Ref. No.: QHTL/Sec/SE/2024-25/30

August 15, 2024

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

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

Subject: Submission of Annual Report 2023-24 and Notice of the 29th Annual General Meeting of the Company.

Dear Sir/Madam,

In terms of regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements), 2015, we enclose herewith Annual Report for the FY 2023-24 and Notice of the 29th Annual General Meeting 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, August 9, 2024.

The Company has uploaded the Annual Report 2023-24 and Notice on its website https://www.quickheal.co.in/investors

This is for your information and records.

Sincerely,
For Quick Heal Technologies Limited

Vikram Bharat Dhanani
Digitally signed by Vikram Bharat Dhanani
Date: 2024.08.15 15:35:55 +05'30'

Vikram Dhanani
Compliance Officer

SEQRITE

Quick Heal

Shaping the Future of Cybersecurity

INNOVATE. SIMPLIFY. SECURE.

Annual Report 2023-24

Across the Pages

Corporate Overview

Statutory Reports

Financial Statements

Investor Information

Market Cap (as on March 31, 2024)	₹ 2,512.59 Crores
BSE Code	539678
NSE Symbol	QUICKHEAL
AGM Date	September 6, 2024
AGM Venue	Through Video Conferencing (VC) & Other Audio-Visual Means (OAVM)

For more investor-related information, please visit:
https://www.quickheal.co.in/investors

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

About the Report

Basis of Reporting

This Report has been prepared basis the essential guidelines of Integrated Reporting 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 1, 2023 to March 31, 2024. 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, customers, partners, 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 the Company. It acknowledges its responsibilities to ensure the integrity of this Report.

Shaping the Future of Cybersecurity

Innovate. Simplify. Secure.

In a rapidly evolving digital world, where cyber threats grow more sophisticated and frequent by the day, organisations and individuals face an unrelenting battle to safeguard their sensitive data, IT assets, and operations. The stakes are high, with potential repercussions including financial loss, reputational damage, and legal consequences. Amidst this landscape, Quick Heal Technologies Limited ('Quick Heal' and 'The Company') stands as a beacon of innovation and security, driven by its core purpose: Innovate, Simplify, Secure.

Our journey began with a vision to simplify and transform cybersecurity. Through our focus on innovation, we have successfully harnessed the power of AI, and machine learning resulting in our patented technology GoDeep.AI. We currently protect millions of individuals, enterprises, and nations worldwide with our comprehensive AI-enabled tech stack. Our pioneering spirit has led us to detect and solve for the latest Expiro infector globally and identify multiple zero-day vulnerabilities, showcasing our technical prowess and commitment to cybersecurity excellence. We take pride in being the only Indian company collaborating with the US Government on their AI Safety Initiative Consortium (AISIC), contributing to the global AI narrative. The cornerstone of our success is our deep malware research from over 9 Million endpoints at India's largest malware analysis centre - Seqrite Labs.

Innovation, however, is just one piece of the puzzle. We understand that even the most advanced technology must be user-friendly to be truly effective. This is why we focus on simplifying the user experience. By integrating all cybersecurity needs into a single, unified platform, we provide an open and modular, robust, resilient and scalable solution across networks, clouds, and multi-device & operating systems environments. Seqrite, our enterprise arm, as India's only Cyber Security Mesh Architecture (CSMA) aligned enterprise platform provider, we have made complex security processes manageable for businesses of all scale and sizes.

We prioritise securing sensitive data, infrastructure, and operations for our customers and clients to ensure robust protection against evolving threats. Our adaptive and future-proof solutions are designed to meet the dynamic needs of today's digital landscape. Embracing a sentient approach, we continuously monitor and respond to potential vulnerabilities. Transparency in our processes and practices reinforces trust and accountability. Our zero-touch solutions streamline security management, while our zero-trust model ensures that every access request is rigorously verified.

Our story of innovation, simplification, and security is also one of partnership & collaboration. We work closely with government agencies on various critical initiatives, safeguarding many essential government organisations. These collaborations highlight the maturity and capability of the Indian cybersecurity ecosystem on the global stage.

Through our core purpose of Innovate, Simplify, Secure, we are not just responding to the challenges of today but shaping the future of cybersecurity.

While we come with 3 decades of domain expertise, our journey has just begun, and we are dedicated to creating a safer, more secure digital world for everyone.

Products Releases during 2023-24

Enterprise-Seqrite

April, 2023
- Seqrite Centralised Security Management 2.1.2
- Seqrite ZTNA 1.9.5
- Seqrite Data Privacy 1.9.5

May, 2023
- Seqrite Enterprise Mobility Management 3.0
- Seqrite MDR 1.0

June, 2023
- Seqrite ZTNA 2.0
- Seqrite Data Privacy 2.0
- Seqrite Endpoint Protection 8.2

July, 2023
- Seqrite Endpoint Protection Cloud 1.9
- Seqrite Centralised Security Management 2.5

August, 2023
- Seqrite XDR 2.1
- Seqrite ZTNA 2.0.5
- Seqrite Enterprise Mobility Management 3.0.1
- Seqrite Endpoint Protection Cloud 2.0
- Seqrite Centralised Security Management 2.5.1

September, 2023
- Seqrite Malware Analysis Platform 1.1
- Seqrite Enterprise Mobility Management 3.1

October, 2023
- Seqrite XDR 2.1.1
- Seqrite Centralised Security Management 2.5.2
- Seqrite MSSP 3.0.1
- Seqrite XDR 2.1.2
- Seqrite ZTNA 2.1

November, 2023
- Seqrite Centralised Security Management 2.6
- Seqrite ZTNA 2.1.1

December, 2023
- Seqrite DataStore 1.0
- Seqrite ZTNA 2.1.2
- Seqrite Centralised Security Management 2.6.1
- Seqrite Endpoint Protection Cloud 3.0 Server
- Seqrite XDR 2.1.3

January, 2024
- Seqrite Endpoint Protection Cloud 3.0 Linux Release
- Seqrite Centralised Security Management 2.6.2

February, 2024
- Seqrite ZTNA 2.1.3
- Seqrite Data Privacy 2.1
- Seqrite Endpoint Protection (Legacy) 7.4 to Seqrite Endpoint Protection Cloud Migration
- Seqrite Endpoint Protection 8.2.1

March, 2024
- Seqrite ZTNA 2.1.5
- Seqrite XDR 2.1.4
- Seqrite Endpoint Protection (Legacy) 7.2 to Seqrite Endpoint Protection Cloud Migration

Consumer-Quick Heal

October, 2023
- Quick Heal Total Security v24
- Quick Heal AntiVirus Pro v24
- Quick Heal Internet Security v24
- Quick Heal Internet Security Essentials v24
- Mobile AV4.0

January, 2024
- Quick Heal Total Security v24.1
- Quick Heal AntiVirus Pro v24.1
- Quick Heal Internet Security v24.1
- Quick Heal Internet Security Essentials v24.1

Awards and Accolades

Product of the Year & Top Remediation Time Awards from AVLab Poland

Awarded **The Cyber Security Transformation Award** at The Big Impact Awards 2023

Certified as the **Safest for Banking** and **Browsing** by AVLab Poland

Became the **First Indian Company to Collaborate with Government of USA's NIST-NCCoE's Data Classification Project**

First Indian Cybersecurity Company to **be a Member of US Artificial Intelligence Safety Institute Consortium (AISIC)**

Quick Heal Foundation Received the '**Best Initiative Award for Education**' at the SABERA Awards 2023 Enterprise Responsible Award

Positioning India on a Global Stage

At Quick Heal, we have celebrated a major achievement this year by becoming the only cybersecurity focused firm from India to join the US AISIC. This accomplishment follows our recent collaboration with the National Institute of Standards and Technology (NIST) National Cybersecurity Center of Excellence (NCCoE) for Data Classification. It reflects the Company's commitment to advancing AI safety and trustworthiness.

The US AISIC plays a crucial role in developing innovative methods to evaluate AI systems, with the aim of enhancing their safety and trustworthiness. Our engagement in the AISIC allows us to work closely with global cybersecurity and AI industry stakeholders. We contribute to the development of guidance and benchmarks for evaluating and auditing AI capabilities. The consortium comprises over 200 member companies and organisations at the forefront of developing and utilising AI systems. This includes civil society and academic teams shaping the foundational understanding of AI's societal transformation.

Additionally, our Safe Browser & Safe Banking feature has been certified by the AVLab Cybersecurity Foundation in Poland as one of the most secure solutions for browsing and online banking, establishing us as a leader in the global cybersecurity landscape. We are proud to be the only Indian cybersecurity Company to receive this prestigious certification, continuing to set new standards in cybersecurity innovation. Over a rigorous two-month evaluation period, AVLab thoroughly tested our Safe Browser & Safe Banking module, assessing its robustness against the rapidly evolving threats in banking fraud. Our Quick Heal Total Security's module was pitted against solutions from seven globally renowned cybersecurity solutions providers, achieving a full score across all safety parameters. These parameters included resistance to hijacking and swapping of the system clipboard, keystroke logging, screenshot capturing, remote computer control, and drive and file theft. This exceptional performance underlines our commitment to providing cutting-edge security solutions and fortifying users against sophisticated cyber threats.

We provide world-class products supported by innovative technology and have a global presence in over 70 countries. Our cybersecurity solutions are distinguished by a portfolio of eight U.S. patents and several international certifications. Our expertise and dedication to excellence have earned us global recognition, making us a trusted partner in digital security for millions of users worldwide.

GoDeep.AI

Seqrite's GoDeep.AI Soars: AI Revolutionizes Cybersecurity

Ever since COVID, nations and organisations have massively transformed digitally to improve end-user experience and provide faster time to action. This digital explosion is leading to zeta bytes of data and new threat vectors for cyber attackers to exploit. A report estimated that global cybercrime is expected to create a damage of trillions of dollars by 2025. This scale of cyberattacks require automation and AI models to continuously monitor, detect, respond and recover. Though AI for cybersecurity exists since late 1980s, the surge of cyberattacks has made more than 82% of organisations to prioritise AI-driven cybersecurity.

AI/ML and more specifically the GenAI models can detect advanced threats, analyze behavioral patterns, identify suspicious emails that contain malicious URLs and malware, simulate social engineering attacks, mitigate insider threats, tighten access controls, vulnerability assessment and patch management, effective security policy administration, generate contextual human readable threat reports and many other use cases.

The pretrained GenAI models are also being contextualised as 'Assistants' to Incident response analysts to reduce false positive rate and mean time to respond and recover. Industry has named its GenAI-based assistants as 'Security Co-pilot', 'Purple', 'Charlotte', in the context of cybersecurity similar to 'Siri' or 'Alexa' or 'ChatGPT' for general conversations.

Adversaries are also using GenAI and other advanced AI/ML models to poison data, generate malware, create deep fakes and other social engineering attacks. Another research estimated that the market for AI-based cybersecurity products will surge to roughly US$ 135 Billion by 2030.

The AI/ML journey at Quick Heal started more than two decades back to detect malicious URLs in a continuous stream of URLs being accessed by millions of users. We strengthened our AI/ML capabilities with GoDep.AI framework that is based on traditional ML models, deep learning, GenAI including Large Language Models (LLMs) and natural language processing capabilities. Couple of years back, the GoDeep.AI began with a vision to prove that 'machines can do everything and even beyond what humans can do'. The continuous improvements in GoDeep.AI makes it capable to detect, protect and respond against malware, malicious URLs, Advanced Persistent Threats (APTs) and other bad actors across consumer and enterprise product portfolio. Now, GoDeep.AI is also capable to safeguard against AI/ML based cyberattacks and ensure safe and secure deployment of AI/ML. The GoDeep.AI framework based approach makes identification, implementation and operationalisation of use cases faster and simpler.

Some of the deployed GoDeep.AI use cases are (i) to detect malicious files and block thousands of malicious samples daily with an impressive accuracy. Additionally, the deployed model tackle the challenge of cloud performance by filtering clean files, reducing unnecessary queries with commendable accuracy; (ii) GoDeep.AI utilises deep learning-based Convolutional Neural Network (CNN) with word embeddings to analyse, understand and connect URL text for an accurate website classification to prevent unauthorised website in organisations in enterprise product portfolio and consumers in AV portfolio. Some of the other use cases include identifying privilege escalation attacks, clustering malwares, detecting phishing emails, anomaly detection, and threat hunting. Our state-of-the-art OCR capability in detecting structured and unstructured personal data and PII in endpoints, databases and storage systems ensures faster compliance to India's Digital Personal Data Protection bill requirements. In March 2024, the GoDeep.AI analyst backed by GenAI models was demonstrated in Intel Summit with capability to process natural language queries by Incident Response Analyst and provide insights on events, alerts and incidents along with a recommendation on the action. More recently, our Head of Engineering, presented data architecture that is quintessential to GoDeep.AI success in AWS OpenSearch Conference.

Along with deployment of more use cases with AI/ML and LLMs, the GoDeep.AI is pursuing GenAI-based Large Action Models (LAMs) and Small Language Models (SLMs) for policy recommendation, playbook enhancement, improved customer interaction, threat content generation and summarisation and other user and entity behaviour analysis in EDR, XDR and ZTNA offerings. The GoDeep.AI work on text, audio, image and video deepfakes detection is in advanced stages. The proven capabilities in building scalable and resilient systems is ensuring deployment of GoDeep.AI models in a modular and scalable approach across consumer and enterprise products.

With strong industry, academic and research collaborations such as AWS, NIST, NFSU, IIM-Nagpur and access to intelligence from Deep and Dark Web, the GoDeep.AI is marching to prove that AI will continue to remain at the heart of our product portfolio, and it will inevitably be the central force of our future.

Written by:

Dr. Lalit Mohan
Chief Product Officer

The Current State of Cybersecurity: Challenges and Future Scope

Gone are the days when Cybersecurity was an aftermath or reactive measures or patch work to Network architecture. Cybersecurity is a priority when designing the architecture along with Devices, Network, Server, Data and Applications delivery & access. It is also pertinent to proactively secure the servers, applications, network components, but also all types of endpoints be it PCs or Mobile devices or tablets and as well as the IOT devices. While breach may be inevitable, data exfiltration is not acceptable. Hence it is paramount to build tools to proactively search for threats and respond before it is breached or well before any data is exfiltrated. There has been an explosion of digital adoption across the globe , thereby increased vulnerability & threats are all pervasive and getting complex to manage, hence building cyber resiliency is key for business continuity. Businesses of today are expected to build resilient architectures and processes that allow least amount disruptions for misconfigurations or software bugs or withstand cyberattacks. For critical networks, the resilient architecture should all the way drill down to the terminal or endpoints and not just limited to cloud, server, application & network redundancy. Over the past year, we have witnessed a dramatic increase in the complexity and frequency of cyberattacks, driven by the rapid digitisation of businesses and the need of anywhere working or remote work. These changes have expanded the attack surface, exposing organisations to a variety of complex threats ranging from ransomware to sophisticated phishing schemes and advanced persistent threats.

The Growing Threat Landscape

The rise in ransomware attacks has been particularly alarming. Cybercriminals have become more organised and are employing increasingly sophisticated methods to breach defenses and encrypt critical data, demanding substantial ransoms for its release. These attacks not only result in significant financial losses but also disrupt operations and damage reputations. The healthcare and financial sectors has been heavily targeted, highlighting the critical need for robust cybersecurity measures in industries that handle sensitive information.

Phishing attacks have also evolved, becoming more targeted and convincing. Attackers are leveraging social engineering tactics to exploit human vulnerabilities, often bypassing traditional security measures. This underscores the importance of comprehensive security awareness training for employees, equipping them with the knowledge to recognise and respond to potential threats.

In addition to these traditional threats, the emergence of APTs poses a significant challenge. These threats are characterised by prolonged and targeted attacks, often orchestrated by state-sponsored actors with substantial resources. APTs aim to infiltrate networks and remain undetected for extended periods, gathering intelligence and potentially causing long-term damage.

Advancements in Cybersecurity Measures

Despite the complexity and sophistication of the attacks, staying ahead of threat actors is essential to Security. Security technologies need to be adept at timely detection of advance attacks, be able to respond and mitigate the threats and be able to provide comprehensive protection.

Seqrite, the Enterprise Arm of Quick Heal

Over the past year, we have implemented advanced threat detection and response systems, leveraging artificial intelligence and machine learning to identify and mitigate threats in real time. These technologies have proven instrumental in reducing the response time to incidents and enhancing our overall security posture.

We are truly helping our customers stay ahead of threat actors and we also believe in Eat Your Own Cooking (EYOC) or what is commonly known as Dogfooding, and our Organisation has deployed our own industry leading cybersecurity solutions of zero-trust architecture of ZTNA & XDR and made significant strides in bolstering our own cybersecurity defenses.

Our focus on building solutions-based Cyber Security Mesh Architecture (CSMA) & zero-trust approach has also been pivotal in providing comprehensive cybersecurity solutions strengthening our defenses against advanced threats to our customers instead of multiple point solutions. By adopting this model, we have minimised the risk of external threat as well internal threats and ensured that access to critical systems and data is tightly controlled and continuously monitored. This approach has helped our customers by significantly reducing the likelihood of unauthorised access or breaches and thereby stopping any data exfiltration.

Future Scope and Strategic Focus

Looking ahead, the future scope of our Company is defined by innovation and adaptability.

As cyber threats continue to evolve, so too must our strategies and technologies. We are committed to investing in cutting-edge research and development to stay ahead of emerging threats and deliver robust security solutions to our clients. Our cybersecurity solutions are based on Seqrite's CSMA aligned portfolio provides our customers a centralised approach to security operations, protecting all critical information & data as well as critical assets. It's a five-layer architecture with a robust CHASSIS at the core consisting of Seqrite Labs, India's largest malware analysis facility, GoDeep.AI, the most advanced AI/ML technology, GenAI-based assistant, Infrastructure Bus and the Data Platform.

One of the key areas of focus will be the integration of advanced analytics and artificial intelligence into our cybersecurity framework. These technologies hold the potential to revolutionise threat detection and response, enabling us to predict and pre-emptively counteract attacks with unprecedented accuracy. By harnessing the power of big data, we can gain deeper insights into threat patterns and vulnerabilities, allowing for more informed decision-making and proactive defense measures. We are also cognisant of the fact that security teams will no longer be looking for multiple point solutions and would be looking at modernising security solutions-based AI. It could also be the bad actors utilising AI for countering AI by exploiting data analytic modelling gaps and launch complex stealth attacks through AI-driven malware.

We are proud of the solutions powered by state-of-the-art threat intelligence coming from one of Seqrite Labs, the largest malware lab globally and products are backed by world-class service provided by best-in-class security experts.

Furthermore, our commitment to fostering a culture of continuous improvement will remain central to our strategy. Regular assessments and updates to our security protocols, feedback & learnings from along with ongoing employee training, will ensure that we maintain a high level of vigilance and preparedness against evolving threats. Collaboration with industry peers, government agencies, and other stakeholders will also be crucial in enhancing our collective security posture and developing best practices for the wider cybersecurity community.

Conclusion

In conclusion, the current state of cybersecurity is marked by both significant challenges and opportunities. The increasing complexity and frequency of cyber threats necessitate a proactive and resilient approach to security. Our company is committed to staying ahead of these challenges through innovation, continuous improvement, and collaboration. Leveraging our threat intelligence, integrating advanced cybersecurity technologies and fostering a culture of security awareness, we aim to provide our clients with the robust defenses needed to navigate the digital landscape safely and securely. We take pride in being part of Seqrite and are committed to making the world a safer place.

Written by:
Samuel Sathyajith
Senior Vice President - Enterprise Sales

Quick Heal in a Nutshell

At Quick Heal, we excel at solving complex problems with simple, effective and new-age solutions tailored to our customers' unique needs. Our products are designed to be smart and user-friendly. They ensure ease of operations and provide everyday protection against digital threats and viruses. Our dedication to innovate and simplify cybersecurity has made us one of the most trusted brands among users across the world.

Since our inception in 1995, we have been dedicated to pioneering research and developing solutions that protect the digital landscape. With nearly three decades of experience, we are committed to making simple, secure, and sustainable cyber safety measures accessible to everyone. Seqrite, our enterprise brand, is at the forefront of protecting critical infrastructure of the country and millions of enterprises worldwide.

30+ Years
Of Innovation

Seqrite Labs India's largest
Malware Analysis Lab

35,000+
Dealer Network

70+
Countries

8
Patents and Several International Certifications

30,000+
Enterprise Customers

9+ Million
Endpoints

Market Leadership
in Consumer and SMB Space

5+ Million
Lives Impacted till Date through CSR

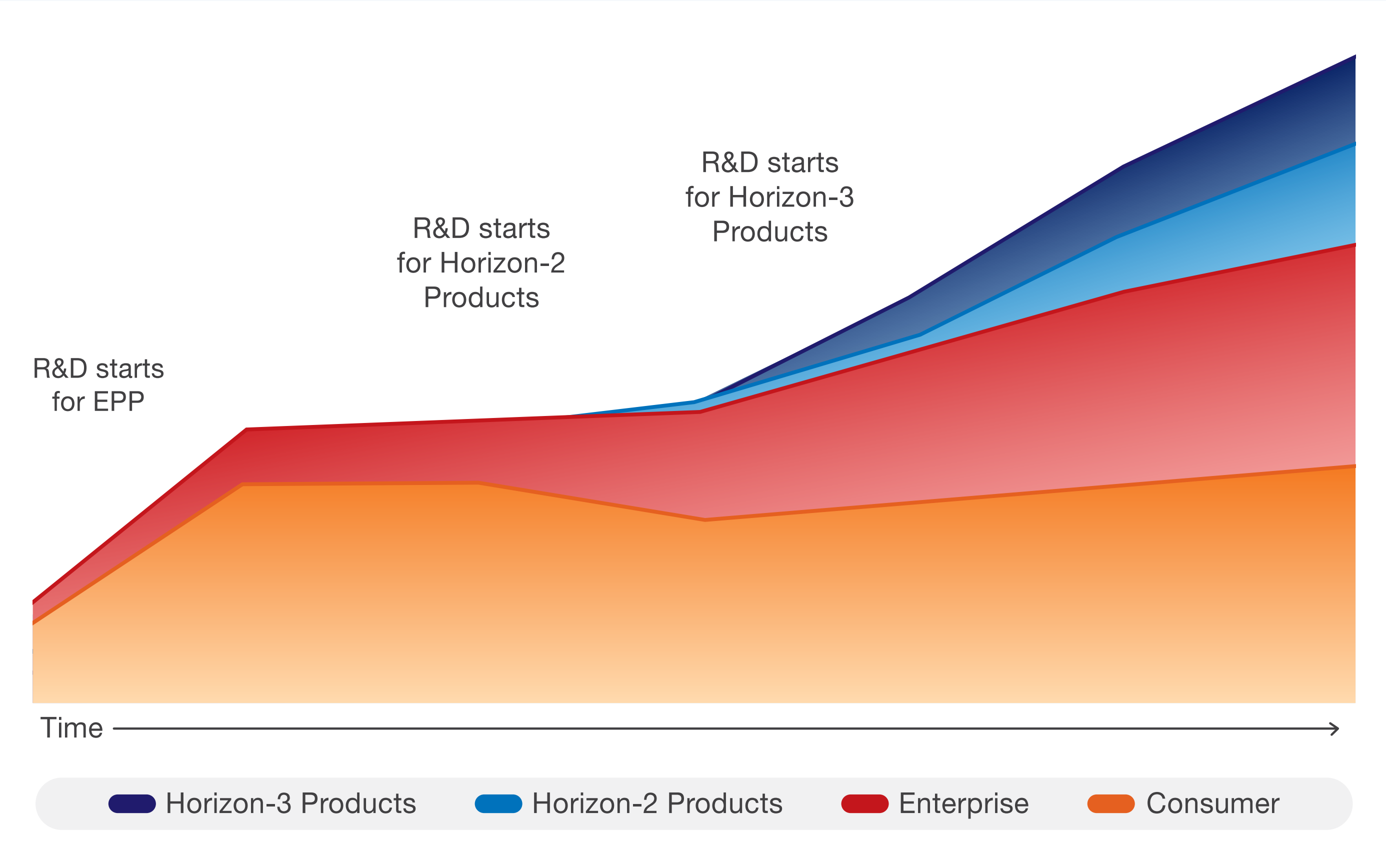
Our Pivots

We began our journey as an Antivirus Company, establishing a strong reputation in the cybersecurity industry with our robust and reliable consumer products. Recognising the growing demand for enterprise-level security solutions, we strategically expanded into the enterprise segment, launching End Point Protection (EPP) products designed to protect businesses from sophisticated cyber threats. This pivot expanded our reach beyond individual consumers to serve the complex needs of organisations.

In our pursuit of cutting-edge technology, we developed and patented our AI technology, Go Deep.AI. This advanced artificial intelligence platform significantly enhances our cybersecurity capabilities, providing real-time threat detection and response.

Building on our AI advancements, we launched a suite of new-age products, including End Point Protection (EPP), Extended Detection and Response (XDR), Zero Trust Network Access (ZTNA), and Data Privacy solutions. These products address the multifaceted security challenges faced by modern enterprises, offering comprehensive protection, and ensuring data privacy in an increasingly connected world.

Looking to the future, we are focussed on further expanding our Data Privacy and Threat Management offerings, as well as exploring the potential of Gen-AI-based product portfolios. This forward-thinking approach reinforces our dedication to innovation and our mission to provide cybersecurity solutions that meet the evolving needs of both consumers and enterprises.



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

Our Values

Integrity

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

Customer Centricity

I am committed to respond, engage and inspire my customers

Innovation

I think differently to make a difference

Leadership

I am fearless. I inspire others to learn and lead

Our Journey

1993-95
- Protected early generations of PCs

1996-00
- Secured PCs, Network & Emails

2001-05
- Ensured a safe digital experience for individuals, businesses, and government organisations

2006-10
- Threat protection for smart phones and tablets

2011-16
- Global footprint, foray into enterprise segment with Seqrite and listed on BSE & NSE

2017-19
- Protected data, transactions & cloud transitions

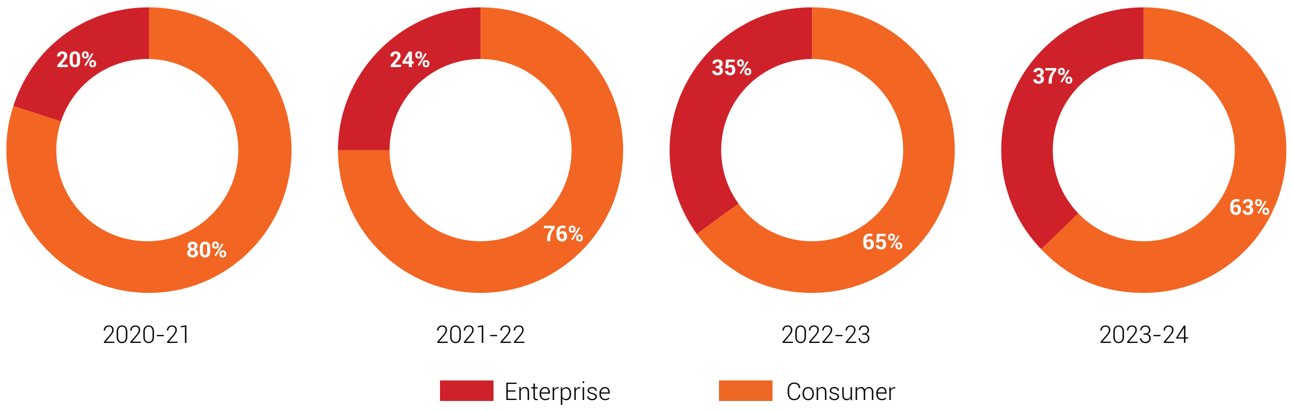
2020-23
- Focus on innovative AI-driven protection

2023-24
- Onboarding of a professional CEO
- Seqrite Brand Refresh
- Experience Centre

Our Business Mix

At Quick Heal, we are committed to advancing cybersecurity through innovative products and solutions that meet the evolving needs of our customers. Our goal is to transform digital safety to protect businesses and individuals from emerging threats. Leveraging cutting-edge technologies, our business segments are designed to deliver comprehensive security measures while ensuring a seamless user experience.

Our business mix is evolving as we gradually transform into a holistic cybersecurity solutions provider, serving both consumers and enterprises. Our leadership in these segments is attributed to our efficient and integrated approach to threat management. In the year 2023-24, our consumer segment comprised 63% of the business mix, while the enterprise segment stood at 37%. Notably, the enterprise segment's contribution has been steadily growing over this period, reflecting our expanding influence and reach within the business sector.



Consumer Business

Quick Heal has been a dominant force in the Indian cybersecurity landscape for nearly three decades, holding a substantial market share of over 30%. We are dedicated to not only sustaining but also expanding this market share through our innovative product offerings, exceptional customer service, strong brand presence, and robust channel partnerships. Additionally, we are amplifying our efforts to educate consumers on the critical importance of cybersecurity in today's digital era.

Quick Heal Total Security

Quick Heal Internet Security

Quick Heal Antivirus Pro

Quick Heal Total Security for Mac

Quick Heal Total Security for Android

Quick Heal Mobile Security

Quick Heal Total Security Multi Device

Quick Heal Total Security – Festive Pack

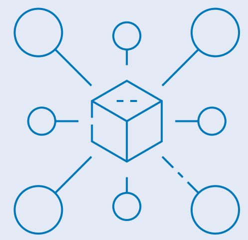
Quick Heal Internet Security Essentials (for South Region)

We unveiled Quick Heal Version 24 (v24) in the year 2023-24, setting a new benchmark in consumer digital protection. This advanced release simplifies cybersecurity with the first-ever on-the-go cloud-based security platform, metaProtect. At the heart of v24 is our GoDeep.AI technology, a self-aware malware-hunting innovation that enhances protection against emerging threats without compromising system performance.

v24 prioritises user experience with a captivating UI designed for users of all ages and technical backgrounds. It introduces two innovative metrics, Security Score and Privacy Score, delivering personalised assessments of device security and privacy status. Additionally, it provides actionable recommendations for improvement, making it easy for enhanced security and privacy, thereby empowering the end user.

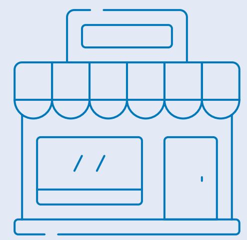
Our Channel Structure

Quick Heal delivers leading security solutions in India through a robust and diversified network, supported by a dynamic ecosystem of over 35,000 channel partners in cities and towns across the country, ensuring extensive reach to our end customers. Our offline distribution channel has a two-tier structure:



Distributors

The partners who purchase inventory directly from Quick Heal



Retailers

The partners who purchase stock from T1 Distributors and sell to the end customers

Website & E-Commerce

We serve our customers directly through our website, offering a seamless direct-to-consumer (D2C) experience. Additionally, our consumer products are widely available on various e-commerce platforms, ensuring easy access for customers across multiple online channels.

Quick Heal Branded Retail Stores: Creating a Unique Identity

Quick Heal Branded Retail Stores (QBRS) are designed to create instant brand recognition, increase customer footfall, and drive demand for Quick Heal's products. We identify partner stores in targeted cities and towns based on criteria such as store visibility, footfall, revenue, and KYC & agreement compliance.

The QBRS Program Includes Elements Like:

- Signage - fabrication and installation of dealer boards
- Wall graphics or office wall design with two to three standard options
- Point of sale display stands
- Danglers
- Square lit flange or lollipop signage
- Partner certification as a Preferred Partner

Stores that qualify as QBRS receive a digital identity through a listing on Quick Heal's website, attracting substantial traffic and enhancing visibility.

Profit Sharing Program

Our consumer engagement strategy is built around an omni-channel approach, ensuring a consistent and seamless experience across all touchpoints. Customers can purchase Quick Heal products and renew their subscriptions through any available channel, providing maximum flexibility and convenience.

In collaboration with our partners, we have created substantial value by placing their interests at the core of our mission. Central to this strategy is our Profit-Sharing Program (PSP), which ensures partners receive credit for renewals even if customers renew through different channels. Additionally, partners benefit from monthly incentive payments, reinforcing our commitment to their success.

Enterprise Business

Seqrite, the enterprise arm of Quick Heal is India's only CSMA aligned full-stack cybersecurity solutions provider. We are investing heavily into Enterprise solutions, which offers a significantly larger market opportunity and is expected to grow 3 times faster than the consumer market. Leveraging our deep domain expertise of 3 decades, its AI/ML enabled tech-stack secures devices, applications, networks, cloud environments, data, and identities, providing robust cybersecurity defences.

The passage of the Digital Personal Data Protection (DPDP) Act in Parliament marks a significant milestone that supports our product vision and strategic direction. For the past couple of years, we have developed our products that comply with this forthcoming legislation, ensuring adherence to the evolving regulatory standards. Seqrite Data Privacy our proprietary solution, is designed specifically to meet India's DPDP Act requirements. Positioned to become an ultimate all-in-one tool, it offers comprehensive capabilities for discovering, categorising, and enforcing governance on sensitive digital data.

Our Products Include:

- **Seqrite Endpoint Protection**
- **Seqrite Endpoint Protection Cloud**
- **Seqrite EDR**
- **Seqrite XDR**
- **Seqrite MDR**
- **Seqrite ZTNA**
- **Seqrite Enterprise Mobility Management**
- **Seqrite Workspace**
- **Seqrite Data Privacy**

Seqrite's Brand Refresh

We have refreshed and upgraded Seqrite's brand identity, reflecting our dedication to simplifying cybersecurity for businesses worldwide. We have always been committed to making cybersecurity more accessible and seamless. This refreshed brand identity marks a significant milestone in our journey, showcasing our ongoing commitment to excellence. The combination of black and red embodies professionalism and our brand's heroic personality. We have also launched a distinctive favicon icon, designed to represent our brand effectively. The favicon's parallel lines, derived from our logo, serve as a visual embodiment of our brand identity.

SEQRITE

Events & Webinars for Seqrite

Seqrite has been recognised for its excellence in cybersecurity with several prestigious awards. This includes being named the Next-Gen Cybersecurity Company by CXO Junction and Company of the Year by IT Voice. To further support cybersecurity leaders, Seqrite has developed an XDR E-Guide, providing comprehensive insights and best practices for implementing Extended Detection and Response solutions. Strengthening its brand salience, the Company has participated in key global industry events including GiTech and GiSec.

Seqrite, in collaboration with the Data Security Council of India (DSCI), released a much-anticipated India Cyber Threat Report 2023 at the Nasscom-DSCI Annual Information Security Summit 2023. The comprehensive Threat Report leverages the invaluable insights gleaned from Seqrite Labs, the country's largest Malware Analysis Lab. It aims to empower businesses with India-centric knowledge and actionable recommendations to fortify their cybersecurity posture.

Publishes an In-Depth India-Centric Threat Report Annually

Our Channel Structure

Our Seqrite sales channel partner hierarchy is structured as follows:

National Distributor

If the user count exceeds 500, billing is processed through the National Distributor.

Primary Dealers

We engage in annual agreements with primary dealers, who purchase stock or licenses directly from the Company. These primary dealers work directly with Quick Heal and receive direct billing for their transactions. The incentive plan or structure for these primary dealers is contingent upon the target numbers specified in their agreements.

Elite, Gold & Business Partners

Elite, GOLD, and Business Partners have the option to purchase licenses from either the Primary Dealer or a National Distributor. The incentive plan or structure for these partners is based on the target numbers outlined in their agreements.

Website & E-Commerce

Seqrite also serves customers directly through its website, offering a seamless direct-to-consumer (D2C) experience. Additionally, our enterprise products are widely available on various e-commerce platforms, ensuring easy access for customers across multiple online channels.

Our Enablers

We are now focusing on monetising rich threat intelligence and leveraging our extensive data to create profitable opportunities. We are also embracing generative AI to enhance our offerings and capabilities, ensuring we stay at the forefront of technological advancements. Furthermore, we are committed to expanding the use cases and solutions within our data privacy and Zero Trust family, reinforcing our dedication to security and privacy. These initiatives collectively drive growth and innovation in our forthcoming solutions.

Seqrite Labs

Seqrite Labs is one of the largest malware analysis facilities globally, dedicated to empowering businesses with unmatched threat intelligence, actionable recommendations, and robust security solutions.

Powered by telemetry from nearly 9 Million endpoints, Seqrite Labs maintains a comprehensive database of 2 Billion known files and 400 Million classified and categorised URLs. Our advanced capabilities in deep threat research, detection, reputation services, and content delivery fortify the Quick Heal and Seqrite suite against evolving cyber threats.

9+ Million
Endpoints

2+ Billion
Known Files Comprehensive Database

400+ Million
Classified and Categorised URLs

Our Expertise

Our lab processes a staggering 1 Million new samples daily, meticulously classifying and categorising 500,000 of these. Our security telemetry data lake grows by 500 GB each day, and we utilise 100 TB of leaked data to enhance our machine learning models, improving our predictive capabilities and threat detection.

Innovation Powered by GoDeep.AI

At the heart of Seqrite Labs' advancements is GoDeep.AI, our proprietary AI technology developed in-house. This technology powers our solutions, enabling us to stay ahead of evolving threats and maintain our position at the forefront of cybersecurity innovation.

As an AI native Company, we are proud to be the only Indian cybersecurity company to have joined the US AISIC, contributing to the responsible development and application of AI worldwide.

Proactive Threat Monitoring and Response

Our focus on deep threat research and detection is complemented by our reputation services and content delivery capabilities. Seqrite Labs is renowned for its pioneering solutions, such as global first in detecting and solving for the latest Expiro infector and numerous zero-day vulnerabilities. Our team of experts and engineers rigorously fortifies Quick Heal and Seqrite products against emerging cyber threats. Our excellence in detection and innovation has been recognised through top international accreditations and certifications from AV Labs, AV-Test, and AV-Comparatives.

Transformative Reports and Insights

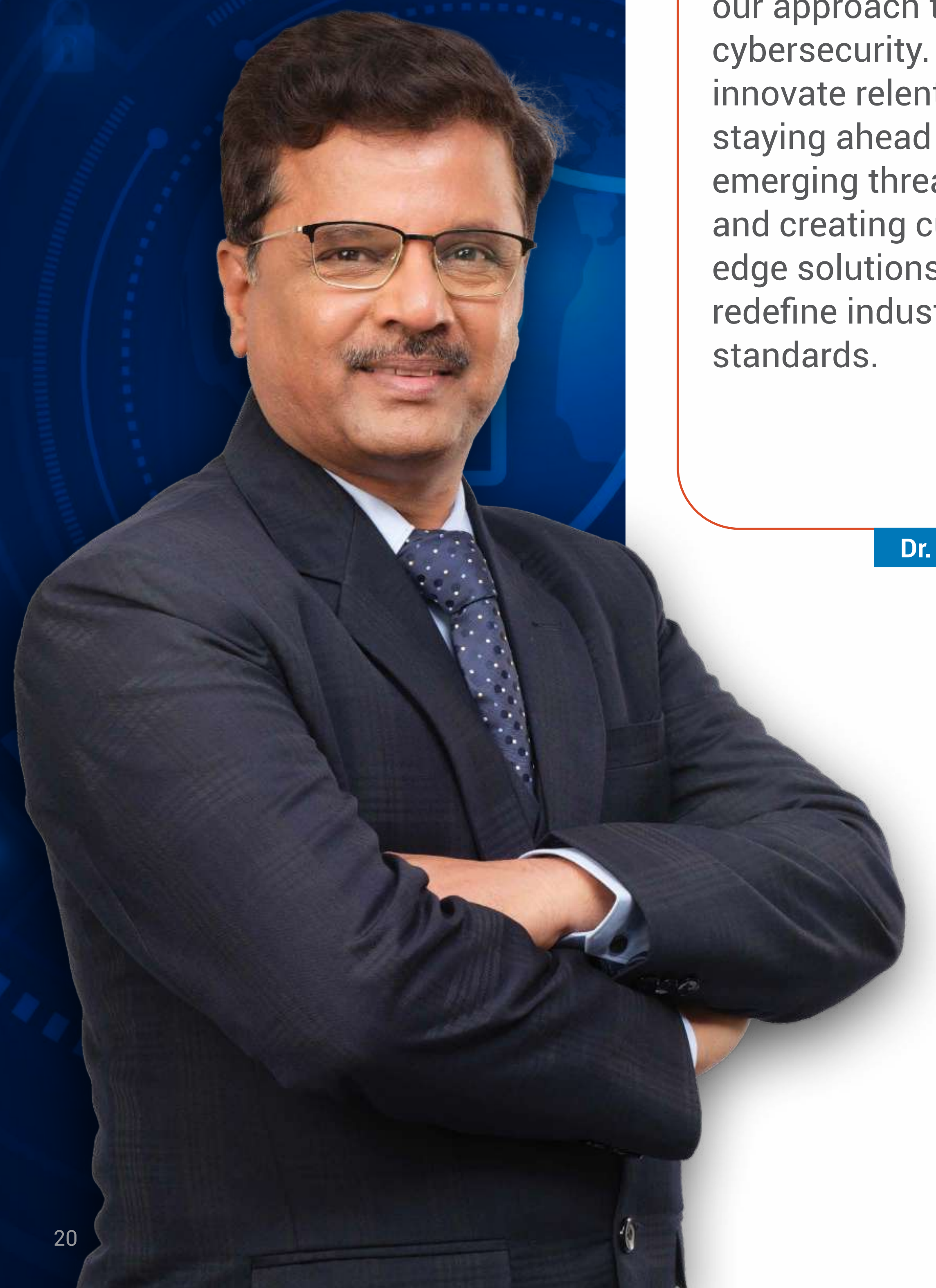
We are known for our transformative reports, including the India Cyber Threat Report—the first India-centric threat intelligence. Our reports are the result of monitoring millions of endpoints, providing businesses with actionable insights and a comprehensive understanding of the threat landscape. Our goal is to turn deep threat intelligence into practical recommendations that help organisations safeguard their IT assets, networks, clouds, and data.

