenue) are non interest bearing and have an average term of 45 days.
- Taxes such as tax deducted at source and goods and service tax / vat payable, provident fund and other taxes are non interest bearing and are generally paid within the due date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

22. NET EMPLOYEE DEFINED BENEFIT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Current		
Provision for gratuity (refer note 32)	0.21	0.18
Provision for leave benefits	0.18	0.98
Total	**0.39**	**1.16**
Non - current		
Provision for gratuity (refer note 32)	-	-
Provision for leave benefits	0.89	0.37
Total	**0.89**	**0.37**
Total current	**0.39**	**1.16**
Total non - current	**0.89**	**0.37**

23. CURRENT INCOME TAX LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax liabilities (net of advance tax)	0.07	3.17
Total	**0.07**	**3.17**

24. REVENUE FROM OPERATIONS (NET)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of security software products	339.20	332.75
Sale of software support & services	2.35	0.78
Total	**341.55**	**333.53**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geography and details of products and services sold. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue by Geography		
From India	326.22	319.18
From outside India	15.33	14.35
Total	**341.55**	**333.53**
Revenue by type of products and services sold		
Security software licenses	339.20	332.75
Software support & services	2.35	0.78
Total	**341.55**	**333.53**

Changes in deferred revenue are as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	2.53	2.31
Less: Revenue recognised during the year	1.12	1.02
Add: Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	0.69	1.24
Balance at the end of the year	**2.10**	**2.53**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as of the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2022, is ₹ 2.10 (March 31, 2021 : ₹ 2.53). Out of this, the Company expects to recognise revenue of around ₹ 2.10 within one to three years respectively, depending on the license period.

25. OTHER INCOME

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on		
Bank deposits	2.35	5.77
Others	0.55	1.36
Net gain on sale of current investments	2.84	3.01
Profit on sale of fixed assets (net)	1.66	0.04
Fair value gain on financial instruments at fair value through profit and loss *	7.41	9.00
Income from Investment property	0.85	-
Miscellaneous income	3.51	4.76
Total	**19.17**	**23.94**

* Fair value gain on financial instruments at fair value through profit and loss relates to mutual fund.

26. DETAILS RELATED TO COST OF SECURITY SOFTWARE DEVICES AND SOFTWARE PRODUCTS

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Cost of materials consumed		
Inventory at the beginning of the year	0.70	1.33
Add: Purchases	0.61	0.40
Less: Inventory at end of the year	0.31	0.70
Sub-total	**1.00**	**1.03**
(b) Purchase of security software products		
Security software products	13.30	8.05
Sub-total	**13.30**	**8.05**
(c) (Increase)/decrease in security software products		
Inventory at the beginning of the year	2.59	4.89
Less: Inventory at end of the year	4.48	2.59
Sub-total	**(1.89)**	**2.30**
Total	**12.41**	**11.38**

Details of raw materials consumed

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Security software devices - Unified Threat Management (UTM)	1.00	1.03
	1.00	**1.03**

Details of inventory

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials		
Security software devices - Unified Threat Management (UTM)	0.31	0.70
	0.31	**0.70**
Finished goods		
Security software products	4.48	2.59
	4.48	**2.59**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

27. EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	125.60	106.21
Contribution to provident and other funds	3.13	2.51
Gratuity expenses (refer note 32)	2.15	1.83
Staff welfare expenses	2.77	2.03
Employee share based payment expenses (refer note 33)	4.69	0.62
Total	**138.34**	**113.20**

28. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment (refer note 5)	13.80	13.87
Depreciation on Investment property (refer note 7)	0.30	-
Amortisation of intangible assets (refer note 6)	3.28	5.61
Total	**17.38**	**19.48**

29. OTHER EXPENSE

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Web publishing expenses	1.12	1.37
Technology subscription & Fees for technical service	7.09	6.10
Power and fuel	2.36	2.35
Rent (refer note 34 (a))	1.40	1.36
Rates and taxes	0.87	1.15
Insurance	0.38	0.37
Repairs and maintenance		
Buildings	1.10	1.19
Others	1.82	1.89
Corporate Social Responsibility (CSR) expenditure (refer note 37)	2.42	2.43
Commission to independent directors (refer note 39)	0.40	0.30
Directors' sitting fees (refer note 39)	0.11	0.11
Business promotion expenses	8.75	2.15
Advertisement and sales promotion	18.86	20.48
Freight and forwarding charges	0.56	0.69
Travelling and conveyance	3.14	1.31
Communication costs	9.76	7.23
Office expenses	2.79	2.82
Donations (refer note 37)	-	0.30
Marketing support services (refer note 39)	2.10	3.91
Legal and professional fees	14.51	8.45
Payment to statutory auditor (refer details below)	0.37	0.34
Foreign exchange loss (net)	0.09	0.29
Property, plant and equipment written off	0.08	-
Provision for doubtful debts and advances	3.36	(3.86)
Bad debts written off	0.06	3.47
Miscellaneous expenses	1.47	1.39
Total	**84.97**	**67.59**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Payment to auditor (excluding Goods and service tax)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
As auditor:		
Audit fees	0.09	0.08
Limited review	0.25	0.23
In other capacity:		
Others (including certification fees)	0.03	0.03
Total	**0.37**	**0.34**

30. INCOME TAX

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

Statement of profit and loss section

Particulars	March 31, 2022	March 31, 2021
Current income tax:		
Current income tax charge	25.76	33.92
Adjustment in respect of current tax of previous years	0.65	1.76
Deferred tax:		
Relating to origination and reversal of temporary differences	(1.04)	3.36
Income tax expense reported in the statement of profit and loss	**25.37**	**39.04**
OCI Section		
Deferred tax related to items recognised in OCI during the year		
Net loss/(gain) on actuarial gains and losses	0.21	0.04
Net loss/(gain) on FVTOCI investments	0.65	-
Income tax charged /(credit) to OCI	**0.86**	**0.04**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended

Particulars	March 31, 2022	March 31, 2021
Accounting profit before tax	103.56	145.82
At India's statutory income tax rate of 25.168% (March 31, 2021: 25.168%)	26.06	36.70
Adjustments (non-deductible expenses):		
Adjustments of tax relating to earlier periods (Current and deferred)	0.65	1.76
CSR expenditure	0.61	0.69
Dividend income	-	-
Tax impact on impairment of subsidiaries	(1.03)	-
Tax impact due to tax rate	-	-
Others	(0.93)	(0.11)
***At the effective income tax rate of 25.168% [March 31, 2021: 25.168%]**	**25.37**	**39.04**
(Calculated on PBT after exceptional items)		
Income tax expense reported in the statement of profit and loss	**25.37**	**39.04**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Deferred tax relates to the following:

Particulars	Balance sheet		Statement of profit and loss	Statement of profit and loss
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Accelerated depreciation for tax purposes	(6.38)	(5.25)	1.13	0.60
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	0.35	0.39	0.04	0.06
Provision for doubtful debts and advances	8.01	7.16	(0.85)	0.97
Deferred revenue	0.53	0.64	0.11	(0.05)
IPO expenses allowed as per section 35(D)	-	-	-	0.09
Investment in mutual fund	(2.49)	(3.13)	(0.64)	1.73
Deferred tax on gratuity expense, recycled from profit and loss to other comprehensive income	(0.66)	(0.63)	0.03	-
Net deferred tax expense / (income)			**(0.18)**	**3.40**
Net deferred tax assets / (liabilities)	**(0.64)**	**(0.82)**		

Reflected in the balance sheet as follows:

Particulars	March 31, 2022	March 31, 2021
Deferred tax liabilities	(9.53)	(9.01)
Deferred tax assets	8.89	8.19
Deferred tax assets, net	**(0.64)**	**(0.82)**

Reconciliation of deferred tax assets, net

Particulars	March 31, 2022	March 31, 2021
Opening balance as of April 1	(0.82)	2.59
Tax income / (expenses) during the period recognised in statement of profit and loss	1.04	(3.36)
Tax income / (expense) during the period recognised in OCI	(0.86)	(0.05)
Closing balance*	**(0.64)**	**(0.82)**

The Company offsets the tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

31. EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on exercise of stock option.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
Net profit after tax attributable to equity shareholders of the Company	(A)	78.19	106.78
Weighted average number of equity shares in calculating basic EPS	(B)	5,93,81,642	6,42,04,491
Effect of dilution:			
Stock options granted under ESOP (in numbers)	(C)	3,14,509	53,384
Weighted average number of equity shares adjusted for the effect of dilution*	D=(B+C)	5,96,96,151	6,42,57,874
Basic earning per share of face value of ₹ 10 each (in ₹)	**(A/B)**	**13.17**	**16.64**
Diluted earnings per share of face value of ₹ 10 each (in ₹)	**(A/D)**	**13.10**	**16.62**

* There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

32. GRATUITY BENEFIT PLANS

The Company has a defined benefit gratuity plan (funded) for its employees. The Company's defined benefit gratuity plan is a final salary plan for its employees, which requires contributions to be made to a separately administered fund. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and the amounts recognised in the balance sheet for the gratuity plan.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Statement of profit and loss:		
Current service cost	2.16	1.84
Past service cost	-	-
Net interest (income) / expense	(0.01)	(0.01)
Curtailment gain / (loss)	-	-
Settlement gain / (loss)	-	-
Net benefit expense recognised in the statement of profit and loss	**2.15**	**1.83**
Amount recorded in other comprehensive income:		
Measurement during the period due to:		
Actuarial gain / (loss) arising from change in financial assumptions on plan assets	(0.01)	(0.09)
Actuarial gain / (loss) arising on account of experience changes on plan assets	0.19	0.13
Actuarial gain / (loss) arising on account of experience changes on plan liabilities	0.52	0.17
Actuarial gain / (loss) arising on account of demographic changes on plan liabilities	(0.54)	-
Actuarial gain / (loss) arising on account of financial assumptions on plan liabilities	0.67	(0.04)
Total amount recognised in OCI	**0.83**	**0.17**

Particulars	As at March 31, 2022	As at March 31, 2021
Reconciliation of net (liability) / asset:		
Opening net defined benefit (liability) / asset	(0.18)	(0.12)
Expense charged to statement of profit and loss	(2.15)	(1.83)
Amount recognised in OCI	0.83	0.17
Contribution by employer	1.36	1.70
Benefits Directly paid by the Employer	0.01	-
Mortality charges and taxes	(0.08)	(0.10)
Closing net defined benefit (liability)	**(0.21)**	**(0.18)**
Changes in the present value of the defined benefit obligation (DBO) are as follows:		
Opening DBO	(7.16)	(6.46)
Interest cost	(0.36)	(0.31)
Current service cost	(2.17)	(1.84)
Past service cost	-	-
Benefits paid	1.26	1.33
Remeasurement during the period due to:		
Actuarial gain / (loss) arising on account of experience changes on plan liabilities	0.52	0.17
Actuarial (loss) / gain arising from change in demographic assumptions	(0.54)	-
Actuarial gain / (loss) arising on account of experience changes	0.67	(0.05)
Benefits paid		-
Closing defined benefit (obligation) / asset recognised in balance sheet	**(7.78)**	**(7.16)**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Changes in the fair value of plan assets:		
Opening fair value of plan assets	6.98	6.35
Interest income	0.37	0.32
Contributions by employer	1.36	1.70
Mortality charges and taxes	(0.08)	(0.10)
Benefits paid	(1.25)	(1.33)
Actuarial gain / (loss) arising from change in financial assumptions on plan assets	(0.01)	(0.09)
Actuarial gain / (loss) arising on account of experience changes on plan assets	0.19	0.13
Closing fair value of plan assets	**7.56**	**6.98**
Actual return on plan assets	**5.48**	**3.65**
Net defined benefit liability		
DBO		
Fair value of plan assets	(7.77)	(7.16)
Closing net defined benefit liability	7.56	6.98
	(0.21)	**(0.18)**
Net liability is bifurcated as follows:		
Current*		
Non - current	**(0.21)**	**(0.18)**

* The Company expects to contribute ₹ 2.00 (March 31, 2021: ₹ 1.00) to gratuity in the next year.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Government of India Securities	0.00%	0.00%
(ii) Corporate bonds	0.00%	0.00%
(iii) Special deposit scheme	0.00%	0.00%
(iv) Insurer managed funds	100.00%	100.00%
Total	**100.00%**	**100.00%**

The principal assumptions used in determining gratuity obligations for the Company are shown below:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	6.40%	5.30%
Employee turnover	20.00%	30.00%
Expected rate of increment in compensation levels		
- First two years	0.00%	0.00%
- Thereafter	0.00%	0.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been no change in expected rate of return on assets

A quantitative sensitivity analysis for significant assumptions as at March 31, 2022 and March 31, 2021 is shown below:

Particulars	Sensitivity Level	Defined benefit obligation	
		As at March 31, 2022	As at March 31, 2021
Discount rate	1% decrease	8.14	7.41
	1% increase	7.41	6.92
Future salary increase	1% decrease	7.49	7.00
	1% increase	8.04	7.33
Withdrawal rate	1% decrease	7.79	7.20
	1% increase	7.73	7.12

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The followings are the expected future benefit payments for the defined benefit plan:

Particulars	As at March 31, 2022	As at March 31, 2021
Within the next 12 months (next annual reporting period)	1.28	1.57
Between 2 and 5 years	5.55	5.54
Beyond 5 years	8.40	4.57
Total expected payments	**15.23**	**11.68**

Weighted average duration of defined benefit plan obligation (based on discounted cash flows):

Particulars	As at March 31, 2022	As at March 31, 2021
Weighted average duration of defined benefit plan obligation	6.6 years	4.36 years

33. SHARE BASED ARRANGEMENTS

Share based payment arrangement 2014

On February 6, 2014, the board of directors approved the Equity Settled ESOP Scheme 2014 for issue of stock options to the employees and directors of the Company. According to the ESOP 2014, the employee selected by the Board of Directors from time to time will be entitled for scheme options, subject to satisfaction of the prescribed vesting conditions, viz., continued employment and performance parameters of employee. The contractual life (comprising the vesting period and the exercise period) of options and the other relevant terms of the grant are as below:

The Company has provided following share-based payment schemes to its employees

Particulars	Details
Date of grant	February 6, 2014
Date of board approval	February 6, 2014
Date of shareholder's approval	February 6, 2014
Method of settlement	Equity
Vesting period	4 years
Exercise period	5 years from date of vesting
Expected life (in years)	
Grant IV	2.06 - 6.94
Grant VII	2.49 - 6.52
Grant VIII	2.66 - 6.35
Grant IX	2.74 - 6.27
Grant X	5.39 - 3.75
Grant XI	4.26 - 4.75
Grant XII	4.77 - 4.49
Grant XIII	5.2 - 3.81
Grant XIV	5.54 - 3.47
Grant XV	5.57 - 3.44
Grant XVI	6.27 - 2.74
Grant XVII	6.75 - 2.25
Grant XVIII	7.06 - 1.94
Grant XIX	7.25 - 1.75
Grant XX	7.71 - 1.29
Grant XXI	7.85 - 1.15
Fair value of shares on date of grant	₹ 6.94 - ₹ 84.16
Vesting conditions	Continued employment and performance of employee as per contract

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

The vesting pattern of scheme is as follows:

Time period from the date of grant	Cumulative percentage of share vesting
12 months	25%
24 months	50%
36 months	75%
48 months	100%

The details of activities under the scheme have been summarised below:

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	9,70,077	140.69	5,49,627	203.51
Granted during the year			5,76,700	96.83
Forfeited during the year	78,301	164.87	1,52,000	204.78
Exercised during the year	1,28,263	137.71	4,250	117.35
Expired during the year	-	-	-	-
Outstanding at the end of the year	7,63,513	139.03	9,70,077	140.69
Exercisable at the end of the year	2,81,713	182.71	1,96,702	202.22

The details of exercise price for stock options outstanding at the end of the year are:

Particulars	As at March 31, 2022	As at March 31, 2021
Exercise price (₹)	93.00 – 294.33	93.00 – 294.33
Number of options outstanding	7,63,513	9,70,077
Weighted average remaining contractual life of options (in years)	3.59	4.59
Weighted average exercise price (₹)	139.03	140.69

For share options exercised during the reporting period, the weighted average share price at the date of exercise, or if options were exercised on a regular basis throughout the reporting period, the entity may instead disclose the weighted average share price during the reporting period.

The weighted average share price at the date of exercise of these options, as at March 31, 2022 was ₹ 137.71.

The weighted average share price at the date of exercise of these options, as at March 31, 2021 was ₹ 117.35.

