Quick Heal
Security Simplified

Quick Heal Technologies Ltd.
C-7010, 7th Floor, Marvel Edge, sr.no.207,
opp. NECO Garden Society, Vimannagar, Pune 411014, India.

July 20, 2023

Ref. No.: QHTL/Sec/SE/2023-24/25

The Manager,
Corporate Services,
BSE Limited,
14th floor, P J Towers, Dalal Street,
Mumbai – 400 001
Ref: Security ID: QUICKHEAL
Security Code: 539678

The Manager,
Corporate Services,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
Symbol: QUICKHEAL
Series : EQ

Dear Sir/Madam,

Subject: **Submission of Annual Report 2022-23 and Notice of the 28th Annual General Meeting (AGM) of the Company**

Reference: **Our letter No. Ref No.: QHTL/Sec/SE/2022-23/23 dated July 19, 2023**

In terms of regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements), 2015, we enclose herewith Annual Report 2022-23 and Notice of the 28th Annual General Meeting (AGM) of the Company.

Today, Company has initiated the process of sending Notice through electronic mode to those shareholders whose names were recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on Friday, July 14, 2023.

The Company has uploaded the Annual Report 2022-23 and Notice on its website https://www.quickheal.co.in/investors

This is for your information and records.

Please acknowledge the receipt.

Thanking you.

For **Quick Heal Technologies Limited**

Vinav Agarwal

Vinav Agarwal
Compliance Officer
M.No.: A40751

Quick Heal Technologies Limited Pune

00000432

SEQRITE

Quick Heal

Cybersecurity Transformation

Simple. Secure. Sustainable.

Annual Report 2022-23

CYBERSECURITY TRANSFORMATION

Quick Heal Technologies Limited (hereinafter referred to as 'QHTL' or 'Quick Heal' or 'the Company' or 'We') holds the distinction of being India's inaugural public listed cybersecurity Company with a formidable reputation as a global player in the industry. Quick Heal is committed to revolutionizing the cybersecurity landscape through its strategic initiatives, aimed at simplifying and safeguarding businesses and individuals while adopting a sustainable approach in its operations.

The Company is dedicated to relentlessly creating awareness about cyber safety - a key challenge in the industry today. Through substantial investments in research and development, as well as a strong emphasis on innovation, we provide award-winning next-generation solutions for protecting endpoints, networks, cloud environments, mobile devices, and operating systems. Quick Heal's success as a leader in the retail and enterprise Small and Mid-sized Business (SMB) space is attributed to its efficient and integrated approach to threat and vulnerability management. This approach, powered by AI, cloud, and patented technologies, has played a crucial role. Notably, Quick Heal has recently collaborated with the Government of the United States of America on its National Institute of Standards and Technology (NIST) + National Cybersecurity Center of Excellence (NCCoE's) data classification project. This collaboration is a significant milestone as it positions Quick Heal as the first and only Indian company working alongside global technology giants, showcasing India's capabilities on the global stage.

Quick Heal is committed to the mission of making 'Cyber Safety A Fundamental Right for All'. Through its transformative approach, Quick Heal is making a significant impact by assisting individuals, enterprises, and government institutions in preventing and addressing the damage caused by the ever-evolving threat landscape.

Simple

Secure

Sustainable

WHAT'S INSIDE

Corporate Overview

Capital-wise Performance Outlook

Statutory Reports

Financial Statements

For investor-related information, please scan the QR code below:

For more details, please visit our Investor Relations' section at: **https://www.quickheal.co.in/investors**

₹ 705.62 Crores

Investor Information Market Capitalization on March 31, 2023 (as per NSE data)

BSE Code	539678
NSE Symbol	QUICKHEAL
Dividend Declared	₹ 2.50/-
AGM Date	August 11, 2023
AGM Mode/Venue	Through Video Conferencing (VC) & Other Audio Visual Means (OAVM)

ABOUT THE REPORT

Basis of Reporting

This report has been prepared basis the essential guidelines of Integrated Reporting <IR> and contains comprehensive information on our operational and financial performances. It elaborates on our strategic direction and 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 01, 2022 to March 31, 2023. 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 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 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 a true and fair account of the financial and non-financial matters, performance and business model of our Company. It acknowledges its responsibilities to ensure the integrity of this report.

PRODUCTS LAUNCHED DURING 2022-23

ENTERPRISE - SEQRITE

Centralized Security Management (HawkkEye)	Extended Detection & Response (HawkkHunt XDR)	Data Privacy Management (HawkkScan)	Zero Trust User Access (HawkkProtect)	Managed Security Services Platform (MSSP Portal)	Endpoint Security (EPS)	Endpoint Security Cloud (EPS Cloud)	Enterprise Mobility Management (EMM – mSuite & Workspace)
HawkkEye v1.4	HawkkHunt v1.3 Beta	HawkkScan v1.0 GA	HawkkProtect v1.1 Beta	MSSP (minor release)	EPS v8.0	EPS Cloud v1.7	EMM v2.8/2.9
HawkkEye (HP Dashboard)	HawkkHunt v1.3	HawkkScan v1.1 GA	HawkkProtect v1.1 GA	MSSP v2.2	EPS v8.0 Promotion (Sales)	EPS Cloud v1.7.1 (minor release)	
HawkkEye v1.6	HawkkHunt v2.0	HawkkScan v1.9 GA	HawkkProtect v1.9 GA	MSSP UX2.0	EPS v8.1 GA	EPS Cloud v1.8	
HawkkEye v2.0 Plan (UI/X Updates)	HawkkHunt v2.0 GA	HawkkScan v2.1 GA					
HawkkEye v2.1							
HawkkEye v2.2							

RETAIL - QUICK HEAL

Product	Version
Quick Heal Total Security	v23
Quick Heal Internet Security	v23
Quick Heal AntiVirus Pro	v23
Quick Heal Internet Security Essentials	v23
Quick Heal Total Security Multi-Device - Windows	v23
Quick Heal Total Security Multi-Device - Mac	v3.2
Quick Heal Total Security Multi-Device - Mobile	v3.1
Quick Heal Total Security for Android	v3.1
Quick Heal AntiVirus for Server	v23
Quick Heal Total Security for Mac	v3.1

PATENTS TILL DATE

US20100146626	System for protecting devices against virus attacks
US20080148407	Virus detection in mobile devices with insufficient resources
US20120060228	Completely automated system and method for piracy control
US20140075555	Method for protecting computer systems from malware attacks
US20160378988	Anti-ransomware
US20170124327	Detecting malware when executing in a system
US20210089654	Detecting malware in data streams

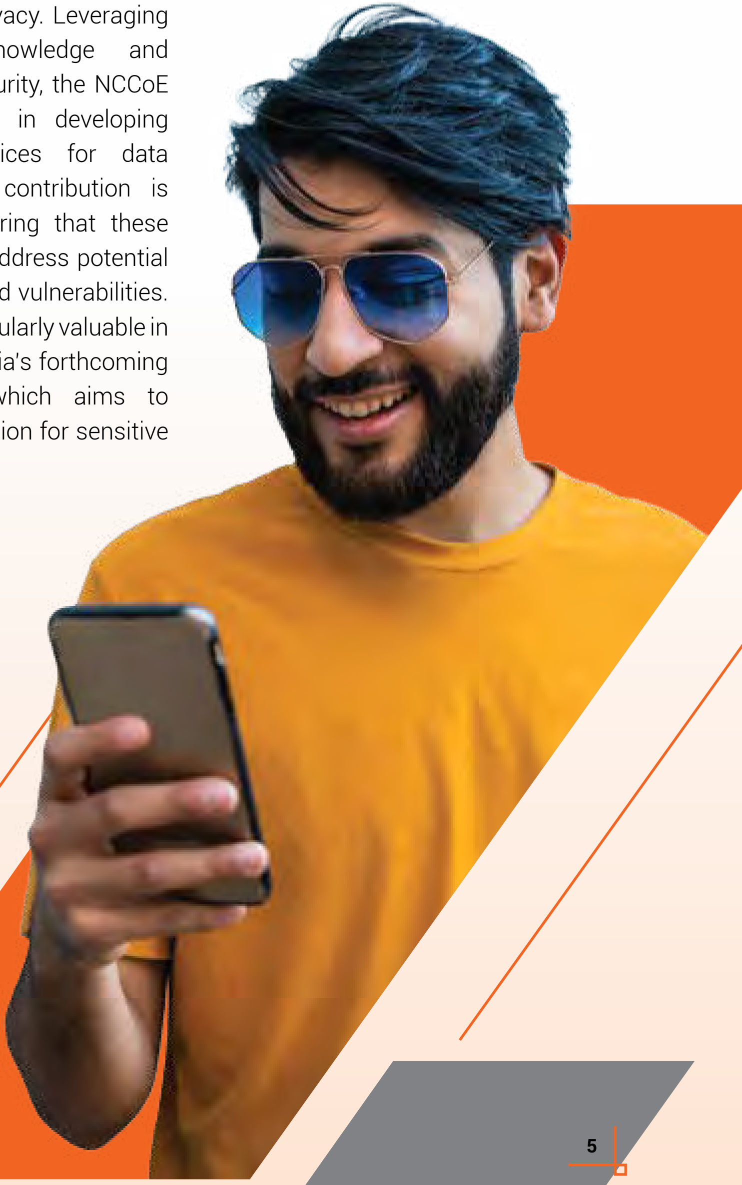
2022-23: NEW ACHIEVEMENT UNLOCKED

As a global cybersecurity solutions provider, Quick Heal is proud to be the first and only Indian company to work as an official collaborator on the National Institute of Standards and Technology (NIST)'s National Cybersecurity Center of Excellence (NCCoE) Data Classification Project.

Quick Heal, alongside industry giants such as Google, Adobe, and JP Morgan Chase, will work to develop and test data classification standards and guidelines that can be used across various sectors and organizations.

Since 1995, the Company has been proactively catering to individuals' and businesses' need of cybersecurity and protection of critical data assets with its dynamic solutions. Herein, as a Company operating in the cybersecurity space, our responsibility extends beyond providing solutions. We remain actively involved even after the purchase and sale of our products. We engage with our stakeholders throughout the value chain, empowering them to stay informed about emerging cybersecurity threats and stay updated on our nation's ambitious initiatives, such as the recently introduced Digital Data Protection Bill 2022. Our goal is to ensure a secure environment for cybersecurity transformation. While our existing range of SEQRITE Hawkk solutions already meets the data protection needs of various enterprises through a unified console, we have gone a step further by becoming the first Indian collaborator for the Data Classification Project with NIST-NCCoE.

The National Cybersecurity Center of Excellence (NCCoE) works together at the National Institute of Standards and Technology (NIST) to make information systems more secure. Their approach involves developing practical and standardized cybersecurity solutions. As part of their efforts, the NCCoE collaborates with various stakeholders to establish recommended practices for data classification. Implementing these recommended practices can assist organizations in safeguarding critical data, thereby ensuring both cybersecurity and privacy. Leveraging their extensive knowledge and expertise in cybersecurity, the NCCoE plays a crucial role in developing recommended practices for data classification. Their contribution is instrumental in ensuring that these practices effectively address potential cybersecurity risks and vulnerabilities. This expertise is particularly valuable in the formulation of India's forthcoming data privacy bill, which aims to provide robust protection for sensitive information against cyber threats. By providing clear and consistent guidelines, these standardized practices enable organizations to effectively handle and protect data. This, in turn, facilitates compliance and enforcement of data privacy regulations within a data privacy bill.



SECURING LEADERSHIP: AWARDS AND ACCREDITATIONS

We are proud to announce that our flaship Endpoint Security product, was honored with the prestigious 'Top Product Award' by the AV-Test Institute. Throughout the year, EPS demonstrated outstanding performance by achieving perfect score in all 6 cycles in the areas of protection, performance, and usability in the Sep-Oct 2022 review cycle from the AV-Test Product Review and Certification Report.

#1

- **Best antivirus award by NCN Magazine 2022-23**
- **Cybersecurity solution provider at the organization level**

₹ 278.09 CRORES

Revenue for 2022-23

Cyber Security Transformation Award

At the Big Impact Awards 2023

Headquartered in Pune, Maharashtra, our Company's integrated approach to effective threat and vulnerability management is powered by:

Patented Technologies

AI

Across:

Network & cloud

R&D and Investment in Innovation, driven by:

- Global Trends & Business Logic
- Security Labs
- Quality Assurance
- Risk Assessment & Incidence Response
- Threat Research and Response

SUSTAINING A LEGACY: ABOUT QUICK HEAL

As a leading cybersecurity solutions provider, we take pride in being the first public-listed Company in India operating in this space. Our company specializes in offering enterprise data, network, and cloud-based security solutions to cater to the diverse IT security needs of consumers, businesses, and government institutions. Our offerings are supported by cutting-edge research and technology to ensure optimal security measures for our clients.

30%

Market leadership with over 30% share in consumer business

Pan-India

Presence

27+

Years of experience

For almost three decades, Quick Heal has been the trusted choice for customers across industries, regardless of their size or scale, when it comes to fulfilling their cybersecurity needs. Round-the-clock customer service, complemented with innovation and R&D, we have successfully secured digital assets for diverse range of users, bolstering secure and sustainable growth for our global clients. Our prime objective is to simplify and strengthen cybersecurity for organizations by accurately understanding market trends and providing easily accessible top-notch solutions. Quick Heal Security Labs regularly analyzes data from millions of active Quick Heal products worldwide to enhance the speed and robustness of security, making digital working simple, secure, and sustainable for all users.

Vision

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

Mission

Empowering the team to solve business problems

Core Purpose

Innovate to ‘simplify’ securing digital experience

SECURING A STRONG HOLD IN THE MARKET

Over the past year, the scope of cyber threats has expanded dramatically. The demand for digital security is also steadily rising with the emerging threats and understanding of the risk they can bring.

Quick Heal: Benchmark for Cybersecurity

In the rapidly evolving cyber world, with the constant deployment of new solutions, upgrades, revamps, and the use of hardware, SaaS tools, and processes, complexities continue to increase. In such a dynamic environment, it is essential not only to keep pace with the evolution of security solutions but also to ensure that they remain simple, secure, and sustainable.

Since our establishment in 1995, we have been actively engaged in the research and development of solutions that safeguard the cyberspace. Our enterprise solution, SEQRITE, is witnessing a rapid growth at 21% and is further projected to outpace the consumer market by three times until 2024-25. Today, we are trusted experts in the cybersecurity space for not just consumers across the retail space but also the enterprise segment, including the Government and related agencies globally.

Drawing upon our nearly three decades of expertise in the field, we have made it our goal to ensure that access to simple, secure, and sustainable cyber safety mechanisms becomes a fundamental right for everyone. In line with this objective, our enterprise solution brand, SEQRITE, operates with the commitment to foster cybersecurity transformation and secure tomorrow, today. SEQRITE is dedicated to providing advanced cybersecurity solutions that enable businesses to stay protected against the constantly evolving threat landscape, ensuring a secure future for all.

Our Values

Integrity
I am responsible for what I say, think, feel and do

- No shortcuts
- Transparent and fair in dealing
- Reliable, can be trusted

Innovation
I think differently to make a difference

- Constantly challenge self to enhance performance
- Identify and adopt new ideas to bring value to our customers
- Proactively work to deliver quality processes, tool box approach

Customer Centricity
I am committed to respond, engage and inspire my customers

- Constantly innovate ways to proactively recognize and address customer matters
- Uses customer experience and feedback to deliver excellence with agility
- Work to enhance processes to address customer needs

Leadership
I am fearless. I inspire others to learn and lead

- Ensure high levels of quality are maintained
- Possess holistical approach to give value to our offerings
- Goes an extra mile to understand and deliver customer requirement

Attributes that Set Us apart from the Crowd

Trustworthy

Global

Innovative

Cybersecurity Solution Provider (Thought Leader)

Premium

Business Segments

Home and Small Office Home Office (SOHO)

Small and Mid-sized Business (SMB)

Enterprise and Government

Platforms

Laptop, Desktop Notepad, Mobile, Smart Devices, Server, Cloud and Network

Ensuring Holistic Growth

Talented and Motivated Employees

Innovation

Stakeholders Value Creation

Social Quotient

Governance and Risk Management

Market-Leading Thought Leadership

Strong Workforce

Product Management Team

Product Development Team

Support and Incident Response Team

Quality Assurance Team

Security Labs

Over 35,000 Distribution Channel Partners Across India

Our Company's extensive network of distributors is well-trained on cybersecurity practices, thereby ensuring seamless customer experience for all.

Cash-rich Balance Sheet

Our Company's sustainable growth and financial stability are clearly demonstrated by our exceptionally strong balance sheet, which boasts negligible debt.

ISO-Certified

Our Company holds ISO certification for our customer support processes, guaranteeing an exceptional user experience.

Products Sold in Over 76 Countries and 22 Key Destinations

Our Company's global reach aligns with the world-class standards for safety and premium services.

Focus on Raising Awareness and Knowledge-sharing

Our Company has emerged as a prominent player in the cybersecurity domain, recognized for our ability to diversify our offerings. However, our focus goes beyond just expanding our product range. We actively involve stakeholders in the value creation process by raising awareness about cybersecurity.

SUSTAINING A PATHWAY TO PROGRESS

At Quick Heal, we are committed to safeguarding individuals, enterprises, and government organizations in the ever-evolving threat landscape. Our domain expertise of more than 27 years enables us to deliver innovative solutions transforming the global cybersecurity ecosystem. We aim to make 'Cyber safety a fundamental right for all' through our relentless focus on creating cyber awareness, best-in-class products and capability building. We work to create a positive impact on society and maximize stakeholder value and promote sustainability through our operations and partnerships.

Dear Stakeholders,

It is with immense pleasure and pride that I present to you Quick Heal Technologies Limited's Annual Report for the year 2022-23. This report serves as a testament to another year of robust growth, reflecting the unwavering dedication and hard work of our highly skilled team of cybersecurity experts. As a result, we have successfully maintained our market leadership both in retail and enterprise segments. Especially in the post-pandemic world, we are witnessing an unprecedented increase in cyber attacks and their complexity. Cyber criminals are using new and advanced AI technology to cause significant damage; hence we recognize our crucial role in safeguarding the digital assets of individuals, businesses, and government organizations alike. We firmly believe that 'Cyber safety should be a fundamental right for all', and our goal is to simplify the adoption of cybersecurity measures for our customers.

Quick Heal has become the first and only Indian Company to collaborate officially with NIST-NCCoE (Govt. of USA) on the 'Data Classification' Project. This collaboration aligns with our commitment to transforming the cybersecurity ecosystem and positioning India on a global stage.

In addition, our flagship solution EPS demonstrated outstanding performance throughout the year by achieving perfect score in all 6 cycles in the areas of protection, performance, and usability in the Sep-Oct 2022 review cycle from the AV-Test Product Review and Certification Report. In addition to securing the prestigious title of 'The Best Antivirus of 2022' at the 15th NCN Most Innovative Products Awards, Quick Heal continued its remarkable journey in 2022-23 by receiving the esteemed 'Cyber Security Transformation Award' at The Big Impact Awards 2023.

Quick Heal introduced new products and solutions in the market during the year 2022-23, including AV 23, Endpoint Security 8.0, Extended Detection and Response (EDR), and Zero Trust amongst others. All the products launched were appreciated by the initial customers and the products have found their market fit. While maintaining our leadership position in the small and medium market (SMB) segment, we have made significant strides in the mid-market segment in India. With our continued focus on R&D, we are innovating on the protection front with patented technologies like signature-less, file-less malware detections, and ransomware detections. Besides, we are also expanding our product offerings with platform-based approach of Zero Trust solutions providing comprehensive security for enterprises.

A Looming Crisis: Cyber Attacks Multiply and Evolve:

About 35% of the global workforce was predicted to shift to remote work, laying a higher emphasis on technology and cloud-based storage for confidential information. This led to increased exposure of businesses to cyber attackers, hackers, and scammers more than ever before. The number of cybersecurity incidents in India has increased threefold over the past years with India becoming one of the most targeted countries.

Between January and November 2022, India's healthcare industry faced approximately 1.9 Million cyber attacks, and those against the Indian government agencies doubled. As a result, organizations started investing more in implementing cybersecurity solutions. Further, the rapid adoption of 5G connectivity among other industry trends, has also made cybersecurity more challenging and complex. Another opportunity for cyber criminals emerged in the form of the estimated US$ 54 Billion spent on virtual goods annually. The growing distance of supply networks, increased use of Artificial Intelligence and Machine Learning, and hybridization of workplace set-ups that encourage link-sharing, all contribute to significant security risks.

Simple, Secure, Sustainable Cybersecurity Solutions

Starting the journey as a computer maintenance Company under a different brand name, Quick Heal has now grown to become a leading player with over 30% market share both in retail and enterprise segments. We have transitioned over time from a traditional consumer AV player to an end-to-end cybersecurity solutions provider. With a strong focus on our commitment to excellence, we have initiated successful efforts to integrate sustainability into our operations. Through the implementation of robust, customized, and intelligent solutions, we are actively contributing to a more sustainable future. Advancing towards sustainability, we launched 'Version 23' under our retail portfolio.

Our legacy spanning over 3 decades has been marked by significant milestones, progress, and valuable customer insights. During the year, our enterprise arm, SEQRITE, achieved a milestone of recording ₹ 100 Crores in revenue.

Leveraging Partnerships for Success

We actively seek like-minded partners in the retail and enterprise sectors as we expand our presence and reach our customers. Our partner acquisition process ensures that we establish relationships with aligned partners who share our vision. By joining forces with us, partners gain access to profitable and future-proof solutions, fostering growth and recurring business in a mutually beneficial partnership.

In the cybersecurity solutions space, the enterprise market segment holds a significant share of 95%. This segment, which is 20 times larger than the consumer market, is also experiencing a growth rate of 11%. Recognizing the immense potential in this sector, we have already made substantial progress in establishing our presence. This positions us as a trusted player in meeting the cybersecurity needs of enterprises, while also capitalizing on the substantial market opportunities that lie ahead. By strategically partnering with us, businesses can tap into this vast enterprise market and leverage our expertise and solutions to cater to the growing demand for cybersecurity. Together, we can empower organizations with the necessary tools and technologies to safeguard their digital assets and stay ahead of evolving threats in the dynamic cybersecurity landscape.

Growth Numbers for 2022-23

Our total income stood at
₹ 300.22 Crores

The retail segment registered
₹ 197.5 Crores gross revenue

The enterprise segment recorded
₹ 106.9 Crores of gross revenue

In the year 2022-23, our Company achieved a consolidated revenue of ₹ 278.1 Crores. Within this total, the retail segment contributed ₹ 197.5 Crores in gross revenue, demonstrating its robust performance. Additionally, the enterprise segment showcased a solid performance with recorded revenue of ₹ 106.9 Crores growing by 21% YoY. These figures highlight the overall growth and success of our Company, positioning us for further advancement in the market.

Employee Empowerment

At Quick Heal, we recognize that our people are the driving force behind our business success. Their expertise and hard work fuel our innovative solutions and offerings. To ensure their continuous growth and adaptability in a rapidly evolving landscape, we prioritize investing in their personal development. Empowering our team with the right skills and expertise remains a cornerstone of our success and our commitment to cybersecurity transformation.

ESG Commitment

Promoting cyber safety awareness is a key aspect of our social commitment at Quick Heal. Through initiatives like 'Cyber Siksha for Cyber Suraksha,' we educate school students, teachers, and parents about the importance of cyber safety. Through our CSR programs, we have successfully touched over 50 lakhs lives. We also actively train young talent in IT and cybersecurity through programs at our Quick Heal Academy, directly addressing the skill-set gap that exists within the industry.

We extend our efforts beyond cybersecurity by contributing to building a sustainable world. This is led by our focus on reducing our carbon footprint, and utilizing alternative energy sources in our operations. Our endeavors are backed by a strong governance framework that involves experienced Board of Directors and management team. We uphold the values of transparency and trust throughout our organization and operations, underpinned by the guidance of our leaders and their strong vision for the Company.

Acknowledgement

Buoyed by the unwavering support of our Board and stakeholders, the trust of our investors, and the faith of our customers, we are driven to be responsive to their evolving needs. Our foundation lies in providing simple and secure solutions based on advanced technology stack but we don't stop there. We embrace a future-forward approach that adapts quickly to the ever-changing demands of our industry, even in the face of turbulence. As we move forward, we remain steadfast in our commitment to resilience and continue to combat threats to cybersecurity and our external business environment. Our customers are at the heart of everything we do, but it is our commitment to innovation and rigorous research and development that fuels our progress and propels us towards creating a digitally safe world and a sustainable future.

Best Regards,

Dr. Kailash Katkar

MD & CEO

ENHANCING EFFECTIVENESS: OPTIMIZING OPERATING CONTEXT

As digital connectivity continues to grow, the risks of cyber attacks also increase, posing significant challenges to establishing a seamless and interconnected virtual world. The progress and expansion of the industry necessitate the development of secure solutions to mitigate these threats and maintain a safe digital environment.

The dynamic changes occurring around us encompass not only our own growth but also the amplified risks and threats across diverse domains, including the realm of cybersecurity. Quick Heal recognizes the importance of adapting to these changing needs and consistently updating our features to stay relevant in the industry. Our commitment lies in identifying, preventing, and defending against fraudulent behavior, phishing schemes, and malware attacks targeting users of Windows, Android, and iOS platforms.

1.09 Million

Daily average of Malware detected in 2022

Threats Identified by Quick Heal in 2022

1. Growing Attacks on HTML Smuggling
2. XLL File Trends in the Threat Landscape
3. SmokeLoader Distributes Laplas Clippers Targeting Various Cryptocurrencies
4. Backdoors Leveraged Log4J Vulnerability
5. The Inevitable Growth of Raspberry Robin Worm
6. DarkWatchman: A New Evolution in Fileless Technique
7. Emotet Re-emerges with New Methods as the Top Malware in Circulation
8. Ransomware Rampage
9. Phishing Campaign Impersonating SBI - Evades Detection by Mixing Reverse Tunnels and URL Shortening Services
10. Phising Attacks Gained Momentum During Russia-Ukraine Conflict

Emerging Risks and Trends

- Expanding attack surface after digitization-related increased susceptibility
- Utilization of AI and ML technologies by both security vendors and threat actors. Vendors leverage them for threat detection, behavior analysis, and automated response. Threat actors may use AI for evasion, personalized phishing, and automated attacks, posing new challenges for cybersecurity
- Stopping credentials from getting compromised with identity system defense
- Consolidating security platforms into a single entity to provide 360-degree security
- Increasing efficiencies by decentralizing the effort to go beyond a centralized cybersecurity ecosystem
- Increasing attacks globally and within the country
- Rising state sponsored attacks
- Rising criticality of Data Privacy in today's times
- Opening of use cases of zero trust architecture in the organization's defense
- Growing adoption of cloud
- Lack of consumer awareness in the country regarding the importance of cybersecurity and data privacy
- Rising APIs in the connected digital world. Growing need of API Security

Tapping Opportunities with Simple, Secure, Sustainable Solutions

Our Company's strategic approach to the cybersecurity domain is guided by the motto: Simplicity, Security, and Sustainability. This motto reflects our commitment to streamlining cybersecurity measures while guaranteeing the protection of businesses and individuals in a sustainable manner. Our solutions stand as evidence of our trustworthy offerings and endeavors to simplify and fortify the cyberspace. Through cutting-edge patented technologies, we are propelling transformation within the global cybersecurity landscape.

Our Strength, Our Pride.

Experienced Management Team

At the helm of Quick Heal is a seasoned management team, committed to upholding our core values. We are constantly seeking to enhance our team by bringing on board even more talented and experienced individuals who share our passion for excellence.

Market Leadership

As a market leader in retail cybersecurity space, we constantly push the boundaries of innovation through strategic launches of new and exciting products. With a 30% of overall market share and being market leaders in the SMB segment, our Company remains focused on delivering exceptional products and services to our customers, ensuring continued success.

27+ Years of Innovation in the Cybersecurity Space

Quick Heal places a lot of emphasis on innovation and addressing new threats through regular feature updates.

State-of-the-art R&D Center

Our Company's R&D experts constantly strive to develop additional features for our products, and in 2022-23, our Company spent around 43.62% of its revenue on R&D.

Presence Across B2B, B2C, B2G Segments

By educating stakeholders on the latest cybersecurity trends and fostering deeper ties, our Company strengthens its industry presence. Our initiatives to engage with stakeholders exemplify our commitment to building strong relationships.

Growing Enterprise Business with a High Customer Retention Rate

Our Company is investing significantly in the enterprise solutions segment due to its enormous market potential and rapid growth projections, which are expected to grow three times faster than the retail sector.

Hiring the Best

Our Company focuses on hiring the best talent to innovate, market and distribute its products globally.

Robust Financials

We have a debt-free and cash-rich balance sheet, reflecting our Company's financial soundness and strength

Leveraging Marketing as a Strategic Lever for Growth

Brand - We strive to enhance our market position by emphasizing cybersecurity transformation as our core brand promise. Through this approach, Quick Heal aims to raise awareness, establish strong brand recall, and unlock new opportunities for growth.

Demand - We are intensifying our efforts to drive demand by implementing leadership-based marketing campaigns. These campaigns aim to cultivate a strong pipeline of leads from targeted segments, ensuring a consistent influx of customers.

Advocacy - We strive to establish strong customer relationships with the goal of reaching new CIOs, CTOs, and CISOs. By doing so, Quick Heal aims to introduce these professionals to our Company's innovative solutions and leverage our expertise to meet their cybersecurity needs.

3-Tier ESG Framework

We integrate Environmental, Social, and Governance (ESG) factors into both our executive performance scorecard and employee scorecard. This alignment allows us to ensure that our actions are in line with our intentions in promoting sustainable practices and responsible business conduct.

Steering Committee

↓

Chief of Operational Excellence

CFO & Head ESG

ESG Task Force

Environment

Product Representative

R&D Representative

Social

HR Representative

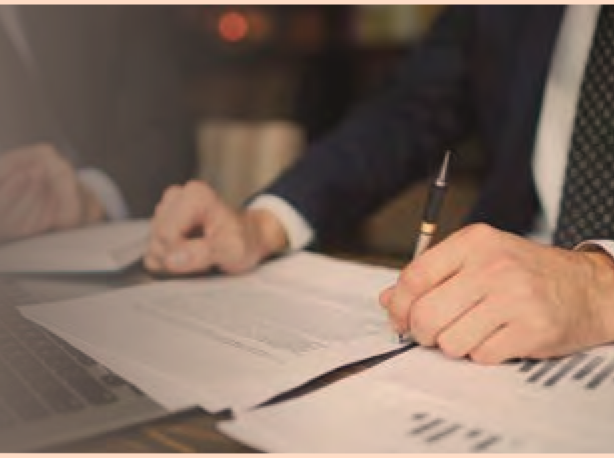
CSR Representative

Governance

Legal Representative

Risk Representative

Ethics Representative



SECURING OUR INTEGRATED BUSINESS MODEL

INPUT

Service Capital
- Infrastructural Set Up and service model
- Service Centres in multiple cities in India

Intellectual Capital
- Fuelling brand proposition
- Onboarding further experts in the R&D team
- Investment in technology development and upgradation: ₹ 121.31 Crores

Financial Capital
- Total Equity: ₹ 53.07 Crores
- Total Debt: Nil

Social and Relationship Capital
- Fulfilling Social Responsibility by investing in CSR activities.

Human Capital
- Diversity and inclusivity at workplace
- Total Employees: 1,043
- Investment in training programs: ~ ₹ 31 Lakhs
- Awards and recognition for staff: ~ ₹ 13 Lakhs

Customer Capital
- Enhancing consumer awareness
- Investment in customer grievance redressal platforms:
  - Several press releases
  - Multiple webinars

Natural Capital
- Use of renewable energy

VALUE CREATION PROCESS

Mission

Vision

Core Purpose

Evolving & Adapting

Identifying Problem

Management Insight

Thrust on R&D

Strategic Planning

- Identifying Problems
- Better Customer Insight

- Addressing Grievances
- Feedback on Experience

OUTCOME

Empowering the team to solve business problems

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

Innovate to 'simplify' securing digital experience

Introducing New Products
+
Enhancing Existing Ones
X
Deeper Market Penetration

Driving Seamless Consumer Experience

SUSTAINABLE DEVELOPMENT GOALS

Service Capital
- **Cybersecurity solutions:**
  - Enterprise SEQRITE
  - Retail Quick Heal

9 Industry, Innovation and Infrastructure

Intellectual Capital
- New products launched: 31

8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure

Financial Capital
- Total income: ₹ 300.22 Crores
- EBITDA: ₹ 1.88 Crores
- PAT: ₹ 6.40 Crores

1 No Poverty; 2 Zero Hunger; 8 Decent Work and Economic Growth

Social and Relationship Capital
- Lives impacted through CSR activities: 50 Lakhs +

1 No Poverty; 2 Zero Hunger; 3 Good Health and Well-Being; 4 Quality Education; 10 Reduced Inequalities; 11 Sustainable Cities and Communities; 17 Partnerships for the Goals

Human Capital
- New jobs created: 342
- Contractual employee strength: 60
- Interns: 62
- Women employees: 182

3 Good Health and Well-Being; 5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities

Customer Capital
- Sales (consolidated): ₹ 278.09 Crores
- Complaints addressed
- Customer satisfaction and positive feedback overall

8 Decent Work and Economic Growth; 10 Reduced Inequalities; 12 Responsible Consumption and Production

Natural Capital
- Paperless operations/carbon neutrality

7 Affordable and Clean Energy; 12 Responsible Consumption and Production; 13 Climate Action

FOSTERING STAKEHOLDER ENGAGEMENT

We create value by efficiently utilizing our resources, leveraging our expertise, and actively promoting cybersecurity awareness. Our commitment extends to empowering our stakeholders by equipping them with the necessary knowledge and tools to navigate the cybersecurity landscape effectively.

Our Company aims to address stakeholder concerns comprehensively, creating value for each of them. Through research, market intelligence, and innovation, we enhance our offerings. We engage stakeholders in the value creation process by empowering them with cybersecurity awareness. Supporting Make-In-India and Digital India initiatives, our products and solutions are 100% made in India. We communicate relevant information responsibly and proactively to maintain transparency and stakeholders' trust. Customer data safety and confidentiality are top priorities, and we promote consumer awareness by training our distributors for a secure customer experience.

Stakeholder	Importance	Key Concerns	Company's Response	Frequency	Capitals Linked
Customers	• Consistent quality at competitive prices • Timely deliveries • New and innovative products, as per latest market requirements • Easy access to products and services	• Collation and analysis of customer feedback • Engagement through website, social media • In-house and third-party market research surveys, meetings • Brand campaigns	• Multi-channel support (includes remote access support and onsite support across India) • Multi-lingual end-user support (English, Hindi and more) • 24x7 customer support • Manuals, guidelines videos and data sheets on services • Webinars in the area of security software	• Quarterly • Half-yearly • Annually	

Stakeholder	Importance	Key Concerns	Company's Response	Frequency	Capitals Linked
Investors	▪ Ethical business practices and good corporate governance ▪ Regular dividends ▪ Sustainable performance and value creation ▪ ESG integration into strategy and operations ▪ Transparent reporting and disclosure	▪ Annual and quarterly investor meets/ calls ▪ Investor presentations ▪ Annual general meeting ▪ Investor grievance channels ▪ Annual report	▪ Providing manuals, guideline videos and data sheets on services ▪ Release of various articles, technical papers, and quarterly threat reports	▪ Quarterly ▪ Annually	
Government and Regulators	▪ Compliance with rules and regulations ▪ Timely reporting through various compliance-based forms	▪ Mandatory regulatory filings, Periodical submission of business performance ▪ Written communications	▪ Release of annual/ need-based reports, articles, and technical papers	▪ Annually ▪ Need-based	
Communities	▪ Social relationship enabler ▪ Enablers of the Company's corporate social image	▪ Business sustainability ▪ Social Governance practices	▪ Multi-channel support (includes remote access support and onsite support across India)	▪ Quarterly ▪ Half-yearly ▪ Annually	
Distributors	▪ Fair and ethical procurement & engagement practices ▪ Pricing and favorable terms of payment ▪ Timely clearance	▪ Regular meetings and seminars ▪ Capacity building and sustainability for suppliers	▪ Code of conduct ▪ Sustainability ▪ Supplier sustainability ▪ Policies	▪ Quarterly ▪ Half-yearly ▪ Annually	
Employees	▪ Training and development ▪ Diverse, open, non-discriminatory, and safe working environment ▪ Career progression ▪ Competitive rewards and remuneration ▪ Health and safety ▪ Performance evaluation and recognition	▪ One-on-one meetings ▪ Training and development workshops ▪ Engagement initiatives ▪ Performance appraisals	▪ Manuals, guideline videos and data sheets on services ▪ Consumer awareness	▪ Quarterly ▪ Half-yearly ▪ Annually	

SUSTAINING OUR PRESENCE THROUGH MATERIALITY ASSESSMENT

For any business to be sustainable and secure, it is important to undertake an in-depth assessment of material issues, followed by recalibrations.

Materiality assessments offer an unbiased perspective on sustainability-related matters by engaging various stakeholders. By incorporating the insights from these assessments into our strategic and business planning, we ensure that our plans are aligned with the needs of our stakeholders. Through proactive engagement with external and internal stakeholders, we identify the most significant sustainability topics and metrics for our operations strategy and public reporting. This enables us to stay ahead of the curve and effectively address our organization's most pressing sustainability challenges.

Customer Centricity	Economic Responsibility	Governance: Business Practices	Environment Initiatives	Corporate Social Responsibility Initiatives
Customer service	Product pricing	Ethical practices, anti-bribery, and corruption	Water management	Education and skill development
Customer privacy and data protection	Financial performance	Transparency and whistleblower Policy	E-waste management	Primary healthcare programs
Innovation and IT deployment	Cost control and profit margin	Talent retention, succession and gender diversity	Energy emission	Community participation
Customer satisfaction	Market/Product competition	Grievance mechanisms and legal compliances	Carbon footprints	Diversity & inclusion
Product quality	Industry shifts and trends	Supplier satisfaction/ relationship	Waste management	
Technology advancement	Delivering appropriate shareholders' returns	Operational excellence		
Brand loyalty and company reputation				

SECURING OUR FINANCIAL CAPITAL

Our prudent financial practices and strategic allocation of investments in key focus areas support our market leadership. We have implemented a robust financial management framework that prioritizes maintaining a strong balance sheet, optimizing resource utilization, and maximizing shareholder value. Through our diligent approach to financial management, we ensure the effective deployment of resources to drive our business growth and deliver value to our stakeholders.

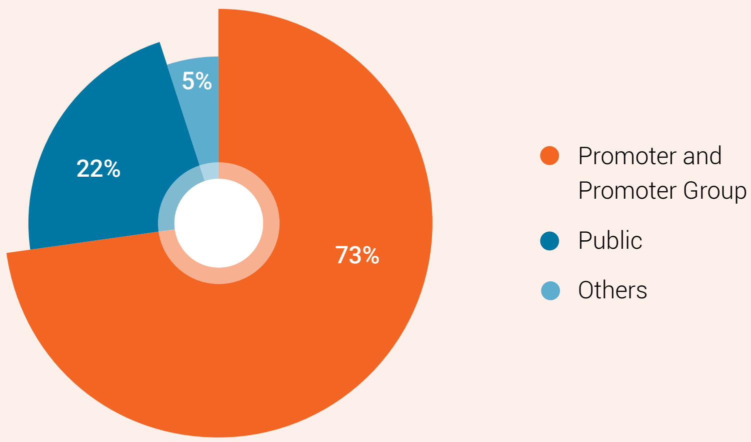
Debt-Free

Balance sheet

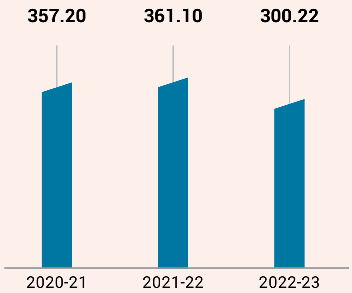
Market Leader

In Retail and SMB segment

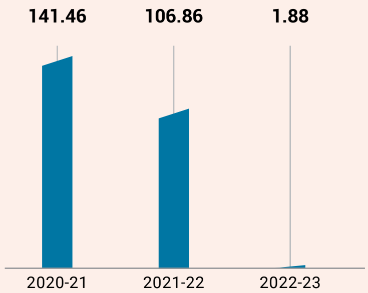
Shareholding Pattern



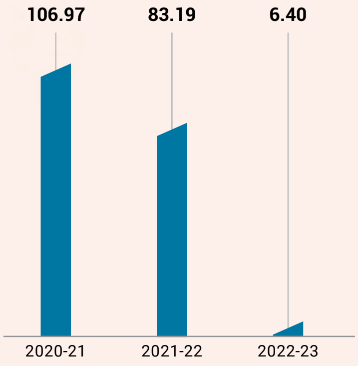
TOTAL INCOME (in ₹ Crores)



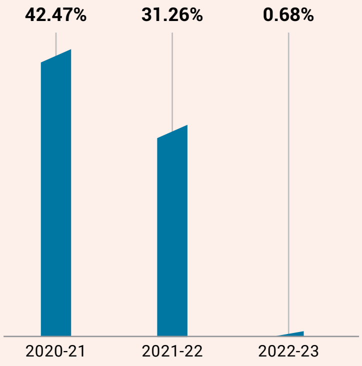
EBITDA (in ₹ Crores)



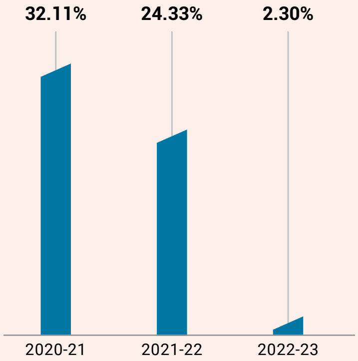
PROFIT AFTER TAX (PAT) (in ₹ Crores)



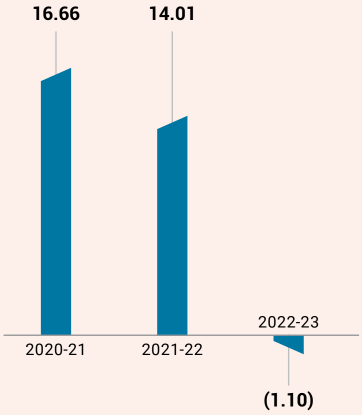
EBITDA MARGIN (in %)



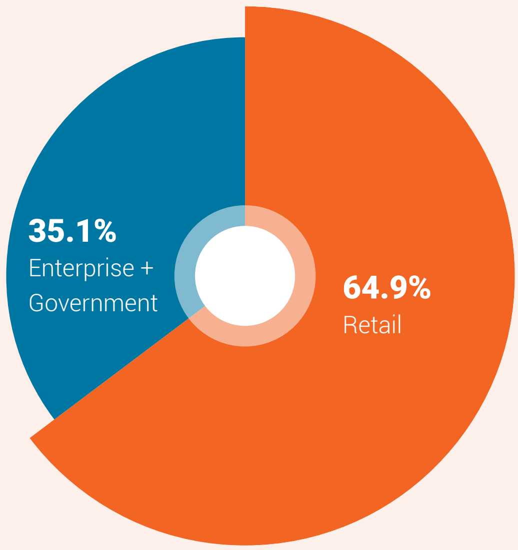
PAT MARGIN (in %)



Basic EPS (in ₹)



2022-23 Revenue Split



₹ 197.5 Crores

Retail revenue

₹ 106.9 Crores

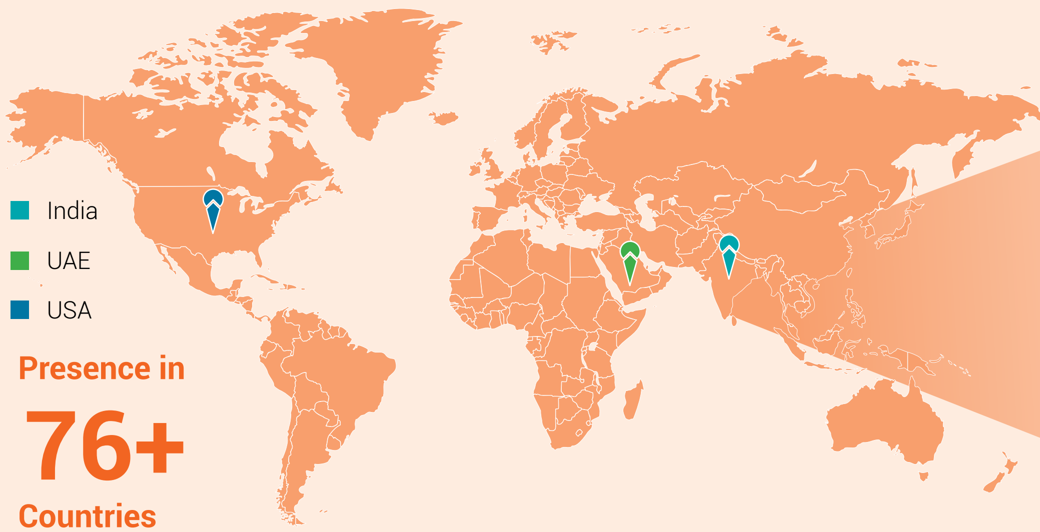
Enterprise revenue

SECURING OUR SERVICE CAPITAL

We firmly believe cybersecurity is an ongoing and continuous process rather than a one-time event. With a wide-reaching global presence, we are dedicated to providing our customers with prompt and high-quality support, regardless of their geographical location. Thus ensuring the fulfillment of their cybersecurity needs.