Commitment to Cybersecurity Excellence

Our engineers and researchers collaborate closely with the Product Development team to address key challenges and keep our customers one step ahead of evolving threats. With a legacy of over 30 years, Quick Heal and Seqrite are committed to fortifying the digital landscape and ensuring robust protection and peace of mind for our clients.

Seqrite Labs strive to innovate, simplify, and secure the digital world, ensuring that businesses and organisations can thrive in an increasingly interconnected environment. Our expertise and dedication make us a trusted partner in the battle against cyber threats, providing unparalleled security solutions and insights.

Letter from the Chairman & Managing Director



> Our core purpose-Innovate, Simplify, Secure, delineates our approach to cybersecurity. We innovate relentlessly, staying ahead of emerging threats and creating cutting-edge solutions that redefine industry standards.

Dr. Kailash Katkar

Dear Stakeholders,

As we navigate through the dynamic landscape of cybersecurity, the year 2023-24 has been a testament to the remarkable strides made by Quick Heal and Seqrite. Our brands stand as shining examples of the 'Make in India' success story, demonstrating our commitment to innovation and customer centricity.

While the global cybersecurity industry expected to reach US$ 298.5 Billion by 2028 and the Indian cybersecurity industry is projected to hit US$ 17.74 Billion by 2033, our focus remains on leveraging emerging technologies. Artificial intelligence (AI) and machine learning (ML) are set to revolutionise cybersecurity, offering enhanced capabilities to identify and predict cyber threats and we as an organisation are well prepared to ride on this wave.

Speaking of the Indian cybersecurity industry, it has played a pivotal role in supporting the Government and critical sectors. India is increasingly acknowledged as a global cybersecurity hub, owing to its proactive initiatives and investments in the sector, bolstered by the Government's commitment to digitisation and evolving policies. Regulatory requirements and the drive for digital transformation have further catalyzed the development and adoption of cybersecurity and risk management policies.

In alignment with the Indian Government's ₹ 750 Crores allocation for cybersecurity projects, Quick Heal aims to extend its reach and collaborate with stakeholders to bolster these initiatives, thereby contributing to a safer digital environment.

In our pursuit of making 'cybersafety a fundamental right for all' and creating a cybersecure world, our success has been forged upon a foundation of cybersecurity excellence. We achieve this through our investment in creating a robust digital infrastructure through our comprehensive product portfolio, creating cybersecurity awareness across the various layers of the society and focusing on capability development for future. We are confident of achieving this on the back of our relentless research & development efforts, capability to attract and nurture exceptional talent, foster strong leadership, and cultivate strategic partnerships.

> On the global stage, recently Quick Heal joined the US Artificial Intelligence Safety Institute Consortium (AISIC), marking a significant milestone as the only cybersecurity focused firm from India within this esteemed group. This membership outlines our dedication to advancing AI safety and trustworthiness on a global scale.

Our core purpose, *Innovate. Simplify. Secure.* delineates our approach to cybersecurity. We innovate relentlessly to stay ahead, of emerging threats and creating cutting-edge solutions that redefine industry standards. By simplifying complex security processes, we ensure that our technologies are accessible and user-friendly, enabling businesses and individuals to safeguard their digital environments effortlessly. Security is our top priority, as we work tirelessly to offer the highest level of protection against cyber threats in the challenging Indian cybersecurity market and to the world.

US$ 17.74 Billion
Projected Industry Size by 2033

₹750 Crores
Allocation for Cybersecurity Projects by the Indian Government

On the global stage, recently Quick Heal joined the US Artificial Intelligence Safety Institute Consortium (AISIC), marking a significant milestone as the only cybersecurity focused firm from India within this esteemed group. This membership outlines our dedication to advancing AI safety and trustworthiness on a global scale. Earlier this year, we collaborated with the National Institute of Standards and Technology (NIST) on the National Cybersecurity Center of Excellence (NCCoE) Data Classification Project. This not only holds a significant achievement for us but also holds promise for bringing back global best practices to India, especially as we navigate through the implementation of the Digital Personal Data Protection (DPDP) Act. By working alongside tech giants and industry leaders on this project, we have the opportunity to gain insights into cutting-edge data classification standards and guidelines that are being developed and tested at a global level. This experience serves invaluable as India strives to align its data protection and privacy regulations with international standards.

Our Focus

At the cornerstone of our Company's success lies Seqrite Labs, India's premier malware research and analysis facility. Backed by rigorous R&D efforts and unmatched expertise, Seqrite Labs maintains a repository of over 2 billion known files daily, granting us a distinct competitive edge in threat detection and response in the Indian context. We have achieved significant milestones, including being the first global company to detect and solve for the latest Expiro infector.

In collaboration with esteemed partners like the Data Security Council of India (DSCI), Seqrite Labs leverages its threat intelligence to enable the release of the 'India-focused Seqrite Cyber Threat Report 2023', enhancing our brand visibility and credibility within the cybersecurity landscape.

Seqrite, Quick Heal's enterprise arm, is the only Indian full-stack enterprise cybersecurity solutions provider. With three decades of expertise, we have been at the forefront of safeguarding critical infrastructure of the country. Our flagship product EPP played a crucial role in securing the Chandrayaan Moon Landing initiative by ISRO, further highlighting our commitment to protecting national assets and initiatives. The Company has earned the trust of over 30,000 enterprises across 70+ countries, establishing itself as a leader in cybersecurity.

> Seqrite, Quick Heal's enterprise arm, is the only Indian full-stack enterprise cybersecurity solutions provider. With three decades of expertise, we have been at the forefront of safeguarding critical infrastructure of the country.

On the consumer side, Quick Heal's Safe Browser & Safe Banking feature has received certification from the AVLab Cybersecurity Foundation, Poland, recognising it as one of the safest solutions for browsing and online banking. As a market leader, we continue to expand our robust partner network, ensuring our cutting-edge solutions reach and protect users globally.

Strong Partnerships for Success

Quick Heal actively works with partners in the consumer and enterprise sectors to support our expansion strategy. We prioritise collaborations with partners who share our vision and values, ensuring strong alignment for mutual growth. We have recently onboarded M. Tech Solutions as our partner. Additionally, we have partnered with Tata Tele Business Services (TTBS), to deliver comprehensive cybersecurity solutions to a wider market.

In Europe, we are excited to announce a strategic partnership with EET Group, a leading distributor of IT and technology solutions. To strengthen our Middle East footprint, we have partnered with Syscom to represent us in those markets.

Commitment towards ESG

At Quick Heal, we are actively working to reduce our environment footprint and incorporate alternative energy sources into our operations, in a bid to contribute to a greener future. Our efforts are supported by a strong governance framework, supported by our experienced Board of Directors and management team. Innovation, customer centricity, leadership, and integrity are our core values, guiding all our operations and decisions. These principles ensure transparency and build trust among our stakeholders.

As a leader in cybersecurity, we believe in making a positive impact on society through our commitment to promoting cyber safety and education. Our CSR initiative, 'Cyber Siksha for Cyber Suraksha,' focuses on spreading cyber safety awareness and youth development.

Bridging the Cyber Skills Gap

According to a recent report, two-thirds of organisations face additional risks due to cybersecurity skills shortages. Despite this, only 15% of firms expect cyber skills to significantly improve by 2026. Addressing this issue is critical for the future of cybersecurity.

We understand the importance of tackling the skill gap in the IT and cybersecurity sectors. To address this challenge, our Quick Heal Academy is dedicated to training young talent, ensuring they are equipped with the necessary skills for a successful career in cybersecurity.

Transitioning through the Year by Shaping Cybersecurity Future

This year has been a period of transition for us. We have built a legacy and sought the right person to advance it, creating an organisation that will outlast us. To this end, we have appointed Vishal Salvi as the Chief Executive Officer. Vishal's extensive expertise in cybersecurity and information technology, developed through various leadership roles at renowned organisations, makes him the ideal leader for this mission. Together with Vishal, we are committed to transforming the cybersecurity ecosystem in India and further solidifying our global position. Quick Heal will continue to build a strong leadership team, making key hires in strategic roles to drive growth, innovation, and operational excellence. The response from the ecosystem has been overwhelmingly positive.

Our broader outlook is one of growth and innovation, driven by our strategic objectives for the coming year. We plan to penetrate the market with new products developed over the past years. This is in alignment with the market needs and regulatory requirements.

Our vision for Quick Heal's cybersecurity transformation journey is centered around enhancing our capabilities and offerings to meet the evolving needs of our customers. We plan to achieve this by investing in R&D and Sales, focusing on cutting-edge technologies such as AI-driven security and adaptive threat detection. This will enable us to stay ahead of emerging threats and provide our customers with the highest level of protection.

Furthermore, we are committed to strengthening our brand and reputation in the market. This involves continued investment in marketing and brand-building activities, as well as maintaining our focus on delivering high-quality products and services.

We are inspired to continue driving positive change in our growing economy. I extend my heartfelt gratitude to our Board of Directors, whose guidance and support have been invaluable. I also want to thank our dedicated team whose commitment has been instrumental in our success.

I express my deep appreciation to our customers, shareholders, channel partners, regulators, advisors, employees, vendors, and all other stakeholders for their trust and support. Your belief motivates us to strive for excellence every day. Together, we are proud to be part of a transformative movement towards shaping the future of cybersecurity.

Regards,

Dr. Kailash Katkar
Chairman & Managing Director

Letter from the Joint Managing Director

> It is heartening to share that our flagship award-winning product, Seqrite EPP was a proud partner of the historic ISRO moon landing mission, demonstrating our commitment to protecting critical infrastructure of the country and supporting national achievements.

Dr. Sanjay Katkar

Dear Stakeholders,

As we look back on another exceptional year at Quick Heal Technologies Limited, I want to extend my heartfelt thanks for your continued trust and support. Your confidence has been a crucial factor in our ongoing success.

Cybercrimes are escalating at 15% annually and are expected to cost the world trillions of US$ by 2025. The surge in threat vectors—from geopolitical changes and AI advancements to the expansion of IoT and personal devices—has made individuals, businesses, and nations increasingly vulnerable. In 2023, Indian enterprises and government organisations alone faced over 5 Billion cyberattacks, with a 63% increase in incidents throughout the year. This highlights the urgent need for advanced cybersecurity solutions to address these growing threats.

Looking back to 1995, when Kailash and I launched Quick Heal, our initial success came from our drive to innovate and scale. We embarked on our journey with a clear mission: to tackle the growing problem of computer viruses and enhance digital security. Our first breakthrough came with the launch of Quick Heal Anti-virus, addressing a critical need in the digital landscape. Shortly after, we developed the first 'Virus Solution Engine' to counter advanced threats, including polymorphic viruses—a pioneering effort that allowed us to decrypt and neutralise viruses before other cybersecurity solutions were available. Our subsequent development of the Antivirus Network Solution for Novell Network in 1996 further strengthened our position, enabling entire networks to be cleaned from a single endpoint, enhancing productivity for our customers.

As threats have continued to evolve, so has our determination to transforming the cybersecurity ecosystem and positioning India on the global stage. Over the past three decades, we have pioneered cutting-edge AI technologies like GoDeep.AI, which powers our product suites. We take pride in our R&D facility, Seqrite Labs, which is India's largest malware analysis center. Our heavy focus on research has secured numerous international certifications from organisations like AV Test and AVLab, along with eight patents.The insights forged at Seqrite Labs form the cornerstone of our deep understanding of the evolving threat landscape. Recently, our team patched multiple Zero Day vulnerabilities and is the only cybersecurity solution provider globally to have found a solution for Expiro Infector. It is also heartening to share that our flagship, award-winning product, Seqrite EPP, was a proud partner of the historic ISRO moon landing mission, demonstrating our commitment to protecting the country's critical infrastructure and supporting national achievements. Additionally, as India's only company to collaborate with the US government on the NIST-NCCoE's Data Classification project and a member of the US AISIC, we are helping shape the global AI narrative.

Our Quick Heal and Seqrite product portfolios exemplify our core purpose: Innovate, Simplify, and Secure. Our leadership in the Consumer and SMB markets reflects the trust millions of customers worldwide place in our solutions, valuing their reliability and effectiveness. As India's only CSMA-aligned single platform solutions provider, we ensure a comprehensive approach to security operations. The Seqrite Cyber Security Mesh Architecture (CSMA) features a robust core, including Seqrite Labs, GoDeep.AI, and a range of business applications delivering endpoint security, network security, data privacy, and centralised security management. This multi-layered framework uniquely positions us in the cybersecurity landscape, showcasing our 'Make In India' success story for the world to witness. Our advanced security solutions are designed to tackle ever-evolving challenges, reinforcing our commitment to protecting millions of individuals, enterprises, government organisations.

While the year saw many high-profile and sophisticated cyberattacks, our process orientation has been a crucial differentiator. The recent Microsoft Blue Screen of Death outage, which disrupted services for millions globally, highlighted the critical importance of robust processes and proactive measures for cybersecurity vendors globally. This incident demonstrated how vulnerabilities can lead to widespread disruptions. Seqrite's stringent protocols and preparedness ensured that our customers' systems remained resilient and secure, reflecting our dedication to safeguarding their digital environments.

Looking ahead, we anticipate that the threat landscape will continue to evolve, presenting newer and more complex challenges. Our resolve to addressing these evolving threats remains firm, as reflected in our comprehensive product portfolio. Our solutions are tailored to meet market demands and enable our customers to be compliant with regulations like DPDP Act. Furthermore, we are preparing to leverage Generative AI to enhance our offerings, reinforcing our vision of achieving cybersecurity self-reliance and ensuring a secure digital future.

We are also expanding our global footprint through strategic partnerships. This year, we onboarded EET for the European market, Syscom for the Middle East, and M Tech and Tata Tele Business Services to enhance our enterprise outreach within India. Additionally, Quick Heal Anti-Virus is now available on JioBook laptops. Through our robust distribution network, channel partners, e-commerce platforms, and targeted sales and marketing efforts, we are committed to our goal of making 'Cyber safety a fundamental right for all'.

Our responsibility to securing India & the world goes hand in hand with our dedication to creating solutions that promise a sustainable future. Our journey from building an antivirus solution to becoming the only Indian full-stack cybersecurity solutions provider affirms our domain expertise and capabilities. Going forward, we remain focused to supporting the vision of Digital India and ensuring a secure and cyber-safe future for all.

Thank you once again for your trust and support. Together, we will continue to build on our legacy and drive forward with a clear vision of creating global cybersecurity excellence.

Warm regards,

Dr. Sanjay Katkar
Joint Managing Director

Letter from the Chief Executive Officer

> Our goal is to stay ahead of the ever evolving threats through extensive research and cutting-edge technology. Seqrite Labs, India's largest malware analysis lab, combined with our three decades of expertise, has enabled us to launch the first in-depth India-centric threat report.

Vishal Salvi

Dear Stakeholders,

I am filled with immense pride as I present Quick Heal Technologies Limited's Annual Report for the year 2023-24. As the CEO of Quick Heal, it is my endeavor to drive growth, foster a culture of innovation, and deliver unmatched value to our customers and stakeholders alike. I firmly believe Cybersecurity is a collective responsibility and together, we strive to create a cyber-secure world for everyone.

In an era of rapid digitisation and expanding threat vectors, collaborative efforts and innovative solutions are essential. At Quick Heal, our goal is to stay ahead of the ever evolving threats through extensive research and cutting-edge technology. Seqrite Labs, India's largest malware analysis lab, combined with our three decades of expertise, has enabled us to launch the first in-depth India-centric threat report. This report provides actionable insights to navigate the evolving threat landscape and stay ahead of cyberattacks.

Seqrite, our enterprise cybersecurity brand, understands the unique challenges faced by CISOs and CIOs. As India's only full-stack enterprise cybersecurity platform provider, we offer integrated, modular, scalable, and easy-to-deploy solutions. Protecting critical infrastructure is our commitment towards ensuring resilience against evolving threats.

The Big Picture

India's economy remains stable and healthy due to strong government investments in infrastructure and local manufacturing, alongside a consistent performance in service industries. The rapid growth of India's digital ecosystem is projected to account for 20% of the GDP by 2026, but this digital evolution has also made India one of the most targeted country for cyberattacks, accounting for 13.7% of all attacks worldwide. In 2023, there were 2,138 weekly attacks per organisation, a 15% increase from 2022. Despite India's diplomatic neutrality, cyber threats linked to global conflicts have impacted the digital landscape. I would like to compliment the government of India for taking a note of this challenge and there has been a significant boost in the Interim Union Budget allocation 2024-25 for cybersecurity projects, increasing from ₹ 400 Crores in the 2023-24 to ₹ 750 Crores for 2024-25. Quick Heal is dedicated to simplifying cybersecurity for enterprises, government organisations, and public sector entities with comprehensive, innovative solutions supported by top-tier security experts.

Innovate. Simplify. Secure.

We prioritise innovation in cybersecurity by offering advanced threat management, an integrated architecture, and deep malware research. We implement a common taxonomy for streamlined threat response and develop use cases and automated playbooks. Our innovative AI/ML models enhance threat detection, while our efforts to democratise cybersecurity make it accessible to all.

Simplifying cybersecurity is at the core of our mission. We provide a one-stop solution aligned with CSMA, deeply understanding the pain points of dealing with multiple vendors. Our integrated, modular, and scalable solutions streamline processes, reports, and user experiences, ensuring seamless and efficient protection. We provide a single pane of glass for easy management and a unified policy framework. A common playbook ensures consistency, while our solutions are robust, resilient, and scalable. Deployment and use are easy, enhancing overall cybersecurity.

We ensure security by focusing on efficacy, achieving high true positives, and being adaptive and future-proof. Our solutions are error-proof and transparent, providing a zero-touch experience. Operating on a zero-trust model, our approach is thorough and secure. We leverage data from millions of endpoints to tailor our cybersecurity solutions, addressing unique challenges with unparalleled precision. Seqrite Labs gives us a competitive edge in threat detection and response. With 30 years of experience, we excel in threat protection, product lifecycle management, and advanced technologies like AI.

We are heavily investing in enterprise solutions, which represent 95% of the cybersecurity market, projected to grow three times faster than the consumer segment. Our integrated solutions, built on CSMA, meet the demand for consolidated cybersecurity from 75% of organisations. Despite lower penetration of paid antivirus software in India (20-25%) compared to developed regions (50%), we are committed to maintain our market leadership position and raise consumer awareness about cybersecurity. These efforts aim to solidify our market position and educate consumers on robust cybersecurity measures.

FY 2023-24 in a Nutshell

During this period, we prioritised the reinvigoration of our consumer business. We focused strongly on cyber awareness and digital engagement to drive growth and serve our customers better. A key component of our strategy was the onboarding of new leadership talent to guide us towards innovation and operational excellence. Their business acumen and experience will help us drive our organisation forward. Additionally, we restructured our sales team, forged strategic channel partnerships, and appointed leaders to boost our readiness for securing major contracts.

During 2023-24, the Company achieved a consolidated revenue of ₹ 291.8 Crores. Within this total, the consumer segment contributed ₹ 204.4* Crores in gross revenue, demonstrating its robust performance. Additionally, the enterprise segment showcased a solid performance with recorded revenue of ₹ 119.5* Crores growing by 12% YoY. These figures highlight the overall growth and success of the Company, positioning us for further advancement in the market.

*Based on gross revenues before adjusting for sales incentives

Our R&D Commitment

We understand the critical importance of research and development in the cybersecurity sector as it drives innovation, leading to the development of cutting-edge solutions that can effectively combat evolving cyber threats. At Quick Heal, we are committed to staying at the forefront of deep research and technology adoption. One of our patented technologies, GoDeep.AI, is a self-aware malware-hunting innovation. This technology enhances our products' ability to protect against emerging threats while ensuring optimal system performance. We are also increasing our R&D spend, with the team continuously working towards upgrading our products with new features. We continue to make great progress in our use of AI in our tools and simplifying cybersecurity for our customers and you can expect us to come out with more innovations and announcements in the coming financial year.

Our dedication to secure technological advancement extends beyond traditional cybersecurity. We are the only Indian cybersecurity firm collaborating with the US Artificial Intelligence Safety Institute Consortium (AISIC) to promote responsible AI. Our certification and top score from AVLab & AV Test validate our pioneering efforts in cybersecurity. Quick Heal Total Security's Safe Browser and Safe Banking modules excelled in rigorous testing against seven global cybersecurity solutions, scoring high across all safety parameters. This achievement reinforces our commitment to creating a safe digital landscape and setting new industry benchmarks.

Strengthening Our Brand Recognition

We are implementing strategies to enhance our brand visibility, recognition, and reputation in the cybersecurity industry. By engaging meaningfully with our audience, offering valuable content, and encouraging participation and sharing, we aim to amplify our reach and impact.

Quick Heal is enhancing brand visibility across social media, search engines, and other marketing channels to reach our target audience. We have also refreshed the brand identity and product portfolio at Seqrite, reflecting our commitment to cybersecurity excellence and innovation. The parallel lines in our logo symbolise dedication to innovation and customer focus, with black representing professionalism and bold red embodying our heroic spirit.

Our new Favicon launch signifies our mission to simplify cybersecurity complexities, featuring elements from our logo to encapsulate our brand identity. Our participation in events such as AISS 2023, the ETCISO Data Protection & Privacy Summit, C0C0N Security & Hacking Conference, and the ISMG Cybersecurity Summit in Mumbai reflects our commitment to staying at the forefront of the industry. Additionally, we contributed to the DSCI Cybersecurity Awareness Month to help raise awareness and promote Quick Heal as a trusted cybersecurity partner.

Strong Partnerships & Value-Added Sellers

By partnering with us, businesses can leverage our cybersecurity expertise and solutions to meet growing demands and protect their digital assets. Our strategic alliances enhance our competitive edge and drive growth. Recently, we appointed M. Tech Solutions as a value-added distributor in India, focusing on expanding Quick Heal's Seqrite portfolio in the Enterprise and Government sectors. We also partnered with Tata Tele Business Services, Syscom in the Middle East, and EET in Europe to broaden our market presence. Additionally, our collaboration with Jio Book will pre-bundle Quick Heal Antivirus with their laptops, providing instant cybersecurity protection. These partnerships underscore our commitment to delivering top-notch cybersecurity solutions globally.

We are also partnering with the Big Four accounting firms as our value-added resellers. This collaboration will enhance our capabilities in product pricing, market share analysis, and go-to-market (GTM) strategies, reinforcing our commitment to delivering top-tier solutions to our clients.

Shaping and Empowering Employees

At Quick Heal, we are committed to investing in our workforce to ensure their satisfaction, skill development, and retention in a competitive market. We foster a positive company culture that encourages collaboration, innovation, and employee well-being. Continuous learning and development are key focus areas, with programs to enhance skills and keep employees updated with industry trends and technologies.

We promote diversity, openness, and inclusivity, ensuring a safe and respectful environment. Employee health and safety are top priorities, with steps taken to guarantee a secure work environment. Regular performance evaluations recognise contributions and achievements, motivating employees to excel.

We recently launched our Culture Code, reinforcing our commitment to excellence, integrity, and innovation. The Culture Code embodies our key values, serving as the unerring navigation that powers us today and guides us into who we will be tomorrow. We believe that our culture outlives and out-inspires any Key Result Area (KRA), fostering an environment where trust thrives. While talent makes us good, it is our culture that makes us great. This commitment to our culture underlines our dedication to excellence and innovation, ensuring that we continue to deliver exceptional solutions and services to our customers.

Nurturing Communities

Our CSR initiatives have positively impacted over 50 lakh individuals cumulatively over the years, especially in remote areas. To commemorate this, we hosted the 2024 'Cyber Shiksha for Cyber Suraksha' Awards, recognising the contributions of volunteering institutions, dedicated teachers, and enthusiastic students in spreading the message of cyber safety. We extend heartfelt gratitude to our partners, local state administrations, the Police, Maharashtra Cyber, and industry bodies like NASSCOM for supporting our mission to establish 'Cybersafety as a fundamental right for all'. Together, we aspire to create a cyber-safe India.

Charting the Road Way Forward

As we chart our path forward, Quick Heal is at a pivotal juncture, transitioning from solely serving consumers to embracing a dual focus on consumers and enterprises within India. This strategic shift marks a significant evolution in our approach, signifying our commitment to providing robust cybersecurity solutions that cater to the diverse needs of both segments. Our dedication to innovation and excellence has positioned us as a trusted partner in safeguarding digital assets. As a result, we are focussing within Horizon 3 solutions which would be instrumental towards monetising our rich threat intelligence, Gen AI adoption, adjacent offerings in consumer segments and expanding the use cases and solutions under data privacy and Zero trust family.

We are poised to extend our reach beyond borders, aspiring to serve consumers and enterprises globally. This transformation showcases agility and determination to adapt to the evolving cybersecurity landscape, ensuring that we remain at the forefront of technological advancements while delivering unparalleled protection and peace of mind to our customers worldwide.

Given global market nuances and regulatory differences, we are dedicated to customising our offerings for international expansion. Our strategies target five growth areas: relevance, delivery, excellence, branding, and people. Expanding our enterprise segment, which now constitutes nearly 40% of our top line, we aim to target mid-sized and large-sized customers. Building from our SMB base, we will focus on the up-market and government segments with integrated cybersecurity solutions, meeting the growing demand for security infrastructure consolidation.

We are onboarding partners in key countries to ensure localised expertise and market penetration and participating in global security conferences to build our brand and establish a strong presence in the international cybersecurity landscape.

As data protection regulations evolve, Quick Heal is ready to assist clients in complying with the Indian Government's 2023 Digital Personal Data Protection Act (DPDP). We plan to introduce a data discovery and classification product to identify personally identifiable information (PII) across data sets. Partnering with Big 4 consulting firms will provide customers with comprehensive access to consulting and solutions for data protection and compliance.

With the support of our Board, we are committed to meeting their evolving needs. Our foundation lies in providing innovative, simple and secure solutions based on advanced technology. Embracing a future-forward approach, we adapt quickly to industry demands, even amid turbulence.

Moving forward, we remain resilient in combating cybersecurity threats and external business challenges. Our customers are at the heart of everything we do, and our commitment to innovation and rigorous R&D fuels our progress, driving us towards a digitally safe and sustainable future.

Warm Regards,

Vishal Salvi
Chief Executive Officer

Leveraging Our Strengths

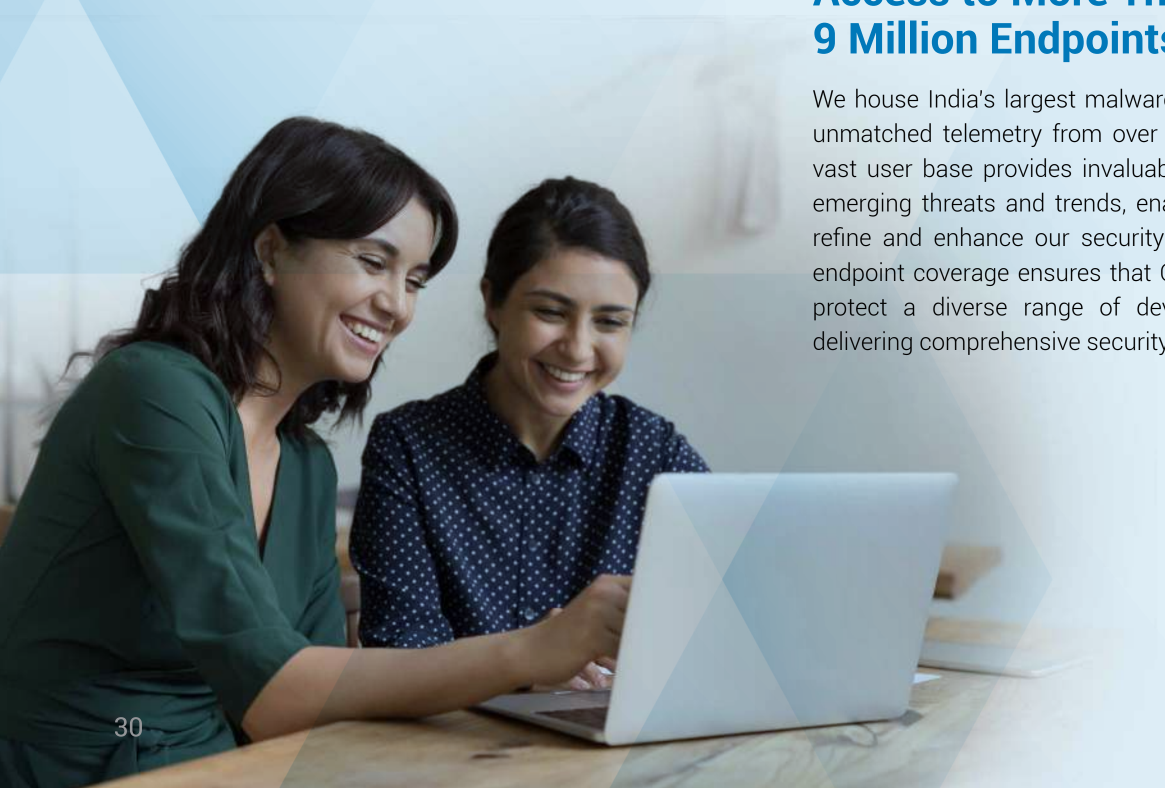
At Quick Heal, our strategic vision around cybersecurity is encapsulated in our core purpose: Innovate, Simplify, Secure. Our solutions are a testament to our reliable offerings and efforts to simplify and strengthen the cyber domain. Leveraging cutting-edge patented technologies, we are driving transformative change within the global cybersecurity landscape.

Make in India

Our products proudly align with the Make in India initiative, reinforcing our commitment to fostering indigenous innovation and self-reliance. By developing and manufacturing cybersecurity solutions within India, we not only contribute to the nation's economic growth but also ensure that our products are tailored to meet the specific security needs and regulatory requirements of the Indian market. This further enhances our responsiveness and adaptability, providing customers with highly relevant and effective cybersecurity measures.

Legacy of 30 Years

With a legacy spanning three decades, we have established ourselves as a trusted and reliable name in the cybersecurity industry. This extensive experience translates into a knowledge and expertise, enabling us to deliver proven and effective security solutions. The Company's long-standing presence in the market is evidence to our ability to adapt to evolving threats and technological advancements, consistently providing high-quality protection to our customers.



Proximity to the Customers

Quick Heal's strategic emphasis on maintaining proximity to our customers translates into a deep understanding of their unique challenges and requirements. This close engagement and on ground presence allows us to provide personalised round-the-clock support, rapid issue resolution, and tailored solutions that address the specific security concerns of diverse customer segments. By staying attuned to customer feedback and evolving needs, we ensure a high level of customer satisfaction and loyalty.

Largest Cybersecurity Lab in India

Our Seqrite Labs stands as the largest cybersecurity lab in India, serving as the backbone of our advanced threat detection and response capabilities. With a 30-year history of exceptional detection prowess, including ransomware, malware, and Zero-Day vulnerability resolution, Seqrite Labs holds the unique achievement of being the first and only facility to detect and solve for the latest Expiro infector and identify multiple zero day vulnerabilities globally.

Access to More Than 9 Million Endpoints

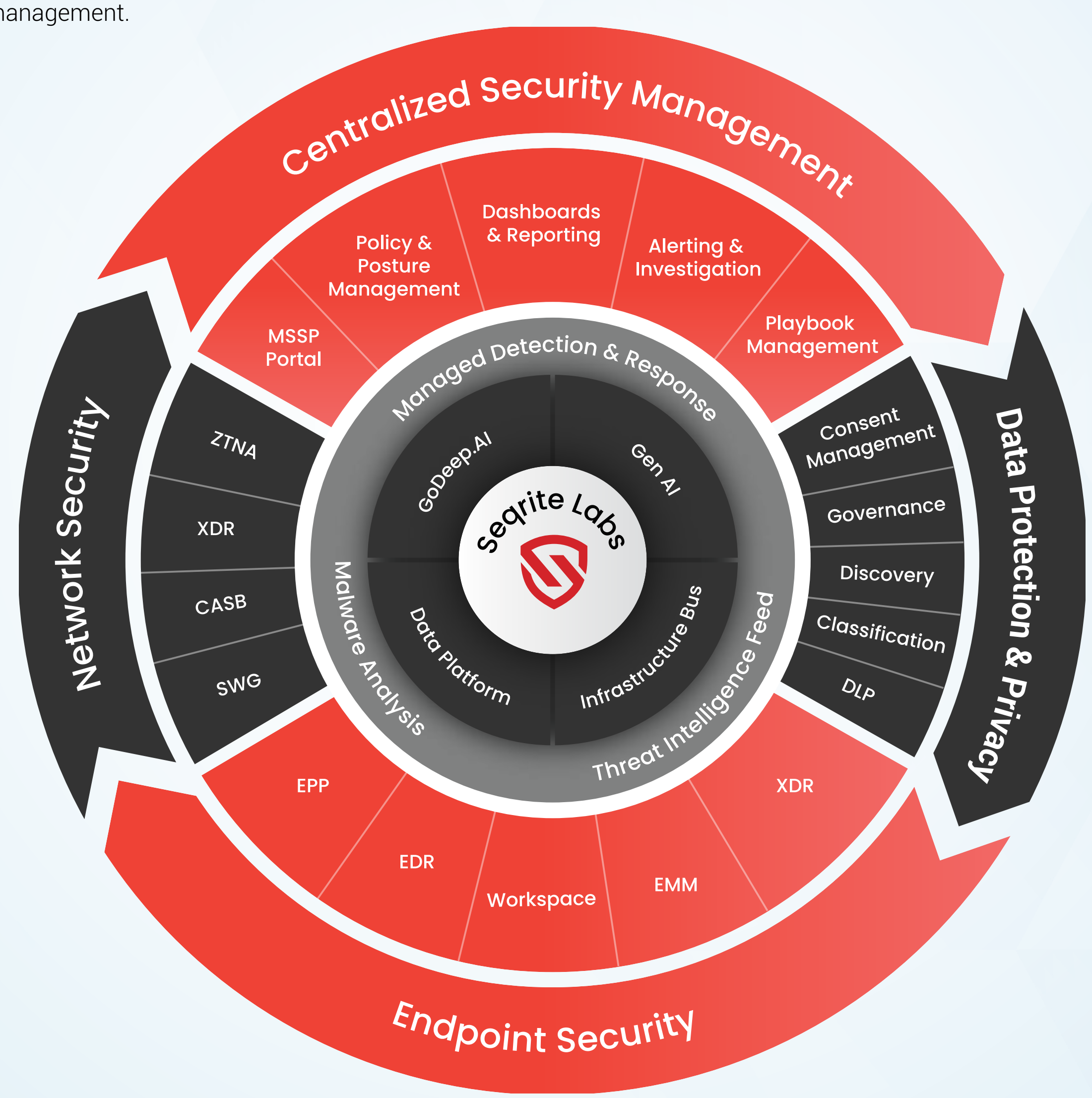
We house India's largest malware analysis center, with an unmatched telemetry from over 9 Million endpoints. This vast user base provides invaluable data and insights into emerging threats and trends, enabling us to continuously refine and enhance our security offerings. The extensive endpoint coverage ensures that Quick Heal can effectively protect a diverse range of devices and environments, delivering comprehensive security at scale.

Holistic Platformised Cybersecurity Solution

With a deep understanding of the challenges CISOs and CIOs face today, our R&D efforts have been dedicated to creating a comprehensive solution stack that aligns with the CSMA. Our new generation of products spans devices, applications, networks, and data, allowing Seqrite to deliver holistic security solutions tailored for enterprise customers.

Our cybersecurity solutions are built on Seqrite's CSMA, a comprehensive framework that offers our customers a centralised approach to security operations, safeguarding critical information, data, and assets. This five-layer architecture features a robust core CHASSIS comprising Seqrite Labs, India's largest malware analysis facility, GoDeep.AI leveraging advanced AI/ML technology, GenAI-based assistant, Infrastructure Bus, and the Data Platform.

Above this core, we provide a services layer offering Managed Detection and Response services, Malware analysis, and Threat Intelligence feeds. Our suite of business applications delivers endpoint security, network security, data privacy, and centralised security management.



Existing Relationships and Network

Our robust network of relationships and partnerships amplifies our market reach and capability. Collaborations with industry leaders, technology partners, and channel partners enhance our ability to deliver comprehensive and integrated security solutions. These established connections enable Quick Heal to leverage collective expertise and resources, ensuring that customers benefit from a broad ecosystem of support and innovation.

Our Value Creation Model

Input → Value Creation Process → Outcome → SDGs

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: ₹ 133.06 Crores

Financial Capital
- Total equity: ₹ 53.51 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: 996
- Investment in training programs: ~ ₹ 37 Lakhs
- Awards and recognition for staff: ~ ₹ 26 Lakhs

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

Natural Capital
- Use of renewable energy

Value Creation Process

Continuous monitoring of threat landscape

- Identifying Problem
- Management Insight
- Thrust on R&D
- Strategic Planning

Enhance products/ services & New products/ services

X

Customer awareness Market penetration

Driving Seamless Consumer Experience

- Addressing Grievances
- Feedback on Experience

- Identifying Problems
- Better Customer Insight

Mission — Empowering the team to solve business problems

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

Core Purpose — Innovate to 'simplify' securing digital experience

Outcome

Service Capital
- Enterprise: Seqrite
- Consumer: Quick Heal

SDGs: 9

Intellectual Capital
- New Products Releases: 47

SDGs: 8, 9

Financial Capital
- Total income: ₹ 313.14 Crores
- EBITDA: ₹ 17.55 Crores
- PAT: ₹ 24.24 Crores

SDGs: 1, 2, 8

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

SDGs: 1, 2, 3, 4, 10, 11, 17

Human Capital
- Contractual employee strength: 47
- Interns: 75
- Women employees: 181

SDGs: 3, 5, 8, 10

Customer Capital
- Sales (consolidated): ₹ 291.75 Crores
- Customer satisfaction and positive feedback overall: 47

SDGs: 8, 10, 12

Natural Capital
- Paperless operations/ carbon neutrality

SDGs: 7, 12, 13

Stakeholder Engagement

At Quick Heal, building and nurturing strong relationships with our stakeholders is essential for our success and growth. By maintaining open lines of communication and understanding the unique needs and concerns of each stakeholder group, we create meaningful connections that drive our business forward.

We actively involve stakeholders in the value creation process by empowering them with cybersecurity awareness. We prioritise transparent and proactive communication to maintain stakeholder trust. Ensuring the safety and confidentiality of customer data is our top priority, and we promote consumer awareness by training our distributors to provide a secure customer experience.