Manner in which the fair value of the stock option granted during the period was determined:

The weighted average fair value of stock options granted during the year was ₹ Nil (March 31, 2021: ₹ 96.83). The Black and Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	As at March 31, 2022	As at March 31, 2021
Weighted average share price (₹)	157.15	96.83
Exercise price (₹)	93.00	93.00
Expected volatility (%)	35.22%	35.22%
Historical volatility (%)	0%	0%
Life of the options granted (vesting and exercise period) (in years)	7.85 - 1.15	0.15 - 8.85 years
Average risk-free interest rate (%)	6.42%	6.42%
Dividend yield	1.58%	1.58%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Share based payment arrangement 2021

On March 10, 2021, the board of directors approved the Equity Settled ESOP Scheme 2021 for issue of stock options to the employees and directors of the Company. According to the ESOP 2014, the employee selected by the Board of Directors from time to time will be entitled for scheme options, subject to satisfaction of the prescribed vesting conditions, viz., continued employment and performance parameters of employee. The contractual life (comprising the vesting period and the exercise period) of options and the other relevant terms of the grant are as below:

Particulars	Details
Date of grant	March 10, 2021
Date of board approval	March 10, 2021
Date of shareholder's approval	March 10, 2021
Method of settlement	Equity
Vesting period	4 years
Exercise period	5 years from date of vesting
Expected life (in years)	
Grant XXII	8.12 - 0.88
Grant XXIII	8.37 - 0.64
Grant XXIV	8.42 - 0.58
Grant XXV	8.48 - 0.52
Grant XXVI	8.57 - 0.43
Grant XXVII	8.36 - 0.64
Grant XXVIII	8.73 - 0.27
Fair value of shares on date of grant	₹ 92.57 - ₹ 119.51
Vesting conditions	Continued employment and performance of employee as per contract

The vesting pattern of scheme is as follows:

Time period from the date of grant	Cumulative percentage of share vesting
12 months	25%
24 months	50%
36 months	75%
48 months	100%

The details of activities under the scheme have been summarised below:

	Number of options	
Particulars	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	-	-
Granted during the year	11,55,500	157.15
Forfeited during the year	1,87,600	155.85
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	9,67,900	157.42
Exercisable at the end of the year	-	-

The details of exercise price for stock options outstanding at the end of the year are:

Particulars	As at March 31, 2022
Exercise price (₹)	114 - 176.00
Number of options outstanding	9,67,900
Weighted average remaining contractual life of options (in years)	6.91
Weighted average exercise price (₹)	157.42

For share options exercised during the reporting period, the weighted average share price at the date of exercise, or if options were exercised on a regular basis throughout the reporting period, the entity may instead disclose the weighted average share price during the reporting period

The weighted average share price at the date of exercise of these options, as at March 31, 2022 was ₹ Nil.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Manner in which the fair value of the stock option granted during the period was determined:

The weighted average fair value of stock options granted during the year was ₹ 157.15 (March 31, 2021: ₹ Nil). The Black and Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	As at March 31, 2022
Weighted average share price (₹)	157.15
Exercise price (₹)	123.60
Expected volatility (%)	35.22%
Historical volatility (%)	0%
Life of the options granted (vesting and exercise period) (in years)	7.85 - 1.15
Average risk-free interest rate (%)	6.42%
Dividend yield	1.58%

The effect of share-based payment transactions on the entity's statement of profit and loss for the period and on its financial position:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Expense arising from equity settled share based payment transaction	4.69	0.62

34. COMMITMENTS AND CONTINGENCIES

a. Operating lease - Company as a lessee

The Company has obtained office premises under lease as per the lease agreements for various periods which are generally cancellable and renewable by mutual consent on mutually agreed terms. Further, there are no restrictions imposed by lease agreements and there are no subleases.

The lease rentals charged during the year is as under:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Lease rentals recognised during the year	1.40	1.36

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Short term leases expenses	1.40	1.36
Total Lease expense	**1.40**	**1.36**

Finance lease - Company as a lessee

The Company has finance leases contracts for building purchased during the financial year ended March 31, 2015. These leases involve upfront payment to the lessor as and by way of premium for grant of lease of the building by the lessor to the lessee. No lease rent was payable by the lessee to the lessor for grant of lease from lessee. There is no escalation clause and no minimum lease payments (MLP) under finance lease.

b. Commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided, net of advances	2.08	3.05
Other commitments:		
Commitments in relation to purchases & Services	4.27	2.58

c. Contingent liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the Company not acknowledged as debts		
Maharashtra Value Added Tax [Note (i)]	0.77	0.77
Central Sales Tax (Bombay) [Note (ii) and (iii)]	0.37	0.25
Total	**1.14**	**1.02**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

i) During the year ended March 31, 2021, the Company had received orders of demand dated December 16, 2020 and demand dated July 09, 2020, in relation to Maharashtra VAT under the provisions of Maharashtra Value Added Tax, 2002 for ₹ 0.34 (Including interest) and ₹ 0.43 (Including interest) covering the period from April 1, 2014 to March 31, 2015 and April 1, 2015 to March 31, 2016 respectively, on Input Tax Credit disallowed. The Company has filed appeals dated February 16, 2021 and November 5, 2020 against the demand orders respectively before Dy. Commissioner of Sales Tax, Pune.

Based on the appeal filed for the above years, the Company is confident of getting the claims set aside for above period. Accordingly no provision has been recognised/disclosed in the financial statements.

ii) During the year ended March 31, 2021, Company had received orders of demand dated July 08, 2020 and February 25, 2021 in relation to Central Sales Tax, (Bombay) Rules 1957 for ₹ 0.09 (Including Interest) and ₹ 0.16 (Including Interest) covering period from April 1, 2015 to March 31, 2016 and period from April 1, 2016 to March 31, 2017 respectively, on Input Tax Credit disallowed. The Company had filed appeals dated November 05, 2020 and March 31, 2021 against above demand orders before Dy. Commissioner of Sales Tax, Pune. The company has received Order dated October 29, 2021 against demand raised for the period April 1, 2016 to March 31, 2017, and accordingly demand has now been revised to ₹ 0.01. The Maharashtra Govt. has also introduced an amnesty scheme and the Company is under process to file an application under the said amnesty scheme.

iii) During the year ended March 31, 2022, the Company had received an order of demand dated September 20, 2021 in relation to Central Sales Tax, (Bombay) Rules 1957 for ₹ 0.12 (Including interest) covering the period from April 1, 2017 to June 30, 2017 on Input Tax Credit disallowed. The Company had filed an appeal dated October 29, 2021 against the said demand order before Dy. Commissioner of Sales Tax, Pune . The Company has also received an Order dated April 4, 2022 on the said appeal, and accordingly the demand has now been revised as ₹ 0.01. The Maharashtra Govt. has also introduced an amnesty scheme and the Company is under process to file an application under the said amnesty scheme

Based on the appeal filed for the above years, the Company is confident of getting the claims set aside for above period. Accordingly, no provision has been recognised/disclosed in the financial state.

iv) During the year ended March 31, 2022, the Company had received a Show Cause notice dated March 12, 2022 in relation to Income Tax Act, 1961 for ₹ 1.44 covering the period from April 1, 2019 to March 31, 2020 on addition on account of 14A Rule 8D. The Company had filed a reply dated March 16, 2022 against the said Show Cause Notice before Dy. Commissioner of Income Tax, Pune. The Assessment Order yet to receive from Income Tax Pune.

v) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.

d. Other litigations

i) In the year 2016, one of the erstwhile distributors of the Company had filed a Suit before the Learned Civil Court (Senior Division) at Serampore, Hooghly District, West Bengal against the Company and others, claiming Intellectual Property Rights to one of the Company owned brand names (Quick Heal – Total Security) and alleged the illegal use of the same by the Company. In response the Company filed application for dismissal of the instant suit on ground of law. However, the opposite party neither filed its response nor appeared in the matter on subsequent dates despite of the opportunities being granted by the Learned Court. Accordingly, this matter was dismissed in default on March 17, 2022 in favour of the Company. Subsequently, we exercising caution have filed Caveat Petitions before the competent Courts at Serampore.

ii) In February 2016, one of the erstwhile distributors of the Company instituted a Suit at Hon'ble High Court, Calcutta against the Company and others claiming ₹ 1,610 for various reasons including loss of business profits, loss of capital assets & infrastructure etc. Later this matter was transferred to the Commercial Bench of the High Court, Calcutta in November 2017. The matter is pending for framing and adjudication of preliminary issue in terms of the order passed by the Hon'ble High Court. The Company believes that the suit is frivolous and is defending to get the same dismissed/rejected. The Company believes that it is strongly placed in the matter with reference to the facts of the case and therefore, no provision in this regard has been recognised in the financial statements.

iii) An ex-distributor had filed First Information Report (FIR) in May 2016 at Uttarpara Police Station, Hooghly District, West Bengal against certain directors of the Company, their wives and other associates alleging embezzlement of his investment and misappropriation of shares. The police had filed the charge sheet. The Company, its directors and others have filed Quashing Petitions before the Hon'ble High Court, Calcutta and obtained stay of trial court proceedings from time to time. The Company also believes that the police had neither conducted the investigation in proper and orderly manner in this matter nor has considered the materials and records placed before it by the Company including the statements of witnesses and thus Company have strong and sufficient arguments on facts and on point of law.

(All amounts are in ₹ Crores, unless otherwise stated)

35. FINANCIAL RATIOS

Sr. No.	Ratio	Formula	March 31, 2022		March 31, 2021		Ratio as on	Ratio as on	Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	March 31, 2022	March 31, 2021		
(a)	Current Ratio	Current Assets / Current Liabilities	531.67	86.63	623.16	73.56	6.14	8.47	(27.55%)	Refer Note (i)
(b)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	78.19	627.21	106.78	755.80	0.12	0.14	(11.76%)	NA
(c)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	12.41	4.04	11.38	4.75	3.07	2.40	28.08%	Refer Note (ii)
(d)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	368.25	161.19	366.39	131.34	2.28	2.79	(18.11%)	NA
(e)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	13.91	57.71	8.45	44.02	0.24	0.19	25.57%	Refer Note (iii)
(f)	Net Capital Turnover Ratio	Revenue / Average Working Capital	341.55	497.32	333.53	486.17	0.69	0.69	0.11%	NA
(g)	Net Profit Ratio	Net Profit / Net Sales	78.19	341.55	106.78	333.53	0.23	0.32	(28.49%)	Refer Note (iv)
(h)	Return on Capital Employed	EBIT / Capital Employed	103.56	629.26	145.82	756.99	0.16	0.19	(14.57%)	NA
(i)	Return on Investment	Net Profit / Net Investment	78.19	627.21	106.78	755.80	0.12	0.14	(11.76%)	NA

Notes:

(i) Current Ratio is mainly decreased on account of reduction in value of short term investments by ₹ 93.31. During the year, Company has redeemed investment in mutual funds to facilitate payment for buyback of shares (refer Note 17).

(ii) Inventory Turnover Ratio is increased on account of price increase in value of closing inventory during the year due to price increase.

(iii) Trade Payable Turnover Ratio is increased on account of increase in trade payable balances due to price increase.

(iv) Net Profit ratio is decreased due to significant increase in employee benefit expenses and other expenses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

36. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Total outstanding dues of micro and small enterprises	5.77	1.33
Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 are as under:	-	-
Principal amount due to suppliers under MSMED Act, 2006	5.77	1.33
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	0.01	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
Interest paid to suppliers under MSMED Act, 2006 (other than section 16)	-	-
Interest paid to suppliers under MSMED Act, 2006 (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, 2006 for the payments already made	-	
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	-

The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

37. CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Gross amount required to be spent by the Company during the year	2.49	2.43

(b) Amount spent during the year	Year ended March 31, 2022			Year ended March 31, 2021		
	Paid	Yet to be paid	Total	Paid	Yet to be paid	Total
For the purpose of education and social activity	1.98	-	1.98	2.43	-	2.43
Contribution to PM Care fund	0.52	-	0.52	-	-	-

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Gross Amount required to be spent as per Section 135 of the Act	2.49	2.43
Add: Amount Unspent from previous years	4.04	4.04
Total Gross amount required to be spent during the year	**6.53**	**6.47**
Amount approved by the Board to be spent during the year	2.56	2.40
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	2.50	2.43

Details related to amount spent/unspent

Particulars	March 31, 2022	March 31, 2021
Contribution to Quick Heal Foundation	1.98	2.43
Spent on social activities	0.52	-
Accrual towards unspent obligations in relation to:		
Ongoing projects	-	-
Other than Ongoing projects	-	-
Total	**2.50**	**2.43**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Details of excess CSR expenditure

Nature of Activity	Balance excess as at April 1, 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess as at March 31, 2022
For the purpose of education and social activity	-	-	-	-

Contribution to Related Parties/ CSR Expenditure incurred with Related Parties

Name	Nature of Relationship	March 31, 2022	March 31, 2021
Quick Heal Foundation	Enterprises owned by directors or major shareholders	1.98	2.43

Disclosures on Shortfall

Particulars	March 31, 2022	March 31, 2021
Amount Required to be spent by the Company during the year	2.49	2.43
Actual Amount Spent by the Company during the year	2.50	2.43
Shortfall/(Excess) at the end of the year	(0.01)	(0.00)
Total of previous years shortfall	4.04	4.04

Reason for previous year shortfall - Company was in the process of further identifying worthwhile avenues for CSR expenditure and in its absence, there was unspent amount.

38. PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURES AS AT THE BALANCE SHEET DATE

Particulars	Foreign currency	As at March 31, 2022		As at March 31, 2021	
		In foreign currency	In Indian Rupees	In foreign currency	In Indian Rupees
Bank balances	USD	0.01	0.63	0.04	3.14
Cash balances	EUR	-	0.02	-	0.02
	USD	-	0.01	-	0.01
Trade receivables	USD	0.05	3.67	0.03	2.41
	JPY	0.03	0.02	-	-
	AED	0.01	0.20	-	0.06
	KES	-	-	0.08	0.05
Trade payables	USD	-	0.10	-	0.04
	JPY	0.42	0.26	0.71	0.47
	AED	0.01	0.22	0.01	0.10
	KES	-	-	0.96	0.63
Investment (gross)	JPY	28.00	17.44	28.00	17.44
	AED	0.03	0.56	0.03	0.56
	USD	0.31	22.27	0.31	22.27
	KES	3.56	2.54	11.37	7.68
	SGD	0.04	2.00	0.04	2.00

* The unhedged foreign currency exposure in relation to certain foreign currency balances (BDT, LKR, etc.) have not been included in the above disclosures since the figures have been disclosed in Crores.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

39. RELATED PARTY TRANSACTION

List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Related parties where control exists	
Wholly owned subsidiaries	Quick Heal Technologies Africa Limited, Kenya
	Quick Heal Technologies America Inc., USA
	Quick Heal Technologies Japan K.K., Japan
	Seqrite Technologies DMCC, UAE
Related parties with whom transactions have taken place during the year	
Key management personnel	Kailash Katkar, Managing Director, Chief Executive Officer and ultimate holding shareholder
	Sanjay Katkar, Joint Managing Director, Chief Technical Officer and ultimate holding shareholder
	Navin Sharma, Chief Financial Officer (w.e.f. October 27, 2021)
	Nitin Kulkarni, Chief Financial Officer (upto October 26, 2021)
	A. Srinivasa Rao, Company Secretary
	Amitabha Mukhopadhyay , Independent Director
	Apurva Joshi, Independent Director
	Bhushan Gokhale, Additional Independent Director (w.e.f. August 12, 2020)
	Mehul Savla, Independent Director
	Priti Rao, Independent Director (upto June 01, 2020)
	Richard Stiennon, Independent Director (w.e.f September 27, 2021)
	Shailesh Lakhani, Non-Executive Director
Relatives of key management personnel	Anupama Katkar (wife of Kailash Katkar and ultimate holding shareholder)
	Chhaya Katkar (wife of Sanjay Katkar and ultimate holding shareholder)
	Sneha Katkar (daughter of Kailash Katkar and ultimate holding shareholder)
Enterprises owned by directors or major shareholders	Kailash Sahebrao Katkar HUF
	Sanjay Sahebrao Katkar HUF
	Quick Heal Foundation
	Dreambook Production (OPC) Private Limited
	Trixter Cyber Solutions Private Limited

Transactions with related parties and year end balances:

Nature of transaction	Name of the related party	Year ended March 31, 2022	Year ended March 31, 2021
Compensation paid to Key Management Personnel	Kailash Katkar	1.57	1.33
	Sanjay Katkar	1.54	1.33
	Nitin Kulkarni	0.61	0.59
	Navin Sharma	0.40	-
	A. Srinivasa Rao	0.45	0.41
	Anupama Katkar	0.59	0.46
	Sneha Katkar	0.23	0.14
Sub-total		**5.39**	**4.26**
Directors' sitting fee	Amitabha Mukhopadhyay	0.03	0.04
	Apurva Joshi	0.03	0.03
	Bhushan Gokhale	0.02	0.01
	Mehul Savla	0.03	0.03
	Priti Rao	-	0.01
	Richard Stiennon	0.01	-
Sub-total		**0.12**	**0.12**
Commission to independent directors	Amitabha Mukhopadhyay	0.10	0.10
	Apurva Joshi	0.08	0.06
	Bhushan Gokhale	0.08	0.06
	Mehul Savla	0.08	0.06
	Richard Stiennon	0.04	-
Sub-total		**0.38**	**0.28**
Purchase of Material	Trixter Cyber Solutions Private Limited	0.23	-
Sub-total		**0.23**	**-**
Total		**6.12**	**4.66**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Compensation of key managerial Personnel of the Company

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits (compensation)	5.39	4.26
Post - employment gratuity benefits	0.48	0.44
Leave benefits	0.02	0.02
Total compensation to key management personnel	**5.89**	**4.72**

* The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. The remuneration and perquisites on account of ESOP to key management personnel does not include employee stock compensation expense. The non-executive and independent directors do not receive gratuity entitlements from the Company.

Share options held by executive members under the Share Based Payment arrangement to purchase equity shares have the following expiry dates and exercise prices:

Grant Date	Expiry Date *	Exercise Price	March 31, 2022 Number outstanding	March 31, 2021 Number outstanding
October 10, 2018	-	185.60	25,000	50,000
May 15, 2021	-	142.16	3,000	-
October 26, 2021	-	165.00	15,000	-

* As per the Company policy, the option stands cancel or expire if the employee has not exercised the option within six months from the date of resignation.

Nature of transaction	Name of the related party	Year ended March 31, 2022	Year ended March 31, 2021
Rent paid	Kailash Katkar	0.09	0.04
	Sanjay Sahebrao Katkar HUF		0.03
		0.09	**0.07**
CSR contribution	Quick Heal Foundation	2.20	2.43
		2.20	**2.43**
Sale of security software products	Quick Heal Technologies Africa Limited	-	1.30
	Quick Heal Technologies America Inc.	2.01	1.32
	Quick Heal Technologies Japan K.K	(0.32)	0.59
	Seqrite Technologies DMCC	0.73	0.84
		2.42	**4.05**
Marketing support services paid	Quick Heal Technologies Africa Limited	0.02	0.92
	Quick Heal Technologies America Inc.	0.29	0.55
	Quick Heal Technologies Japan K.K	0.88	2.22
	Seqrite Technologies DMCC	0.89	0.22
		2.08	**3.91**
Investments / (Disinvestments)	Quick Heal Technologies Africa Limited	(5.16)	-
	Quick Heal Technologies America Inc.	-	-
	Quick Heal Technologies Japan K.K	-	2.16
	Seqrite Technologies DMCC	-	-
		(5.16)	**2.16**
Final equity dividend declared and paid for the financial year ended March 31, 2021 and March 31, 2020	Kailash Katkar	6.79	-
	Sanjay Katkar	6.79	-
	Anupama Katkar	1.66	-
	Chhaya Katkar	1.66	-
		16.90	**-**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Balance outstanding

Nature of transaction	Name of the related party	As at March 31, 2022	As at March 31, 2021
Trade receivables	Quick Heal Technologies Africa Limited	-	0.05
	Quick Heal Technologies America Inc.	0.91	0.35
	Quick Heal Technologies Japan K.K	-	-
	Seqrite Technologies DMCC	0.20	0.06
		1.11	**0.46**
Trade payables	Quick Heal Technologies Africa Limited	-	0.63
	Quick Heal Technologies America Inc.	0.09	0.03
	Quick Heal Technologies Japan K.K	0.26	0.47
	Seqrite Technologies DMCC	0.22	0.11
	Trixter Cyber Solutions Private Limited	0.18	-
		0.76	**1.24**
Director Sitting Fees Payable	Richard Stiennon	-	-
		-	**-**
Commission payable to independent directors	Amitabha Mukhopadhyay	0.10	0.10
	Apurva Joshi	0.08	0.06
	Bhushan Gokhale	0.08	0.06
	Mehul Savla	0.08	0.06
	Richard Stiennon	0.04	-
		0.38	**0.28**

40. (A). SEGMENT

The Company is engaged in providing security software solutions. The Chief Operating Decision Maker (CODM) reviews the information pertaining to revenue of each of the target customer group (segments) as mentioned below. However, based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into one operating segment viz. anti-virus and as such there is no separate reportable operating segment as defined by Ind AS 108 "Operating segments". For management purposes, the Group reports the details of operating segments based on the target customer groups as under :

- Retail
- Enterprise and Government
- Mobile

In accordance with paragraph 4 of Ind AS 108 'Operating segments', the Company has disclosed segment information only on the basis of the consolidated financial statement.