Our cybersecurity solutions are customized to cater to the unique requirements of businesses across industries and of all sizes. Supported by a dedicated team of experts, we are fully committed to delivering outstanding customer satisfaction by providing excellent service and continually innovating our offerings. Our comprehensive range of services includes threat detection and response, endpoint security, network security, cloud security, and more. With our expertise and tailored solutions, we aim to empower businesses with robust cybersecurity measures.

Even before the ransomware or malware attacks the system, securing the data at rest seemingly builds up a wall against such external cyber threats. Implementing strong authentication, access, and identity management protocols, followed by identification and classification of sensitive and highly vulnerable data across hybrid IT systems are some of the prerequisites for this process. We protect enterprises and retail segments through our robust solutions.



Presence in 76+ Countries

- Italy
- Colombia
- Venezuela
- Ecuador
- Philippines
- Malaysia
- New Zealand
- Hong Kong
- Cambodia
- Gambia
- Greece
- Mexico
- Kenya
- Jordan
- Australia
- Singapore
- Chile
- UAE
- Nigeria
- Qatar
- Congo
- Bangladesh
- Thailand
- The United States of America
- Honduras
- Peru
- Poland
- Mauritius
- Kuwait
- Tanzania
- Aruba
- South Korea
- Canada
- Iraq
- Sri Lanka
- Saudi Arabia
- Panama
- El Salvador
- Japan
- South Africa
- Bolivia
- Zambia
- Netherlands
- Papua New Guinea
- Spain
- Myanmar
- Paraguay
- China
- Guinea
- United Kingdom
- Rwanda
- Uganda
- Uruguay
- ARGENTINA
- Ghana
- Libya
- Brazil
- American Samoa
- Albania
- Andorra
- Afghanistan
- Turkey
- Anguilla
- Coral Sea Islands
- Oman
- Angola
- Togo
- Solomon Islands
- Malawi
- Morocco
- Belgium
- Chad
- Vietnam
- Bhutan
- Nepal

Geographical Footprint

Committed to offering high-quality products and services through reliable support from our teams at the back-end:

- The Product Development Team is committed to creating innovative products and solutions that cater to the changing needs of consumers.
- The Product Management Team is responsible for the task of promptly meeting the market's requests for our products.
- The Quality Assurance Team is steadfastly committed to upholding and developing industry standards for quality.
- The Incident Response Team reacts quickly to serious attacks and outages. They put in a lot of effort to make sure that despite substantial setbacks, our customers' operations run smoothly.

Presence in

22

Cities in India

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

This map is a generalised illustration only for the ease of the reader to understand the locations, and it 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 of connection to its accuracy or completeness.

SIMPLIFYING SOLUTIONS THROUGH INTELLECTUAL CAPITAL

Our Company makes significant investments in research and development to pioneer cutting-edge technologies and innovative solutions that effectively combat the constantly evolving cyber threats. At Quick Heal, we have a strong focus on intellectual capital management, which entails creating, protecting, and leveraging our intellectual property assets to create long-term value for stakeholders.

The rapid pace of digital transformation demands the utilization of technologies such as Cloud Computing, IoT, AI, and Machine Learning. However, this progress, combined with the widespread use of mobile devices, has also led to a surge in cybersecurity incidents. To address this escalating threat landscape, the development of innovative cybersecurity solutions is imperative. Quick Heal is actively responding to this need by creating advanced solutions such as Zero Trust, Data Privacy and Security, Extended Detection and Response, Cloud Security, and Network Security systems.

To safeguard our innovative offerings, we have implemented a comprehensive intellectual property protection strategy encompassing patents, trademarks, copyrights, and trade secrets. Through efficient management of our intellectual capital, we have maintained a competitive edge, delivered high-quality products and services, and generated sustainable value for our customers and shareholders.

Product and Services Development

Key focus areas in the retail segment

- Enhance the products' user interface with a fresh look and improved flow.
- Utilize feature telemetry to prioritize frequently used features and streamline unused features.
- Streamline the renewal and upsell process.
- Establish an engagement model that includes a security score and privacy score, along with recommendations for improvement.
- Introduce a centralized portal for antivirus software across both desktop and mobile devices, ensuring a seamless experience.

Key focus area in the enterprise segment

- Upgrade the product's user interface to a modern and streamlined design.
- Utilize feature telemetry to optimize frequently used features and streamline unused features.
- Introduce a distributed architecture to accommodate endpoint distribution across multiple branches.
- Scale on-premise deployment to support 100K+ endpoints
- Provide API control for seamless SOC integration.

Integrating Environmental Sustainability

Our commitment to sustainability goes beyond innovation and research & development (R&D). We actively integrate sustainability into our offerings, as exemplified by our Version 23. This release showcases the harmonious integration of innovation and sustainability within the cyberspace. Our focus on reducing our carbon footprint has driven significant changes in the packaging design, which is now smaller and crafted entirely from biodegradable and reusable materials. Additionally, we have eliminated the use of Compact Discs, resulting in a more user-friendly and environmentally conscious product. These modifications underscore our dedication to environmentally sustainable and customer-friendly innovation. The redesigned packaging serves as a testament to our belief that product innovation and sustainability can coexist and mutually reinforce each other.

Our Company's New Product Lines are Broadly Bucketed Into 3 Categories

- **Endpoint:** Our endpoint security product is undergoing a transition towards EDR (Endpoint Detection and Response) and XDR (Extended Detection and Response) to enhance its capabilities in terms of detection and response. This shift involves leveraging automation, AI, and ML technologies to move beyond traditional protection measures.
- **Next chain:** Our latest launch in Zero Trust User access and network access products has gained significant traction, and we are proud to have acquired our first customer in 2022-23. This reflects the value and appeal of our innovative solutions in the market.
- **Data Privacy:** In the current digital era, safeguarding the privacy of data and personal identity has become of utmost importance. With an abundance of sources available to hackers and fraudsters, valuable data is vulnerable to theft and manipulation. Our privacy section encompasses a comprehensive range of features specifically designed to protect data, personal information, and privacy. Through our products like, HawkkScan, we aim to provide individuals with peace of mind and ensure their information remains secure in an ever-evolving digital landscape.

Establishing Product Market Fit

In response to the increasing demand for data privacy regulations worldwide, we have created a product specifically designed to help companies safeguard sensitive information stored in their databases. As data protection and privacy legislation becomes more prominent, Quick Heal acknowledges the significance of ensuring that businesses comply with these regulations and protect the Personally Identifiable Information (PII) of their customers. Additionally, we are addressing the emerging field of API security through our investment in L7 Defense, catering to the evolving technological landscape.

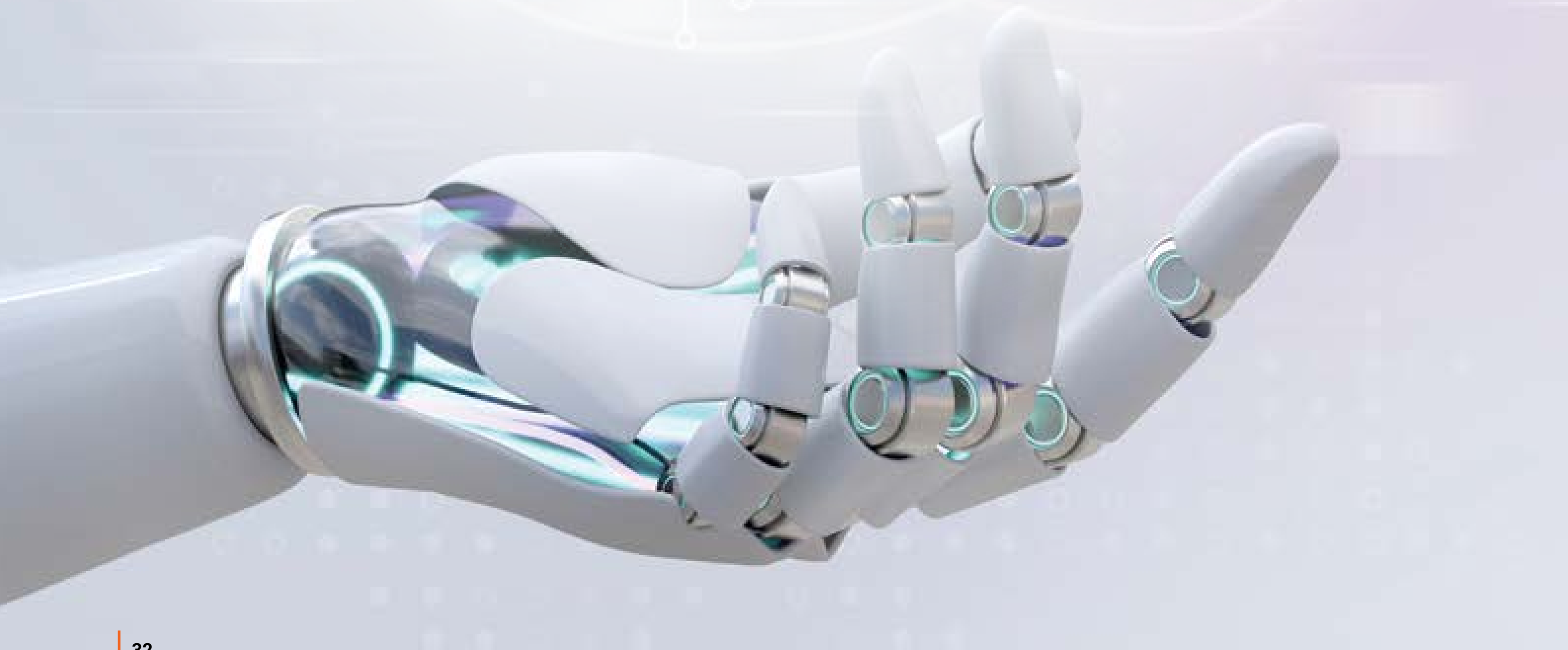
Quick Heal's product provides organizations with advanced security measures and cutting-edge technology to effectively prevent unauthorized access to sensitive data stored in databases. Our objective is to empower businesses to operate with confidence, knowing that their customers' data is securely protected and that they are fully compliant with all applicable data privacy laws.

At Quick Heal, we understand the paramount importance of data privacy for businesses and their customers. That's why our solution offers a robust and dependable method to secure databases and safeguard customers' Personally Identifiable Information. We are committed to providing businesses with the necessary tools to ensure the privacy and protection of sensitive data.

Our Existing Product Base

Retail and SOHO: Quick Heal

Enterprise Segment: SEQRITE



Our Innovative Enterprise Cybersecurity Solutions:

- Enable digital transformation and empower businesses
- Provide Chief Information Security Officers (CISOs) and IT management with enhanced capabilities
- Offer complete visibility into enterprise security status and valuable insights
- Strengthen an organization's defense against emerging cyber attacks on endpoints, mobile devices, data infrastructure, and applications
- Powered by proprietary technologies, cloud, and artificial intelligence (AI)
- Feature quick deployment, lightweight, and user-friendly operation
- Consolidate cybersecurity silos and facilitate data-driven decision-making, ensuring a holistic security posture

International & ISO Certifications

- 'Advanced Approved Endpoint Protection Certificate' and 'AV Test Certification' for SEQRITE Endpoint Security, for Top Product in 2022-23 (Second Time in a Row)
- SEQRITE Certified and Approved for its Endpoint Anti-Malware Solution by ICSA Labs
- SEQRITE Certified and Approved for its Endpoint Anti-Malware Solution
- ISO 9001:2015 Certified
- ISO 20000-1:2018 Certified
- ISO 27001:2013 Certified
- AV Test 02/2021 Windows-Approved
- Corporate Endpoint Protection
- AV Test 06/2020 Certified Windows
- Labs Endpoint Security Certified
- DSCI Excellence Award – Cybersecurity

Strategic Advantages Arising from Our Patent Approvals and Certifications:

- Confirming the excellence and market appropriateness of our products
- Raising product awareness in the market
- Establishing and protecting a competitive advantage
- Increasing customer faith

SUSTAINING OUR NATURAL CAPITAL

We take cognizance of preserving and protecting the natural environment for the long-term sustainability of our planet. As a responsible corporate citizen, our Company has been investing in natural capital, which includes initiatives focused on reducing its carbon footprint, conserving energy, and minimizing waste generation.

We are dedicated to utilizing eco-friendly materials and promoting sustainable practices throughout our operations. By investing in natural capital, we not only fulfill our corporate social responsibility but also safeguard our long-term business interests. We recognize that environmental degradation and resource depletion can have a significant impact on our business in the long run. Therefore, we strive to implement the '3R waste management approach' of Reduce, Reuse, and Recycle whenever and wherever possible.

Through proactive measures to mitigate these risks, we ensure the availability of resources, maintain a clean and healthy environment, and create sustainable value for all stakeholders.

We have set up a 45 KW solar power plant at our Shivajinagar office in Thube Park, Pune.

As part of our commitment to conserve electricity consumption in our offices, operations, and R&D facilities, we have implemented efficient lighting solutions. Furthermore, we utilize renewable energy sources to meet 3% of our total power requirements and 9% of our R&D power requirements.

We Integrate the Following in Our Business Processes:

- Existing legislation to control e-waste
- Decreased use of electricity
- Packaging with responsibility

Extended Producer's Responsibility

Leading the Way by Recycling E-Waste

Quick Heal takes great pride in being one of the few companies in the industry to proactively adopt, implement, and publish the Extended Producer Responsibility (EPR) report in accordance with the guidelines outlined in the E-waste Management Rules of 2022. As part of our commitment, we assume 100% ownership of the disposal of our e-waste. We have established accessible centers for our customers and partners to conveniently dispose of their e-waste. The disposal process is carried out through authorized e-waste recyclers to ensure proper and responsible management.

Quick Heal Version 23

Moving Towards a Greener World

Our commitment to sustainability is exemplified by the introduction of Version 23, a significant milestone in our efforts to reduce our carbon footprint. We have made visible changes to our packaging, reducing its size by 38% and utilizing biodegradable and reusable materials. By minimizing the use of natural resources in packaging production, we contribute to the preservation of trees and water while reducing fuel consumption in transportation. Furthermore, we have deliberately eliminated the use of Compact Discs in this version, resulting in a substantial reduction in e-waste. These small yet impactful measures collectively contribute to a significant reduction in our carbon footprint.

ENHANCING OUR SOCIAL AND RELATIONSHIP CAPITAL

We recognize our responsibility towards society and are committed to making dedicated efforts in the areas of cybersecurity awareness, life skill education, and healthcare. To foster social capital, our Company actively engages with customers, partners, and communities through various initiatives, including online forums, social media platforms, and corporate social responsibility programs.

Community Engagement

Our goal is to establish cyber safety as a fundamental right for all, and we are committed to taking practical measures that promote a well-educated and cyber-secure society. As part of our efforts, we organize street plays to empower our stakeholders and raise awareness about the importance of cybersecurity and the available solutions.

Corporate Social Responsibility

At Quick Heal, through our CSR arm, we collaborate with all our stakeholders, including customers, partners, investors, industry bodies, and local administrations, to promote cyber safety awareness. Our CSR initiatives are aligned with several United Nations Sustainability Development Goals (UN-SDG 4, 5, 8, 10 & 11). Education and healthcare serve as crucial tools to drive social impact, and as a company, we continuously introduce programs that enhance the well-being of our employees and partners while inspiring them to contribute to the greater good of the community.

The Company thoughtfully aligns with and supports volunteering partners that uphold and advance the following principles:

- Providing equal opportunities for all employees regardless of their race, color, religion, gender, gender identity, national origin, ethnicity, age, sexual orientation, disability, marital status, veteran status, or any other characteristic protected by law.
- Maintaining a safe and healthy workplace that promotes well-being and protects the environment.
- Providing fair wages that enable employees to meet their basic needs and opportunities to improve their skills and capabilities.
- Respecting our employees' lawful freedom of association and acknowledge their legal rights to organize and collectively bargain.

Our programs are executed on the ground by the Foundation. With the aim of empowering tomorrow's changemakers the Company's goal is to maximise the outreach and impact not only in the under-privileged, marginalized and tribal sections of society but also the future leaders – the youth.

Arogyam Mann Sampada

The Company undertook the responsibility to offer mental wellbeing services to the underprivileged students in the post-Covid-19 outbreak phase. This was a step ahead to be able to contribute towards society we thrive with and within, doing our bit to mitigate the after-effects on the mental wellbeing of the pandemic-led havoc.

Quick Heal Foundation

Through Quick Heal Foundation, our corporate social responsibility (CSR) arm, we focus on various social welfare initiatives. The Foundation is committed to addressing important social issues such as education, healthcare, environment, and disaster relief. We work closely with communities and non-governmental organizations to identify the areas where our support can make a real difference. The Foundation is an integral part of our corporate values, and we are proud of the positive impact we are making through our various initiatives.

Cyber Shiksha for Cyber Suraksha (UN-SDG 4, 5, 8, 10 & 11)

Cyber Shiksha for Cyber Suraksha is one of Quick Heal's key CSR initiatives that creates cyber safety awareness in schools and colleges through street plays, workshops, multi-language webinars and 'Cybersecurity Oath' taking ceremonies across India. This initiative entails specific program under its umbrella called 'Earn and Learn' that trains Computer Science volunteers to further impart their knowledge amongst communities at large. Volunteering students thus gain valuable skills that increases their employability. In addition, thoughtfully curated activities are conducted with a purpose to educate various underprivileged sections of society on digital risks and the ways to mitigate those.

2

States added to Cyber Shiksha for Cyber Suraksha initiative coverage – Kerala & Goa

0.25 Million

People reached through medical vans

5 Million+

Lives touched to date

400

Villages across 10 states

Organized the first edition of the 'Cyber Shiksha for Cyber Suraksha Awards'

The award ceremony recognized the outstanding contributions made by volunteering universities, teachers, and students towards raising awareness on cyber safety, particularly among the marginalized sections of society. The institutions that participated were recognized for their valuable contribution to the cause of promoting cyber safety awareness among people from diverse socio-economic backgrounds.

The Arogya Yan

Through our donation of state-of-the-art medical vans, fully equipped with necessary medical aid and healthcare equipment, we aims to bring healthcare facilities to the rural areas of India, where people often struggle to access proper medical facilities. These fully equipped vans travel to remote locations, providing basic health check-ups, diagnoses, and essential medicines to those in need.

12

Arogya Yans donated in Maharashtra, Kerala, Tamil Nadu, UP, Bihar, Jharkhand, Assam, Rajasthan, MP, Chhattisgarh

Quick Heal Academy

We established the Quick Heal Academy, a world-class training institute to provide comprehensive cybersecurity training to individuals and organizations. Our aim is to bridge the skills gap in the cybersecurity industry and create a talent pool of trained professionals who can help combat cyber threats. Through our academy, we offer a wide range of training programs, offline and online, and also certification courses. Our courses are designed by cybersecurity experts and are updated regularly to keep up with the evolving threat landscape.

Distribution and Supply Partnership

As we strive to expand our reach and better serve our customers, we are constantly seeking like-minded partners in both the retail and enterprise sectors. Our partner acquisition process is carefully designed to ensure that we bring on board the right partners who share our values and vision.

Through our partnership program, our associates gain access to a profitable business that guarantees growth and recurring revenue through future-proof, innovative solutions. We believe that our success is intertwined with that of our partners, and we work closely with them to create value and drive success for all.

SECURING OUR CUSTOMER CAPITAL

The lack of consumer awareness remains a significant challenge in the cybersecurity space. To address this, we actively seek the proactive engagement of our customers throughout the value chain. We are committed to disseminating information about the importance of investing in data asset security and privacy, encouraging individuals to prioritize these aspects.

The current anti-virus protection coverage for laptops is less than 25%. This range is forecasted to improve to 50%, or even higher in developed countries. This presents an opportunity to capture a larger market share by meeting the growing demand in the cybersecurity space. Our company is actively working to enhance this situation, which in turn is expected to drive our Company's revenue growth.

To achieve these objectives, we have implemented various initiatives that focus on improving customer service and satisfaction. These efforts not only contribute to building a loyal customer base but also attract new customers to our offerings.

- 24*7 customer support services
- Releasing various articles, technical papers, and quarterly threat reports
- Webinars
- Information dissemination through social media handles, press engagements, social media platforms and websites
- Knowledge-sharing and building consumer awareness
- Effective grievance redressal mechanism
- After-sales services

Aligned with the Government's Data Security Push Initiative

With the impending implementation of data privacy laws by the Government, enterprises will be required to prioritize the protection of the data they collect, particularly personally identifiable information (PII) gathered from customers or vendors. Quick Heal recognizes the significance of this matter and is actively assisting its customers in safeguarding their data while ensuring compliance with these regulations.

Quick Heal and SEQRITE assume the responsibility of equipping customers with solutions to effectively address any potential data breaches. Our offerings provide anticipated financial stability by mitigating the repercussions of such breaches. By doing so, we aim to create greater awareness among enterprises about the importance of investing in data protection-related products and services.

Consumer Awareness

We organized multiple events in various metropolitan cities in India, specifically targeting CIOs and CISOs. We recognize that these individuals hold critical decision-making roles when it comes to selecting and implementing cybersecurity products. Therefore, our efforts have been focused on reaching out to them and fostering engagement with them.

High Product Standards

At Quick Heal, we are committed to fostering trust among consumers by offering reliable, high-quality, and high-performance products. As we cater to millions of individuals in the IT security industry, we strive to manufacture our products in a cost-effective manner to make them accessible to a wider range of consumers. Our products adhere to all legal and internal company standards, which often surpass minimum requirements. We actively participate in programs that educate and promptly assist consumers in case of suspected product compromise. It is our responsibility to promptly report any concerns regarding product quality or safety to our business unit leader. Our primary focus is to ensure consumer satisfaction and delight with our products.

Responsibilities towards Consumers

As a business focused on IT security, our success hinges on satisfying our customers and building trust and goodwill with them. To achieve these goals, we are committed to a consistent, fair, and empathetic approach to consumer communication. We understand the value of anticipating and addressing the changing needs and preferences of our customers. Their opinions, concerns, and inquiries about our products provide us with valuable information. We recognize that consumer needs are always evolving, and so we must continually listen to their feedback to stay ahead of the curve. In the event of consumer dissatisfaction, our Consumer Response Team promptly, courteously, and equitably addresses the issue and makes every reasonable effort to regain the customer's trust and loyalty.

Effective Advertising

The advertising component of our business plays a critical role, and we place a strong emphasis on creativity and competitiveness while upholding principles of honesty, accuracy, and compliance with relevant laws. It is of utmost importance that our advertising efforts do not promote stereotypes or discriminate against individuals based on factors such as race, religion, national origin, ethnicity, gender or gender identity, age, sexual orientation, veteran status, marital status, disability, or any other protected characteristic. Our advertisements not only shape our product image but also contribute to our reputation for being reliable, dependable, and trustworthy.

SECURING OUR HUMAN CAPITAL

We believe in nurturing and upskilling our talented and motivated team in the cybersecurity industry. Our dedicated team members are the driving force behind our achievements, and we are committed to keeping them motivated. We foster a sense of unity and shared purpose, encouraging them to work towards achieving organizational goals while also supporting their personal growth.

Ethics and Inclusivity

Our employees are our greatest asset and we strive to maintain an inclusive work environment that attracts and retains individuals from diverse backgrounds. We are committed to prohibiting all forms of harassment, favoritism, and discrimination in the workplace, and provide policies and procedures to support this commitment. Coupled with these, we...

Actively foster an environment of creativity and innovation. We believe that supervisors should treat their subordinates with respect and trust, granting them the freedom to perform their jobs and offering suggestions for improving their performance.

Prioritize enhancing employee engagement through various methods, including skip-level sessions, regular one-on-one sessions, and coaching sessions. We achieve this by promoting clear communication and providing comprehensive training opportunities.

Have implemented an effective grievance redressal mechanism, which includes policies such as POSH (Prevention of Sexual Harassment) and Whistle Blower Policy. These mechanisms are in place to ensure better management of internal affairs and address any instances of unethical behavior within the organization.

Are actively working on initiatives related to 'Women in Tech', including exclusive career pathways and programs aimed at fostering aspiration development.

Office Infrastructure

Our office infrastructure is designed to prioritize the safety of all employees. This is achieved through the provision of free passages and ample spaces that work towards reducing the risk of accidents. All doors are access controlled to monitor external entries, and the entire office is under CCTV surveillance, as well as manned by physical guards, thus enhancing workplace security.

For Providing Consistent Upskilling Training for Our Employees

We conduct micro-learning sessions and workshops on idea pitching, excellence building. It involves encouraging our employees to participate in conferences and webinars. Our technical support team receives monthly product refresher and soft skills training and assessment, alongside a technical certification reimbursement up to ₹ 0.2 Million.

Objective and Key Results (OKR) Framework

Implemented to align our workforce to the business objectives

This approach is closely monitored and enables us to consistently add value to our business. We believe in a culture of continuous feedback, regular check-ins, and merit-based growth assignments to foster a high-performance work environment.

We undertook several initiatives to strengthen engagement and motivation levels:

- Launched Oorja, an employee focused meeting and new joiner connect
- Conducted Regular Human Resource Business Partner (HRBP) connects
- Introduced MAP (manager development program), a manager sensing program by skip-level team members
- Organized half yearly town hall
- Organized yearly ESAT survey
- Implemented HR help desk to address employee queries
- Introduced SART, a Suspicious Activity Reporting Tool
- Introduced POSH Committee to address sexual harassment issues
- Launched LMS and one central catalogue of learning content
- Procured Pluralsight license for catering to technical skills development

Employee Safety

At Quick Heal, we prioritize the safety and health of our employees by eliminating potential hazards and strictly prohibiting the possession and use of illegal drugs, alcohol, weapons, and violent behavior on premises or during business activities. Alongside this, we take the following measures in form of initiatives that not only show our commitment to our employees' health and wellbeing but also contribute to a more productive and motivated workforce.

- Nurturing a culture of open and honest communication, mutual respect, and safety
- Ensuring workplace safety such as access control doors, CCTV surveillance, and fire safety equipment
- Conducting regular fire drills to ensure preparedness in case of emergencies
- Making our workplaces amenable to the needs of differently abled employees by providing accessible entry and exit points, parking spaces, and lifts
- Extending pantry services on desks for their convenience
- Making sure that our employees and their families are covered by health insurance and mediclaim, which provide support for hospitalization expenses; we have also given the option to add parents as a top-up, keeping their wellbeing in mind

SUSTAINING A STRONG GOVERNANCE

Quick Heal is dedicated to upholding strong corporate governance principles. We have implemented a robust risk management framework to ensure the long-term sustainability and success of our business.

We aim to build a strong governance framework with responsible and transparent policies to create long-term value for our stakeholders. Our Company's approach to value creation is based on a robust corporate governance framework which encompasses a holistic approach with fair and accountable operations – while maintaining integrity and conducting ethical business practices. Our Company has laid down a Code of Conduct for all Board members and senior management personnel, which is available on our Company's website.

Transparency and Clear Communication

We recognize that effective corporate governance relies on a comprehensive understanding of the roles and relationships within the corporate structure, including the Board of Directors and senior management. Therefore, we prioritize sincerity, fairness, good citizenship, and commitment to compliance as essential characteristics that guide the interactions between the Board, senior management, and other stakeholders.

At Quick Heal, we are committed to sustainably elevating our value creation process. We understand that the actions of our Board play a critical role in achieving this goal. As such, our Board strives to achieve higher standards and provides oversight and guidance to the management in strategy implementation, risk management, and fulfillment of stated goals and objectives.

We believe that through the diligent efforts of our Board, we can continually improve our operations and deliver value to our stakeholders. Our commitment to excellence in governance is a key driver of our success, and we remain focused on achieving our goals and objectives in a responsible and sustainable manner.

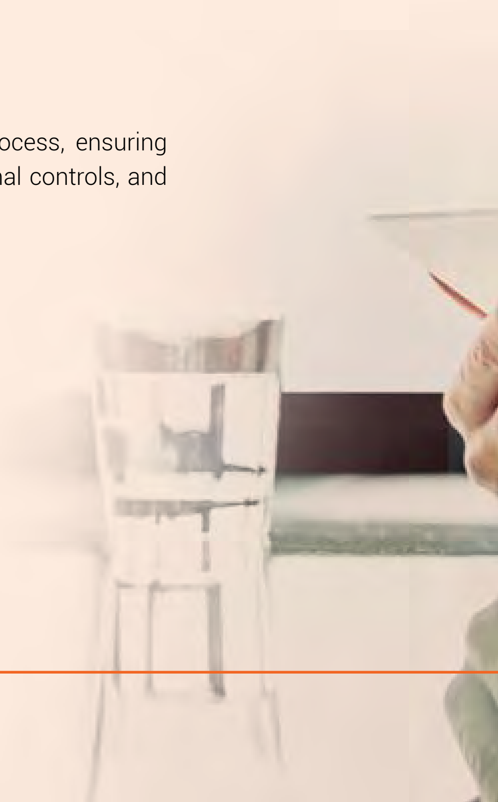
Committees

Audit Committee

The Audit Committee is responsible for overseeing the financial reporting process, ensuring compliance with accounting standards and legal requirements, reviewing internal controls, and appointing and reviewing the performance of the statutory auditors.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for determining the selection criteria for the Board of Directors and top management, evaluating their performance, and recommending their remuneration packages. The Committee also ensures that the remuneration policy is aligned with our Company's goals and objectives.



Stakeholders Relationship Committee

The Stakeholders Relationship Committee is responsible for addressing the grievances of various stakeholders, including shareholders, customers, employees, and vendors. It ensures that their interests are safeguarded and that our Company maintains good relations with them.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee oversees our Company's CSR initiatives and ensures that they are aligned with our Company's values and business strategy. It reviews the CSR policy, identifies focus areas, and monitors the implementation of CSR activities.

Risk Management Committee

Our Company has implemented a suitable mechanism to keep the Board members informed about risk assessment and mitigation procedures. Regular reviews are conducted to ensure effective risk control by the executive management, following a well-defined framework. The Risk Register is presented to the Committee members on a quarterly basis.

BOARD OF DIRECTORS

Dr. Kailash Katkar
MD & CEO

Dr. Kailash Katkar drives the strategic direction for our Company while nurturing a strong leadership team to drive its execution. He successfully led our Company to become the first Indian cybersecurity company to go public in 2015-16. With a strategic business approach and a visionary mindset, he consistently delivers exceptional business value to Quick Heal Technologies Limited regarding financial performance, customer satisfaction, market share, and productivity.

Dr. Sanjay Katkar
Joint Managing Director and CTO

Dr. Sanjay Katkar, Quick Heal Technologies' Joint MD and co-founder since 1995, leads global tech strategy, R&D, and malware research. His leadership and tech passion led to innovative antivirus products, propelling the Company globally. As a renowned speaker at industry forums and esteemed institutions, Dr. Katkar's contributions were honored with an MIT-ADT University Honorary Doctorate in 2018-19.

Bhushan Nilkanth Gokhale
Independent Director

Mr. Gokhale has served on the board of defence PSUs and adviser to government institutions; had worked in the National Security Council & has been consultant to DRDO.

Mr. Amitabha Mukhopadhyay
Independent Director

Mr. Mukhopadhyay has over three decades of experience in corporate finance, legal and litigation, strategy and M&A. He served as the Group CFO of Thermax.

Mr. Richard Stiennon
Independent Director

Mr. Stiennon 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.

Mr. Shailesh Lakhani
Non-Executive Director

Mr. Lakhani serves as the Managing Director at Sequoia Capital India. Previously, he worked at Redknee's India subsidiary as the Managing Director.

Mr. Mehul Savla
Independent Director

Mr. Savla serves as Director for RippleWave Equity Advisors LLP. previously, worked at JP Morgan, ICICI Securities and SEBI.

Ms. Apurva Joshi
Independent Director

Ms. Joshi is a certified bank forensic accounting professional and anti-money laundering expert.

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
(Resigned w.e.f. November 25, 2022)

Ms. Apurva Joshi
Independent Director

Mr. Richard Stiennon
Independent Director

Leadership Team

Ms. Anupama Katkar
Chief of Operational Excellence

Mr. Ashish Pradhan
CTO

Mr. Navin Sharma
Chief Financial Officer
(Resigned w.e.f. April 18, 2023)

Mr. Ankit Maheshwari
Chief Financial Officer
(Appointed w.e.f. April 26, 2023)

Mr. Sanjay Agarwal
Chief Product Officer

Mr. K. Venkateswaran
Senior Vice President – Enterprise Sales

Mr. Sudhanshu Tripathi
VP, Head Marketing and Growth

Ms. Swapna Sangari
VP, Human Resource

Mr. Ashish Kadam
Director, Government Business

Mr. Deepak Mishra
Head, Retail Sales

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 6681 3232

E-mail id: cs@quickheal.co.in

Website: www.quickheal.co.in

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC OVERVIEW

Building sustainable economies, one transformation at a time

The global economy demonstrated remarkable resilience throughout 2022 and continues to forge ahead with a positive and optimistic outlook for the future. Even though the inflation and geopolitical conflicts at the beginning of 2022 slowed the GDP growth rate, the economy remained progressive. Governments around the world tightened monetary policies, undertook structural reforms, and increased capital expenditures to encourage economic activity and enhance the future of the global economy.

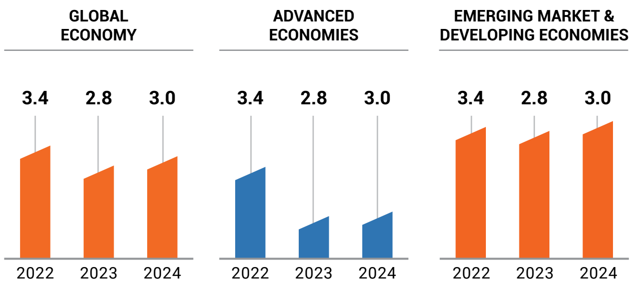
Inflation has been steadily on the rise, leading to a sluggish pace of progress in both developed and developing economies. Central banks and governments worldwide have implemented various policy changes in response. The primary focus for many economies is to achieve sustained disinflation as a top priority.

OUTLOOK

The economic forecast for 2023 is expected to remain steady with the International Monetary Fund (IMF) predicting a global growth rate of 2.8% in 2023, rising to 3.0% in 2024, as per the World Economic Outlook April 2023 forecast. A stronger boost in economic activity is expected to arise primarily from pent-up demand across several economies with a considerable fall in inflation, from 8.7% in 2022 to 7% in 2023.

WORLD ECONOMIC OUTLOOK, April 2023
(Region-wise % change)

GROWTH PROJECTIONS
(Real GDP growth, %)



(Source: IMF)

INDIAN ECONOMIC OVERVIEW

Embracing sustainable growth through higher resilience

The Indian economy has persevered the economic stress following the Covid-19 pandemic. The reduction in capital formation growth rates, the slow expansion of credit, and the rise in non-performing assets brought on by excessive lending during the preceding ten years are clear indicators of the recovery. The Government has enhanced the budgeted capital spending by 2.7 times between 2016 and 2023 to accelerate the capex cycle.

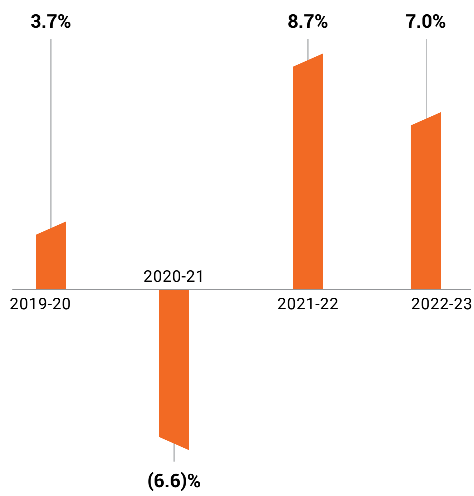
India's economy is being driven by strong fundamentals, wherein key industries like manufacturing, infrastructure, and healthcare are expected to experience growth. As a result of the proactive policies and measures implemented by the Indian Government to promote economic growth, such as the National Infrastructure Pipeline and the Production-Linked Incentive plan, the cybersecurity market is expected to experience a notable upturn in the near future. These initiatives are anticipated to indirectly contribute to the positive trajectory of the cybersecurity sector, paving the way for significant growth in the coming years.

OUTLOOK

Although the Reserve Bank of India (RBI) has maintained a tighter economic policy, its inflationary outlook shows a ray of hope, given the current circumstances. The RBI anticipates inflation to be closer to a moderate level in the first half of 2023-24, owing to a possible revival of demand. It had projected a headline inflation rate of 6.8% for 2022-23, i.e., outside its target range. However, it is expected to gradually decrease with the implementation of higher interest rates.

The Economic Survey projects growth rates of 6.5% in 2023-24, while in nominal terms, the GDP growth is predicted to reach 11% in the upcoming fiscal year. India is expected to benefit from sustained low oil prices and a projected decrease in the current account deficit. The International Monetary Fund (IMF) has maintained its fiscal growth forecast of 6.8% for India. The Union Budget 2023-24 outlines an increase in government spending, which, combined with heightened private consumption and investment, is anticipated to bolster demand and foster economic growth.

INDIAN ECONOMY: GDP GROWTH (% Change)



(Source: MoSPI, PIB, IMF, RBI)

INDUSTRY OVERVIEW

GLOBAL CYBERSECURITY MARKET OVERVIEW

Securing cyberspace through better adaptation and solutions

The field of cybersecurity is both complex and essential in today's world. It plays a critical role in safeguarding the confidentiality, integrity, and availability of information systems. It encompasses various areas such, as Critical Infrastructure Security, Application Security, Network Security, Mobile Application Security, Cloud Security, and Internet of Things (IoT) Security.

A majority of cybersecurity firms agree that the range of attacks has significantly expanded compared to the previous year, and their impact extends beyond a single entity or sector. Cyber threats have evolved, and the growing global geopolitical instability has underscored the criticality of managing cyber risks. Geopolitical fragmentation is now influencing business operations and investments, driven by concerns over data protection and cybersecurity.

Besides, cyber executives have witnessed a notable shift in perception regarding the efficacy of data privacy laws and cybersecurity regulations in mitigating cyber risks across various sectors. While compliance challenges persist, they now acknowledge that regulations serve as a crucial incentive for proactive cybersecurity measures and actions.

Investing in cybersecurity is vital for countries to safeguard their digital and critical infrastructures, enabling greater participation in the global economy and progress towards long-term development goals. The United Nations recognizes cybersecurity as a key driver for sustainable development, as highlighted in the 2030 Agenda. Prioritizing cybersecurity not only protects infrastructures, but also promotes inclusive growth and sustainable development.

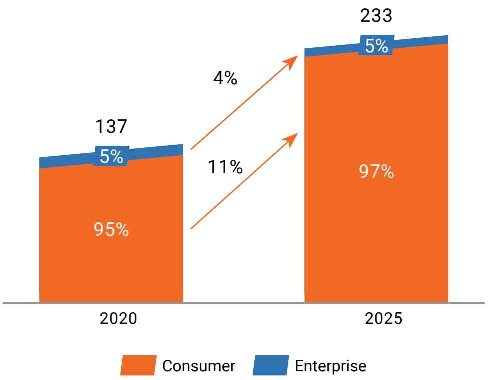
(Source: World Economic Forum 2023 Outlook)

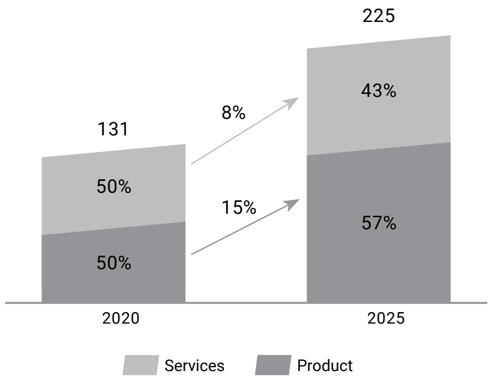
GLOBAL CYBERSECURITY MARKET SEGMENTATION

The global cybersecurity landscape is formed by a mosaic of various segments, encompassing network security, data protection, end-user education, and regulatory compliance. Together, these segments span a wide breadth and depth, creating a comprehensive framework for cybersecurity. The diversity and complexity of these domains reflect the multifaceted nature of cybersecurity, necessitating a segmented approach to effectively understand and manage it.

(Source: GlobeNewswire)

Global Cybersecurity Market (in US$ Billion)





Global Cybersecurity Market Segments

Component-wise:
Hardware, software, and services

Region-wise:
North America, Europe, Asia-Pacific, and RoW

Through Security:
Network security, endpoint security, application security, and cloud security

Vertical-wise:
BFSI, IT & telecom, healthcare, retail, manufacturing, energy & utilities, travel & transportation, and others

By deployment mode:
Cloud and on-premise

By the size of the entity:
Small, medium & large enterprises

GLOBAL CYBERSECURITY 2022 OVERVIEW

8,00,000

No. of cyber attacks per year

~71% of businesses

Victims of ransomware in 2022

2,200

Number of cyber attacks per day

92%

Malware delivered via email

Every **39** seconds

There is a cyber attack

60%+

Malicious DDoS attacks occurred during the first 6 months of 2022

3,00,000

New malware is created every day

97%

Security breaches exploit WordPress plugins

55,20,908

Mobile malware, adware, and riskware attacks blocked in Q2 2022

976.7%+

Emotet detections in the first half of 2022, compared to the first half of 2021

49 days

The average time it took to identify a ransomware attack

4.1 Million

Websites with malware at any given time

(Source: Cybersecurity Statistics 2023, Getastra)

2.8 Billion

Malware attacks in the first half of 2022

1.51 Billion

IoT breaches in the first 6 months of 2022

0.8 Billion

Malware attacks in the first half of 2022

255 Million

Phishing attacks in over 6 months in 2022

8,53,987

Domain names reported for phishing in 2022

5,00,000+

Users affected by malicious mining software in Q1 2022

67

Active Ransomware-as-a-service (RaaS) reported in the first 6 months in 2022

(Source: Cybersecurity Statistics 2023, Getastra)

Healthcare

Remains the top target of ransomware attacks

Iran

The most impacted country due to mobile malware attacks

VBA Trojan

Tops the malware variants ranking in 2022

US$ 29 Million

Stolen from a fintech company by a hacker

US$ 1.4 Billion

Lost to breaches on cross-chain bridges this year

US$ 3 Billion

Worth of cryptocurrency was stolen in hacks till now

(Source: Cybersecurity Statistics 2023, Getastra)

Industry-wise Most Prevalent Malware 2022

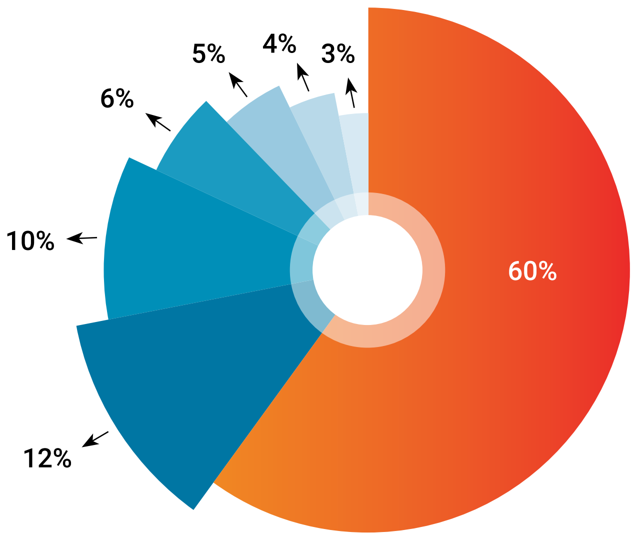
The symbiotic relationship between the advancement of technology and the evolution of malware has resulted in an array of malicious programs with diverse targets and impacts. From ransomware crippling healthcare systems to spyware infiltrating corporate networks, each industry has faced unique challenges based on its technological footprint and vulnerability profiles.