Stakeholder	Importance	Key Engagement Channels	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 and social media » In-house and third-party market research surveys and 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	Social and Relationship Capital
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 and 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 » Half-yearly » Annually	Financial Capital

Stakeholder	Importance	Key Engagement Channels	Company's Response	Frequency	Capitals Linked
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	Social and Relationship Capital
Communities	» Social relationship enabler » Enablers of the Company's corporate social reputation	» Business sustainability » Social governance practices	» Multi-channel support (includes remote access and onsite support across India)	» Quarterly » Half-yearly » Annually	Social and Relationship Capital
Distributors	» Fair and ethical procurement and 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	Social and Relationship Capital
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	Human Capital

Assessing Materiality

At Quick Heal, we simplify the complexities of material factors, thereby ensuring that our actions are both meaningful and aligned with our core values. By integrating materiality into our decision-making processes, we drive sustainable growth. This also enables us to adapt and thrive in the face of emerging challenges.

Materiality assessments provide an objective view on sustainability issues by involving a diverse range of stakeholders. By integrating insights from these assessments into our strategic and business planning, we ensure alignment with stakeholder needs. Engaging proactively with both external and internal stakeholders, we pinpoint the most critical sustainability topics and metrics for our operational strategy and public reporting. This approach allows us to stay ahead of the curve and effectively tackle our organisation's most pressing sustainability challenges.

Material Topic	Description	Capitals Linked
Environment Protection and Climate Change	The adverse effect of climate change may impact business operations. Commitment towards environmental protection by defining systems and processes for environmental management and by undertaking various initiatives to support environmental protection and reduce impact on environment to limit climate change.	Natural Capital
Waste Management	Waste is generated both during the construction and operational phases of the project. Organisations are legally bound for the safe management of both hazardous and non-hazardous wastes. Improper management of waste may lead to environmental pollution and contamination, regulatory fines and notices, adverse impacts on health, and community protest that will negatively impact the brand's reputation.	Natural Capital
Emissions	Air emissions due to the Company's operations may cause inconvenience to employees and local communities, and excessive exposures may pose serious health issues. Organisations are legally bound to control the emissions such as Particulate Matter, Sox, NOx, as per the regulatory requirement. Also, considering the impact of climate change due to Greenhouse Gases (GHG) emissions and growing pressure from stakeholders, companies are committing to reduce their emissions and defining targets for carbon neutrality/net zero.	Natural Capital
Customer Satisfaction	This is a measure of a customer's attitude toward a product, a service, or a brand. It's the key to growth of business. Customer loyalty refers to repeated purchases by the customer. It helps boost profits and reputation by increasing customer retention.	Customer Capital
Governance	Refers to compliance with local and national laws, and the Company's commitment towards global initiatives or pledges.	Customer Capital Intellectual Capital
Business Ethics & Values	Refers to organisation's values, principles, standards, and norms of behavior. These can include Company's honesty, moral uprightness, truthfulness, codes of conduct and ethics.	Customer Capital Intellectual Capital
Economic Performance	An organisation is expected to compile information for economic disclosures using figures from its audited financial statements or its internally audited management accounts, whenever possible. These figures are critical to the organisation's performance evaluation and are closely tracked by analysts/rating agencies, financers.	Financial Capital
Innovation & Technology	Innovation and integration of new technology provide business opportunities thus giving an edge over the competition. Also, adoption of new and cleaner technologies helps organisations manage the environmental and operational issues (e.g. efficiency losses) efficiently.	Intellectual Capital
Corporate Governance	Corporate governance includes aspects related to encouraging responsible business practices and maintaining the highest level of ethical standards in terms of integrity, business ethics, transparency, and regulatory compliance. It also covers operational aspects such as risk management procedures, internal controls, information security, public disclosures.	Customer Capital Intellectual Capital
Sustainable Supply Chain	It refers to implementing systems and processes to address Environmental, Social, and Governance (ESG) and operational challenges in the supply chain and to ensure that benefits must reach the person in the lowermost tier in the Company's supply chain. Supply chain interruptions may impact the business continuity and unethical business practices have a direct impact on the brand's reputation.	Natural Capital Social & Relationship Capital Customer Capital
Employee Engagement	Involves training, skill development, grievance mechanism, leadership development programs. Maintaining a highly skilled workforce is essential for enhancing productivity, and ensures sustainable growth of the Company.	Human Capital

Material Topic	Description	Capitals Linked
Partner Engagement	Involves training, skill development, grievance mechanism, partner satisfaction programs. Maintaining a functional partner ecosystem is essential for enhancing GTM, market share and ensures sustainable growth of the Company.	Social and Relationship Capital
Diversity and Equal Opportunity Employment	Indicators of diversity can include gender, age, ancestry and ethnic origin, citizenship, creed, disability. It can be ensured by making special provisions for diverse set of people to build a long-term relationship with them. Example of employee diversity include: Percentage of female workers in the organisation. The Company may offer childcare leave to female employees to improve retention, or, give special preferences to disabled persons to minimise their challenges.	Human Capital
Occupational Health and Safety	Occupational Health and Safety cover aspects related to encouraging and ensuring a safe working environment; and implementing initiatives to ensure continual improvement in terms of upgrading safety guidelines, providing safety training, and promoting employee wellbeing.	Human Capital
Human Rights	Refers to the practices in place for eliminating all forms of forced or compulsory labour, child labour, harassment, abuse and discrimination. It also includes respecting employee's and communities' rights and implementing systems for ensuring conformity with the responsible business practices.	Human Capital
Community Engagement & Social Impact	Communities are one of the major stakeholders affected by the organisation's direct operations and its externalities. Engagement with communities minimises possibility of present and future conflicts and brings them onboard to ensure smooth operations. Social Impact - refers to the effect (positive or negative) on people and communities, as a result of an action or inaction, an activity, project, program or policy.	Social and Relationship Capital
Talent and Capability Development	Talent and capability development refer to the ongoing process of nurturing and enhancing the skills, knowledge, and potential of individuals within an organisation or community. It involves identifying strengths and areas for improvement, providing relevant training and resources, offering opportunities for growth and advancement, and supporting individuals in reaching their full potential. This process is essential for organisations to stay competitive and innovative, as well as for individuals to achieve personal and professional fulfilment.	Human Capital

Material Topic	Description	Capitals Linked
Establish Cybersecurity Need and Create Awareness	In India, the rate at which consumers include an AV (antivirus) component when purchasing a new device is almost half the global average. Establishing the need for cybersecurity and creating awareness about its importance are critical steps in protecting individuals, organisations, and communities from cyber threats.	Intellectual Capital Customer Capital
Prevention of Cyberattacks on Our Customers	Preventing cyber-attacks on customers requires a proactive and multi-faceted approach, best-in-class products and services that addresses various aspects of cybersecurity. This would enhance trust and confidence in our products and services.	Intellectual Capital Customer Capital
Product Relevance	Product relevance refers to the degree to which a product meets the needs and desires of its target market. A relevant product is one that addresses specific customer pain points, solves a problem, or fulfils a demand effectively. This emphasises meeting customer needs and staying competitive in the market. Product relevance hinges on several key factors. Firstly, conducting apt market research allows companies to grasp evolving customer preferences and needs. Collecting customer feedback promptly allows for quick adaptation to changing demands. Continuous innovation and differentiation help products stand out in competitive markets. Effective communication of the value proposition highlights unique benefits. Consistency in delivering high-quality products that perform as promised fosters customer satisfaction. Finally, building a strong brand reputation creates a pull for customers, enhancing the overall relevance of the product in the market.	Intellectual Capital Customer Capital
Cybersecurity & Data Privacy	Cybersecurity and data privacy are crucial aspects of modern digital operations. Cybersecurity encompasses the protection of computer systems, networks, and data from unauthorised access, cyber-attacks, and other security breaches. Data privacy, on the other hand, focuses on the responsible handling and protection of personal data collected from individuals. It involves compliance with privacy laws and regulations. Quick Heal intends to adopting leading data privacy & cybersecurity standards and to be recognised as industry leader in Cybersecurity.	Intellectual Capital Customer Capital

Financial
Capital

At Quick Heal, we are committed to strengthening our financial foundation through strategic investments in technology and innovation. As we expand our market reach and enhance our product portfolio, we remain dedicated to delivering exceptional value to our stakeholders. Our focus on sustainable growth, operational efficiency, and robust financial management highlights our commitment to fortifying our financial capital in an ever-evolving cybersecurity landscape. Additionally, as a cash-rich company, we are well-positioned to seize new opportunities and navigate market challenges, ensuring long-term stability and growth for our business.

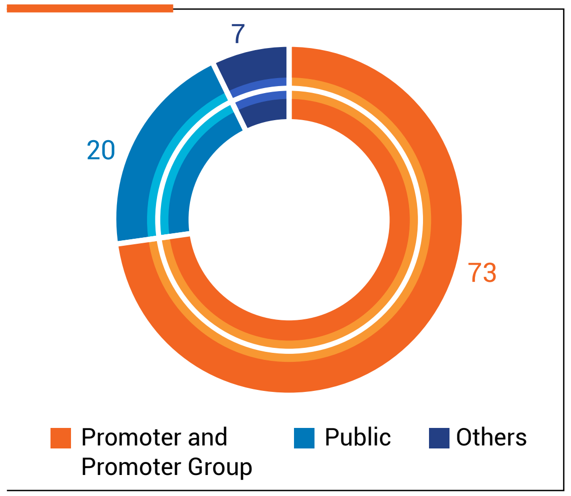
Debt Free
Balance Sheet

Market Leader
In Consumer and Enterprise SMB Segments

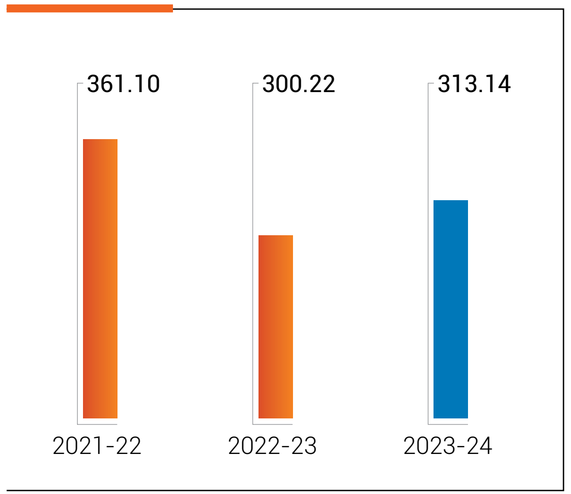
₹ 204.4 Crores
Consumer Revenue

₹ 119.5 Crores
Enterprise Revenue

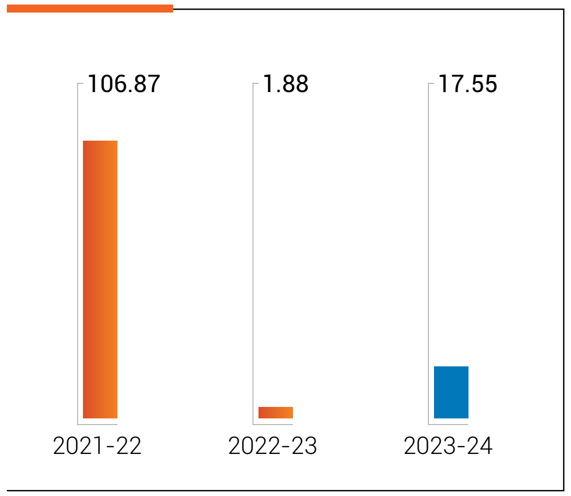
Shareholding Pattern
(In %)



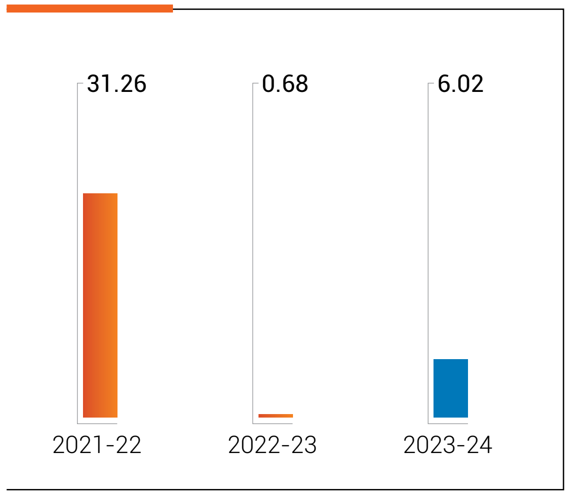
Total Income
(₹ in Crores)



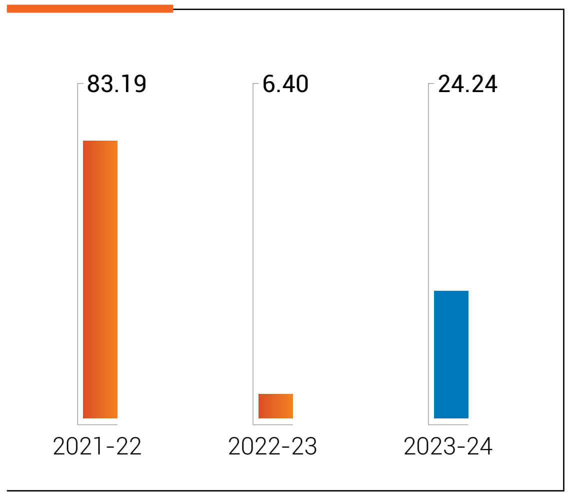
EBITDA
(₹ in Crores)



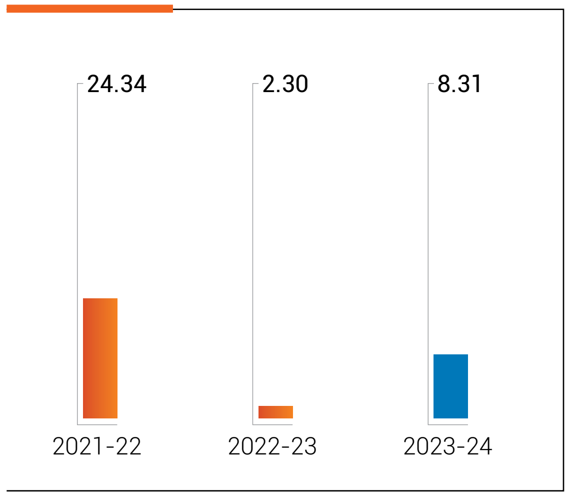
EBITDA Margin
(In %)



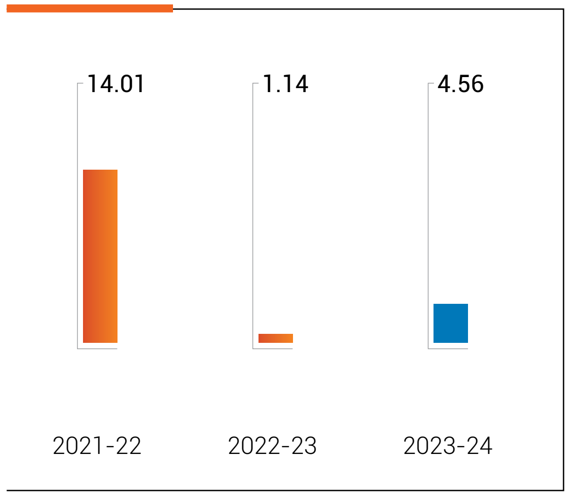
PAT
(₹ in Crores)



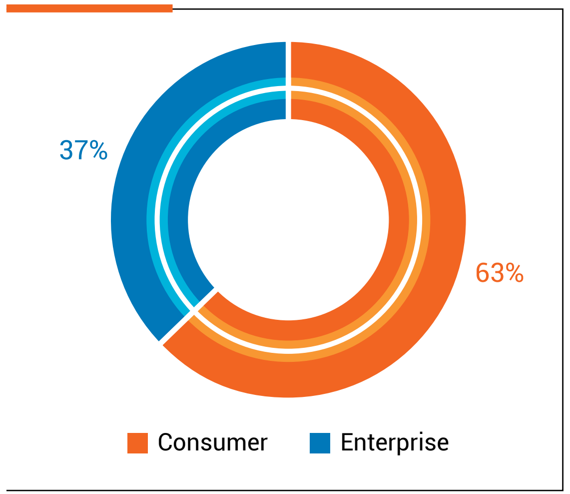
PAT Margin
(In %)



Basic EPS
(In ₹)



Revenue Mix
(In %)



Capital Trade-Offs

Financial Capital interlinked with other Capitals

Service Capital

Our financial capital plays a crucial role in expanding our presence across the country and globally as well. This enables us to reach a larger population of individuals and communities.

Intellectual Capital

Our intangible assets remain robust due to consistent funding into these initiatives.

Human Capital

Through the allocation of financial capital, we ensure fair and non-discriminatory compensation for our employees, thereby fostering their retention and enhancing productivity.

Natural Capital

By investing in conscious and responsible management of our day-to-day operations, we aim to minimise our environmental impact. This commitment not only contributes to sustainability and reduction in our carbon footprint but also promotes long-term cost efficiency for our business.

Social and Relationship Capital

We recognise the importance of nurturing strong relationships with our customers, communities, investors, suppliers, and other stakeholders within our ecosystem. This requires investments of both time and financial resources, aimed at regular and meaningful interactions.

Customer Capital

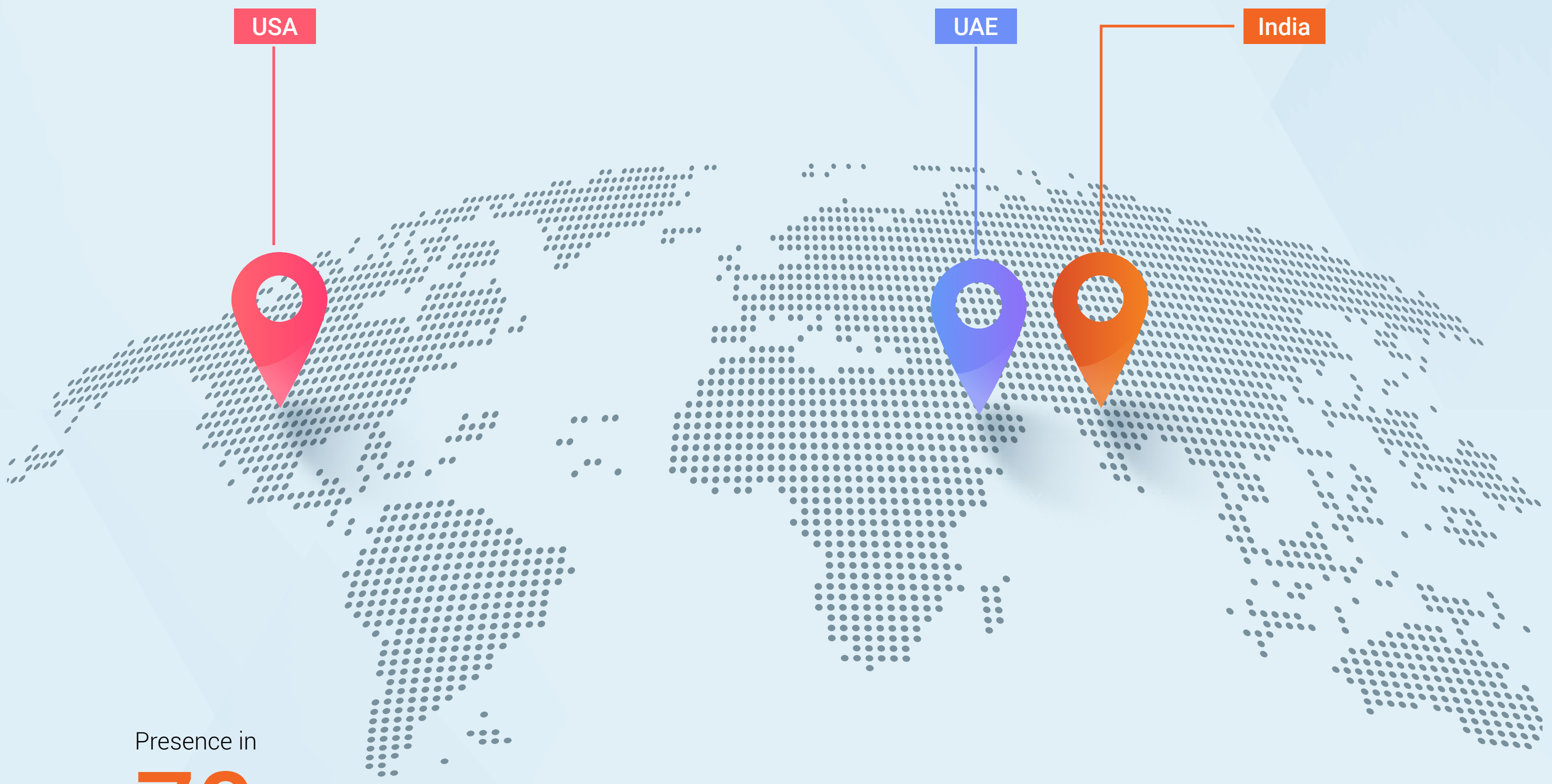
Our strong financial capital is directly linked to robust customer capital, as satisfied customers drive revenue growth and foster long-term financial stability.

Service Capital

In the ever-evolving landscape of cybersecurity, Quick Heal stands out as a beacon of reliability and innovation both domestically and globally. Our Service Capital is the cornerstone that supports our mission to secure digital lives across the globe, ensuring unparalleled protection and support at every touchpoint.

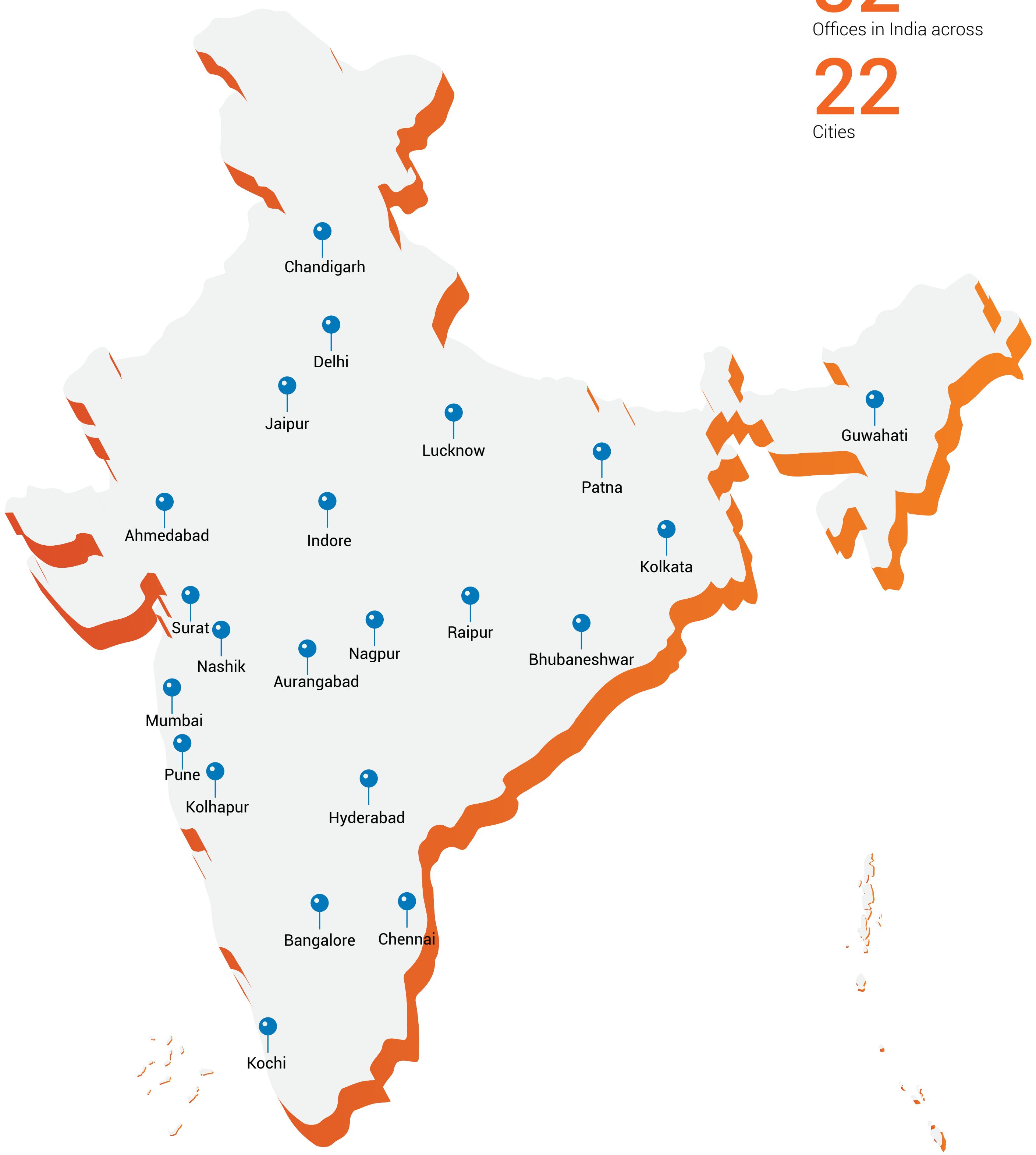
Geographical Footprint

Global Presence



Presence in
70+
Countries

National Presence



32
Offices in India across

22
Cities

Disclaimer: 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 in connection to its accuracy or completeness.

Capital Trade-Offs

Service Capital Interlinked with Other Capitals

Financial Capital

Our service capital enables us to establish and maintain profitable operations throughout the country and globally.

Intellectual Capital

Our brand reputation, technology infrastructure, initiating innovations, and digitising our operations helps in the presence of our products worldwide.

Natural Capital

We actively work towards maximising the efficient utilisation of natural resources and minimising waste through products. This helps us reduce our environmental impact.

Human Capital

The presence of our products and offices Pan-India enables employees to work efficiently to maintain seamless operations throughout.

Social and Relationship Capital

Our products have facilitated the development of strong relationships with customers, local stakeholders and underprivileged communities.

Customer Capital

Delivering exceptional cybersecurity products and solutions worldwide enhances customer satisfaction and loyalty, ultimately increasing the value and trust customers place in us.

Intellectual Capital

At Quick Heal, our intellectual capital comprises the domain expertise, deep knowledge, creativity, and strategic thinking of our team. It enables us to grow and move forward in a dynamic market. Our commitment to fostering an environment where ideas flourish and expertise thrives ensures that we not only keep pace with industry advancements but also lead the way.

At Quick Heal, we have developed a comprehensive portfolio of consumer and enterprise cybersecurity solutions, covering areas such as Antivirus, Endpoint Protection, Zero Trust, XDR, and Data Privacy. All our solutions are integrated using a common platform and available as cloud SaaS solutions, ensuring ease of use and simplified deployment.

We leverage Artificial Intelligence (AI)/Machine Learning (ML) technologies extensively to enhance our functions. For instance, we use AI/ML tools to accelerate software development processes and analyse millions of suspicious indicators to improve zero-day malware detection. Our multiple ongoing AI/ML initiatives give us an edge in areas like dynamic user and device reputation and protection, intelligent and context-aware threat investigations, and dynamic response to intrusions.

We are working on many research initiatives that span across the whole cybersecurity lifecycle, covering phishing detection, deep fake detection, network traffic analytics, user and entity behavior analytics, Indicator of Attack (IOA) and Indicator of Compromise (IOC) detection and hunting, advance persistent threat detection, as well as breach prevention and remediation.

Our New Product Lines

- AV 24 (leveraging GoDeep.AI)
- Endpoint Protection
- Zero Trust Network Access
- Data Privacy

Establishing Product-Market Fit

In response to the growing demand for data privacy regulations worldwide, we have developed certain products specifically designed to help companies safeguard sensitive information stored in their databases. As data protection and privacy legislation become increasingly important, there is a need for businesses to comply with these regulations and protect their customers' personally identifiable information (PII). Additionally, adapting to the evolving technological landscape, we are addressing the emerging field of API security through our investment in L7 Defense Ltt.

Quick Heal's full-featured (Seqrite Data Privacy) is an indigenous offering contextualised to India's DPDP (Digital Personal Data Protection) Act. It is expected to become the ultimate one-stop solution for discovering, classifying, and implementing governance on sensitive digital data.

Over three years ago, we began investing in our Horizon-2 solutions, including EDR, XDR, Zero Trust, and Data Privacy solutions. This year, these products gained market traction. We are making further investments in new solutions to enhance our portfolio. Our future product pipeline (Horizon-3) includes monetising threat intelligence, Gen AI adoption, expanding consumer offerings, and strengthening data privacy and Zero Trust solutions.

Our Innovative Enterprise Cybersecurity Solutions

- Empower businesses and enable digital transformation
- Equip Chief Information Security Officers (CISOs) and IT management with advanced capabilities
- Provide comprehensive visibility into enterprise security status and valuable insights
- Enhance an organisation's defense against emerging cyber threats targeting endpoints, mobile devices, data infrastructure, and applications
- Utilise proprietary technologies, cloud, and artificial intelligence (AI)
- Ensure quick deployment, lightweight functionality, and user-friendly operation
- Consolidate cybersecurity silos and support data-driven decision-making for a holistic security posture

Features of Our Innovative Enterprise Cybersecurity Solutions

- Empower businesses and enable digital transformation
- Equip chief information security officers (CISOs) and chief information officers (CIOs) and IT management with advanced capabilities
- Provide comprehensive visibility into enterprise security status and valuable insights
- Enhance an organisation's defence against emerging cyber threats targeting endpoints, mobile devices, data infrastructure, and applications
- Utilise proprietary technologies, cloud, and AI
- Ensure quick deployment, lightweight functionality, and user-friendly operation
- Consolidate cybersecurity silos and support data-driven decision-making for a holistic security posture

Patents till Date

USPTO 10,387,649	Signatureless behavior-based detection technology
USPTO 10,311,234	Anti-ransomware technology
USPTO 8,973,136	System and method for protecting computer systems from malware attacks
USPTO 8,914,908	A completely automated computer implemented system and method for piracy control based on update requests
USPTO 8,347,389	System for protecting devices against virus attacks
USPTO 7,945,955	Virus detection in mobile devices with insufficient resources to execute virus detection software
USPTO 11,216,558	Detecting malwares in data streams
470730	Anti-ransomware

International and ISO Certifications

- AVLab Poland: Certified as one of the safest for browsing & banking
- AVLab Poland: Certified as the 'Product of the year'
- ICSA Labs Certification: Seqrite Certified and Approved for Endpoint Anti-Malware Solution
- ISO Certifications:
  - ISO 9001:2015 Certified
  - ISO 20000-1:2018 Certified
  - ISO 27001:2013 Certified
- AV Test Certifications:
  - 02/2021 Windows-Approved Corporate End Point Protection
  - 06/2020 Certified Windows Labs End Point Protection

Shaping the Way Forward

We are working on many research initiatives that span the entire cybersecurity lifecycle. These initiatives cover phishing detection, deep fake detection, network traffic analytics, user and entity behavior analytics, IoA and IoC detection and hunting, advance persistent threat detection, as well as breach prevention and remediation.

Capital Trade-Offs

Intellectual Capital Interlinked with Other Capitals

Financial Capital

We strive to develop fresh and innovative solutions for our clients. This enhances our ability to connect with a broader range of target audiences. This, in turn, boosts both our profitability and the well-being of our communities.

Manufacturing Capital

New financial products and solutions expand our global reach. We aim to create a better customer-centric experiences through these changes.

Natural Capital

Integrating sustainability into our solutions and operations as a fundamental practice will yield long-term environmental benefits. This will also serve as an inspiration to the stakeholders we engage with.

Human Capital

Since innovation is an ongoing process, it also affects the regular job responsibilities of our employees. This necessitates training to ensure their adaptability to the required changes.

Social and Relationship Capital

As we progress towards offering a more inclusive and responsible range of solutions, we anticipate our efforts to be recognised by our key stakeholders. This recognition will foster trust in the Company over an extended period.

Customer Capital

We leverage our intellectual capital— expertise and innovation— to enhance customer capital, ensuring that insights and solutions are continually aligned with customer needs and preferences.

Natural Capital

As we shape the future of cybersecurity, we recognise the intrinsic value of natural capital in this dynamic ecosystem. Just as biodiversity ensures resilience in nature, our efforts at Quick Heal must safeguard and protect our digital environment and the planet. Thus, our commitment towards environmental sustainability includes initiatives aimed at reducing our carbon footprint, conserving energy, and minimising waste generation.

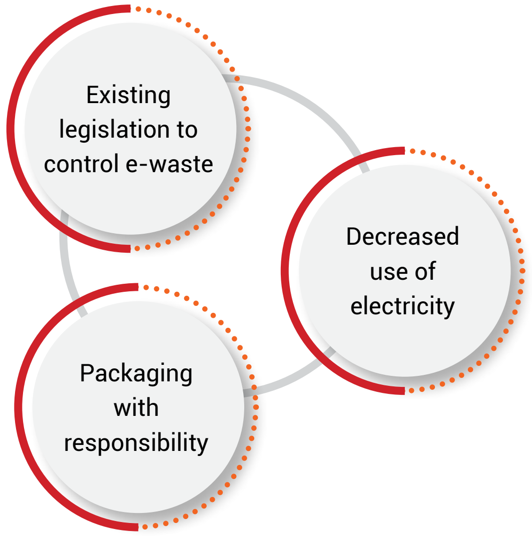
We are committed to incorporating eco-friendly materials and advocating for sustainable practices across all our operations. Investing in natural capital fulfills our corporate social responsibility and protects our long-term business interests. We understand that environmental degradation and resource depletion can profoundly impact our business in the future. Therefore, we actively implement the '3R waste management approach'—Reduce, Reuse, and Recycle—whenever feasible. Through these proactive measures, we aim to mitigate risks, ensure resource availability, maintain a clean and healthy environment, and create sustainable value for all stakeholders.

Key Initiatives

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

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

Continued Focus On



Recycling E-Waste

At Quick Heal, we stand out in the industry for our proactive adoption and implementation of End Producer Responsibility (EPR) guidelines, as outlined in the E-waste Management Rules of 2022. We take full ownership of disposing of our e-waste responsibly. To make it convenient for our customers and partners, we have set up accessible centers for e-waste disposal. We have also partnered with authorised e-waste recyclers to ensure proper and responsible management.

Capital Trade-Offs

Natural Capital Interlinked with Other Capitals

Financial Capital

By implementing energy-saving initiatives and adopting practices like water recycling, we can achieve cost rationalisation. This will also help us demonstrate our commitment to sustainability and enhance our ESG ranking.

Service Capital

The availability of natural resources plays a vital role in establishing the necessary infrastructure for expanding our business's footprint. It also underscores their significance to our operations.

Intellectual Capital

Embracing sustainability in our offerings will gradually reshape our approach to innovation. It will further enable us to incorporate sustainable practices into our thought processes and drive positive change.

Human Capital

Integrating environmental conservation will not only impact our work culture but also influence our learning and development initiatives. This will help us in fostering a collective commitment to sustainability.

Social and Relationship Capital

The responsible use of resources ensures our contribution towards making common resources available and accessible to everyone in society. This aligns with our mission to promote equitable resource utilisation.

Customer Capital

By maintaining environmental sustainability, we not only meet regulatory and ethical standards but also enhance our brand reputation and customer trust, fostering long-term relationships.

Social and Relationship Capital

For us at Quick Heal, fostering strong relationships and building bridges within the cybersecurity ecosystem are vital. These connections are beyond mere transactions; they are fundamental to trust, collaboration, and shared growth. As we continue to innovate and simplify complexities in cybersecurity, our commitment to nurturing social and relationship capital remains firm.

Partners

Our partners are the backbone of our product development. They provide us with cutting-edge technologies and components that help us combat evolving threats. Their reliability, quality, and timeliness ensure that we deliver on our promise of safeguarding our customers' digital lives.

Consumer Business

Partnership with Jio Book

We have partnered with Jio Book to offer our antivirus software pre-bundled in their laptop, enhancing cybersecurity for users right out of the box. This collaboration ensures that customers can enjoy a safe and secure computing experience with Quick Heal's trusted protection against cyber threats.

Enterprise Business

Partnership with Syscom

Through our enterprise arm Seqrite, we have forged a strategic partnership with Syscom, a renowned technology solutions provider. This alliance will help bring Seqrite's robust cybersecurity offerings to the dynamic Middle East market.

Partnership with Tata Tele Business Services

We have entered into a strategic partnership with Tata Tele Business Services (TTBS), one of India's foremost B2B cloud and digital services providers. This collaboration harnesses the combined strengths of our organisations to deliver comprehensive cybersecurity solutions to a broader market. It represents a significant milestone in our mission to empower enterprise customers with cutting-edge solutions to protect their digital assets and data. We are also partnering with the Big Four accounting firms as our value-added resellers. This collaboration will enhance our capabilities in product pricing, market share analysis, and go-to-market (GTM) strategies, reinforcing our commitment to delivering top-tier solutions to our clients.

Partnership with EET

EET Group, a leading distributor of IT and technology solutions in Europe, has partnered with us. This positions EET as the preferred distributor for our comprehensive suite of cybersecurity products in Europe. This partnership is a testament to EET's commitment to enhancing its cybersecurity offerings and delivering unparalleled value to its partners across the European region.

Partnership with M.Tech

Our enterprise arm Seqrite, has entered into a strategic partnership with M. Tech Solutions (India) Pvt Ltd. We are appointing them as our value-added distributor (VAD) for the Indian market. This collaboration aims to significantly expand Seqrite's presence in India and solidify our position further in the crucial enterprise and government segments.

Communities

We recognise our responsibility towards society and are dedicated to making impactful contributions in the areas of cybersecurity awareness, life skills education, and healthcare. To foster social capital, we actively engage with customers, partners, and communities through various initiatives, including online forums, social media platforms, and CSR programs. Through these efforts, we aim to build stronger connections and create a positive impact on society.

Corporate Social Responsibility

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 Sustainable Development Goals (UN-SDG 4, 5, 8, 10 and 11). Education and healthcare are crucial tools for driving social impact. In this regard, 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.

Quick Heal Foundation

The Quick Heal Foundation ensures that our initiatives are aligned with community needs through need-based research and stakeholder consultations. 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 organisations 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.

Milestones Achieved

Reached More than **13+ States**	Association with More than **29+ Institutions** Including **9 Universities**	**45+ Police Officers** Trained as Cyber Warriors
800+ Impact Activities Conducted	More than **34,000+ People** Reached through Mass Activities	**1,400+ New Police Trainee Officers** Trained

Special Campaign, **'Cyber Smart Village,'** Conducted to Raise Awareness in 10 Villages in Akola District	Innovative Ideas such as **Rap, Qawwali, and Flash Mob Activities** Employed to Spread Awareness

Cyber Shiksha for Cyber Suraksha

Quick Heal Foundation's key CSR initiative, 'Cyber Shiksha for Cyber Suraksha,' is dedicated towards youth development and creating cyber safety awareness in schools and colleges throughout India. This initiative deploys a variety of methods, including street plays, workshops, multilingual webinars, and 'Cybersecurity Oath' ceremonies. Under this initiative, the 'Earn and Learn' program trains Computer Science volunteers to share their cybersecurity knowledge with broader communities. Participating students not only enhance their skills but also improve their employability. Additionally, the initiative includes thoughtfully designed activities aimed at educating underprivileged sections of society about digital risks and how to mitigate them.

2,350+
Schools Reached

6+
States Covered

13.57+ Lakhs
People Reached

25+
Police Stations Covered

996+
Student Volunteers

Success Stories

Success Stories

Samruddhi Bharde

Samruddhi Bharde, the first educated girl in her family, initially lacked confidence when she moved to a larger town for her studies. However, attending a cyber awareness training program changed everything. Despite her initial hesitation, she participated, excelled in a mock session, and was selected to deliver sessions herself. This experience transformed her into a confident individual who not only met her targets but also made her parents proud of their decision to educate her.

Swapnil Mane

Swapnil Mane, an earthquake victim from Kawtale, Killari, faced numerous challenges while growing up. His parents, both farm laborers, struggled to make ends meet, and Swapnil had to manage the household while studying. Despite these challenges, he harbored big dreams and decided to move to Latur for his studies.

Coming from a rural background, Swapnil initially struggled with feelings of inferiority and found it difficult to socialise. However, his participation in the Quick Heal Foundation program proved to be a turning point. He excelled in the program, winning the process compliance award for his outstanding performance. He also developed strong communication and presentation skills, overcoming his stage fear in the process.