40 (B). EXCEPTIONAL ITEMS

Exceptional items includes impairment of investment in wholly owned subsidiaries amounting to ₹ 4.06 (March 31, 2021: ₹ Nil). The details are as follows:

Name of Subsidiary	Year ended March 31, 2022	Year ended March 31, 2021
Quick Heal Technologies America Inc., USA	4.06	-
Total	**4.06**	**-**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

41. FAIR VALUES

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments as of March 31, 2022:

Particulars	Carrying value		Fair value	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial assets				
Investments at amortised cost	5.83	5.83	5.83	5.83
Investments at FVTPL	290.07	390.76	290.07	390.76
Investments at FVTOCI	21.64	18.91	21.64	18.91
Trade and other receivables	172.93	149.44	172.93	149.44
Cash and cash equivalents	3.97	9.50	3.97	9.50
Other bank balances	55.23	67.89	55.23	67.89
Other financial assets	1.67	1.99	1.67	1.99
Total	**551.34**	**644.32**	**551.34**	**644.32**
Financial liabilities				
Trade and other payables	65.74	49.68	65.74	49.68
Other financial liabilities	1.14	1.33	1.14	1.33
Total	**66.88**	**51.01**	**66.88**	**51.01**

The management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

(i) The fair value of the quoted mutual fund are based on the price quotations at reporting date. The fair value of unquoted instruments, related parties and other financial liabilities as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

(ii) The fair values of the unquoted equity shares have been estimated using a discounted cash flow (DCF) model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at March 31, 2022 and March 31, 2021 are as shown below:

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value*
Unquoted equity shares in L7 Defense Limited	Discounted cash flow method	Weighted average cost of equity	March 31, 2022: 24.60% - 26.60%	1% increase in the WACC would decrease the fair value by ₹ 10.66 and 1% decrease would increase the fair value by ₹ 11.81.
		Long-term growth rate for cash flows	31st March 2022: 1% - 3%	1% increase in the growth would increase the fair value by ₹ 5.56 and 1% decrease would decrease the fair value by ₹ 5.11.
		Long-term operating margin	March 31, 2022: 9.81% - 19.81%	5% increase in the margin would increase the fair value by ₹ 17.22 and 5% decrease would decrease the fair value by ₹ 17.22.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value*
Unquoted equity shares in L7 Defense Limited	Discounted cash flow method	Weighted average cost of equity	March 31, 2021: 24.00% - 26.00%	1% increase in the WACC would decrease the fair value by ₹ 6.35 and 1% decrease would increase the fair value by ₹ 7.06.
		Long-term growth rate for cash flows	"31st March 2021: 1% - 3%"	1% increase in the growth would increase the fair value by ₹ 2.66 and 1% decrease would decrease the fair value by ₹ 2.43.
		Long-term operating margin	March 31, 2021: 9.81% - 19.81%	5% increase in the margin would increase the fair value by ₹ 24.31 and 5% decrease would decrease the fair value by ₹ 24.31.
Unquoted equity shares in Ray Pte. Limited	Discounted cash flow method	Weighted average cost of equity	March 31, 2022: 13.60% - 15.60%	1% increase in the WACC would decrease the fair value by ₹ 16.75 and 1% decrease would increase the fair value by ₹ 19.76.
		Long-term growth rate for cash flows	"March 31, 2022: 0.50% - 2.50%"	1% increase in the growth would increase the fair value by ₹ 11.02 and 1% decrease would decrease the fair value by ₹ 9.44.
		Long-term operating margin	March 31, 2022: 48.52% - 58.52%	5% increase in the margin would increase the fair value by ₹ 22.66 and 5% decrease would decrease the fair value by ₹ 22.66.
Unquoted equity shares in Ray Pte. Limited	Discounted cash flow method	Weighted average cost of equity	March 31, 2021: 13.60% - 15.60%	1% increase in the WACC would decrease the fair value by ₹ 6.02 and 1% decrease would increase the fair value by ₹ 7.09.
		Long-term growth rate for cash flows	"March 31, 2021: 0.5% - 2.5%"	1% increase in the growth would increase the fair value by ₹ 4.18 and 1% decrease would decrease the fair value by ₹ 3.59
		Long-term operating margin	March 31, 2021: 48.52% - 58.52%	5% increase in the margin would increase the fair value by ₹ 9.74 and 5% decrease would decrease the fair value by ₹ 9.74.

*The above sensitivity analysis for fair value calculation has been derived on the entire Ray Pte. Limited & L7 Defense Limited capital amount of the companies.

Reconciliation of fair value measurement of financial assets classified as FVTOCI:

	Unquoted Equity Shares
As at April 1, 2020	2.18
Remeasurement recognised in OCI	-
Purchases	16.73
Sales	-
As at March 31, 2021	**18.91**
Remeasurement recognised in OCI	2.73
Purchases	-
Sales	-
As at March 31, 2022	**21.64**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

42. FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included with in Level 1 that the observable for the asset or liability, either directly (i.e. as pieces) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data unobservable inputs

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at March 31, 2022 and March 31, 2021.

Quantitative disclosures fair value measurement hierarchy for assets:

Particulars		Fair value measurement using			
	Date of valuation	Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through OCI					
Unquoted equity instruments in L7 defense limited					
As at March 31, 2022	March 31, 2022	2.18	-	-	2.18
As at March 31, 2021	March 31, 2021	2.18	-	-	2.18
Unquoted equity instruments in Ray Pte. Limited					
As at March 31, 2022	March 31, 2022	4.73	-	-	4.73
As at March 31, 2021	March 31, 2021	2.00	-	-	2.00
Financial assets measured at fair value through profit and loss					
Mutual fund investments					
Fair value through profit or loss investments					
As at March 31, 2022	March 31, 2022	290.07	290.07		-
As at March 31, 2021	March 31, 2021	390.76	390.76		-
Unquoted Compulsory Convertible Preference Share in L7 defense limited					
As at March 31, 2022	March 31, 2022	14.73	-	-	14.73
As at March 31, 2021	March 31, 2021	14.73	-	-	14.73
Investment Property					
As at March 31, 2022	March 31, 2022	39.40	-	39.40	-
As at March 31, 2021	March 31, 2021	-	-	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

43. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include investments, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company does not have borrowings and derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, investments, receivables, payables, advances and other financial instruments. From the perspective of the Company, foreign currency risk is the most significant risk and the impact of interest rate risk and other price risk is not significant. The Company is not exposed to any material price risk.

The Company has certain financial assets and financial liabilities in foreign currencies which expose the Company to foreign currency risks. The foreign currency exposure of the Company has been disclosed in Note 38 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Foreign currency sensitivity

The Company does not take any steps to hedge the foreign currency exposure as mentioned above as the Management believes that there is natural hedge to some extent and balance exposure not really having significant impact on the financial health of the Company.

Particulars	Foreign currency	In foreign currency	Change in Currency rate	Effect on profit before tax (₹)	Effect on pre-tax equity (₹)
March 31, 2022	AED	0.05	(2%)	(0.02)	(0.02)
				0.02	0.02
	JPY	28.45	1%	0.23	0.23
				(0.23)	(0.23)
	KES	3.56	1%	0.03	0.03
				(0.03)	(0.03)
	SGD	0.04	(3%)	0.05	0.05
				(0.05)	(0.05)
	USD	0.37	(2%)	(0.48)	(0.48)
				0.48	0.48
March 31, 2021	AED	0.04	3%	0.03	0.03
				(0.03)	(0.03)
	JPY	28.71	6%	1.11	1.11
				(1.11)	(1.11)
	KES	12.40	1%	0.07	0.07
				(0.07)	(0.07)
	SGD	0.04	3%	0.07	0.07
				(0.07)	(0.07)
	USD	0.39	3%	0.97	0.97
				(0.97)	(0.97)

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company follows simplified approach for recognition of impairment loss allowance on Trade receivable.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made with banks in terms of fixed deposits and investment in designated mutual funds. Investment decision in mutual fund is taken with the assistance from appointed agent. Credit risk on cash deposits is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Other investments primarily include investment in liquid mutual fund units of reputed companies where historically, the Company has not incurred any loss due to credit risk.

(c) Liquidity risk

The Company had no outstanding bank borrowings as of March 31, 2022 and March 31, 2021. The working capital as at March 31, 2022 was ₹ 445.04 (March 31, 2021: ₹ 549.60) including cash and cash equivalents.

As at March 31, 2022 and March 31, 2021, the outstanding employee obligations were ₹ 1.28 and ₹ 1.53 respectively which have been substantially funded. Accordingly, no significant liquidity risk is perceived.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
As at March 31, 2022					
Trade payables	-	9.83	0.45	-	10.28
Other payables	-	51.23	4.23	-	55.46
Any other financial liabilities	-	0.36	0.78	-	1.14
Total	**-**	**61.42**	**5.46**	**-**	**66.88**
As at March 31, 2021					
Trade payables	-	4.25	0.71	-	4.96
Other payables	-	32.05	12.68	-	44.73
Any other financial liabilities	-	0.75	0.58	-	1.33
Total	**-**	**37.05**	**13.97**	**-**	**51.02**

Financial risk management

Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder's value. The Company manages its capital and makes adjustments to it in light of the changes in economic and market conditions. The total equity as at March 31, 2022 is ₹ 627.21 (March 31, 2021: ₹ 755.80).

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

Estimated uncertainty relating to Covid-19 outbreak

"The World Health Organisation announced a global health emergency because of a new strain of coronavirus ("Covid-19") and classified its outbreak as a pandemic on March 11, 2020. In response, the Indian government have taken various actions and ensured many precautionary measures which posed significant disruption to business operations and adversely impacting most of the industries which has resulted in global slowdown.

The full extent and duration of the impact of Covid-19 on the Company's operations and financial performance is currently unknown, and depends on future developments that are uncertain and unpredictable, including the duration and spread of the pandemic and any new information that may emerge concerning the severity of the virus, its spread to other regions and the actions to contain the virus or treat its impact, among others.

Any of these outcomes could have a material adverse impact on Company's business, financial condition, results of operations and cash flows for the year ended March 31, 2021 and thereafter.

Management currently believes that it has adequate liquidity and business plans to continue to operate the business and mitigate the risks associated with Covid-19 for the next 12 months from the date of these Financial Statements.

Social secutiry code:

The Code on Social Security 2020 ('the Code') relating to employee benefits, during employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Other Matters:

During the year ended March 31, 2019, Company had received notice of demand dated March 13, 2019, in relation to service tax under the provisions of Finance Act, 1994 for ₹ 38.74 (excluding interest and penalties) covering the period from April 1, 2016 to June 30, 2017 on supply of anti-virus software in Compact Disk. Company replied to the notice of demand to Commissioner of Goods and Service Tax, Pune.

During the earlier years, Company received similar notice of demands in relation to service tax under the provisions of Finance Act, 1994 for ₹ 122.31 (excluding penalty and pre-deposit, if any) covering the period from March 1, 2011 to March 31, 2016 on supply of anti-virus software in Compact Disk. Company had filed an appeal with Customs, Excise and Service Tax Appellate

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Tribunal, New Delhi for the period March 1, 2011 to March 31, 2014 and with the Customs, Excise and Service Tax Appellate Tribunal, Mumbai for the period April 1, 2014 to March 31, 2016.

The Hon'ble Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Principal Bench, New Delhi, vide its judgment (Order No. 50022/2020) dated January 09, 2020 (Service Tax Appeal No. 51175 of 2016), has set aside the Service Tax demand for ₹ 56.07 along with interest and penalty which was earlier confirmed by Directorate General of Central Excise Intelligence (DGCEI), New Delhi vide its Order of 2016 covering period from for the period March 1, 2011 to March 31, 2014.

Based on this latest judgement of CESTAT, New Delhi, technical circular issued by government authorities and an independent legal opinion obtained by the Company in earlier years, the Company is confident to get relief and set aside for balance period from April 01, 2014 to June 30, 2017. Accordingly, no provision/contingent liability has been recognised/disclosed in the financial statements.

The Commissioner of Service Tax, Delhi has preferred an appeal against the above said Order passed by the Hon'ble Customs, Excise & Service Tax Appellate Tribunal (CESTAT) amounting to ₹ 56.07 and hearing for admission level is pending with the Hon'ble Supreme Court.

The accompanying notes form an integral part of the financial statements.

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

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

Sd/- **Nitin Manohar Jumani** Partner Membership Number: 111700	Sd/- **Kailash Katkar** Managing Director & Chief Executive Officer DIN: 00397191	Sd/- **Sanjay Katkar** Joint Managing Director & Chief Technical Officer DIN: 00397277	Sd/- **Navin Sharma** Chief Financial Officer	Sd/- **A. Srinivasa Rao** Company Secretary Regs. No. FCS-9901
Place: Pune Date: May 05, 2022	Place: Pune Date: May 05, 2022	Place: Pune Date: May 05, 2022	Place: Pune Date: May 05, 2022	Place: Pune Date: May 05, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Quick Heal Technologies Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Quick Heal Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group its associates and jointly controlled entities as at March 31, 2022, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2022 (current period). These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	**Revenue Recognition:** Refer the disclosures related to Revenue recognition in Note 24 to the accompanying Financial Statements. Revenue is recognized in accordance with Ind AS 115- Revenue from contracts with customers, in accordance with which revenue from the sale of security software products and devices is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.	Our audit procedures in respect of this area include, but are not limited to, following: 1. Obtained and read contract with customers and confirmed our understanding of the Group's sales process, including design and implementation of controls and tested the operating effectiveness of these controls on a sample basis. 2. Read and understood the Group's accounting policy for revenue recognition. 3. Confirmed our understanding of the nature of security software products sold by the Group.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	The Application of Ind AS 115 involves certain key judgements relating to identification of separate performance obligations, determination of basis and its appropriateness for allocation of transaction price to the identified performance obligations; and recognition of such identified performance obligations based on timing of satisfaction (i.e. over time or point in time). Due to the significance of revenue and involvement of management judgments relating to identification of separate performance obligations, this is considered as a key audit matter	4. Read the customer agreements, on a sample basis, to test the terms and conditions for sale of such products including identification of performance obligations and allocation of the transaction price to such performance obligation based on appropriate method, as applicable. 5. Discussed with management the key assumptions underlying the Group's assessment of cost related to identified performance obligations and tested mathematical accuracy of the underlying data used for computation and calculations made by the Group; and 6. Evaluated the appropriateness of the disclosures made in the financial statement in relation to revenue recognition as required by applicable accounting standards.
2	Provision for credit loss for accounts receivables Refer Note 11 of Financial statement The Group has total outstanding trade receivable amounting to ₹ 203.79 Crore as at March 31, 2022 against which the Group has provided for ₹ 31.83 Crore towards expected credit loss in the books of account. We have identified provisioning for credit loss as a key audit matter as the calculation of credit loss provision is a complex area and requires management to make significant assumptions on customer payment behavior and estimating the level and timing of expected future cash flows.	We evaluated the judgement and estimation used by management in recognising the expected credit loss provision. Our procedures included, but were not limited to the following: 1. Obtained understanding of the Group's policy on assessment of expected credit loss against trade receivables, including design and implementation of controls, validation of management review controls. We have tested the operating effectiveness of these controls on a sample basis; 2. Requested for and obtained independent balance confirmations from the Group's customers on a sample basis; 3. Verified subsequent receipts after the year-end on a sample basis; 4. Verified aging of trade receivables for a sample of customer transactions; 5. Obtained management's assessment and plan for recovery with respect to trade receivables outstanding for more than 180 days; 6. Assessed the methodology applied for recognising expected credit loss against the trade receivables in the current year and compared the Group's provisioning rates against historical collection data; and 7. Evaluated the appropriateness of the disclosures made in the financial statement in relation to such provision as required under applicable accounting standards

INDEPENDENT AUDITOR'S REPORT (Contd.)

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

OTHER MATTERS

a. We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of ₹ 4.61 crores as at March 31, 2022, total revenues of ₹ 3.42 crores and net cash inflows amounting to ₹ 1.47 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it

INDEPENDENT AUDITOR'S REPORT (Contd.)

relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities– Refer Note 33(c) & (d) to the consolidated financial statements.

      ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

      iv.(1) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries or in any other persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, associates and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (2) The Managements of the Holding Company represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company from any persons or entities, including foreign entities

with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. On the basis of our verification, the dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

3. According to the information and explanations given to us, Companies (Auditor's Report) Order, 2020 reports is not applicable to the subsidiaries. Accordingly, the provisions stated in paragraph clause 3 (xxi) of the Order are not applicable to the Group.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Sd/-
SNitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 22111700AILNGZ6167

Place: Pune
Date: May 05, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF QUICK HEAL TECHNOLOGIES LIMITED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Sd/-
Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 22111700AILNGZ6167

Place: Pune
Date: May 05, 2022

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF QUICK HEAL TECNOLOGIES LIMITED

Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Quick Heal Technologies Limited on the consolidated Financial Statements for the year ended March 31, 2022.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Quick Heal Technologies Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF QUICK HEAL TECHNOLOGIES LIMITED FOR THE YEAR ENDED MARCH 31, 2022. (Contd.)