Industry	Malware
Power & Energy	Trojan.Meterpreter
BFSI	W32.pioneer.CZ1
Telecom	Nsis.Bitmin
Transport	Trojan.Convagent
Government	Worm.Autoit.Sohanad.S
Strategic & Public Enterprises	W32.Pioneer.CZ1
Automobiles	Trojan.NSIS.Miner.SD
Education	W32.Neshta.C8
Hospitality & Healthcare	LNK.Browser.Modifier
IT/ITES	W32.Brontok.Q
Manufacturing	PIF.StucksNet.A
Media & Entertainment	Worm.Tupym.A5
Professional Services	Trojan.injectPyinc.P86
Logistics	Trojan.GenericPMF.S1033697

DETECTION METHODS

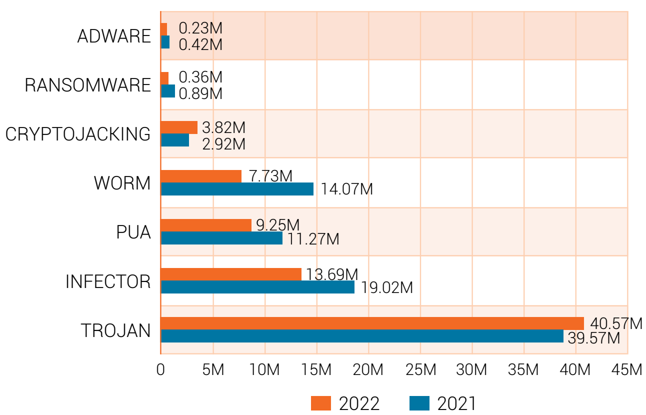
CYBERSECURITY DETECTION METHODS ARE ESSENTIAL IN PREVENTING AND MITIGATING CYBER ATTACKS.

Protection-wise 2022



(Source: SEQRITE Annual Threat Report 2023)

Category-Wise Detection YoY



DETECTION TYPES FOR IDENTIFYING VULNERABILITY

Network Security Scan

Refers to using IDS/IPS to analyze network traffic, detect known cyber attacks, and prevent malware from damaging the system.

Memory Scan

Examines the system's memory for any malicious programs running and removes them.

On-Demand Scan

Involves scanning data at rest or files that are not currently in use.

Web Security Scan

Detects potentially harmful and unsafe websites and blocks access to them automatically.

Real-Time Scan

Involves checking files for malware or viruses every time they are accessed, opened, downloaded, copied, or altered.

Behavioral Detection Scan

Scan method that identifies abnormal behavior patterns in the system that may be indicative of a potential cyber attack.

Email Scan

Involves blocking emails that carry infected attachments or links to compromised, fake, or phishing websites.

CHALLENGES & EMERGING TRENDS

Driving change while emphasizing sustainable progress

Given the multitude of challenges and threats faced by the cybersecurity industry, investing in advanced cybersecurity training and solutions has become imperative for companies. The average global cost of a data breach has increased by 2.6%, rising from US$ 4.24 million in 2021 to US$ 4.35 million in 2022. By 2025, the annual expenses associated with cybercrime damages are projected to reach US$ 10.5 trillion, marking a substantial escalation from the US$ 3 trillion recorded in 2015.

(Source: Indiatimes)

LockBit and Goodwill ransomware, Maggie malware, Cuba ransomware, Follina, and Atlassian OGNL Injection Zero-Day Vulnerability were among the high-profile breaches that dominated the cybersecurity landscape of 2022. The China-affiliated attackers used the ShadowPad modular backdoor to target Indian power grid organizations, posing a significant threat to national security.

INVESTMENT IN CYBERSECURITY START-UPS:

In terms of the cybersecurity transformation, 2021 stood out as a significant year for start-ups in this space. Momentum Cyber, a financial advisory firm for the cybersecurity industry, reported that start-ups in this space received an unprecedented US$29.5 Billion in venture capital, surpassing the total raised in the previous two years combined. This significant funding was channelled into over 1,000 deals, with 84 deals exceeding US$100 Million. The industry's innovation and the pandemic's increase in cyber threats drove this record investment volume, leading to more than 30 security start-ups becoming unicorns in 2021.

TRENDS:

- **Human-Centric Security Design:** Prioritizing employee experience to minimize cybersecurity-induced friction and maximize control adoption
- **Enhancing People Management for Security Program Sustainability:** Shifting towards internal talent markets to address cybersecurity and recruitment challenges
- **Transforming the Cybersecurity Operating Model to Support Value Creation:** Connecting cybersecurity to business value and integrating work practices
- **Threat Exposure Management:** Implementing continuous threat exposure management programs to reduce breaches
- **Identity Fabric Immunity:** Strengthening identity infrastructure to prevent attacks and reduce financial impact
- **Cybersecurity Validation:** Validating how potential attackers exploit threat exposures through automated assessment tools
- **Cybersecurity Platform Consolidation:** Consolidating platforms to streamline operations and eliminate redundancy
- **Composable Security for Composable Businesses:** Integrating cybersecurity controls into modular applications
- **Boards Expand Competency in Cybersecurity Oversight:** Increased board focus on cybersecurity and accountability for governance activities

(Source: Gartner)

TRANSFORMATION:

The World Economic Forum's Global Cybersecurity Outlook 2023 report clearly highlights that business leaders are more aware of their organizations' cybersecurity needs than they were a year ago. Some of the emerging trends that would drive this higher demand and investment in better cybersecurity solutions are as follows:

- The pandemic has exposed vulnerabilities that cyber criminals are exploiting, leading to substantial economic and productivity losses. Despite efforts to address these issues, the high costs of implementing cybersecurity solutions and a shortage of skilled professionals hinder effective protection
- As employees return to the office, IT security teams must identify and address network security gaps to prevent cyber attacks and secure the work-from-anywhere model

(Source: BW Businessworld, Moneycontrol, Indiatimes)

OUTLOOK

The cybersecurity landscape is set to undergo significant changes in the coming years. Gartner predicts that by 2027, 50% of CISOs will adopt human-centric design practices to minimize operational friction and maximize control adoption. Privacy regulations will blanket the majority of consumer data, but less than 10% of organizations will successfully leverage privacy as a competitive advantage. By 2026, 10% of large enterprises will have comprehensive Zero Trust programs in place, while employee technology usage outside of IT's visibility will rise to 75% by 2027. Additionally, 50% of cybersecurity leaders will face challenges using cyber risk quantification for enterprise decision-making. High turnover rates are anticipated in the cybersecurity field, with nearly half of leaders changing jobs by 2025. By 2026, 70% of boards will include members with cybersecurity expertise. Lastly, over 60% of threat detection, investigation, and response capabilities will rely on exposure management data to validate and prioritize threats. These predictions provide insights for cybersecurity leaders to navigate the evolving landscape and build effective programs for their organizations.

(Source: Gartner)

INDIAN CYBERSECURITY MARKET

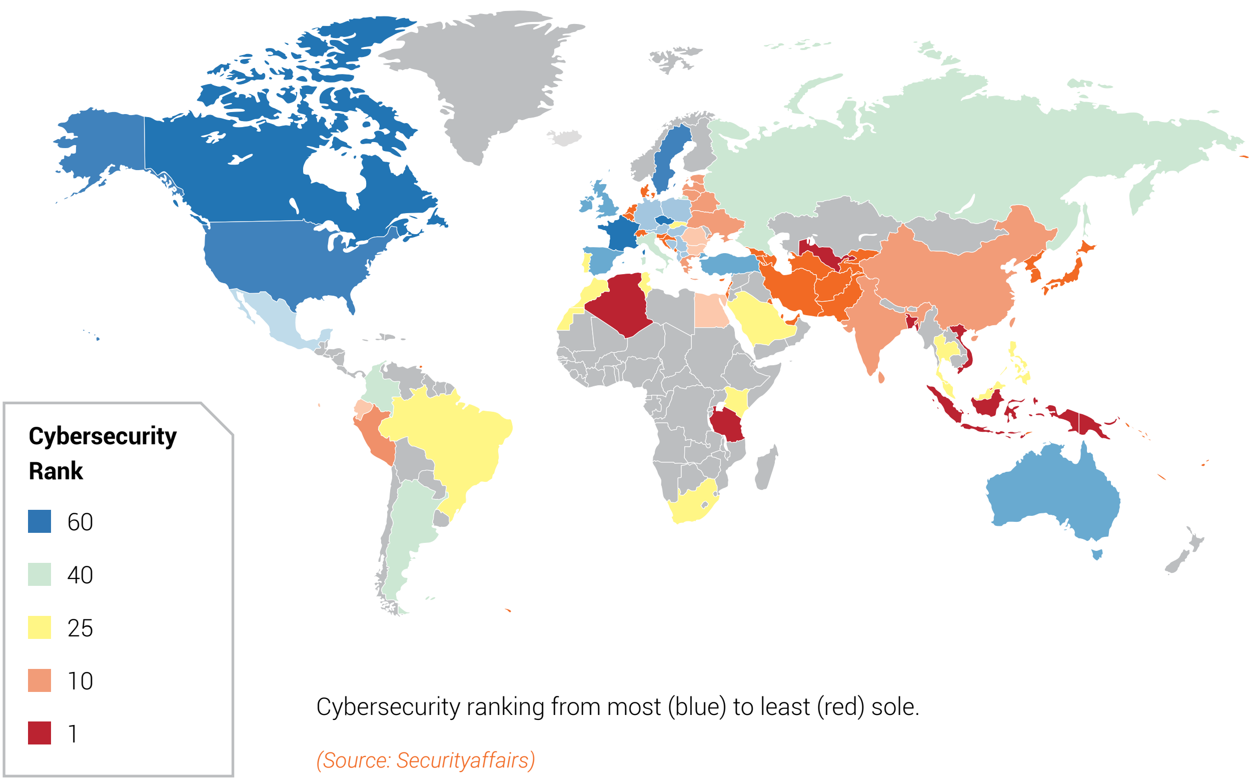
Sustaining advancement and growth across cybersecurity space

In the modern world, cyber resilience is crucial beyond IT (information technology), ensuring the sustainability and continuity of critical infrastructures (i.e., operational technologies). Cybersecurity has been, therefore, designated a national policy priority by the Indian Government, with the establishment of task forces and engagement with global nationalities.

To foster innovation and drive transformation in the Indian cybersecurity market, the Indian Government has partnered with the Data Security Council of India (DSCI) to establish a National Center of Excellence. As India adjusts to a post-Covid-19 pandemic era, it is expected that the Government and businesses will increase their focus on digitization and IT across all sectors.

(Source: Trade.gov)

Least cyber-safe countries (Rankings, India ranks 10th)



Cybersecurity ranking from most (blue) to least (red) sole.

(Source: Securityaffairs)

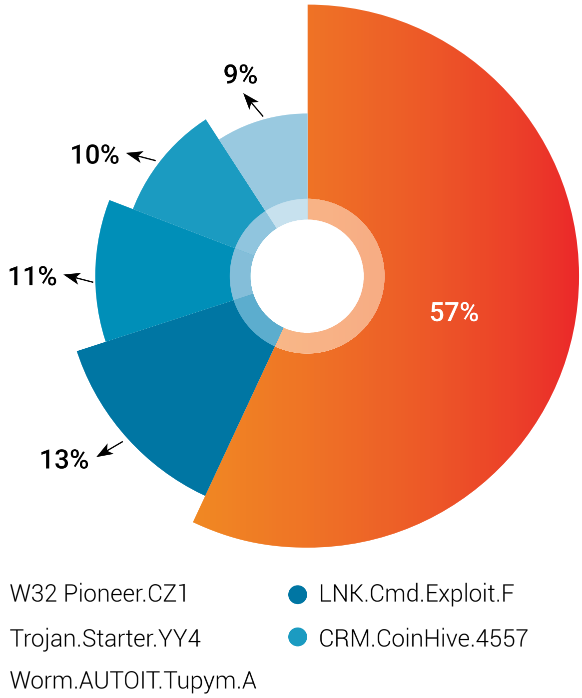
This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company 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 of connection to its accuracy or completeness.

INDIAN CYBERSECURITY OVERVIEW 2022

During the first quarter of 2022, India encountered a staggering 18 Million cyber attacks and 2,00,000 threats per day, as disclosed by Google. According to Royal Hansen, the high level of activity means it is not a matter of vulnerability but how prepared they are to deal with it.

Top 5 malware of 2022

(Based on detection from July-September 2022)



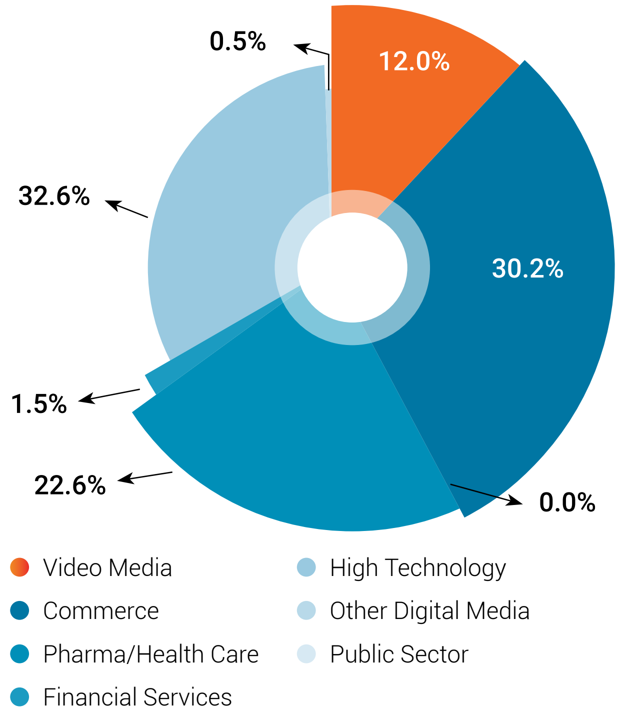
(Source: Quick Heal Annual Threat Report 2023)

Threats	Per Day	Per Hour	Per Minute
MALWARE	1.09 Million	45,482	758
WORM	1,06,971	4457	74
RANSOMWARE	1,823	76	1
INFECTOR	2,73,486	11,395	190
EXPLOIT	65,123	2,713	45
CRYPTOJACKING	39,311	1,638	27
PUA & ADWARE	63,921	2,663	44

Detection highlights 2022
(Average number of threats detected every hour)

(Source: SEQRITE Threat Report 2023, Livemint, Moneycontrol)

WAS - India total attacks by vertical



Most of the cyber attacks in India were concentrated on financial, e-commerce and other digital media sectors. While financial services accounted for 22.6% of the attacks, e-commerce accounted for 30.2%, and other digital media platforms (such as social media) stood at 32.6%.

CYBERSECURITY INVESTMENTS

UNDER THE INDIAN UNION BUDGET 2023-24, ₹ 625 CRORES HAS BEEN ALLOCATED FOR IMPROVING CYBERSECURITY INFRASTRUCTURE

845+ Million
Internet users

30 Billion
Applications downloaded in 2020

639 Million
Users engaged in social media

760+ Million
Smartphone

5X
Internet usage (2015-16 to 2020-21)

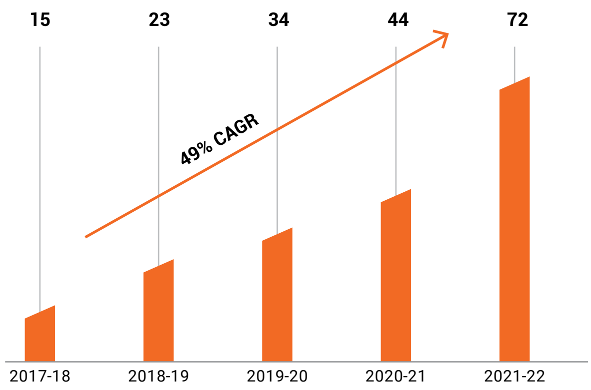
₹ 6.98
Average cost to subscriber per GB wireless data

1.32 Billion
People enrolled in the world's largest unique digital identity program

20X
Mobile data usage

[Source: The Ministry of Electronics and Information Technology (MeitY), Statista]

Digital Transactions (₹ Billion)



(Source: MeitY, Statista)

INDIA'S DIGITAL ECONOMIC GROWTH HIGHLIGHTS

The cybersecurity market in India offers many opportunities, given India's fast-growing digital economy, and the crucial role played by IT services and the financial sector.

- Digital payment transactions are estimated to reach US$ 135 Billion by 2023, showing a CAGR of 20% from US$ 64.8 Billion in 2019
- The e-commerce market is anticipated to exceed US$ 100 Billion by 2022, with online financial services being the fastest-growing sector
- India's mobile telecom sector has been responsible for the proliferation of the internet (96% is wireless, 606 Million subscribers) and telephone service (98% is wireless, 1.17 Billion subscribers)
- Compliance with the Aadhaar Act and the Digital Information Security and Healthcare Act (DISHA) of 2018

(Source: Trade.gov)

NEED FOR ENHANCING CYBERSECURITY

According to data from IANS, there has been a substantial rise in cybersecurity incidents specifically targeting government institutions, particularly in the year 2022.

In 2020, there were 54,314 incidents reported, while in 2021, the number decreased to 48,285. In 2022, the number skyrocketed to 1,92,439.

According to official data, the Indian Computer Emergency Response Team (CERT-In) tracked a total of 3,94,499 cybersecurity incidents in 2019, which jumped to 11,58,208 in 2020, and further increased to 14,02,809 in 2021. In 2022, there were 13,91,457 cybersecurity incidents reported.

Two recent ransomware attacks: India recently experienced two significant cyber attacks. Firstly, the All-India Institute of Medical Sciences fell victim to a ransomware attack, compromising approximately 40 Million health records. The restoration of systems took more than two weeks. Secondly, the parent company of Solar Industries Limited was breached by the ransomware gang known as BlackCat, resulting in the exfiltration of over 2 Terabytes of data.

Drivers of these cybersecurity attacks: Enterprises are susceptible to cyber attacks from various entities, including criminal organizations, state actors, and individuals. Cyber attack risks are often classified based on the source of the threat: outsider or insider. Outsider threats originate from external sources such as organized criminal groups, professional hackers (including state-sponsored actors), or amateur hackers (such as hacktivists). Insider threats, on the other hand, stem from individuals with authorized access to a company's assets who may intentionally or unintentionally misuse them. Insiders can include employees who disregard security policies, disgruntled current or former employees, as well as business partners, clients, contractors, or suppliers with system access.

(Source: Civilsdaily, Business Standard News)

INDIA'S CYBERSECURITY ARCHITECTURE

The threat of malware looms over all computer systems, and as the boundaries between the physical and digital realms become increasingly indistinct, critical infrastructures like transportation, power, and banking systems face growing vulnerability to attacks from both hostile state and non-state actors. Regrettably, the incidence of cybersecurity breaches is projected to rise with the introduction of new technologies such as 5G and quantum computing, providing fertile ground for the emergence of more sophisticated malware and opening up new avenues for digital security breaches.

- Under the National Cybersecurity Policy 2013, the National Critical Information Infrastructure Protection Centre (NCIIPC) was established to improve the protection and resilience of the country's critical infrastructure information and create an enhanced workforce of professionals in cybersecurity.
- In 2022, CERT-In, introduced a set of guidelines for organizations to follow when connected to the digital realm. The guidelines mandate the prompt reporting of cyber attack incidents within hours of their detection and require organizations to designate a domain-knowledgeable points person to interact with CERT-In.
- India's draft Digital Personal Protection Bill 2022 proposes a penalty of up to ₹ 500 Crores for data breaches.
- 'Cyber Surakshit Bharat Initiative' was launched in 2018 to spread awareness about cybercrime and build capacity for safety measures for Chief Information Security Officers (CISOs), and frontline IT staff across all Government departments.
- India's armed forces recently established the Defence Cyber Agency, which can engage in both offensive and defensive maneuvers. All Indian states have their cyber command and control centers.
- The Ministry of Home Affairs established the Indian Cybercrime Coordination Centre (I4C) to coordinate with state police forces across the country in responding to cybercrime. It also facilitates the implementation of mutual legal assistance treaties (MLAT) with other countries.
- The Cyber Crisis Management Plan (CCMP) has been implemented to address and combat the increasing cyber-terrorism and other cyber-related threats.
- The National Cyber Coordination Centre (NCCC) is responsible for generating situational awareness of existing and potential cyber threats. The National Cybersecurity Coordinator (NCSC), under the National Security Council Secretariat (NSCS), coordinates with different national agencies to address cybersecurity matters.
- Cyber Swachhta Kendra platform serves as a resource for individuals to clean their computers and devices and ensure their online safety.
- Another initiative, the Information Security Education and Awareness Project (ISEA), focuses on training personnel to raise awareness and provide research, education, and training in Information Security.
- The Ministry of Electronics and Information Technology (Government of India) withdrew the Personal Data Protection Bill, 2019 in August 2022 after receiving various recommendations through public consultation. In lieu of that, the Government introduced the Digital Personal Data Protection Bill on November 18, 2022, as an updated version. This marks a crucial beginning for India's data protection regime, placing greater emphasis on and promoting the digitization of personal data by organizations.
- 'Bluebugging' is a hacking technique that enables attackers to gain access to a device through its discoverable Bluetooth connection. Once a device or phone is blue-bugged, the hacker can eavesdrop on calls, read and send messages, and steal and modify contacts. Initially, this technique posed a threat to laptops with Bluetooth capability. However, hackers have since used it to target mobile phones and other devices.

(Source: Civilsdaily)

CHALLENGES

- Many organizations do not have the necessary tools to identify, let alone prevent, cyber attacks.
- India is also facing a severe shortage of cybersecurity professionals, with a projected workforce of only around 3,00,000 people in contrast to the 1.2 Million people in the United States.
- Despite the predominance of private sector organizations in India, their level of participation in the country's cybersecurity structures remains limited.

(Source: newsroompost)

OUTLOOK

Harnessing potential for building a secure future in the cyber arena

A joint study by PwC India and DSCI revealed that the cybersecurity market in India, is projected to increase from US$ 1.97 Billion in 2019 to US$ 3.05 Billion by 2022, with a CAGR of 15.3%. The study identified Banking, Financial Services and Insurance (BFSI), IT, and Government as the top three sectors in India with the largest market share in cybersecurity expenditure. However, the predicted growth of the cybersecurity market may be underestimated in light of the Covid-19 pandemic if the digital economy experiences a boom in the post-pandemic era. The demand for cybersecurity solutions in India is driven by the country's thriving digital economy, which is a priority under the nation's Digital India initiative. As per the recently announced Union Budget 2023-24, The Ministry of Electronics and Information Technology (MeitY) has been allocated a sum of ₹ 625 Crores, to improve the country's cybersecurity infrastructure.

(Source: Cnbctv18)

Going ahead, the upcoming G-20 summit at Delhi in September 2023, is expected to witness the participation of all key stakeholders who hold the reins of global power. It presents a rare opportunity to convene domestic and international engagement groups across various sectors and guide the trajectory of these vital discussions. India has the potential to take the lead in conceptualizing a global framework of common minimum acceptance for cybersecurity. This endeavor would mark one of the most substantial contributions made by any nation towards collective security in contemporary times.

BUSINESS OVERVIEW

Simplifying cybersecurity solutions, integrating sustainability, driving transformational growth

Incorporated on August 07, 1995, Quick Heal Technologies Limited is India's first publicly traded cybersecurity firm. The Company provides cybersecurity solutions to the retail and corporate domain. We streamline IT security management through a wide range of devices and platforms. Quick Heal has established itself as the undisputed leader in the cybersecurity enterprise solutions space in India, capturing over 30% market share. This leadership extends across both the retail segment and the enterprise solutions division, enabling Quick Heal to effectively serve and secure nations, cities, and businesses.

The Company's success is majorly led by extensive sales and a pan-India strong distribution network across India. Quick Heal's enterprise security brand 'SEQRITE', further offers security products and other state-of-the-art cybersecurity solutions to safeguard the IT assets of businesses, respond against cyber attacks, while complying with regulatory and compliance frameworks.

Business Verticals

- **Retail Segment:** The Company is a global leader in this space, with a market share of over 35% in India, serving millions of clients. Its strong nationwide distribution network includes over 35,000 dealers being serviced through 300+ strong distributors, spread across length & breadth of the country. This has significantly assisted the Company in increasing brand awareness and recognition, driving the growth of this segment.
- **Enterprise and Government Segment:** The cyber world is evolving and becoming more complex with trends, including digital payment networks, remote working, big data, AI & ML, virtual reality, and the metaverse. The rapid pace of technological advancements and innovation presents organizations with numerous opportunities for growth and expansion. However, it also exposes them to concerns regarding disruption from cyber attacks, compromising the security and privacy of critical data. Therefore, the Company's goal is to provide a straightforward yet comprehensive solution to meet the cybersecurity requirements of every organization.

  SEQRITE is dedicated to empowering CISOs and IT leaders to gain complete visibility into the organization's cybersecurity, obtain actionable intelligence, and strengthen an organization's defense against the next wave of cyber attacks across endpoints and mobile devices, enterprise data infrastructure, and cloud-based network security. Quick Heal's new range of products is simple to use, lightweight and can be installed in a matter of minutes thanks to AI, cloud, and patent-powered technologies.

Excellence Drivers for Transformational Growth

RESEARCH AND DEVELOPMENT (R&D)

We have been undertaking strategic investments in R&D to keep up with industry advancements and maintain the leading position in the market. In 2022-23, the Company's R&D spending climbed by 33.6%, accounting for 43.6% of the sales. The focus was on developing next-generation cybersecurity technologies tailored for customers in the global enterprise market. The roadmap for the forthcoming years appears robust, with the R&D team persistently striving to enhance existing products with innovative functionalities, thus ensuring the Company maintains its position at the forefront of the industry.

STRONG AND DIVERSIFIED CHANNEL NETWORK

In nearly three decades, Quick Heal's network has grown stronger to over 35,000 distribution channel partners throughout India. This helps drive an efficient distribution network and supply chain to promptly act upon the demands of clients through effective cybersecurity solutions. This is what makes the Company's retail channel partners' network one of the largest in India.

The internal sales and marketing team actively collaborates with clients and channel partners to deliver active post-sale support. The team also undertakes appropriate training and development to comprehend and use new products and features consistently. This enables the Company to penetrate the Retail and Enterprise divisions deeper. It helps the business channel partners stay prepared to provide technical advice, relevant sales support, and after-sales support services to all of their customers.

Quick Heal excels in customer support by providing unmatched expertise and genuine care, redefining cybersecurity assistance. Their commitment to exceptional service cultivates a loyal client base while attracting new customers who trust the brand for their cybersecurity needs. With a human touch, Quick Heal combines knowledge and empathy to deliver personalized solutions and build lasting relationships. Through the following measures, the Company ensures to offer top-notch customer service:

- ISO 20000-certified customer service process that offers end-user support in multiple languages, including English, Hindi, and various other important regional Indian languages provided by a strong team of security experts.
- Multi-channel support services, including onsite and remote access assistance in India.
- Accessibility of technical requirements, installation instructions, and upgrade methods information in data sheets, product videos, and manuals on the website.

Leveraging its extensive market presence and deep industry expertise, the Company has been at the forefront of cybersecurity solutions since 1995. With a steadfast commitment to maintaining a robust market share, the Company has also focused on raising consumer awareness in the field of cybersecurity. As a testament to our recent accomplishments, we were honored with the prestigious 'Cybersecurity Transformation' Award in 2023 at 'The Big Impact Awards 2023'. Additionally, we take pride in being the first Indian company to collaborate with NIST-NCCOE on their Data Classification Project, further solidifying our position as a pioneering force in the industry.

Integrating Sustainability-driven Products and Processes

We are dedicated to reducing our carbon footprint, and as part of this commitment, we have recently unveiled our latest product line, 'Version 23.' This new range showcases various eco-friendly features, including our packaging, which has undergone a significant transformation. With a reduction in size by 38% and its composition now made entirely of 100% biodegradable and reusable materials, our packaging exemplifies our ongoing efforts to prioritize sustainability. It contributes towards reducing our use of natural resources for packaging materials. This version is 'CD-less,' eliminating the usage of compact discs and resulting in a reduction in e-waste and our overall carbon footprint.

We are also among the very few in this industry to proactively adopt, implement and publish the Extended Producer Responsibility (EPR) report. The report adheres to the guidelines formulated under the E-waste management rules 2022, wherein, we take 100% ownership of disposing of our e-waste through authorized E-waste recyclers. This is achieved through setting up of centers that are easily accessible to our customers and partners.

Taking a step ahead in conserving electricity usage across our offices, operations and R&D facilities, we have opted for efficient lighting. Moreover, we also use renewable energy to service 3% of our total power requirements and 9% of our R&D power requirements.

HUMAN RESOURCES

Strengthening workforce for offering secure services

Quick Heal's workforce, as on March 31, 2023, stood at 1,043. It prioritizes people as integral to success and long-term growth. The Company values and upholds the principle of equal opportunity, ensuring that its workforce comprises individuals from diverse racial and cultural backgrounds.

To regulate and induce harmony in the workplace, the Company has an effective and inclusive human resources policy. This helps assure employee well-being. The Company prioritizes providing its employees with a safe, healthy, and pleasant working environment, as well as opportunities for career growth and personal development. With a strong focus on client satisfaction, the Company ensures that customers enjoy a seamless experience through well-trained employees.

To keep our team aligned with the evolving industry trends, we uphold the following values to ensure consistent progress towards the Company's goals:

- Driving Customer Centricity
- Fostering Innovation
- Empowering Diverse Learning Programs

The Company introduced the 'Employee Value Proposition (EVP)' to enable employees to realize their full potential. It ensures that employees receive pay and performance-based bonuses as per industry norms. Frequent trainings are conducted to improve their professional and personal skills. With normalcy returning following the Covid-19 outbreak, the transition from work-from-home to work-from-office and hybrid work culture has gone well with minimal adverse effects on the productivity.

FINANCIAL OVERVIEW

Achieving optimal financial performance for sustainable prosperity

Revenue from operations stood at ₹ 278.09 Crores during 2022-23. The Enterprise segment recorded ₹ 106.9 Crores while the Retail sector recorded ₹197.5 Crores.

Other Income: Miscellaneous revenues stood at ₹ 22.13 Crores.

Operating Expenses: The procurement of security software products, benefit plan costs, amortization, and other costs are the principal charges listed under the heading 'Operating Costs' expenses.

Employee Benefits Expenses stood at ₹ 154.90 Crores.

Web Publishing Charges stood at ₹ 0.50 Crores as compared to ₹ 1.12 Crores in 2021-22.

Technology Subscription Charges and Fees for Technical Services stood at ₹ 8.78 as compared to ₹ 7.09 Crores in 2021-22.

Rent expenses were at ₹ 1.38 Crores as compared to ₹ 1.49 Crores in 2021-22.

Rates and taxes were ₹ 1.17 Crores as compared to ₹ 0.88 Crores in 2021-22.

Insurance: The Company covers various risks to safeguard and protect its 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 ₹ 0.43 Crores in 2022-23, as compared to ₹ 0.41 Crores for 2021-22, depicting an increase of 5.73%.

Repairs and Maintenance: The Company's overall repairs and maintenance costs were at ₹ 2.89 Crores as compared to ₹ 2.92 Crores in 2021-22.

Business Promotion, Advertising, and Sales Promotion Expenses: For 2022-23, the Advertising and Sales Promotion costs stood at ₹ 29.94 Crores, while our business Promotion costs stood at ₹ 4.36 Crores.

Travelling and Conveyance Expenses: The volume of travel and transportation stood at ₹ 4.39 Crores as compared to ₹ 3.16 Crores in 2021-22.

Communication Expenses: The cost of communication stood at ₹ 14.90 Crores as compared to ₹ 9.78 Crores in 2021-22.

Office Expenses: The office expenses were ₹ 3.17 Crores, as compared to ₹ 2.78 Crores in 2021-22.

Legal and Professional Fees: The Company's legal and professional fees reached ₹ 26.30 Crores in 2022-23, as compared to ₹14.78 Crores in 2021-22.

Provision for Doubtful Debts And Advances/Bad Debts Written Off: During the year, the provision for doubtful debts and bad debts was ₹ 5.15 Crores, as compared to ₹ 3.44 Crores for 2021-22. The increase is on account of provisions made for few debtors which are overdue for more than180 days as per internal provisioning policy. However, this is not necessarily considered bad debts basis our past collection trends.

Miscellaneous Expenses: During the year, the miscellaneous expenses stood at ₹ 1.60 Crores in 2021-22, as compared to ₹ 1.48 Crores in 2021-22.

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA): EBITDA (excluding other income) was ₹ 1.88 Crores for 2022-23, as compared to ₹ 106.86 Crores for 2021-22, a decline of 98.24% 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 ₹ 15.99 Crores for 2022-23, as compared to ₹ 17.38 Crores for 2021-22, a decline of 8.00%. The reduction was mainly on account of reduction in gross blocks.

Profit After Tax: Profit After Tax amounted to ₹ 6.40 Crores for 2022-23, as compared to ₹ 83.19 Crores in 2021-22 registering a decline of 92.31% owing to increased investment towards R&D and S&M.

Equity: Total equity remained at ₹ 53.07 Crores as on March 31, 2023, as against ₹ 58.01 Crores, as on March 31, 2022.

Retained Earnings: During the year, Retained Earnings decreased to ₹ 299.71 Crores, as on March 31, 2023, as compared to ₹ 502.90 Crores, as on March 31, 2022 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 ₹ 121.68 Crores, as of March 31, 2023, from ₹ 131.30 Crores, as of March 31, 2022. The reduction was on account of disposal of fixed assets. Intangible assets decreased to ₹ 12.77 Crores, as of March 31, 2023, from ₹ 5.74 Crores, as of March 31, 2021.

Non-current Financial Assets: The investment under non-current financial assets as on March 31, 2023, stood at ₹ 21.49 Crores, as compared to ₹ 27.46 Crores, as on March 31, 2022. This is mainly on account of maturity of mutual funds.

Income Tax Assets: It stood at ₹ 22.33 Crores, as compared to ₹ 15.80 Crores on March 31, 2022.

CURRENT FINANCIAL ASSETS

Investments: Investments are a reflection of the Company's cash flow and are made in generally conservative assets while the money is still being used for the Company's operations. As on March 31, 2023, the total current investment stood at ₹ 176.20 Crores, as compared to ₹ 290.07 Crores as on March 31, 2022.

Trade Receivables: The trade receivables stood at ₹ 122.65 Crores, as on March 31, 2023, compared to ₹ 171.96 Crores, as on March 31, 2022. The receivables days changed to 143 days, as on March 31, 2022, as compared to 170 days as on March 31, 2022.

Other Current Assets: The Company's other current assets amounted to ₹ 6.78 Crores as of March 31, 2023, as compared to ₹ 3.58 Crores as on March 31, 2022.

Dividend: Total dividend paid in 2022-23 was ₹ 26.11 Crores, however, for 2021-22 it was ₹ 23.17 Crores.

RISKS AND MITIGATION

Proactive risk management for sustainable growth and resilience

Risks

Risk of infringement of intellectual property rights and proprietary technology

Definition

Depending on the laws of the nation binding on the business, the level of protection for the Company's patents, copyrights, trade secrets, and other intellectual property rights may vary.

Mitigation

The Company has a registered trademark, 'Quick Heal®' and benefits from the legal protection given to its trademark. The Company has trademark registrations for 'Quick Heal', 'Guardian', 'Security Simple', 'Aapke PC mein kaun rehta hai, Virus ya Quick Heal®', and Surf Canister® in India. It has also been granted four patents in the United States. In the European Union, the Company's trademark registrations for the terms 'Quick Heal®' and 'SEQRITE®'. Also, in several nations where it presently does business or intends to do business, including Australia, Japan, and the United States, it has secured trademark registration for 'Fast Heal®'.

Risks

Channel partner dependency risk

Definition

For the sale and maintenance of its solutions, the Company relies heavily on its channel partners. Service providers, system integrators, resellers, and distributors are a few of its channel partners. The channel partners are permitted to sell clients software security products from other firms, including those that compete with its solutions, as per the non-exclusive nature of its agreements with them. The Company's operations will suffer if channel partners opt to put more effort into marketing and to sell their own solutions or of competitors instead of effectively marketing and selling the Company's solutions.

Mitigation

Quick Heal's SEQRITE has established a robust position in the SMB market segment, and based on this success, the Company aims to expand its presence into the mid-sized business market. The Company's competencies are driven by factors like 27+ years of rich industry experience, extensive product assortment, local R&D presence, in-depth threat intelligence, distributed sales, and technical support. It has significantly expanded its partner network across India. So, to ensure proper distribution and risk minimization, the Company has created a two-tier distribution model. The sales workforce works directly to maximize product availability throughout the channel and offer technical and sales support. The Company emphasizes giving channel partners continual training (coordinated with technical support centers), so they may offer support services to end users.

The Company's Enterprise segment is transitioning to a very customer-centric strategy. This is mainly led by direct interactions with consumers and the structure of every contract with them. In fact, with this methodology, partners are working with the Company with better cooperation to improve agreements and deal sizes. One of the most important aspects of a developing partner ecosystem, is to update new technologies in line with what the client wants and to give them disruptive technologies before the competition.

Risks

Credit Risk

Definition

The Retail sector for antivirus and cybersecurity products, primarily uses the stock-and-sell business model. Extensive inventory at all levels is required by the industry's intensely competitive business environment and is essential for gaining market dominance. The channel partners are primarily responsible for the Company's sales and revenues. It is impacted by any general market or economic situation that affects their cash flow.

Mitigation

The Company normally extends a credit period of 30-60-90 days to our channel partners. To lessen this risk, the Company keep a tight rein on its credit exposure and take all necessary measures when evaluating the creditworthiness of partners. To guarantee quicker sales turnover and prompt collection, the sales workforce regularly collaborates closely with the partner ecosystem. The Company has strengthened Tier I Distributor infrastructure by appointing 300+ distributors dispersed nationwide servicing 35,000+ dealers across the country's rural and urban regions. This will assist the Company's expanding its direct reach, generating more investment, and further reducing risk.

Presently, on a credit facility of 30-60-90 days, 90%+ of the business' payments are made within the credit limit granted to them. Moving up to high-value projects puts mid-segment partners at some risk because execution and customer payments may take longer than 90 days, even though these partners have the financial wherewithal to support such value added deals. These serve as aggregators and every Tier II partner has credit terms with distributors, thus, the Company seeks national distributors' help to lower this risk. This same methodology is undertaken by the Company for worldwide markets and partners.

Risks

Competition Risk

Definition

The benefits presented by the solutions and services of industry competitors may seem to be as efficient as the Company's for less money or for free, as part of a bigger product bundle, or only in exchange for maintenance and service payments. This can significantly impact the average realization per unit of the product sold by the Company.

Mitigation

In addition to metro areas, Quick Heal is currently the market leader in the retail sector and has a significant presence in Tier II and Tier III cities. With an extensive distribution network, the Company has a strong reach in India than other international players. Unlike other brands, it has created a strong presence with direct distributors and T1 partners across the nation.

Additionally, the Company strives to convert and draw in new customers through regular marketing initiatives, influence from partners and retailers, and promotional events. The biggest differentiator is its excellent customer service. Alongside, the Company offers users multimedia support by phone, email, SMS, online chat, support forum, network access, and multilingual end-user support in Hindi, English, and numerous other important regional Indian languages.

The Company's R&D expenditures in 2022-23 stood at ₹ 121.3 Crores as on March 31, 2023. The team is focused on discovering emerging risks and developing innovative features for the retail, corporate, and Government markets.

Another potential impediment is getting the Company's products listed on several analyst evaluations, such as the Gartner Magic Quadrant and NSS labs/EAL certifications. Vendors may find it difficult if there is lack of visibility, particularly in international markets like MEA, Europe, and APJ where there are newcomers and need to gain legitimacy.

Risks

Risk of Obsolescence

Definition

The intelligence and intricacy of cyber attacks appear to be increasing with each passing year. This menace is made worse by the fact that it involves destructive forces functioning on a global scale and endangers the security of sovereign states.

Mitigation

Quick Heal's competitive position, brand reputation, and future business opportunities could all be impacted by any delays in the implementation of new features, updates, enhancements, and solutions, that successfully protect end users from emerging security risks. Quick Heal functions with diverse hardware, software applications, operating systems, and network functions by investing in research and development. Additionally, it also ensures prompt updates and additions that are made available to the users.

Certifications

- 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

Patents

- USPTO 1,03,87,649 - Signatureless Behaviour-based Detection Technology
- USPTO 1,03,11,234 - Anti-Ransomware Technology
- USPTO 89,73,136 - System and method for protecting computer systems from malware attacks
- USPTO 89,14,908 - A completely automated computer-implemented system and method for piracy control based on update requests
- USPTO 83,47,389 - System for protecting devices against virus attacks
- USPTO 79,45,955 - Virus detection in mobile devices having insufficient resources to execute virus detection software

Normally, customers who license the Company's goods, do not provide signed license agreements. In these situations, the Company provides a printed license along with the business products that are distributed in boxes and an electronic version of an end-user license for all software distributed electronically. Even though the standard practice for software vendors is to have licenses that the licensee does not sign, some legal experts think that many jurisdictions may not have the ability to enforce such agreements.

INTERNAL CONTROL AND SYSTEMS

Reinforcing internal controls for a secure and responsible future

A comprehensive set of rules, regulations, and procedures that support the Company's operations, boost efficiency and reinforce conformity to policies make up its internal control systems. These systems and controls were created with Quick Heal's nature, size, and complexity in mind. To prevent errors and maintain a smooth flow of its business activities, the statutory and internal auditors periodically evaluate the operations and processes. All relevant observations are instantly taken into consideration. The Audit Committee meets and extensively examines the reports of the same.

- **AUDIT COMMITTEE:** The Audit Committee is in charge for assessing the effectiveness of our Company's internal control systems and making recommendations for improvements. Alongside, All Related Party Transactions also require prior approval of the Audit Committee. Audit Committee is constituted by the Board of Directors of the Company in accordance with Section 177 of the Act and Regulation 18 of the SEBI (LODR), 2015.
- **CODE OF CONDUCT:** We follow a Code of Conduct outlining the ethical and legal standards that all employees, directors, and vendors must follow. The code covers areas such as conflicts of interest, bribery and corruption, data protection, and intellectual property rights.
- **WHISTLE-BLOWER POLICY AND VIGIL MECHANISM:** We believe in conducting the business in a fair and transparent manner by adopting the prudent business practices based on the principles of professionalism, honesty, integrity and ethical behavior. We strive to empower our employees to feel supportive of voicing their genuine concerns about any unethical or unacceptable business practice or any event of misconduct.
- **VULNERABILITY DISCLOSURE POLICY:** In accordance with our commitment to good corporate governance, we adhere to a robust set of policies, procedures, and guidelines rooted in sound ethics.
- **IT SECURITY CONTROLS:** We have implemented robust IT security controls to protect our own systems and those of our clients. Within our IT security policies, we cover areas such as access control, data protection, and incident response.

CAUTIONARY STATEMENT

Forward-looking assertions about Quick Heal Technologies Limited's financial performance and operations outcomes can be found in this paper. Forward-looking statements are, by their very nature, subject to risks and uncertainties and demand assumptions from the Company. The likelihood that the assumptions, forecasts, and other forward-looking statements will turn out to be incorrect is rather high. Readers are advised not to put undue faith in forward-looking statements since a number of variables might lead to assumptions, actual results, and events diverging considerably from those predicted in the statements. As a result, the conclusions, limitations, and risk factors mentioned in the Management's Discussion and Analysis of the Company's Annual Report 2022-23 apply to this document in their entirety and are subject to the cautionary note.

NOTICE

Notice is hereby given that the Twenty-Eighth (28th) Annual General Meeting ("AGM") of the Members of **Quick Heal Technologies Limited** ("the Company") will be held on Friday, August 11, 2023 at 04:00 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, 2023 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, 2023 and the report of Auditors thereon

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

   To declare a final dividend of ₹ 2.50/- per equity share of face value ₹ 10/- each for the financial year ended March 31, 2023.