Swapnil's achievements did not go unnoticed. He was nominated for an award in Pune, a significant milestone in his journey. When his parents learned about this, they were deeply moved, proud of their son's achievements. To contribute to his family, Swapnil used his stipend to cover the costs of his monthly meals and room rent, showcasing his sense of responsibility and dedication.

Pramod Ganjve

Promod Ganjwe, from Sangamner was initially shy and hesitant. He joined the activity to earn money and support his parents financially. He realised that Quick Heal's program helped him develop crucial skills like communication, presentation, and confidence. He mentioned that before joining, he was worried about job interviews, but the program helped him enhance his overall employability by improving his soft skills. He even compared Quick Heal Foundation to a godsend, as it significantly boosted his confidence and personal development.

Street Plays for Cyber Safety

At Quick Heal, we promote cybersecurity awareness through innovative means like skits, street plays, and rallies, extending the message via social media and online platforms. Volunteers' efforts are recognised at an award ceremony, reinforcing their importance in cybersecurity. These initiatives are steps towards building a safer digital environment, with a continued focus on raising awareness and preparedness.

102+
Police Stations Covered

8+
States Covered

700+
Shows Conducted

37+
Media Coverage

2.6+ Lakhs
People Reached

Capital Trade-Offs

Social and Relationship Capital Interlinked with other Capitals

Financial Capital

Cultivating enduring and reliable connections with stakeholders enables us to enhance our financial standing.

Manufacturing Capital

Ongoing engagement with all stakeholders empowers us to bolster our blended physical and digital presence.

Intellectual Capital

The dynamic and evolving needs of stakeholder groups serve as vital inputs for the development and advancement of our intellectual capital.

Human Capital

By creating sustainable, long-term value for all stakeholders, we inspire our employees to excel and foster higher rates of employee retention.

Natural Capital

As stakeholders' awareness of climate change increases, we strive towards minimising carbon footprints through our digital products.

Customer Capital

By leveraging social and relationship capital, we strengthen our customer capital, creating a robust network of trust and engagement that enhances customer satisfaction and loyalty.

Customer Capital

At Quick Heal, our customers are at the heart of everything we do. Their security needs, challenges, and feedback drive innovation and shape our solutions. Customer capital, therefore, is not just a measure of our customer base; it reflects the trust they place in us and the relationships we build with them.

Addressing the persistent challenge of consumer awareness in cybersecurity, we are dedicated to proactively engaging our customers across the entire value chain. We are committed to spreading awareness about the criticality of investing in data asset security and privacy, advocating for individuals to prioritise these fundamental aspects.

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

Aligning with the Government's Data Security Push Initiative

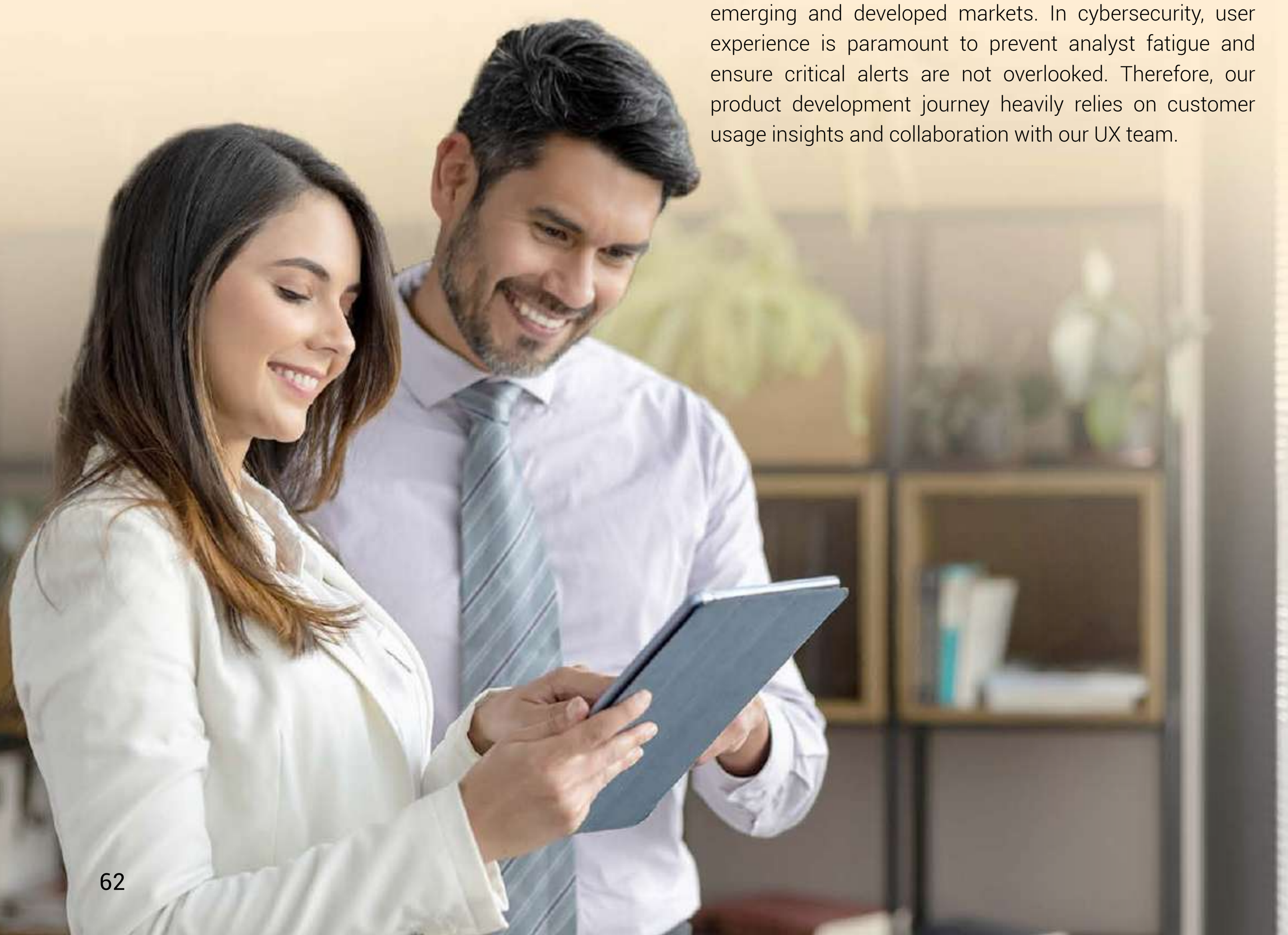
The passage of the Digital Personal Data Protection (DPDP) bill in the Parliament is a significant milestone that validates Quick Heal's product vision and direction. Over the past 2-3 years, we have been diligently building our product with this legislation in mind, ensuring that our solutions align with the evolving regulatory landscape.

Make in India has been another significant government initiative across all sectors. The market, especially in the government sector, is receptive to this. For a cybersecurity company like Quick Heal, being 100% Make in India is a proud achievement. The Ministry has issued various memorandums to adopt Indian technologies, and we are aiming to maximise this opportunity while also providing industry-best technologies. Further, we are also extending our partnerships with NSIs and GSIs that are already working with many organisations on cybersecurity offerings.

Consumer Awareness

We conducted several events in major metropolitan cities across India, with a specific focus on engaging CIOs and CISOs. We acknowledge their important role in cybersecurity product selection and implementation.

Our team at Quick Heal has a strong understanding of governance, risk, and compliance. With three decades of experience in the data security business and extensive work with the Government and other sectors, Quick Heal's (Seqrite Data Privacy) is well-positioned to address the evolving threat and regulatory landscape. We are also launching Threat Intel and Malware Analysis services, specifically contextualised to the Indian threat landscape. These services will reduce the false positive rate of alerts and improve the mean time to respond (MTTD).



High Product Standards

At Quick Heal, our core purpose - Innovate Simplify Secure - is at the heart of our product philosophy. Our product management team, with a wealth of experience remains dedicated to analysing market and regulatory trends. This ensures that we prioritise features and functionalities that truly matter to our customers, enabling us to deliver exceptional cybersecurity solutions.

Our AI-driven technology and deep threat intelligence from Seqrite Labs deliver top-notch cybersecurity. We emphasise simplicity, making our solutions user-friendly and accessible. Our robust R&D efforts ensure we excel in innovation, earning top international certifications and maintaining our leadership in the cybersecurity industry.

We believe that creating products tailored for the Indian market will also make us more competitive in other emerging and developed markets. In cybersecurity, user experience is paramount to prevent analyst fatigue and ensure critical alerts are not overlooked. Therefore, our product development journey heavily relies on customer usage insights and collaboration with our UX team.

Responsibilities towards Consumers

Our success depends on meeting our customers' needs and cultivating trust and goodwill with them. To achieve this, we are dedicated to clear, fair, and empathetic communication. If a customer is dissatisfied, our consumer response team promptly and courteously addresses the issue, making every effort to restore trust and loyalty.

At Quick Heal, we transitioning to a cutting-edge SaaS-based customer service management platform. This new system will revolutionise how we handle customer support cases, enabling us to resolve issues faster and more efficiently. With the ability to manage and route cases from various communication channels seamlessly, along with access to a comprehensive knowledge base, our goal is to enhance the overall customer experience.

Effective Advertising

Our advertising efforts focus on creativity and competitiveness while ensuring honesty, accuracy, and compliance with laws. We are committed to avoiding stereotypes or discrimination based on factors such as race, religion, gender, or age. Our ads not only shape our product image but also enhance our reputation for reliability and trustworthiness.

Capital Trade-Offs

Customer Capital Interlinked with other Capitals

Financial Capital

Our strong customer relationships drive revenue growth and enhance overall financial performance.

Service Capital

The strength of our customer capital directly enhances our service capital, leading to improved service quality and customer satisfaction.

Intellectual Capital

Collecting customer feedback promptly allows for quick adaptation to changing demands, enhancing customer capital. This, in turn, strengthens our intellectual capital by providing valuable insights that drive innovation and improve solutions.

Natural Capital

Leveraging customer capital enhances natural capital, as eco-friendly practices are integrated into product development based on customer insights and expectations.

Human Capital

By leveraging customer insights, we enhance our human capital, ensuring that our team is aligned with customer needs and can drive innovative solutions effectively.

Social and Relationship Capital

Our customer capital strengthens social and relationship capital, as it fosters deeper connections and trust with customers, crucial for our continued growth and innovation.

Human Capital

At Quick Heal, empowering our employees is not just a strategic imperative but a moral commitment, since our people are our greatest asset. By fostering a culture of inclusivity, learning, and growth, we enable our team to unleash their full potential, driving both personal and organisational excellence. We continue to invest in the development and well-being of our human capital. Thus, we not only nurture a high-performance culture but also create a legacy of empowerment that transcends boundaries and inspires others to reach new heights.

Ethics and Inclusivity

We are dedicated to creating an inclusive workplace that attracts and retains talent from diverse backgrounds. We are also committed to preventing all forms of harassment, favoritism, and discrimination, with policies and procedures in place to support this commitment.

Office Infrastructure

Our office infrastructure is designed to ensure the safety of all employees. We provide spacious layouts and clear passages to minimise the risk of accidents. Access to all doors is controlled to monitor external entries. The entire office is equipped with CCTV surveillance and manned by physical guards, enhancing workplace security.

Skill Training for Employees

We organise micro-learning sessions and workshops focused on idea pitching and excellence building, encouraging employee participation in conferences and webinars. Our technical support team undergoes monthly product refresher and soft skills training, with an opportunity for technical certification reimbursement up to ₹ 0.2 Million.

Objective and Key Results (OKR) Framework

Implemented to align our workforce with our business objectives, this approach is closely monitored to consistently add value to our business. We promote a culture of continuous feedback, regular check-ins, and merit-based growth assignments to foster a high-performance work environment.

Initiatives to Strengthen Engagement and Motivation Levels

- Initiated our High-Potential (HiPo) Engagement Program, commencing with the identification of employees who have showcased exceptional performance and potential throughout the year
- Conducted regular connects with human resource business partners (HRBPs)
- Introduced Manager Development Program (MAP), a manager sensing program conducted by skip-level team members
- Hosted quarterly town hall meetings
- Conducted yearly employee satisfaction (ESAT) surveys
- Implemented an HR help desk to address employee queries
- Introduced Suspicious Activity Reporting Tool (SART)
- Established a POSH Committee to address sexual harassment issues
- Launched a learning management system (LMS) and a centralised catalogue of learning content
- Procured a Pluralsight license for technical skills development
- Organised Ask Me Anything (AMA) connect

9%
Reduction in Annualised Attrition

2%
Increase in Engagement Score

5%
Increase in Participation

100%
OKR Completion

Employee Health and Safety

We prioritise the safety and health of our employees. We eliminate potential hazards and strictly prohibit the possession and use of illegal drugs, alcohol, weapons, and violent behavior on premises or during business activities. Additionally, we take the following initiatives to demonstrate our commitment to our employees' health and well-being, contributing to a more productive and motivated workforce.

Culture Code and Code of Conduct

We have recently put together our Code of Conduct policy to ensure all employees uphold the highest standards of integrity and professionalism. Additionally, we have launched our new Culture Code principles, which emphasise our commitment to fostering a collaborative, inclusive, and innovative work environment. These principles guide our actions and decisions, reinforcing our dedication to ethical practices and continuous improvement.

Bias For Action

We prioritise taking proactive steps and making swift decisions rather than being overly cautious or indecisive. We foster a bias for action, encouraging our employees to experiment, iterate quickly, and take calculated risks. This approach drives innovation, growth, and high-impact outcomes, ensuring we stay ahead in the dynamic cybersecurity landscape.

Customer Obsessed

We are intensely passionate about our customers and their success. We prioritise the needs and requirements of the customers above everything else. We are customer focused.

Highly Aligned, Loosely Coupled

Teamwork effectiveness relies on high-performing individuals and a well-defined context. Transparency in our strategy fosters a sense of shared purpose, enabling teams to see how their work contributes to the bigger picture. Our loosely coupled structure allows the Company to adapt easily to changing market conditions. The principle of 'Highly Aligned, Loosely Coupled' helps us remain nimble, agile, and adaptive, ensuring we stay responsive to industry dynamics.

Better Together

We thrive in an environment where people feel safe to voice their opinions and collaborate effectively across teams and departments, breaking down silos. We act on behalf of the entire company, extending our efforts beyond just our own teams, to foster a unified and cohesive organisational culture.

Champion's Mindset

We hustle, embrace the grind, and overcome adversity with a deep obsession for achieving our goals. Our definition of a champion mindset is not based on our performance on the best days, but on how we respond during the worst days. This resilience and determination drive us to succeed, no matter the challenges we face.

Frugal

We prioritise doing the right things, always. We believe in accomplishing more with less, as constraints foster resourcefulness, self-sufficiency, and innovation. We value efficiency and impact over growing headcount, budget size, or fixed expenses, ensuring our focus remains on meaningful outcomes and sustainable growth.

Data Driven

We believe that data should prevail over prejudice, judgments, gut feelings, and anecdotes. We use data to diagnose the actual situation and problems, recognising that knowing the granular details can change our approach and help us make more objective, informed, and effective decisions.

Think Big

We ask insightful questions that explore the 'why' behind them and uncover potential areas for improvement. We seek diverse perspective to understand potential blind spots. Thinking big doesn't require a grand, earth-shattering idea, even small improvements can have a significant impact if implemented effectively.

Non-Prejudiced

We recognise that letting go of prejudice, including pre-conceived notions, is an ongoing process that requires effort from both individuals and the organisation. We are committed to building an environment where everyone feels valued, respected, and has an equal opportunity to succeed.

Challenge the Status Quo

Challenging the status quo is about questioning the way things are currently done and advocating for positive outcomes.

Feedback Driven

As an organisation we thrive on constructive and to-the-point feedback. Creating a culture of open and safe environment for seeking and sharing feedback can lead to a more grounded and empathetic organisation.

Capital Trade-Offs

Human Capital Interlinked with Other Capitals

Financial Capital

Our people help us in driving growth as well as efficiency across our several business segments and departments. This, in turn, aids our overall financial performance.

Service Capital

Service Capital, in the form of people & culture, has facilitated the development of skills and expertise among our employees. This has enabled us to establish a local presence and effectively serve underserved populations.

Intellectual Capital

Our workforce significantly contributes to implementing, maintaining, and enhancing intangible assets. This includes our brand image, technology infrastructure, payment systems, and customer service platforms.

Natural Capital

Raising awareness among our employees about incorporating eco-friendly practices into their daily routines helps us reduce our operational impact on the environment.

Social and Relationship Capital

Enhancing the capabilities of our personnel helps us maintain positive relationships with customers, communities, investors, and other stakeholders within our ecosystem.

Customer Capital

Our human capital—through skilled and responsive teams—enhances our customer capital, fostering stronger relationships and better meeting customer needs.

Strengthening Governance

At Quick Heal, we recognise that effective governance is not just about compliance; it is about proactively mitigating risks, fostering innovation, and building trust in the digital ecosystem. Our governance framework is designed to align with global best practices, enabling us to anticipate and respond to evolving cyber threats.

The Company's strategy for value creation centers around a strong corporate governance framework. This framework embraces a comprehensive approach, emphasising fair and accountable operations, integrity, and ethical business practices. We have established a Code of Conduct for all Board members and senior management, accessible on the Company's website, to guide our actions and decisions.

Transparency and Clear Communication

Effective corporate governance relies on a deep understanding of the roles and relationships within the corporate framework, including the Board of Directors and senior management. Thus, we prioritise sincerity, fairness, good citizenship, and commitment to compliance as fundamental principles guiding interactions among the Board, senior management, and other stakeholders.

At Quick Heal, we are dedicated to enhancing our value creation process sustainably. Recognising the pivotal role of our Board in this endeavor, we strive for higher standards and provide oversight and guidance to management in strategy implementation, risk management, and goal fulfilment. We believe that through the conscientious efforts of our Board, we can continuously enhance our operations and deliver value to stakeholders. Our commitment to excellence in governance is fundamental to our success. We remain committed to pursuing our goals and objectives in a responsible and sustainable manner.

Board 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 plays a crucial role in our governance framework. It is tasked with establishing the selection criteria for the Board of Directors and top management, evaluating their performance, and recommending their remuneration packages. It also ensures that the remuneration policy aligns with the Company's goals and objectives.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee is entrusted with the responsibility of addressing the grievances of various stakeholders, such as shareholders, customers, employees, and vendors. It ensures that their interests are safeguarded and that the Company maintains positive and constructive relationships with them.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is responsible for overseeing our Company's CSR initiatives, ensuring they align with our values and business strategy. The committee reviews the CSR policy, identifies focus areas, and monitors the implementation of CSR activities.

Risk Management Committee

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

Board of Directors

Dr. Kailash Katkar
Chairman & Managing Director

Dr. Kailash Katkar drives the strategic direction for Quick Heal while nurturing a strong leadership team. Under his leadership, Quick Heal became 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 regarding financial performance, customer satisfaction, market share, and productivity.

Dr. Sanjay Katkar
Joint Managing Director

Dr. Sanjay Katkar has been Quick Heal's Joint MD and co-founder since 1995. He 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.

Air Marshal (Retd) Bhushan Nilkanth Gokhale
Independent Director

Mr. Bhushan Gokhale has served on the board of defence PSUs and been an adviser to government institutions. He worked in the National Security Council and has been a consultant to DRDO.

Mr. Amitabha Mukhopadhyay
Independent Director

Mr. Amitabha 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. Richard Stiennon serves as Chief Research Analyst at IT-Harvest, and sits on the advisory boards of several start-ups. He has been a part of the advisory board of cybersecurity companies like Symantec, McAfee, Cisco, Microsoft, and Trend Micro.

Mr. Shailesh Lakhani
Non-Executive Director

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

Ms. Apurva Joshi
Independent Director

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

Leadership Team

Dr. Kailash Katkar
Chairman & Managing Director

Dr. Sanjay Katkar
Joint Managing Director

Mr. Vishal Salvi
Chief Executive Officer

Ms. Anupama Katkar
Chief of Operational Excellence

Mr. Ashish Pradhan
Chief Technology Officer

Dr. Lalit Mohan
Chief Product Officer

Mr. Ankit Maheshwari
Chief Financial Officer

Mr. Samuel Sathyajith
Senior Vice President – Enterprise Sales

Mr. Sudhanshu Tripathi
Chief Marketing Officer

Mr. Ajit Zanjad
Vice President & Head of Delivery

Ms. Swapna Sangari
Vice President, People & Culture

Mr. Deepak Mishra
Head, Consumer Sales

Corporate Information

Board of Directors

Dr. Kailash Katkar
Chairman & Managing Director

Dr. Sanjay Katkar
Joint Managing Director

Mr. Shailesh Lakhani
Non-Executive Director

Mr. Amitabha Mukhopadhyay
Independent Director

Air Marshal (Retd) Bhushan Nilkanth Gokhale
Independent Director

Ms. Apurva Joshi
Independent Director

Mr. Richard Stiennon
Independent Director

Leadership Team

Mr. Vishal Salvi
Chief Executive Officer
(Appointed w.e.f. July 3, 2023)

Ms. Anupama Katkar
Chief of Operational Excellence

Mr. Ashish Pradhan
Chief Technology Officer

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. Lalit Mohan Sanagavarapu
Chief Product Officer

Mr. Samuel Sathyajith
Senior Vice President – Enterprise Sales

Mr. Sudhanshu Tripathi
Chief Marketing Officer

Mr. Ajit Zanjad
Vice President & Head of Delivery

Ms. Swapna Sangari
VP, People & Culture

Mr. Deepak Mishra
Head, Consumer Sales

Mr. A. Srinivasa Rao
Company Secretary
(Resigned w.e.f. July 17, 2023)

Mr. Sarang Hari Deshpande
Company Secretary
(Appointed w.e.f. October 26, 2023)

Auditors

MSKA & Associates Chartered Accountants

List of Bankers

State Bank of India
ICICI Bank
Bank of India
HDFC Bank

Registered Office

Solitaire Business Hub, 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

Statutory Reports

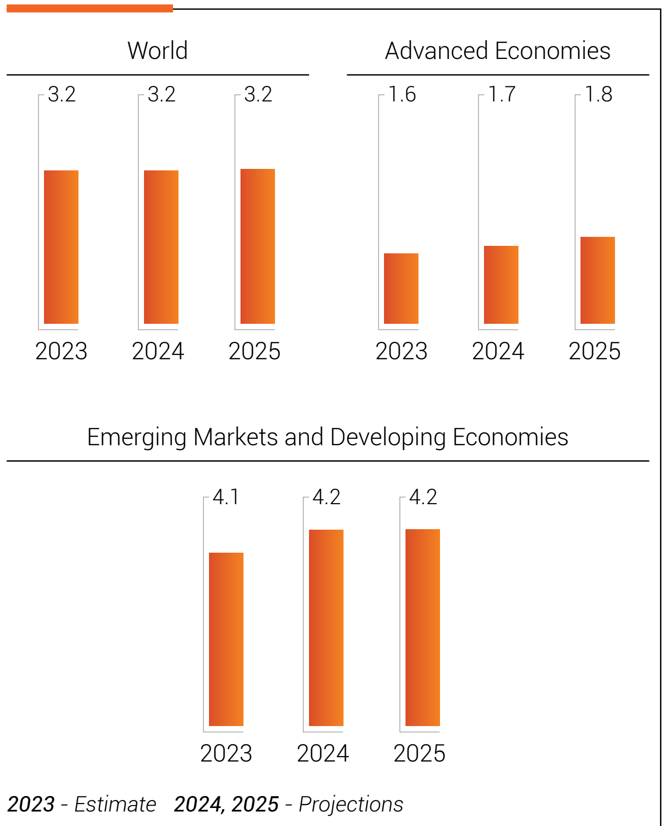
Management Discussion and Analysis

Global Economy

The world economy has displayed impressive resilience, characterised by consistent economic growth and a swift deceleration in inflation, despite facing significant obstacles. These challenges encompass supply chain disruptions in the aftermath of the pandemic, an energy and food scarcity stemming from the Russia-Ukraine conflict, and a surge in inflation followed by coordinated tightening of monetary policies.

Global Economic Growth

(in %)



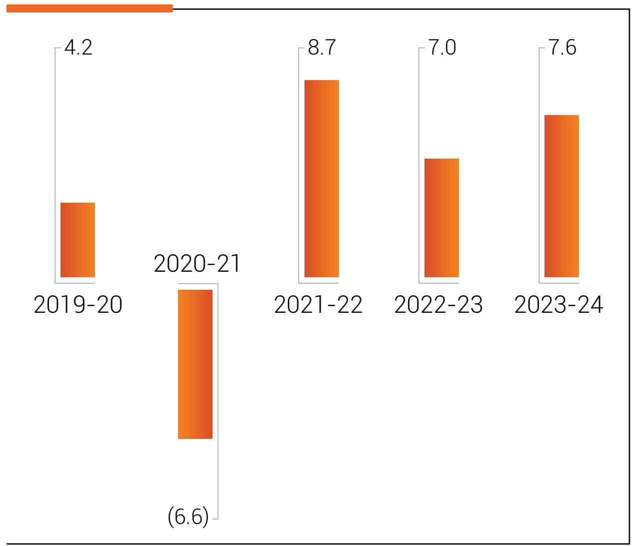
(Source: IMF)

Indian Economy

In 2023-24, India's economic growth narrative has been one of robust expansion. The economy is expected to have grown by 7.6%, surpassing prior forecasts. However, cautionary measures should be taken as the GDP is anticipated to moderate to 6.8% in the next fiscal year. This anticipated slowdown reflects the impacts of elevated interest rates and a constrained fiscal policy, aimed at reducing the deficit to 5.1% of GDP. Despite these headwinds, the vibrancy of India's economy is reinforced by several factors. These include strengthening of consumer purchasing power through disinflation, expected robust agricultural outputs, and a revitalisation in private capital expenditure. Furthermore, Government initiatives aimed at bolstering rural incomes and enhancing infrastructure spending solidify India's status as the fastest-growing major economy globally.

Indian Economy Real GDP Growth Rate

(in %)



(Source: PIB)

Global Economy Outlook

Advanced economies are poised for a slight uptick with growth rates projected to climb from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025. This is expected to be primarily driven by the Euro area's recovery. In contrast, emerging markets and developing economies are anticipated to sustain stable growth at 4.2% during both, 2024 and 2025. However, regional disparities exist, with growth moderation in Asia counterbalanced by growth in the Middle East, Central Asia, and Sub-Saharan Africa.

(Source: IMF)

Indian Economy Outlook

The Indian economy is poised to scale greater heights moving ahead. Projections indicate that it will approach the US$ 7 trillion milestone by 2031, cementing its position as the world's third-largest economy. Capital and productivity enhancements, driven by a holistic integration of digital and physical infrastructure, are likely to be the catalysts of this growth. The manufacturing sector is anticipated to experience a revival, benefiting from global opportunities, domestic policy support, and a focus on green energy transition.

(Source: CRISIL)

Industry Overview

Global Cybersecurity Market Overview

Cybersecurity is vital in today's world. It's crucial for keeping information systems confidential, intact, and accessible. Cybersecurity encompasses various aspects such as Critical Infrastructure Security, Application Security, Network Security, Mobile Application Security, Cloud Security, and Internet of Things (IoT) Security.

Investing in cybersecurity is essential for countries to protect their digital and critical infrastructures. It enables greater participation in the global economy and progress towards long-term development goals. The United Nations recognises cybersecurity as a key enabler for sustainable development, as outlined in the 2030 Agenda. It not only safeguards infrastructure but also fosters inclusive growth and sustainable development.

Global Cybersecurity CY 2023 Overview

2,200
Number of cyberattacks per day

Every 39 seconds
There is a cyberattack

~72%
Businesses are victims of ransomware in 2023

61%
Small and medium-size businesses hit by cyberattacks in CY 2023

US$ 4.45 Billion
Average cost of a corporate data breach in CY 2023

92%
Malware delivered via email

11.5
Malware attacks per minute deployed by threat actors

49 days
The average time it took to identify a ransomware attack

US$ 1.54 Million
Average ransom in 2023

67
Active Ransomware-as-a-Service (RaaS) reported in H1 CY 2023

7.9 Million
DDoS attacks in H1 CY 2023

13
DDoS-for-hire marketplaces shut down in CY 2023 by the Federal Bureau of Investigation (FBI)

US$ 22,000
Cost of every minute of downtime during a DDoS attack

US$ 1,20,000
Spent by small or midsize businesses to recover from a DDoS attack

17%
Data breaches are caused by social engineering in CY 2023

3.4 Billion
Malicious mails sent daily in CY 2023

10%
Security incidents caused by social engineering in CY 2023

US$ 4.9 Million
Cost of per phishing attack in CY 2023

>77.9 Million
IoT malware attacks in H1 CY 2023

2.5
Phishing attacks per 1,000 mailboxes in CY 2023

US
Remains the top country target of cybersecurity attacks

85%
Attacks weaponized phishing in CY 2023

Manufacturing
Remains the top industry target of cybersecurity attacks

23.6%
of total cyber incidents targeted the finance sector in CY 2023

707
Ransomware attacks in healthcare sector in CY 2023

7,00,000
Threats detected between April and June in the education sector in CY 2023

(Source: Getastra)

Outlook

The global cybersecurity market size was valued at US$172.32 Billion in 2023 and is projected to reach US$ 424.97 Billion in 2030, exhibiting a 13.8% CAGR between 2023-2030.

Enhancing systemic resilience—where all organisations address disparities and improve the resilience of interconnected systems—is not only an urgent necessity but also the most significant responsibility for ensuring a sustainable digital future. In 2024, new regulations and laws worldwide will focus on fostering trust in Generative AI for cybersecurity, with an emphasis on accountability and reliability of its use.

(Source: Fortune Business Insights)

Indian Cybersecurity Market

The Indian cybersecurity industry has played a major role in supporting the Government and critical sectors. It has facilitated the adoption of emerging technologies like AI/ML and cloud, and mitigated evolving cybersecurity risks. India is also emerging as a global cybersecurity hub.

To foster innovation and fuel transformation in this market, the Indian Government has collaborated with the Data Security Council of India (DSCI) to establish a National Center of Excellence. DSCI is committed to enhancing thought leadership in cybersecurity and privacy by developing best practices, frameworks, and publications. Additionally, it focuses on building capacity in security, privacy, and cyber forensics through training and certification programs for professionals and law enforcement agencies.

Government Initiatives for Cybersecurity

- On August 11, 2023, the President of India formally enacted the 'Digital Personal Data Protection (DPDP) Bill' following its approval from both houses of the Indian Parliament. The primary purpose of the Act is to regulate the processing of digital personal data and respect individuals' right to protect their data while recognising the necessity of processing and using such data for lawful purposes. The language employed in the Act is simple and straightforward, ensuring easy comprehension for all. Moreover, the Act aims to establish a comprehensive legal framework to govern digital personal data protection in India.
- The National Cybersecurity Policy 2013 led to the establishment of the National Critical Information Infrastructure Protection Centre (NCIIPC). The aim is to enhance the protection and resilience of the country's critical information infrastructure and develop a skilled cybersecurity workforce.
- In 2022, CERT-In issued guidelines for organisations operating in the digital realm. This required them to promptly report cyberattack incidents within hours of detection and appoint a knowledgeable individual to liaise with CERT-In.
- The 'Cyber Surakshit Bharat Initiative,' launched in 2018, focuses on raising awareness about cybercrime. It also aims to build the capacity of Chief Information Security Officers (CISOs) and frontline IT staff in Government departments to implement safety measures.
- India's armed forces established the Defence Cyber Agency for both offensive and defensive cyber operations. All Indian states have their own cyber command and control centers.
- The Indian Cybercrime Coordination Center (I4C), under the Ministry of Home Affairs, coordinates with state police forces to respond to cybercrime. It also facilitates the implementation of mutual legal assistance treaties (MLAT) with other countries.
- The Cyber Crisis Management Plan (CCMP) aims to address cyberterrorism and other cyber threats effectively.
- The National Cyber Coordination Centre (NCCC) generates situational awareness of cyber threats. The National Cybersecurity Coordinator (NCSC) coordinates with national agencies on cybersecurity.
- The Cyber Swachhta Kendra platform helps individuals clean their computers and devices for online safety.
- The Information Security Education and Awareness Project (ISEA) focuses on training personnel to raise awareness and provide research, education, and training in information security.

Key Highlights of Threats in CY 2023

>400 Million
Detections

~9 Million
Endpoints

~49 Million
Detections stem from behavior-based analysis, constituting **12.5%** of all

>50%
Detections are associated with removable media and network drives

~25%
Attacks from clicking on malicious links in emails and websites

3 attacks
on an average per Android device in a month

~1 per 650 detections
Ransomware incident ratio

~1 per 38,000 detections
Malware incident ratio

Cryptojacking
Emerging as a significant threat with over **5 Million** detections in a year

(Source: DSCI)

Outlook

As India navigates the intersection of cybersecurity trends and geopolitics, there is a positive outlook, characterised by transformative opportunities and collaborative endeavors. By leveraging technological advancements, fostering strategic partnerships and building cybersecurity awareness, India is poised to emerge as a global leader in cybersecurity resilience. This is expected to further contribute to a safer and more secure digital future.

With revenues being projected to reach ₹235.30 Billion in 2024, the cybersecurity market in India is expected to grow significantly. Cyber solutions are expected to dominate the market, with a projected market volume of ₹122.60 Billion in the same year. The market is anticipated to continue growing at an annual growth rate of 14.24% from 2024 to 2028, reaching a market size of ₹400.80 Billion by 2028.

(Source: Statista)

Business Overview

Quick Heal Technologies Limited ('The Company' or 'Quick Heal'), a leading global cybersecurity solutions provider, is the first publicly listed company in India dedicated to cybersecurity products and solutions for three decades. Seqrite is the enterprise arm of Quick Heal delivering CSMA aligned comprehensive solutions powered by patented, AI/ML-based tech stack securing devices, applications, networks, cloud, data, and identity for businesses worldwide.

30+ Years
Of Innovation

70+
Countries Presence

9+ Million
Endpoints

8
Patents and Several International Certifications

Seqrite Labs
India's largest malware analysis lab

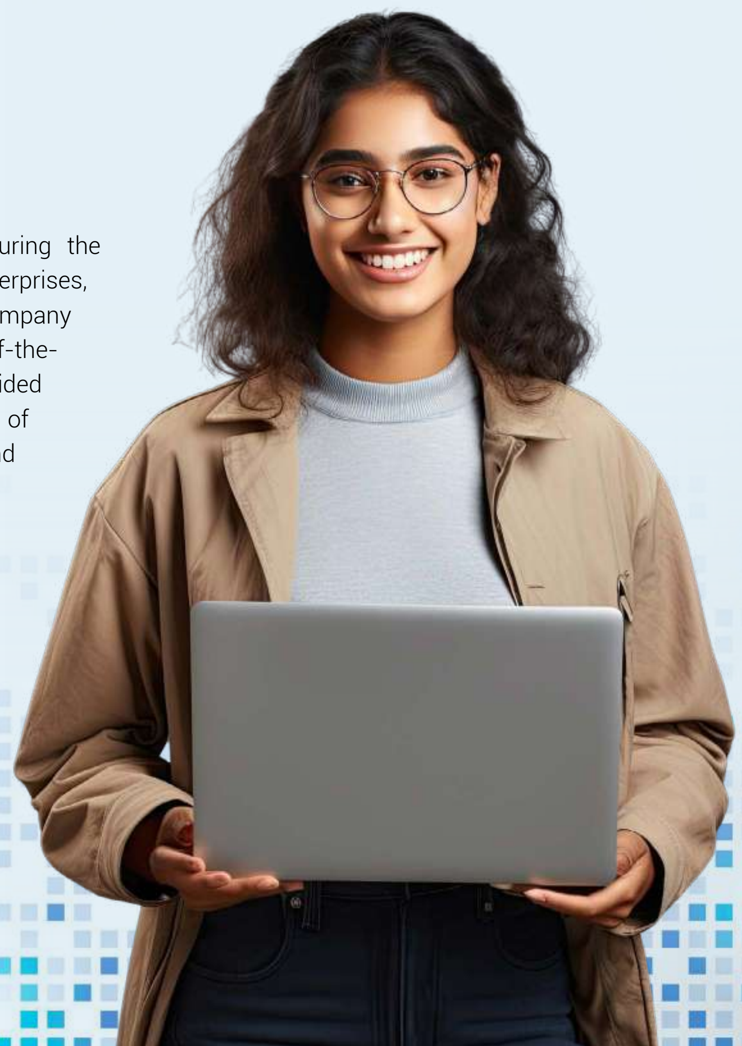
Market Leadership
in Consumer and SMB Space

35,000+
Dealer Network

30,000+
Enterprise Customers

5+ Million
Lives impacted till date

Quick Heal is committed to innovating, simplifying and securing the cybersecurity ecosystem for millions of individuals, enterprises, government organisations worldwide. Being AI natives, the Company provides comprehensive solutions that are backed by state-of-the-art threat intelligence, play books and world-class service provided by best-in-class security experts. Demonstrating the maturity of cybersecurity ecosystem to the world, the Company is the first and only Indian company to have recently collaborated with the Govt. of USA on its NIST NCCoE's Data Classification project and is the only cybersecurity firm to be a member of USA on its Artificial Intelligence Safety Institute Consortium (AISIC) driving responsible use of AI.



The core purpose, 'Innovate, Simplify, Secure,' guides the Company's approach to leading their way in the cybersecurity space.

INNOVATE	SIMPLIFY	SECURE
New Products and Services	Open and Modular	Getting the Job Done
Threat Management	Platformisation	High True Positives
Integrated Architecture	Managed Services	Adaptive & Future Proof
Deep Malware Research	Single Pane of Glass	Sentient
Common Taxonomy	Single Policy Framework	Error Proof
Use Cases and Playbooks	Common Playbook	Transparent
Innovative AI/ML models	Robust, Resilient & Scalable	Zero Touch
Democratize	Ease of Deployment/Use	Zero Trust

The Company differentiates itself through its 30 years of domain expertise, innovative patented technologies & international certifications, deep malware research offering a single unified integrated platform with modular, scalable, easy-to-deploy and operate award-winning new-age solutions.

Quick Heal offers a comprehensive range of products designed to cater to both consumer and enterprise needs. For consumers, the Company provides robust antivirus solutions, internet security, and total security packages that ensure protection against viruses, malware, and cyber threats. These products are designed to be user-friendly, offering seamless installation and real-time protection to keep personal data safe. The Company has also tailored a specific variant designed for the Southern Indian market, emphasising its commitment to regional needs. Quick Heal's offerings are not only technologically advanced but also align with sustainable ESG principles, ensuring a responsible approach to cybersecurity. With a strong, robust network and a market leadership position, Quick Heal has secured millions of individuals worldwide. The Company is now expanding its footprint through strategic on-ground partnerships, thereby enhancing its reach and impact in the cybersecurity landscape.

On the enterprise side, the Company is the only Indian full-stack cybersecurity solutions provider offering award-winning Endpoint Protection, Enterprise Mobility Management, Zero Trust Network Access, and Data Privacy Management, among others.With strong leadership in the SMB sector and robust channel partners, the Company serves over 30,000 customers across various industries, protecting the critical infrastructure of the country. The Company's Data Privacy Management solution enables organisations to stay fully compliant with the DPDP Act and global regulations. These enterprise solutions are built to safeguard critical infrastructure, prevent data breaches, and enhance overall security posture, thereby enabling organisations to operate securely in an increasingly digital landscape.

Seqrite Labs

The Company houses India's largest malware analysis center, with an unmatched telemetry from over 9 Million endpoints. This extensive monitoring capability allows it to generate deep cybersecurity threat insights and intelligence. With a 30-year history of exceptional detection prowess, including ransomware, malware, and Zero-Day vulnerability resolution, Seqrite Labs holds the unique achievement of being the first and only facility to detect and solve for the latest Expiro infector globally.