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 3 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Sd/-
Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 22111700AILNGZ6167

Place: Pune
Date: May 05, 2022

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2022

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	105.94	140.47
(b) Capital work-in-progress		-	2.11
(c) Intangible assets	6	5.74	5.28
(d) Investment Property	7	25.36	-
(e) Financial assets			
(i) Investments	8	27.46	32.19
(ii) Other financial assets	9	0.49	0.54
(f) Income tax assets (net)	14	15.80	12.15
(g) Other non-current assets	15	0.47	2.46
		181.25	**195.20**
Current assets			
(a) Inventories	10	4.79	3.34
(b) Financial assets			
(i) Investments	8	290.07	383.31
(ii) Trade receivables	11	171.96	150.63
(iii) Cash and cash equivalents	12	7.83	16.43
(iv) Bank balances other than (iii) above	13	55.22	67.89
(v) Other financial assets	9	1.17	1.48
(c) Other current assets	15	3.58	6.81
(d) Assets classified as held for sale	16	-	1.60
		534.62	**631.49**
Total assets		**715.88**	**826.69**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	58.01	64.21
(b) Share application money pending allotment	SOCIE	-	-
(c) Other equity	18	569.62	687.27
Total equity		**627.63**	**751.48**
Liabilities			
Non-current liabilities			
(a) Net employee defined benefit liabilities	22	0.89	0.37
(b) Other non-current liabilities	21	0.52	-
(c) Deferred tax liability (net)	30	0.64	0.82
		2.05	**1.19**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	19	5.77	1.33
(b) Total outstanding dues creditors other than micro enterprises and small enterprises	19	59.48	48.65
(ii) Other financial liabilities	20	1.13	1.33
(b) Other current liabilities	21	19.31	18.31
(c) Net employee defined benefit liabilities	22	0.39	1.17
(d) Income tax liabilities (net)	23	0.11	3.23
		86.19	**74.02**
Total liabilities		**88.24**	**75.20**
Total equity and liabilities		**715.88**	**826.69**
Summary of significant accounting policies	3		

The accompanying notes form an integral part of the financial statements.

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

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

Sd/-
Nitin Manohar Jumani
Partner
Membership Number: 111700
Place: Pune
Date: May 05, 2022

Sd/-
Kailash Katkar
Managing Director
& Chief Executive Officer
DIN: 00397191
Place: Pune
Date: May 05, 2022

Sd/-
Sanjay Katkar
Joint Managing Director
& Chief Technical Officer
DIN: 00397277
Place: Pune
Date: May 05, 2022

Sd/-
Navin Sharma
Chief Financial Officer
Place: Pune
Date: May 05, 2022

Sd/-
A. Srinivasa Rao
Company Secretary
Regs. No. FCS-9901
Place: Pune
Date: May 05, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
INCOME			
Revenue from operations	24	341.90	333.04
Other income	25	19.20	24.16
Total income		**361.10**	**357.20**
EXPENSES			
Cost of materials consumed	26 (a)	1.01	1.03
Purchase of software products	26 (b)	13.00	8.33
(Increase) / decrease in security software products	26 (c)	(1.85)	2.28
Employee benefits expense	27	139.49	114.74
Depreciation and amortisation expense	28	17.38	19.49
Other expenses	29	83.39	65.20
Total expenses		**252.42**	**211.07**
Profit before tax		**108.68**	**146.13**
Tax expense			
Current tax	30		
Pertaining to profit for the current year		25.88	34.04
Adjustments of tax relating to earlier years (Net)		0.65	1.76
Deferred tax (benefit) / charge		(1.04)	3.36
Total tax expense		**25.49**	**39.16**
Profit after Tax		**83.19**	**106.97**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement of defined benefit plans		0.83	0.17
Income tax effect		(0.21)	(0.04)
		0.62	0.13
Net (loss) or gain on FVTOCI assets		2.73	-
Income tax effect		(0.65)	-
		2.08	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		**2.70**	**0.13**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(0.25)	(0.36)
Total comprehensive income for the period		**85.64**	**106.74**
Earnings per equity share [nominal value per share ₹ 10 (March 31, 2021: ₹ 10)]	31		
Basic		14.01	16.66
Diluted		13.94	16.65

Summary of significant accounting policies 3

The accompanying notes form an integral part of the financial statements.

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

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

Sd/-
Nitin Manohar Jumani
Partner
Membership Number: 111700
Place: Pune
Date: May 05, 2022

Sd/-
Kailash Katkar
Managing Director
& Chief Executive Officer
DIN: 00397191
Place: Pune
Date: May 05, 2022

Sd/-
Sanjay Katkar
Joint Managing Director
& Chief Technical Officer
DIN: 00397277
Place: Pune
Date: May 05, 2022

Sd/-
Navin Sharma
Chief Financial Officer
Place: Pune
Date: May 05, 2022

Sd/-
A. Srinivasa Rao
Company Secretary
Regs. No. FCS-9901
Place: Pune
Date: May 05, 2022

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	March 31, 2022	March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	108.68	146.13
Adjustment to reconcile profit before tax to net cash flows:		
Net (gain) / loss foreign exchange differences	(0.23)	(0.35)
Employee share based payments expense	4.69	0.62
Depreciation and amortisation expense	17.38	19.49
Interest income	(2.90)	(7.13)
Provision for doubtful debts and advances	3.36	(3.81)
Bad debts written off	0.08	3.48
Property, plant and equipment written off	0.09	-
(Profit) / Loss on sale of property, plant and equipment	(1.65)	(0.04)
Exchange difference on translation of foreign currency cash and cash equivalents	0.08	0.07
Net gain on sale of investment	(2.84)	(3.01)
Net gain on FVTPL current investment	(7.41)	(9.00)
Operating profit before working capital changes	**119.33**	**146.45**
Movements in working capital:		
(Increase)/decrease in trade receivables	(24.86)	(37.14)
(Increase)/decrease in inventories	(1.45)	2.91
(Increase)/decrease in other financial assets	0.71	0.09
(Increase)/decrease in other assets	3.05	(2.16)
Increase/(decrease) in net employee defined benefit liabilities	0.57	0.85
Increase/(decrease) in trade payables	15.26	9.24
Increase/(decrease) in other current and non current liabilities	1.52	7.68
Cash generated from operations	**114.13**	**127.92**
Direct taxes paid (Net of refunds)	(33.30)	(29.30)
Net cash flow from operating activities (A)	**80.83**	**98.62**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advances)	(5.85)	(8.86)
Proceeds from sale of property, plant and equipment	4.49	0.04
Purchase of investments	(408.85)	(621.89)
Sale of investments	519.80	528.26
(Increase)/decrease in bank balances other than cash and cash equivalents	12.70	2.31
Interest received	2.52	7.86
Net cash (used in) investing activities (B)	**124.81**	**(92.29)**

STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	March 31, 2022	March 31, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid on equity shares	(23.15)	0.05
Tax on Buyback	(36.03)	-
Proceeds from issuance of equity shares (including securities premium and Buy back)	1.74	0.05
Buyback Expenses	(1.72)	-
Payout on Buyback of equity shares	(155.00)	-
Share application money pending allotment	-	-
Net cash flow (used in) financing activities (C)	**(214.16)**	**0.10**
Net (decrease) in cash and cash equivalents (A+B+C)	**(8.52)**	**6.43**
Cash and cash equivalents at the beginning of the year	16.43	10.07
Effect of exchange differences on cash and cash equivalents held in foreign currency	(0.08)	(0.07)
Cash and cash equivalents at the end of the year	**7.83**	**16.43**
Components of cash and cash equivalents		
Cash on hand	0.06	0.06
Balances with banks		
On current account	7.14	13.16
On EEFC account	0.63	3.14
Cheques on hand	-	0.07
Total cash and cash equivalents (refer note 12)	**7.83**	**16.43**
Summary of significant accounting policies	3	

The accompanying notes form an integral part of the financial statements.

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

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

Sd/-
Nitin Manohar Jumani
Partner
Membership Number: 111700
Place: Pune
Date: May 05, 2022

Sd/-
Kailash Katkar
Managing Director
& Chief Executive Officer
DIN: 00397191
Place: Pune
Date: May 05, 2022

Sd/-
Sanjay Katkar
Joint Managing Director
& Chief Technical Officer
DIN: 00397277
Place: Pune
Date: May 05, 2022

Sd/-
Navin Sharma
Chief Financial Officer
Place: Pune
Date: May 05, 2022

Sd/-
A. Srinivasa Rao
Company Secretary
Regs. No. FCS-9901
Place: Pune
Date: May 05, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED MARCH 31, 2022

(All amounts are in ₹ Crores, unless otherwise stated)

A. Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid-up	No.	Amount
As at April 01, 2020	**6,42,03,618**	**64.20**
- Employee stock option plan (ESOP)	4,250	0.00
- Buy Back	-	-
As at March 31, 2021	**6,42,07,868**	**64.21**
- Employee stock option plan (ESOP)	1,28,263	0.13
- Buy Back	**(63,26,530)**	**(6.33)**
As at March 31, 2022	**5,80,09,601**	**58.01**

B. Share application money pending allotment

	As at March 31, 2022	As at March 31, 2021
Share application money pending allotment*	-	-

* Amount below rounding off norms adopted by the Group.

C. Other equity

Other equity attributable to equity holders of the Company

	Reserves and Surplus					Other Equity	Other Comprehensive Income			Total
	Retained earnings	Securities premium	Capital redemption reserve	Amalgamation reserve	General reserve	Employee stock options outstanding (ESOP)	Foreign currency translation reserve	Defined benefit plans through Other comprehensive income	Equity instruments through Other comprehensive income	
Balance as at April 01, 2020	**469.23**	**59.38**	**6.36**	**2.65**	**45.03**	**2.40**	**(0.17)**	**1.55**	**(6.57)**	**579.86**
Profit for the Year	106.97	-	-	-	-	-	-	-	-	106.97
Other comprehensive income	-	-	-	-	-	-	(0.36)	0.13	-	(0.23)
Total comprehensive income	**106.97**	**-**	**-**	**-**	**-**	**-**	**(0.36)**	**0.13**	**-**	**106.74**
Expenses pertaining to share-based payments	-	-	-	-	-	0.62	-	-	-	0.62
Exercise of share options	-	0.05	-	-	-	-	-	-	-	0.05
Balance as at March 31, 2021	**576.20**	**59.43**	**6.36**	**2.65**	**45.03**	**3.02**	**(0.53)**	**1.68**	**(6.57)**	**687.27**
Profit for the Year	83.19	-	-	-	-	-	-	-	-	83.19
Other comprehensive income		-	-	-	-	-	(0.25)	0.62	2.08	2.45
Total comprehensive income	**83.19**	**-**	**-**	**-**	**-**	**-**	**(0.25)**	**0.62**	**2.08**	**85.64**
Expenses pertaining to share-based payments	-	-	-	-	-	4.69	-	-	-	4.69
Transferred from Retained earnings	(6.33)	-	6.33	-	-	-	-	-	-	-
Utilised for buy back	(89.24)	(59.43)	-	-	-	-	-	-	-	(148.67)
Buy Back Expenses	(1.72)	-	-	-	-	-	-	-	-	(1.72)
Exercise of share options	-	1.61	-	-	-	-	-	-	-	1.61
Transferred from ESOP account	-	0.69	-	-	-	(0.69)	-	-	-	-
Transactions with owners in their capacity as owners:										
Final equity dividend	(23.17)	-	-	-	-	-	-	-	-	(23.17)
Tax on Buyback	(36.03)	-	-	-	-	-	-	-	-	(36.03)
Balance as at March 31, 2022	**502.90**	**2.30**	**12.69**	**2.65**	**45.03**	**7.02**	**(0.78)**	**2.30**	**(4.49)**	**569.62**

The accompanying notes form an integral part of the financial statements.

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

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

Sd/-
Nitin Manohar Jumani
Partner
Membership Number: 111700
Place: Pune
Date: May 05, 2022

Sd/-
Kailash Katkar
Managing Director
& Chief Executive Officer
DIN: 00397191
Place: Pune
Date: May 05, 2022

Sd/-
Sanjay Katkar
Joint Managing Director
& Chief Technical Officer
DIN: 00397277
Place: Pune
Date: May 05, 2022

Sd/-
Navin Sharma
Chief Financial Officer
Place: Pune
Date: May 05, 2022

Sd/-
A. Srinivasa Rao
Company Secretary
Regs. No. FCS-9901
Place: Pune
Date: May 05, 2022

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in ₹ Crores, unless otherwise stated)

1. CORPORATE INFORMATION

Quick Heal Technologies Limited ("the Company"/"Holding Company"), a public company domiciled in India, was incorporated on August 7, 1995 under the Companies Act, 1956. The CIN of the Company is L72200MH1995PLC091408. The Company's shares are listed on the BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') w.e.f. February 18, 2016. The registered office of the Company is located at Marvel Edge, Office No.7010 C & D, 7th Floor, Viman Nagar, Pune 411014, Maharashtra, India.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (together referred to as "the Group").

The Group is engaged in the business of providing security software products. The Group caters to both domestic and international market.

The consolidated financial statements of the Group for the year ended March 31, 2022 were authorised for issue in accordance with a resolution of the Board of Directors on May 5, 2022.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 read with Indian Accounting Standards Rules, 2015, as amended and other relevant provisions of the Act.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets which have been measured at fair value. The consolidated financial statements are presented in ₹ Crores; except when otherwise indicated.

Items	Measurement basis
Certain non-derivative financial instruments at fair value	Fair value
Equity-settled share based payment transactions	Fair value on the date of grant
Defined benefit plan assets	Fair value

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies applied by the Group in preparing its consolidated financial statements:

a) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on March 31.

In preparing the consolidated financial statements, the Group has used the following key consolidation procedures:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full. However, intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

b) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group's normal operating cycle has been considered to be twelve months.

c) Foreign currencies

The Group's consolidated financial statements are presented in Indian Rupees, which is also the functional currency of the Holding Company. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

(i) Transaction and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of transaction.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other comprehensive income ('OCI') or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

(ii) Group companies

On consolidation, the assets and liabilities of the subsidiaries are translated into Indian Rupees at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at average exchange rates. Equity items, other than retained earnings, are translated at the spot rate in effect on each related transaction date (specific identification). Retained earnings are translated at the weighted average exchange rate for the relevant year.

The exchange differences arising on translation for consolidation are recognised in OCI.

d) Fair value measurement

The Group measures financial instruments such as investments in equity shares at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions (Refer Note 4)
- Quantitative disclosures of fair value measurement hierarchy (Refer Note 39)
- Financial instruments risk management objectives and policies (Refer Note 40)

e) Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services.

Goods and Services Tax (GST) and all other applicable taxes is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Accordingly, it is excluded from revenue. The following specific recognition criteria must also be met before revenue is recognised.

(i) Sale of security software products and devices:

Revenue from the sale of security software products and devices (goods) is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates, Value added tax, goods and service tax (GST) and amount collected on behalf of third party.

In arrangements for sale of security software, the Group has applied the guidance in Ind AS 115, Revenue, by applying the revenue recognition criteria for each separately identifiable component of a single transaction. The arrangements generally meet the criteria for considering sale of security software and related services as separately identifiable components. For allocating the consideration, the Group has measured the revenue in respect of each separable component of a transaction at its fair value, in accordance with principles given in Ind AS 115. The Group allocates and defers revenue for the undelivered items based on the fair value of the undelivered elements.

Contract balances:

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

(q) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

(ii) Income from services:

Revenues from support services are recognised as and when services are rendered. The Company collects GST on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

(iii) Revenue from software services:

The Company has applied the principal under Ind AS 115 to identify each performance obligation on licenses sold to customer. Revenue for identified performance obligation is recognised over the period of time, when such performance obligation is rendered. In absence of standalone selling price of the performance obligation, the contract price are allocated to each performance obligation of the contract on the basis of cost plus margin approach.

f) Other income

(i) Interest

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate ('EIR') applicable. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included under the head "Other income" in the statement of profit and loss.

(ii) Dividends

Income from dividend on investments is accrued in the year in which it is declared, whereby the Group's right to receive is established. Dividend income is included under the head "finance income" in the statement of profit and loss.

g) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss;
- In respect of deductible temporary differences associated with investments in subsidiaries,

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

associates and interest in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 taxes relate to the same taxable entity and the same taxation authority.

h) Property, plant and equipment

Property, plant and equipment and capital work in progress are stated at cost net of accumulated depreciation and impairment losses, if any.

The cost comprises of the purchase price, and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Each part of item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery.

Capital work in progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use as at the balance sheet date.

Depreciation on property, plant and equipment is calculated on a written down value (WDV) basis using the rates arrived at based on the useful lives estimated by the management. The Group has used the following rates to provide depreciation on its property, plant and equipment.

Type of assets	Schedule II life (years)	Useful lives estimated by the management (years)	Rates (WDV)
Buildings	60	60	4.87%
Computers	3	3	21.90% - 63.16%
Electrical installations	10	10	25.89%
Furniture and fixtures	10	10-23	12.00% - 25.89%
Office equipment	5	5-15	14.20% - 45.07%
Server	6	6	39.30%
Vehicles	8	8	25.00% - 31.23%

Leasehold premises are amortised on a straight-line basis over the period of lease, i.e. 30 years.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

i) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company depreciates building component of investment property over 60 years from the date of original purchase

The Company, based on technical assessment made by technical expert and management estimate, depreciates the building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

j) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives i.e. software are amortised on a straight-line basis over the period of expected future benefits i.e. over their estimated useful lives of three years. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Group can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the asset;
- Its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of adequate resources to complete the development and to use or sell the asset;
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight-line basis over the period of expected future benefit from the related project, i.e., the estimated useful life. Amortisation is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

k) Leases

Effective April 01, 2019, the Group adopted IND AS 116 "Leases" under the modified retrospective approach without restatement of comparatives. The Group 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 Group previously classified leases as

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

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 Group recognises 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 group 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.

l) Inventories

Inventories are valued at the lower of cost and net realisable value.

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.