3. **Appointment of Mr. Kailash Katkar (DIN: 00397191) as a director liable to retire by rotation**:

   To appoint a director in place of Mr. Kailash Katkar (DIN: 00397191), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Remuneration to Non-Executive Directors:**

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

   "**RESOLVED THAT** pursuant to Sections 197, 198, and all other applicable provisions of the Companies Act, 2013 read with rules made thereunder, including any statutory modification or re-enactment thereof and Schedule V, for the time being in force (hereinafter referred to as "the Act") and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to all approvals, permissions and sanctions as may be necessary, the approval of the Company be and is hereby accorded for payment of remuneration/commission to the Director(s) of the Company who is/are neither in the whole-time employment with the Company nor Managing Director(s) of the Company for Financial Year 2022-23, in such manner and up to such extent as the Board of Directors of the Company ("the Board" which expression shall also include a Committee thereof for the time being exercising the powers conferred on the Board by this resolution) may so determine from time to time upon recommendation of the Nomination and Remuneration Committee.

   RESOLVED FURTHER THAT the above remuneration/ commission shall be in addition to the fees payable to the Directors for attending the meetings of the Board or any Committee thereof or for any other purpose whatsoever, as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board or any other meetings."

   RESOLVED FURTHER THAT for the purpose of giving effect to the said resolution, the Board be and is hereby authorized to take all such actions and to do all such deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question or doubt that may arise in this regard."

5. **Approval of Remuneration to Mr. Kailash Katkar, Managing Director & CEO:**

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

   "**RESOLVED THAT** in furtherance to the ordinary resolution passed by the shareholders of the Company at their 25th Annual general Meeting ("AGM") held on August 11, 2020 for reappointment (including remuneration) of Mr. Kailash Katkar (DIN: 00397191) as Managing Director & CEO of the Company for a period of 5 years with effect from April 01, 2020 and in accordance with section 197, 198 and section II Part II of Schedule V of Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and other applicable provisions of the Act, if any, the remuneration paid/ payable to Mr. Kailash Katkar as Managing Director & CEO of the Company for his remaining tenure from April 01, 2023 till March 31, 2025 as mentioned in the explanatory statement annexed to this notice, be and is hereby approved and ratified.

   RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the remuneration as mentioned in explanatory statement paid to Mr. Kailash Katkar shall be paid as minimum remuneration within the limits prescribed under Schedule V of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. **Approval of Remuneration to Mr. Sanjay Katkar, Joint Managing Director:**

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

"**RESOLVED THAT** in furtherance to the ordinary resolution passed by the shareholders of the Company at their 25th Annual general Meeting ("AGM") held on August 11, 2020 for reappointment (including remuneration) of Mr. Sanjay Katkar (DIN: 00397277) as Joint Managing Director & CTO of the Company for a period of 5 years with effect from April 01, 2020 and in accordance with section 197, 198 and section II Part II of Schedule V of Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and other applicable provisions of the Act, if any, the remuneration paid/ payable to Mr. Sanjay Katkar as Joint Managing Director & CTO of the Company for his remaining tenure from April 01, 2023 till March 31, 2025 as mentioned in the explanatory statement annexed to this notice, be and is hereby approved and ratified.

RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the remuneration as mentioned in explanatory statement paid to Mr. Sanjay Katkar shall be paid as minimum remuneration within the limits prescribed under Schedule V of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to 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: April 17, 2023

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

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

ITEM NO 4: REMUNERATION TO NON-EXECUTIVE DIRECTORS:

The members of the Company at the Extra Ordinary General Meeting held on August 28, 2015, accorded their approval for payment of commission on profits to the Non-Executive Directors of the Company at a rate not exceeding 1 per cent of the net profits of the Company in each financial year (computed in the manner provided in Sections 197 and 198 of the Companies Act, 2013).

The Non-Executive Directors of the Company bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as marketing, legal, corporate strategy and finance. In order to bring the remuneration of the Non-Executive Directors in line and commensurate with the time devoted and the contribution made by them, the Board of Directors of the Company ('the Board') at the meeting held on April 17, 2023, have recommended for the approval of the members, payment of remuneration by way of commission to the Non-Executive Directors of the Company, as set out in the Resolution.

Replacewith: Accordingly, it is proposed that in terms of section 197 of the Act, read with section II part A of Schedule V of the Act, due to inadequacy of profits in financial year 2022-23, the Directors (apart from the Managing Director and Wholetime Directors) shall be paid such remuneration/ commission as per the limits prescribed. Under the provisions of Schedule V of the Act, payment of remuneration to Non-Executive Directors shall be approved by the Company in general meeting. Accordingly, this resolution is being proposed for the approval of the members. Other details are as per Annexure 2.

The Board recommends the Ordinary Resolution as set out in Item No. 04 of the Notice for approval of the Members.

All the Non-Executive Directors and their relatives are concerned or interested in the Resolution at Item No. 4 set out in the Notice to the extent of the remuneration that may be received by each of them.

ITEM NO 5: TO APPROVE REMUNERATION OF MR. KAILASH KATKAR (DIN: 00397191) MANAGING DIRECTOR & CEO:

The Members at their 25th AGM held on August 11, 2020 had approved by way of ordinary resolution the appointment and remuneration of Mr. Kailash Katkar as Managing Director & CEO of the Company for a period of 3 years with effect from April 01, 2020 till March 31, 2023. The remuneration paid/ payable during financial year 2023-24 and 2024-25 will be as follows:

(a) Mr. Kailash Katkar shall be paid basic salary, perquisites and allowances in the range of ₹ 1.50 Crores per annum to ₹ 2.20 Crores per annum. Within this range, the aggregate of basic salary, perquisites and allowances may be revised by the Board of Directors or the Nomination & Remuneration Committee from time to time, subject to maximum annual increase of 20% over the basic salary, perquisites and allowances for the previous year.

(b) Variable incentive of such amount as may be decided by the Board of Directors or the Nomination & Remuneration Committee of the Board of Directors, from time to time subject to the prescribed limit given under Section 196, Section 197 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V thereof and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof, for the time being in force and SEBI LODR Regulations.

(c) The aggregate of basic salary, allowances, perquisites and variable incentive of Mr. Kailash Katkar, shall not be in excess of 2.5% of the Net Profit of the Company (computed in a manner laid down in Section 198 of the Companies Act, 2013) and payment of remuneration shall not be in excess of 5% of the Net Profit of the Company to all Executive Directors of the Company for each of the financial years from 2023-24 and onwards with effect from April 01, 2023 for a period of two years.

If the Company incurs a loss or its profits are inadequate in any financial year during the tenure of Mr. Kailash Katkar, he may be paid such minimum remuneration as determined by the Board of Directors or the Nomination & Remuneration Committee of the Board of Directors, within the limits laid down in Section II, Part II of Schedule V of the Companies Act, 2013. In such a case, the following perquisites shall not be included in the computation of the ceiling on remuneration in case the Company has inadequate profits or loss in that financial year.

(a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (43 of 1961);

(b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and

(c) encashment of leave at the end of the tenure.

Mr. Kailash Katkar is related to Mr. Sanjay Katkar. Mr. Kailash Katkar is brother of Mr. Sanjay Katkar. Mr. Kailash Katkar and his relatives will be concerned or interested in the ordinary resolution to the extent of the remuneration payable to him under the authority of the resolution. Except Mr. Sanjay Katkar, none of the other Directors or key managerial personnel (KMP) or relatives of other directors or key managerial personnel is concerned or interested in the proposed resolution. His brief profile is as per Annexure 3.

The Board of Directors recommends the Ordinary Resolutions set forth as Item No. 5 of the notice for approval of the shareholders.

None of the other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the Item no. 5 of the notice. The Board recommends the Resolution set out in Item No. 5 for approval of shareholders as ordinary resolution.

ITEM NO 6: TO APPROVE REMUNERATION OF MR. SANJAY KATKAR (DIN: 00397277) JOINT MANAGING DIRECTOR:

The Members at their 25th AGM held on August 11, 2020 had approved by way of ordinary resolution the appointment and remuneration of Mr. Sanjay Katkar as Joint Managing Director & CTO of the Company for a period of 3 years with effect from April 01, 2020 till March 31, 2023. The remuneration paid/ payable during financial year 2023-24 and 2024-25 will be as follows:

(a) Mr. Sanjay Katkar shall be paid basic salary, perquisites and allowances in the range of ₹ 1.5 Crores per annum to ₹ 2.20 Crores per annum. Within this range, the aggregate of basic salary, perquisites and allowances may be revised by the Board of Directors or the Nomination & Remuneration Committee of the Board of Directors, from time to time, subject to maximum annual increase of 20% over the basic salary, perquisites and allowances for the previous year.

(b) Variable incentive of such amount as may be decided by the Board of Directors or the Nomination & Remuneration Committee of the Board of Directors, from time to time subject to the prescribed limit given under Section 196, Section 197 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V thereof and the Rules made thereunder, including any statutory modification(s) or re-enactment thereof, for the time being in force and SEBI LODR Regulations.

(c) The aggregate of basic salary, allowances, perquisites and variable incentive of Mr. Sanjay Katkar, shall not be in excess of 2.5% of the Net Profit of the Company (computed in a manner laid down in Section 198 of the Companies Act, 2013) and payment of remuneration shall not be in excess of 5% of the Net Profit of the Company to all Executive Directors of the Company for each of the financial years from 2023-24 and onwards with effect from April 01, 2023 for a period of two years.

If the Company incurs a loss or its profits are inadequate in any financial year during the tenure of Mr. Sanjay Katkar, he may be paid such minimum remuneration as determined by the Board of Directors or the Nomination & Remuneration Committee of the Board of Directors, within the limits laid down in Section II, Part II of Schedule V of the Companies Act, 2013. In such a case, the following perquisites shall not be included in the computation of the ceiling on remuneration in case the Company has inadequate profits or loss in that financial year.

(a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (43 of 1961);

(b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and

(c) encashment of leave at the end of the tenure.

Mr. Sanjay Katkar is related to Mr. Kailash Katkar. Mr. Sanjay Katkar is brother of Mr. Kailash Katkar. Mr. Sanjay Katkar and his relatives will be concerned or interested in the ordinary resolution to the extent of the remuneration payable to him under the authority of the resolution. Except Mr. Kailash Katkar, none of the other Directors or key managerial personnel or relatives of other directors or key managerial personnel is concerned or interested in the proposed resolution. The Board of Directors recommends the Ordinary Resolution set forth as Item No. 6 of the notice for approval of the shareholders. His brief profile is as per Annexure 3.

The Board of Directors recommends the Ordinary Resolutions set forth as Item No. 6 of the notice for approval of the shareholders.

None of the other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the Item no. 6 of the notice. The Board recommends the Resolution set out in Item No. 6 for approval of shareholders as ordinary resolution.

BY ORDER OF THE BOARD OF DIRECTORS
For Quick Heal Technologies Limited

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

Place: Pune
Date: April 17, 2023

NOTICE (Contd.)

ANNEXURE 1 TO THE NOTICE

Details of Director seeking reappointment at the Annual General Meeting

Particulars	Mr. Kailash Katkar
Date of Birth	November 01, 1966
Date of Appointment	August 07, 1995
Qualifications	Matriculation
Expertise in specific functional areas	Business Administration, General Management, Strategy
Number of shares held in the Company	1,55,88,818
List of directorships held in other companies *	Data Security Council of India
Number of Board Meetings attended during 2022-23	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. Sanjay Katkar
Remuneration last drawn	₹ 1,35,50,004

**Based on disclosures received from the respective Director.*

ANNEXURE 2 TO THE NOTICE

Information required as per clause (iv) of Section II of Schedule V of the Companies Act, 2013

I. General Information

a. **Nature of Business:** The Company is engaged into providing IT security solutions to consumers, small businesses and Government establishments and Corporate houses.

b. **Financial performance based on given indicators:**

Standalone Financial performance based on given indicators (₹ in Crores)

Particulars	2022-23	2021-22	2020-21
Total Income	300.49	360.72	357.46
Profit before tax	9.29	103.56	145.83
Profit after tax	7.70	78.19	106.79

Consolidated Financial performance based on given indicators (₹ in Crores)

Particulars	2022-23	2021-22	2020-21
Total Income	300.22	361.10	357.20
Profit before tax	8.02	108.68	146.13
Profit after tax	6.40	83.19	106.97

II. Information about the appointee: Not Applicable

III. Other Information:

a. **Reason of loss or inadequate profits:** Predominantly due to sudden and temporary correction in the consumer market towards the later of the second half of the year.

b. **Steps taken or proposed to be taken for improvement:** We are approaching it in two-fold manner: Segment wise revenue enhancement and cost optimization measures

IV. Disclosure: Not Applicable

ANNEXURE 3 TO THE NOTICE

Pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 read with Secretarial Standard-2 on General Meetings, brief profile of the directors whose remuneration to be revised is as follows:

Particulars	**Mr. Kailash Katkar**	**Mr. Sanjay Katkar**
DIN	00397191	00397277
Date of Birth & Age	November 01, 1966, Age: 56	November 29, 1970, Age: 52
Date of First Appointment to the Board	August 07, 1995	August 07, 1995
Qualifications	Matriculate	Masters in computer science
Expertise in Specific Functional Areas	Business Administration	Development of anti-virus software, technology and related services
Experience	Quick Heal Technologies Limited	Quick Heal Technologies Limited
Directorship held in other listed entities	Nil	Nil
Membership/Chairmanship of Committees of other listed entities (includes on Audit committee & Stakeholders Relationship Committee)	Nil	Nil
Number of Equity Shares held in the Company	1,55,88,818	1,55,88,818
Relationship with any Director (s) and KMPs of the Company	Brother of Mr. Sanjay Katkar	Brother of Mr. Kailash Katkar
Number of Meetings Attended During the year	05	05
Remuneration last drawn	1,35,50,004	1,28,99,964

NOTES

1. Pursuant to General Circular No. 10/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 issued by the Securities and Exchange Board of India ("SEBI") and other circulars issued from time to time (hereinafter collectively referred to as "the Circulars") and in compliance with the provisions of the Act and SEBI LODR, the AGM of the Company is being conducted through Video Conferencing/Other Audio Visual Means ("VC/OAVM") facility, which does not require physical presence of the Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.
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 05, 2023 to Tuesday, August 08, 2023 (both days inclusive), for the purpose of AGM.
10. Members holding shares in electronic form are requested to immediately intimate 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 SEBI Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 January 05, 2023 read with Circular no. SEBI Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and May 12, 2020, (collectively referred to as "SEBI Circulars"), Notice of the AGM along with the Annual Report 2022-23 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 2022-23 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 Intime https://instavote.linkintime.co.in

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 08, 2023 at 12:01 AM (IST) and ends on August 10, 2023at 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 July 28, 2023 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 09, 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.

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. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration

NOTICE (Contd.)

Type of shareholders	Login Method
	• 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.

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 LINK INTIME, 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 are 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.: 022 - 4886 7000 and 022 - 2499 7000
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 toll free no. 1800 22 55 33 .

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & e-voting 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

NOTICE (Contd.)

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 AGM through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the Company on the specific email id created for the general meeting.
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 panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.
6. 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 AGM 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 AGM 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 AGM will be eligible to attend/ participate in the AGM 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.

DIRECTORS' REPORT

Dear Members,

Quick Heal Technologies Limited

The Board of Directors of your Company is pleased to present the 28th Annual Report along with the audited financial statements, for the financial year ended March 31, 2023.

1. FINANCIAL RESULTS:

(₹ in Crores)

Particulars	Consolidated		Standalone	
	2022-2023	2021-2022	2022-2023	2021-2022
Revenue from Operations (Net)	278.09	341.90	278.11	341.55
Other Income	22.13	19.20	22.38	19.17
Total Income	**300.22**	**361.10**	**300.49**	**360.72**
Expenses	276.21	235.04	275.31	235.72
Depreciation	15.99	17.38	15.99	17.38
Total Expenditure	**292.20**	**252.42**	**291.30**	**253.10**
Profit Before Tax	**8.02**	**108.68**	**9.29**	**103.56**
Total Tax	1.62	25.49	1.59	25.37
Profit After Tax	**6.40**	**83.19**	**7.70**	**78.19**

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 2022-23 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 2022-23. The Auditors' Report on Standalone and consolidated financials is unmodified.

2. COMPANY PERFORMANCE OVERVIEW AND OUTLOOK

Your Company recorded a total income of ₹ 300.22 Crores for the financial year 2022-23 as against ₹ 361.10 Crores in 2021-22 resulting in a decrease of 16.86% in the total income during the year under review on consolidated basis. The Profit after Tax of the Company was decreased by 92.31% from ₹ 83.19 Crores in the year 2021-22 to ₹ 6.40 Crores in the year under review.

Outlook of the business has been discussed in detail in the "**Management Discussion and Analyzes**" which forms a part of this Annual Report.

3. DIVIDEND

The Board of Directors of your Company have recommended a final Dividend @ 25% i.e. ₹ 2.50/- per equity share, for the financial year 2022-23. The payment of aforesaid Dividend is subject to the approval of the Members at the ensuing Annual General Meeting.

The total dividend for the financial year 2022-23 would involve a total outflow of ₹ 13.27 Crores resulting in a dividend pay-out ratio of 172.31 % of the standalone profits of the Company.

In view of the changes made under the Income Tax Act, 1961, by the Finance Act, 2020, the 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 divided after deduction of tax at source.

The dividend recommended for the financial year 2022-23, 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 July 21, 2022 and approval of shareholders through special resolution dated August 26, 2022 passed through postal ballot/ e-voting, your Company completed buyback of 50,00,000 fully paid up equity shares of face value of ₹10/- each of the Company for an aggregate amount of ₹150 Crores, being 24.71% 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, 2022 on standalone basis total paid up equity share capital, at ₹ 300/- per equity share, in October 2022. The buyback was made from all existing shareholders of the Company as on September 14, 2022, 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 buyback was completed on October 27, 2022. The pre-buyback paid up capital of the Company was ₹ 58,07,29,010/- and after extinguishing 50,00,000 equity shares, the post-buyback paid up share capital is ₹ 53,07,29,010/-.

5. TRANSFER OF PROFITS TO RESERVES

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

As per section 69 of the Companies Act, 2013, the Company has created Capital Redemption Reserve of ₹ *5* 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 two subsidiaries as of March 31, 2023. 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 Japan KK got de- registered w.e.f. October 07, 2022.

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 about the subsidiary companies, upon request by any Member of the Company.

8. MANAGEMENT DISCUSSION AND ANALYZIS

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 Analyzes" 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

Your Company believes in adopting the 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 to the stock exchanges in compliance with the regulatory provisions. A certificate from M/s J. B. Bhave & Co., Practicing Company Secretaries, confirming compliance with the 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 provided an Integrated Report which encompasses both financial and non-financial information to enable the Members to take well-informed decisions and have a better understanding of the Company's long-term perspective. The Report also touches upon aspects such as organization's strategy, governance framework, performance and prospects of value creation based on the six forms of capital viz. financial, service, intellectual, human, social & relationship and natural capital.

12. RISK MANAGEMENT

The Company has put in place a robust risk management framework which facilitates the identification of risks and also mitigation thereof. The Risk Management Committee & Audit Committee are 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, are explained under Management Discussion and Analysis 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 other 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.

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 2022-23, as required under Schedule V of the SEBI LODR Regulations forms a part of this Annual Report.

16. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMPS)

a. Composition of Board & Details of KMPs

As on March 31, 2023, the Board comprised of two Executive Directors, four Non-Executive Independent Directors and one Non-Executive Director. The Board is well diversified and consists of one Women Independent Director.

Mr. Kailash Katkar, Managing Director & CEO, Mr. Sanjay Katkar, Joint Managing Director & CTO, Mr. Navin Sharma, Chief Financial Officer ("CFO") and Mr. Srinivasa Rao Anasingaraju, 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, 2023.

b. Appointment & Cessation during the year.

Mr. Kailash Katkar (DIN: 00397191), Managing Director & CEO of the Company, retires by rotation at the ensuing AGM and, being eligible, offers himself for re- appointment. A Profile of Mr. Kailash Katkar, as required by Regulation 36(3) of the SEBI LODR Regulations is given in the Notice convening the forthcoming AGM.

During the year Mr. Mehul Savla resigned as Independent Director w.e.f. November 25, 2022. The Board places on record the contributions made by Mr. Mehul Savla during his tenure as an Independent Director. Mr. Bhushan Gokhale's appointment, pursuant to he is attaining the age of 75 years was approved by shareholders vide postal ballot/E-voting on December 25, 2022.

Mr. Navin Sharma resigned as CFO & KMP w.e.f. April 18, 2023

c. Policy on Director's Appointment and Remuneration

The details including the composition and terms of reference of the Nomination and Remuneration Committee and the meetings thereof held during the Financial Year and the Remuneration Policy of the Company and other matters provided in Section 178(3) of the Act are given in the Report on Corporate Governance section forming part of this Annual Report.

The Policy for appointment of a new director on the board is available on Company's website at https://www.quickheal.co.in/documents/investors/policies/Nomination_and_Remuneration_Policy.pdf

17. BOARD AND ITS COMMITTEE'S MEETINGS

During the financial year 2022-23, five Board meetings were held on May 05, 2022, July 21, 2022, October 19, 2022, January 24, 2023 and March 13, 2023 respectively. The maximum time gap between any two meetings did not exceed the 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, 2023, 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 and loss 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. Ms. Apurva Joshi
c. Mr. Bhushan Gokhale
d. 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 Non-Independent Directors and representatives of the management, was held on March 23, 2023, 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

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

This process for senior management was initiated by defining the unique roles by differentiating competencies. The next step was key role identification and succession planning design where certain key business roles were identified which will enhance organizational performance and provides long term competitive advantage. Now we are in the completing stage of final step i.e identification of successors and by providing required training to those successors so as to build leadership capabilities across all business units and mitigating risk of loss of experienced leadership.

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#	Ms. Apurva Joshi##
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	CSR Committee	Ms. Apurva Joshi (Chairperson)	Mr. Kailash Katkar	Mr. Sanjay Katkar	-	-

 # resigned w.e.f. November 25, 2022.
Appointed as a Member of Committee effective March 29, 2023.

23. SECRETARIAL AUDIT REPORT

As required by Section 204 of the Companies Act, 2013 and Rules made thereunder, the Board appointed M/s. J B Bhave & Co., Practicing Company Secretaries, Pune as the Secretarial Auditors of the Company for the financial year 2023-24. There are no qualifications/ observations/ remarks in the Secretarial Audit Report for the year ended March 31, 2023. The Secretarial Auditor has not reported any fraud during the financial year.

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 28th AGM does not include the proposal for seeking shareholders' approval for ratification of Statutory Auditors appointment.

25. COST RECORDS

As per the Companies (Cost Records and Audit) Rules, 2014, the Cost Records to be maintained by the Company for certain products. The Company has maintained all the required records and received a compliance report on the same from M/s. Bhavesh Marolia & Associates, as the Cost Auditors of the Company.

26. INTERNAL AUDITORS

The Board appointed Ernst & Young LLP, Chartered Accountants, as Internal Auditors of the Company for the financial year 2023-24.

27. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSOANNEL 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'**.

The remuneration already paid to Mr. Kailash Katkar, Managing Director & CEO & Mr. Sanjay Katkar, Joint Managing Director & CTO of the Company for the financial year 2022-23, was in excess of the limits prescribed under Schedule V of the Act. It was agreed that the excess remuneration paid shall be recovered from them within a period of one year.

Further, due to inadequacy of profits, the commission payable to Independent Directors for the year 2022-23 shall be as per the limits prescribed under Schedule V of the Act, post approval of shareholders in ensuing AGM.

28. EMPLOYEE STOCK OPTION SCHEME

Your Company has 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. Since ESOP Scheme 2010 was exhausted, details of the scheme are not provided in this report.

The above schemes are in line with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 (**"SBEB 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 Regulations and the resolutions passed by the members. The certificates are available for inspection by members in electronic mode. The details as required to be disclosed under the SBEB 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 (excluding outstanding warrants and conversions) of your Company. The details of activities under the scheme have been summarized in the Notes forming part of Financial Statements and annexed as **Annexure D**.

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 the latest technology. With its continued focus on R&D, the Company aims to release newer features as well as newer products in the 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 digitization 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, 2023	Year ended March 31, 2022
Total foreign exchange outgo	8.29	7.51
Total foreign exchange earnings	15.03	14.94

31. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There are no Loans, Guarantees provided by the Company as on March 31, 2023.

32. RELATED PARTY TRANSACTIONS

All the related party transactions carried out during the year were carried out on an arm's length basis and in the 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 into during the year are given in Form AOC-2 enclosed as **Annexure E**.

33. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Your Company has a strong commitment to 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/investors/company-policies.

During the year under review, the Company spent a total of ₹ 2,30,70,000/- on CSR activities, vis-à-vis ₹ 2,30,60,811/- i.e. 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 society.

A detailed report on CSR activities of your Company under the provisions of the Companies Act, 2013 during the financial year 2022-23 is given as **Annexure 'F'**.

34. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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/investors/company-policies.

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 consecutive 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, 2023.

However, dividend remain unclaimed from 2015-16 will be transferred to IEPF account in FY 2023-24.

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 under section 134(3).

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 one-time 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, 2023 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 in India to address complaints received regarding sexual harassment. There were no complaints reported during the financial year 2022-23.

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 organizational 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: April 17, 2023

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.#	Seqrite Technologies DMCC
1	Reporting Currency	US$	JPY	AED
2	Exchange rate on the last date of relevant financial year	82.1533	0.62722	22.3645
3	Date on which Subsidiary was acquired	January 02, 2012	April 02, 2012	November 13, 2016
4	Share Capital	7,88,000	24,10,42,277	3,00,000
5	Reserves and Surplus	(770,927)	(240,991,123)	8,655
6	Total Assets	141,353	51,154	511,791
7	Total Liabilities	124,281	0	203,135
8	Investments	-	-	-
9	Turnover	266,548	0	263,621
10	Profit before taxation	5,286	(1,917,476)	3,925
11	Provision for taxation	-	586,668	-
12	Profit after taxation	5,286	(2,504,144)	3,925
13	Proposed dividend	-	-	-
14	Extent of Shareholding	Wholly Owned	Wholly Owned	Wholly Owned

 # Quick Heal Technologies Japan K.K got de-registered w.e.f. October 07, 2022.

ANNEXURE B

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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 2022-23, 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 authorized 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, 2023 ("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, 2023 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;

c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **[Not applicable during the Audit Period]**

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, 1993;

j) SEBI (Delisting of Equity Shares) Regulations, 2021 and circulars/ guidelines issued thereunder; **[Not applicable during the Audit Period]**

(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.

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

ANNEXURE B (Contd.)

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 buyback of 50,00,000 fully paid-up equity shares of ₹ 10 each of the Company was consented to by the Board of Directors in their meeting held on July 21, 2022 and by the shareholders in their meeting held on August 26, 2022 which represented 24.71% of the aggregate paid-up equity share capital and free reserves of the Company amounting to ₹ 1,50,00,00,000/- (Rupees One Hundred and Fifty Crores only) as on March 31, 2022 at a price of ₹ 300/- for each equity share. The buyback was completed on October 27, 2022 and the Company filed the return of buyback with the Registrar of Companies, Pune (ROC).
2. During the year under review, the Company dissolved its wholly owned subsidiary- Quick Heal Technologies Japan KK, a company incorporated under the laws of Japan and the name has been struck off from the corporate register of Japan w.e.f. October 07, 2022.
3. Mr. Mehul Savla (DIN- 02137699) resigned as an Independent Director of the Company w.e.f. November 25, 2022.
4. Continuation of the tenure of Mr. Bhushan Nilkanth Gokhale (DIN- 01493276) as an Independent Director beyond his attaining the age of 75 on December 25, 2022 was confirmed by the shareholders by passing a special resolution through postal ballot.
5. During the year under review, the Company has allotted equity shares under its ESOP Schemes to the eligible employees the details of which are as under-

Sr. No.	Particulars	No. of shares allotted
1.	ESOP Scheme, 2014	45,800 equity shares of ₹ 10 each
2.	ESOP Scheme, 2021	18,450 equity shares of ₹ 10 each

6. The Board of directors have reconstituted the audit committee on March 29, 2023 by passing a circular resolution. The revised composition of the committee is as under-

Sr. No.	Name of the member	Designation	Status
1.	Mr. Amitabha Mukhopadhyay	Non-Executive and Independent Director	Chairperson
2.	Mr. Sanjay Katkar	Executive Director and Joint Managing Director	Member
3.	Ms. Apurva Joshi	Non-Executive and Independent Director	Member
4.	Mr. Bhushan Gokhale	Non-Executive and Independent Director	Member

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

Sd/-
Jayavant B. Bhave
Proprietor
FCS: 4266 CP: 3068
PR No. 1238/2021
UDIN: F004266E000120811

Place: Pune
Date: April 17, 2023

ANNEXURE B (Contd.)

Annexure to the Secretarial Audit Report of Quick Heal Technologies Limited (2022-2023)

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-

- Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility as the Auditor is to express the opinion on the compliance with the applicable laws and maintenance of Records based on Secretarial Audit conducted by me.
- The Secretarial Audit needs to be conducted in accordance with applicable Auditing Standards. These Standards require that the Auditor should comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of Records.
- I am also responsible to perform procedures to identify, assess and respond to the risks of material misstatement or non-compliance arising from the Company's failure appropriately to account for or disclose an event or transaction. However, due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit was properly planned and performed in accordance with the Standards.

Accordingly, 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: F004266E000120811

Place: Pune
Date: April 17, 2023

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 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 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 2022-23	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	5	17.96	The total income is decreased by 16.86% whereas profit after tax is decreased by 92.33% during financial year 2022-23.
2.	Sanjay Katkar, Jt. Managing Director & CTO	5	17.10	
3.	Shailesh Lakhani Non–Executive Director	-	-	
4.	Mehul Savla # Independent Director	(33.33)	0.43	
5.	Apurva Joshi Independent Director	33.33	0.86	
6.	Amitabha Mukhopadhyay Independent Director	(20.00)	0.86	
7.	Bhushan Gokhale Independent Director	33.33	0.86	
8.	Richard Stiennon Independent Director	100	0.86	
9	Navin Sharma Chief Financial Officer ##	5	-	
10	A. Srinivasa Rao Company Secretary	6.38	-	

#Ceased to be Independent Director of the Company effective November 25, 2022
Ceased to be Chief Financial Officer of the Company effective April 18, 2023

2. The median remuneration of employees of the Company during financial year 2022-23 was ₹ 9,35,421/-.
3. In the financial year 2022-23, there was an increase of 22.90% in the median remuneration of the employees as compared to that of 2021-22.
4. As on March 31, 2023 there were 1043 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, 2023 decreased by 92.33% whereas the median remuneration increased by 22.90%.
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 increased by 30.64% from ₹ 4.12 Crores in 2021-22 to ₹ 5.38 Crores in 2022-23, whereas Profit After Tax decreased by 92.31% from ₹ 83.20 Crores in 2021-22 to ₹ 6.40 Crores in 2022-23.
7. The average percentage increase in salaries of employees excluding Key Managerial Personnel(s) was 17.40% over the previous year. The average increase in salaries of Key Managerial Personnel(s) was 3.71%. The increase in KMP remuneration was 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 Crores 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) 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 ₹ Crores)	ESOP	Previous Employment	Relationship with any Director of the Company
Kailash Katkar	Managing Director & CEO	Matriculation	54	August 07, 1995	28	Permanent	1.73	-	Promoter	Brother of Mr. Sanjay Katkar
Sanjay Katkar	Joint Managing Director & CTO	Master in Computer Science	53	August 07, 1995	28	Permanent	1.68	-	Promoter	Brother of Mr. Kailash Katkar
Krishnamurthy Venkateswaran	Senior Vice President	Master in Business Administration	49	January 02, 2023	25	Permanent	1.35	-	Awign Enterprises	No
Ashish Pradhan	Chief Technology Officer	Bachelor of Commerce	57	July 01, 2022	34	Permanent	1.60	50,000	Exabeam	No
Sanjay J Agrawal	Chief Product Officer	Bachelor of Science in Computer Engineering	52	October 19, 2020	22	Permanent	2.60	3,00,000	Self Employed	No
Netra Deshpande	Vice President-Engineering	Bachelor of Engineering - Computer Science	49	May 02, 2017	27	Permanent	1.05	54,600	Avaya	No
Navin Sharma	Chief Financial Officer	Chartered Accountant	45	October 25, 2021	20	Permanent	1.47	60,000	Sterlite Technologies Limited	No

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

Pursuant to Rule 5(2)(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, Mr. Sanjay Agarwal, Mr. Krishna Murthy Venkateswaran, Mr. Ashish Pradhan and Ms. Netra Deshpande 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. **NIL**

ANNEXURE C (Contd.)

Information as per Rule 5(2) 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 2022-23:

Name	Designation	Qualification	Age (Yrs.)	Joining Date	Expe-rience (Yrs.)	Nature of Employ-ment	*Total Remuner-ation (in ₹ Crores)	ESOP	Previous Employment	Relationship with any Director of the Company
Vinaya Sathyanarayana	Senior Director - Product Management	MBA/PGDM (Information Management)	41	December 02, 2020	18	Permanent	1,00,00,000	48,200	Color Tokens India LLP	No
Sourav Biswas	Senior Director - Product Management	M.Sc, M.B.A – Marketing	49	August 09, 2021	14	Permanent	92,00,000	14,100	Securonix UEBA AND SIEM	No
Nandakishore Saboo	Director Engineering	Bachelor of Engineering - Electronics & Communications	39	June 01, 2021	17	Permanent	90,10,000	22,900	Color Tokens India LLP	No
Ranvijai Singh Bhadauria	Senior Director - Engineering	Bachelor of Technology - Electronics	54	September 13, 2021	32	Permanent	90,00,000	62,700	Cisco	No
Sanjay Luhade	Global Head - Information Technology	Bachelor of Engineering - Electronics	53	July 06, 2020	27	Permanent	85,00,000	42,500	BNY Mellon Technologies	No
Sudhanshu Shekhar Tripathi	VP & Head of Marketing & Growth	MBA Marketing	39	June 27, 2022	18	Permanent	85,00,000	45,000	Sterlite Power	No
Deepak Mishra	Head - Retail Sales	MBA Marketing	47	August 21, 2017	24	Permanent	80,00,000	1,50,200	Tally Solutions Private. Limited.	No
Desmond D'Silva	Director - SMB New Acquisitions India & International Pre sales	Diploma – Engineering	42	December 27, 2021	22	Permanent	80,00,000	-	Infoblox India Private. Limited.	No
Indranil Chatterjee	Country Manager	MBA Marketing	51	May 04, 2020	29	Permanent	76,72,320	2900	Veridical Hospitality	No
Swapna Sangari	Vice President – Human Resources	MBA Human Resource	44	March 27, 2023	17	Permanent	75,00,000	-	Cin7	No

ANNEXURE D

ESOP Details as on March 31, 2023

Particulars	**Details of ESOP Schemes**	
	ESOP 2014	**ESOP 2021**
Options granted	Total options granted until date: 20,28,900 Options granted during fiscal 2023: Nil 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: 18,29,100 Options granted during fiscal 2023: 6,27,100 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	₹ 93.00 to ₹ 294.33	₹ 119.25 to ₹ 176.00
Total number of options vested	9,96,020	2,10,725
Total number of options exercised	45,800	18,450
Total number of Equity Shares that would arise as a result of full exercise of options already granted	10,41,820	2,29,175
Options forfeited/lapsed/cancelled	2,74,925	3,30,075
Variation in terms of options	Nil	Nil
Options outstanding (in force)	4,42,788	12,91,475
Person wise details of options granted to		
(i) Directors and key management employees	Please see note 1 below	Please see Note 2 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	Please see Note 3 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
Fully diluted EPS on exercise of options calculated in accordance with the applicable Accounting Standards	(₹ 1.25)	
Difference between employee compensation cost using the fair value method and the employee compensation cost that shall have been recognized 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	
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: ₹ 155.07	Weighted average exercise price: ₹ 149.37
	Weighted average fair value: ₹ 78.03	

ANNEXURE D (Contd.)

Particulars	**Details of ESOP Schemes**	
	ESOP 2014	**ESOP 2021**
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: 7.02%; ii. Expected life: Grant IV: 0.43 - 8.57 Grant VII: 1.48 - 7.52 Grant IX: 1.73 - 7.27 Grant X: 2.61 – 6.39 Grant XI: 3.25 – 5.75 Grant XII: 3.51 - 5.49 Grant XIII: 4.19 - 4.81 Grant XIV: 4.53 - 4.47 Grant XV: 4.56 - 4.44 Grant XVI: 5.26 - 3.74 Grant XVII: 5.75 - 3.25 Grant XVIII: 6.06 - 2.94 Grant XIX: 6.25 - 2.75 Grant XX: 6.71 - 2.29 Grant XXI: 6.85 - 2.15 Grant XXII: 5.12 - 1.88 Grant XXIII: 5.36 - 1.64 Grant XXIV: 5.42 - 1.58 Grant XXV: 5.48 - 1.52 Grant XXVI: 5.57- 1.43 Grant XXVII: 5.36- 1.64 Grant XXVIII: 5.73- 1.27 Grant XXIX: 6.23 – 0.77 Grant XXX: 6.36 – 0.64 Grant XXXI: 6.44 – 0.56 Grant XXXII: 6.59 – 0.41 Grant XXXIII: 6.76 – 0.24 iii. Expected volatility: 49.90% iv. Expected dividends: 2.40% Price of underlying share in market at the time of Grant XXXIII of option: ₹ 133.20	
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 2022-23: ₹ 2.85 Crore Fiscal 2021-22: ₹ 4.68 Crore	

ANNEXURE D (Contd.)

Note 1: 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		

Options are vested based on the performance of the employee

Note 2: 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	60,000	Nil	Nil	Nil	60,000
A. Srinivasa Rao	3,000	750	Nil	Nil	2,250

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

Note 3: Employee who received a grant of options amounting to 5% or more of the options granted during the year 2022-23

Name of Employee	Total No. of options granted	Grant Price (in ₹)
Ashish Pradhan	50,000	98.50
Netra Deshpande	4100	114.00
Netra Deshpande	30,000	122.00
Ranvijai Singh Bhadauria	2700	114.00
Ranvijai Singh Bhadauria	30,000	122.00
Sudhanshu Tripathi	45000	140.00

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, 2023, 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

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 customers 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	₹ 9,332/-

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	2022-23	9,332/-	Nil

6. Average net profit of the Company as per section 135(5). ₹ **1,15,30,40,525/-**

7. (a) Two percent of average net profit of the Company as per section135(5) - ₹ **2,30,60,811/-**
   (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years - **NIL**
   (c) Amount required to be set off for the financial year, if any – ₹**143/-**
   (d) Total CSR obligation for the financial year (7a+7b-7c):₹**2,30,60,668/-**

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
2,30,70,000/-	Nil	Not Applicable	-	NIL	-

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

(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 Imple-mentation - 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			1,19,70,000	1,19,70,000	Nil	No	Quick Heal Foundation	CSR00005777
	Total						**1,19,70,000**	**1,19,70,000**				

(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 imple-mentation - 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		1,17,50,000	No	Quick Heal Foundation	CSR00005777
						1,17,50,000			

(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) - ₹ **2,30,70,000/-**

(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)	2,30,60,811
(ii)	Total amount spent for the Financial Year	2,30,70,000
(iii)	Excess amount spent for the financial year[(ii)-(i)]	9,189
(iv)	Surplus arising out of the CSR projects or programs or Activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	9,189

ANNEXURE F (Contd.)

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 assets.

(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 is a set of principles, processes and systems to be followed by the Directors, Management and all employees of the Company for enhancement of shareholder value, keeping in view interests of all stakeholders. Integrity, transparency, and compliance with applicable laws in all dealings with government, customers, suppliers, employees and other stakeholders are the objectives of good corporate governance. It inspires the Company to set standards which not only meet applicable legislation but go beyond its scope. 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. 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, 2023, the Company has seven Directors. Of the seven Directors, five are Non-Executive Directors out of which four 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 to 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

 # ceased to be director w.e.f. November 25, 2022

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 2022-23, 5 (Five) Board meetings were held, details are as under;

S. No.	Date of Meeting
1.	May 05, 2022
2.	July 21, 2022
3.	October 19, 2022
4.	January 24, 2023
5.	March 13, 2023

The maximum time gap between any two meetings did not exceed the 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	01	Yes	01	Quick Heal Technologies Limited- Non-Executive Director	Nil
Mr. Amitabha Mukhopadhyay	05	Yes	05	Foseco India Limited - Non Executive Director Safepack Industries Limited - Non Executive Director IFB Agro Industries Limited - Managing Director IFB Refrigeration Limited - Non Executive Director	02(C), 02(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]^
Mr. Mehul Savla*	03	Yes	01	Quick Heal Technologies Limited- Independent Director	0 (C),1(M)
Ms. Apurva Joshi	05	Yes	05	Quick Heal Technologies Limited- Independent Director Associated Alcohols & Breweries Limited- Independent Director Nihilent Limited - Non Executive Director Fidel Softech Limited - Non Executive Director Fino Paytech Limited - Non Executive 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. Mehul Savla ceases to be director w.e.f. November 25, 2022*

 # 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, 2023, 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 hold 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. The annual calendar of Board Meetings is tentatively agreed upon at the beginning of each year. 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) Familiarization Program for Board Members including Independent Directors

The Board members are provided with the requisite documents/brochures, reports and internal policies to enable them to familiarize 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 familiarize 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 familiarization program 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 23, 2023 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, 2023, 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, 2023, 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 July 21, 2022 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. Navin Sharma, Chief Financial Officer, Mr. Abhisek Singhania, Director – Finance, Mr. A. Srinivasa Rao, Company Secretary, 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 January 24, 2023.

(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, 2023.

During the year under review, the Audit Committee met on May 05, 2022, July 21, 2022, October 19, 2022 and January 24, 2023.

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	04
Mr. Mehul Savla#	Member	03
Ms. Apurva Joshi*	Member	00

 # Mr Mehul Savla ceased to be member of Committee w.e.f November 25, 2022
**Ms. Apurva Joshi appointed as member of committee w.ef .March 29, 2023*

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 victimization 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, 2023, 01 (One) meeting of the Nomination and Remuneration Committee was held.

During the year under review, the Committee met on May 05, 2022.

Names of Members of the Committee and their attendance at the Meetings 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/Chairperson	01

** Mr Mehul Savla ceased to be member of Committee w.e.f November 25, 2022*

 # Ms. Apurva Joshi appointed as member & designated as Chairperson of the Committee w.e.f. April 17, 2023

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, 2023:

(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*	1,35,50,004	32,00,004	Nil	1,67,50,008	6(six) Months
2.	Mr. Sanjay Katkar*	1,28,99,964	30,00,000	Nil	1,60,99,968	6(six) Months

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

Particulars of sitting fee paid to the Non-Executive Directors during the financial year ended March 31, 2023 are as follows:

Sr. No.	Name of the Director	Sitting fees paid (in ₹)*
1.	Mr. Amitabha Mukhopadhyay	3,80,000
2.	Mr. Mehul Savla	2,10,000
3.	Ms. Apurva Joshi	4,10,000
4.	Mr. Bhushan Gokhale	3,50,000
5.	Mr. Richard Stiennon	2,00,000

** 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 2022-23.

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 2022-23.

(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, 2023

Names of Members of the Committee are given below:

Name	Status
Mr. Bhushan Gokhale	Chairperson
Ms. Apurva Joshi	Member
Mr. Amitabha Mukhopadhyay	Member
Mr. Kailash Katkar	Member

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 dematerialized form. All requests for dematerialization 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
00	00	00

(iv) Risk Management Committee: Terms of reference:

Composition:

The Risk Management Committee consists of three Directors, out of which one is Independent and two are Executive Directors and senior executives of the Company. During the year under review, 04 (four) meetings of the Risk Management Committee were held.

During the year under review, the Committee met on May 05, 2022, July 21, 2022, October 19, 2022 and January 24, 2023.

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	04
Mr. Kailash Katkar	Member	04
Mr. Sanjay Katkar	Member	04
Mr. Sanjay Luhade	Member	04
Mr. Navin Sharma	Member	04
Mr. A. Srinivasa Rao	Member	04

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 April 28, 2022.