Seqrite Labs, with its large dedicated team of research engineers, exemplifies leadership in cybersecurity through the expertise and competence of its people. The team thrives on industry best practices and policies, driven by advanced automation and intellectual property (IP) initiatives. The lab actively contributes to the cybersecurity community by publishing numerous blogs and thought leadership pieces. The Labs' key areas include threat research, detection, reputation services, and content delivery, safeguarding IT assets, networks, clouds, and data. Seqrite Labs collaborates with Product Development, ensuring robust cybersecurity and peace of mind for businesses globally.

Seqrite in collaboration with the Data Security Council of India (DSCI), has unveiled the much-anticipated India Cyber Threat Report 2023 at the Nasscom-DSCI Annual Information Security Summit 2023. This comprehensive report aims to empower businesses with India-specific insights and actionable recommendations to enhance their cybersecurity defenses. The report showcases the expertise and commitment of Seqrite's researchers and experts. The extensive compilation provides businesses with crucial knowledge to fortify their cybersecurity posture against evolving threats.

The AVLab Cybersecurity Foundation in Poland has awarded Quick Heal certification, recognising it as one of the safest solutions for browsing and online banking. Quick Heal has also won Product of the Year & Top Remediation Time Awards for the year 2024 from AV Labs Poland. Quick Heal has also got the award for top product award from AV Test, Germany. Also, Seqrite achieved top score in AV-test's advanced threat protection test for unrivalled defence against data stealers and ransomware techniques. Earlier this year, Seqrite was honored with the Cybersecurity Excellence Award for Next Gen Solutions at the Aspiring CXOs Award by the CXO Junction and Seqrite Distinguished as The Best Cybersecurity Company of the Year by IT Voice Media.

Experience Center

The Company has also proudly launched a state-of-the-art Cybersecurity Experience Center at its Pune headquarters. The Center offers an immersive journey into the world of cybersecurity, demystifying the complexities of cyber threats. Visitors can experience first-hand how cyberattacks unfold and explore streamlined defense strategies. Beyond being a space, the Center is an innovation hub and a nexus for collaboration. It brings together startups, academia, clients, thought leaders, and cybersecurity experts to innovate, simplify, and secure the digital future. The Center serves as a platform for dialogue, innovation, and co-creation, driving towards a safer digital landscape.

Business Vertical

Consumer Business

Quick Heal is a global leader in the cybersecurity space, commanding a market leading position in India and serving millions of customers worldwide. Its extensive nationwide distribution network comprises over 539 Quick Heal Branded Retail stores (QBRS) and 336 distributors, covering the entire country. This network has played a crucial role in enhancing the Company's brand awareness and recognition, contributing significantly to the growth of this Business vertical. Quick Heal is also present in all the large format retail stores. Over the past few years, Quick Heal has developed a robust digital channel, including a strong D2C presence through its websites, dominance in e-commerce marketplaces, and expansion into affiliate channels.

Consumer Products include:

Quick Heal Total Security

Quick Heal Internet Security

Quick Heal Antivirus Pro

Quick Heal Total Security for Mac

Quick Heal Total Security for Android

Quick Heal Mobile Security

Quick Heal Total Security Multi-Device

Quick Heal Internet Security Essential

Quick Heal Total Security – Festive Pack

Quick Heal Total Security Antivirus, with GoDeep.AI at its core, offers comprehensive cyber threat protection with Dark Web Monitoring, Advanced Anti-Ransomware, and Web Security & Phishing Protection. It includes Smart Parenting controls, Data Backup with real-time multi-layer ransomware protection, and metaProtect for remote security management across all devices. This helps consumers to stay shielded from vulnerabilities, ransomware, and phishing attempts while ensuring a safe digital environment for their family.

In recent times, the consumer business has faced headwinds, particularly since the second half of 2022-23. However, these challenges are gradually easing, allowing the Company to refocus on its core strategies moving forward. Firstly, the Company is committed to maintaining and even expanding its market share through innovative products, exceptional service, brand strength, and strengthening the channels, among others. Secondly, the Company is intensifying its efforts to raise consumer awareness about the importance of cybersecurity, especially in this digital age. Key focus areas for the consumer business include:

- Revamp the product user interface with a modern design and enhanced usability
- Simplify the renewal and upsell process for a more efficient customer experience
- Encourage customers to opt in for auto renewal of their subscription
- Develop an engagement model featuring security and privacy scores, along with improvement recommendations
- Increase the adoption Unified cloud-based portal for managing all the antivirus software across desktop and mobile devices, providing a seamless user experience
- Implement a flexible Profit-Sharing Program (PSP) to safeguard partner interests, ensuring tagged partners receive their share of profits even when customers renew directly. This program mirrors dealer earnings from direct renewals, with profits credited via bank transfer or Amazon vouchers
- Reposition the Quick Heal brand as a provider of comprehensive digital safety, not just antivirus protection

Enterprise Business

Seqrite is India's only full stack enterprise cybersecurity solutions provider. With a focus on simplifying cybersecurity, Seqrite delivers comprehensive solutions and services through its patented, AI/ML-powered tech stack. It aims to protect businesses against the latest threats by securing devices, applications, networks, cloud, data, and identity through its CSMA aligned portfolio of products. Seqrite boasts a robust global distribution network, serving clients through both offline and digital channels.

Enterprise Products include:

- Seqrite Endpoint Protection
- Seqrite Endpoint Protection Cloud
- Seqrite XDR
- Seqrite ZTNA
- Seqrite EDR

- Seqrite MDR
- Seqrite Enterprise Mobility Management
- Seqrite Workspace
- Seqrite Data Privacy

Seqrite efficiently addresses the business challenges of mid-market and large enterprise customers. It offers not only endpoint protection but also detection and response with Endpoint Detection and Response (EDR), Extended Detection and Response (XDR), and Managed Detection and Response (MDR). Recently launched, On-Prem EDR is a comprehensive solution for the government sector.

The Company's Enterprise Mobility Management ensures productivity and data safety beyond the office by separating and protecting data on employee-owned devices. Seqrite ZTNA strengthens security with Zero Trust Network Access, eliminating the need for VPNs and providing full visibility of user activity. Seqrite Data Privacy helps businesses discover, categorise, and manage sensitive information to ensure compliance with data privacy regulations.

'Recently, Seqrite's brand identity has been refreshed and upgraded, reflecting its dedication to simplifying cybersecurity for businesses worldwide. Seqrite's refreshed logo symbolises the Company's evolution as a futuristic cybersecurity thought partner, blending innovation with reliability. The parallel lines in the logo represent Seqrite's focus on R&D and dedication to customer-centric solutions. The combination of black and red colour embodies professionalism and the brand's heroic personality.

The Company has also launched a favicon, a unique icon used to represent the brand Seqrite. The favicon's parallel lines, derived from the logo, serve as a visual representation of Seqrite's brand identity. The shield symbolises the Company's commitment to cybersecurity, while the 'S' pattern reflects Seqrite's dedication to simplifying the complexities of cybersecurity and guiding clients through them with ease. As part of the rebranding, product names have been simplified, moving away from the 'Hawkk' nomenclature to a more universally recognised and simplified naming convention.

Key focus areas for the enterprise business include:

1. Provide a single platform integrated security stack to the complex IT infrastructure which is also modular to address single/point use cases of the customer
2. Designed for scalability, adaptable to meet the needs of small or large enterprises alike. As the solutions have started to mature, scale upwards in the customer segments to capture the mid and large segments of the customers
3. Onboarding of key channel partners within India and abroad for elevating outreach and supportability to the higher customer segments
4. Strengthening & re-energising the sales team through hiring, skilling, upskilling and focused consultative approach with the customer
5. Focus on driving market traction for our newly developed and maturing products
6. Expand wallet share of our existing customers by upselling and cross-selling, especially in the mid-market and enterprise accounts
7. Establish a direct-to-customer channel through the website and create an affiliate network to better serve customer needs
8. Automate sales and marketing processes for enhanced scalability and efficiency
9. Invest in a new range of Horizon 2 products, including EDR, XDR, Zero Trust, and Data Privacy solutions, focusing on monetising rich threat intelligence and leveraging extensive data to create profitable opportunities

Growth Drivers

Strong Leadership

Quick Heal operates under the core purpose of Innovate, Simplify, and Secure, believing that these pillars are crucial for competitiveness and product development. Aligned with these principles, the Company has developed strategies that prioritise customer needs and market trends. One such strategy focuses on strengthening the leadership team by attracting the best talent in the industry.

In line with this strategy, Quick Heal has successfully onboarded top professionals, ensuring that the leadership team embodies the values of the organisation and drives its vision forward. The Company has recruited Ms. Swapna Sangari, as the Vice President for People & Culture; Mr. Ankit Maheshwari, as the Chief Financial Officer; Mr. Vishal Salvi, as the Chief Executive Officer; Mr. Ajit Zanjad, as Head of Delivery; Dr. Lalit Mohan, as the Chief Product Officer; and Mr. Samuel Sathyajith, as Senior Vice President for Enterprise Sales. Their years of experience and leadership in renowned organisations will be instrumental in driving growth, innovation, and operational excellence. The onboarding of this strong leadership team ensures that the Company has the right talent in place to drive our vision and achieve our goals effectively.

Research and Development (R&D)

Quick Heal has been making strategic investments in research and development (R&D) to stay abreast of industry advancements and uphold its leading position in the market. In 2023-24, Quick Heal's R&D expenditure increased by 13.58%, representing 45.61% of its sales.

Despite being AI natives with patented technology Go Deep. AI, the Company is concentrating on developing a generative AI-enabled tech stack. This strategic move aims to enhance cybersecurity solutions by incorporating advanced machine learning models and AI-driven threat detection capabilities. By leveraging these cutting-edge technologies, Quick Heal intends to offer more robust and intelligent protection, ensuring a higher level of security for its customers in an increasingly complex digital landscape.

Showcasing its commitment to transforming the global cybersecurity landscape, Quick Heal is the only Indian Company to have obtained membership in the US Artificial Intelligence Safety Institute Consortium (AISIC). The US AISIC is a pivotal initiative dedicated to advancing AI safety and trustworthiness. Following its recent collaboration with the National Institute of Standards and Technology (NIST), National Cybersecurity Center of Excellence (NCCoE) for Data Classification, Quick Heal's prestigious inclusion in the US Artificial Intelligence Safety Institute Consortium (AISIC) underlines the Company's dedication towards responsible AI adoption. With Seqrite Labs, the Company is set to make substantial contributions to five working groups within AISIC - Risk Management for Generative AI, Synthetic Content, AI Capability Evaluations, AI Red-Teaming, and Safety and Security.

With a profound understanding of challenges faced by CISOs today, the Company's R&D efforts have been focused on developing a comprehensive solution stack aligned with the Cybersecurity Mesh Architecture (CSMA). The launch of new generation products covers this architecture from devices and applications to networks and data, enabling Seqrite to provide a holistic security solution to enterprise customers. The Company also holds the unique achievement of being among the first cybersecurity companies to detect and solve for the latest Expiroinfector globally.

The Company is committed to offering high-quality products and services through:

Leading the Way

Over the past nearly three decades, Quick Heal has expanded its network to include over 32 offices and 336 distribution channel partners across India. This extensive network facilitates an efficient distribution and supply chain, enabling the Company to promptly meet client demands with effective cybersecurity solutions. This has contributed to making Quick Heal's network of Consumer channel partners one of the largest in India.

Quick Heal's internal sales and marketing team actively collaborates with clients and channel partners to provide ongoing support after the sale. The team undergoes regular training and development to ensure they understand and can effectively utilise new products and features. This approach enables Quick Heal to deepen its presence in both the consumer and enterprise sectors. It also ensures that business channel partners are equipped to offer technical advice, sales support, and after-sales services to their customers.

The Company excels in customer support by offering unparalleled expertise and genuine care, which redefine cybersecurity assistance. Quick Heal is focusing on localising language and support which will enhance user experience and customer satisfaction. By providing support in local languages, it can better address the specific needs of our diverse customer base, building stronger relationships and trust. This commitment to exceptional service helps cultivate a loyal client base and attract new customers who trust the brand for their cybersecurity needs.

New Products Redefining Cybersecurity

Quick Heal has recently unveiled its latest product line, 'Version 24.' At the core of v24 is the GoDeep. AI technology, a self-aware malware-hunting innovation designed to enhance protection against emerging threats without compromising system performance. This technology leverages the extensive expertise and capabilities of professionals at Seqrite Labs, the largest malware analysis facility in the country.

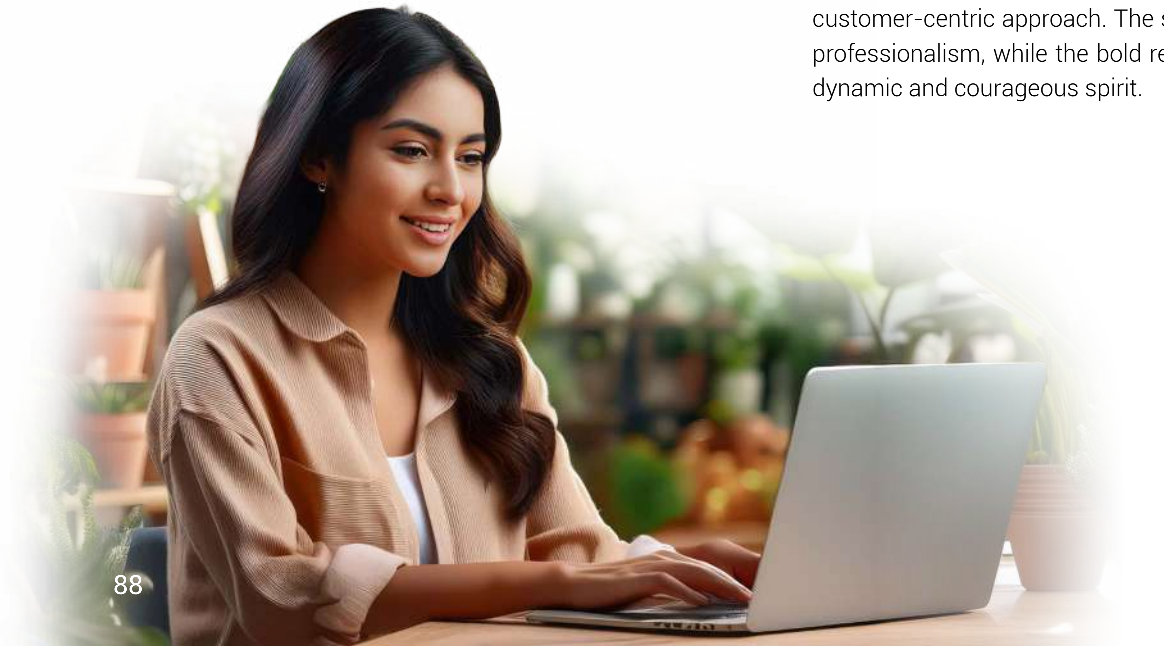
Version 24 prioritises user experience by featuring a simplified UI accessible to users of all ages and technical backgrounds. It introduces two groundbreaking metrics, Security Score and Privacy Score, which provide personalised assessments of device security and the user's privacy status. Additionally, it offers actionable recommendations for improvement, ensuring that users can easily enhance their security and privacy.

Seqrite has unveiled the latest version, 8.2, of its flagship product, End Point Protection (EPP). This new version leverages state-of-the-art Endpoint Threat Hunting technology and introduces a range of advanced features. These include Application Control Safelist, Automated IoC search, Real-time IoC blocking, Rapid query to Endpoints, and Google & YouTube Access Control. With these enhancements, EPP v8.2 sets a new standard in endpoint protection.

The Company recently introduced its Zero Trust user access and network access products, which have quickly gained significant traction in the market. The Zero Trust offering, Seqrite ZTNA, effectively addresses challenges related to remote working of the employees which expands the network perimeter to be secured while providing access to the critical organisation application to them.

Seqrite Data Privacy is a homegrown solution tailored to India's DPDP (Digital Personal Data Protection) Act. It is poised to emerge as the ultimate all-in-one tool for discovering, categorising, and enforcing governance on sensitive digital data. Businesses often store data in structured and unstructured formats across various platforms such as servers, databases, endpoints, and SaaS applications. The Seqrite Data Privacy solution, equipped with customisable connectors, can seamlessly integrate and analyze large volumes of data from these sources. It uses advanced parsers to detect sensitive information like PAN numbers, credit card details, Aadhaar numbers, and other confidential data.

Now that the Horizon 2 products, including EDR, XDR, Zero Trust, and Data Privacy solutions, have started to mature and gain market traction, the Board of directors has further approved fresh investments in new range of products (Horizon-3). The Company's primary focus within Horizon 3 solutions will be on monetising rich threat intelligence, leveraging its extensive data to create profitable opportunities. Quick Heal is also embracing generative AI to enhance its offerings and capabilities, ensuring to stay at the forefront of technological advancements. In addition, the Company is developing adjacent offerings in consumer segments to meet evolving needs, broadening its portfolio and market reach. Furthermore, the Company is committed to expanding the use cases and solutions within its data privacy and Zero Trust family, reinforcing its dedication to security and privacy. These initiatives collectively drive growth and innovation in Horizon 3 solutions. The Company has revitalised its brand identity and product portfolio to reinforce our dedication to cybersecurity excellence and innovation. The updated logo features parallel lines that represent its commitment to continuous innovation and a customer-centric approach. The sleek black symbolises its professionalism, while the bold red reflects the Company's dynamic and courageous spirit.



Forging Partnerships

Quick Heal's partners serve as the foundation of its product development efforts. The partners' reliability, quality, and timely deliveries play a crucial role in ensuring Quick Heal delivers on its commitment to safeguarding customers' digital lives.

Tata Tele Business Services

The Company entered into a strategic partnership with Tata Tele Business Services (TTBS), one of India's foremost B2B cloud and digital services providers. This collaboration harnesses the combined strengths of our organisations to deliver comprehensive cybersecurity solutions to a broader market.

EET

EET Group, a leading distributor of IT and technology solutions in Europe, has partnered with Quick Heal. This positions EET as the preferred distributor for our comprehensive suite of cybersecurity products in Europe. This partnership is a testament to EET's commitment to enhancing its cybersecurity offerings and delivering unparalleled value to its partners across the European region.

Syscom

Through a collaboration with Syscom, the Company is expected to leverage its extensive experience and strong presence in the Middle East to serve as a key distributor for Seqrite's comprehensive suite of cybersecurity products. This collaboration will enable businesses in the region to access our advanced Endpoint Protection, Zero Trust solution suite, and data privacy platforms. It will also offer a strong defence against ever-growing cyber risks.

M.Tech

Seqrite, has entered into a strategic partnership with M. Tech Solutions (India) Private Limited as its value-added distributor (VAD) for the Indian market. This collaboration aims to significantly expand Seqrite's presence in India and solidify our position further in the crucial enterprise and government segments. M. Tech's established relationships and deep understanding of cybersecurity technology will be instrumental in effective customer acquisition and solution deployment.

Jio Book

Quick Heal has partnered with Jio Book to offer its antivirus software pre-bundled in the in their laptops, enhancing cybersecurity for users. This collaboration ensures that customers can enjoy a safe and secure computing experience with Quick Heal's trusted protection against cyber threats.

Aligning with the Government's Data Security Push Initiative

The passage of the Digital Personal Data Protection (DPDP) Act in Parliament represents a pivotal achievement that endorses Quick Heal's product vision and strategic direction. Over the past 2-3 years, Quick Heal has meticulously developed its products to align with this impending legislation, ensuring that its solutions meet the evolving regulatory requirements.

The 'Make in India' initiative has been a major government push across various sectors, and the market, particularly within the government sector, has been very receptive. For a cybersecurity company like Quick Heal, being 100% 'Make in India' is a source of immense pride. This gives Quick Heal a distinct advantage, especially with its state-of-the-art Malware labs and a broad endpoint base. Data localisation and residency are critical, particularly for government infrastructure, due to the high risks associated with foreign technology. The Ministry has issued several memorandums advocating for the adoption of Indian technologies. Quick Heal is poised to capitalise on this opportunity while continuing to offer industry-leading technologies.

People & Culture

Shaping a Stronger Workforce

As of March 31, 2024, Quick Heal's workforce comprised 996 employees. The Company aims to create a diverse, equitable, and inclusive workplace that attracts, retains, and advances exceptional talent, thereby focusing on talent density. Through ongoing employee learning and development, comprehensive compensation and benefits, and a focus on health, safety, and overall well-being, Quick Heal strives to foster a culture that supports its employees in all aspects of their lives.

The Company champions a meritocracy-based culture where talent and performance drive career growth. It ensures that employees' efforts are recognised and rewarded fairly, fostering a competitive yet collaborative environment that promotes innovation and excellence. This further enables them to achieve their true potential while learning, growing, and feeling engaged.

As the operating environment continues to evolve rapidly, the Company remains committed to investing in its employees. It aims to further enhance learning and development opportunities to better meet its evolving business needs and strengthen its culture to achieve and sustain profitable growth. Given that a people-centric approach has been a key differentiator, Quick Heal provides employees with learning experiences focused on building multi-dimensional leadership skills and offers training programs closely aligned with its business strategy.

The Company is focused on quality hiring. Its hiring process includes cross-functional leaders validating overall fitment, including cultural, behavioral, and technical/functional capability. The Company emphasises on talent acquisition within the cybersecurity industry by providing appropriate skill-based compensation packages, implementing targeted recruitment efforts, engaging in industry events and conferences, utilising online platforms and social media for recruitment, maintaining a strong employer brand, and prioritising diversity and inclusion in its hiring practices. Quick Heal achieved significant milestones reflecting progress on the HR front in 2023-24:

- 9% reduction in annualised attrition, indicating improved employee retention and satisfaction.
- 2% increase in engagement score, with a notable 5% increase in participation in trainings, showcasing a more engaged workforce.
- 100% OKR completion, demonstrating alignment and of organisational goals.

Culture Code

The Company has recently launched its 'Culture Code' initiative by defining how it behaves internally and externally, ensuring that employees' efforts are recognised and rewarded fairly, fostering a competitive yet collaborative environment.

The Company launched its High-Potential (HiPo) Engagement Program, starting by identifying employees who have demonstrated exceptional performance and potential over the year. This process is guided by the 9 Box calibration methodology. Following this, Quick Heal engages in detailed discussions about their career goals, leading to the creation of personalised development plans. These plans include customised elements such as coaching, mentoring, cross-functional projects, challenging assignments, and specialised learning opportunities. The Company also conducts quarterly reviews to make timely adjustments and improvements to their development path. Quick Heal also offers benefits like Employee Stock Ownership Plans (ESOPs) to recognise and reward top performers.

The Manager Assimilation Program (MAP) is tailored to equip managers with the skills and tools necessary to enhance their team management capabilities and accelerate their managerial journey. This training program is designed to provide all managers with essential skills and knowledge to excel as team managers, whether they are seasoned or stepping into a managerial role for the first time. It empowers managers to lead their teams effectively and foster a positive work environment. The program is comprehensive, with one session held every quarter. Topics covered include the organisation's expectations from people managers, the role of the people manager, a holistic view of people management covering the entire employee lifecycle, and how to give meaningful feedback.

The introduction of MAP has had a significant impact on improving manager and employee relationships, empowering managers, and increasing employees' trust in their managers with their problems. It has also led to a reduction in employee lifecycle queries received by the People & Culture (P&C) Team.

Financial Overview

Attaining Peak Financial Performance for Sustainable Success

Strong Leadership

Revenue from operations stood at ₹ 291.75 Crores during 2023-24. The Enterprise business recorded ₹ 115.62 Crores while the Consumer business recorded ₹ 176.13 Crores.

Other Income: Stood at ₹ 21.39 Crores.

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

- Employee Benefits Expenses stood at ₹ 169.03 Crores.
- Web Publishing Charges stood at ₹ 0.48 Crores as compared to ₹ 0.50 Crores in 2022-23.
- Technology Subscription Charges and Fees for Technical Services stood at ₹ 10.27 Crores as compared to ₹ 8.78 Crores in 2022-23.
- Rent Expenses stood at ₹ 1.49 Crores as compared to ₹ 1.38 Crores in 2022-23.
- Rates and Taxes were ₹ 0.81 Crores as compared to ₹1.17 Crores in 2022-23.

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. The insurance cost amounted to ₹ 0.49 Crores in 2023-24, as compared to ₹ 0.43 Crores for 2022-23, depicting an increase of 13.95%.

Repairs and Maintenance: The Company's overall repairs and maintenance costs were at ₹ 2.95 Crores as compared to ₹ 2.89 Crores in 2022-23.

Business Promotion, Advertising, and Sales Promotion Expenses: For 2023-24, the advertising and sales promotion costs stood at ₹ 16.31 Crores, while business promotion costs stood at ₹ 2.44 Crores.

Travelling and Conveyance Expenses: The volume of travel and transportation stood at ₹ 4.36 Crores in 2023-24 as compared to ₹ 4.39 Crores in 2022-23.

Communication Expenses: The cost of communication stood at ₹ 21.38 Crores as compared to ₹ 14.90 Crores in 2022-23.

Office Expenses: The office expenses were ₹ 2.88 Crores, as compared to ₹3.17 Crores in 2022-23.

Legal and Professional Fees: The Company's legal and professional fees stood at ₹ 19.61 Crores in 2023-24, as compared to ₹26.30 Crores in 2022-23.

Provision for Doubtful Debts and Advances/Bad Debts Written Off: During the year, the provision for doubtful debts and bad debts was ₹ 7.15 Crores, as compared to ₹ 5.15 Crores for 2022-23. The increase is on account of provision on overdue debtors as per Expected Credit Loss. However, this is not necessarily considered bad debts basis our past collection trends.

Miscellaneous Expenses: During the year, the miscellaneous expenses stood at ₹ 1.26 Crores in 2023-24, as compared to ₹1.60 Crores in 2022-23.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA): EBITDA (excluding other income) was ₹ 17.55 Crores for 2023-24, as compared to ₹ 1.88 Crores for 2022-23. This is an increase of 833.51% on year-on-year basis. The overall increase in EBITDA was primarily on account of increase in revenue and also cost control.

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

Depreciation: Depreciation expense amounted to ₹ 12.60 Crores for 2023-24, as compared to ₹ 15.99 Crores for 2022-23, a decline of 21.20%. The reduction was mainly on account of reduction in gross block.

Profit after Tax: Profit after tax amounted to ₹ 24.24 Crores for 2023-24, as compared to ₹ 6.40 Crores in 2022-23, registering a increase of 278.75% owing to increase in revenue and cost optimisation.

Equity: Total equity remained at ₹ 53.51 Crores as of March 31, 2024, as against ₹ 53.07 Crores, as of March 31, 2023.

Retained Earnings: During the year, retained earnings increase to ₹ 322.51 Crores, as of March 31, 2024, as compared to ₹ 302.14 Crores, as of March 31, 2023 on account of increase in revenue and control on cost.

Property, Plant and Equipment (PPE) and Intangible Assets: During the year, PPE (excluding CWIP and including investment property) balances decreased to ₹ 116.72 Crores, as of March 31, 2024, from ₹124.45 Crores, as of March 31, 2023. The reduction was on account of disposal of fixed asset and no major addition.

Non-Current Financial Assets: The investment under non-current financial assets as of March 31, 2024, stood at ₹ 7.45 Crores, as compared to ₹ 21.49 Crores, as of March 31, 2023. This is mainly on account of impairment of investment.

Income Tax Assets: Income tax assets stood at ₹ 16.46 Crores, as compared to ₹22.33 Crores of March 31, 2023.

Current Financial Assets

Investments: Investments reflect the Company's cash flow and are made in generally conservative assets while the money is still being used for its operations. As of March 31, 2024, the total current investment stood at ₹ 182.51 Crores, as compared to ₹176.20 Crores as of March 31, 2023.

Trade Receivables: The trade receivables stood at ₹ 131.72 Crores, as of March 31, 2024, compared to ₹122.65 Crores, as of March 31, 2024. The receivables days changed to 150 days, as of March 31, 2024, as compared to 147 days as of March 31, 2023.

Other Current Assets: The Company's other current assets amounted to ₹ 7.75 Crores as of March 31, 2024, as compared to ₹6.78 Crores as of March 31, 2023.

Dividend: Total dividend paid in 2023-24 was ₹ 13.27 Crores. However, for 2022-23 it was ₹26.11 Crores.

Communities

Nurturing & Caring for Communities

Quick Heal acknowledges its responsibility to society and is committed to making significant contributions in the fields of cybersecurity awareness, life skills education, and healthcare. The Company actively engages with customers, partners, and communities through a variety of initiatives, including online forums, social media platforms, and Corporate Social Responsibility (CSR) programs, to foster social capital. These efforts are aimed at building stronger connections and creating a positive impact on society.

The Quick Heal Foundation ensures that the Company's initiatives are aligned with community needs through need-based research and stakeholder consultations. By collaborating with local authorities and community leaders, Quick Heal's initiatives are tailored to address specific challenges and priorities. Regular monitoring and evaluation processes allow for timely adjustments to ensure effectiveness.

The Foundation's 'Cyber Shiksha for Cyber Suraksha' program focuses on youth development and addressing the lack of cybersecurity awareness. Under its flagship program, 'Earn and Learn' it focuses on training volunteering students on individuals in cybersecurity, encouraging them to raise awareness and combat cybercrime. The initiative includes sessions for student leaders, expert-led training, and mentoring. Participants develop cybersecurity skills and improve their communication, leadership, teamwork, and problem-solving abilities. They also conduct cyber safety activities to spread awareness and create a safer digital environment. Quick Heal's cyber awareness program has impacted 13.55 Lakhs lives in 2023-24, bringing the total number of lives impacted to over 50 Lakhs.

Risks & Mitigation

Sustainable Growth through Strategic Risk Management

Risks	Definition	Mitigation
Risk of Infringement of Intellectual Property Rights and Proprietary Technology	The level of protection for the Company's patents, copyrights, trade secrets, and other intellectual property rights may vary depending on the applicable laws of the country where the business operates.	The Company holds a registered trademark, 'Quick Heal®,' which is legally protected. Furthermore, it has obtained four patents in the US. In the European Union, the Company's trademark registrations include 'Quick Heal®' and 'SEQRITE®.' Additionally, in various countries where it currently operates or plans to operate, such as Australia, Japan, and the US, it has secured trademark registrations for 'Fast Heal®.'
Channel Partner Dependency Risk	The Company relies significantly on its network of channel partners for the sale and maintenance of its solutions. These partners include service providers, system integrators, resellers, and distributors. The agreements with these partners are non-exclusive, allowing them to also sell software security products from other companies, including competitors. However, if channel partners prioritise marketing and selling their own or competitors' solutions over the Company's solutions, it could negatively impact operations.	Seqrite, a division of Quick Heal, has established a strong presence in the SMB market segment and now aims to expand into the mid-sized business market. The Company's strengths are rooted in its 30 years of industry experience, diverse product range, local R&D presence, comprehensive threat intelligence, and extensive sales and technical support network. To ensure efficient distribution and minimise risks, the Company has implemented a two-tier distribution model. Its sales team works directly to enhance product availability across channels and provide technical and sales assistance. The Company strongly emphasises on continuous training for its channel partners, coordinated with technical support centers, enabling them to offer high-quality support services to end-users. Quick Heal has appointed M. Tech Solutions as Seqrite's Value-Added Distributor (VAD) for the Indian market. This strategic move aims to expand Seqrite's footprint in India, focusing particularly on the Enterprise and Government sectors. Tata Tele Business Services has also partnered with Seqrite to offer its product portfolio to their customer base. EET Group, a leading distributor of IT and technology solutions in Europe, has also partnered with the Company for its enterprise solutions along with Jio Book partnering for antivirus software. Additional Syscom has been onboarded as a key distributor in the Middle East for its enterprise solutions.
Credit Risk	In the consumer sector for antivirus and cybersecurity products, the stock-and-sell business model is predominantly utilised. This model requires extensive inventory at all levels due to the industry's fiercely competitive nature, which is crucial for achieving market dominance. The channel partners play a pivotal role in driving the Company's sales and revenues. However, their performance can be affected by any general market or economic conditions that impact their cash flow.	The Company typically offers a credit period of 30-60-90 days to its channel partners. To mitigate this risk, the Company closely monitors its credit exposure and takes necessary measures to assess the creditworthiness of partners. To ensure faster sales turnover and prompt collection, the sales team collaborates closely with the partner ecosystem. The Company has strengthened its Tier I Distributor infrastructure by appointing over 336 distributors nationwide, serving 35000+ dealers across rural and urban regions. This expansion helps the Company increase its direct reach, attract more investment, and further reduce risk. Currently, over 90% of business payments are made within the credit limit granted on a credit facility of 30-60-90 days. However, moving up to high-value projects poses some risk for mid-segment partners, as execution and customer payments may exceed the 90-day period, despite their financial capability to support such deals. These partners act as aggregators, and each Tier II partner has credit terms with distributors. To mitigate this risk, the Company seeks the assistance of national distributors. This risk management approach is also applied by the Company in international markets and with partners worldwide.

Risks	Definition	Mitigation
Competition Risk	The benefits offered by competitors' solutions and services may appear to be as effective as the Company's offerings, but at a lower cost, for free, as part of a larger product bundle, or in exchange for maintenance and service payments. This can have a significant impact on the average revenue per unit of the product sold by the Company.	Quick Heal is currently the market leader in the Consumer sector, with a strong presence in Tier II and Tier III cities in addition to metro areas. The Company's extensive distribution network gives it a stronger reach in India compared to other international players. Unlike other brands, Quick Heal has established a robust presence with direct distributors and Tier I partners across the nation. The Company focuses on converting and attracting new customers through regular marketing initiatives, influence from partners and retailers, and promotional events. One of its key differentiators is its excellent customer service. Quick Heal provides multimedia support to users through phone, email, SMS, online chat, support forum, network access, and multilingual end-user support in Hindi, English, and various other regional Indian languages. In 2023-24, Quick Heal's R&D expenditures totaled ₹ 133.06 Crores as of March 31, 2024. The R&D team is dedicated to identifying emerging risks and developing innovative features for the consumer, enterprise, and government markets. However, a potential challenge for Quick Heal is getting its products listed on various analyst evaluations, such as the Gartner Magic Quadrant and NSS Labs/EAL certifications. Lack of visibility in these evaluations, especially in international markets like MEA, Europe, and APJ, where there are new entrants seeking legitimacy, could pose a challenge for Quick Heal.
Risk of Obsolescence	Quick Heal faces the risk of obsolescence through rapidly evolving cyber threats, technological advancements, and changing regulations, making existing tools and practices potentially outdated.	Quick Heal's competitive position, brand reputation, and future business opportunities could be affected by delays in implementing new features, updates, enhancements, and solutions that effectively protect end-users from emerging security risks. Quick Heal operates with diverse hardware, software applications, operating systems, and network functions by investing in research and development. Additionally, it ensures timely updates and additions that are made available to users.

Internal Control Systems and their Adequacy

Strengthening Internal Controls for a Secure Future

Quick Heal has established a robust set of rules, regulations, and procedures to support its operations, enhance efficiency, and ensure compliance with policies. These internal control systems are designed considering Quick Heal's specific characteristics, size, and complexity. Periodic evaluations of operations and processes are conducted by both statutory and internal auditors to prevent errors and ensure the smooth flow of business activities. Any relevant observations are promptly addressed, and the Audit Committee convenes regularly to thoroughly review these reports.

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

The Company follows a Code of Conduct outlining the ethical and legal standards that all employees, directors, and vendors must follow. The code covers areas such as conflict of interest, bribery and corruption, data protection, and intellectual property rights.

Whistle-Blower Policy and Vigil Mechanism

Quick Heal believes 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. The Company strives to empower its 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 its commitment to good corporate governance, the Company adheres to a robust set of policies, procedures, and guidelines rooted in sound ethics.

IT Security Controls

The Company has implemented robust IT security controls to protect its own systems and those of its clients. Within its IT security policies, the Company covers 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 Discussion and Analysis of the Company's Annual Report 2023-24 apply to this document in their entirety and are subject to the cautionary note.

NOTICE

Notice is hereby given that the 29th Annual General Meeting of the Members of Quick Heal Technologies Limited will be held on Friday 6th day of September, 2024 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, 2024 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, 2024 and the report of Auditors thereon.

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

   To declare a final dividend of ₹ 3.00/- per equity share of face value ₹ 10/- each for the year ended March 31, 2024.

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

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

4. **To re-appoint M/s. MSKA & Associates, Chartered Accountants, as Statutory Auditors of the Company:**

   In this regard, it is proposed to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, as amended, and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, approval of the members of the Company be and is hereby accorded for re-appointment of M/s. MSKA & Associates, Chartered Accountants, [FRN: 105047W], as the Statutory Auditors of the Company for second term of five consecutive years, who shall hold office from the conclusion of this 29th Annual General Meeting (AGM) till the conclusion of the 34th AGM of the Company to be held for the FY 2028-29, on such remuneration plus applicable tax, out-of-pocket expenses, travelling and living expenses, as may be determined by the Board of Directors of the Company.**"**

SPECIAL BUSINESS:

5. **Re-Appointment of Mr. Amitabha Mukhopadhyay as a director and designate him as an independent director:**

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

   "RESOLVED THAT pursuant to Sections 149, 150, 152, 161 of the Companies Act, 2013 (Act) and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), or re-enactment thereof and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors, approval of members be and is hereby accorded for re-appointment of Mr. Amitabha Mukhopadhyay, [DIN: 01806781] who was appointed as an Additional Director (in the capacity of Independent Director) of the Company effective from June 10, 2024, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR and is eligible for re-appointment under the provisions of the Act, the Rules made thereunder and the Listing Regulations, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of an Independent Director, as an Independent Director, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years i.e., from June 10 , 2024 up to June 9, 2029.**"**

6. **Appointment of Mr. Kamal Kumar Agarwal as a director and designate him as an independent director.**

   To consider and, if thought fit, pass the following resolution as an Special Resolution

   "RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and SEBI LODR (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Kamal Kumar Agarwal [DIN: 02831435] who was appointed as an Additional, Non-Executive, Independent Director by the Board of Directors of the Company with effect from July 26, 2024 and who holds office upto the date of this Annual General Meeting of the Company, who, being eligible, offers himself for appointment and in respect of whom the Company has received a notice from a member in writing under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from July 26, 2024 upto July 25, 2029."

7. **Remuneration to Non – Executive Independent Directors:**

To consider and, if thought fit, to pass, with or without modification(s), the following as a Special 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 SEBI LODR and subject to all approvals, permissions and sanctions as may be necessary, and on the basis of the recommendation of the nomination and remuneration committee and of the board of directors, 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, 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. The abovesaid remuneration shall be payable even in the event of loss or inadequacy of profits in any financial year(s), such remuneration will be within the limits as prescribed under Section 197 read with Schedule V of the Act or Regulation 17 of the SEBI LODR or any amendment thereof payable to all Non-Executive Directors for FY 2023-24.

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."

8. **Approval of Remuneration to Mr. Kailash Katkar, Chairman and Managing Director.**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory amendments, modifications or re-enactments thereof for the time being in force), (the "Act") read with Schedule V to the Act, and applicable clauses of the Articles of Association of the Company, and on the basis of the recommendation of the nomination and remuneration committee and the board of directors, a remuneration ranging between ₹ 1.50 Crores to ₹ 2.2 Crores per annum be paid/ payable to Mr. Kailash Katkar, [DIN: 00397191], Chairman and Managing Director of the Company. The abovesaid remuneration shall be payable even in the event of loss or inadequacy of profits in any financial year during his present tenure of appointment, notwithstanding that such remuneration may exceed the limits as prescribed under Section 197 read with Schedule V of the Act or Regulation 17(6)(e) of the SEBI LODR or any amendment thereof individually and / or the aggregate annual remuneration to all Executive Directors in any year during the present tenure of his appointment.

RESOLVED FURTHER THAT aggregate remuneration ranging between ₹ 1.50 Crores to ₹ 2.2 Crores per annum (including basic salary, perquisites and other 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. The above-mentioned remuneration shall be inclusive of all allowances, perquisites and incentives as per the policy of the Company.

RESOLVED FURTHER THAT Mr. Kailash Katkar shall be entitled for the reimbursement of actual entertainment, traveling, boarding, and lodging expenses and such other expenses incurred by him in connection with the Company's business and he will be provided with a Company car, which shall not be considered as part of remuneration.