- Raw materials are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories is not written down below cost of the finished product in which they will be incorporated are expected to be sold at or above cost. Cost of raw material is determined on a weighted average basis.
- Finished goods are valued at lower of cost and net realisable value. Cost includes direct material and labour and a proportion of manufacturing overhead based on normal operating capacity. Cost is determined on a weighted average basis.
- Traded goods are valued at lower of cost and net realisable 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 realisable 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.

The comparison of cost and net realisable value is made on item by item basis.

m) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

n) Provisions

A provision is recognised when the Group 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.

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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 Group or a present obligation that is not recognised 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 recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

p) Retirement and other employee benefits

a) Short-term employee benefits

The distinction between short-term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short-term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and are recognised in the period in which the employee renders the related service.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

b) Post-employment benefits

In case of Holding Company:

(i) Defined contribution plan

The Company makes payment to provident fund scheme which is defined contribution plan. The contribution paid/payable under the schemes is recognised in the statement of profit and loss during the period in which the employee renders the related service. The Company has no further obligations under these schemes beyond its periodic contributions.

The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related services. If the contribution payable to the scheme for services received before balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then the excess recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or cash refund.

(ii) Defined benefit plan

The Company operates a defined benefit plan for its employees, viz. gratuity. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the balance sheet. The fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on a net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

c) Other long term employment benefits:

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the Balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

In case of Subsidiaries:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme, National Social Security Fund (NSSF - Kenya) as an expenditure, when an employee renders the related services. If the contribution payable to the scheme for services received before balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contributions already paid exceeds the contribution due for services received before the balance sheet date, then the excess recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or cash refund.

There are no other long-term benefits payable to employees of any of the overseas subsidiaries.

q) Share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment ("SBP") reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

r) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

(i) *Initial recognition and measurement of financial assets*

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

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that 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. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as expense/ (income) in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis. The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

a) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, loans and borrowings or payables as appropriate.

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

The Group's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

s) Assets held for sale

The group classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset (or disposal group) to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

- An active programmed to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

t) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturity of three months or less, which are subject to an insignificant risk of changes in value. In the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered as integral part of the Group's cash management.

u) Cash dividend

The Group recognises a liability to make cash distributions to the equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the provisions of the Act, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

v) Earnings per share (EPS)

Basic EPS is calculated by dividing the Group's earnings for the year attributable to ordinary equity shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the year. The earnings considered in ascertaining the Group's EPS comprise the net profit after tax attributable to equity shareholders. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares) other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares. There were no instruments excluded from the calculation of diluted earnings per share for the periods presented because of an anti-dilutive impact.

w) Segment reporting

An operating segment is a component of a Group whose operating results are regularly reviewed by the Group's chief operating decision maker (CODM) to make decisions about resource allocation and assess its performance and for which discrete financial information is available. The Group has identified the Managing Director of the Holding Company as its CODM.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Significant Judgement is required for identifying separate performance obligation, determination of basis and its appropriateness for allocation of transaction price to the identified performance obligations and recognition of such identified performance obligations based on timing of satisfaction (i.e. over time or point in time). The group considered each promise in a contract with customer to transfer a goods or service that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer to identify separate performance obligation, transaction price is allocated to each performance obligation that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised goods or services to the customer and point of transfer of control in goods or service to determine whether the performance obligation is satisfied over time or at a point in time.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ('DCF') model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 39 for further disclosures.

4 (a) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2022.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land (refer note 1 below)	Leasehold premises	Buildings (refer note 2 below)	Computers and server	Office equipment	Electrical installations	Furniture and fixtures	Vehicles	Total
Cost (Gross) (refer note 3 below)									
At April 01, 2020	2.66	2.13	160.37	47.25	17.62	9.98	22.97	1.09	264.07
Additions	-	-	-	7.34	0.03	0.09	-	-	7.46
Reclassified as held for sale	-	-	2.83	-	-	-	-	-	2.83
Disposals/written-offs	-	-	-	-	0.17	0.02	0.12	0.04	0.35
At March 31, 2021	**2.66**	**2.13**	**157.54**	**54.59**	**17.48**	**10.05**	**22.85**	**1.05**	**268.35**
Additions	-	-	0.11	4.77	0.72	0.12	0.44	-	6.16
Transfer	-	-	32.43	-	-	-	-	-	32.43
Disposals/written-offs	-	-	0.90	1.21	0.93	0.68	2.82	-	6.54
At March 31, 2022	**2.66**	**2.13**	**124.32**	**58.15**	**17.27**	**9.49**	**20.47**	**1.05**	**235.54**
Depreciation (Gross) (refer note 3 below)									
At April 01, 2020	-	0.77	37.03	35.81	16.05	7.52	18.03	0.35	115.56
Depreciation charge for the year	-	0.07	6.01	5.23	0.45	0.63	1.26	0.23	13.88
Reclassified as held for sale	-	-	1.22	-	-	-	-	-	1.22
Disposals/written-offs	-	-	-	-	0.17	0.02	0.11	0.04	0.34
At March 31, 2021	**-**	**0.84**	**41.82**	**41.04**	**16.33**	**8.13**	**19.18**	**0.54**	**127.88**
Transfer			6.77	-	-	-	-	-	6.77
Depreciation charge for the year	-	0.07	5.33	6.64	0.23	0.48	0.89	0.16	13.80
Disposals/written-offs	-	-	0.37	1.15	0.74	0.61	2.43	-	5.30
At March 31, 2022	**-**	**0.91**	**40.01**	**46.53**	**15.82**	**8.00**	**17.64**	**0.70**	**129.61**
Net block									
At March 31, 2021	**2.66**	**1.29**	**115.72**	**13.55**	**1.15**	**1.92**	**3.67**	**0.51**	**140.47**
At March 31, 2022	**2.66**	**1.22**	**84.31**	**11.62**	**1.45**	**1.49**	**2.83**	**0.35**	**105.93**

Note:-

1. The value of land has been estimated based on the stamp duty valuation rate.
2. Building includes office building (including share in undivided portion of land) taken on long term lease i.e. 999 years.
3. The Group had elected to continue with the carrying value of property, plant and equipment as recognised in the financial statements as per previous GAAP and had regarded those values as the deemed cost on the date of transition (i.e. April 1, 2015). The Group has disclosed the gross block and accumulated depreciation above, for information purpose only. The accumulated depreciation as at April 1, 2015 is ₹ 22.85.

5. (A) AGEING OF TANGIBLE CWIP

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
At March 31, 2021					
Projects in progress	2.11	-	-	-	2.11
Projects temporarily suspended	-	-	-	-	-
	2.11	-	-	-	2.11

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
At March 31, 2022					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

6. INTANGIBLE ASSETS

	Software	Patent	Total
Cost (Gross) (refer note 1)			
At April 01, 2020	46.99	0.04	47.03
Purchase	0.91	-	0.91
Disposals	-	-	-
At March 31, 2021	**47.90**	**0.04**	**47.94**
Purchase	3.74	-	3.74
Disposals	6.47	0.01	6.48
At March 31, 2022	**45.17**	**0.03**	**45.20**
Amortisation (Gross) (refer note 1)			
At April 01, 2020	37.02	0.02	37.05
Amortisation for the year	5.61	0.00	5.61
Disposals	-	-	-
At March 31, 2021	**42.63**	**0.03**	**42.66**
Amortisation for the year	3.28	-	3.28
Disposals	6.47	0.01	6.48
At March 31, 2022	**39.44**	**0.02**	**39.46**
Net block			
At March 31, 2021	**5.27**	**0.01**	**5.28**
At March 31, 2022	**5.73**	**0.01**	**5.74**

1. The Group had elected to continue with the carrying value of intangible assets as recognised in the financial statements as per previous GAAP and had regarded those values as the deemed cost on the date of transition (i.e. April 1, 2015). The Group has disclosed the gross block and accumulated depreciation above, for information purpose only. The accumulated depreciation as at April 1, 2015 is ₹ 17.44.

7. INVESTMENT PROPERTY

	Buildings	Total
Cost		
At April 01, 2020	-	-
Purchase	-	-
Disposals	-	-
At March 31, 2021	**-**	**-**
Transfer	32.43	32.43
Disposals	-	-
At March 31, 2022	**32.43**	**32.43**
Depreciation		
At April 01, 2020	-	-
Depreciation for the year	-	-
Disposals	-	-
At March 31, 2021	**-**	**-**
Transfer	6.77	6.77
Depreciation for the year	0.30	0.30
At March 31, 2022	7.07	7.07
At March 31, 2022	**7.07**	**7.07**
Net block		
At March 31, 2021	**-**	**-**
At March 31, 2022	**25.36**	**25.36**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Information regarding income and expenditure of Investment property

Particulars	As at March 31, 2022	As at March 31, 2021
Rental income derived from investment properties	0.85	-
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	0.85	-
Less – Depreciation	(0.30)	-
Profit arising from investment properties before indirect expenses	0.55	-
Less – Indirect expenses	-	-
Profit from investment properties	**0.55**	**-**

The Company's investment properties consist of commercial building in India given on non-cancellable lease for a period of 3 years.

Estimation of fair value

As at March 31, 2022, the fair values of the property is ₹ 39.40. The valuations are based on valuations performed by Mr. Devendra Patekar (Registered Valuer and Chartered Engineer), an accredited independent valuer. Mr. Devendra Patekar is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties have been provided in Note 39.

1. The Company has no restriction on the realisability of its investment properties and no contractual obligations to purchase or develop investment properties or for repairs and maintenance.
2. The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, age of building of the property. The fair value is based on valuation performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

8. INVESTMENT PROPERTY

Particulars	As at March 31, 2022	As at March 31, 2021
Non - current investments		
Investment carried at amortised cost		
Investment in tax free bonds		
7.35% Indian Railway Finance Corporation Limited Bonds	3.35	3.35
7.39% National Highway Authority of India Bonds	2.48	2.48
	5.82	**5.83**
Investments at fair value through profit and loss		
Investments in mutual funds (quoted)		
Investments in mutual funds	-	7.45
	-	**7.45**
Investment in Preference shares (unquoted)		
1,49,925 (March 31, 2021:1,49,925) compulsory convertible preference shares (CCPS) of NIS 0.01 each fully paid-up in L7 Defense Limited	14.73	14.73
	14.73	**14.73**
Investments at fair value through OCI		
Investment in other equity shares (unquoted)		
4,472 (March 31, 2021: 4,472) equity shares of ₹ 10 each fully paid-up in Smartalyse Technologies Private Limited	6.67	6.67
Less: Fair value changes routed through OCI	(6.67)	(6.67)
	-	-
18,255 (March 31, 2021: 18,255) equity shares of NIS 0.01 each fully paid-up in L7 Defense Limited	2.18	2.18
	2.18	**2.18**
4,651 (March 31, 2021: 4,651) equity shares of SGD 0.001 each fully paid-up in Ray Pte. Limited	2.00	2.00
Add: Fair value changes routed through OCI	2.73	-
	4.73	**2.00**
Total non - current investments	**27.46**	**32.19**
Current investments		
Investments at fair value through profit and loss		
Investments in mutual funds (quoted)		
Investments in mutual funds	290.07	383.31
Total current investments	**290.07**	**383.31**
Total non-current investments	**27.46**	**32.19**
Total current investments	**290.07**	**383.31**
Aggregate book value of quoted investments	290.07	390.76
Aggregate market value of quoted investments	290.07	390.76
Aggregate value of unquoted investments	27.46	24.74
Aggregate amount of impairment in value of investments	6.67	6.67
Investments carried at amortised cost	5.82	5.83
Investments carried at fair value through profit or loss	304.80	405.49
Investments carried at fair value through other comprehensive income	21.64	18.91

* In the current year, The Group had discontinued operation of Quick Heal Technologies Japan KK.

** In the previous year, The Group had discontinued operation of Quick Heal Technologies Africa Limited, Kenya.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

9. OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Interest accrued		
on bank balance	0.70	0.80
Security deposits	0.47	0.68
Total current	**1.17**	**1.48**
Non - current		
Bank balances		
Deposits with remaining maturity of more than twelve months	0.13	0.16
Security deposits	0.36	0.38
Total non - current	**0.49**	**0.54**
Other financial assets carried at amortised cost	1.66	2.02

Deposits of ₹ 0.13 (March 31, 2021: ₹ 0.16) are pledged against bank guarantees.

No loans are due from directors or other officers of the Group either severally or jointly with any other person. Nor any loans are due from firms or private companies respectively in which any director is a partner, a director or a member.

10. INVENTORIES

Particulars	As at March 31, 2022	As at March 31, 2021
At lower of cost and net realisable value		
Raw materials - Security software devices - Unified Threat Management (UTM)	0.31	0.71
Finished goods - Security softwares	4.48	2.63
Total	**4.79**	**3.34**

11. TRADE RECEIVABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	171.96	150.63
Total	**171.96**	**150.63**

Break-up for security details:

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables		
Considered good - Unsecured	171.96	150.63
Receivable which have significant increase in credit risk	-	-
Receivables - credit impaired	31.83	28.52
Total	**203.79**	**179.15**
Impairment allowed (allowed for bad and doubtful debts)		
Considered good - Unsecured	-	-
Receivable which have significant increase in credit risk*	-	-
Receivables - credit impaired	(31.83)	(28.52)
	(31.83)	**(28.52)**
Total	**171.96**	**150.63**

*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 Group 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

11B. Ageing for Trade Receivables

	Outstanding as at March 2022						
	Not due	Less than 6 months	6 months - 1 year	1 - 2 year	2 -3 year	More than 3 year	Total
i) Undisputed Trade receivables - considered good	78.76	83.33	6.49	0.20	0.43	2.75	171.96
ii) Undisputed Trade Receivables - credit impaired	-	-	2.28	2.35	1.25	0.93	6.82
iii) Disputed Trade Receivables - credit impaired	-	-	0.07	0.63	3.23	21.08	25.01
Total	**78.76**	**83.33**	**8.84**	**3.18**	**4.91**	**24.76**	**203.79**

	Outstanding as at March 2021						
	Not due	Less than 6 months	6 months - 1 year	1 - 2 year	2 -3 year	More than 3 year	Total
i) Undisputed Trade receivables - considered good	85.33	55.22	5.59	1.73	0.05	2.71	150.63
ii) Undisputed Trade Receivables - credit impaired	-	-	0.67	4.13	0.37	0.67	5.84
iii) Disputed Trade Receivables - credit impaired	-	-	-	1.55	0.22	20.91	22.68
Total	**85.33**	**55.22**	**6.26**	**7.41**	**0.64**	**24.29**	**179.15**

12. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
On current account	7.14	13.16
On EEFC account	0.63	3.14
Cheques on hand	-	0.07
Cash on hand	0.06	0.06
Total	**7.83**	**16.43**

13. OTHER BANK BALANCES

Particulars	As at March 31, 2022	As at March 31, 2021
Bank balances		
Deposits with remaining maturity of less than twelve months	55.05	67.74
Unpaid dividend account	0.17	0.15
Total	**55.22**	**67.89**

Out of the total deposits, ₹ 0.23 (March 31, 2021: ₹ 0.22) are pledged against bank guarantees.

14. NON-CURRENT ASSET - INCOME TAX (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance tax (net of provision for tax)	15.80	12.15
Total	**15.80**	**12.15**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

15. OTHERS ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
Current (unsecured, considered good)		
Prepaid expenses	3.08	4.22
Balances with government authorities	0.09	0.20
Advance to suppliers	0.37	2.37
Other assets	0.04	0.02
Total current	**3.58**	**6.81**
Non - current (unsecured, considered good)		
Prepaid expenses	0.47	0.29
Non - current (unsecured, considered doubtful)		
Capital advances	0.30	2.47
Less: provision for doubtful capital advances	(0.30)	(0.30)
Total non - current	**0.47**	**2.46**
Total current	**3.58**	**6.81**
Total non - current	**0.47**	**2.46**

16. ASSETS CLASSIFIED AS HELD FOR SALE

Particulars	As at March 31, 2022	As at March 31, 2021
Buildings	-	1.60
	-	**1.60**

Note : Assets classified as held for sale during the reporting period was measured at the lower of its carrying amount and fair value less cost to sell at the time of reclassification. The fair value of above assets was determined using the market value approach.

17. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised shares		
7,50,00,000 (March 31, 2021: 7,50,00,000) equity shares of ₹ 10 each	75.00	75.00
	75.00	**75.00**
Issued, subscribed and fully paid-up shares		
5,80,09,601 (March 31, 2021: 6,42,07,868) equity shares of ₹ 10 each	58.01	64.21
Total issued, subscribed and fully paid-up share capital	**58.01**	**64.21**

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No.	₹	No.	₹
At the beginning of the Year	6,42,07,868	64.21	6,42,03,618	64.20
Issued during the Year				
Add: Employee stock option plan (ESOP)*	1,28,263	0.13	4,250	0.00
Less: Shares bought back	63,26,530	6.33	-	-
Outstanding at the end of the Year	**5,80,09,601**	**58.01**	**6,42,07,868**	**64.21**

* Amount below rounding off norms adopted by the Group.

(b) Terms / rights attached to equity shares

The Holding Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing Annual General Meeting.

The Board of Directors, in their meeting on May 15, 2021, proposed a final dividend of ₹ 4.00 per equity share and the same was approved by the shareholders at the Annual General Meeting held on August 06, 2021. The amount was recognised

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

as distributions to equity shareholders during the year ended March 31, 2022 and the total appropriation was ₹ 231.57 including Tax deduction at source.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

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

None.

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	% holding	Nos.	% holding
Equity shares of ₹ 10 each fully paid-up				
Kailash Katkar	1,69,86,298	29.28%	1,87,94,713	29.27%
Sanjay Katkar	1,69,86,298	29.28%	1,87,94,713	29.27%
Anupama Katkar	41,44,007	7.14%	45,85,176	7.14%
Chhaya Katkar	41,44,007	7.14%	45,85,176	7.14%
Sequoia Capital India Investment Holdings III	20,96,896	3.61%	32,56,661	5.07%

Shares held by promoters at the end of the year	As at March 31, 2022			As at March 31, 2021		
Promoter name	No. of Shares	% of total shares	% Change during the year March 31, 2022	No. of Shares	% of total shares	% Change during the year March 31, 2021
Kailash Sahebrao Katkar	1,69,86,298	29.28%	0.01%	1,87,94,713	29.27%	0.00%
Sanjay Sahebrao Katkar	1,69,86,298	29.28%	0.01%	1,87,94,713	29.27%	0.00%
Anupama Kailash Katkar	41,44,007	7.14%	0.00%	45,85,176	7.14%	0.00%
Chhaya Sanjay Katkar	41,44,007	7.14%	0.00%	45,85,176	7.14%	0.00%
Sneha Kailash Katkar	2,567	0.00%	0.00%	2,567	0.00%	0.00%

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.