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 26, 2022	Through Video Conferencing/ Other audio-visual means
2.	August 06, 2021	Through Video Conferencing/ Other audio-visual means
3.	August 11, 2020	Through Video Conferencing/ Other audio-visual means

Sr. No.	Financial Year	Date	Day	Time	Number of Special resolution(s) Passed	Details of Special Resolutions passed
1.	2021-22	August 26, 2022	Friday	3.30 PM	1	Approval of Buyback of Equity Shares of the Company
2.	2020-21	August 06, 2021	Friday	11.00 AM	Nil	NA
3.	2019-20	August 11, 2020	Tuesday	11.00 AM	3	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

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.

During the year Company paid a fine of ₹10,000/- to each stock exchange for non-compliance of provision of Reg 29(2) and (3) of SEBI LODR Regulations, 2015.

(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, 2023)

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 analyzts	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 centralized web-based complaint redressal system. The salient features of this system are: Centralized 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 11, 2023 at 04:00 P.M.
	- Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated January 05, 2023 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 2023-24 (Tentative) :**	Annual General Meeting – (Next Year)	September 2024
		Financial Reporting	
		Results for quarter ending June 30, 2023	On or before August 14, 2023
		Results for quarter ending September 30, 2023	On or before November 14, 2023
		Results for quarter ending December 31, 2023	On or before February 14, 2024
		Results for year ending March 31, 2024 (Audited)	On or before May 30, 2024
7.3	**Dividend Payment date :**	Within 30 days from the date of approval in the AGM	
7.4	**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.

7.5	**(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
7.6	**Stock Code (Equity Shares):**	Trading Symbol – BSE Limited: 539678
		Trading Symbol – National Stock Exchange of India : QUICKHEAL

International Securities Identification Number (ISIN)

Equity Shares **:** INE306L01010

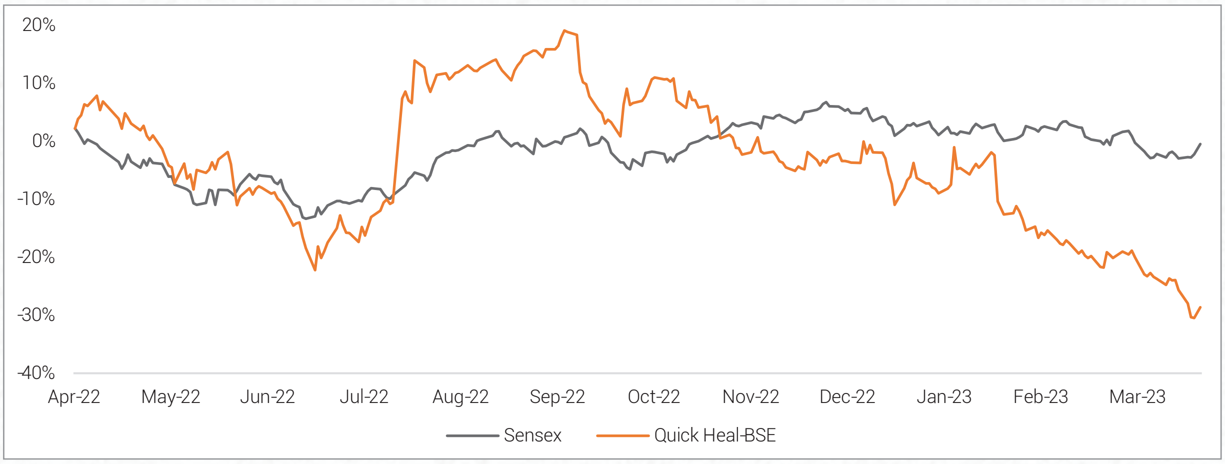
Correspondence Address: Marvel Edge, Office No. 7010, C & D, 7th Floor, Viman Nagar, Pune – 411 014.

7.7	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, 2022	204.45	178.65	204.50	177.70
	May, 2022	194.00	161.75	186.60	160.60
	June, 2022	178.25	143.95	174.90	141.00
	July, 2022	218.25	153.00	218.00	152.85
	August, 2022	220.00	202.00	221.00	204.50
	September, 2022	225.30	186.10	225.00	185.20
	October, 2022	212.00	187.00	215.00	186.60
	November, 2022	192.90	176.40	193.00	176.25
	December, 2022	189.90	165.00	190.00	157.95
	January, 2023	186.95	162.00	187.00	162.00
	February, 2023	171.15	145.00	167.40	145.00
	March, 2023	155.05	128.10	156.00	128.00

REPORT ON CORPORATE GOVERNANCE (Contd.)

7.8 Performance in comparison to broad-based indices such as BSE Sensex

Below Chart depicts the comparable movement of Company's Equity Shares against BSE Sensex, during the year ended March 31, 2023



7.0 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 Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities on or before March 31, 2019. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are undertaken by depositories with no involvement of the Company. During the year, the Company had obtained, on an annual basis, a certificate, from a Company Secretary in Practice, certifying that during the year no requests generated or received related to transfer and /or transmission of shares. Also there were no requests for issue of certificates on sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies from the members during the year from April 01, 2022 to March 31, 2023.

7.11 Distribution of shareholding as at March 31, 2023:

By size of shareholding	Shareholders		Equity shares held	
Nominal Value(₹)	**Number**	**Percentage (%)**	**Number**	**Percentage (%)**
1 - 5000	62,662	94.81	45,50,502	8.57
5001 - 10000	1,949	2.95	14,70,477	2.77
10001 - 20000	837	1.27	12,52,300	2.36
20001 - 30000	260	0.39	6,51,283	1.23
30001 - 40000	108	0.16	3,84,174	0.72
40001 - 50000	81	0.12	3,76,793	0.71
50001 - 100000	108	0.16	7,92,549	1.49
100001 & Above	84	0.13	4,35,95,773	82.14
TOTAL	**66,089**	**100**	**5,30,73,851**	**100**

By category of shareholders	Equity Shares held	
	Number of Shares	Percentage (%)
Clearing Members	9,849	0.02
Other Bodies Corporate	5,15,511	0.97
Foreign Company	17,85,975	3.66
Hindu Undivided Family	5,11,491	0.96
Nationalized Banks	25	0.00
Non Resident Indians	3,24,708	0.61
Non Resident (Non-Repatriable)	1,04,881	0.19
Public	99,38,386	18.73
Promoters	3,87,86,353	73.08
Body Corporate - Limited Liability Partnership	11,687	0.02
Foreign Portfolio Investors (Corporate) – I	10,84,630	2.04
NBFC's Registered with RBI	355	0.00
Total	**5,30,73,851**	**100**

7.12	**Dematerialization of shares:**	5,30,73,850 Nos of Shares has been dematerialized as on March 31, 2023 & 01 Share was in Physical Form. Trading in equity shares of the Company is permitted only in dematerialized form.
7.13	**Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion dates and likely impact on equity:**	Nil
7.14	**Commodity price risk or foreign exchange risk and hedging activities :**	No risk
7.15	**Plant locations:**	Nil
7.16	**Investor Correspondence:** For transfer / dematerialization 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
7.17	**List of all credit ratings obtained**	Not Applicable

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).

Important Communication to Members:

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 2022-23 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 minimization 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 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.

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, 2023	Year ended March 31, 2022
As auditor:		
Audit fees	925,000	925,0000
Limited review	2,445,000	2,475,000
In other capacity:		
Others (including certification fees)	100,000	295,750
Reimbursement of expenses	192,540	-
Total	**3,662,540**	**3,695,750**

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 is 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, 2023, 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.

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. Compliance with Non- Mandatory Provisions:

   1. The Chairman of the Board is an executive director.
   2. Your Company publishes financial results in two newspapers of wide circulation. 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, 2023, 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, 2023.

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, 2023. 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, 2023.

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

Sd/-
Jayavant Bhave
Proprietor
FCS: 4266 CP: 3068
UDIN: F004266E000121011
PR No.: 1238/2021

Place: Pune
Date: April 17, 2023

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, 2023 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	August 17, 1995
2	Sanjay Sahebrao Katkar	Executive Director, Joint Managing Director	00397277	August 17, 1995
3	Shailesh Lakhani	Non-Executive - Non Independent Director	03567739	April 29, 2014
4	Bhushan Nilkanth Gokhale	Non-Executive - Independent Director	01493276	August 12, 2020
5	Apurva Pradeep Joshi	Non-Executive - Independent Director	06608172	August 21, 2015
6	Amitabha Mukhopadhyay	Non-Executive - Independent Director	01806781	June 10, 2019
7	Mehul Savla	Non-Executive - Independent Director	02137699	June 13, 2011*
8	Richard Dennis Stiennon	Non-Executive - Independent Director	09324046	September 27, 2021

* Mr. Mehul Savla resigned from directorship w.e.f. November 25, 2022.

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: F004266E000121218
PR No.: 1238/2021

Place: Pune
Date: April 17, 2023

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, 2022 to March 31, 2023 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, 2022 to March 31, 2023 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, 2022 to March 31, 2023;

   2) significant changes in accounting policies during the period April 01, 2022 to March 31, 2023 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/-	Sd/-
Kailash Katkar	**Navin Sharma**
Chief Executive Officer	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 customized 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 formalized 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 stakeholder's 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 organization.

The Charter complements and does not replace other existing compliance programs, such as control processes, financial and operational audits, ISO, quality systems, internal and external reviews, etc. This charter is built on globally established principles of sound risk management.

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 organization 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 realize 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 analyzis. 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 analyzes 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 analyzes and calculations. Alternatively, where no past data are available, subjective estimates may be made which reflect an employee, or groupr'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 the 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 the 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 & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURESs

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, 2022 to March 31, 2023
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:**	₹ 530,738,510/- divided into 5,30,73,851 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.

15. **Products sold by the entity *(accounting for 90% of the entity's Turnover):***

Antivirus software products for retail and enterprise customers.

Operations

16. **Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Total number of offices
National	22
International	02

17. **Markets served by the entity:**

a. **Number of locations**

Locations	Numbers
National (no. of states)	29
International (no. of countries)	76

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 6%.

c. A brief on types of customers

Quick Heal Technologies Limited is one of the leading IT security solutions companies. 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 extremely fuss-free product for your everyday protection against IT threats and viruses. That makes the Company 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)	1,043	860	82.45%	183	17.54%
2.	Other than permanent (E)	60	43	71.66%	17	28.33%
3.	**Total employees (D + E)**	1,103	903	81.86%	200	18.13%
			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*

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

19. Participation/inclusion/representation of women:

	Total (A)	No. and percentage of females	
		No. (B)	% (B / A)
Board of Directors	7	1	14.28%
Key Management Personnel	4	0	0

20. Turnover rate for permanent employees and workers:

	2022-23 (Voluntary attrition rate in current FY)	2021-22 (Voluntary attrition in previous FY)	2020-21 (Voluntary attrition in the year prior to the previous FY)
Employees	27.60%	29.46%	20.34%

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 America Inc.	Subsidiary	100	No
3	Seqrite Technologies Dubai DMCC	Subsidiary	100	No

* Quick Heal Technologies Japan KK got de-registered w.e.f. October 7, 2022

CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No):

(i) Yes, CSR is applicable to the Company

(ii) Turnover: ₹ 278.11 Crores

(iii) Net Worth: ₹ 397.59 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)	2022-23			2021-22		
		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		1	0	NA	0	0	NA
Employees		0	0	NA	2	2	All cases received were investigate ad closed
Customers		3,14,390	11	4 resolved on Apr 23 7 WIP with respective stakeholders	6,81,624	0	NA
Value chain partners		17,128	0	NA	9451	0	NA
Others (please specify)		0	0	NA	0	0	NA

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

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processesput in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elementsof the NGRBCs. (Yes/No)	Y	N	Y	Y	Y	N	N	Y	Y
b. Has the policy been approved by theBoard? (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 thepolicy into procedures. (Yes / No)	Y	N	Y	Y	Y	N	N	Y	Y
3. Do the enlisted policies extend to yourvalue 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, ifany.	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 ESGrelated challenges, targets and achievements (*listed entity has flexibility regarding the placement of this disclosure)***

NA

8. **Detailsofthehighestauthorityresponsiblefor 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)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
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

	P1	P2	P3	P4	P5	P6	P7	P8	P9
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								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy,reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	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)	NA	NA	NA	NA	NA	NA	NA	NA	NA
The entity does not have the financial or/human and technical resources available forthe task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financialyear (Yes/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 bevoluntarily disclosed by entities which aspire to progress to a higher level in their quest to besocially, 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 lifecycle

PRINCIPLE 3: Business should promote the well-being of all employee.

PRINCIPLE 4: Business should respect the interests of, and be responsive towards, all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

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

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%
Employees other than BoD and KMPs	595	Skill upgradation	55.60%

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 SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

   Nil

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.**

   Not Applicable

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, the Company's 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 / workers that have been brought to the Company's attention.

6. **Details of complaints with regard to conflict of interest:**

   None

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.**

   Not Applicable

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
424	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.**

	Current Financial Year (2022-23)	Previous Financial Year (2021-22)	Details of Improvements inenvironmental and social impacts
R&D	121.31	89.75	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.

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. The Company has installed water aerators to optimize the water consumption at all taps. This helped the Company to save water to a large extent.

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.**

   Yes, https://www.quickheal.co.in/documents/quickheal-coe-epr-v1-0.pdf

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 the Company's products do not require such assessment.

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 of responsibly, and polycarbonate material is recycled by local scrap vendors.

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).**

   Not Applicable

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:**

   Not Applicable

4. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

   Not Applicable

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		Maternitybenefits		Paternitybenefits		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	860	860	100%	849	100%	NA	NA	860	100%	NA	NA
Female	183	183	100%	176	100%	183	100%	NA	NA	NA	NA
Total	1,043	1,043	100%	1,025	100%	183	100%	860	100%	NA	NA
Other than permanent employees											
Male	43	43	100%	43	100%	NA	NA	NA	NA	NA	NA
Female	17	17	100%	17	100%	17	100%	NA	NA	NA	NA
Total	60	60	100%	60	100%	17	100%	NA	NA	NA	NA

2. Details of retirement benefits, for current FY and previous FY:

Benefits	2022-23			2021-22		
	No. of employees covered as a % of total employees	No. ofworkers 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	99.99%	NA	Y	99.99%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	1.25%	NA	Y	1.25%	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, the Company follows 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 workrate	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, Whistle-Blower Policy & SART
Other than permanent employees	Yes, Whistle-Blower Policy

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 that are practiced across all levels. Employees are encouraged to share their concerns with their Reporting Manager or members of 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 senior management. In addition, the Company's whistle-blower policy allows all its 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's mechanisms include the 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.

The Company has formulated a Policy on Prevention of Sexual Harassment at Workplace for the prevention, prohibition, and redressal of sexual harassment at workplace and an 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 workplace (Prevention, Prohibition and Redressal) Act, 2013.

7. **Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

	2022-23			2021-22		
	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 / Workersin 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	2022-23					2021-22				
	Total (A)	On health and safetymeasures		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	860	*		727	84.53%	818	*		497	60.76%
Female	183			156	85.24%	168			98	40.48%
Total	1,043			883	84.65%	986			595	60.34%

* The Company provides regular training on Health & Safety to all its employees. The Company aims to provide the highest quality training and minimizing workplace accidents, without focusing on the number of hours spent in the training.

9. **Details of performance and career development reviews of employees and worker:**

Category	2022-23			2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	860	743	86.39%	818	661	80.81%
Female	183	153	83.61%	168	135	80.36%
Total	1,043	896	85.91%	986	796	80.73%

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

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	2022-23	2021-22
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 workplace.

Access to the Company premises is controlled by an Access control system & physical security guards are available at all entry/exit points. The premises are under CCTV surveillance. Which ensures the security of premises & employees.

The Company installed Fire safety equipment like fire extinguishers, fire hydrant & sprinkler system, smoke detectors, and FM200.

13. Number of Complaints on the following made by employees and workers:

	2022-23			2021-22		
	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 2021-22, 2022-23.

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 necessary 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	
	2022-23	2021-22	2022-23	2021-22
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.**

   The Company is not conducting any such activity.

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.**

   Not Applicable

PRINCIPLE 4:

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   Stakeholders play an integral role in the Company's journey, and it recognizes the need to partner with them and understand their concerns to deliver the ambitious targets which it has set for itself as a part of the organizational vision. The Company aims to understand the requirements of its stakeholders and attempt to respond to them through various initiatives and programs. The Company's process of stakeholder engagement involves identifying key internal and external stakeholders, followed by analyzing the impact of each stakeholder group on its business and vice versa. Based on the exercise carried out, the Company prioritized its key stakeholders to understand their expectations and concerns. Through regular interactions with the Company's stakeholders across various channels, it has been able to strengthen its relationships and enhance its organizational strategy. The Company has identified the key stakeholder groups, and each stakeholder continues to contribute in their own way to creating shared value.

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 fulfill demand • Understanding client's data privacy and security requirements
Investors	Yes	Email	Continuous	• Educating the investor community about Quick Heal's value creation model and business strategy for the long-term

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
				• Helping investors voice their concerns regarding company policies, reporting, and strategy, among others. • Understanding shareholder expectations
Employees	Yes	Email	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.** [Not Applicable]

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	2022-23			2021-22		
	Total (A)	No. of employees covered (B)	% (B / A)	Total (C)	No. of employees covered (D)	% (D / C)
Employees						
Permanent	1043	480	46.02%	986	443	44.93%
Other than permanent	60	25	41.67%	84	30	35.71%
Total employees	1103	505	45.78%	1070	473	44.21%

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 laws.

3. **Details of remuneration/salary/wages, in the following format:**

   Refer annexure C of the Board Report

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	5	₹ 12,00,000	1	0
Key Managerial Personnel	4	₹ 1,57,50,000	0	0
Employees other than BoD and KMP	856	₹ 9,38,775	183	₹ 9,00,000

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, the Company has POSH committee, Ethics Committee, Whistle Blower and SART to address human rights impact or issues caused or contributed to by the business.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   The Company has mechanisms, including the 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. The Company also has an Internal Complaints Committee in place that ensures that all cases are treated fairly by doing a thorough investigation without any prejudice.

6. **Number of Complaints on the following made by employees:**

	2022-23			2021-22		
	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 labor	0	0	0	0	0	0
Forced labor/involuntary labor	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's established to deal with harassment, and any complaint will be dealt with in secrecy under the rules established by law.

8. **Do human rights requirements form part of your business agreements and contracts?**

   No

9. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	0
Forced labor/involuntary labor	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.

No

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:

Not Applicable

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	2022-23	2021-22
Total electricity consumption (A)	22,13,888 units	25,04,257 units
Total fuel consumption (B) DG set units	53,579 units	52,405 units
Energy consumption through other sources (C) Solar	51,375 units	59, 286 units
Total energy consumption (A+B+C)	23,18,842 units	26,15,948 units
Energy intensity per rupee of turnover *(Total energy consumption/ turnover in rupees)*	8337.86 GJ/₹ Crores	7659.05 GJ/₹ Crores
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	2022-23	2021-22
Water withdrawal by source (in kiloliters)		
(i) Surface water (corporation or building management)	7,983	2,047
(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)	7,983	2,047
Total volume of water consumption (in kilolitres)	7,983	2,047
Water intensity per rupee of turnover *(Water consumed / turnover)*	28.70 Kl/₹ Crores	5.99 Kl/₹ Crores
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.**

Not Applicable

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format: (generated by DG sets)**

Parameter	Please specify unit	2022-23	2021-22
NOx	g/kW-hr	3.0	3.1
SOx	g/kW-hr	3.0	3.0
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	2022-23	2021-22
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	2022-23	2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	NA	NA
E-waste (B)	4.9	1.1
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)	4.9	1.1
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	4.9	1.1
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total	4.9	1.1

Parameter	2022-23	2021-22
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.**

   Quick Heal, being an IT security solutions provider 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 waste is generated from the auxiliary processes used to run these facilities. Based on the nature of services, 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 and disposed of through Government-approved recyclers as per regulations. E-waste is disposed of at 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:**

    Not Applicable

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.**

    Not Applicable

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, Quick Heal has complied with applicable environmental law/regulations / guidelines applicable in India.

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	2022-23	2021-22
From renewable sources		
Total electricity consumption (A)	51,375	56,542
Total fuel consumption (B)	NA	NA
Energy consumption through other sources (C)	NA	NA
Total energy consumed from renewable sources (A+B+C)	51,375	56,542
From non-renewable sources		
Total electricity consumption (D) (Electricity + DG)	22,13,888	25,63,574
Total fuel consumption (E) (Only for DG)	4,540	4,385
Energy consumption through other sources (F)	NA	NA
Total energy consumed from non-renewable sources (D+E+F)	22,13,888	25,63,574

2. **Provide the following details related to water discharged:**

Parameter	2022-23	2021-22
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)	7,983	2,047
(ii) To Groundwater	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

Not Applicable

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	2022-23	2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

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, Quick Heal has 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.**

   Not applicable

PRINCIPLE 7

Essential Indicators

1. **Number of affiliations with trade and industry chambers/ associations.**

   The Company is a member of:

   1. Data Security Council of India
   2. Computers and Media Dealers Association

2. **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	Data Security Council of India	National
2	Computers and Media Dealers Association	Maharashtra

3. **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 a dominant position, or unfair trade practices cases pending against the Company.

Leadership Indicators

4. **Details of public policy positions advocated by the entity:**

   The Company does not have a separate policy on 'advocacy'.

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

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

   Not Applicable

3. **Describe the mechanisms to receive and redress grievances of the community.**

   The Committee looks into the grievances of the Shareholders related to the transfer of shares, payment of dividends, and non-receipt of the annual report and recommends measures for expeditious and effective investor service, among others.

   The Whistle-Blower Policy (WBP) provides for the establishment of a 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:**

   Not Applicable

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):**

   Not Applicable

2. **Provide the following information on CSR projects undertaken by your entity indesignated aspirational districts as identified by government bodies:**

Sr. No	State	Aspirational District	Amount spent (In ₹)
1	Assam	Barpeta	₹ 21,50,354/-
2	Rajasthan	Sirohi	₹ 21,28,300/-
3	Chhattisgarh	Korba	₹ 21,50,364/-

3. **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

   (b) From which marginalized /vulnerable groups do you procure?

   (c) What percentage of total procurement (by value) does it constitute?

   No

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:** No

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.**

   Not Applicable

6. **Details of beneficiaries of CSR Projects:**

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized group
1	Earn learn	7.48 Lakhs	70%
2	Street play	1,36312 500+ shows	50%
3	Cyber security awareness Goa & Kerala	22900+ students 580 parents	
4	Arogya Yan	2.5 Lakhs	100%
5	Arogyam mansampada	11,630 students 322 teachers 20 Parents	80%

PRINCIPLE 9

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   Website link: https://www.quickheal.co.in/support

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about**

   Not Applicable

3. **Number of consumer complaints in respect of the following**

	2022-23		Remarks	2021-22		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	6082	5793	Out of 6082 requesters, 289 confirmed their consent for deleting their data. For the remaining requests, as there was no response from the users, the tickets were marked as closed. Consequently, no data was deleted for these users	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

5. **Details of instances of product recalls on account of safety issues:**

   Not Applicable

6. **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.

   https://www.quickheal.co.in/privacy-policy

7. **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).**

   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**.** https://www.quickheal.co.in/documents/master-eula/qh-india-master-eula.pdf

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation ofessential services.**

   Yes. 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. Didyour 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 carries out a 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 ofcustomers**

      Not Applicable

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 accompanying standalone financial statements of Quick Heal Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023 and the Statement of Profit and Loss (Including Other Comprehensive Income), 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 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and profit, other comprehensive income, 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 obtained by us 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, 2023. 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	**Provision for credit loss for accounts receivables** Refer Note 11 of Financial statement. The Company has total outstanding trade receivable amounting to ₹159.75 crore as at March 31, 2023 against which the Company has provided for ₹36.98 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 sample of customer transactions. 5. Obtained management's assessment and plan for recovery with respect to trade receivables outstanding for more than 180 days including validation of the same.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
		6. Assessed the compliance with 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.
2	**Provision for Impairment of Investment in subsidiaries** Refer Note 8 of Financial statement of the Company. Investment in subsidiaries as on March 31, 2023 amounts to ₹ 5.92 crores against which provision of ₹5.11 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 understanding 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. 7. Use of auditors expert in auditing/validating the assumptions and valuation methodology. 8. Obtaining specific management representations
3	Fair Value of Investment in unquoted equity and preference shares Refer Note 8 of Financial statement. Fair value of Investment in unquoted equity and preference shares on March 31, 2023 amounts to ₹4.72 crores & ₹10.94 crores respectively. The amount (loss) recognised in other comprehensive income for changes in fair value of Investment in unquoted equity and preference shares amounts to ₹2.19 crores & ₹3.79 crores respectively for the year ended March 31, 2023. In accordance with Ind AS 109 – Financial Instruments, at each reporting period end, management accounts for Investment in unquoted	We evaluated the judgement and estimation used by management in determining the fair value of unquoted equity and preference shares. Our procedures included, but were not limited to the following: 1. Obtained understanding of the Company's policy on fair valuation of unquoted equity and preference 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	equity and preference shares at fair value through other comprehensive income. Processes and methodologies for assessing and determining the fair value of each investments are based on complex assumptions, that by their nature imply the use of the management's judgment, in particular, forecast of future cash flows relating to the period covered by the 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 investment in unquoted equity and preference shares is material and involves significant management judgement and estimation, we have identified this as a key audit matter.	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. 7. Used auditors expert in auditing/validating the assumptions and valuation methodology. 8. Obtained specific management representations

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 information included in the Director's report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 (including other comprehensive income), 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.

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 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 33 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 were no amounts which were 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 its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other 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 its 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.

(4) 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.

The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 17 to the Standalone financial statements).

v. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

3. In our opinion, according to information, explanations given to us, the remuneration provided for in the books of accounts by the Company to its Independent directors for the year ended March 31, 2023, is in excess of the limits prescribed under Section 197 read with Schedule V of the Act and the rules thereunder by INR 0.34 crores. As informed to us by the management and as stated in Note 38 of the standalone financial statements the management of the Company intends to seek the requisite approvals of the shareholders at the ensuing annual general meeting.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 23111700BGWHWT1530

Place: Pune
Date: April 17, 2023

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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, 2023 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 M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 23111700BGWHWT1530

Place: Pune
Date: April 17, 2023

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, 2023

[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 the situation of Property, Plant and Equipment and Investment Property.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) All the Property, Plant and Equipment and Investment Property have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed 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 or intangible assets or both during the year. 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 as amended 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 having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.

(b) The Company has not been sanctioned any working capital limits during the year. Accordingly, the requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company.

iii. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. 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 maintained by the Company pursuant Rules made by the Central Government for the maintenance of cost records under Section 148 (1) 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 services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.

There are no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as of March 31, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and examination of records of the

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF QUICK HEAL TECHNOLOGIES LIMITED (Contd.)

Company, details referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded ₹ in crores	Amount Paid ₹ in crores	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act,1961	Tax demand on account of disallowance of expenses on 14A and disallowance of Depreciation	0.83	-	FY 2013-14	Commissioner of Income Tax (Appeals)	₹0.68 adjusted against refund of FY 2016-17
Income Tax Act,1961	Tax demand on account of disallowance of expenses on 14A and disallowance of Depreciation	0.67	-	FY 2016-17	Commissioner of Income Tax (Appeals)	
Income Tax Act,1961	Tax demand on account of disallowance of expenses on 14A and disallowance of Depreciation	0.82	-	FY 2017-18	Commissioner of Income Tax (Appeals)	₹0.82 adjusted against refund of FY 2018-19
Income Tax Act,1961	Tax demand on account of disallowance of expenses on 14A, tax on buy back and payment of dividend distribution tax	62.9	-	FY 2019-20	Assistant Director of Income Tax (CPC)	Company has filed for rectification under section 154 of Income Tax Act.

*The amount of tax as reported above is calculated using the tax rates applicable during the relevant assessment year based on the amount of disallowances / adjustments under dispute and excluding interest.

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) to (c) and sub Clause (e) and (f)) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, 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. Hence, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

xi. (a) Based on our 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 report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.

(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, 2023, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF QUICK HEAL TECHNOLOGIES LIMITED (Contd.)

(c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.

xii. 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 of the company issued till date, for the period under audit.

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.

xvi. (a) 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 3 (xvi)(a) of the Order are not applicable to the Company.

(b) 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 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 3 (xvi)(c) of the Order are not applicable to the Company.

(d) The Group does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph 3 (xvi)(d) of the Order are not applicable to the Company.

xvii. Based on the overall review of standalone financial statements, 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 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 3 (xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us and based on our verification, 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.

xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 23111700BGWHWT1530

Place: Pune
Date: April 17, 2023

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, 2023.

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, 2023 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, 2023, 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.

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF QUICK HEAL TECHNOLOGIES LIMITED (Contd.)

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 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 M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 23111700BGWHWT1530

Place: Pune
Date: April 17, 2023

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2023

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	97.57	105.94
(b) Intangible assets	6	2.77	5.72
(c) Intangible assets under development	6	0.15	-
(d) Investment property	7	24.12	25.36
(e) Investments in subsidiaries	8	0.81	2.98
(f) Financial assets			
(i) Investments	8	21.49	27.47
(ii) Other financial assets	9	0.76	0.49
(g) Income tax assets (net)	14	22.33	15.79
(h) Other non-current assets	15	0.65	0.47
		170.65	**184.22**
Current assets			
(a) Inventories	10	4.50	4.79
(b) Financial assets			
(i) Investments	8	176.20	290.07
(ii) Trade receivables	11	122.77	172.93
(iii) Cash and cash equivalents	12	10.29	3.97
(iv) Bank balances other than (iii) above	13	0.27	55.23
(v) Other financial assets	9	1.48	1.18
(c) Other current assets	15	6.73	3.50
		322.24	531.67
Total assets		**492.89**	**715.89**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	53.07	58.01
(b) Other equity	17	366.65	569.20
Total equity		**419.72**	**627.21**
Liabilities			
Non-current liabilities			
(a) Net employee defined benefit liabilities	21	0.60	0.89
(b) Other non-current liabilities	20	0.52	0.52
(c) Deferred tax liabilities (net)	29	0.53	0.64
		1.65	**2.05**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	18	1.94	5.77
(b) Total outstanding dues creditors other than micro enterprises and small enterprises	18	46.74	44.41
(ii) Other financial liabilities	19	12.73	16.70
(b) Other current liabilities	20	9.54	19.29
(c) Net employee defined benefit liabilities	21	0.57	0.39
(d) Income tax liabilities (net)	22	-	0.07
		71.52	**86.63**
Total liabilities		**73.17**	**88.68**
Total equity and liabilities		**492.89**	**715.89**
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
CIN: L72200MH1995PLC091408

Sd/-
Nitin Manohar Jumani
Partner
Membership Number: 111700

Place: Pune
Date: April 17, 2023

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

Place: Pune
Date: April 17, 2023

Sd/-
Sanjay Katkar
Joint Managing Director
& Chief Technical Officer
DIN: 00397277

Place: Pune
Date: April 17, 2023

Sd/-
Navin Sharma
Chief Financial Officer

Place: Pune
Date: April 17, 2023

Sd/-
Srinivasa Rao Anasingaraju
Company Secretary
Regs. No. FCS-9901

Place: Pune
Date: April 17, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Revenue from operations	23	278.11	341.55
Other income	24	22.38	19.17
Total income		**300.49**	**360.72**
EXPENSES			
Cost of materials consumed	25 (a)	1.11	1.00
Purchase of security software products	25 (b)	7.83	13.30
(Increase) / decrease in security software products	25 (c)	0.39	(1.89)
Employee benefits expense	26	154.89	138.34
Depreciation and amortization expense	27	15.99	17.38
Other expenses	28	111.09	84.97
Total expenses		**291.30**	**253.10**
Profit before exceptional items and tax		**9.19**	**107.62**
Exceptional items [Refer note 39 (b)]		(0.10)	4.06
Profit before tax		**9.29**	**103.56**
Tax expense			
Current tax	29		
Pertaining to profit for the current year		1.25	25.76
Adjustments of current tax and deferred tax relating to earlier periods (Net)		(0.14)	0.65
Deferred tax (benefit/ charge)		0.48	(1.04)
Total tax expense		**1.59**	**25.37**
Profit after tax		**7.70**	**78.19**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement of defined benefit plans		0.18	0.83
Income tax effect		(0.05)	(0.21)
		0.13	0.62
Net (loss) or gain on FVTOCI assets		(5.99)	2.73
Income tax effect		-	(0.65)
		(5.99)	2.08
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		(5.86)	2.70
Total comprehensive income for the year		**1.84**	**80.89**
Earnings per equity share [nominal value per share ₹ 10 (March 31, 2022: ₹ 10)]	30		
Basic		1.38	13.17
Diluted		1.37	13.10
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
CIN: L72200MH1995PLC091408

Sd/-
Nitin Manohar Jumani
Partner
Membership Number: 111700
Place: Pune
Date: April 17, 2023

Sd/-
Kailash Katkar
Managing Director
& Chief Executive Officer
DIN: 00397191
Place: Pune
Date: April 17, 2023

Sd/-
Sanjay Katkar
Joint Managing Director
& Chief Technical Officer
DIN: 00397277
Place: Pune
Date: April 17, 2023

Sd/-
Navin Sharma
Chief Financial Officer
Place: Pune
Date: April 17, 2023

Sd/-
Srinivasa Rao Anasingaraju
Company Secretary
Regs. No. FCS-9901
Place: Pune
Date: April 17, 2023

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	9.29	103.56
Adjustment to reconcile profit before tax to net cash flows:		
Exceptional items	(0.10)	4.06
Liability Written back	(1.88)	-
Net (gain) / loss foreign exchange differences	(0.15)	0.09
Employee share based payments expense	2.85	4.69
Depreciation and amortization expense	15.99	17.38
Interest income	(1.78)	(2.90)
Provision for doubtful debts and advances	5.14	3.36
Property, plant and equipment written off	-	0.08
Bad debts written off	-	0.06
(Profit) / loss on sale of property, plant and equipment	(3.95)	(1.66)
Income from Investment Property	(3.58)	(0.85)
Net gain on sale of investment	(3.20)	(2.84)
Net (gain) on FVTPL current investment	(6.88)	(7.41)
Operating profit before working capital changes	**11.75**	**117.62**
Movements in working capital:		
(Increase)/decrease in trade receivables	45.17	(27.00)
(Increase)/decrease in inventories	0.29	(1.50)
(Increase)/decrease in other financial assets	(0.86)	0.20
(Increase)/decrease in other assets	(3.41)	3.00
Increase/(decrease) in net employee defined benefit liabilities	0.07	0.58
Increase/(decrease) in trade payables	(1.51)	10.63
Increase/(decrease) in other financials liabilities	(2.83)	5.43
Increase/(decrease) in other current and non-current liabilities	(9.75)	1.59
Cash generated from operations	**38.92**	**110.55**
Direct taxes paid (net of refunds)	(7.93)	(32.34)
Net cash flow from operating activities (A)	**30.99**	**78.21**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advances)	(4.10)	(5.75)
Proceeds from sale of property, plant and equipment	5.20	4.30
Repatriation of funds / (Investments in subsidiaries)	2.27	5.19
Purchase of current investments	(400.60)	(408.85)
Sale of current investments	524.54	519.14
Income from Investment Property	3.58	0.85
(Increase)/decrease in bank deposits other than cash and cash equivalents	54.75	12.69
Interest received	1.86	2.83
Net cash (used in) investing activities (B)	**187.50**	**130.40**

STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid on equity shares	(26.10)	(23.13)
Tax on Buyback	(34.94)	(36.03)
Buyback Expenses	(1.85)	(1.72)
Proceeds from issuance of equity shares (including securities premium) on exercise of ESOP by employees	0.72	1.74
Payout for buyback of shares	(150.00)	(155.00)
Net cash flow (used in) financing activities (C)	**(212.17)**	**(214.14)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**6.32**	**(5.53)**
Cash and cash equivalents at the beginning of the year	3.97	9.50
Cash and cash equivalents at the end of the year	**10.29**	**3.97**
Components of cash and cash equivalents		
Cash on hand	0.02	0.04
Balances with banks		
On current account	8.18	3.30
On EEFC account	2.09	0.63
Total cash and cash equivalents (refer note12)	**10.29**	**3.97**

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
CIN: L72200MH1995PLC091408

Sd/-
Nitin Manohar Jumani
Partner
Membership Number: 111700

Place: Pune
Date: April 17, 2023

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

Place: Pune
Date: April 17, 2023

Sd/-
Sanjay Katkar
Joint Managing Director
& Chief Technical Officer
DIN: 00397277

Place: Pune
Date: April 17, 2023

Sd/-
Navin Sharma
Chief Financial Officer

Place: Pune
Date: April 17, 2023

Sd/-
Srinivasa Rao Anasingaraju
Company Secretary
Regs. No. FCS-9901

Place: Pune
Date: April 17, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

(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, 2021	**6,42,07,868**	**64.20**
- Employee stock option plan (ESOP)	1,28,263	0.13
- Buy Back	(63,26,530)	(6.32)
As at March 31, 2022	**5,80,09,601**	**58.01**
- Employee stock option plan (ESOP) (refer note 16)	64,250	0.06
- Buy Back	(50,00,000)	(5.00)
As at March 31, 2023	**5,30,73,851**	**53.07**

B. Other equity

Other equity attributable to equity holders of the Company

	Other Equity	Reserves and Surplus					Other Comprehensive Income		
	Employee stock options outstand-ing (ESOP)	Securities premium	Capital redemp-tion reserve	Amalga-mation reserve	General reserve	Retained earnings	Defined benefit plans through Other comprehen-sive income	Equity instruments through Other comprehen-sive income	Total
Balance as at April 01, 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 reserve on option exercised	(0.69)	0.69	-	-	-	-	-	-	-
Utilized for buy back	-	(59.43)	-	-	-	(89.24)	-	-	(148.67)
Buyback Expenses	-	-	-	-	-	(1.72)	-	-	(1.72)
Transferred to Capital redemption reserve	-	-	6.33	-	-	(6.33)	-	-	-
Appropriations:									-
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**
Profit for the year	-	-	-	-	-	7.70			7.70
Other comprehensive income	-	-	-	-	-		0.13	(5.99)	(5.86)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**7.70**	**0.13**	**(5.99)**	**1.84**
Expenses pertaining to share-based payments	2.85	0.66	-	-	-		-	-	3.51
Transfer from ESOP reserve on option exercised	(0.36)	0.36	-	-	-		-	-	-
Utilized for buy back	-	(3.31)	-	-	-	(141.69)	-	-	(145.00)
Buyback Expenses	-	-	-	-	-	(1.85)	-	-	(1.85)
Transferred to Capital redemption reserve	-	-	5.00	-	-	(5.00)	-	-	-
Transactions with owners in their capacity as owners:									
Final equity dividend	-	-	-	-	-	(26.11)	-	-	(26.11)
Buyback Tax	-	-	-	-	-	(34.94)	-	-	(34.94)
Balance as at March 31, 2023	**9.51**	**0.01**	**17.69**	**2.65**	**45.03**	**299.81**	**2.43**	**(10.48)**	**366.65**

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
CIN: L72200MH1995PLC091408

Sd/-
Nitin Manohar Jumani
Partner
Membership Number: 111700
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Navin Sharma
Chief Financial Officer
Place: Pune
Date: April 17, 2023

Sd/-
Srinivasa Rao Anasingaraju
Company Secretary
Regs. No. FCS-9901
Place: Pune
Date: April 17, 2023

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

(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 07, 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, 2023 were authorized for issue in accordance with a resolution of the Board of Directors on April 17, 2023.

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 realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized 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 realization 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 recognized 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 recognized in the Statement of Profit and Loss.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

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 recognized in OCI or statement of profit and loss are also recognized 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized 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 recognized in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (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 summarizes 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 recognized 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 recognized:

(i) **Sale of security software products and devices**:

Revenue from the sale of security software products and devices (goods) is recognized 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 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 recognized 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 recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

(ii) **Income from services:**

Revenues from support services are recognized 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 recognized 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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Current tax items are recognized 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 recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized 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 recognized 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 utilized

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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realized 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 recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

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.

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 amortized on a straight line basis over the period of lease, i.e. 30 years.

An item of property, plant and equipment is derecognized 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 derecognized.

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 recognized 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 derecognized 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 recognized in profit or loss in the period of derecognition.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

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 amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and the expenditure is recognized 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 amortized 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 amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortized, 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 recognized in the statement of profit and loss when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized 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 amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life. Amortization is recognized 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 recognizes right-of-use assets and lease liabilities for most leases.

All leases are accounted for by recognizing 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 recognized 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 amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

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

k) Inventories

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

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

The comparison of cost and net realizable 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 recognized 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 recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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.

m) Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate 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 recognized 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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the 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 recognized 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 recognized 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 recognize 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 recognized 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 recognized 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 recognize 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 recognized 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 recognized in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

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 recognized, 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 recognized 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 recognized as at the beginning and end of that period and is recognized in employee benefits expense.

No expense is recognized 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 recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized 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 recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

- Debt instruments at amortized 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 amortized cost

A 'debt instrument' is measured at the amortized 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 amortized cost using the EIR method. Amortized 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 amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized 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 categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized 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 recognized 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 recognized 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 recognized 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 derecognized 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 recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes 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 amortized 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 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 recognizes 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 recognizing 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 analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized 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 amortized 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 analyzis 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 recognized 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 derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize 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 amortized.

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 recognizes a liability to make cash distributions to the equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the provisions of the Act, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

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.

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 recognized 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, 2023.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land (refer note 1 below)	Lease-hold premises	Buildings (refer note 2 below)	Computers and server	Office equipment	Electrical installa-tions	Furniture and fixtures	Vehicles	Total
Cost (Gross)									
At April 01, 2021	2.66	2.13	157.55	54.56	17.45	10.05	22.82	1.05	268.27
Transfer	-	-	(32.43)	-	-	-	-	-	(32.43)
Additions	-	-	0.11	4.75	0.57	0.12	0.44	-	6.00
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**
Transfer	-	-	-	-	-	-	-	-	-
Additions	-	-	-	4.06	0.04	-	-	-	4.10
Disposals/written-offs	-	-	2.28	2.86	0.82	-	0.06	-	6.02
At March 31, 2023	**2.66**	**2.13**	**122.05**	**59.32**	**16.47**	**9.49**	**20.41**	**1.05**	**233.59**
Depreciation (Gross)									
At April 01, 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**
Transfer	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	0.07	4.09	5.55	0.30	0.38	0.72	0.11	11.22
Disposals/written-offs	-	-	1.21	2.72	0.78	-	0.06	-	4.77
At March 31, 2023	**-**	**0.98**	**42.89**	**49.33**	**15.32**	**8.39**	**18.29**	**0.82**	**136.02**
Net block									
At March 31, 2022	**2.66**	**1.22**	**84.32**	**11.62**	**1.45**	**1.48**	**2.84**	**0.34**	**105.94**
At March 31, 2023	**2.66**	**1.15**	**79.16**	**9.99**	**1.15**	**1.10**	**2.12**	**0.23**	**97.57**

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.

5 (a) Capital Work in Progress (CWIP)

	As at April 01, 2021	Expenditure during the year	Capitalized during the year	Impairment	Written off	Closing as at March 31, 2022
Electrical installations	-	0.12	0.12	-	-	-
Buildings	-	0.11	0.11	-	-	-
Computers and server	-	2.81	2.81	-	-	-

	As at April 01, 2022	Expenditure during the year	Capitalized during the year	Impairment	Written off	Closing as at March 31, 2023
Computers and server	-	2.59	2.59	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

5 (b) Ageing of Tangible CWIP

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
At March 31, 2022					
Projects in progress	-	-	-	-	-
	-	-	-	-	-
At March 31, 2023					
Projects in progress	-	-	-	-	-
	-	-	-	-	-

5 (c) There are no projects as Capital Work in Progress as at March 31, 2023 and March 31, 2022, whose completion is overdue or cost of which exceeds in comparison to its original plan.