RESOLVED FURTHER THAT Nomination and Remuneration Committee and Board be and are hereby authorized to revise, amend, alter and/or vary the terms and conditions of appointment and remuneration

NOTICE (Contd.)

and delegate authority to determine components of remuneration, subject to the same not exceeding the limits of ₹ 2.2 crores per annum.**"**

9. **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 a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory amendments, modifications or re-enactments thereof for the time being in force), (the "Act") read with Schedule V to the Act, and applicable clauses of the Articles of Association of the Company, and on the recommendation of the nomination and remuneration committee and the board of directors, a remuneration ranging between ₹ 1.50 Crores to ₹ 2.2 Crores per annum be paid to Mr. Sanjay Katkar (DIN 00397277), Joint Managing Director of the Company. The abovesaid remuneration shall be payable even in the event of loss or inadequacy of profits in any financial year during his present tenure of appointment, notwithstanding that such remuneration may exceed the limits as prescribed under Section 197 read with Schedule V of the Act or Regulation 17(6)(e) of the SEBI LODR Regulations, 2018 or any amendment thereof individually and / or the aggregate annual remuneration to all Executive Directors in any year during the present tenure of his appointment.

RESOLVED FURTHER THAT aggregate remuneration ranging between ₹ 1.50 Crores to ₹ 2.2 Crores per annum (including basic salary, perquisites and other 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. The above-mentioned remuneration shall be inclusive of all allowances, perquisites and incentives as per the policy of the Company.

RESOLVED FURTHER THAT Mr. Sanjay Katkar shall be entitled for the reimbursement of actual entertainment, traveling, boarding, and lodging expenses and such other expenses incurred by him in connection with the Company's business and he will be provided with a Company car, which shall not be considered as part of remuneration.

RESOLVED FURTHER THAT Nomination and Remuneration Committee and Board be and are hereby authorised to revise, amend, alter and/or vary the terms and conditions of appointment and remuneration and delegate authority to determine components of remuneration, subject to the same not exceeding the limits of ₹ 2.2 crores per annum.**"**

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

Sd/-
Kailash Katkar
Chairman and Managing Director
(DIN: 00397191)

Place: Pune
Date: July 26, 2024
Registered Office: Solitaire Business Hub, Office No. 7010 C & D, 7th Floor, Viman Nagar, Pune- 411014 CIN: L72200MH1995PLC091408
Tel: +91 20 66813232 E-mail id: cs@quickheal.co.in
Website: www.quickheal.co.in

NOTES

1. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI LODR Regulations and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. The relevant details, 36(3) of SEBI LODR 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 31, 2024 to Friday, September 06, 2024 (both days inclusive), for the purpose of AGM and Dividend.
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 Circulars, Notice of the AGM along with the Annual Report 2023-24 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 2023-24 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 September 03, 2024 at 12:01 AM (IST) and ends on September 05, 2024 at

5:00 PM (IST). During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 30, 2024 may cast their vote electronically. The e-voting module shall be disabled by Link Intime for voting thereafter. Kindly refer Annexure 6 to the Notice.

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

Item no. 4 To re-appoint M/s. MSKA & Associates, Chartered Accountants, as Statutory Auditors of the Company:

In accordance with Sections 139, 141 and 142 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Members of the Company had, at the 24th Annual General Meeting ('AGM') appointed M/s. MSKA & Associates, Chartered Accountants (FRN: 10504W) as the Statutory Auditors of the Company for a period of five consecutive years from the conclusion of this 24th AGM till the conclusion of 29th AGM of the Company.

The Board of Directors of the Company at their meeting held on 25th April 2024, on the recommendation of the Audit Committee, have recommended the re-appointment of M/s. MSKA & Associates the Statutory Auditors of the Company, for the approval of the Members at the 29th AGM of the Company for a term of five consecutive years from the conclusion of 29th AGM till the conclusion of 34th AGM of the Company to be held in the year 2029, at an annual remuneration of ₹ 39,00,000 per annum for the year ending 31st March 2024, plus out of pocket expenses and applicable taxes. The remuneration for the subsequent year(s) of their term shall be determined based on the recommendation of the Audit Committee and as mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

After evaluating all proposals and considering various factors such as independence, industry experience, technical skills, audit team, audit quality reports, etc., M/s. MSKA & Associates has been recommended to be re-appoint as the Statutory Auditors of the Company. M/s. MSKA & Associates is a multi-disciplinary Audit Firm catering to various clients in diverse sectors. The firm has offices in various cities across the country.

The Board recommends the Ordinary Resolution, as set out in Item No. 4 of the Notice, for approval by the Members.

Item no. 5 Re-appointment of Mr. Amitabha Mukhopadhyay as a director and designate him as an independent director.

The Board in its meeting held on June 10, 2019 appointed Mr. Amitabha Mukhopadhyay as an Additional Non-executive Director and subsequently appointed as Non-Executive Independent Director by the shareholders in Annual General Meeting held on 15 July 2019 for a period of 5 (Five) years till June 9, 2024 ('First Term') as per Section 149 of the Companies Act, 2013 .

Prior to the expiry of the term of 5 year's term Nomination and Remuneration Committee after considering the performance evaluation of Mr. Amitabha Mukhopadhyay, his expertise in the areas of Finance, Tax and business administration, knowledge, acumen and contribution made by Mr. Amitabha Mukhopadhyay has recommended his appointment for Second term of 5 years i.e. from June 10, 2024 to June 9, 2029. The Board at its meeting held on April 25, 2024, had appointed Mr. Amitabha Mukhopadhyay as an additional director and in the category of Independent Director subject to approval of the shareholders for second consecutive term of 5 years i.e. from June 10, 2024 to June 9, 2029.

In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a Member proposing the candidature of Mr. Amitabha Mukhopadhyay to be appointed as an Independent Director as per the provisions of the Companies Act, 2013. Copy of draft letter of appointment of Mr. Amitabha Mukhopadhyay setting out the terms and conditions of appointment shall be available for inspection by the Members at the registered office of the Company. A brief profile of Mr. Amitabha Mukhopadhyay is given below:

Mr. Amitabha Mukhopadhyay, 59, is a graduate from the University of Calcutta in Physics (Hons). He is a Fellow of the Institute of Chartered Accountants of India and a law graduate from Pune University. He Is enrolled as advocate with the Bar Council of Maharashtra and Goa.

Mr. Mukhopadhyay is an independent director of Foseco India Limited, a listed Company. He is also an independent director of Safepack Industries Limited and non-executive director of IFB Refrigeration Limited.

Mr. Mukhopadhyay has served as Group Chief Financial Officer of Thermax till May 2019. He was also a member of the Group Executive Council, held the role of Group General Counsel and was leading the Water & Waste Solutions Business of the group as Business Head. For most part of his professional career he worked for Tata Group and Thermax. Before joining Thermax, Amitabha was the President and Group CFO of Tata Autocomp Systems (TACO), the auto component business group of Tata Group. In career spanning over nearly three decades, he held roles in corporate finance, corporate legal and litigation, merger and acquisitions, corporate strategy and restructuring, supply chain management and product development. He successfully led business turnarounds and transformation as Business Head, and also headed businesses in start-up and early stage. In his last assignment he was Managing Director and CEO of IFB Agro Industries Limited.

Mr. Amitabha Mukhopadhyay is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received declaration from Mr. Amitabha Mukhopadhyay stating that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under Regulation 16(1)(b) of the SEBI LODR. In the opinion of the Board, Mr. Amitabha Mukhopadhyay fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management. Details of Mr. Amitabha Mukhopadhyay are provided in the "Annexure" to the Notice. He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 or Schedule V of the Act, in case of inadequacy of Profit or any statutory / regulatory amendments thereof from time to time.

Mr. Amitabha Mukhopadhyay is interested in this resolution with regard to his re-appointment. Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution. This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board recommends the Special Resolution, as set out in Item No. 5 of the Notice, for approval by the Members.

Item no 6: Appointment of Mr. Kamal Kumar Agarwal as a director and designate him as an independent director.

Mr. Kamal Kumar Agarwal [DIN: 02831435] was appointed as an Additional Director of the Company with effect from July 26, 2024 pursuant to section 161 read together with Article 38 of the Articles of Association of the Company. He holds the office of Additional Director till the ensuing Annual General Meeting and is eligible for appointment as an Independent Director. Pursuant to the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation.

Mr. Kamal Kumar Agarwal [DIN: 02831435] has consented to act as Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR. In the opinion of the Board, Mr. Kamal Kumar Agarwal [DIN: 02831435] fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management. A brief profile of Mr. Kamal Kumar Agarwal is provided in Annexure 1

The Board, based on the recommendation of the Nomination and Remuneration Committee, commends his appointment as Independent Director for a period of five years from July 26, 2024 up to July 25, 2029. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Kamal Kumar Agarwal [DIN: 02831435] as Independent Director is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Mr. Kamal Kumar Agarwal [DIN: 02831435], pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during normal business hours on any working day of the Company.

Mr. Kamal Kumar Agarwal [DIN: 02831435] is interested and concerned in the Resolution mentioned at Item No.6 of the Notice and other than Mr. Kamal Kumar Agarwal [DIN: 02831435], no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.6 of the Notice.

The Board commends the Special Resolution as set out at Item No. 6 of the Notice for your approval.

Item no 7: Remuneration to Non- Executive Directors:

The members of the Company have accorded their approval for payment of commission on profits to the Non-Executive Directors in the Annual General Meeting of the Company held on August 11, 2023, within the limits as prescribed in terms of section 197 of the Companies Act, 2013 (Act) read with section II part A of Schedule V. Under the provisions of section 197 of the Companies Act, 2013, payment of remuneration to Non-Executive Directors shall be approved by the Company in general meeting.

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 nomination and remuneration committee and the Board of Directors of the Company ('the Board') at the meeting held on April 25, 2024, have recommended for the approval of the members, payment of remuneration by way of commission to the Non-Executive Directors of the Company, other details as set out in the Annexure 2.

Accordingly, it is proposed that in terms of section 197 of the Act, the Non Executive Directors (apart from the Managing Director and Wholetime Directors) be paid such remuneration/commission as recommended by the

NOTICE (Contd.)

Nomination and Remuneration Committee and approved by the Board for each financial year, within the limits as prescribed in terms of section 197 of the Companies Act, 2013 (Act) read with section II part A of Schedule V for financial year 2023-24.

All the Non-Executive Directors and their relatives are concerned or interested in the Resolution at Item No. 7 set out in the Notice to the extent of the remuneration that may be received by each of them.

The Board recommends the Special Resolution as set out in Item No. 7 of the Notice for approval of the Members.

Item no 8: Approval Remuneration of Mr. Kailash Katkar, Chairman and Managing Director.

Mr. Kailash Katkar was appointed as Manging Director for a period of five years with effect from April 01, 2020 to March 31, 2025 in the 25th Annual General Meeting (AGM) held on August 11, 2020 with the remuneration within the range of ₹ 1.09 Crores to ₹ 2.50 Crores per annum, for 3 years i.e. 2020-2021 to 2022-23.

In the AGM held on August 11, 2023, the remuneration for further period of 2 years i.e. FY 2023-24 and FY 2024-25, were approved by shareholders within the range of ₹ 1.50 Crores to ₹ 2.20 Crores per annum, subject to minimum remuneration being paid/payable as per Schedule V of the Companies Act, 2013 (Act) in case of loss or inadequacy of profit.

However, in view of inadequacy of profit for FY 2023-24, the Salary range of ₹ 1.50 Crores to ₹ 2.20 Crores per annum is exceeding the limits of minimum remuneration as mentioned in Schedule V of the Act and limits as prescribed in Regulation 17 (6) (e) of SEBI LODR. Hence even though there is no change in the remuneration range paid / payable to Mr. Kailash Katkar, approval of members would be required through special resolution for payment of remuneration in the rage of ₹ 1.50 Crores to ₹ 2.20 Crores per annum, as already approved by shareholders in AGM held on August 11, 2023.

Proposed remuneration: The details of range of remuneration proposed which was already approved earlier in AGM held on August 11, 2023 are provided in Annexure-2 & 4 for ready reference and there is no change in the said range of ₹ 1.50 Crores to ₹ 2.20 Crores per annum remuneration. The said range of remuneration if approved would be applicable for present tenure of appointment of Mr. Kailash Katkar as mentioned above.

Except Mr. Sanjay Katkar, Joint Managing Director being brother of Mr. Kailash Katkar, none of the other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the Item No. 8 of the notice. The Board recommends the Resolution set out in Item No. 8 for approval of shareholders as Special resolution.

Item no 9: Approval of Remuneration to Mr. Sanjay Katkar, Joint Managing Director.

Mr. Sanjay Katkar was appointed as Joint Manging Director for a period of five years with effect from April 01, 2020 to March 31, 2025 in the 25th Annual General Meeting (AGM) held on August 11, 2020 with the remuneration within the range of ₹ 1.09 Crores to ₹ 2.50 Crores per annum, for 3 years (2020-2021 to 2022-23).

In the AGM held on August 11, 2023 the said range was revised with reduced upper limit from ₹ 2.50 Crores per annum to ₹ 2.20 Crores per annum and revised limits were approved in the range of ₹ 1.50 Crores to ₹ 2.20 Crores per annum for a period of 2 years i.e. FY 2023-24 and FY 2024-25, subject to minimum remuneration being paid as per Schedule V of the Companies Act, 2013 (Act) in case of loss or inadequacy of profit.

However, in view of inadequacy of profit for FY 2023-24, the Salary range of ₹ 1.50 Crores to ₹ 2.20 Crores per annum is exceeding the limits of minimum remuneration as mentioned in Schedule V and limits as prescribed in Regulation 17 (6) (e) of SEBI LODR. Hence even though there is no change in the range of remuneration paid / payable to Mr. Sanjay Katkar, approval of members would be required through special resolution for payment of remuneration in the rage of ₹ 1.50 Crores to ₹ 2.20 Crores per annum, as already approved by shareholders in AGM held on August 11, 2023.

Proposed remuneration: The details of range of remuneration proposed which was already approved earlier in AGM held on August 11, 2023 are provided in Annexure-2 & 5 for ready reference and there is no change in the said range of ₹ 1.50 Crores to ₹ 2.20 Crores per annum remuneration. The said range of remuneration if approved would be applicable for present tenure of appointment of Mr. Sanjay Katkar as mentioned above, irrespective of such remuneration may exceed limits mentioned in Schedule V of Companies Act, 2013 or SEBI LODR.

Except Mr. Kailash Katkar, Chairman and Managing Director being brother of Mr. Sanjay Katkar, none of the other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in the Item no. 9 of the notice.

The Board recommends the Resolution set out in Item No. 9 for approval of shareholders as Special resolution.

BY ORDER OF THE BOARD OF DIRECTORS
Quick Heal Technologies Limited

Sd/-
Kailash Katkar
Chairman and Managing Director
(DIN: 00397191)

Place: Pune
Date: July 26, 2024

ANNEXURE 1 TO THE NOTICE

Details of Director seeking appointment/reappointment at the Annual General Meeting

Particulars	Mr. Sanjay Katkar
Date of Birth	November 29, 1970
Date of Appointment	August 07, 1995
Qualifications	Masters in computer science
Expertise in specific functional areas	Development of anti-virus software, technology and related services
Number of shares held in the Company	1,55,88,818
List of directorships held in other companies *	Dreambook Production (OPC) Private Limited
Number of Board Meetings attended during 2023-2024	05 of 06
Chairperson/Member in the Committees of the Boards of companies in which he is a director	01
Relationships directors inter se	Brother of Mr. Kailash Katkar
Remuneration last drawn (Including sitting fee & commission)	₹ 1.31 Crore

*Based on disclosures received from the respective Director.

Particulars	Mr. Amitabha Mukhopadhyay
Date of Birth	August 17, 1964
Date of Appointment	June 10, 2024
Qualifications	BSc, LLB, Chartered Accountant
Expertise in specific functional areas	Financial, Treasury Management and Taxation expertise, Corporate Governance, Compliance and Audit purview, Large scale global operations, Mergers & Acquisitions, Business Strategy and Planning
Number of shares held in the Company	NA
List of directorships held in other companies *	06
Number of Board Meetings attended during 2023-2024	06
Chairperson/Member in the Committees of the Boards of companies in which he is a director	03
Relationships directors inter se	Nil
Remuneration last drawn (Including sitting fee & commission)	₹0.05 Crore

*Based on disclosures received from the respective Director.

Particulars	Mr. Kamal Kumar Agarwal
Date of Birth	December 22, 1980
Date of Appointment	July 26, 2024
Qualifications	Chartered Accountant
Expertise in specific functional areas	Mr. Kamal Kumar Agarwal is a qualified Chartered Accountant, having more than 20 years of experience in the field of finance, merger and acquisitions, corporate governance, marketing and sales. He has worked with various companies like Cadbury India Pvt. Ltd. ITC Ltd.
Number of shares held in the Company	Nil
List of directorships held in other companies *	08
Number of Board Meetings attended during 2023-2024	Not applicable
Chairperson/Member in the Committees of the Boards of companies in which he is a director	Not applicable
Relationships directors inter se	Nil
Remuneration last drawn (Including sitting fee & commission)	Not applicable

*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	2023-24	2022-23	2021-22
Total Income	313.12	300.49	360.72
Profit before tax	26.04	9.29	103.56
Profit after tax	24.07	7.70	78.19

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

Particulars	2023-24	2022-23	2021-22
Total Income	313.14	300.22	361.10
Profit before tax	26.21	8.02	108.68
Profit after tax	24.24	6.40	83.19

III. OTHER INFORMATION:

a. **Reason of loss or inadequate profits:** Though there is increase in profit in FY 2023-24, as compared to previous year, there is a decrease in profit from FY 2021-22 due to decline in Consumer business user base.

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

IV. Disclosure: Included in Corporate Governance Report.

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: 57	November 29, 1970, Age: 53
Date of First Appointment to the Board	August 7, 1995	August 7, 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 Ltd	Quick Heal Technologies Ltd
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	97,71,248	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	06	05
Remuneration last drawn	1.35 Crore	1.31 Crore

ANNEXURE 4 TO THE NOTICE

The Members at 28th AGM held on August 11, 2023 had approved range of remuneration between ₹ 1.50 Crores per annum to ₹ 2.20 Crores per annum paid/ payable to Mr. Kailash Katkar. There is no change proposed in the said range of remuneration, irrespective of profit or inadequacy of the profit during the present tenure of appointment of Mr. Kailash Katkar.

The details of Proposed remuneration is 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.

(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 that the total remuneration should not exceed the maximum range mentioned above of ₹ 2.20 Crores per annum.

(c) 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 above prescribed limit of maximum ₹ 2.20 Crores per annum, even if it may exceed limits as mentioned in relevant provisions of Section 198, Schedule V of the Companies Act, 2013 and / or applicable provisions of SEBI LODR.

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.

ANNEXURE 5 TO THE NOTICE

The Members at 28th AGM held on August 11, 2023 had approved range of remuneration between ₹ 1.50 Crores per annum to ₹ 2.20 Crores per annum paid/ payable to Mr. Sanjay Katkar. There is no change proposed in the said range of remuneration, irrespective of profit or inadequacy of the profit during the present tenure of appointment of Mr. Sanjay Katkar.

The details of Proposed remuneration is as follows:

(a) Mr. Sanjay 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.

(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 that the total remuneration should not exceed the maximum range mentioned above of ₹ 2.20 Crores per annum.

(c) 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 above prescribed limit of maximum ₹ 2.20 Crores per annum, even if it may exceed limits as mentioned in relevant provisions of Section 198, Schedule V of the Companies Act, 2013 and / or applicable provisions of SEBI LODR.

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.

ANNEXURE 6 TO THE NOTICE

Remote e-Voting Instructions for shareholders:

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

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

Individual Shareholders holding securities in demat mode with NSDL:

METHOD 1 - If registered with NSDL IDeAS facility

Users who have registered for NSDL IDeAS facility:

a) Visit URL: https://eservices.nsdl.com and click on "Beneficial Owner" icon under "Login".

b) Enter user id and password. Post successful authentication, click on "Access to e-voting".

c) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

Users not registered for IDeAS facility:

a) To register, visit URL: https://eservices.nsdl.com and select "Register Online for IDeAS Portal" or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp "

b) Proceed with updating the required fields.

c) Post registration, user will be provided with Login ID and password.

d) After successful login, click on "Access to e-voting".

e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of NSDL:

a) Visit URL: https://www.evoting.nsdl.com/

b) Click on the "Login" tab available under 'Shareholder/Member' section.

c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.

d) Post successful authentication, you will be re-directed to NSDL depository website wherein you can see "Access to e-voting".

e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with CDSL:

METHOD 1 – From Easi/Easiest

Users who have registered/ opted for Easi/Easiest

a) Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login or www.cdslindia.com.

b) Click on New System Myeasi

c) Login with user id and password

d) After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period.

e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

Users not registered for Easi/Easiest

a) To register, visit URL: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration / https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration

b) Proceed with updating the required fields.

c) Post registration, user will be provided Login ID and password.

d) After successful login, user able to see e-voting menu.

e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of CDSL.

a) Visit URL: https://www.cdslindia.com/

b) Go to e-voting tab.

c) Enter Demat Account Number (BO ID) and PAN No. and click on "Submit".

d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account

e) After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with Depository Participant:

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.

a) Login to DP website

b) After Successful login, members shall navigate through "e-voting" tab under Stocks option.

c) Click on e-voting option, members will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting menu.

d) After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

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

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Visit URL: https://instavote.linkintime.co.in

2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

   A. User ID: Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

   B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders 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 holding shares in **physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above*

   Shareholders holding shares in **NSDL form, shall provide '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).

3. Click on 'Login' under '**SHARE HOLDER**' tab.

4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.

2. E-voting page will appear.

3. 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).
4. 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.

Guidelines for Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund"):

STEP 1 – Registration

a) Visit URL: https://instavote.linkintime.co.in
b) Click on Sign up under "Corporate Body/ Custodian/Mutual Fund"
c) Fill up your entity details and submit the form.
d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.
e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person's email ID.
f) While first login, entity will be directed to change the password and login process is completed.

STEP 2 –Investor Mapping

a) Visit URL: https://instavote.linkintime.co.in and login with credentials as received in Step 1 above.
b) Click on "Investor Mapping" tab under the Menu Section
c) Map the Investor with the following details:
    a. 'Investor ID' -
        i. *Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678*
        ii. *Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID*.
    b. 'Investor's Name - Enter full name of the entity.
    c. 'Investor PAN' - Enter your 10-digit PAN issued by Income Tax Department.
    d. 'Power of Attorney' - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.
d) Click on Submit button and investor will be mapped now.
e) The same can be viewed under the "Report Section".

STEP 3 – Voting through remote e-voting.

The corporate shareholder can vote by two methods, once remote e-voting is activated:

METHOD 1 - VOTES ENTRY

a) Visit URL: https://instavote.linkintime.co.in and login with credentials as received in Step 1 above.
b) Click on 'Votes Entry' tab under the Menu section.
c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.
d) Enter '16-digit Demat Account No.' for which you want to cast vote.
e) 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).
f) After selecting the desired option i.e., Favour / Against, click on 'Submit'.
g) 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. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

VOTES UPLOAD:

a) Visit URL: https://instavote.linkintime.co.in and login with credentials as received in Step 1 above.
b) You will be able to see the notification for e-voting in inbox.

c) Select 'View' icon for 'Company's Name / Event number '. E-voting page will appear.

d) Download sample vote file from 'Download Sample Vote File' option.

e) Cast your vote by selecting your desired option 'Favour / Against' in excel and upload the same under 'Upload Vote File' option.

f) Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk:

Helpdesk for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

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 : 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

Forgot Password:

Individual shareholders holding securities in physical form has forgotten the password:

If an Individual shareholders holding securities in physical form has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password**?'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders 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 a minimum of 8 characters, at least one special character (@!#$&), at least one numeral, at least one alphabet and at least one capital letter*.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

User ID for Shareholders holding shares in NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID

User ID for Shareholders holding shares in CDSL demat account is 16 Digit Beneficiary ID.

Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund") has forgotten the password:

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

- Click on '**Login**' under '**Corporate Body/ Custodian/Mutual Fund**' tab and further Click '**forgot password?**'
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders 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 a minimum of 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 has forgotten the password:

Shareholders 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".

Process and manner for attending the General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in & Click on "**Login**".
   - Select the "**Company**" and '**Event Date**' and register with your following details: -

   A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No
   - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
   - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
   - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company

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

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

   C. Mobile No.: Enter your mobile number.

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

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

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

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

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

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

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

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

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

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

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

BOARD'S REPORT

Dear Members,

Quick Heal Technologies Limited

The Board of Directors of your Company is pleased to present the 29th Annual Report along with the audited financial statements, for the financial year ended March 31, 2024.

1. FINANCIAL RESULTS:

(₹ in Crores)

Particulars	Consolidated		Standalone	
	2023-2024	2022-2023	2023-2024	2022-2023
Revenue from Operations (Net)	291.75	278.09	291.75	278.11
Other Income	21.39	22.13	21.37	22.38
Total Income	**313.14**	**300.22**	**313.12**	**300.49**
Expenses	274.33	276.21	274.48	275.31
Depreciation	12.60	15.99	12.60	15.99
Total Expenditure	286.93	292.20	287.08	291.30
Profit Before Tax	**26.21**	**8.02**	**26.04**	**9.29**
Total Tax	1.97	1.62	1.97	1.59
Profit After Tax	**24.24**	**6.40**	**24.07**	**7.70**

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 2023-24 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 2023-24. The Auditors' Report on Standalone and Consolidated financials is unmodified.

2. COMPANY PERFORMANCE OVERVIEW AND OUTLOOK

Your Company recorded a total income of ₹ 313.14. Crores for the financial year 2023-24 as against ₹ 300.22 Crores in 2022-23, resulting in an increase of 4.30% in the total income during the year under review on consolidated basis. The Profit after Tax of the Company was increased by 278.8% from ₹ 6.40 Crores in the year 2022-23 to ₹ 24.24 Crores in the year under review.

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

3. DIVIDEND

The Board of Directors of your Company have recommended a final Dividend @ 30% i.e. ₹ 3/- per fully paid up equity shares of ₹ 10 each, for the financial year 2023-24. 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 2023-24 would involve a total outflow of ₹ 16.05 crores resulting in a dividend pay-out ratio of 66.68.% 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 dividend after deduction of tax at source.

The dividend recommended for the financial year 2023-24, is in compliance with the Dividend Distribution Policy in terms of regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). 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. 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.

5. **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.

6. **REPORT ON PERFORMANCE OF SUBSIDIARIES**

The Company has two subsidiaries as of March 31, 2024. There are no associates or joint venture companies 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.

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 Board's 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.

7. **MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**

As per the provisions of Regulation 34 of the SEBI LODR a detailed review by the Management of the business operations of the Company is presented under separate section "Management Discussion and Analysis" (MD&A) 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.

8. **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. 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.

9. **BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

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

10. **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.

11. **RISK MANAGEMENT**

The Company has put in place a robust risk management framework which facilitates the identification of risks and also mitigation thereof. The Audit Committee and Risk Management 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.

12. **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.

13. **LISTING ON STOCK EXCHANGES**

The Company's shares are listed on BSE Limited and the National Stock Exchange of India Limited.

14. **COMPLIANCE WITH THE CODE OF CONDUCT**

A declaration signed by the Managing Director affirming compliance with the Company's Code of Conduct by the Directors and Senior Management Personnel, for the financial year 2023-24, as required under Schedule V of the SEBI LODR forms a part of this Annual Report.

15. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMPS)

a. Composition of Board & Details of KMPs

As on March 31, 2024, 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, Mr. Sanjay Katkar, Joint Managing Director, Mr. Vishal Salvi, Chief Executive Officer (CEO), Mr. Ankit Maheshwari, Chief Financial Officer (CFO) and Mr. Sarang Deshpande, Company Secretary (CS) 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.

b. Appointment & Cessation during the year:

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

The term of appointment of Mr. Amitabha Mukhopadhyay as an independent non executive director is expiring on June 9, 2024, however Board of Directors in their meeting held on April 25, 2024 had appointed him as an additional director and renewed his term as an independent director for another period of 5 years i.e. up to June 10, 2029 subject to approval through special resolution at the ensuing annual general meeting.

Mr. Kailash Katkar resigned as CEO and continued as Managing Director w.e.f. July 3, 2023

Mr. Vishal Salvi appointed as CEO of the Company w.e.f. July 3, 2023.

Mr. Navin Sharma resigned as CFO w.e.f. April 18, 2023 and Mr. Ankit Maheshwari appointed as CFO w.e.f. April 26, 2023

Mr. Srinivas Rao resigned as Company Secretary w.e.f. July 17, 2023 and Mr. Sarang Deshpande appointed as Company Secretary w.e.f. October 26, 2023.

Mr. Vinav Agarwal resigned as Compliance officer w.e.f. September 15, 2023 and Mr. Vikram Dhanani appointed as Compliance Officer w.e.f. October 26, 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

16. BOARD AND ITS COMMITTEE'S MEETINGS

During the financial year 2023-24, six Board meetings were held. 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, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee are given in the Corporate Governance Report which forms part of this Report.

17. 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, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures.

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

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

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

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

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

18. 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.

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

19. 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 was held on March 26, 2024, 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.

20. SUCCESSION PLANNING

Your Company have an effective mechanism for succession planning which focuses on orderly succession of board members and other senior management team. The Nomination and Remuneration Committee implements this mechanism, with the help of P&C 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.

21. 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	Ms. Apurva Joshi
2	Nomination and Remuneration Committee	Ms. Apurva Joshi (Chairperson)	Mr. Kailash Katkar	Mr. Amitabha Mukhopadhyay	-
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	-

BOARD'S REPORT (Contd.)

22. 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, 2024. The Secretarial Auditor has not reported any fraud during the financial year.

EXPLANATION ON SECRETARIAL AUDITORS REPORT.

The Secretarial Auditors Report are self-explanatory and therefore do not call for any separate or further comments or explanations.

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

23. 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 ensuing 29th AGM. The Board of directors in its meeting held on April 25, 2024, has recommended re-appointment of M/s MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W) for term of 5 years accordingly, the Notice of ensuing 29th AGM would include the proposal for re-appointment of Statutory Auditors.

EXPLANATION ON AUDITORS REPORT STATUTORY AUDITOR.

The notes to the accounts referred to in the Auditors Report are self-explanatory and therefore do not call for any separate or further comments or explanations.

24. INTERNAL AUDITORS

The Board has appointed M/s. Protiviti India Member Private Limited, as Internal Auditors of the Company for the financial year 2024-25.

25. 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 this Boards' 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 terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the members excluding the aforesaid Annexure. The said Statement is also open for inspection at the registered office up to the date of the ensuing Annual General Meeting. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

The managerial remuneration paid to Executive Directors for the financial year 2023-24 is in excess of the limits prescribed under the Act and SEBI LODR. Accordingly, the Board of Directors have recommended the same for approval of the shareholders.

26. EMPLOYEE STOCK OPTION SCHEME

Your Company has two Employee Stock Option Plans namely, Employees Stock Option Scheme 2014 and Employees Stock Option Scheme 2021 for granting Term based and performance-based Stock Options to Employees.

The above schemes are in line with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2021 (**"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.

27. SECRETARIAL STANDARDS

During the financial year under review, the Company has followed the applicable Secretarial Standards.

28. 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**

Company installed 45KW solar plant at its R&D centre located at Thube Park, Shivaji Nagar, Pune. The plant generated 6.42% of its total energy requirement for said R&D centre.

Policy benefits:- Company is availing lower electricity tariff & electricity duty exemption under Maharashtra IT policy.

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. Few of the steps taken are provided below:

1) Conduct Innovation Week involving team members across locations.
2) Promote and fund team members to represent & participate in Technology Summits, research conferences and hackathons.
3) Induct interns from IITs and other top tier academic institutes to explore new areas
4) Enable team members with AI/ML, GenAI, etc trainings from new generation companies such as AWS, Microsoft, etc
5) Provide lab environment to explore use cases on Gen AI

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, 2024	Year ended March 31, 2023
Total foreign exchange outgo	5.44	8.29
Total foreign exchange earnings	18.53	15.42

29. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

There are no Loans, Guarantees and Investments provided by the Company as on March 31, 2024.

30. RELATED PARTY TRANSACTIONS

All 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 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.

31. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Your Company has a strong commitment to the society we live in. Your Company has chosen '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 ₹ 1.82 Crores on CSR activities, vis-à-vis ₹ 1.71 Crores 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 2023-24 is given as Annexure F.

BOARD'S REPORT (Contd.)

32. 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.

33. 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.

34. INVESTOR EDUCATION AND PROTECTION FUND

In accordance with the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends of a company which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account shall be transferred by the company to the Investor Education and Protection Fund ("IEPF"). In terms of the foregoing provisions of the Act, ₹ 1,32,095 dividend amount and 1719 number of shares were transferred to the IEPF by the Company during FY 2023-24.

35. 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.

vii. Change in name of premises wherein registered office of the Company is situated from "Marvel Edge" to " Solitaire Business Hub"

36. 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/documents/investors/quick-heal-annual-returnt-2023.pdf

37. 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 2023-24.

38. APPRECIATION

Your Board places on record sincere gratitude and appreciation for all the employees, 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/-
Kailash Katkar
Chairman & Managing Director
(DIN: 00397191)

Sd/-
Sanjay Katkar
Joint Managing Director
(DIN: 00397277)

Place: Pune
Date: April 25, 2024

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.	Seqrite Technologies DMCC
1	Reporting Currency	USD	AED
2	Exchange rate on the last date of relevant financial year	83.3363	22.688
3	Date on which Subsidiary was acquired	January 2, 2012	November 13, 2016
4	Share Capital	7,88,000	3,00,000
5	Reserves and Surplus	(7,63,996)	17,417
6	Total Assets	1,94,875	7,07,689
7	Total Liabilities	1,70,870	3,90,271
8	Investments	-	-
9	Turnover	4,33,209	4,84,945
10	Profit before taxation	6,931	8,762
11	Provision for taxation	-	-
12	Profit after taxation	6,931	8,762
13	Proposed dividend	-	-
14	Extent of Shareholding	Wholly Owned	Wholly Owned

ANNEXURE B

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[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
Solitaire Business Hub, 7010 C& D, 7th Floor,
Opposite NECO Garden Society, Viman Nagar,
Pune-411014, Maharashtra, India.

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 2023-24, 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, 2024 ("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, 2024 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) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

c) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

d) SEBI (Buyback of Securities) Regulations, 2018; [**Not applicable during the Audit Period**]

e) SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021;

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

g) SEBI (Prohibition of Insider Trading) Regulations, 2015;

h) SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021; [**Not applicable during the Audit Period**]

i) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;

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

(vi) Other Applicable Laws: having regard to the compliance system prevailing in the company and on examination of relevant documents and records in pursuance thereof on test-check basis, the company has complied with them to the extent they are applicable.

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,

ANNEXURE B (Contd.)

Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

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

Adequate notice was given to all directors to schedule the committee and Board Meetings, agenda and detailed notes on agenda were 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.

All the decisions of the board were passed with unanimous consent of all the directors present in the meeting and are 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. Mr. Navin Sharma resigned as a Chief Financial Officer (CFO) of the Company w.e.f. April 18 2023.
2. Mr. Ankit Maheshwari appointed as a CFO of the Company w.e.f. April 26, 2023.
3. Change in designation of Mr. Kailash Katkar to Managing Director (MD) from the post of MD and Chief Executive Officer (CEO) of the Company w.e.f. July 3, 2023.
4. Mr. Vishal Salvi appointed as a CEO of the Company w.e.f. July 3, 2023.
5. Mr. Srinivasa Rao Anasingaraju resigned as the Company Secretary of the Company w.e.f. July 17 2023.
6. The members passed the following Ordinary Resolutions at the Annual General Meeting held on August 11, 2023:
   a. Approval of remuneration paid/ payable to Mr. Kailash Katkar, MD and CEO of the Company for his tenure from April 1, 2023 to March 31, 2025 in terms of provisions of Sections 197, 198 read with Schedule V of the Companies Act, 2013.
   b. Approval of remuneration paid/ payable to Mr. Sanjay Katkar, Joint MD and Chief Technology Officer (CTO) of the Company for his tenure from April 1, 2023 to March 31, 2025 in terms of provisions of Sections 197, 198 read with Schedule V of the Companies Act, 2013.
7. Mr. Vinav Agarwal resigned as a Compliance Officer of the Company w.e.f. September 15, 2023.
8. Mr. Sarang Deshpande was appointed as the Company Secretary of the company w.e.f. October 26, 2023.
9. Mr. Vikram Dhanani was appointed as the Compliance Officer of the company w.e.f. October 26, 2023.
10. The Board of Directors noted the change of name of the premises of the registered office of the company w.e.f. March 20, 2024.
11. During the Audit Period, 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	1,85,645 equity shares of ₹ 10/- each
2.	ESOP Scheme, 2021	2,56,775 equity shares of ₹ 10/- each

12. The managerial remuneration paid to Executive Directors for the financial year 2023-24 is in excess of the limits prescribed under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the Board of Directors have recommended the same for approval of the shareholders.
13. Amounts to be credited to Investor Education and Protection Fund (IEPF) for the financial year 2022-23 have been transferred beyond the prescribed time limit as mentioned in the Act read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

FOR **J. B. BHAVE & CO.**
COMPANY SECRETARIES

Sd/-
JAYAVANT B. BHAVE
PROPRIETOR
FCS: 4266 CP. 3068
UIN: S1999MH025400
PR No. 1238/2021
UDIN: F004266F000245705

Place: Pune
Date: April 25, 2024

ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF QUICK HEAL TECHNOLOGIES LIMITED (2023-2024)

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

Place: Pune
Date: April 25, 2024

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 2023-24, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24 and the comparison of remuneration of each Key Managerial Personnel (KMP) on paid remuneration 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 FY 2023-24	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	12.40	15.83	The total income is increased by 4.30% whereas profit after tax increased by 278.8% during financial year 2023-24.
2.	Sanjay Katkar, Joint Managing Director	8.26	15.30	
3.	Vishal Salvi Chief Executive Officer[1]	-*	-*	
4.	Navin Sharma[2] Chief Financial Officer	-*	-*	
5.	Ankit Maheshwari [3] Chief Financial Officer	-*	-*	
6.	Srinivasa Rao A[4] Company Secretary	-*	-*	
7.	Sarang Hari Deshpande[5] Company Secretary	-*	-*	

*employed only part of the year hence not comparable

[2] Ceased to be CFO of the Company effective 18th April 2023.

[3] Appointed as CFO of the Company effective 26th April 2023.

[1] Appointed as CEO of the Company effective 3rd July 2023.

[4] Ceased to be CS of the Company effective 17th July 2023.

[5] Appointed as CS of the Company effective 26th Oct 2023.

2. The median remuneration of employees of the company during financial year 2023-24 was ₹ 8,56,070/-
3. In the financial year 2023-24, there was an increase of 17.72% in the median remuneration of the employees as compared to that of financial year 2022-23.
4. As on March 31, 2024 there were 996 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, 2024 increased by 278.8% whereas the median remuneration increased by 17.72%.
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 19.09% from INR 5.03 Crores in 2022-23 to INR 5.99 Crores in 2023-24, whereas Profit After Tax increased by 278.8% from ₹ 6.40 Crores in 2022-23 to ₹ 24.24 Crores in 2023-24.
7. The Independent Directors of the Company are entitled to Sitting Fees and Commission as per the statutory provisions. Sitting fees is paid based on the number of meetings attended by an Independent Director and hence the % increase is not comparable.

ANNEXURE C (Contd.)

8. The average percentage increase in salaries of employees excluding Key Managerial Personnel(s) was 7.67% over the previous year. The average increase in salaries of Key Managerial Personnel(s) was Nil. The increase in KMP remuneration were based on the recommendations of the 'Nominations & Remuneration Committee' as per the industry benchmark.
9. All remuneration paid is as per the Remuneration Policy of the Company.

B. Details of the employees who were employed throughout the financial year and received a remuneration of ₹ 1 Crore above per annum OR the employees who were employed for a part of the financial year and received remuneration of ₹ 0.85 Crore per month 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: Will be shared to shareholders on request.

C. Information as per Rule 5(2) of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: Will be shared to shareholders on request.