(e) Buyback of shares

(i) The Board of Directors of the Company at its meeting held on March 10, 2021 and the shareholders by way of postal ballot on April 18, 2021, approved the buy back of the Company fully paid equity shares of the face value of ₹ 10 each from its shareholder/beneficial owners of equity shares of the Company including promoters of the Company as on the record date, on a proportionate basis through the "tender offer" route at a price of ₹ 245 per share for an aggregate amount not exceeding ₹ 155. The Company completed the Buy Back Process on June 24, 2021 and has complied with all the requisite formalities with SEBI and ROC.

In line with the requirement of the Companies Act, 2013, an amount of ₹ 59.43 and ₹ 125.27 (Including tax on buy back of ₹ 36.03) has been utilised from securities premium and retained earnings respectively. In accordance with section 69 of the Companies Act, 2013, during the three months ended June 30, 2021, capital redemption reserve of ₹ 6.33 (representing the nominal value of the shares bought back) has been created as an apportionment from retained earnings. Consequent to such buy back, the paid-up equity share capital has reduced by ₹ 6.33. Further, transaction cost of buy back of shares of ₹ 1.72 has been reduced from retained earnings.

.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

18. OTHER EQUITY

Particulars	As at March 31, 2022	As at March 31, 2021
a) Reserves and Surplus		
(i) Retained earnings		
Balance as at the beginning of the year	576.20	469.23
Add: Amount transferred from surplus balance in the statement of profit and loss	83.19	106.97
Less: Utilised for buy back	89.24	-
Less: Transfer to Capital Reserves	6.33	-
Less: Buyback Expenses	1.72	-
Less: Transactions with owners in their capacity as owners:		
Final equity dividend [amount per share ₹ NIL (March 31, 2021: ₹ 4)]	23.17	-
Tax on Buy Back	36.03	-
Balance as at end of the year	**502.90**	**576.20**
(ii) Securities premium		
Balance as at the beginning of the year	59.43	59.38
Add: Additions on ESOPs exercised	1.61	0.05
Add: Transferred from ESOP account*	0.69	-
Less: Utilised for buy back	59.43	-
Balance as at end of the year	**2.30**	**59.43**
(iii) Amalgamation reserve		
Balance as at the beginning of the year	2.65	2.65
Add: Additions during the year	-	-
Balance as at end of the year	**2.65**	**2.65**
(iv) General reserve		
Balance as at the beginning of the year	45.03	45.03
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-
Balance as at end of the year	**45.03**	**45.03**
(v) Capital redemption reserve		
Balance as at the beginning of the year	**6.36**	**6.36**
Add: Amount transferred from securities premium	6.33	-
Balance as at end of the year	**12.69**	**6.36**
b) Other Equity		
Equity share option outstanding account		
Balance as at the beginning of the year	3.02	2.40
Add: Additions during the year	4.69	0.62
Less: Transfer to securities premium on exercise of stock options*	0.69	-
Balance as at end of the year	**7.02**	**3.02**
c) Other Comprehensive Income		
(i) Equity instruments through Other comprehensive income		
Balance as at the beginning of the year	(6.57)	(6.57)
Add: Additions during the year	2.08	-
Balance as at end of the year	**(4.49)**	**(6.57)**
(ii) Foreign currency translation reserve		
Balance as at the beginning of the year	(0.53)	(0.17)
Add: Additions during the year	(0.25)	(0.36)
Balance as at end of the year	**(0.78)**	**(0.53)**
(iii) Defined benefit plans through Other comprehensive income		
Balance as at the beginning of the year	**1.68**	**1.55**
Add: Additions during the year	0.62	0.13
Balance as at end of the year	**2.30**	**1.68**
Total (i+ii+iii)	**(2.97)**	**(5.42)**
Total Equity	**569.62**	**687.27**

* Amount below rounding off norms adopted by the Group.

Retained earnings

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

Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Amalgamation reserve

Pursuant to the scheme of amalgamation ("the Scheme") sanctioned by the Honourable High Court of Bombay vide Order dated April 8, 2011, Cat Labs Private Limited (CLPL), subsidiary of the Group, had been merged with the Group with effect from April 1, 2010, the Appointed Date. The Group completed the process of amalgamation on May 2, 2011 on filing of above Court Orders with the Registrar of Companies. Accordingly, an amount of ₹ 2.65 was recorded as amalgamation reserve.

General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Capital redemption reserve account

In line with the requirement of the Companies Act, 2013, an amount of ₹ 59.43 and ₹ 125.27 (Including tax on buy back of ₹ 36.03) has been utilised from securities premium and retained earnings respectively. In accordance with section 69 of the Companies Act, 2013, during year ended March 31, 2022, capital redemption reserve of ₹ 6.33 (representing the nominal value of the shares bought back) has been created as an apportionment from retained earnings. Consequent to such buy back, the paid-up equity share capital has reduced by ₹ 6.33. Further, transaction cost of buy back of shares of ₹ 1.72 has been reduced from retained earnings.

Employee stock options outstanding account

The Group has two employee stock option schemes under which options to subscribe for the Holding Company's shares have been granted to certain executives and senior employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer note 32 for further details of these plans.

FVTOCI reserve

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

In the period of five years immediately preceding March 31, 2022:

The Board of Directors of the Company at its meeting held on March 5, 2019 and the shareholders by way of postal ballot on April 13, 2019, approved the buy back of the Company fully paid equity shares of the face value of ₹ 10 each from its shareholder/beneficial owners of equity shares of the Company including promoters and promoter group of the Company as on the record date, on a proportionate basis through the "tender offer" route at a price of ₹ 275 per share for an aggregate amount not exceeding ₹ 175. The Company completed the Buy Back Process in June 2019 and has complied with all the requisite formalities with SEBI and ROC.

In accordance with section 69 of the Companies Act, 2013, during the three months ended June 30, 2019, the Company has created 'Capital Redemption Reserve' of ₹ 6.36 equal to the nominal value of the shares bought back as an appropriation from Securities Premium Account.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Distribution made and proposed	Year ended March 31, 2022	Year ended March 31, 2021
Cash dividends on equity shares declared and paid:		
Final cash dividend for the period ended on March 31, 2022: ₹ 4 per share (March 31, 2021: ₹ NIL)	23.17	-
Proposed dividend on equity shares:		
Final cash dividend for the year ended on March 31, 2022: ₹ 4.5 per share (March 31, 2021: ₹ 4 per share)	26.10	25.68

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

19. TRADE PAYABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues to micro enterprises and small enterprises	5.77	1.33
Total outstanding dues creditors other than micro enterprises and small enterprises	59.48	48.65
Total	**65.25**	**49.98**

* Includes amount payable to independent directors (refer note 38)

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

	Outstanding as at March 2022					
	Not Due	Less than 1 year	1- 2 year	2- 3 year	More than 3 year	Total
(i) MSME	5.70	0.07	-	-	-	5.77
(ii) Others	39.97	15.31	0.83	0.21	0.08	56.40
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	0.22	0.14	2.72	3.08

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

	Outstanding as at March 2021					
	Not Due	Less than 1 year	1- 2 year	2- 3 year	More than 3 year	Total
(i) MSME	1.32	0.01	-	-	-	1.33
(ii) Others	28.91	13.73	1.96	0.15	0.01	44.76
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv)Disputed dues - Others	0.01	0.02	0.90	0.28	2.68	3.89

20. OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Other financial liabilities at amortised cost		
Payables for purchases of fixed assets	0.96	1.18
Unpaid dividend	0.17	0.15
Total	**1.13**	**1.33**

21. OTHER LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Deferred revenue	2.10	2.53
Tax deducted at source payable	3.39	2.48
GST / Sales tax / VAT payable	11.11	10.11
Other liabilities (includes advances from customers, security deposit, provident fund and other taxes)	2.71	3.18
Total	**19.31**	**18.31**
Non - current		
Security deposit	0.52	-
Total	**0.52**	**-**
Total current	**19.31**	**18.31**
Total non - current	**0.52**	**-**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

22. NET EMPLOYEE DEFINED BENEFIT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Current		
Provision for gratuity	0.21	0.18
Provision for leave benefits	0.18	0.98
Total	**0.39**	**1.17**
Non - current		
Provision for gratuity	-	-
Provision for leave benefits	0.89	0.37
Total	**0.89**	**0.37**
Total current	**0.39**	**1.17**
Total non - current	**0.89**	**0.37**

23. CURRENT INCOME TAX LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax liabilities (net of advance tax)	0.11	3.23
Total	**0.11**	**3.23**

24. REVENUE FROM OPERATIONS (NET)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of security software products	339.55	332.26
Sale of software support services	2.35	0.78
Total	**341.90**	**333.04**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geography and details of products and services sold. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue by Geography		
From India	328.60	318.69
From outside India	13.30	14.35
Total	**341.90**	**333.04**
Revenue by type of products and services sold		
Security software licenses	339.55	332.26
Software support	2.35	0.78
Total	**341.90**	**333.04**

Changes in deferred revenue are as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	2.53	2.31
Less: Revenue recognised during the year	1.12	1.02
Add: Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	0.69	1.24
Balance at the end of the year	**2.10**	**2.53**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as of the end of the reporting year and an explanation as to when the Group expects to recognise these amounts in revenue.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2022, is ₹ 2.10 (March 31, 2021 : ₹ 2.53). Out of this, the Group expects to recognise revenue of around ₹ 2.10 within one to three years respectively, depending on the license period.

25. OTHER INCOME

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on		
Bank deposits	2.35	5.77
Others	0.55	1.36
Net gain on sale of current investments	2.84	3.01
Profit on sale of fixed assets (net)	1.65	0.04
Fair value gain on financial instruments at fair value through profit and loss *	7.41	9.00
Income from Investment property	0.85	-
Miscellaneous income	3.55	4.98
Total	**19.20**	**24.16**

* Fair value gain on financial instruments at fair value through profit and loss relates to mutual fund.

26. DETAILS RELATED TO COST OF SECURITY SOFTWARE DEVICES AND SOFTWARE PRODUCTS

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Cost of materials consumed		
Inventory at the beginning of the year	0.71	1.34
Add: Purchases	0.61	0.40
Less: Inventory at end of the year	0.31	0.71
Sub-total	**1.01**	**1.03**
(b) Purchase of security software products		
Security software products	13.00	8.33
Sub-total	**13.00**	**8.33**
(c) (Increase)/decrease in security software products		
Inventory at the beginning of the year	2.63	4.90
Less: Inventory at end of the year	4.48	2.63
Sub-total	**(1.85)**	**2.28**
Total	**12.16**	**11.64**

Details of raw materials consumed

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Security software devices - Unified Threat Management (UTM)	1.01	1.03
	1.01	**1.03**

Details of inventory

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials		
Security software devices - Unified Threat Management (UTM)	0.31	0.71
	0.31	**0.71**
Finished goods		
Security software products	4.48	2.63
	4.48	**2.63**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

27. EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	126.69	107.60
Contribution to provident and other funds	3.19	2.67
Gratuity expenses	2.15	1.83
Staff welfare expenses	2.77	2.03
Employee share based payment expenses (refer note 32)	4.69	0.62
Total	**139.49**	**114.74**

28. DEPRECIATION AND AMORTISATION EXPENSE

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment (refer note 5)	13.80	13.88
Depreciation on Investment property (refer note 7)	0.30	-
Amortisation of intangible assets (refer note 6)	3.28	5.61
Total	**17.38**	**19.49**

29. OTHER EXPENSE

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Web publishing expenses	1.12	1.37
Technology subscription & Fees for technical service	7.09	6.11
Power and fuel	2.38	2.37
Rent (refer note 33 (a))	1.49	1.53
Rates and taxes	0.88	1.19
Insurance	0.41	0.37
Repairs and maintenance		
Buildings	1.10	1.20
Others	1.82	1.98
Corporate Social Responsibility (CSR) expenditure	2.42	2.43
Commission to independent directors (refer note 35)	0.40	0.30
Directors' sitting fees (refer note 35)	0.11	0.11
Business promotion expenses	8.75	2.15
Advertisement and sales promotion	18.93	20.47
Freight and forwarding charges	0.56	0.70
Travelling and conveyance	3.16	1.34
Communication costs	9.78	7.25
Office expenses	2.78	2.82
Donations	-	0.30
Legal and professional fees	14.78	9.33
Payment to statutory auditor (refer details below)	0.42	0.44
Foreign exchange loss (net)	-	0.15
Property, plant and equipment written off	0.09	-
Provision for doubtful debts and advances	3.36	(3.81)
Bad debts written off	0.08	3.48
Miscellaneous expenses	1.48	1.63
Total	**83.39**	**65.20**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Payment to auditor (excluding Goods and service tax)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
As auditor:		
Audit fees**	0.14	0.19
Limited review	0.25	0.23
In other capacity:		
Others (including certification fees)	0.03	0.03
Total	**0.42**	**0.44**

* Amount below rounding off norms adopted by the Group.

** incudes remuneration to auditors of subsidiaries.

30. INCOME TAX

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

Statement of profit and loss section

Particulars	March 31, 2022	March 31, 2021
Current income tax:		
Current income tax charge	25.88	34.04
Adjustment in respect of current tax of previous years	0.65	1.76
Deferred tax:		
Relating to origination and reversal of temporary differences	(1.04)	3.36
Income tax expense reported in the statement of profit and loss	**25.49**	**39.16**
OCI Section		
Deferred tax related to items recognised in OCI during the year		
Net loss/(gain) on actuarial gains and losses	0.21	0.04
Net loss/(gain) on FVTOCI investments	0.65	-
Income tax charged / (credited) to OCI	**0.86**	**0.04**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended

Particulars	March 31, 2022	March 31, 2021
Accounting profit before tax	108.68	146.13
At India's statutory income tax rate of 25.168% (March 31, 2021: 25.168%)	27.35	36.78
Adjustments of tax relating to earlier years (Current and deferred)	0.65	1.76
CSR expenditure	0.61	0.61
Deferred tax asset on losses and unrealised profits not recognised	(3.12)	0.01
At the effective income tax rate of 25.168% [March 31, 2021: 25.168%]	**25.49**	**39.16**
Income tax expense reported in the statement of profit and loss	**25.49**	**39.16**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Deferred tax relates to the following:

Particulars	Balance sheet		Statement of profit and loss	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Accelerated depreciation for tax purposes	(6.38)	(5.25)	(1.13)	(0.60)
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	0.35	0.39	(0.04)	(0.06)
Provision for doubtful debts and advances	8.01	7.17	0.84	(0.97)
Deferred revenue	0.53	0.64	(0.11)	0.05
IPO Expenses allowed as per Section 35(D)	-	-	-	(0.09)
Investment in mutual fund	(2.49)	(3.13)	0.64	(1.73)
Deferred tax on gratuity expense, recycled from profit and loss to other comprehensive income	(0.65)	(0.63)	(0.03)	-
Net deferred tax expense / (income)	**-**	**-**	**0.19**	**(3.41)**
Net deferred tax assets / (liabilities)	**(0.63)**	**(0.82)**	**-**	**-**

Reflected in the balance sheet as follows:

Particulars	March 31, 2022	March 31, 2021
Deferred tax liabilities	(9.52)	(9.01)
Deferred tax assets	8.89	8.19
Deferred tax assets, net	**(0.63)**	**(0.82)**

Reconciliation of deferred tax assets, net

Particulars	March 31, 2022	March 31, 2021
Opening balance as of April 1	(0.82)	2.59
Tax Income / (expense) during the year recognised in statement of profit and loss	1.04	(3.36)
Tax Income / (expense) during the year recognised in OCI	(0.86)	(0.04)
Closing balance	**(0.63)**	**(0.82)**

The unused tax losses are incurred by the subsidiaries, which are not likely to generate taxable income in the foreseeable future. The losses can be carried forward for a period as per local laws applicable to the respective subsidiaries.

Unrecognised temporary difference

Particulars	March 31, 2022	March 31, 2021
Temporary difference relating to investment in subsidiaries for which deferred tax asset have not been recognised:		
- Undistributed losses (Note 1 below)	14.98	15.02
Deferred tax asset relating to above	3.77	3.78
- Unrealised profits on inventory (Note 2 below)	-	0.75
Deferred tax asset relating to above	-	0.19
Temporary difference relating to foreign exchange differences on translation of foreign operations for which deferred tax liability have not been recognised (Note 3)		
- Foreign currency translation difference	(0.78)	(0.53)
Deferred tax liability / (Asset) relating to above	(0.20)	(0.13)

Notes:

1. Subsidiaries of the group have undistributed losses, which will be available for deduction in the hands of the Holding Company on sale of the subsidiary. An assessable temporary difference exist, but no deferred tax asset has been recognised as it is not probable that the temporary difference will reverse in the foreseeable future.
2. An assessable temporary difference exist on unrealised profits on inventory, but no deferred tax asset has been recognised as it is not probable that taxable profit will be available with the subsidiaries against which the temporary difference can be utilised.
3. An assessable temporary difference exist on foreign exchange differences on translation of foreign operations, but no deferred tax liability has been recognised as it is not probable that the temporary difference will reverse in the foreseeable future.
4. The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
5. During the year ended March 31, 2021, the parent company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax ('DDT') to the taxation authorities. The group believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

31. EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on exercise of stock option.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
Net profit after tax attributable to equity shareholders of the Holding Company	(A)	83.19	106.97
Weighted average number of equity shares in calculating basic EPS	(B)	5,93,81,642	6,42,04,491
Effect of dilution:			
Stock options granted under ESOP (in numbers)	(C)	3,14,509	53,384
Weighted average number of equity shares adjusted for the effect of dilution*	D=(B+C)	5,96,96,151	6,42,57,874
Basic earning per share of face value of ₹ 10 each (in ₹)	**(A/B)**	**14.01**	16.66
Diluted earnings per share of face value of ₹ 10 each (in ₹)	**(A/D)**	**13.94**	**16.65**

* There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

32. SHARE BASED ARRANGEMENTS

Share based payment arrangement 2014

On February 6, 2014, the board of directors approved the Equity Settled ESOP Scheme 2014 ("ESOP Scheme 2014") for issue of stock options to the employees and directors of the Group. According to the ESOP Scheme 2014, the employee selected by the Board of Directors from time to time will be entitled for scheme options, subject to satisfaction of the prescribed vesting conditions, viz., continued employment and performance parameters of employee. The contractual life (comprising the vesting period and the exercise period) of options and the other relevant terms of the grant are as below.