6. INTANGIBLE ASSETS

	Software	Total
Cost (Gross)		
At April 01, 2021	47.90	47.90
Purchase	3.74	3.74
Disposals	6.47	6.47
At March 31, 2022	**45.17**	**45.17**
Purchase	0.58	0.58
Disposals	-	-
At March 31, 2023	**45.75**	**45.75**
Amortization (Gross)		
At April 01, 2021	42.64	42.64
Amortization for the year	3.28	3.28
Disposals	6.47	6.47
At March 31, 2022	**39.45**	**39.45**
Amortization for the year	3.53	3.53
Disposals	-	-
At March 31, 2023	**42.98**	**42.98**
Net block		
At March 31, 2022	**5.72**	**5.72**
At March 31, 2023	**2.77**	**2.77**

6 (a) Intangible assets under development

	As at April 01, 2021	Expenditure during the year	Capitalized during the year	Impairment	Written off	Closing as at March 31, 2022
Software	2.11	2.80	4.91	-	-	-

	As at April 01, 2022	Expenditure during the year	Capitalized during the year	Impairment	Written off	Closing as at March 31, 2023
Software	-	0.73	0.58	-	-	0.15

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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(All amounts are in ₹ Crores, unless otherwise stated)

6 (b) Intangible assets under development

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
At March 31, 2022					
Projects in progress	-	-	-	-	-
	-	-	-	-	-
At March 31, 2023					
Projects in progress	0.15	-	-	-	0.15
	0.15	-	-	-	0.15

6 (c) There are no projects as Intangible assets under development as at March 31, 2023 and March 31, 2022, whose completion is overdue or cost of which has exceeds in comparison to its original plan.

7. INVESTMENT PROPERTY

	Buildings	Total
Cost		
At April 01, 2021	-	-
Transfer	32.43	32.43
Purchase	-	-
Disposals	-	-
At March 31, 2022	**32.43**	**32.43**
Transfer		-
Disposals	-	-
At March 31, 2023	**32.43**	**32.43**
Depreciation		
At April 01, 2021	-	-
Transfer	6.77	6.77
Depreciation for the year	0.30	0.30
Disposals	-	-
At March 31, 2022	**7.07**	**7.07**
Transfer		-
Depreciation for the year	1.24	1.24
Disposals	-	-
At March 31, 2023	**8.31**	**8.31**
Net block		
At March 31, 2022	**25.36**	**25.36**
At March 31, 2023	**24.12**	**24.12**

Information regarding income and expenditure of Investment property

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Rental income derived from investment properties	3.58	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	3.58	0.85
Less – Depreciation	(1.24)	(0.30)
Profit arising from investment properties before indirect expenses	2.34	0.55
Less – Indirect expenses	-	-
Profit from investment properties	**2.34**	**0.55**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

The Company's investment properties consist of office premises in India given on non-cancellable lease for a period of 3 years.

Estimation of fair value

As at March 31, 2023, the fair values of the property is ₹ 41.42 (March 31, 2022 ₹ 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 realizability 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 41.

1. The Company has no restriction on the realizability 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 comparable fair value method. The fair value measurement is categorized in level 2 fair value hierarchy

8. INVESTMENTS IN SUBSIDIARIES AND OTHERS

	As at March 31, 2023	As at March 31, 2022
Non - current investments		
Investment in equity shares (unquoted) (at cost)		
Investment in wholly owned subsidiaries		
Nil (March 31, 2022: 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: Repatriation	(2.27)	-
Less: Impairment of investment in Quick Heal Technologies Japan K.K., Japan	(15.17)	(15.27)
	-	**2.17**
788,000 (March 31, 2022: 788,000) 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)	(5.11)
	0.25	**0.25**
Nil (March 31, 2022: 11,367,500) equity shares of KSH 10 each fully paid-up in Quick Heal Technologies Africa Limited, Kenya **	-	7.68
Less: Repatriation	-	(5.16)
Less: Transfer	-	(0.03)
Less: Impairment of investment in Quick Heal Technologies Africa Limited, Kenya	-	(2.49)
	-	**-**
300 (March 31, 2022: 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)	**0.81**	**2.98**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

8. INVESTMENTS IN SUBSIDIARIES AND OTHERS (Contd.)

	As at March 31, 2023	As at March 31, 2022
Investment carried at amortized 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 OCI		
Investment in other equity shares (unquoted)		
4,472 (March 31, 2022: 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, 2022: 18,255) equity shares of NIS 0.01 each fully paid-up in L7 Defense Limited	2.18	2.18
Less: Fair value changes routed through OCI	(0.56)	-
	1.62	**2.18**
4,651 (March 31, 2022: 4,651) equity shares of SGD 0.001 each fully paid-up in Ray Pte. Limited	2.00	2.00
Less: Fair value changes routed through OCI	1.10	2.73
	3.10	**4.73**
Investment in Preference shares (unquoted)		
1,49,925 (March 31, 2022: 1,49,925) compulsory convertible preference shares (CCPS) of NIS 0.01 each fully paid-up in L7 Defense Limited	14.73	14.73
Less: Fair value changes routed through OCI	(3.79)	-
	10.94	**14.73**
Sub total - Investments	**21.49**	**27.47**
Total non - current investments	**22.30**	**30.45**
Current investments		
Investments at fair value through profit and loss		
Investments in mutual funds (quoted)		
Investments in mutual funds	176.20	290.07
Total current investments	**176.20**	**290.07**
Total non-current investments	**22.30**	**30.45**
Total current investments	**176.20**	**290.07**
Aggregate book value of quoted investments	176.20	290.07
Aggregate market value of quoted investments	176.20	290.07
Aggregate value of unquoted investments	22.30	30.45
Aggregate amount of impairment in value of investments	20.28	22.87
Investments carried at cost	0.81	2.98
Investments carried at amortized cost	5.83	5.83
Investments carried at fair value through profit or loss	176.20	290.07
Investments carried at fair value through other comprehensive income	15.66	21.64

* In the current year, Company had discontinued operation of Quick Heal Technologies Japan K.K., Japan.

** In the pervious year, Company had discontinued operation of Quick Heal Technologies Africa Limited, Kenya.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

9. OTHER FINANCIAL ASSETS

	As at March 31, 2023	As at March 31, 2022
Current		
Interest accrued on bank balance	0.20	0.70
Security deposits	0.41	0.48
Other Receivables	0.87	-
Total current	**1.48**	**1.18**
Non - current		
Bank balances		
Deposits with remaining maturity of more than twelve months	0.34	0.13
Security deposits	0.42	0.36
Total non - current	**0.76**	**0.49**
Other financial assets carried at amortized cost	2.24	1.67

Out of the total deposits, ₹ 0.34 (March 31, 2022: ₹ 0.20) are pledged against bank guarantees.

10. INVENTORIES

	As at March 31, 2023	As at March 31, 2022
At lower of cost and net realizable value		
Raw materials - Security software devices (Unified Threat Management)	0.41	0.31
Finished goods - Security softwares	4.09	4.48
Total	**4.50**	**4.79**

11 TRADE RECEIVABLES

	As at March 31, 2023	As at March 31, 2022
Trade receivables	121.81	171.59
Trade receivable from related parties (refer note 38)	0.96	1.34
Total	**122.77**	**172.93**

Break-up for security details:

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables		
Considered good - Unsecured	122.77	172.93
Receivables - credit impaired*	36.98	31.83
Total	**159.75**	**204.76**
Allowance for bad and doubtful debts)		
Considered good - Unsecured	-	-
Receivables - credit impaired	(36.98)	(31.83)
	(36.98)	**(31.83)**
Total	**122.77**	**172.93**

* 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. Trade receivables are non interest bearing and generally on credit terms of 90 days.
For terms and condition relating to related party receivables, refer note 38.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

11 TRADE RECEIVABLES (Contd.)

Ageing of Trade Receivable as on March 31, 2023

	Outstanding for followings periods from due date of recipts							
	Unbilled Dues	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*	-	25.78	65.93	26.06	1.89	0.02	3.09	122.77
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	3.57	5.69	0.16	1.39	10.81
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	0.85	0.66	24.66	26.17
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	(3.71)	(6.53)	(0.82)	(25.92)	(36.98)
Total	**-**	**25.78**	**65.93**	**25.92**	**1.90**	**0.02**	**3.22**	**122.77**

Ageing of Trade Receivable as on March 31, 2022

	Outstanding for followings periods from due date of recipts							
	Unbilled Dues	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 –which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	2.28	2.35	1.25	0.93	6.82
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	0.07	0.63	3.23	21.08	25.01
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	(2.35)	(2.98)	(4.48)	(22.01)	(31.83)
Total	**-**	**79.86**	**83.24**	**6.48**	**0.18**	**0.43**	**2.74**	**172.93**

* Trade receivables outstanding for more than a year is not provided for, mainly on account of corresponding incenitve provision outstanding in the books.

12. CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
On current account	8.18	3.30
On EEFC account	2.09	0.63
Cash on hand	0.02	0.04
Total	**10.29**	**3.97**

13. OTHER BANK BALANCES

	As at March 31, 2023	As at March 31, 2022
Bank balances		
Deposits with remaining maturity of less than twelve months	0.08	55.05
Unpaid dividend account	0.19	0.18
Total	**0.27**	**55.23**

Out of the total deposits, ₹ 0.08 (March 31, 2022: ₹ 0.17) are pledged against bank guarantees.

14. NON-CURRENT INCOME TAX ASSETS (NET)

	As at March 31, 2023	As at March 31, 2022
Advance tax (net of provision for tax)	22.33	15.79
Total	**22.33**	**15.79**

15. OTHERS ASSETS

	As at March 31, 2023	As at March 31, 2022
Current (unsecured, considered good)		
Prepaid expenses	3.70	3.03
Balances with government authorities	0.02	0.07
Surplus in Gratuity fund	0.60	-
Advance to suppliers	2.41	0.37
Other assets	-	0.03
Total current	**6.73**	**3.50**
Non - current (unsecured, considered good)		
Prepaid expenses	0.65	0.47
Non - current (unsecured, considered doubtful)		
Capital advances	0.30	0.30
Less: provision for doubtful capital advances	(0.30)	(0.30)
Total non - current	**0.65**	**0.47**
Total current	**6.73**	**3.50**
Total non - current	**0.65**	**0.47**

16. EQUITY SHARE CAPITAL

	As at March 31, 2023	As at March 31, 2022
Authorized shares		
75,000,000 (March 31, 2022: 75,000,000) equity shares of ₹ 10 each	75.00	75.00
	75.00	**75.00**
Issued, subscribed and fully paid-up shares		
53,073,851 (March 31, 2022: 58,009,601) equity shares of ₹ 10 each	53.07	58.01
Total issued, subscribed and fully paid-up share capital	**53.07**	**58.01**

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

	As at March 31, 2023		As at March 31, 2022	
	No.	₹	No.	₹
At the beginning of the year	5,80,09,601	58.01	6,42,07,868	64.21
Issued during the year				
Add: Employee stock option plan (ESOP)	64,250	0.06	1,28,263	0.13
Less: Shares bought back	50,00,000	5.00	63,26,530	6.33
Outstanding at the end of the year	**5,30,73,851**	**53.07**	**5,80,09,601**	**58.01**

(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 05, 2022, proposed a final dividend of ₹4.50 per equity share and the same was approved by the shareholders at the Annual General Meeting held on August 26, 2022. The amount was recognized as distributions to equity shareholders during the year ended March 31, 2023 and the total appropriation was ₹ 26.11 including Tax deduction at source.

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 recognized as distributions to equity shareholders during the year ended March 31, 2022 and the total appropriation was ₹ 23.16 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

	As at March 31, 2023		As at March 31, 2022	
	Nos.	% holding	Nos.	% holding
Equity shares of ₹ 10 each fully paid-up				
Kailash Katkar	1,55,88,818	29.37%	1,69,86,298	29.28%
Sanjay Katkar	1,55,88,818	29.37%	1,69,86,298	29.28%
Anupama Katkar	38,03,075	7.17%	41,44,007	7.14%
Chhaya Katkar	38,03,075	7.17%	41,44,007	7.14%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

16. EQUITY SHARE CAPITAL (Contd.)

Shares held by promoters at the end of the year

Promoter name	As at March 31, 2023			As at March 31, 2022		
	No. of Shares	% of total shares	% Change during the year March 31, 2023	No. of Shares	% of total shares	% Change during the year March 31, 2022
Kailash Sahebrao Katkar	1,55,88,818	29.37%	0.09%	1,69,86,298	29.28%	0.01%
Sanjay Sahebrao Katkar	1,55,88,818	29.37%	0.09%	1,69,86,298	29.28%	0.01%
Anupama Kailash Katkar	38,03,075	7.17%	0.02%	41,44,007	7.14%	0.00%
Chhaya Sanjay Katkar	38,03,075	7.17%	0.02%	41,44,007	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

The Board of Directors of the Company at its meeting held on July 21, 2022 and the shareholders by way of postal ballot on August 26, 2022, approved the buy back of the Company's 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 ₹300 per share for an aggregate amount not exceeding ₹ 150. The Company completed the Buy Back Process on October 28, 2022 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 ₹ 3.31 and ₹ 176.63 (Including tax on buy back of ₹ 34.94) has been utilized from securities premium and retained earnings respectively. In accordance with section 69 of the Companies Act, 2013, capital redemption reserve of ₹5.00 (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 ₹ 5.00. Further, transaction cost of buy back of shares of ₹ 1.85 has been reduced from retained earnings.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

17. OTHER EQUITY

a) Reserves and Surplus

		As at March 31, 2023	As at March 31, 2022
(i)	**Retained earnings**		
	Balance as at the beginning of the year	501.70	579.99
	Add: Amount transferred from surplus balance in the statement of profit and loss	7.70	78.19
	Less: Utilized for buy back	141.69	89.24
	Less: Transfer to Capital reserves	5.00	6.33
	Less: Buyback expenses	1.85	1.72
	Less: Transactions with owners in their capacity as owners:		
	Final equity dividend [amount per share Nil (March 31, 2022: ₹ 4.5)]	26.11	23.16
	Tax on Buy Back	34.94	36.03
	Balance as at end of the year	**299.81**	**501.70**
(ii)	**Securities premium**		
	Balance as at the beginning of the year	2.30	59.43
	Add: Additions on ESOPs exercised	0.66	1.61
	Add: Transferred from ESOP account	0.36	0.69
	Less: Utilized for buy back	3.31	59.43
	Balance as at end of the year	**0.01**	**2.30**
(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	12.69	6.36
	Add: Amount transferred from Retained earnings	5.00	6.33
	Balance as at end of the year	**17.69**	**12.69**

b) Other Equity

	As at March 31, 2023	As at March 31, 2022
Equity share option outstanding account		
Balance as at the beginning of the year	7.02	3.02
Add: Additions during the year (refer note 26 & 32)	2.85	4.69
Less: Transfer to securities premium on exercise of stock options	0.36	0.69
Balance as at end of the year	**9.51**	**7.02**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

17. OTHER EQUITY (Contd.)

(c) Other Comprehensive Income

	As at March 31, 2023	As at March 31, 2022
(i) Equity instruments through Other comprehensive income		
Balance as at the beginning of the year	(4.49)	(6.57)
Add: Additions during the year	(5.99)	2.08
Balance as at end of the year	**(10.48)**	**(4.49)**
ii) Define benefit through Other comprehensive income		
Balance as at the beginning of the year	2.30	1.68
Add: Additions during the year	0.13	0.62
Balance as at end of the year	**2.43**	**2.30**
Total (i+ii)	**(8.05)**	**(2.19)**
Total Equity	**366.65**	**569.20**

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 utilized only for limited purposes such as issuance of bonus and buy back shares in accordance with the provisions of the Companies Act, 2013.

Amalgamation reserve

Pursuant to the scheme of amalgamation ("the Scheme") sanctioned by the Honourable High Court of Bombay vide Order dated April 08, 2011, Cat Labs Private Limited (CLPL), subsidiary of the Company, had been merged with the Company with effect from April 01, 2010, the Appointed Date. The Company completed the process of amalgamation on May 02, 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 utilized 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 ₹ 3.31 and ₹ 176.63 (Including tax on buy back of ₹ 34.94) has been utilized from securities premium and retained earnings respectively. In accordance with section 69 of the Companies Act, 2013, capital redemption reserve of ₹5.00 (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 ₹5.00. Further, transaction cost of buy back of shares of ₹1.85 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 recognize 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

17. OTHER EQUITY (Contd.)

FVTOCI reserve

The Company has elected to recognize 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 Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognized.

In the period of five years immediately preceding March 31, 2023:

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's 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 ₹155.0. The Company completed the Buy Back Process on June 24, 2021 and has complied with all the requisite formalities with SEBI and ROC.

In accordance with section 69 of the Companies Act, 2013, during the year the Company has created 'Capital Redemption Reserve' of ₹ 6.33 equal to the nominal value of the shares bought back as an appropriation from Securities Premium Account.

The Board of Directors of the Company at its meeting held on March 05, 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, 2023	Year ended March 31, 2022
Cash dividends on equity shares declared and paid:		
Final cash dividend for the year ended on March 31, 2022: ₹ 4.5 per share (March 31, 2021: ₹4 per share)	26.11	23.16
Proposed dividend on equity shares:		
Final cash dividend for the year ended on March 31, 2023 : ₹ 2.5 per share (March 31, 2022: ₹4.5 per share)	13.27	26.10

18. TRADE PAYABLES

	As at March 31, 2023	As at March 31, 2022
Total outstanding dues to micro enterprises and small enterprises (refer note 35)	1.94	5.77
Total outstanding dues creditors other than micro enterprises and small enterprises*	46.74	44.41
Total	**48.68**	**50.18**

* Includes amount payable to independent directors (refer note 38).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

18. TRADE PAYABLES (Contd.)

Trade payable ageing Schedules for the year ended March 31, 2023

	Outstanding for following period from the date of invoice						
	Unbilled Dues	Not Due	Less than 1 year	1- 2 year	2- 3 year	More than 3 years	Total
(i) MSME	-	-	1.94	-	-	-	1.94
(ii) Disputed dues - MSME	-	-	-	-	-	-	-
(iii) Others	39.10	-	2.38	0.03	0.06	0.08	41.63
(iv) Disputed dues - Others	-	-	-	1.89	0.02	3.20	5.11
Total	**39.10**	**-**	**4.32**	**1.91**	**0.08**	**3.28**	**48.68**

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

	Outstanding for following period from the date of invoice						
	Unbilled Dues	Not Due	Less than 1 year	1- 2 year	2- 3 year	More than 3 years	Total
(i) MSME	-	-	5.77	-	-	-	5.77
(ii) Disputed dues - MSME	-	-	-	-	-	-	-
(iii) Others	36.95	-	4.18	0.08	0.07	0.06	41.34
(iv) Disputed dues - Others	-	-	-	0.22	0.14	2.71	3.07
Total	**36.95**	**-**	**9.95**	**0.30**	**0.21**	**2.78**	**50.18**

19. OTHER CURRENT FINANCIAL LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Other financial liabilities at amortized cost		
Payables for purchases of fixed assets	1.69	0.96
Unpaid dividend	0.19	0.18
Employee benefit liabilities	10.85	15.56
Total	**12.73**	**16.70**
Total current	**12.73**	**16.70**

20. OTHER LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Current		
Deferred revenue (refer note 23)	2.10	2.10
Tax deducted at source payable	3.62	3.36
GST / Vat payable	1.46	11.18
Other liabilities (includes advances from customers, security deposit and provident fund and others statutory dues)	2.36	2.65
Total	**9.54**	**19.29**
Non - current		
Security deposit	0.52	0.52
Total	**0.52**	**0.52**
Total current	**9.54**	**19.29**
Total non - current	**0.52**	**0.52**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

20. OTHER LIABILITIES (Contd.)

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 statutory dues 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 statutory dues are non interest bearing and are payable as per the due dates as per respective acts.

21. NET EMPLOYEE DEFINED BENEFIT LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Current		
Provision for gratuity (refer note 31)	-	0.21
Provision for leave benefits /Compensated absences	0.57	0.18
Total	**0.57**	**0.39**
Non - current		
Provision for gratuity (refer note 31)	-	-
Provision for leave benefits /Compensated absences	0.60	0.89
Total	**0.60**	**0.89**
Total current	**0.57**	**0.39**
Total non - current	**0.60**	**0.89**

22. CURRENT INCOME TAX LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Current tax liabilities (net of advance tax)	-	0.07
Total	**-**	**0.07**

23. REVENUE FROM OPERATIONS (NET)

	Year Ended March 31, 2023	Year Ended March 31, 2022
Sale of security software products	276.72	339.20
Sale of software support and services	1.39	2.35
Total	**278.11**	**341.55**

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.

	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue by Geography		
From India	262.51	326.22
From outside India	15.60	15.33
Total	**278.11**	**341.55**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

23. REVENUE FROM OPERATIONS (NET) (Contd.)

	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue by type of products and services sold		
Security software licenses	276.72	339.20
Software support and services	1.39	2.35
Total	**278.11**	**341.55**

Changes in deferred revenue are as follows:

	Year Ended March 31, 2023	Year Ended March 31, 2022
Balance at the beginning of the year	2.10	2.53
Less: Revenue recognized during the year	0.59	1.12
Add: Increase due to invoicing during the year, excluding amounts recognized as revenue during the year	0.59	0.69
Balance at the end of the year	**2.10**	**2.10**

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as of the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2023, is ₹ 2.10 (March 31, 2022 : ₹ 2.10). Out of this, the Company expects to recognize revenue of around ₹ 2.10 in future, depending on the license period.

24. OTHER INCOME

	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest income on		
Bank deposits	0.97	2.35
Others	0.81	0.55
Gain on sale of current investments (net)	3.20	2.84
Profit on sale of fixed assets (net)	3.95	1.66
Foreign exchange gains (net)	0.29	-
Fair value gain on financial instruments at fair value through profit and loss *	6.88	7.41
Income from Investment property	3.58	0.85
Miscellaneous income	2.70	3.51
Total	**22.38**	**19.17**

* Fair value gain on financial instruments at fair value through profit and loss relates to investments in mutual funds.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

25. DETAILS RELATED TO COST OF SECURITY SOFTWARE DEVICES AND SOFTWARE PRODUCTS

	Year Ended March 31, 2023	Year Ended March 31, 2022
(a) Cost of materials consumed		
Inventory at the beginning of the year	0.31	0.70
Add: Purchases	1.21	0.61
Less: Inventory at end of the year	0.41	0.31
Sub-total	**1.11**	**1.00**
(b) Purchase of security software products		
Security software products	7.83	13.30
Sub-total	**7.83**	**13.30**
(c) (Increase)/decrease in security software products		
Inventory at the beginning of the year	4.48	2.59
Less: Inventory at end of the year	4.09	4.48
Sub-total	**0.39**	**(1.89)**
Total	**9.33**	**12.41**

Details of raw materials consumed

	Year Ended March 31, 2023	Year Ended March 31, 2022
Security software devices - Unified Threat Management (UTM)	1.11	1.00
	1.11	**1.00**

Details of Closing inventory

	As at March 31, 2023	As at March 31, 2022
Raw materials		
Security software devices - Unified Threat Management (UTM)	0.41	0.31
	0.41	**0.31**
Finished goods		
Security software products	4.09	4.48
	4.09	**4.48**

26. EMPLOYEE BENEFITS EXPENSE

	Year Ended March 31, 2023	Year Ended March 31, 2022
Salaries, wages and bonus	142.34	125.60
Contribution to provident and other funds	3.98	3.13
Gratuity expenses (refer note 31)	2.44	2.15
Staff welfare expenses	3.28	2.77
Employee share based payment expenses (refer note 32)	2.85	4.69
Total	**154.89**	**138.34**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

27. DEPRECIATION AND AMORTIZATION EXPENSE

	Year Ended March 31, 2023	Year Ended March 31, 2022
Depreciation on property, plant and equipment (refer note 5)	11.22	13.80
Depreciation on Investment property (refer note 7)	1.24	0.30
Amortization of intangible assets (refer note 6)	3.53	3.28
Total	**15.99**	**17.38**

28. OTHER EXPENSE

	Year Ended March 31, 2023	Year Ended March 31, 2022
Web publishing expenses	0.50	1.12
Technology subscription and Fees for technical service	8.78	7.09
Power and fuel	2.59	2.36
Rent (refer note 33)	1.34	1.40
Rates and taxes	1.12	0.87
Insurance	0.43	0.38
Repairs and maintenance		
Buildings	1.19	1.10
Others	1.70	1.82
Corporate Social Responsibility (CSR) expenditure (refer note 36)	2.31	2.42
Commission to independent directors (refer note 38)	0.36	0.38
Directors' sitting fees (refer note 38)	0.16	0.12
Business promotion expenses	4.36	8.75
Advertisement and sales promotion	29.94	18.86
Freight and forwarding charges	0.48	0.56
Travelling and conveyance	4.39	3.14
Communication costs	14.90	9.76
Office expenses	3.17	2.79
Marketing support services (refer note 38)	0.58	2.10
Legal and professional fees	26.15	14.51
Payment to statutory auditor (refer details below)	0.37	0.37
Foreign exchange loss (net)	-	0.09
Property, plant and equipment written off	-	0.08
Provision for doubtful debts and advances	5.14	3.36
Bad debts written off	-	0.06
Miscellaneous expenses	1.13	1.48
Total	**111.09**	**84.97**

Payment to auditor (excluding Goods and service tax)**

	Year Ended March 31, 2023	Year Ended March 31, 2022
As auditor:		
Audit fees**	0.09	0.09
Limited review	0.24	0.25
In other capacity:		
Others (including certification fees)	0.01	0.03
Reimbursement of expenses	0.03	-
Total	**0.37**	**0.37**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

29. INCOME TAX

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

Statement of profit and loss section

	March 31, 2023	March 31, 2022
Current income tax:		
Current income tax charge	1.25	25.76
Adjustment in respect of current tax and deferred tax of previous years	(0.14)	0.65
Deferred tax:		
Relating to origination and reversal of temporary differences	0.48	(1.04)
Income tax expense reported in the statement of profit and loss	**1.59**	**25.37**
OCI Section		
Deferred tax related to items recognized in OCI during the year		
Net loss/(gain) on actuarial gains and losses	0.05	0.21
Net loss/(gain) on FVTOCI investments	-	0.65
Income tax charged /(credit) to OCI	**0.05**	**0.86**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended

	March 31, 2023	March 31, 2022
Accounting profit before tax	9.29	103.56
At India's statutory income tax rate of 25.168% (March 31, 2022: 25.168%)	2.34	26.06
Adjustments (non-deductible expenses):		
Adjustments of tax relating to earlier periods (Current and deferred)	(0.14)	0.65
CSR expenditure	0.58	0.61
Tax impact on impairment of subsidiaries	0.03	(1.03)
Tax impact on Net (loss) or gain on FVTOCI assets	(0.65)	0.65
Tax impact on deduction of buy back expenses	(0.47)	(0.43)
Others	(0.10)	(1.14)
***At the effective income tax rate of 25.168% [March 31, 2022: 25.168%%]**	**1.59**	**25.37**
(Calculated on PBT after exceptional items)		
Income tax expense reported in the statement of profit and loss	**1.59**	**25.37**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

29. INCOME TAX (Contd.)

Deferred tax relates to the following:

	Balance sheet		Statement of profit and loss	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Accelerated depreciation for tax purposes	(7.72)	(6.38)	1.34	1.13
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	0.40	0.35	(0.05)	0.04
Provision for doubtful debts and advances	9.31	8.01	(1.30)	(0.85)
Deferred revenue	0.53	0.53	-	0.11
Investment in mutual fund	(3.05)	(2.49)	0.56	(0.64)
Deferred tax on gratuity expense, recycled from profit and loss to other comprehensive income	-	(0.66)	(0.66)	0.03
Adjustment in respect of deferred tax of previous years	-	-	0.64	-
Net deferred tax expense / (income)			**0.53**	**(0.18)**
Net deferred tax assets / (liabilities)	**(0.53)**	**(0.64)**		

Reflected in the balance sheet as follows:

	March 31, 2023	March 31, 2022
Deferred tax liabilities	(10.77)	(9.53)
Deferred tax assets	10.24	8.89
Deferred tax assets, net	**(0.53)**	**(0.64)**

Reconciliation of deferred tax assets, net

	March 31, 2023	March 31, 2022
Opening balance	(0.64)	(0.82)
Tax income / (expenses) during the period recognized in statement of profit and loss	(0.48)	1.04
Tax income / (expense) during the period recognized in OCI	(0.05)	(0.86)
Adjustment in respect of deferred tax of previous years	0.64	
Closing balance	**(0.53)**	**(0.64)**

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.

30. 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:

		Year Ended March 31, 2023	Year Ended March 31, 2022
Net profit after tax attributable to equity shareholders of the Holding Company	(A)	7.70	78.19
Weighted average number of equity shares in calculating basic EPS	(B)	5,59,28,126	5,93,81,642

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

30. EARNINGS PER SHARE (EPS) (Contd.)

		Year Ended March 31, 2023	Year Ended March 31, 2022
Effect of dilution:			
Stock options granted under ESOP (in numbers)	(C)	1,61,408	3,14,509
Weighted average number of equity shares adjusted for the effect of dilution*	D=(B+C)	5,60,89,534	5,96,96,151
Basic earning per share of face value of ₹10 each (in ₹)	**(A/B)**	**1.38**	**13.17**
Diluted earnings per share of face value of ₹10 each (in ₹)	**(A/D)**	**1.37**	**13.10**

* There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorization of these financial statements.

31. DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS

A. Defined contribution plans:

Amount of ₹ 3.98 Crores (March 31, 2022: ₹ 3.13 Crores) is recognized as expenses and included in note no. 26 "Employee benefit expense"

B. Defined 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 summarizes the components of net benefit expense recognized in the statement of profit and loss and the funded status and the amounts recognized in the balance sheet for the gratuity plan.

	Year Ended March 31, 2023	Year Ended March 31, 2022
Statement of profit and loss:		
Current service cost	2.52	2.16
Past service cost	-	-
Net interest (income) / expense	(0.08)	(0.01)
Curtailment gain / (loss)	-	-
Settlement gain / (loss)	-	-
Net benefit expense recognized in the statement of profit and loss	**2.44**	**2.15**
Amount recorded in other comprehensive income:		
Measurement during the period due to:		
Actuarial gain / (loss) arising from change in financial assumptions on plan assets	0.09	(0.01)
Actuarial gain / (loss) arising on account of experience changes on plan assets	(0.03)	0.19
Actuarial gain / (loss) arising on account of experience changes on plan liabilities	(0.50)	0.52
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	0.62	0.67
Total amount recognized in OCI	**0.18**	**0.83**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

31. DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS (Contd.)

	As at March 31, 2023	As at March 31, 2022
Reconciliation of net (liability) / asset:		
Opening net defined benefit (liability) / asset	(0.21)	(0.18)
Expense charged to statement of profit and loss	(2.44)	(2.15)
Amount recognized in OCI	0.18	0.83
Contribution by employer	3.10	1.36
Benefits Directly paid by the Employer	0.04	0.01
Mortality charges and taxes	(0.07)	(0.08)
Closing net defined benefit (liability)	**0.60**	**(0.21)**
Changes in the present value of the defined benefit obligation (DBO) are as follows:		
Opening DBO	(7.78)	(7.16)
Interest cost	(0.46)	(0.36)
Current service cost	(2.52)	(2.17)
Past service cost	-	-
Benefits paid	1.21	1.26
Remeasurement during the period due to:		
Actuarial gain / (loss) arising on account of experience changes on plan liabilities	(0.50)	0.52
Actuarial (loss) / gain arising from change in demographic assumptions	-	(0.54)
Actuarial gain / (loss) arising on account of experience changes	0.62	0.67
Closing defined benefit (obligation) / asset recognized in balance sheet	**(9.43)**	**(7.78)**

	As at March 31, 2023	As at March 31, 2022
Changes in the fair value of plan assets:		
Opening fair value of plan assets	7.56	6.98
Interest income	0.54	0.37
Contributions by employer	3.10	1.36
Mortality charges and taxes	(0.07)	(0.08)
Benefits paid	(1.17)	(1.25)
Actuarial gain / (loss) arising from change in financial assumptions on plan assets	0.09	(0.01)
Actuarial gain / (loss) arising on account of experience changes on plan assets	(0.03)	0.19
Closing fair value of plan assets	**10.03**	**7.56**
Actual return on plan assets	**0.61**	**0.55**
Net defined benefit liability		
DBO	(9.43)	(7.77)
Fair value of plan assets	10.03	7.56
Closing net defined benefit Assets /(liability)	**0.60**	**(0.21)**
Net (liability)/ assets is bifurcated as follows:		
Current*	**0.60**	**(0.21)**
Non - current	**-**	**-**

The Company has contributed ₹ 3.1 to its gratuity fund in 2023. The Company expect to contribute ₹2.0 towards its gratuity fund in 2024.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

31. DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS (Contd.)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at March 31, 2023	As at March 31, 2022
(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:

	As at March 31, 2023	As at March 31, 2022
Discount rate	7.30%	6.40%
Employee turnover	20.00%	20.00%
Expected rate of increment in compensation levels		
- First two years	5.00%	8.00%
- Thereafter	7.00%	7.00%
Expected return on plan asset	6.40%	5.30%
Expected average remaining working lives	4.86%	4.88%

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 analyzis for significant assumptions as at March 31, 2023 and March 31, 2022 is shown below:

	Sensitivity Level	Defined benefit obligation	
		As at March 31, 2023	As at March 31, 2022
Discount rate	1% decrease	9.86	8.14
	1% increase	9.01	7.41
Future salary increase	1% decrease	9.10	7.49
	1% increase	9.74	8.04
Withdrawal rate	1% decrease	9.43	7.79
	1% increase	9.40	7.73

The sensitivity analyzis 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:

	As at March 31, 2023	As at March 31, 2022
Within the next 12 months (next annual reporting period)	1.57	1.28
Between 2 and 5 years	6.96	5.55
Beyond 5 years	10.77	8.40
Total expected payments	**19.30**	**15.23**

Weighted average duration of defined benefit plan obligation (based on discounted cash flows):

	As at March 31, 2023	As at March 31, 2022
Weighted average duration of defined benefit plan obligation	6.34 years	6.6 years

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(All amounts are in ₹ Crores, unless otherwise stated)

32. SHARE BASED ARRANGEMENTS

Share based payment arrangement 2014

On February 06, 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 06, 2014
Date of board approval	February 06, 2014
Date of shareholder's approval	February 06, 2014
Method of settlement	Equity
Vesting period	4 years
Exercise period	5 years from date of vesting
Expected life (in years)	
Grant IV	0.43 - 8.57
Grant VII	1.48 - 7.52
Grant IX	1.73 - 7.27
Grant X	2.61 - 6.39
Grant XI	3.25 - 5.75
Grant XII	3.51 - 5.49
Grant XIII	4.19 - 4.81
Grant XIV	4.53 - 4.47
Grant XV	4.56 - 4.44
Grant XVI	5.26 - 3.74
Grant XVII	5.75 - 3.25
Grant XVIII	6.06 - 2.94
Grant XIX	6.25 - 2.75
Grant XX	6.71 - 2.29
Grant XXI	6.85 - 2.15
Fair value of shares on date of grant	₹ 6.94 - ₹ 84.16
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%

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FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

32. SHARE BASED ARRANGEMENTS (Contd.)

The details of activities under the scheme have been summarized below:

	Year ended March 31, 2023		Year ended March 31, 2022	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	7,63,513	139.03	9,70,077	140.69
Granted during the year	-	-	-	-
Forfeited during the year	2,74,925	119.48	78,301	164.87
Exercised during the year	45,800	102.09	1,28,263	137.71
Expired during the year	-	-	-	-
Outstanding at the end of the year	4,42,788	155.07	7,63,513	139.03
Exercisable at the end of the year	3,02,413	178.58	2,81,713	182.71

The details of exercise price for stock options outstanding at the end of the year are:

	As at March 31, 2023	As at March 31, 2022
Exercise price (₹)	93.00 – 294.33	93.00 – 294.33
Number of options outstanding	4,42,788	7,63,513
Weighted average remaining contractual life of options (in years)	1.92	3.59
Weighted average exercise price (₹)	155.07	139.03

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, 2023 was ₹ 198.91

The weighted average share price at the date of exercise of these options, as at March 31, 2022 was ₹ 137.71

Manner in which the fair value of the stock option granted during the period was determined:

There are no grants in financials ended March 31, 2023 and March 31, 2022 for share based payment arrangement 2014.

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	3 years from date of vesting
Expected life (in years)	
Grant XXII	5.12 - 1.88
Grant XXIII	5.36 - 1.64
Grant XXIV	5.42 - 1.58
Grant XXV	5.48 - 1.52
Grant XXVI	5.57 - 1.43
Grant XXVII	5.36 - 1.64

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

32. SHARE BASED ARRANGEMENTS (Contd.)

Particulars	Details
Grant XXVIII	5.73 - 1.27
Grant XXIX	6.23 - 0.77
Grant XXX	6.36 - 0.64
Grant XXXI	6.44 - 0.56
Grant XXXII	6.59 - 0.41
Grant XXXIII	6.76 - 0.24
Fair value of shares on date of grant	₹ 69.66 - ₹ 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 summarized below:

	Year ended March 31, 2023		Year ended March 31, 2022	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	9,67,900	157.42	-	-
Granted during the year	6,72,100	144.49	11,55,500	157.15
Forfeited during the year	3,30,075	161.54	1,87,600	155.85
Exercised during the year	18,450	142.16	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	12,91,475	149.37	9,67,900	157.42
Exercisable at the end of the year	1,82,350	158.38		

The details of exercise price for stock options outstanding at the end of the year are:

	As at March 31, 2023	As at March 31, 2022
Exercise price (₹)	119.25 - 176	114 - 176
Number of options outstanding	12,91,475	9,67,900
Weighted average remaining contractual life of options (in years)	3.97	6.91
Weighted average exercise price (₹)	149.37	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, 2023 was ₹ 206.47

The weighted average share price at the date of exercise of these options, as at March 31, 2022 was ₹ Nil

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

32. SHARE BASED ARRANGEMENTS (Contd.)

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 ₹ 78.03 (March 31, 2022: ₹157.15). The Black and Scholes valuation model has been used for computing the weighted average fair value considering the following inputs

	As at March 31, 2023	As at March 31, 2022
Weighted average share price (₹)	161.92	157.15
Exercise price (₹)	₹ 99 - ₹ 158	₹ 142.16 - ₹ 176
Expected volatility (%)	49.90%	35.22%
Historical volatility (%)	0%	0%
Life of the options granted (vesting and exercise period) (in years)	6.76 - 0.77	7.85 - 1.15
Average risk-free interest rate (%)	7.02%	6.42%
Dividend yield	2.40%	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:

	Year ended March 31, 2023	Year ended March 31, 2022
Expense arising from equity settled share based payment transaction	2.85	4.69

33. COMMITMENTS AND CONTINGENCIES

a. Operating lease - Company as a lessee

There are various office premises and warehouse which have been taken by the Company on lease. As per the lease agreements these are cancellable on 60- 90 days notice. Further, there are no restrictions imposed by lease agreements and there are no subleases. The Company has elected not to apply the requirements of Ind AS 116 to the short-term leases and, the lease payments associated with these leases are expensed as per the terms of lease agreement.

The lease rentals charged during the year is as under.

	As at March 31, 2023	As at March 31, 2022
Short term leases expenses	1.34	0.34
Total Lease expense	**1.34**	**0.34**

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 lessor. There is no escalation clause and no minimum lease payments (MLP) under finance lease.

b. Commitments

	As at March 31, 2023	As at March 31, 2022
Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided, net of advances	-	2.08
Other commitments:		
Commitments in relation to purchases and Services	3.47	4.27

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

33. COMMITMENTS AND CONTINGENCIES (Contd.)

c. Contingent liabilities

	As at March 31, 2023	As at March 31, 2022
Claims against the Company not acknowledged as debts		
Maharashtra Value Added Tax	-	0.77
Central Sales Tax (Bombay)	-	0.37
Total	**-**	**1.14**

i) 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) 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 STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

34. FINANCIAL RATIOS

S No.	Ratio	Formula	Particulars		March 31, 2023		March 31, 2022		Ratio as on		Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	March 31, 2023	March 31, 2022		
(a)	Current Ratio	Current Assets / Current Liabilities	Current Assets	Current Liabilities	322.24	71.52	531.67	86.63	4.51	6.14	-26.59%	Refer Note (i)
(b)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Net Income= Net Profits after taxes – Preference Dividend	Equity share capital + Other equity	7.70	419.72	78.19	627.21	0.02	0.12	-85.28%	Refer Note (ii)
(c)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	9.33	4.65	12.41	4.04	2.01	3.07	-34.61%	Refer Note (iii)
(d)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Gross Sales excluding sales Incentives	(Opening Trade Receivables + Closing Trade Receivable)/2	304.43	147.85	368.25	161.19	2.06	2.28	-9.87%	NA
(e)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	9.04	49.43	13.91	49.93	0.18	0.28	-34.35%	Refer Note (iv)
(f)	Net Capital Turnover Ratio	Revenue / Average Working Capital	Revenue net of sales Incentives	Average Working Capital= Average of Current assets – Current liabilities	278.11	347.88	341.55	497.32	0.80	0.69	16.40%	NA
(g)	Net Profit Ratio	Net Profit / Net Sales	Profit after tax	Revenue net of sales Incentives	7.70	278.11	78.19	341.55	0.03	0.23	-87.91%	Refer Note (v)
(h)	Return on Capital Employed	EBIT / Capital Employed	Income before interest and tax	Capital Employed= Total Assets - Current Liability	9.29	421.37	103.56	629.26	0.02	0.16	-86.60%	Refer Note (vi)
(i)	Return on Investment	Net Income / Net Investment	Interest income on fixed deposit, bond & gain on Mutual funds (Including unrealized gain)	(Opening investment in mutual funds & bonds + fixed deposit+ closing investment in mutual funds & bonds+ fixed deposit)/2	11.86	266.77	13.15	407.79	0.04	0.03	37.87%	Refer Note (vii)

Notes: (i) Current ratio has decreased mainly on account of reduction in short term investments and cash balances. The Company has utilized the same towards buyback of shares. (refer note 17)

(ii) Return on equity ratio has decreased on account of lower profits/income generated in business in current year.

(iii) Inventory Turnover Ratio has decreased on account of increase in value of certain items forming part of closing inventory.

(iv) Trade payable turn over ratio has reduced as the Company has achieved longer credit term with some of the vendors.

(v) Net Profit ratio is decreased due to reduction in Revenue and significant increase in employee benefit expense and other expenses during the year.

(vi) Return on capital employed has decreased on account of lower profits/income generated in business in the current year.

(vii) Return on investment has increased is on account of increase in realized gain on sale of mutual funds.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

35. DISCLOSURE RELATING TO SUPPLIERS REGISTERED UNDER MSMED ACT BASED ON THE INFORMATION AVAILABLE WITH THE COMPANY: 2006)

	Year Ended March 31, 2023	Year Ended March 31, 2022
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	1.94	5.77
Interest	0.01	0.01
Total		
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) 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.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

36. CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	Year Ended March 31, 2023	Year Ended March 31, 2022
(a) Gross amount required to be spent by the Company during the year	2.31	2.49

	As at March 31, 2023			As at March 31, 2022		
	Paid	Yet to be paid	Total	Paid	Yet to be paid	Total
(b) Amount spent during the year						
For the purpose of education and social activity	2.31	-	2.31	1.98	-	1.98
Contribution to PM Care fund	-	-	-	0.52	-	0.52

	Year Ended March 31, 2023	Year Ended March 31, 2022
Gross Amount required to be spent as per Section 135 of the Act	2.31	2.49
Add: Amount Unspent from previous years	-	-
Total Gross amount required to be spent during the year	**2.31**	**2.49**
Amount approved by the Board to be spent during the year	2.31	2.56
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	2.31	2.50

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

36. CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE (Contd.)

Details related to amount spent/ unspent

	March 31, 2023	March 31, 2022
Contribution to Quick Heal Foundation	2.31	1.98
Spent on social activities	-	0.52
Accrual towards unspent obligations in relation to:		
Ongoing projects	-	-
Other than Ongoing projects	-	-
Total	**2.31**	**2.50**

Details of excess CSR expenditure

Nature of Activity	Balance excess as at April 01, 2022	Amount required to be spent during the year	Amount spent during the year	Balance excess as at March 31, 2023
For the purpose of education and social activity	-	-	-	-

Contribution to Related Parties/ CSR Expenditure incurred with Related Parties

Name	Nature of Relationship	March 31, 2023	March 31, 2022
Quick Heal Foundation	Enterprises owned by directors or major shareholders	2.31	1.98

Disclosures on Shortfall

Particulars	March 31, 2023	March 31, 2022
Amount Required to be spent by the Company during the year	2.31	2.49
Actual Amount Spent by the Company during the year	2.31	2.50
Shortfall/(Excess) at the end of the year	-	(0.01)
Total of previous years shortfall	-	-

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.

37. PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURES AS AT THE BALANCE SHEET DATE

	Foreign currency	As at March 31, 2023		As at March 31, 2022	
		In foreign currency	In Indian Rupees	In foreign currency	In Indian Rupees
Bank balances	USD	0.03	2.09	0.01	0.63
Cash balances	EUR	-	0.02	-	0.02
	JPY	0.00	0.00	-	-
	USD	0.00	0.00	-	0.01
Trade receivables	USD	0.05	4.48	0.05	3.67
	JPY	-	-	0.03	0.02
	AED	0.01	0.26	0.01	0.20
Trade payables	USD	-	0.13	-	0.10
	JPY	-	-	0.42	0.26
	AED	0.00	0.04	0.01	0.22
Investment (gross)	JPY	-	-	28.00	17.44
	AED	-	-	0.03	0.56
	USD	0.15	12.55	0.31	22.27
	KES	-	-	3.56	2.54
	SGD	0.05	3.10	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 FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

38. 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 (Liquated on February 04, 2022)
	Quick Heal Technologies America Inc., USA
	Quick Heal Technologies Japan K.K., Japan (Liquated on October 14, 2022)
	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
	Nitin Kulkarni, Chief Financial Officer (upto October 26, 2021)
	Srinivasa Rao Anasingaraju, Company Secretary
	Amitabha Mukhopadhyay , Independent Director
	Apurva Joshi, Independent Director
	Bhushan Gokhale, Additional Independent Director
	Mehul Savla, Independent Director (upto November 25, 2022)
	Richard Stiennon, Independent Director
	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
Entities over which directors exercise significant influence	Data Security Council of India

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

38. RELATED PARTY TRANSACTION (Contd.)

Transactions with related parties and year end balances:

Nature of transaction	Name of the related party	Year Ended March 31, 2023	Year Ended March 31, 2022
Compensation paid to Key Management Personnel	Kailash Katkar	1.21	1.57
	Sanjay Katkar	1.21	1.54
	Nitin Kulkarni	-	0.61
	Navin Sharma	1.13	0.40
	Srinivasa Rao Anasingaraju	0.46	0.45
	Anupama Katkar	0.66	0.59
	Sneha Katkar	0.36	0.23
Sub-total		**5.03**	**5.39**
Directors' sitting fee	Amitabha Mukhopadhyay	0.04	0.03
	Apurva Joshi	0.04	0.03
	Bhushan Gokhale	0.04	0.02
	Mehul Savla	0.02	0.03
	Richard Stiennon	0.02	0.01
Sub-total		**0.16**	**0.12**
Commission to independent directors	Amitabha Mukhopadhyay	0.08	0.10
	Apurva Joshi	0.08	0.08
	Bhushan Gokhale	0.08	0.08
	Mehul Savla	0.04	0.08
	Richard Stiennon	0.08	0.04
Sub-total		**0.36**	**0.38**
Total		**5.55**	**5.89**

Compensation of key managerial personal of the Company

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Short-term employee benefits (compensation)	5.03	5.39
Post - employment gratuity benefits	0.55	0.48
Leave benefits	0.03	0.02
Total compensation to key management personnel	**5.61**	**5.89**

* The amounts disclosed in the table are the amounts recognized 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 and leave benefits from the Company.

Remuneration payable by the Company amounting to ₹ 0.36 to its independent Directors is exceeding the limits of ₹ 0.02 prescribed under Section 197 of the Companies Act, 2013 and is subject to approval of the shareholders in the ensuing annual general meeting.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

38. RELATED PARTY TRANSACTION (Contd.)

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, 2023 Number outstanding	March 31, 2022 Number outstanding
October 10, 2018	-	185.60	-	25,000
May 15, 2021	-	142.16	3,000	3,000
October 26, 2021	-	165.00	60,000	60,000

* 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, 2023	Year Ended March 31, 2022
Rent paid	Kailash Katkar	-	0.09
		-	**0.09**
CSR contribution	Quick Heal Foundation	2.31	2.20
		2.31	**2.20**
Sale of security software products	Quick Heal Technologies America Inc.	2.16	2.01
	Quick Heal Technologies Japan K.K	-	(0.32)
	Seqrite Technologies DMCC	0.58	0.73
		2.74	**2.42**
Rendering of services	Data Security Council of India	0.08	0.33
		0.08	**0.33**
Marketing support services received	Quick Heal Technologies Africa Limited	-	0.02
	Quick Heal Technologies America Inc.	0.44	0.29
	Quick Heal Technologies Japan K.K	-	0.89
	Seqrite Technologies DMCC	0.14	0.89
		0.58	**2.10**
Impairment reversal of Investment in subsidiaries	Quick Heal Technologies Africa Limited	-	(5.16)
	Quick Heal Technologies Japan K.K	(0.10)	-
		(0.10)	**(5.16)**
Purchase of Material	Trixter Cyber Solutions Private Limited	0.50	0.23
		0.50	**0.23**
Services received	Data Security Council of India	0.11	0.02
		0.11	**0.02**
Final equity dividend declared and paid for the financial year ended March 31, 2022 and March 31, 2021	Kailash Katkar	7.64	6.79
	Sanjay Katkar	7.64	6.79
	Anupama Katkar	1.86	1.66
	Chhaya Katkar	1.86	1.66
		19.02	**16.90**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

38. RELATED PARTY TRANSACTION (Contd.)

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, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: ₹ 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, 2023	As at March 31, 2022
Trade receivables	Quick Heal Technologies America Inc.	0.65	0.91
	Seqrite Technologies DMCC	0.26	0.20
	Data Security Council of India	0.05	0.23
		0.96	**1.34**
Other receivables	Kailash Katkar	0.47	-
	Sanjay Katkar	0.40	-
		0.87	**-**
Trade payables	Quick Heal Technologies America Inc.	0.13	0.09
	Quick Heal Technologies Japan K.K		0.26
	Seqrite Technologies DMCC	0.04	0.22
	Trixter Cyber Solutions Private Limited	0.09	0.18
	Data Security Council of India	0.04	-
		0.29	**0.76**
Commission payable to independent directors	Amitabha Mukhopadhyay	0.08	0.10
	Apurva Joshi	0.08	0.08
	Bhushan Gokhale	0.08	0.08
	Mehul Savla	0.04	0.08
	Richard Stiennon	0.08	0.04
		0.36	**0.38**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

39.

(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.

39 (b). Exceptional items

Exceptional items includes impairment / reversal of impairment of investment in wholly owned subsidiaries amounting to ₹ (0.10) (March 31, 2022: ₹ 4.06). The details are as follows:

Name of Subsidiary	Year Ended March 31, 2023	Year Ended March 31, 2022
Quick Heal Technologies America Inc., USA	-	4.06
Quick Heal Technologies Japan K.K., Japan	(0.10)	-
Total	**(0.10)**	**4.06**

40. 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, 2023:

Particulars	Carrying value		Fair value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial assets				
Investments at FVTPL				
Investments in mutual funds (quoted)	176.20	290.07	176.20	290.07
Investments at FVTOCI				
Investments in equity instruments	4.72	6.91	4.72	6.91
Investment in Preference shares	10.94	14.73	10.94	14.73
Investments at amortized cost				
Investment in Tax Free Bonds	5.83	5.83	5.83	5.83
Trade and other receivables	122.77	172.93	122.77	172.93
Cash and cash equivalents	10.29	3.97	10.29	3.97
Other bank balances	0.27	55.23	0.27	55.23
Other financial assets	2.24	1.67	2.24	1.67
Total	**333.26**	**551.34**	**333.26**	**551.34**
Financial liabilities at amortized cost				
Trade and other payables	48.68	50.18	48.68	50.18
Other financial liabilities	12.73	16.70	12.73	16.70
Total	**61.41**	**66.88**	**61.41**	**66.88**

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 amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

40. FAIR VALUES (Contd.)

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

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.

41. 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 prices) 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, 2023 and March 31, 2022.

Quantitative disclosures fair value measurement hierarchy for assets:

	Date of valuation	Fair value measurement using			
		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 Defence limited					
As at March 31, 2023	March 31, 2023	1.62	-	-	1.62
As at March 31, 2022	March 31, 2022	2.18	-	-	2.18
Unquoted equity instruments in Ray Pte. Limited					
As at March 31, 2023	March 31, 2023	3.10	-	-	3.10
As at March 31, 2022	March 31, 2022	4.73	-	-	4.73
Unquoted Compulsory Convertible Preference Share in L7 Defence limited					
As at March 31, 2023	March 31, 2023	10.94	-	-	10.94
As at March 31, 2022	March 31, 2022	14.73	-	-	14.73
Financial assets measured at fair value through profit and loss					
Mutual fund investments					
Fair value through profit or loss investments					
As at March 31, 2023	March 31, 2023	176.20	176.20		-
As at March 31, 2022	March 31, 2022	290.07	290.07		-
Investment Property					
As at March 31, 2023	March 31, 2023	41.42	-	41.42	-
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.

(All amounts are in ₹ Crores, unless otherwise stated)

41. FAIR VALUE HIERARCHY (Contd.)

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.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2023 and March 31, 2022:

	Unquoted Equity Shares
As at April 01, 2021	18.91
Remeasurement recognized in OCI	2.73
Purchases	-
Sales	-
As at March 31, 2022	**21.64**
Remeasurement recognized in OCI	(5.99)
Purchases	-
Sales	-
As at March 31, 2023	**15.65**

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analyzis as at March 31, 2023 and March 31, 2022 are as shown below:

	Valuation technique	**Significant unobservable inputs**	**Range (weighted average)**	**Sensitivity of the input to fair value***
Unquoted equity shares in L7 Defence Limited	Discounted cash flow method	Weighted average cost of equity	March 31, 2023: 22.90% - 24.90%	1% increase in the WACC would decrease the fair value by ₹ 0.59 and 1% decrease would increase the fair value by ₹.0.66
		Long-term growth rate for cash flows	March 31, 2023: 1.00% - 3.00%	1% increase in the growth would increase the fair value by ₹ 0.32 and 1% decrease would decrease the fair value by ₹ 0.29.
		Long-term operating margin	March 31, 2023: 42.61% - 52.61%	5% increase in the margin would increase the fair value by ₹ 0.77 and 5% decrease would decrease the fair value by ₹.0.77
Unquoted equity shares in L7 Defence 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

41. FAIR VALUE HIERARCHY (Contd.)

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value*
Unquoted equity shares in Ray Pte. Limited	Discounted cash flow method	Weighted average cost of equity	March 31, 2023: 13.50% - 15.50%	1% increase in the WACC would decrease the fair value by ₹ 6.53 and 1% decrease would increase the fair value by ₹ 7.69.
		Long-term growth rate for cash flows	March 31, 2023: 0.50% - 2.50%	1% increase in the growth would increase the fair value by ₹4.30 and 1% decrease would decrease the fair value by ₹3.68.
		Long-term operating margin	March 31, 2023: 43.37% - 53.37%	5% increase in the margin would increase the fair value by ₹10.21. and 5% decrease would decrease the fair value by ₹10.21.
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.

*The above sensitivity analyzis for fair value calculation has been derived on the entire Ray Pte. Limited and L7 Defense Limited capital amount of the companies.

42. 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 summarized 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 comprizes 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 37 to the financial statements.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

42. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

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.

	Foreign currency	Exposure In foreign currency	Change in Currency rate	Effect on profit before tax (₹)*	Effect on pre-tax equity (₹)*
March 31, 2023	AED	0.05	5%	0.01	0.01
				(0.01)	(0.01)
	JPY	-	-10%	0.00	0.00
				0.00	0.00
	KES	-	1%	0.00	0.00
				0.00	0.00
	SGD	0.05	4%	0.12	0.12
				(0.12)	(0.12)
	USD	0.23	5%	0.95	0.95
				(0.95)	(0.95)
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

(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, 2023 and March 31, 2022. The working capital as at March 31, 2023 was ₹ 250.72 (March 31, 2022: ₹ 445.04) including cash and cash equivalents.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

42. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

As at March 31, 2023 and March 31, 2022, the outstanding employee obligations were ₹ 1.17 and ₹ 1.28 respectively which have been substantially funded. Accordingly, no significant liquidity risk is perceived.

The table below summarizes the maturity profile of the Company'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, 2023					
Trade payables	-	27.70	20.98	-	48.68
Unpaid dividend	0.19	-	-	-	0.19
Other financial liabilities	-	12.54	-	-	12.54
Total	**0.19**	**40.24**	**20.98**	**-**	**61.41**
As at March 31, 2022					
Trade payables	-	29.85	20.33	-	50.18
Unpaid dividend	0.18	-	-	-	0.18
Other financial liabilities	-	16.52	-	-	16.52
Total	**0.18**	**46.37**	**20.33**	**-**	**66.88**

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 maximize 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, 2023 is ₹ 419.72 (March 31, 2022: ₹ 627.21).

*The Company does not have any debt as on March 31, 2023 & March 31, 2022 and thus no debt -equity ratio is computed

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

43. TITLE DEEDS OF IMMOVABLE PROPERTIES NOT HELD IN NAME OF THE COMPANY

The title deeds of all the immovable properties are held in the name of the Company.

44. Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:

The Company has not granted any loans or advances in the nature of loans to promoters, directors and KMPs, either severally or jointly with any other person.

45. DETAILS OF BENAMI PROPERTY HELD

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

46. WILFUL DEFAULTER

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

47. Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

48. REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

49. COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

50. COMPLIANCE WITH APPROVED SCHEME(S) OF ARRANGEMENTS

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

51. UTILIZATION OF BORROWED FUNDS AND SHARE PREMIUM:

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 otherwize, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

52. UNDISCLOSED INCOME

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (and previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

53. DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

54. THE CODE ON SOCIAL SECURITY 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the 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. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

55.

Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS and as required by Schedule III of the Act.

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
CIN: L72200MH1995PLC091408

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/- **Srinivasa Rao Anasingaraju** Company Secretary Regs. No. FCS-9901
Place: Pune Date: April 17, 2023	Place: Pune Date: April 17, 2023	Place: Pune Date: April 17, 2023	Place: Pune Date: April 17, 2023	Place: Pune Date: April 17, 2023

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") which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), 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 ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2023, of consolidated profit and other comprehensive income, 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 SAs 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 in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements 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 and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, 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, 2023. 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	Provision for credit loss for accounts receivables Refer Note 11 of Consolidated Financial statement. The Group has total outstanding trade receivable amounting to ₹159.63 crore as at March 31, 2023 against which the Group has provided for ₹36.98 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 recognizing 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 Holding 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 sample of customer transactions.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
		5. Obtained management's assessment and plan for recovery with respect to trade receivables outstanding for more than 180 days including validation of the same. 6. Assessed the compliance with methodology applied for recognizing 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.
2	Fair Value of Investment in unquoted equity and preference shares Refer Note 8 of Consolidated Financial statement. Fair value of Investment in unquoted equity and preference shares on March 31, 2023, amounts to ₹4.72 crores and ₹10.94 crores respectively. The amount recognised in other comprehensive income for changes in fair value of Investment in unquoted equity and preference shares amounts to ₹2.19 and ₹3.79 crores respectively crores for the year ended March 31, 2023. In accordance with Ind AS 109 – Financial Instruments, at each reporting period end, management accounts for Investment in unquoted equity and preference shares at fair value through other comprehensive income. Processes and methodologies for assessing and determining the fair value of each investments are based on complex assumptions, that by their nature imply the use of the management's judgment, in particular, forecast of future cash flows relating to the period covered by the 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 investment in unquoted equity and preference shares 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 determining the fair value of unquoted equity and preference shares. Our procedures included, but were not limited to the following: 1. Obtained understanding of the Holding Company's policy on fair valuation of unquoted equity and preference 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 Holding 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. 7. Used auditors' expert in auditing/validating the assumptions and valuation methodology. 8. Obtained specific management representations

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 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, consolidated changes in equity and consolidated cash flows of the Group 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 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 are responsible for assessing the ability of the Group 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 are responsible for overseeing the financial reporting process of the Group.

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 two subsidiaries, whose financial statements reflect total assets of ₹2.30 as at March 31, 2023, total revenues of ₹2.72 and net cash outflows amounting to ₹0.14 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 relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

b. We did not audit the financial information of one subsidiary whose financial information reflect total assets of ₹Nil as at March 31, 2023, total revenues of ₹Nil and net cash outflow amounting to ₹0.15 for the year ended on that date, as considered in the consolidated financial statements. This financial information are unaudited and 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 this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information are not material to the Group.

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 information 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 (including other comprehensive income), 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.
   e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2023 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 with reference to consolidated financial statements 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 – Refer Note 32 to the consolidated financial statements.
      ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.
      iv. 1. The Managements of the Holding Company whose financial statements have been audited under the Act have represented to us, 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 to or in any other person(s) or entity(ies), 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 ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
      2. The Managements of the Holding Company whose financial statements have been audited under the Act have represented to us, to the best of their knowledge and belief, no funds have been received by the Holding Company from any person(s) or entity(ies), 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 performed that have been considered reasonable and appropriate in the circumstances, 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 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.

4. 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.

   The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 17 to the Consolidated financial statements).

   v. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

2. In our opinion, according to information, explanations given to us, the remuneration provided for in the books of accounts by the Company to its Independent directors for the year ended March 31, 2023, is in excess of the limits prescribed under Section 197 read with Schedule V of the Act and the rules thereunder by ₹0.34 crores. As informed to us by the management and as stated in Note 38 of the standalone financial statements the management of the Company intends to seek the requisite approvals of the shareholders at the ensuing annual general meeting.

3. According to the information and explanations given to us Companies (Auditor’s Report) Order, 2020 is not applicable to the subsidiaries. Accordingly, the provisions stated in paragraph 3(xxi) of the Order are not applicable to the Group.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 23111700BGWHWU1026

Place: Pune
Date: April 17, 2023

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 adequate internal financial controls with reference to consolidated 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 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 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 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, 2023 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 M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 23111700BGWHWU1026

Place: Pune
Date: April 17, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF QUICK HEAL TECHNOLOGIES LIMITED

[Referred to in paragraph 1(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, 2023]

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, 2023, we have audited the internal financial controls reference to consolidated financial statements of Quick Heal Technologies Limited (hereinafter referred to as "the Holding Company").

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company 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, 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding 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 ("the ICAI").

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements on the criteria established by Holding 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 the Holding 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 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, 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.

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

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF QUICK HEAL TECHNOLOGIES LIMITED (Contd.)

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.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Nitin Manohar Jumani
Partner
Membership No. 111700
UDIN: 23111700BGWHWU1026

Place: Pune
Date: April 17, 2023

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2023

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	97.56	105.93
(b) Intangible assets	6	2.77	5.74
(c) Intangible assets under development	6	0.15	-
(d) Investment Property	7	24.12	25.36
(e) Financial assets			
(i) Investments	8	21.49	27.46
(ii) Other financial assets	9	0.76	0.49
(f) Income tax assets (net)	14	22.33	15.80
(g) Other non-current assets	15	0.65	0.47
		169.83	**181.25**
Current assets			
(a) Inventories	10	4.50	4.79
(b) Financial assets			
(i) Investments	8	176.20	290.07
(ii) Trade receivables	11	122.65	171.96
(iii) Cash and cash equivalents	12	11.58	7.83
(iv) Bank balances other than (iii) above	13	0.27	55.22
(v) Other financial assets	9	1.49	1.17
(c) Other current assets	15	6.78	3.58
		323.47	534.62
Total assets		**493.30**	**715.88**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	53.07	58.01
(b) Share application money pending allotment	SOCIE	-	-
(c) Other equity	17	366.64	569.62
Total equity		**419.71**	**627.63**
Liabilities			
Non-current liabilities			
(a) Net employee defined benefit liabilities	21	0.60	0.89
(b) Other non-current liabilities	20	0.52	0.52
(c) Deferred tax liability (net)	29	0.53	0.64
		1.65	**2.05**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	18	1.94	5.77
(b) Total outstanding dues creditors other than micro enterprises and small enterprises	18	46.67	43.93
(ii) Other financial liabilities	19	12.73	16.69
(b) Other current liabilities	20	10.03	19.31
(c) Net employee defined benefit liabilities	21	0.57	0.39
(d) Income tax liabilities (net)	22	-	0.11
		71.94	**86.20**
Total liabilities		**73.59**	**88.25**
Total equity and liabilities		**493.30**	**715.88**
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
CIN: L72200MH1995PLC091408

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Nitin Manohar Jumani	**Kailash Katkar**	**Sanjay Katkar**	**Navin Sharma**	**Srinivasa Rao Anasingaraju**
Partner	Managing Director	Joint Managing Director	Chief Financial Officer	Company Secretary
Membership Number: 111700	& Chief Executive Officer	& Chief Technical Officer		Regs. No. FCS-9901
	DIN: 00397191	DIN: 00397277		
Place: Pune	Place: Pune	Place: Pune	Place: Pune	Place: Pune
Date: April 17, 2023	Date: April 17, 2023	Date: April 17, 2023	Date: April 17, 2023	Date: April 17, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Revenue from operations	23	278.09	341.90
Other income	24	22.13	19.20
Total income		**300.22**	**361.10**
EXPENSES			
Cost of materials consumed	25 (a)	1.11	1.01
Purchase of software products	25 (b)	7.83	13.00
Decrease / (increase) in security software products	25 (c)	0.39	(1.85)
Employee benefits expense	26	154.90	139.49
Depreciation and amortization expense	27	15.99	17.38
Other expenses	28	111.98	83.39
Total expenses		**292.20**	**252.42**
Profit before tax		**8.02**	**108.68**
Tax expense			
Current tax			
Pertaining to profit for the current year		1.28	25.88
Adjustment in respect of current tax and deferred tax of previous years (Net)		(0.14)	0.65
Deferred tax (benefit) / charge		0.48	(1.04)
Total tax expense		**1.62**	**25.49**
Profit after Tax		**6.40**	**83.19**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement of defined benefit plans		0.18	0.83
Income tax effect		(0.05)	(0.21)
		0.13	0.62
Net (loss) or gain on FVTOCI assets		(5.99)	2.73
Income tax effect		-	(0.65)
		(5.99)	2.08
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		(5.86)	2.70
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(0.13)	(0.25)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		(0.13)	(0.25)
Total comprehensive income for the year		**0.41**	**85.64**
Earnings per equity share [nominal value per share ₹10 (March 31, 2022: ₹10)]	30		
Basic		1.14	14.01
Diluted		1.14	13.94

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
CIN: L72200MH1995PLC091408

Sd/-
Nitin Manohar Jumani
Partner
Membership Number: 111700
Place: Pune
Date: April 17, 2023

Sd/-
Kailash Katkar
Managing Director
& Chief Executive Officer
DIN: 00397191
Place: Pune
Date: April 17, 2023

Sd/-
Sanjay Katkar
Joint Managing Director
& Chief Technical Officer
DIN: 00397277
Place: Pune
Date: April 17, 2023

Sd/-
Navin Sharma
Chief Financial Officer
Place: Pune
Date: April 17, 2023

Sd/-
Srinivasa Rao Anasingaraju
Company Secretary
Regs. No. FCS-9901
Place: Pune
Date: April 17, 2023

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ Crores, unless otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	8.02	108.68
Adjustment to reconcile profit before tax to net cash flows:		
Liability written back	(1.88)	-
Net loss / (gain) foreign exchange differences	0.85	(0.23)
Employee share based payments expense	2.85	4.69
Depreciation and amortization expense	15.99	17.38
Interest income	(1.78)	(2.90)
Provision for doubtful debts and advances	5.15	3.36
Bad debts written off	-	0.08
Property, plant and equipment written off	-	0.09
(Profit) / Loss on sale of property, plant and equipment	(3.95)	(1.65)
Exchange difference on translation of foreign currency cash and cash equivalents	-	0.08
Income from Investment Property	(3.58)	(0.85)
Net gain on sale of investment	(3.20)	(2.84)
Net gain on FVTPL current investment	(6.88)	(7.41)
Operating profit before working capital changes	**11.59**	**118.48**
Movements in working capital:		
(Increase)/decrease in trade receivables	44.31	(24.86)
(Increase)/decrease in inventories	0.29	(1.45)
(Increase)/decrease in other financial assets	(0.88)	0.71
(Increase)/decrease in other assets	(3.38)	3.05
Increase/(decrease) in net employee defined benefit liabilities	0.07	0.57
Increase/(decrease) in trade payables	(1.08)	10.06
Increase/(decrease) in other financials liabilities	(2.83)	5.20
Increase/(decrease) in other current and non current liabilities	(9.28)	1.52
Cash generated from operations	**38.81**	**113.28**
Direct taxes paid (net of refunds)	(8.00)	(33.30)
Net cash flow from operating activities (A)	**30.81**	**79.98**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advances)	(4.08)	(5.85)
Proceeds from sale of property, plant and equipment	5.20	4.49
Purchase of investments	(400.60)	(408.85)
Sale of investments	524.53	519.80
Income from Investment Property	3.58	0.85
(Increase)/decrease in bank deposits other than cash and cash equivalents	54.74	12.70
Interest received	1.86	2.52
Net cash (used in) investing activities (B)	**185.23**	**125.66**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid on equity shares	(26.09)	(23.15)
Tax on Buyback	(34.94)	(36.03)
Proceeds from issuance of equity shares (including securities premium)on exercise of ESOP by employees	0.72	1.74
Buyback expenses	(1.85)	(1.72)
Payout on Buyback of equity shares	(150.00)	(155.00)
Net cash flow (used in) financing activities (C)	**(212.16)**	**(214.16)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**3.88**	**(8.52)**
Cash and cash equivalents at the beginning of the year	7.83	16.43
Effect of exchange differences on cash and cash equivalents held in foreign currency	(0.13)	(0.08)
Cash and cash equivalents at the end of the year	**11.58**	**7.83**
Components of cash and cash equivalents		
Cash on hand	0.02	0.06
Balances with banks		
On current account	9.47	7.14
On EEFC account	2.09	0.63
Total cash and cash equivalents (refer note12)	**11.58**	**7.83**

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
CIN: L72200MH1995PLC091408

Sd/-
Nitin Manohar Jumani
Partner
Membership Number: 111700

Place: Pune
Date: April 17, 2023

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

Place: Pune
Date: April 17, 2023

Sd/-
Sanjay Katkar
Joint Managing Director
& Chief Technical Officer
DIN: 00397277

Place: Pune
Date: April 17, 2023

Sd/-
Navin Sharma
Chief Financial Officer

Place: Pune
Date: April 17, 2023

Sd/-
Srinivasa Rao Anasingaraju
Company Secretary
Regs. No. FCS-9901

Place: Pune
Date: April 17, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

(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, 2021	**6,42,07,868**	**64.21**
- Employee stock option plan (ESOP) (refer note 16)	1,28,263	0.13
- Buy Back	(63,26,530)	(6.33)
As at March 31, 2022	**5,80,09,601**	**58.01**
- Employee stock option plan (ESOP)	63,900	0.06
- Buy Back	(50,00,000)	(5.00)
As at March 31, 2023	**5,30,73,501**	**53.07**

B. Other equity

Other equity attributable to equity holders of the Company

	Reserves and Surplus					Other Equity	Other Comprehensive Income			
	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	Total
Balance as at April 01, 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 to Capital redemption reserve	(6.33)	-	6.33	-	-	-	-	-	-	-
Utilized for buy back	(89.24)	(59.43)	-	-	-	-	-	-	-	(148.67)
Buy Back Expenses	(1.72)	-	-	-	-	-	-	-	-	(1.72)
Exercise of share options	-	1.61	-	-	-	-	-	-	-	1.61
Transfer from ESOP reserve on option exercised	-	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**
Profit for the Year	6.40	-	-	-	-	-	-	-	-	6.40
Other comprehensive income		-	-	-	-	-	(0.13)	0.13	(5.99)	(5.99)
Total comprehensive income	**6.40**	**-**	**-**	**-**	**-**	**-**	**(0.13)**	**0.13**	**(5.99)**	**0.41**
Expenses pertaining to share-based payments	-	-	-	-	-	2.85	-	-	-	2.85
Utilized for buy back	(141.69)	(3.31)	-	-	-	-	-	-	-	(145.00)
Buy Back Expenses	(1.85)	-	-	-	-	-	-	-	-	(1.85)
Transferred to Capital redemption reserve	(5.00)	-	5.00	-	-	-	-	-	-	-
Exercise of share options	-	0.66	-	-	-	-	-	-	-	0.66
Transfer from ESOP reserve on option exercised	-	0.36	-	-	-	(0.36)	-	-	-	-
Foreign currency translation reserve Recyled to Profit and Loss	-	-	-	-	-	-	1.00	-	-	1.00
Transactions with owners in their capacity as owners:	-	-	-	-	-	-	-	-	-	
Final equity dividend	(26.11)	-	-	-	-	-	-	-	-	(26.11)
Tax on Buyback	(34.94)	-	-	-	-	-	-	-	-	(34.94)
Balance as at March 31, 2023	**299.71**	**0.01**	**17.69**	**2.65**	**45.03**	**9.51**	**0.09**	**2.43**	**(10.48)**	**366.64**

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
CIN: L72200MH1995PLC091408

Sd/-
Nitin Manohar Jumani
Partner
Membership Number: 111700
Place: Pune
Date: April 17, 2023

Sd/-
Kailash Katkar
Managing Director
& Chief Executive Officer
DIN: 00397191
Place: Pune
Date: April 17, 2023

Sd/-
Sanjay Katkar
Joint Managing Director
& Chief Technical Officer
DIN: 00397277
Place: Pune
Date: April 17, 2023

Sd/-
Navin Sharma
Chief Financial Officer
Place: Pune
Date: April 17, 2023

Sd/-
Srinivasa Rao Anasingaraju
Company Secretary
Regs. No. FCS-9901
Place: Pune
Date: April 17, 2023

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

(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 07, 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").

a) Quick Heal Technologies Japan K.K., Japan

b) Quick Heal Technologies America Inc., USA

c) Seqrite Technologies DMCC, UAE

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, 2023 were authorized for issue in accordance with a resolution of the Board of Directors on April 17, 2023.

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, 2023. 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 recognized 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 recognized 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 realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized 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 realization 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 recognized 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 recognized in Other comprehensive income ('OCI') or statement of profit and loss are also recognized 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 recognized 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.

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized 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 recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (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 summarizes 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 recognized 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 recognized.

(i) Sale of security software products and devices:

Revenue from the sale of security software products and devices (goods) is recognized 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 recognized 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 (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 recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

(ii) Income from services:

Revenues from support services are recognized 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 recognized 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 recognized outside profit and loss is recognized outside profit and loss (either in OCI or in equity). Current tax items are recognized 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 recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized 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, associates and interest in joint ventures, deferred tax assets are recognized 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 utilized.

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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realized 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 recognized outside profit and loss is recognized outside profit and loss (either in OCI or in equity). Deferred tax items are recognized 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

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 amortized on a straight-line basis over the period of lease, i.e. 30 years.

An item of property, plant and equipment is derecognized 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 derecognized.

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 recognized 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 derecognized 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 recognized 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 amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and the expenditure is recognized 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 amortized 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 amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortized, 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 recognized in the statement of profit and loss when the asset is derecognized.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized 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 amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight-line basis over the period of expected future benefit from the related project, i.e., the estimated useful life. Amortization is recognized 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 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 recognizes right-of-use assets and lease liabilities for most leases.

All leases are accounted for by recognizing 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 recognized 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 amortized 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 amortized over the remaining (revised) lease term.

l) Inventories

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

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

The comparison of cost and net realizable 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 recognized 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 recognized 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 recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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 recognized. 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 recognized 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 recognized 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 recognized 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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize 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 recognized in the period in which the employee renders the related service.

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 recognized 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 recognizes 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 recognized 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 recognized 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 recognize 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 recognized 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 recognized in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes 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 recognizes 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 recognized 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 recognized 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 recognized, 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 recognized 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 recognized as at the beginning and end of that period and is recognized in employee benefits expense.

No expense is recognized 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 recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized 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 recognized 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 amortized 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 amortized cost

A 'debt instrument' is measured at the amortized 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.

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This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized 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 amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized 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 categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized 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 recognized 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 recognized 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 recognized 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 derecognized 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 recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes 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 amortized 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 recognizes 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 recognizing 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 analyzed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized 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 amortized 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 analyzis 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 recognized 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 derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize 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),
- ► 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 amortized.

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 recognizes a liability to make cash distributions to the equity holders of the Group when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the provisions of the Act, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized 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 recognized 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 recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, 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 analyzis 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, 2023.

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FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land (refer note 1 below)	Lease-hold premises	Buildings (refer note 2 below)	Computers and server	Office equipment	Electrical installa-tions	Furniture and fixtures	Vehicles	Total
Cost (Gross)									
At April 01, 2021	2.66	2.13	157.54	54.59	17.48	10.05	22.85	1.05	268.35
Less :Transfer	-	-	(32.43)	-	-	-	-	-	(32.43)
Additions	-	-	0.11	4.77	0.72	0.12	0.44	-	6.16
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**
Transfer									-
Additions	-	-	-	4.06	0.04	-	-	-	4.10
Disposals/written-offs	-	-	2.28	2.86	0.82	-	0.06	-	6.02
At March 31, 2023	**2.66**	**2.13**	**122.04**	**59.35**	**16.49**	**9.49**	**20.41**	**1.05**	**233.62**
Depreciation (Gross)									
At April 01, 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**
Transfer	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	0.07	4.09	5.55	0.30	0.38	0.72	0.11	11.22
Disposals/written-offs	-	-	1.21	2.72	0.78	-	0.06	-	4.77
At March 31, 2023	**-**	**0.98**	**42.89**	**49.36**	**15.34**	**8.38**	**18.30**	**0.81**	**136.06**
Net block									
At March 31, 2022	**2.66**	**1.22**	**84.31**	**11.62**	**1.45**	**1.49**	**2.83**	**0.35**	**105.93**
At March 31, 2023	**2.66**	**1.15**	**79.15**	**9.99**	**1.15**	**1.11**	**2.11**	**0.24**	**97.56**

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.

5 (a) Capital Work in Progress (CWIP)

	As at April 01, 2021	Expenditure during the year	Capitalized during the year	Impairment	Written off	Closing as at March 31, 2022
Electrical installations	-	0.12	0.12	-	-	-
Buildings	-	0.11	0.11	-	-	-
Computers and server	-	2.81	2.81	-	-	-

	As at April 01, 2022	Expenditure during the year	Capitalized during the year	Impairment	Written off	Closing as at March 31, 2023
Computers and server	-	2.59	2.59	-	-	-

5 (b) There are no projects as Capital Work in Progess as at March 31, 2023 and March 31, 2022, whose completion is overdue or cost of which exceeds in comparison to its original plan.

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6. INTANGIBLE ASSETS

	Software	Software	Total
Cost (Gross)			
At April 01, 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**
Purchase	0.57	-	0.57
Disposals	-	0.03	0.03
At March 31, 2023	**45.74**	**-**	**45.74**
Amortization (Gross)			
At April 01, 2021	42.63	0.03	42.66
Amortization for the year	3.28	-	3.28
Disposals	6.47	0.01	6.48
At March 31, 2022	**39.44**	**0.02**	**39.46**
Amortization for the year	3.53	-	3.53
Disposals	-	0.02	0.02
At March 31, 2023	**42.97**	**-**	**42.97**
Net block			
At March 31, 2022	**5.73**	**0.01**	**5.74**
At March 31, 2023	**2.77**	**-**	**2.77**

6 (a) Intangible assets under development

	As at April 01, 2021	Expenditure during the year	Capitalized during the year	Impairment	Written off	Closing as at March 31, 2022
Software	2.11	2.80	4.91	-	-	-

	As at April 01, 2022	Expenditure during the year	Capitalized during the year	Impairment	Written off	Closing as at March 31, 2023
Software	-	0.73	0.58	-	-	0.15

6 (b) Intangible assets under development

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
At March 31, 2022					
Projects in progress	-	-	-	-	-
	-	-	-	-	-
At March 31, 2023					
Projects in progress	0.15	-	-	-	0.15
	0.15	-	-	-	0.15

6 (c) There are no projects as Intangible assets under development as at March 31, 2023 and March 31, 2022, whose completion is overdue or cost of which has exceeds in comparison to its original plan.

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7. INVESTMENT PROPERTY

	Buildings	Total
Cost		
At April 01, 2021	-	-
Transfer	32.43	32.43
Disposals	-	-
At March 31, 2022	**32.43**	**32.43**
Transfer	-	-
Disposals	-	-
At March 31, 2023	**32.43**	**32.43**
Depreciation		
At April 01, 2021	-	-
Transfer	6.77	6.77
Depreciation for the year	0.30	0.30
At March 31, 2022	**7.07**	**7.07**
Transfer	-	-
Depreciation for the year	1.24	1.24
At March 31, 2023	**8.31**	**8.31**
Net block		
At March 31, 2022	**25.36**	**25.36**
At March 31, 2023	**24.12**	**24.12**

Information regarding income and expenditure of Investment property

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Rental income derived from investment properties	3.58	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	3.58	0.85
Less – Depreciation	(1.24)	(0.30)
Profit arising from investment properties before indirect expenses	2.34	0.55
Less – Indirect expenses	-	-
Profit from investment properties	**2.34**	**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, 2023, the fair values of the property is ₹41.42 (March 31, 2022 ₹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 realizability 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 realizability 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 the property. The fair value is based on valuation performed by an accredited independent valuer. Fair valuation is based on comparable fair value method. The fair value measurement is categorized in level 2 fair value hierarchy.

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(All amounts are in ₹ Crores, unless otherwise stated)

8. INVESTMENTS IN OTHERS

	As at March 31, 2023	As at March 31, 2022
Non - current investments		
Investment carried at amortized 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	**5.82**
Investments at fair value through OCI		
Investment in other equity shares (unquoted)		
4,472 (March 31, 2022: 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, 2022: 18,255) equity shares of NIS 0.01 each fully paid-up in L7 Defense Limited	2.18	2.18
Less: Fair value changes routed through OCI	(0.56)	-
	1.62	**2.18**
4,651 (March 31, 2022: 4,651) equity shares of SGD 0.001 each fully paid-up in Ray Pte. Limited	2.00	2.00
Less: Fair value changes routed through OCI	1.10	2.73
	3.10	**4.73**
Investment in Preference shares (unquoted)		
1,49,925 (March 31, 2022:1,49,925) compulsory convertible preference shares (CCPS) of NIS 0.01 each fully paid-up in L7 Defense Limited	14.73	14.73
Less: Fair value changes routed through OCI	(3.79)	-
	10.94	**14.73**
Total non - current investments	**21.49**	**27.46**
Current investments		
Investments at fair value through profit and loss		
Investments in mutual funds (quoted)		
Investments in mutual funds	176.20	290.07
Total current investments	**176.20**	**290.07**
Total non-current investments	**21.49**	**27.46**
Total current investments	**176.20**	**290.07**
Aggregate book value of quoted investments	176.20	290.07
Aggregate market value of quoted investments	176.20	290.07
Aggregate value of unquoted investments	21.49	27.46
Investments carried at amortized cost	5.83	5.82
Investments carried at fair value through profit or loss	176.20	290.07
Investments carried at fair value through other comprehensive income	15.66	21.64

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

9. OTHER FINANCIAL ASSETS

	As at March 31, 2023	As at March 31, 2022
Current		
Interest accrued on bank balance	0.20	0.70
Security deposits	0.42	0.47
Other Receivables	0.87	-
Total current	**1.49**	**1.17**
Non - current		
Bank balances		
Deposits with remaining maturity of more than twelve months	0.34	0.13
Security deposits	0.42	0.36
Total non - current	**0.76**	**0.49**
Other financial assets carried at amortised cost	2.25	1.66

Out of the total deposits, ₹ 0.34 (March 31, 2022: ₹ 0.20) are pledged against bank guarantees.

10. INVENTORIES

	As at March 31, 2023	As at March 31, 2022
At lower of cost and net realizable value		
Raw materials - Security software devices - Unified Threat Management (UTM)	0.41	0.31
Finished goods - Security softwares	4.09	4.48
Total	**4.50**	**4.79**

11 TRADE RECEIVABLES

	As at March 31, 2023	As at March 31, 2022
Trade receivables	122.65	171.96
Total	**122.65**	**171.96**

Break-up for security details:

	As at March 31, 2023	As at March 31, 2022
Trade receivables		
Considered good - Unsecured	122.65	171.96
Receivables - credit impaired *	36.98	31.83
Total	**159.63**	**203.79**
Allowance for bad and doubtful debts)		
Considered good - Unsecured	-	-
Receivables - credit impaired	(36.98)	(31.83)
	(36.98)	**(31.83)**
Total	**122.65**	**171.96**

* 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. Trade receivables are non interest bearing and generally on credit terms of 90 days.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

11 TRADE RECEIVABLES (Contd.)

Ageing of Trade Receivable as on March 31, 2023

	Outstanding for following periods from the date of receipts							
	Unbilled Dues	**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	-	25.39	65.80	26.45	1.89	0.02	3.10	122.65
ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables - credit impaired	-	-	-	3.57	5.69	0.16	1.39	10.81
iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - credit impaired	-	-	-	-	0.85	0.66	24.66	26.17
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-			(3.71)	(6.53)	(0.82)	(25.92)	(36.98)
Total	**-**	**25.39**	**65.80**	**26.31**	**1.90**	**0.02**	**3.23**	**122.65**

Ageing of Trade Receivable as on March 31, 2022

	Outstanding for following periods from the date of receipts							
	Unbilled Dues	**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 –which have significant increase in credit risk	-	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables - credit impaired	-	-	-	2.28	2.35	1.25	0.93	6.82
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - credit impaired	-	-	-	0.07	0.63	3.23	21.08	25.01
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)		-	-	(2.35)	(2.98)	(4.48)	(22.01)	(31.83)
Total	**-**	**78.76**	**83.33**	**6.49**	**0.20**	**0.43**	**2.75**	**171.96**

* Trade receivables outstanding for more than a year is not provided for, mainly on account of corresponding incenitve provision outstanding in the books.

12. CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
On current account	9.47	7.14
On EEFC account	2.09	0.63
Cheques on hand	-	-
Cash on hand	0.02	0.06
Total	**11.58**	**7.83**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

13. OTHER BANK BALANCES

	As at March 31, 2023	As at March 31, 2022
Bank balances		
Deposits with remaining maturity of less than twelve months	0.08	55.05
Unpaid dividend account	0.19	0.17
Total	**0.27**	**55.22**

Out of the total deposits, ₹ 0.08 (March 31, 2022: ₹0.17) are pledged against bank guarantees.

14. NON-CURRENT ASSET - INCOME TAX (NET)

	As at March 31, 2023	As at March 31, 2022
Advance tax (net of provision for tax)	22.33	15.80
Total	**22.33**	**15.80**

15. OTHERS ASSETS

	As at March 31, 2023	As at March 31, 2022
Current (unsecured, considered good)		
Prepaid expenses	3.74	3.08
Balances with government authorities	0.03	0.09
Advance to suppliers	2.41	0.37
Surplus in Gratuity fund	0.60	-
Other assets	-	0.04
Total current	**6.78**	**3.58**
Non - current (unsecured, considered good)		
Prepaid expenses	0.65	0.47
Non - current (unsecured, considered doubtful)		
Capital advances	0.30	0.30
Less: provision for doubtful capital advances	(0.30)	(0.30)
Total non - current	**0.65**	**0.47**
Total current	**6.78**	**3.58**
Total non - current	**0.65**	**0.47**

16. EQUITY SHARE CAPITAL

	As at March 31, 2023	As at March 31, 2022
Authorized shares		
7,50,00,000 (March 31, 2022: 75,000,000) equity shares of ₹10 each	75.00	75.00
	75.00	**75.00**
Issued, subscribed and fully paid-up shares		
53,073,851 (March 31, 2022: 58,009,601) equity shares of ₹ 10 each	53.07	58.01
Total issued, subscribed and fully paid-up share capital	**53.07**	**58.01**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

16. EQUITY SHARE CAPITAL (Contd.)

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

	As at March 31, 2023		As at March 31, 2022	
	No.	₹	No.	₹
At the beginning of the Year	5,80,09,601	58.01	6,42,07,868	64.21
Issued during the year				
Add: Employee stock option plan (ESOP)*	64,250	0.06	1,28,263	0.13
Less: Shares bought back	50,00,000	5.00	63,26,530	6.33
Outstanding at the end of the year	**5,30,73,851**	**53.07**	**5,80,09,601**	**58.01**

* 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 05, 2022, proposed a final dividend of ₹4.50 per equity share and the same was approved by the shareholders at the Annual General Meeting held on August 26, 2022. The amount was recognized as distributions to equity shareholders during the year ended March 31, 2023 and the total appropriation was ₹ 26.11 including Tax deduction at source.