ANNEXURE D

ESOP Details as on March 31, 2024

Particulars	Details of ESOP Schemes	
	ESOP 2014	ESOP 2021
Options granted	Total options granted until date: 20,28,900 Options granted during fiscal 2024: Nil 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: 31,22,700 Options granted during fiscal 2024: 12,93,600 Options granted during fiscal 2023: 6,72,100 Options granted during fiscal 2022: 11,55,500
Pricing formula	discounted cash flow method	
Exercise price of options	₹ 97.50 to ₹ 294.33	₹ 10.00 to ₹ 330.00
Total number of options vested	26,550	2,88,775
Total number of options exercised	1,85,645	2,56,775
Total number of Equity Shares that would arise as a result of full exercise of options already granted	2,11,895	5,45,600
Options forfeited/lapsed/cancelled	12,36,520	9,04,075
Variation in terms of options	Nil	Nil
Options outstanding (in force)	1,19,368	19,43,475
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	₹ 4.48	
Difference between employee compensation cost using the fair value method and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company	Nil Impact on EPS (basic): Nil Impact on EPS (diluted): Nil	
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: ₹ 215.81 Weighted average fair value: ₹ 78.03	Weighted average exercise price: ₹ 125.88
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%;	

ANNEXURE D (Contd.)

Particulars	Details of ESOP Schemes	
	ESOP 2014	ESOP 2021
	Expected Life: Grant X – 1.61 Grant XI – 2.25 Grant XIII – 1.72 Grant XVI – 2.86 Grant XVIII – 5.06 Grant XIX – 4.25	Expected Life: Grant XXII – 2.92 Grant XXIII – 3.3 Grant XXIV – 3.42 Grant XXV – 3.32 Grant – XXVII – 2.87 Grant XXVIII – 3.23 Grant XXIX – 3.88 Grant XXXII – 4.59 Grant XXXVII – 4.26 Grant XXXIV – 6.72 Grant XXXV – 6.76 Grant XXXVI – 6.76 Grant XXXVII – 6.07 Grant XXXVIII – 7.3 Grant XXXIX – 7.3 Grant XXXX – 7.3 Grant XXXXI – 7.39 Grant XXXXII – 7.46
	Expected volatility: 46.20%	Expected volatility: 46.20% Price of underlying share in market at the time of Grant XXXII of option: ₹ 492.80
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 2023-24: ₹ 5.10 Crore Fiscal 2022-23: ₹ 2.85 Crore	

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					

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*
Vishal Salvi	2,75,000	Nil	Nil	Nil	2,75,000
Ankit Maheshwari	2,00,000	Nil	Nil	Nil	2,00,000

* Options are vested based on the performance of the employee

ANNEXURE D (Contd.)

Note 3: Employee who received a grant of options amounting to 5% or more of the options granted during the year 2023-24

Name of Employee	Total No. of options granted	Grant Price (in ₹)
Vishal Salvi	2,75,000	10.00
Ankit Maheshwari	2,00,000	80.00
Samuel Sathyajith	1,00,000	245.00

ANNEXURE E

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (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, 2024, 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	Trixter Cyber Solutions Private Limited
b)	Nature of Relationship	Mr. Kailash Katkar shareholding in Trixter
c)	Nature of contracts/ arrangements/ transaction	Vulnerability Assessment and Penetration Testing (VAPT) services
d)	Duration of the contracts/ arrangements/ transaction	1 year
e)	Salient terms of the contracts or arrangements or transaction	As per purchase order / agreement
f)	Justification for entering into such contracts or arrangements or transactions	NA
g)	Contract Value per year (₹ in Crore)	0.26 Crore

Contract 2

Sr. No.	Particulars	Details
a)	Name (s) of the related party	Data Security Council Of India (DSCI)
b)	Nature of Relationship	Mr. Kailash Katkar is Independent Director on Board of DSCI
c)	Nature of contracts/ arrangements/ transaction	Program sponshorship and joint report publication
d)	Duration of the contracts/ arrangements/ transaction	1 year
e)	Salient terms of the contracts or arrangements or transaction	As per purchase order / agreement
f)	Justification for entering into such contracts or arrangements or transactions	NA
g)	Contract Value per year (₹ in Crore)	0.64 Crore

Contract 3

Sr. No.	Particulars	Details
a)	Name (s) of the related party	Data Security Council Of India (DSCI)
b)	Nature of Relationship	Mr. Kailash Katkar is Independent Director on Board of DSCI.
c)	Nature of contracts/ arrangements/ transaction	Rendering of serves
d)	Duration of the contracts/ arrangements/ transaction	1 year
e)	Salient terms of the contracts or arrangements or transaction	As per purchase order / agreement
f)	Justification for entering into such contracts or arrangements or transactions	NA
g)	Contract Value per year (₹ in Crores)	0.35 Crore

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:

Sr. 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	1	1
3	Sanjay Katkar	Member – Jt Managing Director	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	₹ 11,31,816

Sr. 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	2023-24	₹ 9,189	₹ 11,31,816

6 Average net profit of the company as per section 135(5). ₹ 85,34,09,219/-

7 (a) Two percent of average net profit of the company as per section135(5) - ₹ 1,70,68,184/-

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

(c) Amount required to be set off for the financial year, if any – ₹ 9,189/-

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 1,70,58,995/-

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
1,82,00,000/-	Nil	Not Applicable	-	NIL	-

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation- Through implementing agency	
				State	District			Name	CSR Registration number
1	Contribution to Schedule VII activities	(i), (ii), (viii)	Yes	PAN India		1,82,00,000	No	Quick Heal Foundation	CSR00005777
						1,82,00,000			

(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) - ₹ 1,82,00,000/-

(g) Excess amount for set off, if any

Sr. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section135(5)	1,70,68,184
(ii)	Total amount spent for the Financial Year	1,82,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	11,31,816
(iv)	Surplus arising out of the CSR projects or programmes or Activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	11,31,816

ANNEXURE F (Contd.)

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

Sr. 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)
Sr. 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
Chairman & Managing Director

Sd/-
Apurva Joshi
Chairperson of CSR Committee

REPORT ON CORPORATE GOVERNANCE

The report on Corporate Governance, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) 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 SEBI LODR, as applicable, with regard to corporate governance.

2. BOARD OF DIRECTORS:

The Company has total seven Directors, of which two are executive directors and five are Non-Executive Directors. Out of five non-executive directors, four 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 Seven 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	Promoter
2.	Mr. Sanjay Katkar	Joint Managing Director	Promoter

Non-Executive Non-Independent Director

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.	Ms. Apurva Joshi	Director	Independent Director
3.	Mr. Bhushan Gokhale	Director	Independent Director
4.	Mr. Richard Stiennon	Director	Independent Director

Except Mr. Kailash Katkar, Managing Director who is brother of Mr. Sanjay Katkar, Joint Managing Director, none of our directors are related to each other.

(ii) Independent Directors

The first 5 years term of Mr. Amitabha Mukhopadhyay as a Non-Executive Independent Director is expiring on June 9, 2024, the Board of Directors post recommendation of Nomination and Remuneration Committee appointed him for second term of 5 years as an Additional Director and in the category of Independent Director subject to approval of shareholders at ensuing Annual General Meeting.

The Company has received declarations as stipulated under Section 149(7) of the Companies Act, 2013 and as per the applicable clause(s) of SEBI LODR 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 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 SEBI LODR. 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 2023-24, 6 (six) Board meetings were held, details are as under:

Sr. No.	Date of Meeting
1.	April 17, 2023
2.	July 03, 2023
3.	July 20, 2023
4.	October 26, 2023
5.	January 24, 2024
6.	March 20, 2024

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	06	Yes	01	Quick Heal Technologies Limited - Managing Director	0(C), 1(M)
Mr. Sanjay Katkar	05	Yes	01	Quick Heal Technologies Limited - Joint Managing Director	0(C), 01(M)
Mr. Shailesh Lakhani	03	Yes	02	Quick Heal Technologies Limited- Non-Executive Director. Le Travenues Technologies Limited.	Nil

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. Amitabha Mukhopadhyay	06	Yes	05	Quick Heal Technologies Limited - Independent Director Foseco India Limited - Independent Director Safepack Industries Limited - Independent Director IFB Agro Limited - Managing Director IFB Refrigeration Limited - Non Executive Director	02(C), 02(M)
Ms. Apurva Joshi	06	Yes	07	Quick Heal Technologies Limited - Independent Director Associated Alcohols & Breweries Limited - Independent Director Precision Camshafts Limited - Independent Director Nihilent Limited- Independent Director Fidel Softech Limited - Independent Director Fino Paytech Limited - Independent Director Paramount Speciality Forgings Limited - Independent Director	02(C), 8(M)
Mr. Bhushan Gokhale	06	Yes	02	Quick Heal Technologies Limited - Independent Director Mahratta Chamber of Commerce, Industries and Agriculture - Independent Director	01(C), 01(M)
Mr. Richard Stiennon	06	No	01	Quick Heal Technologies Limited - Independent Director	Nil

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

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

As on March 31, 2024, 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 SEBI LODR) 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 Programme for Board Members including Independent Directors

The Board members are provided with the requisite documents/brochures, reports and internal policies to enable them to 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 SEBI LODR 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-24.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 SEBI LODR, a meeting of the Independent Directors of the Company was held on March 26, 2024, 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 SEBI LODR, 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, 2024, 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	Corporate Governance, Sales, Marketing, Customer services, Technical support and administration
Sanjay Katkar, Joint Managing Director	Technical Strategy, Technical Governance and Customer services

Director	Area of Expertise
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
Apurva Joshi, Independent Director	Corporate Governance, Financial Management, Risk Management and Business Strategy
Bhushan Gokhale, Independent Director	Strategy, General Management, Administration and Human Resources
Shailesh Lakhani, Non-Executive Director	Global Business, Corporate Governance, Financial Management, Mergers & Acquisitions, Securities Market Expert and 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 SEBI LODR. During the financial year ended March 31, 2024, 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.

(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 SEBI LODR. 4 (four) meetings of the Committee were held during the financial year ended March 31, 2024.

During the year under review, the Audit Committee met on April 17, 2023, July 20, 2023, October 26, 2023 and January 24, 2024.

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
Ms. Apurva Joshi	Member	04

Chief Executive Officer and Chief Financial Officer regularly attends the Audit Committee Meetings and 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 SEBI LODR.

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 SEBI LODR.

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 three Directors, two being Independent and one Executive Director. During the financial year ended March 31, 2024, 03 (three) meetings of the Nomination and Remuneration Committee were held.

During the year under review, the Committee met on April 17,2023, July 3, 2023, October 26, 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	03
Mr. Amitabha Mukhopadhyay	Member	03
Mr. Kailash Katkar	Member	03

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, 2024:

(a) Executive Directors

Sr. No.	Name of the Director	Gross salary (in ₹ Crores)	Commission/ Incentive (in ₹)	Contribution to PF (in ₹)	Total. (in ₹ Crores)	Notice period
1.	Mr. Kailash Katkar*	1.355	Nil	Nil	1.355	6(six) Months
2.	Mr. Sanjay Katkar*	1.310	Nil	Nil	1.310	6(six) Months

* As per the Employment Agreement dated: August 12, 2020, Mr. Kailash Katkar & Mr. Sanjay Katkar are eligible for 1(one) Car each from the Company.

Particulars of sitting fee paid to the Non-Executive Independent Directors during the financial year ended March 31, 2024 are as follows:

Sr. No.	Name of the Director	Sitting fees paid (in ₹ Crores)*
1.	Mr. Amitabha Mukhopadhyay	0.05
2.	Ms. Apurva Joshi	0.06
3.	Mr. Bhushan Gokhale	0.04
4.	Mr. Richard Stiennon	0.02

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

There has been no pecuniary relationship or transactions between the Company and Non-Executive Directors during the financial year 2023-24.

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 participation 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 2023-24.

(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 SEBI LODR.

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, 2024. The Company Secretary acts as the Secretary to the Stakeholders Relationship Committee.

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

During the year under review Mr. A Srinivasa Rao resigned w.e.f. July 17, 2023 and Mr. Sarang Deshpande has been appointed as the Compliance Officer w.e.f. October 26, 2023. During the year under review Mr. Vinav Agarwal resigned w.e.f. September 15, 2023 and Mr. Vikram Dhanani has been appointed as the Compliance Officer w.e.f. October 26, 2023 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 SEBI LODR & 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) Pvt Ltd. 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
03	Nil	Nil

(iv) Risk Management Committee:

Composition:

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

During the year under review, the Committee met on April 14, 2023, July 20, 2023, October 26, 2023 and January 24, 2024.

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

Terms of Reference:

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

(v) Corporate Social Responsibility Committee:

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 14, 2023.

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 11, 2023	Through Video Conferencing/ Other audio-visual means
2.	August 26, 2022	Through Video Conferencing/ Other audio-visual means
3.	August 06, 2021	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.	2022-23	August 11, 2023	Friday	04.00 PM	Nil	NA
2.	2021-22	August 26, 2022	Friday	3.30 PM	1	Approval of Buyback of Equity Shares of the Company
3.	2020-21	August 06, 2021	Friday	11.00 AM	Nil	NA

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.

FY 2021-22: Nil

REPORT ON CORPORATE GOVERNANCE (Contd.)

FY 2022-23: Company paid a fine of INR 10,000/- to each stock exchange for non-compliance of provision of Reg 29(2) and (3) of SEBI LODR.

(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 SEBI LODR.

(iv) Compliance with non-mandatory requirements (as on March 31, 2024)

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

(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 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 SEBI LODR.
ii)	Newspapers wherein results normally published	Financial Express and Prabhat
iii)	Any website, where displayed	www.quickheal.co.in
iv)	Whether it also displays official news releases	The Company displays the Press Releases as and when released.
v)	The Presentations made to institutional investors or to the analysts	The Company holds Investor Presentations and meetings from time to time and Presentations made thereat are also sent to the Stock Exchanges as well as displayed on the website of the Company.
vi)	NSE Electronic Application Processing System (NEAPS)	The NEAPS is a web-based application designed by NSE for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.
vii)	BSE Corporate Compliance & Listing Centre (the 'Listing Centre')	BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on the Listing Centre.
viii)	SEBI Complaint Redressal System (SCORES)	The investor complaints are processed in a 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. The investors can initiate dispute resolution through the ODR Portal: https://smartodr.in/ login and the same can also be accessed through the Company's Website at https://www.quickheal.co.in/investors.

7. GENERAL SHAREHOLDERS' INFORMATION

7.1	**Annual General Meeting :** - Date and Time - Venue	September 6, 2024 at 4.00 P.M. The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

7.2	**Financial Calendar** 2024-25 (Tentative) :	Annual General Meeting – (Next Year)	September 2025
		Financial Reporting	
		Results for quarter ending June 30, 2024	On or before 14th August,2024
		Results for quarter ending September 30, 2024	On or before 14th November,2024
		Results for quarter ending December 31, 2024	On or before 14th February,2025
		Results for year ending March 31, 2025(Audited)	On or before 30th May,2025
7.3	**Book Closure date :**	August 31, 2024 to September 06, 2024 (both days inclusive) for Annual General Meeting.	
7.4	**Dividend Payment date :**	10/09/2024	
7.5	**Unclaimed Shares :**	Total 1,719 number of shares deposited with IEPF for FY 2022-23	
7.6	**Unclaimed Dividend :**	INR 1,32,095 amount of dividend deposited with IEPF for FY 2022-23	

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 SEBI LODR.

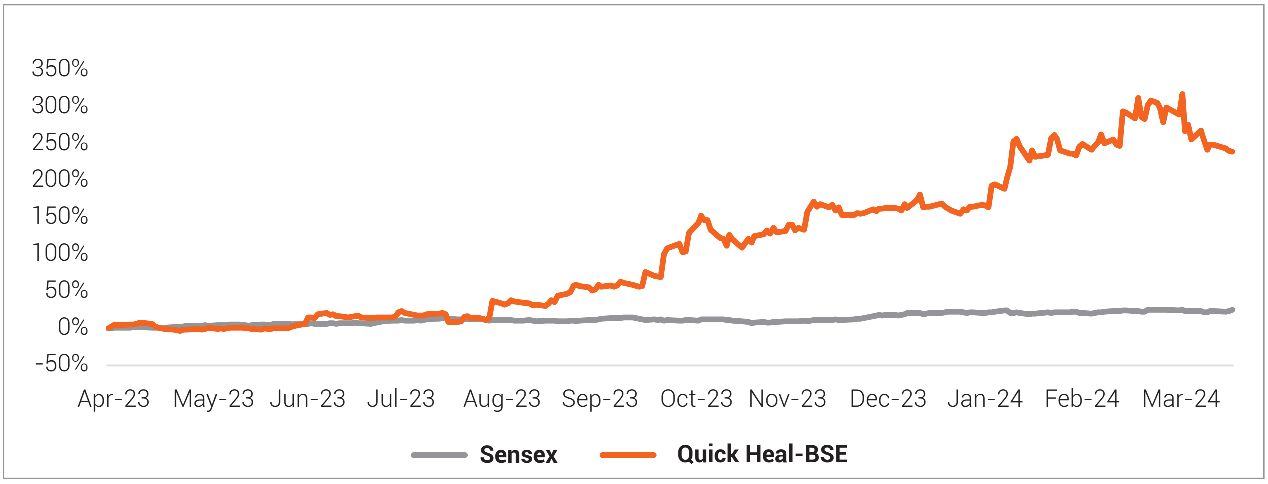
7.7	**(a) Listing of Equity Shares on Stock Exchanges**	National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G – Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
The Company confirms that it has 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	
7.8	**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: Solitaire Business Hub, Office No. 7010, C & D, 7th Floor, Viman Nagar, Pune – 411 014.		

Stock Market Price Data	National Stock Exchange of India Ltd (NSE)		BSE Limited (BSE)	
Month	Month's High Price (In ₹)	Month's Low Price (In ₹)	Month's High Price (In ₹)	Month's Low Price (In ₹)
April, 2023	153.00	125.00	152.50	127.35
May, 2023	146.30	136.00	166.50	136.60
June, 2023	172.20	141.00	172.25	140.75
July, 2023	177.00	148.00	176.40	148.50
August, 2023	229.00	154.60	229.20	154.50
September, 2023	300.40	208.60	299.70	208.95
October, 2023	358.35	278.05	357.65	278.20
November, 2023	385.00	303.40	385.10	303.45
December, 2023	397.95	350.00	397.70	350.70
January, 2024	522.60	351.15	522.30	352.60
February, 2024	577.20	451.75	576.95	452.00
March, 2024	599.70	466.60	600.00	465.7

REPORT ON CORPORATE GOVERNANCE (Contd.)

7.9 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, 2024



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

Pune Office: Block No 202, 2nd Floor, Akshay Complex, off Dhole Patil Road, Pune - 411001, Phone: 91 20 26160084

Report Type : All(NSDL+CDSL+PHYSICAL)

Serial #	Shares Range			Number of shareholders	% of total shareholders	Total shares for the range	% of issued capital
1	1	to	500	44,902	94.4907	28,61,295	5.3466
2	501	to	1,000	1,307	2.7504	10,11,854	1.8907
3	1,001	to	2,000	614	1.2921	9,16,155	1.7119
4	2,001	to	3,000	225	0.4735	5,70,298	1.0657
5	3,001	to	4,000	93	0.1957	3,31,693	0.6198
6	4,001	to	5,000	81	0.1705	3,76,599	0.7037
7	5,001	to	10,000	146	0.3072	10,66,106	1.9921
8	10,001 and Above			152	0.3199	4,63,82,271	86.6695
			TOTAL	**47,520**	**100**	**5,35,16,271**	**100**

Category of Shareholders	Number of Shares	Percentage (%)
Clearing Members	2,653	0.01
Other Bodies Corporate	17,80,652	3.33
Hindu Undivided Family	3,80,395	0.71
Mutual Funds	2,52,061	0.47
Nationalised Banks	25	0.00
Non Resident Indians	1,15,845	0.22
Non Resident (Non Repatriable)	1,28,900	0.24
Public	1,02,39,847	19.13
Promoters	3,87,86,353	72.48
Trusts	5,330	0.01
Body Corporate - Ltd Liability Partnership	86,987	0.16
Foreign Portfolio Investors (Corporate) - I	8,52,025	1.59
Investor Education And Protection Fund	1,719	0.00
Alternate Investment Funds - III	8,49,862	1.59
Foreign Portfolio Investors (Corporate) - II	33,617	0.06
TOTAL	**5,35,16,271**	**100.00**

7.11	Dematerialisation of shares	All shares have been dematerialised as on March 31, 2024 & trading in equity shares of the Company is permitted only in dematerialized form.
7.12	Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion dates and likely impact on equity.	Nil
7.13	Commodity price risk or foreign exchange risk and hedging activities	Low foreign exchange risk
7.14	Plant locations	Nil
7.15	**Investor Correspondence:**	
	For transfer / dematerialisation of shares, payment of dividend on shares, query on Annual Report and any other query on the shares of the Company.	Link Intime India Private Limited
		Mumbai Office: C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India Tel: +91 (22) 4918 6200; Fax: +91 (22) 4918 6195; Pune Office: Block No 202, 2nd Floor, Akshay Complex, off Dhole Patil Road, Pune - 411001, Phone: 91 20 26160084
		email id: rnt.helpdesk@linkintime.co.in; website: www.linkintime.co.in
7.16	**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 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 (collectively referred to as 'MCA Circulars') and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.

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 and Transfer Agent. Mumbai Office: Link Intime India Private Limited, - C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083, Phone: 022- 4918 6200, Pune Office: Pune Office: Block No 202, 2nd Floor, Akshay Complex, off Dhole Patil Road, Pune - 411001, Phone: 91 20 26160084

7.17 Share Transfer System

In terms of Regulation 40(1) of SEBI LODR 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. Transfers of equity shares in electronic form are undertaken by depositories with no involvement of the Company. 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, 2023 to March 31, 2024.

8. OTHER INFORMATION

(a) Risk Management Framework:

The Company has in place appropriate 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.

REPORT ON CORPORATE GOVERNANCE (Contd.)

(b) CEO and CFO Certification

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

(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 SEBI LODR AMENDMENT REGULATIONS: -

a. Certificate from Practicing Company Secretary

The Company has obtained a certificate from M/s. J.B. Bhave & Co., Company Secretaries in practice as required under SEBI LODR, 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 ₹ Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
As auditor:		
Audit fees	0.10	0.13
Limited review	0.25	0.24
In other capacity:		
Others (including certification fees)	0.04	0.01
Reimbursement of expenses	0.04	0.03
Total	0.43	0.41

* includes remuneration to auditors of subsidiaries.

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 Board's 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, 2024, 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 SEBI LODR. However, the Company has unlisted subsidiary companies abroad. The minutes of the Board meetings of the subsidiary companies are placed at the Board meetings of the Company. Details of significant transactions and arrangements entered into by the subsidiary companies are noted by the Board. The Audit Committee of the Company reviews the financial statements of the subsidiary companies, including investments made by such subsidiaries. The Company has adopted a policy for determining material subsidiaries which is displayed on the Company's website https://www.quickheal.co.in/investors/.

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

   Mr. Vikram Dhanani 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 Ltd 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, 2024, 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 Chief Executive Officer, Chief Financial Officer, Company Secretary as on March 31, 2024.

Sd/-
Kailash Katkar
Chairman and Managing Director
(DIN: 00397191)

Place: Pune
Date: April 25, 2024

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

Solitaire Business Hub, 7010 C& D, 7th Floor,

Opposite NECO Garden Society, Viman Nagar,

Pune- 411014, Maharashtra, India

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, 2024. 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, 2024.

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

Sd/-
Jayavant Bhave
Proprietor
FCS: 4266 CP. 3068
PR No.: 1238/2021
UDIN: F004266F000245738

Place: Pune
Date: April 25, 2024

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V, Para C, Clause (10)(i) of the
Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Quick Heal Technologies Limited
Solitaire Business Hub, 7010 C & D,
7th Floor, Opposite NECO Garden Society,
Viman Nagar, Pune - 411014, Maharashtra, India

I have examined the relevant registers, record, forms, returns and disclosures received from the Directors of **Quick Heal Technologies Limited** having CIN: L72200MH1995PLC091408 and having Registered Office at Solitaire Business Hub, 7010 C & D, 7th Floor, Opposite NECO Garden Society, Viman Nagar, Pune - 411014, Maharashtra, India (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 31st March, 2024 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 the Director	Designation	DIN	Date of Appointment in the Company
1.	Mr. Kailash Sahebrao Katkar	Managing Director	00397191	17/08/1995
2.	Mr. Sanjay Sahebrao Katkar	Joint Managing Director	00397277	17/08/1995
3.	Mr. Bhushan Nilkanth Gokhale	Non-Executive - Independent Director	01493276	12/08/2020
4.	Mr. Amitabha Mukhopadhyay	Non-Executive - Independent Director	01806781	10/06/2019
5.	Ms. Apurva Joshi	Non-Executive - Independent Director	06608172	21/08/2015
6.	Mr. Richard Dennis Stiennon	Non-Executive - Independent Director	09324046	27/09/2021
7.	Mr. Shailesh Lakhani	Non-Executive - Non-Independent Director	03567739	29/04/2014

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 the same 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 B. Bhave
Proprietor
FCS: 4266 CP. 3068
PR No.: 1238/2021
UDIN: F004266F000245749

Place: Pune
Date: April 25, 2024

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, 2023 to March 31, 2024 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, 2023 to March 31, 2024 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, 2023 to March 31, 2024;

2) significant changes in accounting policies during the period April 1, 2023 to March 31, 2024 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/-
Vishal Salvi	**Ankit Maheshwari**
Chief Executive Officer	Chief Financial Officer

Place: Pune

Date: April 25, 2024

RISK MANAGEMENT REPORT

Overview:

Quick Heal Technologies Ltd (Quick Heal) 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.
    - Taking the risk
    - Safeguards / insurance to taking that risk (i.e. sharing it with others or avoiding it altogether)
    - Costs of such safeguards vis-à-vis upside / downside of accepting risks
    - 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 analysis. Identification should include all risks whether or not they are under the control of the Company.

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

RISK MANAGEMENT REPORT (Contd.)

Risk Assessment:

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

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

1. Inherent Risk – Assessment before considering any action taken to mitigate the consequence or likelihood of risk.
2. Residual or Controlled Risk – Assessment in the context of the existing controls that mitigate the consequence or likelihood of Risk.

The impact and likelihood may be determined using statistical analysis and calculations. Alternatively, where no past data are available, subjective estimates may be made which reflect an employee, or group`s degree of belief that a particular event or outcome will occur.

Risk Evaluation:

Impact and Likelihood are combined to produce a level of risk. For each risk, the score for likelihood and impact should be multiplied to arrive at combined score. The risk is classified into four categories based on combined score (values) that are:

1. Extreme
2. High
3. Cautionary
4. Acceptable

Risk Treatment/Action Plan:

Risk Treatment involves identifying the range of options for treating risk, assessing those options, preparing risk management plans and implementing them. Treatment options may include:

- Accepting the risk level within the established criteria
- Transferring the risk to other parties e.g. insurance
- Avoiding the risk by hedging/adopting safer practices or policies and
- Reducing the likelihood of occurrence and/or consequences of risk event.

Action plans need to be time bound and responsibility driven to facilitate future status monitoring. Mitigating practices and controls shall include determining policies, procedure, practices and processes in place and additional resource allocation what will ensure that existing level of risks is brought down to an acceptable level. In many cases significant risk may still exist after mitigation of risk level through the risk treatment process. These residual risks need to be monitored.

Escalation of Risks:

It is critical to institute an effective system of escalation which ensures that specific issues are promptly communicated and followed up appropriately. Every employee of the Company has 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

Annexure II

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT*

SECTION A: GENERAL DISCLOSURES

1.	**Corporate Identity Number (CIN) of the Listed Entity:**	L72200MH1995PLC091408
2	**Name of the Listed Entity:**	Quick Heal Technologies Limited (Quick Heal)
3	**Year of incorporation:**	August 07, 1995
4	**Registered office address:**	Solitaire Business Hub, Office No. 7010 C & D, 7th Floor, Opposite Neco Garden Society, Viman Nagar, Pune - 411014.
5	**Corporate address:**	Solitaire Business Hub, 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, 2023 to March 31, 2024
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:**	₹ 53,51,62,710/- divided into 5,35,16,271 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. Vikram Dhanani • 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.
14	Name of assurance provider	NA
15	Type of assurance obtained	NA

I. Products/services

16. Details of business activities *(accounting for 90% of the turnover)*:

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Cyber Security Products	Cyber Security Solutions to Consumers, Small Businesses, Government Establishments & Corporate Houses.	100%

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

Sr. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Cyber Security Products	62011	100%

II. Operations

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

Location	Number of plants	Number of offices	Total
National	1 (Outsourced)	23 Offices	24
International	Nil	Nil	Nil

*In view of SEBI notification No. SEBI/LAD-NRO/GN/2024/177 SEBI LODR (amendment) Regulation, 2024 dated 17 May 2024, BRSR report is not mandatory for FY 2023-24, however details are provided only for information.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	All states of India
International (No. of Countries)	70+

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 6.49%.

c. A brief on types of customers:

Quick Heal is a leading global cybersecurity solutions provider. Incorporated in the year 1995, with a registered office in Pune, it is an end-to-end cybersecurity player with a presence in B2C, B2B and B2G segments. Quick Heal's portfolio includes solutions under the widely recognized brand names 'Quick Heal' and 'Seqrite'. Backed by AI and patented technologies, the range of award-winning solutions caters to endpoints, network, data, mobility and cloud. With a heavy focus on R&D and innovation, the company aims to simplify security by delivering the best-in-class protection against advanced cyber-threats to millions of its customers, enterprises, and government organizations worldwide.

For more information about the Company, please visit our website: www.quickheal.co.in

About Seqrite

Seqrite is the enterprise arm of Quick Heal and leading enterprise cybersecurity solutions provider. With a focus on simplifying cybersecurity, Seqrite delivers comprehensive solutions and services through our patented, AI/ML-powered tech stack to protect businesses against the latest threats by securing devices, applications, networks, cloud, data, and identity. Seqrite is the Enterprise arm of the global cybersecurity brand, Quick Heal Technologies Limited, the only listed cybersecurity products and solutions company in India.

We are the first and only Indian company to have solidified India's position on the global map by collaborating with the Govt. of the USA on its NIST NCCoE's Data Classification project.

We are differentiated by our easy-to-deploy, seamless-to-integrate comprehensive solutions providing the highest level of protection against emerging and sophisticated threats powered by state-of-the-art threat intelligence and playbooks backed by world-class service provided by best-in-class security experts at India's largest malware analysis lab – Seqrite Labs. We are the only Indian full-stack company aligned with CSMA architecture recommendations offering award-winning Endpoint Security, Enterprise Mobility Management, Zero Trust Network Access, Data Privacy Management, and many more. Our Data Privacy Management solution enables organizations to stay fully compliant with the Data Privacy Compliance.

Today, 30,000+ enterprises in more than 70+ countries trust Seqrite with their cybersecurity needs. For more information, please visit: https://www.Seqrite.com

III. Employees

20. 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)	996	815	81.83%	181	18.17%
2.	Other than Permanent (E)	47	30	63.83%	17	36.17%
3.	**Total employees (D + E)**	**1043**	**845**	**81.02%**	**198**	**18.98%**
	WORKERS					
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	**Total workers (F + G)**	**0**	**0**	**0**	**0**	**0**

a. 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)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total differently abled employees (D + E)**	**0**	**0**	**0**	**0**	**0**
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	**Total differently abled workers (F + G)**	**0**	**0**	**0**	**0**	**0**

21. 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	5	0	0%

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	220	37	257	280	65	345	294	48	342
Permanent Workers	0	0	0	0	0	0	0	0	0

IV. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (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 Dubai DMCC	Subsidiary	100%	No
2	Quick Heal Technologies America Inc	Subsidiary	100%	No

V. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover: ₹ 313.12 Crore

(iii) Net worth: ₹ 420.98 Crore

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

VI. Transparency and Disclosures Compliances

25. 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)	FY 2023-24			FY: 2022 – 23		
	(If Yes, then provide web-link for grievance redress policy)	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	https://www.quickheal.co.in/documents/investors/policies/Whistle-Blower-Policy.pdf	0	0	Nil	0	0	Nil
Investors (other than shareholders)		0	0	Nil	0	0	Nil

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2023-24			FY 2022-23		
	(If Yes, then provide web-link for grievance redress policy)	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
Shareholders	https://www.quickheal.co.in/documents/investors/policies/Vulnerability-Disclosure-Policy.pdf	3	0	Nil	1	0	Nil
Employees and workers		0	NA	Nil	0	0	Nil
Customers		211930	15	Out of 15 pending complaints, 6 were resolved in April – 24 and 7 WIP with respective stakeholders	314390	11	4 resolved in April 2023 & 7 WIP with respective stakeholders
Value Chain Partners		9424	0	Nil	17128	0	Nil

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2023-24			FY 2022-23		
	(If Yes, then provide web-link for grievance redress policy)	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
Data Privacy		2993	2801	Out of 2993 requesters 192 confirmed their consent for deleting their data for rest no response received hence no data deleted for the users and ticket is marked as closed	6028	5793	Out of 6028 requesters 289 confirmed their consent for deleting their data for rest no response received hence no data deleted for the users and ticket is marked as closed
Other (please specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

26. Overview of the entity's material responsible business conduct issues:

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
NIL	Nil	Nil	Nil	Nil	Nil
NIL	Nil	Nil	Nil	Nil	Nil

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	N	Y	Y	Y	N	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	N	Y	Y	Y	N	N	Y	Y
c. Web Link of the Policies, if available	Y	N	Y	Y	Y	N	N	Y	Y
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	N	Y	Y	Y	N	N	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Y	N	Y	Y	Y	N	N	Y	Y
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	N	N	N	N	N	N	N	N	N
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA	NA	NA	NA	NA	NA	NA	NA	NA
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) NA									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Board of Directors of the Company and Stakeholders Relationship Committee are 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 Company is responsible for decision making on sustainability related issues								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
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										P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9

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

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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 for the task (Yes/No)	NA	NA	NA	NA	NA	NA	NA	NA	NA
It is planned to be done in the next financial year (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 be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

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 programs held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	05 (as a part of Board Meetings)	Updates & 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. SEBI Listing regulations	100%
Key Managerial Personnel	05		100%
Employees other than BoD and KMPs	595	Skill upgradation	55.60%
Workers	NA	NA	NA

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website): NA

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding Fee	Nil	Nil	Nil	Nil	Nil

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

Non-Monetary				
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	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.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Nil	Nil

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 Policy complies with the legal requirement of applicable laws and regulations: Link of the Policy https://www.quickheal.co.in/sustainability

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24	FY 2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

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

	FY: 2023- 24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

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

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-24	FY 2022-23
Number of days of accounts payables	64	68

9. Open-ness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	86.58%	84.96%
	b. Number of dealers / distributors to whom sales are made	513	401
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	21.52%	21.94%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	5.07%	6.39%
	b. Sales (Sales to related parties / Total Sales)	Nil	Nil
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investmentsv (Investments in related parties / Total Investments made)	Nil	Nil

Leadership Indicators

1. Awareness programmers 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 value chain partners covered (by value of business done with such partners) under the awareness programmes
290	Seqrite Product Training	100%
55	Quick Heal Product training	100%

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 Businesses should provide goods and services in a manner that is sustainable and safe

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	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	133.06	117.15	Quick Heal's investment in R&D have resulted in protection of society from cyberattacks and also resulted in creation of employment in the society.
Capex	-	-	-

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) Yes

   b. If yes, what percentage of inputs were sourced sustainably? **Tried best possibilities to have sustainable sourcing, even input not measured**

   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. **EPR (End producer responsibility) guideline is in place.**

   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. **EPR & waste collection plan is in place, waste collected under the EPR is properly disposed with authorized e-waste recycler**

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.**

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
NA	NA	NA	NA	NA	NA

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.:(NA)

Name of Product / Service	Description of the risk / concern	Action Taken
NA	NA	NA
NA	NA	NA
NA	NA	NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry): (NA)

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
NA	NA	NA

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: (NA)

	FY 2023-24			FY: 2022 – 2023		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category: (NA)

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
NA	NA

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	815	815	100%	815	100%	NA	NA	815	100%	NA	NA
Female	181	181	100%	181	100%	181	100%	NA	NA	NA	NA
Total	**996**	**996**	**100%**	**996**	**100%**	**181**	**100%**	**815**	**100%**	**NA**	**NA**
Other than Permanent employees											
Male	30	30	100%	30	100%	NA	NA	NA	NA	NA	NA
Female	17	17	100%	17	100%	17	100%	NA	NA	NA	NA
Total	**47**	**47**	**100%**	**47**	**100%**	**17**	**100%**	**NA**	**NA**	**NA**	**NA**

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
Other than Permanent workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023-24	FY 2022-23
Cost incurred on well- being measures as a % of total revenue of the company	10%	31%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	99.99%	NA	Y	99.99%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	0.70%	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 : https://www.quickheal.co.in/documents/company_policies/Company_Code_of_Conduct

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Gender				
Male	100%	100%	NA	NA
Female	100%	100%	NA	NA
Total	**100%**	**100%**	**NA**	**NA**

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, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Yes, Whistle Blower Policy
Other than Permanent Employees	Yes, Whistle Blower Policy

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

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
- Male	NA	NA	NA	NA	NA	NA
- Female	NA	NA	NA	NA	NA	NA
Total Permanent Workers	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
- Male	NA	NA	NA	NA	NA	NA
- Female	NA	NA	NA	NA	NA	NA

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	818			497	60.76%	860			727	84.53%
Female	168			98	40.48%	183			156	85.24%
Total	**986**			**595**	**60.34%**	**1043**			**883**	**84.65%**
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

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

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	815	569	69.82%	860	743	86.39%
Female	181	129	71.27%	183	153	83.61%
Total	**996**	**698**	**70.08%**	**986**	**796**	**85.91%**
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

10. Health and safety management system:
    a. Whether an occupational health and safety management system has been implemented by the entity? *(Yes/ No).* If yes, the coverage such system? (YES) **Occupational health and Safety is covered under mediclam & personal insurance policy**
    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). Yes: Non-occupational medical and healthcare services are covered under mediclaim policy
11. Details of safety related incidents, in the following format: **There was fire incident at Solitaire Business Hub, Viman Nagar premises last year in May'23. All employees including contractual staff were evacuated safely.**

Safety Incident/Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Totalrecordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place. Access to company premises are controlled by Access control system & physical security guards are available at all entry/exit points. Premises are under CCTV surveillance. Which ensure security of premises & employees Company installed the Fire safety equipment's like Fire Extinguishers, Fire Hydrant & sprinkler System, Smoke detectors, FM200.
13. Number of Complaints on the following made by employees and workers:

	FY: 2023 - 24			FY: 2022 - 23		
	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	Nil	Nil	Nil	Nil	Nil	Nil
health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties) 4 Office premises assessed by ISO auditor
Health and safety practices	NA
Working Conditions	NA

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, result of which we have successfully handle the fire incidence that occurred in May, 2023 at Solitaire Business Hub, Viman Nagar premises and all employees including contractual staff were evacuated safely.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N). Yes (B) Workers (No).Yes employees are covered under Mediclam & personal insurance policy.
2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners. Yes, 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	
	FY: 2023- 24	FY: 2022- 23	FY: 2023- 24	FY 2022-23
Employees	Nil	Nil	Nil	Nil
Workers	NA	NA	NA	NA

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) Yes
5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	NA
Working Conditions	NA

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders:

Essential Indicators

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

Identifying key stakeholder groups is crucial for Quick Heal to achieve its objectives and sustain its operations. Stakeholders can significantly influence the entity's success, providing support, posing challenges, or shaping its strategic direction. The process of identifying these stakeholders involves systematic steps to ensure comprehensive understanding and effective engagement. Here's a streamlined approach to identifying and analyzing key stakeholder groups:

1. **Stakeholder Mapping**

   List Potential Stakeholders: Identify all individuals, groups, or organizations affected by or interested in the entity's activities.

   Categorize Stakeholders: Group them based on their relationship to the entity (internal vs. external, primary vs. secondary).

   Map Influence and Interest: Create a matrix plotting stakeholders based on their influence and interest levels.