The Group has provided following share-based payment schemes to its employees

Particulars	Details
Statement of profit and loss:	
Date of grant	February 6, 2014
Date of board approval	February 6, 2014
Date of shareholder's approval	February 6, 2014
Method of settlement	Equity
Vesting period	4 years
Exercise period	5 years from date of vesting
Expected life (in years)	
Grant IV	2.43 - 6.57
Grant VII	3.49 - 5.52
Grant VIII	3.66 - 5.35
Grant IX	3.74 - 5.27
Grant X	4.39 - 4.75
Grant XI	3.75 - 5.26
Grant XII	3.49 - 5.77
Grant XIII	2.81 - 6.20
Grant XIV	2.47 - 6.54
Grant XV	2.44 - 6.57
Grant XVI	1.74 - 7.27
Grant XVII	1.25 - 7.75
Grant XVIII	0.94 - 8.06
Grant XIX	0.75 - 8.25
Grant XX	0.29 - 8.71
Grant XXI	0.15 - 8.85
Fair value of shares on date of grant	₹ 93 - ₹ 294.33
Vesting conditions	Continued employment and performance of employee as per contract

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

The vesting pattern of scheme is as follows:

Time period from the date of grant	Cumulative percentage of share vesting
12 months	25%
24 months	50%
36 months	75%
48 months	100%

The details of activities under the scheme have been summarised below:

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	9,70,077	140.69	5,49,627	203.51
Granted during the year	-	-	5,76,700	96.83
Forfeited during the year	78,301	164.87	1,52,000	204.78
Exercised during the year	1,28,263	137.71	4,250	117.35
Expired during the year	-	-	-	-
Outstanding at the end of the year	7,63,513	139.03	9,70,077	140.69
Exercisable at the end of the year	2,81,713	182.71	1,96,702	202.22

The details of exercise price for stock options outstanding at the end of the year are:

Particulars	As at March 31, 2022	As at March 31, 2021
Exercise price (₹)	93.00 – 294.33	93.00 – 294.33
Number of options outstanding	7,63,513	9,70,077
Weighted average remaining contractual life of options (in years)	3.59	4.59
Weighted average exercise price (₹)	139.03	140.69

The weighted average share price at the date of exercise of these options, as at March 31, 2022 was ₹ 137.71

The weighted average share price at the date of exercise of these options, as at March 31, 2021 was ₹ 117.35

Manner in which the fair value of the stock option granted during the period was determined:

The weighted average fair value of stock options granted during the year was ₹ NIL (March 31, 2021: ₹ 96.83). The Black and Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	As at March 31, 2022	As at March 31, 2021
Weighted average share price (₹)	157.15	96.83
Exercise price (₹)	93.00	93.00
Expected volatility (%)	35.22%	35.22%
Historical volatility (%)	0%	0%
Life of the options granted (vesting and exercise period) (in years)	7.85 - 1.15	0.15 - 8.85 years
Average risk-free interest rate (%)	6.42%	6.42%
Dividend yield	1.58%	1.58%

Share based payment arrangement 2021

On March 10, 2021, the board of directors approved the Equity Settled ESOP Scheme 2021 for issue of stock options to the employees and directors of the Company. According to the ESOP 2014, the employee selected by the Board of Directors from time to time will be entitled for scheme options, subject to satisfaction of the prescribed vesting conditions, viz., continued employment and performance parameters of employee. The contractual life (comprising the vesting period and the exercise period) of options and the other relevant terms of the grant are as below:

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Details
Date of grant	March 10, 2021
Date of board approval	March 10, 2021
Date of shareholder's approval	March 10, 2021
Method of settlement	Equity
Vesting period	4 years
Exercise period	5 years from date of vesting
Expected life (in years)	
Grant XXII	8.12 - 0.88
Grant XXIII	8.37 - 0.64
Grant XXIV	8.42 - 0.58
Grant XXV	8.48 - 0.52
Grant XXVI	8.57 - 0.43
Grant XXVII	8.36 - 0.64
Grant XXVIII	8.36 - 0.64
Fair value of shares on date of grant	₹ 114 - ₹ 176
Vesting conditions	Continued employment and performance of employee as per contract

The vesting pattern of scheme is as follows:

Time period from the date of grant	Cumulative percentage of share vesting
12 months	25%
24 months	50%
36 months	75%
48 months	100%

The details of activities under the scheme have been summarised below:

	Number of options	
	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	-	-
Granted during the year	11,55,500	157.15
Forfeited during the year	1,87,600	155.85
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	9,67,900	157.42
Exercisable at the end of the year		

The details of exercise price for stock options outstanding at the end of the year are:

Particulars	As at March 31, 2022
Exercise price (₹)	114 - 176
Number of options outstanding	9,67,900
Weighted average remaining contractual life of options (in years)	6.91
Weighted average exercise price (₹)	157.42

For share options exercised during the reporting period, the weighted average share price at the date of exercise, or if options were exercised on a regular basis throughout the reporting period, the entity may instead disclose the weighted average share price during the reporting period

The weighted average share price at the date of exercise of these options, as at March 31, 2022 was ₹ NIL

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Manner in which the fair value of the stock option granted during the period was determined:

The weighted average fair value of stock options granted during the year was ₹ 157.15 (March 31, 2021: ₹ NIL). The Black and Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	As at March 31, 2022
Weighted average share price (₹)	157.15
Exercise price (₹)	123.60
Expected volatility (%)	35.22%
Historical volatility (%)	0%
Life of the options granted (vesting and exercise period) (in years)	7.85 - 1.15
Average risk-free interest rate (%)	6.42%
Dividend yield	1.58%

The effect of share-based payment transactions on the entity's statement of profit and loss for the period and on its financial position:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Expense arising from equity settled share based payment transaction	4.69	0.62

33. COMMITMENTS AND CONTINGENCIES

a. Operating lease - Company as a lessee

The Group has obtained office premises under lease as per the lease agreements for various periods which are generally cancellable and renewable by mutual consent on mutually agreed terms. Further, there are no restrictions imposed by lease agreements and there are no subleases.

The lease rentals charged during the year is as under:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Lease rentals recognised during the year	1.49	1.53

Future minimum rentals payable under non-cancellable operating lease:

Particulars	As at March 31, 2022	As at March 31, 2021
Short term leases expenses	1.49	1.53
Total Lease Expense	**1.49**	**1.53**

Finance lease - Company as a lessee

The Group has finance leases contracts for building purchased during the financial year ended March 31, 2015. These leases involve upfront payment to the lessor as and by way of premium for grant of lease of the building by the lessor to the lessee. No lease rent was payable by the lessee to the lessor for grant of lease from lessee. There is no escalation clause and no minimum lease payments (MLP) under finance lease.

b. Commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided, net of advances	2.08	3.05
Other commitments:		
Commitments in relation to purchases	4.27	2.58

c. Contingent liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the Group not acknowledged as debts		
Maharashtra Value Added Tax [Note (i)]	0.77	0.77
Central Sales Tax (Bombay) [Note (ii) and (iii)]	0.37	0.25
Total	**1.14**	**1.02**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

i) During the year ended March 31, 2021, the Holding Company had received orders of demand dated December 16, 2020 and demand dated July 09, 2020, in relation to Maharashtra VAT under the provisions of Maharashtra Value Added Tax, 2002 for ₹ 0.34 (Including interest) and ₹ 0.43 (Including interest) covering the period from April 1, 2014 to March 31, 2015 and April 1, 2015 to March 31, 2016 respectively, on Input Tax Credit disallowed. The Company has filed appeals dated February 16, 2021 and November 5, 2020 against the demand orders respectively before Dy. Commissioner of Sales Tax, Pune.

Based on the appeal filed for the above years, the Company is confident of getting the claims set aside for above period. Accordingly no provision has been recognised/disclosed in the financial statements.

ii) During the year ended March 31, 2021, The Holding Company had received orders of demand dated July 08, 2020 and February 25, 2021 in relation to Central Sales Tax, (Bombay) Rules 1957 for ₹ 0.09 (Including Interest) and ₹ 0.16 (Including Interest) covering period from April 1, 2015 to March 31, 2016 and period from April 1, 2016 to March 31, 2017 respectively, on Input Tax Credit disallowed. The Holding Company had filed appeals dated November 05, 2020 and March 31, 2021 against above demand orders before Dy. Commissioner of Sales Tax, Pune. The holding company has received Order dated 29.10.2021 agaist dedmand raised for the period April 1, 2016 to March 31, 2017, and accordingly demand has now been revised to ₹ 0.01. The Maharashtra Govt. has also introduced an amnesty scheme and the Holding Company is under process to file an application under the said amnesty scheme.

iii) During the year ended March 31, 2022, the holding Company had received an order of demand dated September 20, 2021 in relation to Central Sales Tax, (Bombay) Rules 1957 for ₹ 0.12 (Including interest) covering the period from April 1, 2017 to June 30, 2017 on Input Tax Credit disallowed. The Holding Company had filed an appeal dated October 29, 2021 against the said demand order before Dy. Commissioner of Sales Tax, Pune . The Holding Company has also received an Order dated April 4, 2022 on the said appeal, and accordingly the demand has now been revised as ₹ 0.01. The Maharashtra Govt. has also introduced an amnesty scheme and the Company is under process to file an application under the said amnesty scheme.

Based on the appeal filed for the above years, the Company is confident of getting the claims set aside for above period. Accordingly, no provision has been recognised/disclosed in the financial state.

iv) During the year ended March 31, 2022, the Company had received a Show Cause Notice dated March 12, 2022 in relation to Income Tax Act, 1961 for ₹ 1.44 covering the period from April 1, 2019 to March 31, 2020 on addition on account of 14A Rule 8D. The Company had filed a reply dated March 16, 2022 against the said Show Cause Notice before Dy. Commissioner of Income Tax, Pune. The Assessment Order yet to receive from Income Tax Pune.

v) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated February 28, 2019. As a matter of caution, the Holding Company has made a provision on a prospective basis from the date of the SC order. The Holding Company will update its provision, on receiving further clarity on the subject.

d. Other litigations

i) In the year 2016, one of the erstwhile distributors of the Company had filed a Suit before the Learned Civil Court (Senior Division) at Srerampore, Hooghly District, West Bengal against the Company and others, claiming Intellectual Property Rights to one of the Company owned brand names (Quick Heal – Total Security) and alleged the illegal use of the same by the Company. In response the Company filed application for dismissal of the instant suit on ground of law. However, the opposite party neither filed its response nor appeared in the matter on subsequent dates despite of the opportunity/ies being granted by the Learned Court. Accordingly, this matter was dismissed in default on March 17, 2022 in favour of the Company. Subsequently, we exercising caution have filed Caveat Petitions before the competent Courts at Srerampore.

ii) In February 2016, one of the erstwhile distributors of the Company instituted a Suit at Hon'ble High Court, Calcutta against the Company and others claiming ₹ 1,610 for various reasons including loss of business profits, loss of capital assets & infrastructure etc. Later this matter was transferred to the Commercial Bench of the High Court, Calcutta in November 2017. The matter is pending for framing and adjudication of preliminary issue in terms of the order passed by the Hon'ble High Court. The Company believes that the suit is frivolous and is defending to get the same dismissed/rejected. The Company believes that it is strongly placed in the matter with reference to the facts of the case and therefore, no provision in this regard has been recognised in the financial statements.

iii) An ex-distributor had filed First Information Report (FIR) in May 2016 at Uttarpara Police Station, Hooghly District, West Bengal against certain directors of the Company, their wives and other associates alleging embezzlement of his investment and misappropriation of shares. The police had filed the charge sheet. The Company, its directors and others have filed Quashing Petitions before the Hon'ble High Court, Calcutta and obtained stay of trial court proceedings from time to time. The Company also believes that the police had neither conducted the investigation in proper and orderly manner in this matter nor has considered the materials and records placed before it by the Company including the statements of witnesses and thus Company have strong and sufficient arguments on facts and on point of law.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

34. FINANCIAL RATIOS

S No.	Ratio	Formula	March 31, 2022		March 31, 2021		Ratio as on		Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	March 31, 2022	March 31, 2021		
(a)	Current Ratio	Current Assets / Current Liabilities	534.62	88.24	631.49	75.20	6.06	8.40	(27.85%)	Refer Note below
(b)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	83.19	627.63	106.97	751.48	0.13	0.14	(6.89%)	NA
(c)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	12.16	4.07	11.64	4.79	2.99	2.43	23.10%	NA
(d)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	368.61	161.30	365.90	131.90	2.29	2.77	(17.62%)	NA
(e)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	13.61	57.62	8.73	44.35	0.24	0.20	20.06%	NA
(f)	Net Capital Turnover Ratio	Revenue / Average Working Capital	341.90	501.33	333.04	491.23	0.68	0.68	0.59%	NA
(g)	Net Profit Ratio	Net Profit / Net Sales	83.19	341.90	106.97	333.04	0.24	0.32	(24.25%)	NA
(h)	Return on Capital Employed	EBIT / Capital Employed	108.68	629.68	146.13	752.67	0.17	0.19	(11.10%)	NA
(i)	Return on Investment	Net Profit / Net Investment	83.19	627.63	106.97	751.48	0.13	0.14	(6.89%)	NA

Notes:

Current Ratio is mainly decreased on account of reduction in short term investments by ₹ 93.31. During the year, company has redeemed investment in mutual funds to facilitate payment for buyback of shares (refer Note 17).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

35. RELATED PARTY TRANSACTION

List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Related parties with whom transactions have taken place during the year	
Key management personnel	Kailash Katkar, Managing Director, Chief Executive Officer and ultimate holding shareholder
	Sanjay Katkar, Joint Managing Director, Chief Technical Officer and ultimate holding shareholder
	Navin Sharma, Chief Financial Officer (w.e.f. October 27, 2021)
	Nitin Kulkarni, Chief Financial Officer (upto October 26, 2021)
	A. Srinivasa Rao, Company Secretary
	Amitabha Mukhopadhyay , Independent Director
	Apurva Joshi, Independent Director
	Bhushan Gokhale, Additional Independent Director (w.e.f. August 12, 2020)
	Mehul Savla, Independent Director
	Priti Rao, Independent Director (upto June 01, 2020)
	Richard Stiennon, Independent Director (w.e.f September 27, 2021)
	Shailesh Lakhani, Non-Executive Director
Relatives of key management personnel	Anupama Katkar (wife of Kailash Katkar and ultimate holding shareholder)
	Chhaya Katkar (wife of Sanjay Katkar and ultimate holding shareholder)
	Sneha Katkar (daughter of Kailash Katkar and ultimate holding shareholder)
Enterprises owned by directors or major shareholders	Kailash Sahebrao Katkar HUF
	Sanjay Sahebrao Katkar HUF
	Quick Heal Foundation
	Trixter Cyber Solutions Private Limited
	Dreambook Production (OPC) Private Limited

Transactions with related parties and year end balances:

Nature of transaction	Name of the related party	Year ended March 31, 2022	Year ended March 31, 2021
Compensation paid to Key Management Personnel	Kailash Katkar	1.57	1.33
	Sanjay Katkar	1.54	1.33
	Navin Sharma	0.40	-
	Nitin Kulkarni	0.61	0.59
	A. Srinivasa Rao	0.45	0.41
	Anupama Katkar	0.59	0.46
	Sneha Katkar	0.23	0.14
Sub-total		**5.39**	**4.25**
Directors' sitting fee	Amitabha Mukhopadhyay	0.03	0.04
	Apurva Joshi	0.03	0.03
	Bhushan Gokhale	0.02	0.01
	Mehul Savla	0.03	0.03
	Priti Rao	-	0.01
	Richard Stiennon	0.01	-
Sub-total		**0.11**	**0.11**
Commission to independent directors	Amitabha Mukhopadhyay	0.10	0.10
	Apurva Joshi	0.08	0.06
	Bhushan Gokhale	0.08	0.06
	Mehul Savla	0.08	0.06
	Richard Stiennon	0.04	-
Sub-total		**0.38**	**0.28**
Purchase of Material	Trixter Cyber Solutions Private Limited	0.23	-
Sub-total		**0.23**	**-**
Total		**6.11**	**4.64**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Compensation of key managerial Personnel of the Company

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits (compensation)	5.39	4.25
Post - employment gratuity benefits	0.48	0.44
Leave benefits	0.02	0.02
Total compensation to key management personnel	**5.89**	**4.71**

* The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. The remuneration and perquisites on account of ESOP to key management personnel does not include employee stock compensation expense. The non-executive and independent directors do not receive gratuity entitlements from the Group.

Share options held by executive members under the Share Based Payment arrangement to purchase equity shares have the following expiry dates and exercise prices:

Grant Date	Expiry Date *	Exercise Price	March 31, 2022 Number outstanding	March 31, 2021 Number outstanding
October 10, 2018	-	185.60	25,000	50,000
May 15, 2021	-	142.16	3,000	-
October 26, 2021	-	165.00	15,000	-

* As per the Group policy, the option stands cancel or expire if the employee has not exercised the option within six months from the date of resignation.