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 recognized as distributions to equity shareholders during the year ended March 31, 2022 and the total appropriation was ₹ 23.17 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

	As at March 31, 2023		As at March 31, 2022	
	Nos.	% holding	Nos.	% holding
Equity shares of ₹10 each fully paid-up				
Kailash Katkar	1,55,88,818	29.37%	1,69,86,298	29.28%
Sanjay Katkar	1,55,88,818	29.37%	1,69,86,298	29.28%
Anupama Katkar	38,03,075	7.17%	41,44,007	7.14%
Chhaya Katkar	38,03,075	7.17%	41,44,007	7.14%

Shares held by promoters at the end of the year

Promoter name	As at March 31, 2023			As at March 31, 2022		
	No. of Shares	% of total shares	% Change during the year March 31, 2023	No. of Shares	% of total shares	% Change during the year March 31, 2022
Kailash Sahebrao Katkar	1,55,88,818	29.37%	0.09%	1,69,86,298	29.28%	0.01%
Sanjay Sahebrao Katkar	1,55,88,818	29.37%	0.09%	1,69,86,298	29.28%	0.01%
Anupama Kailash Katkar	38,03,075	7.17%	0.02%	41,44,007	7.14%	0.00%
Chhaya Sanjay Katkar	38,03,075	7.17%	0.02%	41,44,007	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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

16. EQUITY SHARE CAPITAL (Contd.)

(e) Buyback of shares

The Board of Directors of the Company at its meeting held on July 21, 2022 and the shareholders by way of postal ballot on August 26, 2022, approved the buy back of the Company's 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 ₹ 300 per share for an aggregate amount not exceeding ₹ 150. The Company completed the Buy Back Process on October 28, 2022 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 ₹ 3.31 and ₹ 176.63 (Including tax on buy back of ₹ 34.94) has been utilized from securities premium and retained earnings respectively. In accordance with section 69 of the Companies Act, 2013, capital redemption reserve of ₹ 5.00 (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 ₹ 5.00. Further, transaction cost of buy back of shares of ₹ 1.85 has been reduced from retained earnings.

17. OTHER EQUITY

a) Reserves and Surplus

		As at March 31, 2023	As at March 31, 2022
(i)	**Retained earnings**		
	Balance as at the beginning of the year	502.90	576.20
	Add: Amount transferred from surplus balance in the statement of profit and loss	6.40	83.19
	Less: Utilized for buy back	141.69	89.24
	Less: Transfer to Capital Reserves	5.00	6.33
	Less: Buyback expenses	1.85	1.72
	Less: Transactions with owners in their capacity as owners:		
	Final equity dividend [amount per share Nil (March 31, 2022: ₹ 4.5)]	26.11	23.17
	Tax on Buy Back	34.94	36.03
	Balance as at end of the year	**299.71**	**502.90**
(ii)	**Securities premium**		
	Balance as at the beginning of the year	2.30	59.43
	Add: Additions on ESOPs exercised	0.66	1.61
	Add: Transferred from ESOP account	0.36	0.69
	Less: Utilized for buy back	3.31	59.43
	Balance as at end of the year	**0.01**	**2.30**
(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	12.69	6.36
	Add: Amount transferred from Retained earnings	5.00	6.33
	Balance as at end of the year	**17.69**	**12.69**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

17. OTHER EQUITY (Contd.)

b) Other Equity

	As at March 31, 2023	As at March 31, 2022
Equity share option outstanding account		
Balance as at the beginning of the year	7.02	3.02
Add: Additions during the year (refer note 26 & 31)	2.85	4.69
Less: Transfer to securities premium on exercise of stock options	0.36	0.69
Balance as at end of the year	**9.51**	**7.02**

(c) Other Comprehensive Income

	As at March 31, 2023	As at March 31, 2022
(i) Equity instruments through Other comprehensive income		
Balance as at the beginning of the year	(4.49)	(6.57)
Add: Additions during the year (refer note 26 & 31)	(5.99)	2.08
Balance as at end of the year	**(10.48)**	**(4.49)**
(ii) Foreign currency translation reserve		
Balance as at the beginning of the year	(0.78)	(0.53)
Less: Recyled to Profit and Loss	1.00	-
Add: Additions during the year	(0.13)	(0.25)
Balance as at end of the year	**0.09**	**(0.78)**
(iii) Defined benefit plans through Other comprehensive income		
Balance as at the beginning of the year	2.30	1.68
Add: Additions during the year	0.13	0.62
Balance as at end of the year	**2.43**	**2.30**
Total (i+ii+iii)	**(7.96)**	**(2.97)**
Total Equity	**366.64**	**569.62**

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 utilized only for limited purposes such as issuance of bonus shares and in accordance with the provisions of the Companies Act, 2013.

Amalgamation reserve

Pursuant to the scheme of amalgamation ("the Scheme") sanctioned by the Honourable High Court of Bombay vide Order dated April 08, 2011, Cat Labs Private Limited (CLPL), subsidiary of the Group, had been merged with the Group with effect from April 01, 2010, the Appointed Date. The Group completed the process of amalgamation on May 02, 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

17. OTHER EQUITY (Contd.)

Capital redemption reserve account

In line with the requirement of the Companies Act, 2013, an amount of ₹ 3.31 and ₹ 176.63 (Including tax on buy back of ₹34.94) has been utilized from securities premium and retained earnings respectively. In accordance with section 69 of the Companies Act, 2013, capital redemption reserve of ₹ 5.00 (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 ₹ 5.00. Further, transaction cost of buy back of shares of ₹ 1.85 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 recognize the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer note 31 for further details of these plans.

FVTOCI reserve

The Group has elected to recognize 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 derecognized.

In the period of five years immediately preceding March 31, 2023:

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's 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 ₹ 155.0. The Company completed the Buy Back Process on June 24, 2021 and has complied with all the requisite formalities with SEBI and ROC.

In accordance with section 69 of the Companies Act, 2013, during the year the Company has created 'Capital Redemption Reserve' of ₹ 6.33 equal to the nominal value of the shares bought back as an appropriation from Securities Premium Account.

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 recognized 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, 2023	Year ended March 31, 2022
Cash dividends on equity shares declared and paid:		
Final cash dividend for the year ended on March 31, 2022: ₹ 4.5 per share (March 31, 2021: ₹4 per share)	26.11	23.17
Proposed dividend on equity shares:		
Final cash dividend for the year ended on March 31, 2023 : ₹ 2.5 per share (March 31, 2022: ₹4.5 per share)	13.27	26.10

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

18. TRADE PAYABLES

	As at March 31, 2023	As at March 31, 2022
Total outstanding dues to micro enterprises and small enterprises	1.94	5.77
Total outstanding dues creditors other than micro enterprises and small enterprises*	46.67	43.93
Total	**48.61**	**49.70**

'* Includes amount payable to independent directors.

Trade payable ageing Schedules for the year ended March 31, 2023

	Outstanding for following period from the date of invoice						
	Unbilled Dues	Not Due	Less than 1 year	1- 2 year	2- 3 year	More than 3 years	Total
(i) MSME	-	1.94	-	-	-	-	1.94
(ii) Disputed dues - MSME	-	-	-	-	-	-	-
(iii) Others	39.03	-	2.38	0.03	0.06	0.08	41.56
(iv)Disputed dues - Others	-	-	-	1.89	0.02	3.20	5.11
Total	**39.03**	**1.94**	**2.38**	**1.91**	**0.08**	**3.28**	**48.61**

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

	Outstanding for following period from the date of invoice						
	Unbilled Dues	Not Due	Less than 1 year	1- 2 year	2- 3 year	More than 3 years	Total
(i) MSME			5.77				5.77
(ii) Disputed dues - MSME	-	-	-	-	-	-	-
(iii) Others	36.47	-	4.18	0.08	0.07	0.06	40.86
(iv)Disputed dues - Others	-	-	-	0.22	0.14	2.71	3.07
Total	**36.47**	**-**	**9.95**	**0.30**	**0.21**	**2.78**	**49.70**

19. OTHER CURRENT FINANCIAL LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Other financial liabilities at amortized cost		
Payables for purchases of fixed assets	1.69	0.96
Unpaid dividend	0.19	0.17
Employee benefit liabilities	10.85	15.56
Total	**12.73**	**16.69**
Total current	**12.73**	**16.69**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

20. OTHER LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Current		
Deferred revenue (refer note 23)	2.10	2.10
Tax deducted at source payable	3.62	3.39
GST / Sales tax / VAT payable	1.46	11.11
Other liabilities (includes advances from customers, security deposit and provident fund and others statutory dues)	2.85	2.71
Total	**10.03**	**19.31**
Non - current		
Security deposit	0.52	0.52
Total	**0.52**	**0.52**
Total current	**10.03**	**19.31**
Total non - current	**0.52**	**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 statutory dues 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 statutory dues are non interest bearing and are payable as per the due dates as per respective acts.

21. NET EMPLOYEE DEFINED BENEFIT LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Current		
Provision for gratuity	-	0.21
Provision for leave benefits/compensated absences	0.57	0.18
Total	**0.57**	**0.39**
Non - current		
Provision for gratuity	-	-
Provision for leave benefits	0.60	0.89
Total	**0.60**	**0.89**
Total current	**0.57**	**0.39**
Total non - current	**0.60**	**0.89**

22. CURRENT INCOME TAX LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Current tax liabilities (net of advance tax)	-	0.11
Total	**-**	**0.11**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

23. REVENUE FROM OPERATIONS (NET)

	Year Ended March 31, 2023	Year Ended March 31, 2022
Sale of security software products	276.70	339.55
Sale of software support services	1.39	2.35
Total	**278.09**	**341.90**

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.

	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue by Geography		
India	262.51	326.21
Outside India	15.58	15.69
Total	**278.09**	**341.90**
Revenue by type of products and services sold		
Security software licenses	276.70	339.55
Software support	1.39	2.35
Total	**278.09**	**341.90**

Changes in deferred revenue are as follows:

	Year Ended March 31, 2023	Year Ended March 31, 2022
Balance at the beginning of the year	2.10	2.53
Less: Revenue recognized during the year	0.59	1.12
Add: Increase due to invoicing during the year, excluding amounts recognized as revenue during the year	0.59	0.69
Balance at the end of the year	**2.10**	**2.10**

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as of the end of the reporting year and an explanation as to when the Group expects to recognize these amounts in revenue.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2023, is ₹ 2.10 (March 31, 2022 : ₹ 2.10). Out of this, the Group expects to recognize revenue of around ₹ 2.10 in future, depending on the license period.

24. OTHER INCOME

	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest income on		
Bank deposits	0.97	2.35
Others	0.81	0.55
Gain on sale of current investments (net)	3.20	2.84
Profit on sale of fixed assets (net)	3.95	1.65
Fair value gain on financial instruments at fair value through profit and loss*	6.88	7.41
Income from Investment property	3.58	0.85
Miscellaneous income	2.74	3.55
Total	**22.13**	**19.20**

* Fair value gain on financial instruments at fair value through profit and loss relates to investments in mutual funds.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

25. DETAILS RELATED TO COST OF SECURITY SOFTWARE DEVICES AND SOFTWARE PRODUCTS

	Year Ended March 31, 2023	Year Ended March 31, 2022
(a) Cost of materials consumed		
Inventory at the beginning of the year	0.31	0.71
Add: Purchases	1.21	0.61
Less: Inventory at end of the year	0.41	0.31
Sub-total	**1.11**	**1.01**
(b) Purchase of security software products		
Security software products	7.83	13.00
Sub-total	**7.83**	**13.00**
(c) (Increase)/decrease in security software products		
Inventory at the beginning of the year	4.48	2.63
Less: Inventory at end of the year	4.09	4.48
Sub-total	**0.39**	**(1.85)**
Total	**9.33**	**12.16**

Details of raw materials consumed

	Year Ended March 31, 2023	Year Ended March 31, 2022
Security software devices - Unified Threat Management (UTM)	1.11	1.01
	1.11	**1.01**

Details of Closing inventory

	As at March 31, 2023	As at March 31, 2022
Raw materials		
Security software devices - Unified Threat Management (UTM)	0.41	0.31
	0.41	**0.31**
Finished goods		
Security software products	4.09	4.48
	4.09	**4.48**

26. EMPLOYEE BENEFITS EXPENSE

	Year Ended March 31, 2023	Year Ended March 31, 2022
Salaries, wages and bonus	142.35	126.69
Contribution to provident and other funds	3.98	3.19
Gratuity expenses	2.44	2.15
Staff welfare expenses	3.28	2.77
Employee share based payment expenses (refer note 31)	2.85	4.69
Total	**154.90**	**139.49**

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FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

27. DEPRECIATION AND AMORTIZATION EXPENSE

	Year Ended March 31, 2023	Year Ended March 31, 2022
Depreciation on property, plant and equipment (refer note 5)	11.22	13.80
Depreciation on Investment property (refer note 7)	1.24	0.30
Amortization of intangible assets (refer note 6)	3.53	3.28
Total	**15.99**	**17.38**

28. OTHER EXPENSE

	Year Ended March 31, 2023	Year Ended March 31, 2022
Web publishing expenses	0.50	1.12
Technology subscription and Fees for technical service	8.78	7.09
Power and fuel	2.59	2.38
Rent (refer note 32)	1.38	1.49
Rates and taxes	1.17	0.88
Insurance	0.43	0.41
Repairs and maintenance		
Buildings	1.19	1.10
Others	1.70	1.82
Corporate Social Responsibility (CSR) expenditure	2.31	2.42
Commission to independent directors (refer note 35)	0.36	0.40
Directors' sitting fees (refer note 35)	0.16	0.11
Business promotion expenses	4.36	8.75
Advertisement and sales promotion	29.94	18.93
Freight and forwarding charges	0.48	0.56
Travelling and conveyance	4.39	3.16
Communication costs	14.90	9.78
Office expenses	3.17	2.78
Legal and professional fees	26.30	14.78
Payment to statutory auditor (refer details below)	0.41	0.42
Foreign exchange loss (net)	0.71	-
Property, plant and equipment written off	-	0.09
Provision for doubtful debts and advances	5.15	3.36
Bad debts written off	-	0.08
Miscellaneous expenses	1.60	1.47
Total	**111.98**	**83.39**

Payment to auditor (excluding Goods and service tax)**

	Year Ended March 31, 2023	Year Ended March 31, 2022
As auditor:		
Audit fees**	0.13	0.14
Limited review	0.24	0.25
In other capacity:		
Others (including certification fees)	0.01	0.03
Reimbursement of expenses*	0.03	-
Total	**0.41**	**0.42**

* Amount below rounding off norms adopted by the Group.
** includes remuneration to auditors of subsidiaries.

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FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

29. INCOME TAX

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

Statement of profit and loss section

	March 31, 2023	March 31, 2022
Current income tax:		
Current income tax charge	1.28	25.88
Adjustment in respect of current tax and deferred tax of previous years	(0.14)	0.65
Deferred tax:		
Relating to origination and reversal of temporary differences	0.48	(1.04)
Income tax expense reported in the statement of profit and loss	**1.62**	**25.49**
OCI Section		
Deferred tax related to items recognized in OCI during the year		
Net loss/(gain) on actuarial gains and losses	0.05	0.21
Net loss/(gain) on FVTOCI investments	-	0.65
Income tax charged / (credited) to OCI	**0.05**	**0.86**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended

	March 31, 2023	March 31, 2022
Accounting profit before tax	8.02	108.68
At India's statutory income tax rate of 25.168% (March 31, 2022: 25.168%)	2.02	27.35
Adjustments (non-deductible expenses and non-taxable income):		
Unrealized loss on mutual fund	-	-
Adjustments of tax relating to earlier years (Current and deferred)	(0.14)	0.65
CSR expenditure	0.58	0.61
Tax impact on Net (loss) or gain on FVTOCI assets	(0.65)	0.65
Tax impact on deduction of buy back expenses	(0.47)	(0.43)
Deferred tax asset on losses and unrealized profits not recognized	0.28	(3.34)
At the effective income tax rate of 25.168% [March 31, 2022: 25.168%]	**1.62**	**25.49**
(Calculated on PBT after exceptional items)		
Income tax expense reported in the statement of profit and loss	**1.62**	**25.49**

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FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

29. INCOME TAX (Contd.)

Deferred tax relates to the following:

	Balance sheet		Statement of profit and loss	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Accelerated depreciation for tax purposes	(7.72)	(6.38)	1.34	(1.13)
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	0.40	0.35	(0.05)	(0.04)
Provision for doubtful debts and advances	9.31	8.01	(1.30)	0.84
Deferred revenue	0.53	0.53	-	(0.11)
Investment in mutual fund	(3.05)	(2.49)	0.56	0.64
Deferred tax on gratuity expense, recycled from profit and loss to other comprehensive income	-	(0.66)	(0.66)	(0.03)
Adjustment in respect of deferred tax of previous years			0.64	
Net deferred tax expense / (income)	-	-	**0.53**	**0.19**
Net deferred tax assets / (liabilities)	**(0.53)**	**(0.64)**	**-**	**-**

Reflected in the balance sheet as follows:

	March 31, 2023	March 31, 2022
Deferred tax liabilities	(10.77)	(9.53)
Deferred tax assets	10.24	8.89
Deferred tax assets, net	**(0.53)**	**(0.64)**

Reconciliation of deferred tax assets, net

	March 31, 2023	March 31, 2022
Opening balance	(0.63)	(0.82)
Tax Income / (expense) during the year recognized in statement of profit and loss	(0.48)	1.04
Tax Income / (expense) during the year recognized in OCI	(0.05)	(0.86)
Adjustment in respect of deferred tax of previous years	0.63	-
Closing balance	**(0.53)**	**(0.63)**

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.

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 recognized as it is not probable that the temporary difference will reverse in the foreseeable future.
2. An assessable temporary difference exist on foreign exchange differences on translation of foreign operations, but no deferred tax liability has been recognized as it is not probable that the temporary difference will reverse in the foreseeable future.
3. 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

30. 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:

		Year Ended March 31, 2023	Year Ended March 31, 2022
Net profit after tax attributable to equity shareholders of the Holding Company	(A)	6.40	83.19
Weighted average number of equity shares in calculating basic EPS	(B)	5,59,28,126	5,93,81,642
Effect of dilution:			
Stock options granted under ESOP (in numbers)	(C)	1,61,408	3,14,509
Weighted average number of equity shares adjusted for the effect of dilution*	D=(B+C)	5,60,89,534	5,96,96,151
Basic earning per share of face value of ₹ 10 each (in ₹)	**(A/B)**	**1.14**	**14.01**
Diluted earnings per share of face value of ₹ 10 each (in ₹)	**(A/D)**	**1.14**	**13.94**

* There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorization of these financial statements.

31. SHARE BASED ARRANGEMENTS

Share based payment arrangement 2014

On February 06, 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 Holding Company. 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
Date of grant	February 06, 2014
Date of board approval	February 06, 2014
Date of shareholder's approval	February 06, 2014
Method of settlement	Equity
Vesting period	4 years
Exercise period	5 years from date of vesting
Expected life (in years)	
Grant IV	0.43 - 8.57
Grant VII	1.48 - 7.52
Grant IX	1.73 - 7.27
Grant X	2.61 - 6.39
Grant XI	3.25 - 5.75
Grant XII	3.51 - 5.49
Grant XIII	4.19 - 4.81
Grant XIV	4.53 - 4.47
Grant XV	4.56 - 4.44
Grant XVI	5.26 - 3.74

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(All amounts are in ₹ Crores, unless otherwise stated)

31. SHARE BASED ARRANGEMENTS (Contd.)

Particulars	Details
Grant XVII	5.75 - 3.25
Grant XVIII	6.06 - 2.94
Grant XIX	6.25 - 2.75
Grant XX	6.71 - 2.29
Grant XXI	6.85 - 2.15
Fair value of shares on date of grant	₹ 6.94 - ₹ 84.16
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 summarized below:

	Year ended March 31, 2023		Year ended March 31, 2022	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	7,63,513	139.03	9,70,077	140.69
Granted during the year	-	-	-	-
Forfeited during the year	2,74,925	119.48	78,301	164.87
Exercised during the year	45,800	102.09	1,28,263	137.71
Expired during the year	-	-	-	-
Outstanding at the end of the year	4,42,788	155.07	7,63,513	139.03
Exercisable at the end of the year	3,02,413	178.58	2,81,713	182.71

The details of exercise price for stock options outstanding at the end of the year are:

	As at March 31, 2023	As at March 31, 2022
Exercise price (₹)	93.00 – 294.33	93.00 – 294.33
Number of options outstanding	4,42,788	7,63,513
Weighted average remaining contractual life of options (in years)	1.92	3.59
Weighted average exercise price (₹)	155.07	139.03

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, 2023 was ₹ 198.91

The weighted average share price at the date of exercise of these options, as at March 31, 2022 was ₹ 137.71

Manner in which the fair value of the stock option granted during the period was determined:

There are no grants in financials ended March 31, 2023 and March 31, 2022 for share based payment arrangement 2014

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 Holding 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:

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31. SHARE BASED ARRANGEMENTS (Contd.)

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	3 years from date of vesting
Expected life (in years)	
Grant XXII	5.12 - 1.88
Grant XXIII	5.36 - 1.64
Grant XXIV	5.42 - 1.58
Grant XXV	5.48 - 1.52
Grant XXVI	5.57 - 1.43
Grant XXVII	5.36 - 1.64
Grant XXVIII	5.73 - 1.27
Grant XXIX	6.23 - 0.77
Grant XXX	6.36 - 0.64
Grant XXXI	6.44 - 0.56
Grant XXXII	6.59 - 0.41
Grant XXXIII	6.76 - 0.24
Fair value of shares on date of grant	₹ 69.66 - ₹ 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 summarized below:

	Year ended March 31, 2023		Year ended March 31, 2022	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	9,67,900	157.42	-	-
Granted during the year	6,72,100	144.49	11,55,500	157.15
Forfeited during the year	3,30,075	161.54	1,87,600	155.85
Exercised during the year	18,450	142.16	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	12,91,475	149.37	9,67,900	157.42
Exercisable at the end of the year	1,82,350	158.38	-	-

The details of exercise price for stock options outstanding at the end of the year are:

	As at March 31, 2023	As at March 31, 2022
Exercise price (₹)	119.25 - 176	114 - 176
Number of options outstanding	12,91,475	9,67,900
Weighted average remaining contractual life of options (in years)	3.99	6.91
Weighted average exercise price (₹)	149.37	157.42

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31. SHARE BASED ARRANGEMENTS (Contd.)

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, 2023 was ₹ 206.47

The weighted average share price at the date of exercise of these options, as at March 31, 2022 was ₹ Nil

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 ₹ 78.03 (March 31, 2022: ₹157.15). The Black and Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	As at March 31, 2023	As at March 31, 2022
Weighted average share price (₹)	161.92	157.15
Exercise price (₹)	₹ 99 -₹ 158	₹ 142.16 -₹ 176
Expected volatility (%)	49.90%	35.22%
Historical volatility (%)	0%	0%
Life of the options granted (vesting and exercise period) (in years)	6.76 - 0.77	7.85 - 1.15
Average risk-free interest rate (%)	7.02%	6.42%
Dividend yield	2.40%	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:

	Year ended March 31, 2023	Year ended March 31, 2022
Expense arising from equity settled share based payment transaction	2.85	4.69

32. COMMITMENTS AND CONTINGENCIES

a. Operating lease - Group as a lessee

There are various office premises and warehouse which have been taken by the group on lease. As per the lease agreements these are cancellable on 60- 90 days notice. Further, there are no restrictions imposed by lease agreements and there are no subleases. The group has elected not to apply the requirements of Ind AS 116 to the short-term leases and, the lease payments associated with these leases are expensed as per the terms of lease agreement.

The lease rentals charged during the year is as under:

	As at March 31, 2023	As at March 31, 2022
Short term leases expenses	1.38	1.49
Total Lease Expense	**1.38**	**1.49**

Group 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 lessor. There is no escalation clause and no minimum lease payments (MLP) under finance lease.

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32. COMMITMENTS AND CONTINGENCIES (Contd.)

b. Commitments

	As at March 31, 2023	As at March 31, 2022
Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided, net of advances	-	2.08
Other commitments:		
Commitments in relation to purchases and Services	3.47	4.27

c. Contingent liabilities

	As at March 31, 2023	As at March 31, 2022
Claims against the Group not acknowledged as debts		
Maharashtra Value Added Tax	-	0.77
Central Sales Tax (Bombay)	-	0.37
Total	**-**	**1.14**

i) 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) 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 Holding Company, their wives and other associates alleging embezzlement of his investment and mizappropriation of shares. The police had filed the charge sheet. The Holding 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 Holding 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 Holding Company including the statements of witnesses and thus the Holding Company have strong and sufficient arguments on facts and on point of law.

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33. FINANCIAL RATIOS

S No.	Ratio	Formula	Particulars		March 31, 2023		March 31, 2022		Ratio as on		Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	March 31, 2023	March 31, 2022		
(a)	Current Ratio	Current Assets / Current Liabilities	Current Assets	Current Liabilities	323.47	71.94	534.62	88.25	4.50	6.06	-25.78%	Refer Note (i)
(b)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Net Income= Net Profits after taxes – Preference Dividend	Equity share capital + Other equity	6.40	419.71	83.19	627.63	0.02	0.13	-88.50%	Refer Note (ii)
(c)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	9.33	4.65	12.16	4.07	2.01	2.99	-32.85%	Refer Note (iii)
(d)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Gross Sales excluding sales Incentives	(Opening Trade Receivables + Closing Trade Receivable)/2	304.41	147.31	368.61	161.30	2.07	2.29	-9.57%	NA
(e)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	9.04	49.16	13.61	49.84	0.18	0.27	-32.68%	Refer Note (iv)
(f)	Net Capital Turnover Ratio	Revenue / Average Working Capital	Revenue net of sales Incentives	Average Working Capital= Average of Current assets – Current liabilities	278.09	349.97	341.90	502.95	0.79	0.68	16.89%	NA
(g)	Net Profit Ratio	Net Profit / Net Sales	Profit after tax	Revenue net of sales Incentives	6.40	278.09	83.19	341.90	0.02	0.24	-90.54%	Refer Note (v)
(h)	Return on Capital Employed	EBIT / Capital Employed	Income before interest and tax	Capital Employed= Total Assets - Current Liability	8.02	421.36	108.68	629.68	0.02	0.17	-88.97%	Refer Note (vi)
(i)	Return on Investment	Net Income / Net Investment	Interest income on fixed deposit, bond & gain on Mutual funds (Including unrealized gain)	(Opening investment in mutual funds & bonds + fixed deposit+ closing investment in mutual funds & bonds+ fixed deposit)/2	11.86	266.76	13.15	407.78	0.04	0.03	37.87%	Refer Note (vii)

Notes:
(i) Current ratio has decreased mainly on account of reduction in short term investments and cash balances. The Holding Company has utilized the same towards buyback of shares. (Refer note 17)
(ii) Return on equity ratio has decreased on account of lower profits/income generated in business in current year
(iii) Inventory Turnover Ratio has decreased on account of increase in value of certain items forming part of closing inventory.
(iv) Trade payable turn over ratio has reduced as the Holding Company has achieved longer credit term with some of the vendors.
(v) Net Profit ratio is decreased due to reduction in Revenue and significant increase in employee benefit expense and other expenses during the year.
(vi) Return on capital employed has decreased on account of lower profits/income generated in business in the current year.
(vii) Return on investment has increased is on account of increase in realized gain on sale of mutual funds.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts are in ₹ Crores, unless otherwise stated)

34. PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURES AS AT THE BALANCE SHEET DATE

	Foreign currency	As at March 31, 2023		As at March 31, 2022	
		In foreign currency	In Indian Rupees	In foreign currency	In Indian Rupees
Bank balances	USD	0.03	2.47	0.01	0.63
	JPY	-	-	3.87	2.40
	AED	0.04	0.91	0.03	0.59
Cash balances	EUR	0.00	0.02	-	0.02
	JPY	0.00	0.00	-	-
	USD	0.00	0.00	0.01	0.84
Trade receivables	USD	0.05	4.14	0.05	3.78
	JPY	-	-	0.03	0.02
	AED	0.01	0.14	0.01	0.20
Trade payables	USD	-	-	-	0.03
	JPY	-	-	-	-
	AED	0.00	0.05	-	0.04
Loans & Advances	JPY	-	-	0.01	0.01
	AED	0.00	0.01	0.00	0.01
Investment (gross)	USD	0.15	12.55	0.23	16.91
	SGD	0.05	3.10	0.08	4.73

* 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.

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
	Nitin Kulkarni, Chief Financial Officer (upto October 26, 2021)
	Srinivasa Rao Anasingaraju, Company Secretary
	Amitabha Mukhopadhyay , Independent Director
	Apurva Joshi, Independent Director
	Bhushan Gokhale, Additional Independent Director
	Mehul Savla, Independent Director (upto November 25, 2022)
	Richard Stiennon, Independent Director
	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
Entities over which directors exercise significant influence	Data Security Council of India

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(All amounts are in ₹ Crores, unless otherwise stated)

35. RELATED PARTY TRANSACTION (Contd.)

Transactions with related parties and year end balances:

Nature of transaction	Name of the related party	Year Ended March 31, 2023	Year Ended March 31, 2022
Compensation paid to Key Management Personnel	Kailash Katkar	1.21	1.57
	Sanjay Katkar	1.21	1.54
	Navin Sharma	1.13	0.40
	Nitin Kulkarni	-	0.61
	Srinivasa Rao Anasingaraju	0.46	0.45
	Anupama Katkar	0.66	0.59
	Sneha Katkar	0.36	0.23
Sub-total		**5.03**	**5.39**
Directors' sitting fee	Amitabha Mukhopadhyay	0.04	0.03
	Apurva Joshi	0.04	0.03
	Bhushan Gokhale	0.04	0.02
	Mehul Savla	0.02	0.03
	Richard Stiennon	0.02	0.01
Sub-total		**0.16**	**0.11**
Commission to independent directors	Amitabha Mukhopadhyay	0.08	0.10
	Apurva Joshi	0.08	0.08
	Bhushan Gokhale	0.08	0.08
	Mehul Savla	0.04	0.08
	Richard Stiennon	0.08	0.04
Sub-total		**0.36**	**0.38**
Total		**5.55**	**5.88**

Compensation of key managerial personal of the Group

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Short-term employee benefits (compensation)	5.03	5.39
Post - employment gratuity benefits	0.55	0.48
Leave benefits	0.03	0.02
Total compensation to key management personnel	**5.61**	**5.89**

* The amounts disclosed in the table are the amounts recognized 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 and leave benefits from the Group.

Remuneration payable by the Holding Company amounting to ₹ 0.36 Crores, to its independent Directors is exceeding the limits of ₹ 0.02 Crores prescribed under Section 197 of the Companies Act, 2013 and is subject to approval of the shareholders in the ensuing annual general meeting.

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, 2023	March 31, 2022
			Number outstanding	Number outstanding
October 10, 2018	-	185.60	-	25,000
May 15, 2021	-	142.16	3,000	3,000
October 26, 2021	-	165.00	60,000	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.

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35. RELATED PARTY TRANSACTION (Contd.)

Nature of transaction	Name of the related party	Year Ended March 31, 2023	Year Ended March 31, 2022
Rent paid	Kailash Katkar	-	0.09
		-	**0.09**
CSR contribution	Quick Heal Foundation	2.31	2.42
		2.31	**2.42**
Purchase of Material	Trixter Cyber Solutions Private Limited	0.50	0.23
		0.50	**0.23**
Rendering of services	Data Security Council of India	0.08	0.33
		0.08	**0.33**
Services received	Data Security Council of India	0.11	0.02
		0.11	**0.02**
Final equity dividend declared and paid for the financial year ended March 31, 2022 and March 31, 2021	Kailash Katkar	7.64	6.79
	Sanjay Katkar	7.64	6.79
	Anupama Katkar	1.86	1.66
	Chhaya Katkar	1.86	1.66
		19.02	**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, 2023, the Holding Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: ₹ 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, 2023	As at March 31, 2022
Commission payable to independent directors	Amitabha Mukhopadhyay	0.08	0.10
	Apurva Joshi	0.08	0.08
	Bhushan Gokhale	0.08	0.08
	Mehul Savla	0.04	0.08
	Richard Stiennon	0.08	0.04
		0.36	**0.38**
Trade receivables	Data Security Council of India	0.05	0.23
		0.05	**0.23**
Other receivables	Kailash Katkar	0.47	-
	Sanjay Katkar	0.40	-
		0.87	**-**
Trade payables	Trixter Cyber Solutions Private Limited	0.09	0.18
	Data Security Council of India	0.04	-
		0.13	**0.18**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (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, organization 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

In accordance with paragraph 4 of Ind AS 108 'Operating segments', the Holding Company has disclosed segment information only on the basis of the consolidated financial statement.

Revenue from operations

	Year Ended March 31, 2023	Year Ended March 31, 2022
India	262.51	326.21
Outside India	15.58	15.69
Total	**278.09**	**341.90**

The revenue information above is based on location of the customers

Non current assets *

	As at March 31, 2023	As at March 31, 2022
India	148.34	153.77
Outside India	-	0.02
Total	**148.34**	**153.79**

* As defined in paragraph 33(b) of the IND AS 108 "operating segments" non current assets excludes financial instruments.

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		Principal activities
			March 31, 2023	March 31, 2022	
Quick Heal Technologies America Inc.	USA	March 31	100.00%	100.00%	Sale of antivirus
Quick Heal Technologies Japan K. K.	Japan	March 31	0%*	100.00%	Sale of antivirus
Seqrite Technologies DMCC	Dubai	March 31	100.00%	100.00%	Sale of antivirus

All the above subsidiaries of the Group are included in these consolidated financial statements.

* Liquidated on October 2022

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(All amounts are in ₹ Crores, unless otherwise stated)

38. STATUTORY GROUP INFORMATION

Disclosure of additional information pertaining to Holding Company and subsidiaries after elimination:

March 31, 2023

Name of the entity	Net Assets i.e total assets minus total liabilities		Share in profit or loss		Share in other comprehensive impact (OCI)		Share in Total Comprehensive Income (TCI)	
	Amount	As % of consolidated Net Assets	Amount	As % of consolidated P&L	Amount	As % of consolidated Net Assets	Amount	As % of TCI
Quick Heal Technologies Limited	419.69	100.00%	7.67	120.22%	(5.86)	117.43%	1.81	130.22%
Quick Heal Technologies America Inc.	0.12	0.03%	0.08	1.25%	(0.02)	0.40%	0.06	4.32%
Seqrite Technologies DMCC	0.69	0.16%	(0.06)	-0.94%	0.07	-1.40%	0.01	0.72%
Quick Heal Technologies Japan K. K.	-	0.00%	0.02	0.31%	(0.17)	3.41%	(0.15)	-10.79%
Consolidation elimination and adjustment effect	(0.81)	-0.19%	(1.33)	-20.85%	0.99	-19.84%	(0.34)	-24.46%
Total	**419.69**	**100.00%**	**6.38**	**100.00%**	**(4.99)**	**100.00%**	**1.39**	**100.00%**

March 31, 2022

Name of the entity	Net Assets i.e total assets minus total liabilities		Share in profit or loss		Share in other comprehensive impact (OCI)		Share in Total Comprehensive Income (TCI)	
	Amount	As % of consolidated Net Assets	Amount	As % of consolidated P&L	Amount	As % of consolidated Net Assets	Amount	As % of TCI
Quick Heal Technologies Limited	627.21	99.93%	78.19	93.99%	2.70	110.13%	80.89	94.45%
Quick Heal Technologies America Inc.	0.08	0.01%	(0.04)	-0.05%	-	0.00%	(0.04)	-0.05%
Seqrite Technologies DMCC	0.61	0.10%	(0.06)	-0.07%	-	0.00%	(0.06)	-0.07%
Quick Heal Technologies Japan K. K.	2.58	0.41%	0.35	0.42%	(0.24)	-9.79%	0.11	0.13%
Quick Heal Technologies Africa Limited	0.02	0.00%	(0.05)	-0.06%	-	0.00%	(0.05)	-0.06%
Consolidation elimination and adjustment effect	(2.87)	-0.46%	4.80	5.77%	(0.01)	-0.34%	4.79	5.59%
Total	**627.63**	**100.00%**	**83.19**	**100.00%**	**2.45**	**100.00%**	**85.64**	**100.00%**

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(All amounts are in ₹ Crores, unless otherwise stated)

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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial assets				
Investments at FVTPL				
Investments in mutual funds (quoted)	176.20	290.07	176.20	290.07
Investments at FVTOCI				
Investments in equity instruments	4.72	6.91	4.72	6.91
Investment in Preference shares	10.94	14.73	10.94	14.73
Investments at amortized cost				
Investment in Tax Free Bonds	5.83	5.82	5.83	5.82
Trade and other receivables	122.65	171.96	122.65	171.96
Cash and cash equivalents	11.58	7.83	11.58	7.83
Other bank balances	0.27	55.22	0.27	55.22
Other financial assets	2.25	1.66	2.25	1.66
Total	**334.44**	**554.20**	**334.44**	**554.20**
Financial liabilities at amortized cost				
Trade and other payables	48.61	49.70	48.61	49.70
Other financial liabilities	12.73	16.69	12.73	16.69
Total	**61.34**	**66.39**	**61.34**	**66.39**

The group 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 amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

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.

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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, 2023 and March 31, 2022

Quantitative disclosures fair value measurement hierarchy for assets:

	Date of valuation	Fair value measurement using			
		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 defence limited					
As at March, 31, 2023	March 31, 2023	1.62	-	-	1.62
As at March, 31, 2022	March 31, 2022	2.18	-	-	2.18
Unquoted Equity Share in Ray Pte. Limited					
As at March, 31, 2023	March 31, 2023	3.10	-	-	3.10
As at March, 31, 2022	March 31, 2022	4.73	-	-	4.73
Unquoted Compulsory Convertible Preference Share in L7 defence limited					
As at March, 31, 2023	March 31, 2023	10.94	-	-	10.94
As at March, 31, 2022	March 31, 2022	14.73	-	-	14.73
Financial assets measured at fair value through profit and loss					
Mutual fund investments					
Fair value through profit or loss investments					
As at March, 31, 2023	March 31, 2023	176.20	176.20	-	-
As at March, 31, 2022	March 31, 2022	290.07	290.07	-	-
Investment Property					
As at March, 31, 2023	March 31, 2023	41.42	-	41.42	-
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.

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.

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39. FAIR VALUE HIERARCHY (Contd.)

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2023 and March 31, 2022:

	Unquoted Equity Shares
As at April 01, 2021	18.91
Remeasurement recognized in OCI	2.73
Purchases	-
Sales	-
As at March 31, 2022	**21.64**
Remeasurement recognized in OCI	(5.99)
Purchases	-
Sales	-
As at March 31, 2023	**15.65**

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analyzis as at March 31, 2023 and March 31, 2022 are as shown below:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value*
Unquoted equity shares in L7 Defence Limited	Discounted cash flow method	Weighted average cost of equity	March 31, 2023: 22.90% - 24.90%	1% increase in the WACC would decrease the fair value by ₹ 0.59 and 1% decrease would increase the fair value by ₹.0.66
		Long-term growth rate for cash flows	March 31, 2023: 1.00% - 3.00%	1% increase in the growth would increase the fair value by ₹ 0.32 and 1% decrease would decrease the fair value by ₹ 0.29.
		Long-term operating margin	March 31, 2023: 42.61% - 52.61%	5% increase in the margin would increase the fair value by ₹ 0.77 and 5% decrease would decrease the fair value by ₹.0.77
Unquoted equity shares in L7 Defence 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 Ray Pte. Limited	Discounted cash flow method	Weighted average cost of equity	March 31, 2023: 13.50% - 15.50%	1% increase in the WACC would decrease the fair value by ₹ 6.53 and 1% decrease would increase the fair value by ₹ 7.69.
		Long-term growth rate for cash flows	March 31, 2023: 0.50% - 2.50%	1% increase in the growth would increase the fair value by ₹. 4.30 and 1% decrease would decrease the fair value by ₹. 3.68.
		Long-term operating margin	March 31, 2023: 43.37% - 53.37%	5% increase in the margin would increase the fair value by ₹. 10.21. and 5% decrease would decrease the fair value by ₹. 10.21.

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39. FAIR VALUE HIERARCHY (Contd.)

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value*
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.

*The above sensitivity analyzis for fair value calculation has been derived on the entire Ray Pte. Limited and L7 Defense Limited capital amount of the companies.

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 summarized 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.

Foreign currency sensitivity

The Group 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 Group.

	Foreign currency	Exposure In foreign currency	Change in Currency rate	Effect on profit before tax (₹)*	Effect on pre-tax equity (₹)*
March 31, 2023	USD	0.23	5%	0.96	0.96
				(0.96)	(0.96)
	AED	0.05	5%	0.05	0.05
				(0.05)	(0.05)
	JPY	-	-10%	0.00	0.00
				0.00	0.00
	KES	-	1%	0.00	0.00
				0.00	0.00
	SGD	0.05	4%	0.12	0.12
				(0.12)	(0.12)

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40. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

	Foreign currency	Exposure In foreign currency	Change in Currency rate	Effect on profit before tax (₹)*	Effect on pre-tax equity (₹)*
March 31, 2022	USD	0.30	2%	0.39	0.39
				(0.39)	(0.39)
	AED	0.04	2%	0.01	0.01
				(0.01)	(0.01)
	JPY	3.91	-1%	(0.03)	(0.03)
				0.03	0.03
	KES	-	1%	0.00	0.00
				0.00	0.00
	SGD	0.04	3%	0.05	0.05
				(0.05)	(0.05)

'* The effect on profit before tax / pre-tax equity with respect to Investments designated at FVTOCI will be routed through other comprehensive income.

(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, 2023 and March 31, 2022. The working capital as at March 31, 2023 was ₹ 251.53 (March 31, 2022: ₹ 448.42) including cash and cash equivalents.

As at March 31, 2023 and March 31, 2022, the outstanding employee obligations were ₹ 1.17 and ₹ 1.28 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, 2023					
Trade payables	-	27.63	20.98	-	48.61
Unpaid Dividend	0.19	-	-	-	0.19
Other financial liabilities	-	12.54	-	-	12.54
Total	**0.19**	**40.17**	**20.98**	**-**	**61.34**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

40. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
As at March 31, 2022					
Trade payables	-	29.37	20.33	-	49.70
Unpaid Dividend	0.17	-	-	-	0.17
Other financial liabilities	-	16.52	-	-	16.52
Total	**0.17**	**45.89**	**20.33**	**-**	**66.39**

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, 2023 is ₹419.71 (March 31, 2022: ₹627.63).

*The Group does not have any debt as on March 31,2023 and March 31, 2022 and hence there is no debt -equity ratio is computed.

41. DETAILS OF BENAMI PROPERTY HELD

The group does not have any Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.

42. WILFUL DEFAULTER

None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

43. Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

The group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

44. COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

45. Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are

The Group has not granted any loans or advances in the nature of loans to promoters, directors and KMPs, either severally or jointly with any other person.

46. UNDISCLOSED INCOME

The group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (and previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (Contd.)

(All amounts are in ₹ Crores, unless otherwise stated)

47. THE CODE ON SOCIAL SECURITY 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the 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 group 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. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

48. Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS and as required by Schedule III of the Act.

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
CIN: L72200MH1995PLC091408

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Nitin Manohar Jumani	**Kailash Katkar**	**Sanjay Katkar**	**Navin Sharma**	**Srinivasa Rao Anasingaraju**
Partner	Managing Director	Joint Managing Director	Chief Financial Officer	Company Secretary
Membership Number: 111700	& Chief Executive Officer	& Chief Technical Officer		Regs. No. FCS-9901
	DIN: 00397191	DIN: 00397277		
Place: Pune	Place: Pune	Place: Pune	Place: Pune	Place: Pune
Date: April 17, 2023	Date: April 17, 2023	Date: April 17, 2023	Date: April 17, 2023	Date: April 17, 2023

Quick Heal

SEQRITE

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