Nature of transaction	Name of the related party	Year ended March 31, 2022	Year ended March 31, 2021
Rent paid	Kailash Katkar	0.09	0.04
	Sanjay Sahebrao Katkar HUF	-	0.03
		0.09	**0.07**
CSR contribution	Quick Heal Foundation	2.42	2.43
		2.42	**2.43**
Final equity dividend declared and paid for the financial year ended March 31, 2021 and March 31, 2020	Kailash Katkar	6.79	-
	Sanjay Katkar	6.79	-
	Anupama Katkar	1.66	-
	Chhaya Katkar	1.66	-
		16.90	**-**

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Balance outstanding

Nature of transaction	Name of the related party	Year ended March 31, 2022	Year ended March 31, 2021
Commission payable to independent directors	Amitabha Mukhopadhyay	0.10	0.10
	Apurva Joshi	0.08	0.06
	Bhushan Gokhale	0.08	0.06
	Mehul Savla	0.08	0.06
	Richard Stiennon	0.04	-
		0.38	**0.28**
Director Sitting Fees Payable	Richard Stiennon	-	-
		-	**-**
Trade payables	Trixter Cyber Solutions Private Limited	0.18	-
		0.18	**-**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

36. SEGMENT

The Group is engaged in providing security software solutions. The Chief Operating Decision Maker (CODM) reviews the information pertaining to revenue of each of the target customer group (segments) as mentioned below. However, based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Group has structured its operations into one operating segment viz. anti-virus and as such there is no separate reportable operating segment as defined by Ind AS 108 "Operating segments". For management purposes, the Group reports the details of operating segments based on the target customer groups as under :

- Retail
- Enterprise and Government
- Mobile

The Chief Operating Decision Maker (CODM) reviews the information pertaining to revenue of each of the segments as mentioned above for the purposes of decision making with regard to allocation of resources and assessment of its performances. However, other than revenue, no discrete financial information is available pertaining to abovementioned segments as the assets that are used in the business are common across all the segments and hence it is not possible to identify discrete financial information for these segments.

Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
From India	338.48	329.48
From foreign countries	3.42	3.56
Total	**341.90**	**333.04**

Total assets

Particulars	As at March 31, 2022	As at March 31, 2021
From India	710.62	816.36
From foreign countries	5.25	10.33
Total	**715.88**	**826.69**

Income received from customers located outside India is included in the revenue from foreign countries.

There is no customer who is accounting for more than 10% of the total revenue of the Group.

37. GROUP INFORMATION

List of subsidiaries which are included in the consolidation and the Holding Company's effective holdings therein are as under:

Name of the subsidiary	Country of incorporation / Principle place of business	Financial year ends on	Holding Company's ultimate holding as at	
			March 31, 2022	March 31, 2021
Quick Heal Technologies America Inc.	USA	March 31	100.00%	100.00%
Quick Heal Technologies Japan K. K.	Japan	March 31	100.00%	100.00%
Quick Heal Technologies Africa Limited	Kenya	March 31	0.00%	100.00%
Seqrite Technologies DMCC	Dubai	March 31	100.00%	100.00%

Disclosure of additional information pertaining to Holding Company and subsidiaries after elimination:

Share in net assets:

Name of the company	As at March 31, 2022		As at March 31, 2021	
	As a % of consolidated net assets	Net assets	As a % of consolidated net assets	Net assets
Holding Company:				
Quick Heal Technologies Limited	99.56%	624.89	98.92%	743.33
Foreign subsidiaries:				
Quick Heal Technologies Japan K. K.	0.45%	2.85	0.38%	2.88
Quick Heal Technologies America Inc.	(0.12%)	(0.74)	(0.04%)	(0.31)
Quick Heal Technologies Africa Limited	0.00%	-	0.68%	5.10
Seqrite Technologies DMCC	0.10%	0.63	0.07%	0.49
Total	**100.00%**	**627.63**	**100.00%**	**751.48**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Share in profit and loss:

Name of the company	Year ended March 31, 2022		Year ended March 31, 2021	
	As a % of consolidated profit or loss	Profit / (loss)	As a % of consolidated profit or loss	Profit / (loss)
Holding Company:		Amount		Amount
Quick Heal Technologies Limited	99.57%	106.51	99.66%	106.61
Foreign subsidiaries:				
Quick Heal Technologies Japan K. K.	0.33%	0.35	(0.42%)	(0.45)
Quick Heal Technologies America Inc.	0.05%	0.06	0.03%	0.03
Quick Heal Technologies Africa Limited	0.00%	-	0.72%	0.77
Seqrite Technologies DMCC	0.05%	0.06	0.01%	0.01
Total	**100.00%**	**106.97**	**100.00%**	**106.97**

38. FAIR VALUES

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments as of :

Particulars	Carrying value		Fair value	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial assets				
Investments at amortised cost	5.82	5.83	5.82	5.83
Investments at FVTPL	304.80	405.49	304.80	405.49
Investments at FVTOCI	21.64	18.91	21.64	18.91
Trade and other receivables	171.96	150.63	171.96	150.63
Cash and cash equivalents	7.83	16.43	7.83	16.43
Other bank balances	55.22	67.89	55.22	67.89
Other financial assets	1.66	2.02	1.66	2.02
Total	**568.93**	**667.20**	**568.93**	**667.20**
Financial liabilities				
Trade and other payables	65.25	49.98	65.25	49.98
Other financial liabilities	1.13	1.33	1.13	1.33
Total	**66.38**	**51.31**	**66.38**	**51.31**

The management assessed that the fair value of cash and cash equivalents, trade receivables, trade payables and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

(i) The fair value of the quoted mutual fund are based on the price quotations at reporting date. The fair value of unquoted instruments, related parties and other financial liabilities as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

(ii) The fair values of the unquoted equity shares have been estimated using a discounted cash flow (DCF) model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at March 31, 2022 and March 31, 2021 are as shown below:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value *
Unquoted equity shares in L7 Defense Limited	Discounted cash flow method	Weighted average cost of equity	March 31, 2022: 24.60% - 26.60%	1% increase in the WACC would decrease the fair value by ₹ 10.66 and 1% decrease would increase the fair value by ₹ 11.81.
		Long-term growth rate for cash flows	March 31, 2022: 1% - 3%	1% increase in the growth would increase the fair value by ₹ 5.56 and 1% decrease would decrease the fair value by ₹ 5.11.
		Long-term operating margin	March 31, 2022: 9.81% - 19.81%	5% increase in the margin would increase the fair value by ₹ 17.22 and 5% decrease would decrease the fair value by ₹ 17.22.
Unquoted equity shares in L7 Defense Limited	Discounted cash flow method	Weighted average cost of equity	March 31, 2021: 24.00% - 26.00%	1% increase in the WACC would decrease the fair value by ₹ 6.35 and 1% decrease would increase the fair value by ₹ 7.06.
		Long-term growth rate for cash flows	March 31, 2021: 1% - 3%	1% increase in the growth would increase the fair value by ₹ 2.66 and 1% decrease would decrease the fair value by ₹ 2.43.
		Long-term operating margin	March 31, 2021: 9.81% - 19.81%	5% increase in the margin would increase the fair value by ₹ 24.31 and 5% decrease would decrease the fair value by ₹ 24.31.
Unquoted equity shares in Ray Pte. Limited	Discounted cash flow method	Weighted average cost of equity	March 31, 2022: 13.60% - 15.60%	1% increase in the WACC would decrease the fair value by ₹ 16.75 and 1% decrease would increase the fair value by ₹ 19.76.
		Long-term growth rate for cash flows	March 31, 2022: 0.5% - 2.5%	1% increase in the growth would increase the fair value by ₹ 11.02 and 1% decrease would decrease the fair value by ₹ 9.44.
		Long-term operating margin	March 31, 2022: 48.52% - 58.52%	5% increase in the margin would increase the fair value by ₹ 22.66 and 5% decrease would decrease the fair value by ₹ 22.66.
Unquoted equity shares in Ray Pte. Limited	Discounted cash flow method	Weighted average cost of equity	March 31, 2021: 13.60% - 15.60%	1% increase in the WACC would decrease the fair value by ₹ 6.02 and 1% decrease would increase the fair value by ₹ 7.09.
		Long-term growth rate for cash flows	March 31, 2021: 0.5% - 2.5%	1% increase in the growth would increase the fair value by ₹ 4.18 and 1% decrease would decrease the fair value by ₹ 3.59.
		Long-term operating margin	March 31, 2021: 48.52% - 58.52%	5% increase in the margin would increase the fair value by ₹ 9.74 and 5% decrease would decrease the fair value by ₹ 9.74.

*The above sensitivity analysis for fair value calculation has been derived on the entire Ray Pte. Limited & L7 Defense Limited capital amount of the companies.

Reconciliation of fair value measurement of financial assets classified as FVTOCI:

	Unquoted Equity Shares
As at April 1, 2020	**2.18**
Remeasurement recognised in OCI	-
Purchases	16.73
Sales	-
As at March 31, 2021	**18.91**
Remeasurement recognised in OCI	2.73
Purchases	-
Sales	-
As at March 31, 2022	**21.64**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

39. FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included with in Level 1 that the observable for the asset or liability, either directly (i.e. as pieces) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data unobservable inputs

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on a recurring basis as at March 31, 2022 and March 31, 2021.

Quantitative disclosures fair value measurement hierarchy for assets:

		Fair value measurement using			
	Date of valuation	Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through OCI					
Unquoted Equity Share in L7 defense limited					
As at March, 31, 2022	**March 31, 2022**	2.18	-	-	2.18
As at March 31, 2021	March 31, 2021	2.18	-	-	2.18
Unquoted Equity Share in Ray Pte. Limited					
As at March, 31, 2022	**March 31, 2022**	4.73	-	-	4.73
As at March 31, 2021	March 31, 2021	2.00	-	-	2.00
Financial assets measured at fair value through profit and loss					
Mutual fund investments					
Fair value through profit or loss investments					
As at March, 31, 2022	**March 31, 2022**	290.07	290.07	-	-
As at March 31, 2021	March 31, 2021	383.31	383.31	-	-
Unquoted Compulsory Convertible Preference Share in L7 defense limited					
As at March, 31, 2022	**March 31, 2022**	14.73	-	-	14.73
As at March 31, 2021	March 31, 2021	14.73	-	-	14.73
Investment Property					
As at March, 31, 2022	**March 31, 2022**	39.40	-	39.40	-

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

40. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's principal financial assets include investments, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group does not have borrowings and derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, investments, receivables, payables, advances and other financial instruments. From the perspective of the Group, foreign currency risk is the most significant risk and the impact of interest rate risk and other price risk is not significant. The Group is not exposed to any material price risk.

The Group has certain financial assets and financial liabilities in foreign currencies which expose the Group to foreign currency risks. The foreign currency exposure of the Group has been disclosed in the financial statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The Group follows simplified approach for recognition of impairment loss allowance on Trade receivable.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made with banks in terms of fixed deposits and investment in designated mutual funds. Investment decision in mutual fund is taken with the assistance from appointed agent. Credit risk on cash deposits is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Other investments primarily include investment in liquid mutual fund units of reputed companies where historically, the Group has not incurred any loss due to credit risk.

(c) Liquidity risk

The Group had no outstanding bank borrowings as of March 31, 2022 and March 31, 2021. The working capital as at March 31, 2022 was ₹ 448.43 (March 31, 2021: ₹ 557.48) including cash and cash equivalents.

As at March 31, 2022 and March 31, 2021, the outstanding employee obligations were ₹ 1.28 and ₹ 1.54 respectively which have been substantially funded. Accordingly, no significant liquidity risk is perceived.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
As at March 31, 2022					
Trade payables	-	9.81	0.45	-	10.26
Other payables	-	56.53	4.23	-	60.76
Any other financial liabilities	-	0.55	0.78	-	1.33
Total	**-**	**66.89**	**5.46**	**-**	**72.35**
As at March 31, 2021					
Trade payables	-	4.28	0.71	-	4.98
Other payables	-	33.69	12.68	-	46.37
Any other financial liabilities	-	0.75	0.58	-	1.33
Total	**-**	**38.72**	**13.96**	**-**	**52.68**

Financial risk management

Capital management

For the purpose of the Group's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Holding Company. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder's value. The Group manages its capital and makes adjustments to it in light of the changes in economic and market conditions. The total equity as at March 31, 2022 is ₹ 627.63 (March 31, 2021: ₹ 751.48).

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

41. ESTIMATED UNCERTAINTY RELATING TO COVID-19 OUTBREAK

The World Health Organisation announced a global health emergency because of a new strain of coronavirus ("Covid-19") and classified its outbreak as a pandemic on March 11, 2020. In response, the Indian government have taken various actions and ensured many precautionary measures which posed significant disruption to business operations and adversely impacting most of the industries which has resulted in global slowdown.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

The full extent and duration of the impact of Covid-19 on the Company's operations and financial performance is currently unknown, and depends on future developments that are uncertain and unpredictable, including the duration and spread of the pandemic and any new information that may emerge concerning the severity of the virus, its spread to other regions and the actions to contain the virus or treat its impact, among others.

Any of these outcomes could have a material adverse impact on Company's business, financial condition, results of operations and cash flows for the year ended March 31, 2021 and thereafter.

Management currently believes that it has adequate liquidity and business plans to continue to operate the business and mitigate the risks associated with Covid-19 for the next 12 months from the date of these Financial Statements.

42. SOCIAL SECURITY CODE

The Code on Social Security 2020 ('the Code') relating to employee benefits, during employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Holding Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

43. OTHER MATTERS

During the year ended March 31, 2019, The Holding Company had received notice of demand dated March 13, 2019, in relation to service tax under the provisions of Finance Act, 1994 for ₹ 38.74 (excluding interest and penalties) covering the period from April 1, 2016 to June 30, 2017 on supply of anti-virus software in Compact Disk. Company replied to the notice of demand to Commissioner of Goods and Service Tax, Pune.

During the earlier years, the Holding Company received similar notice of demands in relation to service tax under the provisions of Finance Act, 1994 for ₹ 122.31 (excluding penalty and pre-deposit, if any) covering the period from March 1, 2011 to March 31, 2016 on supply of anti-virus software in Compact Disk. The Holding Company had filed an appeal with Customs, Excise and Service Tax Appellate Tribunal, New Delhi for the period March 1, 2011 to March 31, 2014 and with the Customs, Excise and Service Tax Appellate Tribunal, Mumbai for the period April 1, 2014 to March 31, 2016.

The Hon'ble Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Principal Bench, New Delhi, vide its judgment (Order No. 50022/2020) dated January 09, 2020 (Service Tax Appeal No. 51175 of 2016), has set aside the Service Tax demand for ₹ 56.07 along with interest and penalty which was earlier confirmed by Directorate General of Central Excise Intelligence (DGCEI), New Delhi vide its Order of 2016 covering period from for the period March 1, 2011 to March 31, 2014.

Based on this latest judgement of CESTAT, New Delhi, technical circular issued by government authorities and an independent legal opinion obtained by the Holding Company in earlier years, the Company is confident to get relief and set aside for balance period from April 01, 2014 to June 30, 2017. Accordingly, no provision/contingent liabiity has been recognised/disclosed in the financial statements.

The Commissioner of Service Tax, Delhi has preferred an appeal against the above said Order passed by the Hon'ble Customs, Excise & Service Tax Appellate Tribunal (CESTAT) amounting to ₹ 56.07 and the matter is awaiting for final hearing with the Hon'ble Supreme Court.

The accompanying notes form an integral part of the financial statements.

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration Number: 105047W

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

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Nitin Manohar Jumani	**Kailash Katkar**	**Sanjay Katkar**	**Navin Sharma**	**A. Srinivasa Rao**
Partner Membership Number: 111700	Managing Director & Chief Executive Officer DIN: 00397191	Joint Managing Director & Chief Technical Officer DIN: 00397277	Chief Financial Officer	Company Secretary Regs. No. FCS-9901
Place: Pune Date: May 05, 2022	Place: Pune Date: May 05, 2022	Place: Pune Date: May 05, 2022	Place: Pune Date: May 05, 2022	Place: Pune Date: May 05, 2022

GLOSSARY

Artificial Intelligence (AI)	Artificial intelligence (AI) is the ability of a computer or a robot controlled by a computer to do tasks that are usually done by humans because they require human intelligence and discernment.
Android	Android is a mobile operating system based on a modified version of the Linux kernel and other open source software, designed primarily for touchscreen mobile devices such as smartphones and tablets.
Application Programming Interface (API)	API is a software intermediary that allows two applications to talk to each other. Each time you use an app like Facebook, send an instant message, or check the weather on your phone, you're using an API.
Bring Your Own Device (BYOD)	Bring your own device (BYOD) refers to the trend of employees using personal devices to connect to their organizational networks and access work-related systems and potentially sensitive or confidential data. Personal devices could include smartphones, personal computers, tablets, or USB drives.
Cloud Computing	Cloud Computing is the delivery of computing services—including servers, storage, databases, networking, software, analytics, and intelligence—over the Internet ("the cloud") to offer faster innovation, flexible resources, and economies of scale.
Crypto Currency	A cryptocurrency, crypto-currency, or crypto is a digital currency designed to work as a medium of exchange through a computer network that is not reliant on any central authority, such as a government or bank, to uphold or maintain it.
Data Breach	A data breach is an incident where information is stolen or taken from a system without the knowledge or authorization of the system's owner. A small company or large organization may suffer a data breach.

Term	Definition
Distributed-Denial-of-Service (DDOS)	Distributed denial of service (DDoS) attacks are a subclass of denial of service (DoS) attacks. A DDoS attack involves multiple connected online devices, collectively known as a botnet, which are used to overwhelm a target website with fake traffic.
Hacking	Hacking refers to activities that seek to compromise digital devices, such as computers, smartphones, tablets, and even entire networks.
Information Technology (IT)	Information technology (IT) is the use of any computers, storage, networking and other physical devices, infrastructure and processes to create, process, store, secure and exchange all forms of electronic data.
IoT (Internet of Things)	The term IoT, or Internet of Things, refers to the collective network of connected devices and the technology that facilitates communication between devices and the cloud, as well as between the devices themselves.
Malware	Malware (short for "malicious software") is a file or code, typically delivered over a network, that infects, explores, steals or conducts virtually any behaviour an attacker wants.
Phishing	Phishing is a type of social engineering attack often used to steal user data, including login credentials and credit card numbers. Phishing attacks are prevalent among hackers as they can exploit the user's data until the user finds out about it.
Ransomware	Ransomware attacks involve hacking into a user's data and preventing them from accessing it until a ransom amount is paid.
SOHO (Small Office/Home Office)	The term small office/home office (SOHO) refers to a small business that is often run out of small office spaces, homes, or even virtually.

Quick Heal Technologies Limited

Regd. Office:
Marvel Edge, Office No. 7010 C & D,
7th Floor, Viman Nagar, Pune - 411014,
Maharashtra, India.

Phone: +91 20 66 81 3232 | Email: cs@quickheal.co.in

Web: www.quickheal.co.in