2. **Stakeholder Analysis**

   Identify Needs and Interests: Determine what each stakeholder needs or expects and how the entity affects them.

   Assess Influence and Power: Evaluate each stakeholder's power over decision-making.

By systematically identifying and analyzing stakeholders, Quick Heal has identified all the relevant stakeholders from our ecosystem.

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2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Sr. No.	Shareholder 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
1	Customers	No	• Direct Communication • One-on-One interaction	• Ongoing • Need Based	Cybersecurity solutions & Services
2	Employees	No	• Direct Interaction • Employee engagement surveys • Townhalls and Exit interviews	• Ongoing	Work Environment
3	Partners	No	• On-boarding processes • Site visits to facilities • One – on – One Interaction format	• Ongoing • Need based	Timely Payment, Knowledge Sharing
4	Investors	No	• Investor meets • AGM Meetings • Periodic declarations on performance	• Quarterly • Need based	Growth Opportunity, ESG Performance
5	Regulator	No	• Policy Advocacy • Direct interaction with the regulatory bodies • Regulatory Audits and inspections	• Need based	Compliance Tax
6	Local Community	No	• Interactions with NGO partners and Communities • Meetings/discussions with local communities	• Need based	Healthcare Support Employment, Skills Development, Cyber awareness
7	Media	No	• Meeting in person or via call/ virtual platforms	• Opportunity based	Cyber threats Organization Performance
8	Shareholders	No	• Investor Meets • AGM	• Regular • Need based	Shareholder value Financial Reports
9	Industry	No	• Member Connect • Events	• Ongoing • Need based	Industry Tech & Innovation
10	Board member	No	• Board Meeting • Direct Communication	• Ongoing • Need based	Corporate governance

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.

   The Stakeholders Relationship Committee of the Board of Quick Heal technologies Limited assists the Board and the Company to oversee the existing redressal mechanisms in relation to Stakeholders of the Company. The Board is also appraised of the ESG developments on a half-yearly basis. https://www.quickheal.co.in/documents/investors/policies/stakeholder-relationship-committee-charter.pdf

   Quick Heal consults all the stakeholders as per the defined Stakeholder Engagement Matrix.

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.

Stakeholders have been consulted to define the Materiality Matrix of the organization. The stakeholders were reached out through a digital survey and the survey result acted as an input for defining the final matrix.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups. https://www.quickheal.co.in/documents/investors/policies/Vulnerability-Disclosure-Policy.pdf

PRINCIPLE 5 Businesses should respect and promote human rights

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	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	NIL	NIL	NIL	NIL	NIL	NIL
Other than permanent						
Total Employees	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total Workers	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

2. Details of minimum wages paid to employees and workers, in the following format: We Pay above the minimum wage to employees.

Category	FY 2023-24					FY: 2022-2023				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	860			860	100%	815			815	100%
Female	183			183	100%	181			181	100%
Other than Permanent										
Male	43			43	100%	30			30	100%
Female	17			17	100%	17			17	100%
Workers										
Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	₹ 12,00,000/-	1	0
Key Managerial Personnel	5	₹ 1,57,50,000/-	0	0
Employees other than BoD and KMP	810	₹ 11,00,000/-	181	10,00,000/-

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	11.89%	11.15%

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/No). Yes, we have 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. Our mechanisms include Suspicious Activity Reporting Tool (SART) which allows employees to report all their grievances on the SART Portal

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

	FY: 2023-2024			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	0	0	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human rights related issues	0	0	0	0	0	0

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format: NA

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases. Internal committee's established under POSH Act

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

(Yes/No). No

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Nil
Forced/involuntary labour	Nil
Sexual harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Others – please specify	Nil

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 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:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	NIL
Discrimination at workplace	NIL
Child Labour	NIL
Forced Labour/Involuntary Labour	NIL
Wages	NIL
Others – please specify	NIL

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

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment - Essential Indicators

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

Parameter	**FY 2023-24**	**FY 2022-23**
From renewable sources		
Total electricity consumption (A)	50,408 Units	51,375 Units
Total fuel consumption (B)	Nil	Nil
Energy consumption sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	**50,408 Units**	**51,375 Units**
From non-renewable sources		
Total electricity consumption (D)	2,152,924 Units	2,213,888 Units
Total fuel consumption (E)	67,061 Units	53,579 Units
Energy consumption sources (F)	Nil	Nil
Total energy consumed from non- renewable sources (D+E+F)	22,19,985 Units	22,67,467 Units
Total energy consumed (A+B+C+D+E+F)	22,70,393 Units	23,18,842 Units
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	NA	NA
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	NA	NA
Energy intensity in terms of physical output	NA	NA
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. 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. NA

3. Provide details of the following disclosures related to water, in the following format:

Parameter	**FY 2023-24**	**FY 2022-23**
Water withdrawal by source (in kilolitres)		
(i) Surface water	11,419 KL	7,983 KL
(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)	**11,419 KL**	**7,983 KL**
Total volume of water consumption (in kilolitres)	**11,419 KL**	**7,983 KL**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	39.14 KL / ₹ Crore	28.70 KL / ₹ Crore
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	NA	NA
Water intensity in terms of physical output	**NA**	**NA**
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	11,419 KL	7,983 KL
(ii) To Groundwater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iii) To Seawater	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
(v) Others	NA	NA
- No treatment	NA	NA
- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	**11,419 KL**	**7,983 KL**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. NA

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	[g/kW-hr]	3.1	3
SOx	[g/kW-hr]	2.9	3
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]

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
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 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	NA	NA	NA

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Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted	NA	NA	NA
for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	NA	NA	NA
Total Scope 1 and Scope 2 emission intensity in terms of physical output	NA	NA	NA
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. NA
9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	NA	NA
E-waste (B)	0.511	4.9
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)	**0.511**	**4.9**

Parameter	FY 2023-24	FY 2022-23
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	NA	NA
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	NA	NA
Waste intensity in terms of physical output	NA	NA
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA
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	0.511	4.9
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total	**0.511**	**4.9**

Parameter	FY 2023-24	FY 2022-23
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**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

10. 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. NA

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	[NA]	[NA]	[NA]
	[NA]	[NA]	[NA]

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
[NA]	[NA]	[NA]	[NA]	[NA]	[NA]
[NA]	[NA]	[NA]	[NA]	[NA]	[NA]

13. 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: NA

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	[NA]	[NA]	[NA]	[NA]
	[NA]	[NA]	[NA]	[NA]

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Not Applicable

   For each facility / plant located in areas of water stress, provide the following information:

   (i) Name of the area

   (ii) Nature of operations

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	[NA]	[NA]
(ii) Groundwater	[NA]	[NA]
(iii) Third party water	[NA]	[NA]
(iv) Seawater / desalinated water	[NA]	[NA]
(v) Others	[NA]	[NA]
Total volume of water withdrawal (in kilolitres)	[NA]	[NA]
Total volume of water consumption (in kilolitres)	[NA]	[NA]
Water intensity per rupee of turnover (Water consumed / turnover)	[NA]	[NA]
Water intensity (optional) – the relevant metric may be selected by the entity	[NA]	[NA]
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	[NA]	[NA]
- With treatment – please specify level of treatment	[NA]	[NA]
(ii) Into Groundwater	[NA]	[NA]
- No treatment	[NA]	[NA]
- With treatment – please specify level of treatment	[NA]	[NA]
(iii) Into Seawater	[NA]	[NA]
- No treatment	[NA]	[NA]
- With treatment – please specify level of treatment	[NA]	[NA]
(iv) Sent to third-parties	[NA]	[NA]
- No treatment	[NA]	[NA]
- With treatment – please specify level of treatment	[NA]	[NA]
(v) Others	[NA]	[NA]
- No treatment	[NA]	[NA]
- With treatment – please specify level of treatment	[NA]	[NA]
Total water discharged (in kilolitres)	**[NA]**	**[NA]**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. NA

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

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	[NA]	[NA]
Total Scope 3 emissions per rupee of turnover	[NA]	[NA]	[NA]
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	[NA]	[NA]	[NA]

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. N

3. With respect to the ecologically sensitive areas reported at Question 11 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. NA

4. 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]	[Solar]	[Installed 45Kw solar plat at RND center located at Shivajinagar office, Pune]	[Generating approx. 60K units of electricity per year]
[2]	[EPP]	[Under the EPP-End Producer Responsibility, made 12 locations as E-Waste collection centers]	[E-Waste collection facilities made available]

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link. Website Link: https://www.quickheal.co.in/documents/investors/policies/Risk-Management-Policy.pdf

6. 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. NA

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. NA

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

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

   i) Data Security Council of India

   ii) Computers and Media Dealers Association

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. 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	Computer & Media Dealers Association	State level

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Nil	Nil	Nil
Nil	Nil	Nil

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
	NA	NA	NA	NA	NA

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA

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

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
	NA	NA	NA	NA	NA	NA
	NA	NA	NA	NA	NA	NA

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

   The Committee looks into the grievances of the Shareholders related to 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:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small Producers	100%	100%
Directly from within India	0 %	0 %

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	FY 2023-24	FY 2022-23
Rural	Nil	Nil
Semi-urban	Nil	Nil
Urban	Nil	Nil
Metropolitan	100%	100%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	NA
NA	NA

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

Sr. No.	State	Aspirational District	Amount spent (In INR)
1	Maharashtra	Jalgaon	2,55,600/-
2	Chhattisgarh	Rajnandgaon	8,75,490/-
3	Assam	Barpeta	6,60,000/-

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

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

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

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil

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. NIL

Name of authority	Brief of the Case	Corrective action taken
Nil	Nil	Nil
Nil	Nil	Nil

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Cyber Shiksha for Cyber Suraksha	13,57,000	NA

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

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

   - Frontline Engineers (L-1) is primarily responsible for logging troubleshoot/escalating customer queries on Voice/ Chat/Email/Social media channels.
   - Partner Desk is a privileged line offered to partners with swift & level-2 support.
   - Basis available & frequently updated FAQs, KBs, frontline support assists customers. If query cannot be resolved on call, chat, email, it is escalated to Level-2 Team for remote support & further to SME/ other stakeholders.
   - SME Team is responsible for filing defects/bugs to concern stakeholders.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

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

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage Recycling and/ or safe disposal	

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

	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	2993	2801	Out of 2993 requesters, 192 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	6082	5793	Out of 6028 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
Advertising			NA			NA
Cyber-security			NA			NA
Delivery of essential services			NA			NA
Restrictive Trade Practices			NA			NA
Unfair Trade Practices			NA			NA
Other			NA			NA

4. Details of instances of product recalls on account of safety issues: NA

	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No).

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

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   - Quick Heal advertisement pop-ups to be stopped.
   - Data privacy measures offered on chat channels ensuring customer data is stored only when consent is offered.
   - No Penalty countered due to product or services.

7. Provide the following information relating to data breaches:

   a. Number of instances of data breaches Nil

   b. Percentage of data breaches involving personally identifiable information of customers : Not applicable

   c. Impact, if any, of the data breaches: Not applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed: 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.

   https://www.quickheal.com/documents/master-eula/quick-heal-global-master-eula.pdf
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   https://www.quickheal.com/eol-announcement
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   Yes. The Company 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.

Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of
Quick Heal Technologies Limited
Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Quick Heal Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, 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 material accounting policy information and other explanatory information (hereinafter referred to as the "Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us , the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its 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 of the standalone financial statements 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.

EMPHASIS OF MATTER

We draw attention to the Note 40 (b) to the standalone financial statements which describes that the remuneration paid to the Managing Director and Joint Managing Director of the Company for the financial year ended March 31, 2024, is in excess of the limits prescribed under Section 197 of the Companies Act, 2013 read with Schedule V to the Act, by ₹ 0.24 crores. Further, the remuneration paid exceeds the limit prescribed under regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, by ₹ 1.72 crores. The managerial remuneration paid in excess of the limits has been approved by the Board of Directors and the Company is in the process of placing the same before the shareholders for their approval in the forthcoming Annual General Meeting.

Our opinion is not modified in respect of the above matter.

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, 2024 (current year). 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1.	**Revenue from contract with customer's:** Refer the disclosures related to Revenue recognition in Note 23 to the accompanying Standalone Financial Statements. Revenue from the sale of security software products is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods.	Our audit procedures in respect of this area include, but are not limited to following: 1. Evaluated the Company's accounting policies for revenue recognition (including incentives) and assessed its compliance with Ind AS 115 'Revenue from contracts with customers; 2. Obtained and reviewed contracts with customers and confirmed our understanding of the Company's sales process, including design and implementation of controls and tested the operating effectiveness of these controls on a sample basis; 3. Reviewed the customer agreements, on a sample basis, to test the terms and conditions for sale of such products including identification of performance obligations and allocation of the transaction price to such performance obligation based on appropriate method, as applicable;

INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	The Application of Ind AS 115 involves certain key judgements relating to identification of performance obligations, determination of basis and its appropriateness for allocation of transaction price to the identified performance obligations; recognition of such identified performance obligations based on timing of satisfaction (i.e., over time or point in time). Due to the significance of revenue and involvement of management judgments relating to identification of separate performance obligations, this is considered as a key audit matter.	4. Discussed with management the key assumptions underlying the Company's assessment of cost related to identified performance obligations and tested mathematical accuracy of the underlying data used for computation and calculations made by the Company; 5. In case of variable consideration, assessed management's computations for accrual of discounts and incentives and on a sample basis compared the accruals made with the approved schemes and underlying documents; 6. Ensured that the actual discounts and incentives does not exceed the approved amount and it has been recorded in the correct accounting period; and 7. Evaluated the appropriateness of the disclosures made in the standalone financial statement in relation to revenue recognition as required by applicable accounting standards.
2.	**Provision for expected credit loss for accounts receivables.** Refer Note 11 of the standalone financial statement. The Company has total outstanding trade receivable amounting to ₹ 176.18 crore as at March 31, 2024 against which the Company has provided for ₹ 44.13 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 an 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 and testing the operating effectiveness of these controls; 2. Verified accuracy of the aging of trade receivables for sample customer transactions; 3. Obtained management's assessment and plan for recovery with respect to trade receivables outstanding for more than 365 days and corroborated the same; 4. Assessed the methodology applied for recognising expected credit loss against the trade receivables outstanding balances and verified the same based on historical collection data; 5. Tested the arithmetic accuracy and completeness of the expected credit loss provision performed by the Company; and 6. Assessed and validated the adequacy and appropriateness of the disclosures made by the management is as per the requirements of Ind AS 109 -'Financial Instruments'.

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 Management Discussion and Analysis, Director's Report, Corporate Governance report, Business Responsibility and Sustainability 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 Management and Board of Directors are 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.

The 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 except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g).

   (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 accounts.

   (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, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).

   (g) 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".

   (h) 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 35 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

iii. Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company:

Sr. No.	Date of Payment	Amount	No of days delay
1	09-11-2023	1,32,095	27

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 persons or entities, 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 person(s) or entity(es) 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 persons or entities, 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 person(s) or entity(es) 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 (a) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

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 32 to the Standalone financial statements).

vi. Based on our examination, the Company has used an accounting software, for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level during the year ended March 31, 2024 in respect of Accounting Software to log any direct data changes. Further, the audit trail facility has been operated throughout the year for all relevant transactions recorded in the accounting software, except at the database level as stated above, in respect of which the audit trail facility has not operated throughout the year ended March 31, 2024 for all relevant transactions recorded in this accounting software as it was enabled only with effect from April 19, 2024.

Further, during the course of our examination, we did not come across any instance of audit trail feature being tampered with, post enablement of the audit trail facility.

Based on our examination, the Company has used an accounting software which is operated by a third-party software service provider, for maintaining its payroll records. In the absence of independent service auditors report, we are unable to comment whether the software has a feature of recording audit trail (edit log) facility, nor are we able to comment on whether the audit trail feature was enabled in the said software and operated throughout the year for all relevant transactions recorded in the software. We are further unable to comment as to whether there were any instances of the audit trail feature been tampered with.

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 Managing Director and Joint Managing Director for the year ended March 31, 2024 is in excess of the limits prescribed under section 197 of the Companies Act, 2013 read with Schedule V to the Act by ₹ 0.24 crores. However, as informed to us, the managerial remuneration paid/payable in excess of the limits has been approved by the Board of Directors and the management of the Company intends to seek the requisite approvals of the shareholders at the forthcoming Annual General Meeting. Refer Note 40 (b) to the standalone financial statements.

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

Sd/-
Shraddha D Khivasara
Partner
Membership No. 134285
UDIN:24134285BKEZAQ8599

Place:
Date: April 25, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF 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 and Board of Directors.
- Conclude on the appropriateness of management and Board of Director'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, 2024 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

Sd/-
Shraddha D Khivasara
Partner
Membership No. 134285
UDIN:24134285BKEZAQ8599

Place: Pune
Date: April 25, 2024

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, 2024

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment, investment property and relevant details of right-of-use assets.

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

(b) Property, Plant and Equipment, investment property and right of use assets were physically verified by the management according to a phased programme designed to cover all items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of Property, plant and equipment, investment property and right of use assets have been physically verified by Management during the year. 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 Standalone financial statements, are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment including Right of Use assets and intangible assets during the year. Accordingly, the provisions stated under clause 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 under clause 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 and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) The Company has not been sanctioned any working capital limits during the year on the basis of security of current assets. Accordingly, the provisions stated under clause 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, or 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. Accordingly, the provisions stated under clause 3(iii) of the Order are not applicable to the Company.

iv. According to the information and explanations provided to us, there are no loans, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the provisions stated under clause 3(iv) of the Order to that extent is not applicable to the Company. Further, according to the information and explanations given to us, provisions of sections 186 of the Companies Act, 2013 in respect of investments made have been complied with by the Company.

v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions stated under clause 3(v) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the same, and 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, custom duty, cess, and other

ANNEXURE B (Contd.)

statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases of professional tax.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, custom duty, cess, and other statutory dues in arrears as at March 31, 2024, outstanding 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 Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, 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 2013-2014	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	0.67	-	FY 2016-2017	Commissioner of Income Tax (Appeals)	Nil
Income Tax Act,1961	Tax demand on account of disallowance of expenses on 14A	1.08	-	FY 2017-2018	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	0.28	-	FY 2019-2020	Commissioner of Income Tax (Appeals)	Nil

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 Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.

ix. (a) The Company does not have any loans or borrowings or interest thereon due to any lenders during the year. Accordingly, the provision stated under clause 3(ix)(a) to (c) and sub-clause (e) and (f)) of the Order is not applicable to the Company.

(d) According to the information and explanation provided to us, there are no funds raised on short term basis or there are no funds raised during the year. Accordingly, the provision stated under clause 3(ix)(d) of the Order is not applicable to 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. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Accordingly, the provisions stated under clause 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,

ANNEXURE B (Contd.)

and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.

(b) 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.

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

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 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 Companies Act, 2013 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 the internal audit reports of the Company issued till the date of our audit report, 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 any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Companies Act, 2013 in clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3 (xvi)(c) of the Order are not applicable to the Company.

xvi. (d) According to the information and explanations provided to us, the Company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company as a part of its Group. Accordingly, the provisions stated under clause 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. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 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 (as disclosed in note 36 to the standalone financial statements), ageing and expected dates of realisation 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.

ANNEXURE B (Contd.)

xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Companies Act, 2013, 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 specified in schedule VII of the Companies Act, 2013 or to a Special Account as per the provisions of Section 135 of the Companies Act, 2013 read with schedule VII to the Companies Act, 2013. Accordingly, reporting under clause 3(xx)(a) and 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

Sd/-
Shraddha D Khivasara
Partner
Membership No. 134285
UDIN:24134285BKEZAQ8599

Place: Pune
Date: April 25, 2024

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(g) 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 Standalone Financial Statements for the year ended March 31, 2024]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Quick Heal Technologies Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

OPINION

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, 2024, 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").

MANAGEMENTS AND BOARD OF DIRECTOR'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management and the Board of Directors are 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

ANNEXURE C (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

Sd/-
Shraddha D Khivasara
Partner
Membership No. 134285
UDIN:24134285BKEZAQ8599

Place: Pune
Date: April 25, 2024

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2024

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

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	83.61	97.57
(b) Capital work-in-progress	5 (a)	3.06	-
(c) Investment property	6	31.62	24.12
(d) Intangible assets	7	1.49	2.77
(e) Intangible assets under development	7 (a)	-	0.15
(f) Investments in subsidiaries	8	0.81	0.81
(g) Financial assets			
(i) Investments	8	7.45	21.49
(ii) Other financial assets	9	0.82	0.76
(h) Deferred tax assets (net)	30	3.40	-
(i) Income tax assets (net)	14	16.46	22.33
(j) Other non-current assets	15	0.91	0.65
		149.63	**170.65**
Current assets			
(a) Inventories	10	2.80	4.50
(b) Financial assets			
(i) Investments	8	182.51	176.20
(ii) Trade receivables	11	132.05	122.77
(iii) Cash and cash equivalents	12	36.46	10.29
(iv) Bank balances other than (iii) above	13	0.25	0.27
(v) Other financial assets	9	1.26	1.48
(c) Other current assets	15	7.65	6.73
		362.98	**322.24**
Total assets		**512.61**	**492.89**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	53.51	53.07
(b) Other equity	17	383.39	366.65
Total equity		**436.90**	**419.72**
Liabilities			
Non-current liabilities			
(a) Employee benefit obligations	21	-	0.60
(b) Other non-current liabilities	20	2.33	0.52
(c) Deferred tax liabilities (net)	30	-	0.53
		2.33	**1.65**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	18	3.70	1.94
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	18	36.40	46.74
(ii) Other financial liabilities	19	3.82	12.73
(b) Other current liabilities	20	13.88	9.54
(c) Employee benefit obligations	21	15.57	0.57
(d) Income tax liabilities (net)	22	0.01	-
		73.38	**71.52**
Total liabilities		**75.71**	**73.17**
Total equity and liabilities		**512.61**	**492.89**

Summary of material accounting policies 3

The accompanying notes form an integral part of the standalone 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/-
Shraddha D Khivasara
Partner
Membership Number: 134285
Place: Pune
Date: April 25, 2024.

Sd/-
Kailash Katkar
Chairman & Managing Director
DIN: 00397191
Place: Pune
Date: April 25, 2024.

Sd/-
Sanjay Katkar
Joint Managing Director
DIN: 00397277
Place: Pune
Date: April 25, 2024.

Sd/-
Vishal Salvi
Chief Executive Officer
Place: Pune
Date: April 25, 2024.

Sd/-
Ankit Maheshwari
Chief Financial Officer
Place: Pune
Date: April 25, 2024.

Sd/-
Sarang Hari Deshpande
Company Secretary
Regs. No. ACS-18613
Place: Pune
Date: April 25, 2024.

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

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

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
Revenue from contract with customers	23	291.75	278.11
Other income	24	21.37	22.38
Total income		**313.12**	**300.49**
EXPENSES			
Cost of material consumed	25 (a)	0.41	1.11
Purchase of security software products	25 (b)	5.13	7.83
(Increase) / decrease in security software products	25 (c)	1.29	0.39
Employee benefits expense	26	168.94	154.89
Finance costs	27	0.13	-
Depreciation and amortisation expense	28	12.60	15.99
Other expenses	29	98.58	111.09
Total expenses		**287.08**	**291.30**
Profit before exceptional items and tax		**26.04**	**9.19**
Exceptional items [Refer note 41 (b)]		-	(0.10)
Profit before tax		**26.04**	**9.29**
Tax expense			
Current tax	30	5.78	1.25
Adjustments of tax relating to earlier periods		0.07	(0.14)
Deferred tax		(3.88)	0.48
Total tax expense		**1.97**	**1.59**
Profit for the year		**24.07**	**7.70**
Other comprehensive income			
Other comprehensive income/ (expenses) not to be reclassified to profit or loss in subsequent periods:			
Re-measurement of defined benefit plans		(0.22)	0.18
Income tax effect		0.06	(0.05)
		(0.16)	0.13
Net (loss) or gain on FVOCI financial instruments		(13.45)	(5.99)
Income tax effect		-	-
		(13.45)	(5.99)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:		**(13.61)**	**(5.86)**
Total comprehensive income for the year		**10.46**	**1.84**
Earnings per equity share [nominal value per share ₹ 10 (March 31, 2023: ₹ 10)]	31		
Basic		4.52	1.38
Diluted		4.45	1.37
Summary of material accounting policies	3		

The accompanying notes form an integral part of the standalone 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/-
Shraddha D Khivasara
Partner
Membership Number: 134285

Place: Pune
Date: April 25, 2024.

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

Place: Pune
Date: April 25, 2024.

Sd/-
Sanjay Katkar
Joint Managing Director
DIN: 00397277

Place: Pune
Date: April 25, 2024.

Sd/-
Vishal Salvi
Chief Executive Officer

Place: Pune
Date: April 25, 2024.

Sd/-
Ankit Maheshwari
Chief Financial Officer

Place: Pune
Date: April 25, 2024.

Sd/-
Sarang Hari Deshpande
Company Secretary
Regs. No. ACS-18613

Place: Pune
Date: April 25, 2024.

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2024

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

Particulars	March 31, 2024	March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	26.04	9.29
Adjustment to reconcile profit before tax to net cash flows:		
Exceptional items	-	(0.10)
Liability Written back	-	(1.88)
Net (gain)/loss foreign exchange differences	0.15	(0.15)
Employee share based payments expense	5.10	2.85
Interest on lease	0.13	-
Rent equalisation	(0.12)	-
Depreciation and amortisation expense	12.60	15.99
Interest income	(1.43)	(1.78)
Provision for doubtful debts and advances	7.15	5.14
Property, plant and equipment written off	0.32	-
(Profit)/loss on sale of property, plant and equipment	(0.27)	(3.95)
Income from Investment property	(4.99)	(3.58)
Net (gain)/loss on sale of investment	(2.02)	(3.20)
Net (gain)/loss on FVTPL current investment	(10.23)	(6.88)
Operating profit before working capital changes	**32.43**	**11.75**
Movements in working capital:		
(Increase)/decrease in trade receivables	(16.58)	45.17
(Increase)/decrease in inventories	1.70	0.29
(Increase)/decrease in other financial assets	0.50	(0.86)
(Increase)/decrease in other assets	(1.18)	(3.41)
Increase/(decrease) in net employee benefit obligations	14.18	0.07
Increase/(decrease) in trade payables	(8.58)	(1.51)
Increase/(decrease) in other financials liabilities	(10.23)	(2.83)
Increase/(decrease) in other current and non-current liabilities	6.15	(9.75)
Cash generated from operations	**18.39**	**38.92**
Income taxes paid (net of refund)	0.03	(7.93)
Net cash flow from /(used in) operating activities (A)	**18.42**	**30.99**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advances)	(7.56)	(4.10)
Proceeds from sale of property, plant and equipment	1.08	5.20
Repatriation of funds / (Investments in subsidiaries)	-	2.27
Purchase of mutual funds	(279.68)	(400.60)
Proceeds from sale of mutual funds	286.21	524.54
Rental income from investment property	4.99	3.58
Increase/(decrease) in Deposits with remaining maturity of more than twelve months	0.02	54.75
Interest received	1.09	1.86
Net cash flow from /(used in) investing activities (B)	**6.15**	**187.50**

STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

Particulars	March 31, 2024	March 31, 2023
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(13.29)	(26.10)
GST refund on buy back expenses	0.14	(34.94)
Buyback Expenses	-	(1.85)
Refund of buy back tax	8.60	-
Proceeds from issuance shares (including securities premium) on exercise of ESOP	6.15	0.72
Buyback of equity shares	-	(150.00)
Net cash flow /(used in) financing activities (C)	**1.60**	**(212.17)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**26.17**	**6.32**
Cash and cash equivalents at the beginning of the year	10.29	3.97
Cash and cash equivalents at the end of the year	**36.46**	**10.29**
Components of cash and cash equivalents		
Cash on hand	0.01	0.02
Balances with banks		
On current account	6.06	8.18
On EEFC account	2.32	2.09
Deposits with original maturity of less than three months	28.07	-
Total cash and cash equivalents (refer note12)	**36.46**	**10.29**

Summary of material accounting policies (refer note 3)

The accompanying notes form an integral part of the standalone 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/-
Shraddha D Khivasara
Partner
Membership Number: 134285

Place: Pune
Date: April 25, 2024.

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

Place: Pune
Date: April 25, 2024.

Sd/-
Sanjay Katkar
Joint Managing Director
DIN: 00397277

Place: Pune
Date: April 25, 2024.

Sd/-
Vishal Salvi
Chief Executive Officer

Place: Pune
Date: April 25, 2024.

Sd/-
Ankit Maheshwari
Chief Financial Officer

Place: Pune
Date: April 25, 2024.

Sd/-
Sarang Hari Deshpande
Company Secretary
Regs. No. ACS-18613

Place: Pune
Date: April 25, 2024.

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2024

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

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 10 each issued, subscribed and fully paid-up	No.	Amount
As at April 1, 2022	**5,80,09,601**	**58.01**
- Changes in Equity share capital due to Prior period errors	-	-
- Employee stock option plan (ESOP) (refer note 16)	64,250	0.06
- Buy Back	(50,00,000)	(4.99)
As at March 31, 2023	**5,30,73,851**	**53.07**
- Changes in Equity share capital due to Prior period errors	-	-
- Employee stock option plan (ESOP) (refer note 16)	4,42,420	0.44
As at March 31, 2024	**5,35,16,271**	**53.51**

B. OTHER EQUITY

Other equity attributable to equity holders of the Company.

	Other Equity	Reserves and Surplus					Items of Other Comprehensive Income	Total
	Employee stock options outstanding (ESOP)	Securities premium	Capital redemption reserve	Amalgamation reserve	General reserve	Retained earnings	Equity instruments through Other Comprehensive Income	
Balance as at April 1, 2022	**7.02**	**2.30**	**12.69**	**2.65**	**45.03**	**504.00**	**(4.49)**	**569.20**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	7.70	-	7.70
Other comprehensive income	-	-	-	-	-	0.13	(5.99)	(5.86)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**7.83**	**(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	-	-	-	-	-	-
Utilised for buy back	-	(3.31)	-	-	-	(141.69)	-	(145.00)
Buyback Expenses	-	-	-	-	-	(1.85)	-	(1.85)
Transferred to Capital redemption reserve	-	-	5.00	-	-	(5.00)	-	-
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**	**302.24**	**(10.48)**	**366.65**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	24.07	-	24.07
Other comprehensive income	-	-	-	-	-	(0.16)	(13.45)	(13.61)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**23.91**	**(13.45)**	**10.46**

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

	Other Equity	Reserves and Surplus					Items of Other Comprehensive Income	Total
	Employee stock options outstanding (ESOP)	Securities premium	Capital redemption reserve	Amalgamation reserve	General reserve	Retained earnings	Equity instruments through Other Comprehensive Income	
Expenses pertaining to share-based payments	5.10	5.71	-	-	-	-	-	10.81
GST on Buyback expenses	-	-	-	-	-	0.14	-	0.14
Transfer from ESOP reserve to Retained earnings	(0.82)	-	-	-	-	0.82	-	-
Refund of excess buy back tax paid	-	-	-	-	-	8.60	-	8.60
Transferred to Retained earnings	(3.83)	3.83	-	-	-	-	-	-
Final equity dividend	-	-	-	-	-	(13.27)	-	(13.27)
Balance as at March 31, 2024	**9.96**	**9.55**	**17.69**	**2.65**	**45.03**	**322.44**	**(23.93)**	**383.39**

Summary of material accounting policies (refer note 3)

The accompanying notes form an integral part of the standalone 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/-
Shraddha D Khivasara
Partner
Membership Number: 134285

Place: Pune
Date: April 25, 2024.

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

Place: Pune
Date: April 25, 2024.

Sd/-
Sanjay Katkar
Joint Managing Director
DIN: 00397277

Place: Pune
Date: April 25, 2024.

Sd/-
Vishal Salvi
Chief Executive Officer

Place: Pune
Date: April 25, 2024.

Sd/-
Ankit Maheshwari
Chief Financial Officer

Place: Pune
Date: April 25, 2024.

Sd/-
Sarang Hari Deshpande
Company Secretary
Regs. No. ACS-18613

Place: Pune
Date: April 25, 2024.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

1. CORPORATE INFORMATION

Quick Heal Technologies Limited ("the Company"), a public company domiciled in India, was incorporated on August 7, 1995 under the Companies Act, 1956. The CIN of the Company is L72200MH1995PLC091408. The Company's shares are listed on the BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') w.e.f. February 18, 2016. The registered office of the Company is located at Solitaire Business Hub, 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, 2024 were authorised for issue in accordance with a resolution of the Board of Directors on April 25, 2024.

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 Companies (Indian Accounting Standards) Rules, 2015, as amended and presentation requirements of Division II of Schedule III to the Companies Act 2013 (IND AS compliant Schedule III) as applicable.

The standalone financial statements have been prepared on a historical cost basis, except for certain financial assets.

Items	Measurement basis
Certain financial assets and liabilities measured at fair value	Fair value
Equity-settled share-based payment transactions	Fair value on the date of grant

The standalone financial statements are presented in ₹ Crores and all values are rounded off to two decimal except when otherwise indicated.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following are the material accounting policies applied by the Company in preparing its standalone financial statements:

a) Current versus Non-Current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle has been considered to be twelve months.

b) Foreign currencies

Functional and presentation currency

The Company's standalone financial statements are presented in Indian Rupees, which is also the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transaction and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/ Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item i.e., translation differences on items whose fair value gain or loss is recognised in Other comprehensive income ('OCI') or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively.

c) Fair value measurement

The Company measures financial instruments such as investments in equity shares (other than those in subsidiaries) at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions (Refer note 4)
- Quantitative disclosures of fair value measurement hierarchy (Refer note 42)
- Financial instruments risk management objectives and policies (Refer note 44)

d) Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services.

Goods and Services Tax (GST) and other applicable taxes is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Accordingly, it is excluded from revenue. The following specific recognition criteria must also be met before revenue is recognised:

Sale of security software products:

Revenue from the sale of security software products is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods. Revenue from the sale of security software products 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 Services Tax (GST) and amounts collected on behalf of third parties.

In arrangements for sale of security software products, 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 component based on the fair value of the undelivered components. Wherever the arrangement does not meet the criteria of separate performance obligation, revenue is recognised over a period of time.

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 transfers goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (q) financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Revenue from software services:

The Company has applied the principle under Ind AS 115 to identify each performance obligation on licenses sold to customer. Revenue for all identified performance obligation pertaining to services is recognised over the period of time, when such performance obligation is rendered. In absence of standalone selling price of the performance obligation, the contract price is allocated to each performance obligation of the contract on the basis of cost-plus margin approach.

e) Other income

Interest

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate ('EIR') applicable. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included under the head "Other income" in the statement of profit and loss.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Rental income from investment property

Rental income is accounted on a straight-line basis over the terms of the relevant lease.

f) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

g) Property, plant and equipment

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and impairment losses, if any.

The cost comprises of the purchase price and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Each part of item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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 amortised on a straight-line basis over the period of lease.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h) Investment properties

Property which is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are expensed when 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.

i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite useful lives i.e. software's are amortised on a straight-line basis over the period of expected future benefits i.e. over their estimated useful lives of three years. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

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

Research and development costs

Research costs are expensed as incurred. Development expenditure is expensed except for an individual project it is recognised as an intangible asset when the recognition criteria as per Ind AS 38 are met.

j) Leases

Company as a lessee

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

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

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

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

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

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

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

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

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

Right-of-use assets are depreciated on a straight-line basis over the lease term, i.e. 30 years.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

k) Inventories

Inventories are valued at the lower of cost and net realisable value.

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

- Raw materials are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories is not written down below cost of the finished product in which they will be incorporated are expected to be sold at or above cost. Cost of raw material is determined on a weighted average basis.
- Finished goods are valued at lower of cost and net realisable value. Cost includes direct material and labour and a proportion of manufacturing overhead based on normal operating capacity. Cost is determined on a weighted average basis.

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

The comparison of cost and net realisable value is made on item by item basis.

l) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

m) Provisions

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

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
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If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n) Contingent liabilities

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

o) Retirement and other employee benefits

(i) Post-employment benefits

- **Defined contribution plan**

  The Company makes payment to provident fund scheme which is defined contribution plan. The contribution paid/payable under the schemes is recognised in the statement of profit and loss during the period in which the employee renders the related service. The Company has no further obligations under these schemes beyond its periodic contributions.

  The Company recognise contribution payable to the provident fund scheme as an expenditure, when an employee renders the related services. If the contribution payable to the scheme for services received before balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then the excess recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or cash refund.

- **Defined benefit plan**

  The Company operates a defined benefit plan for its employees, viz. gratuity. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. The fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on a net basis.

  Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

  Past service costs are recognised in statement of profit and loss on the earlier of:

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

  Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

  - service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
  - net interest expense or income.

(ii) Short-term employee benefits

The distinction between short term and long term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay, etc. and are recognised in the period in which the employee renders the related service.

(iii) Other long-term employment benefits:

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the Balance Sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

p) Share based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in employees share options outstanding reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

q) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

- **Financial assets**

  Initial recognition and measurement of financial assets

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

  Subsequent measurement

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

  - debt instruments at amortised cost
  - debt instruments at fair value through profit or loss (FVTPL)
  - equity instruments measured at fair value through Profit or loss (FVTPL)/ other comprehensive income (FVTOCI)

  Debt instruments at amortised cost

  A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

  - the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows,

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

and

- contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

The Company has decided to classify an equity instruments as FVTOCI and all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- 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 recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument; and
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as expense/ (income) in the statement of profit and loss. This amount is reflected under the head 'Other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount; and
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis. The Company does not have any purchased or originated

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

- **Financial liabilities**

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, loans and borrowings or payables as appropriate.

All financial liabilities are recognised initially at fair value.

The Company's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

r) Investment in subsidiaries

Investment in subsidiaries is carried at cost less accumulated impairment in the standalone financial statements

s) 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 Company's cash management.

t) Cash dividend

The Company recognises a liability to make cash distributions to the equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the provisions of the Act, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

u) Earnings per share (EPS)

Basic EPS is calculated by dividing the Company's earnings for the year attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. The earnings considered in ascertaining the Company's EPS comprise the net profit after tax attributable to equity shareholders. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares) other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares. There were no instruments excluded from the calculation of diluted earnings per share for the periods presented because of an anti-dilutive impact.

v) 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 Directors of the Company as its CODM.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's Standalone 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.

a) Judgements

In the process of applying the Company's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the Standalone 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.

b) 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 Standalone 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.

- **Expected Credit loss on trade receivables**

  The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. In addition to that management also make specific provision in case the recovery is not expected based on their discussion with the customer's.

- **Fair value measurement of financial instruments – Investment in equity instruments and preference shares**

  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.

4.1 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 1, 2024.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land (refer note 1 below)	Building (Right of use)	Buildings (refer note 2 below)	Computers and server	Office equipment	Electrical installa-tions	Furniture and fixtures	Vehicles	Total
Cost (Gross)									
At April 1, 2022	2.66	2.13	124.33	58.12	17.25	9.49	20.47	1.05	235.51
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**
Transfer (refer note 4)	-	-	14.20	-	-	-	-	-	14.20
Additions	-	-	-	2.45	0.23	2.49	0.07	-	5.24
Disposals/written-offs	-	-	0.48	7.37	0.29	1.03	0.29	-	9.46
At March 31, 2024	**2.66**	**2.13**	**107.37**	**54.40**	**16.41**	**10.95**	**20.19**	**1.05**	**215.17**
Depreciation									
At April 1, 2022	-	0.91	40.01	46.50	15.80	8.01	17.63	0.71	129.57
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**
Transfer (refer note 4)	-	-	5.19	-	-	-	-	-	5.19
Depreciation charge for the year	-	0.06	3.51	4.25	0.25	0.73	0.51	0.07	9.38
Disposals/written-offs	-	-	0.19	6.98	0.27	0.93	0.28	-	8.65
At March 31, 2024	**-**	**1.04**	**41.02**	**46.60**	**15.30**	**8.19**	**18.52**	**0.89**	**131.56**
Net block									
At March 31, 2023	**2.66**	**1.15**	**79.16**	**9.99**	**1.15**	**1.10**	**2.12**	**0.23**	**97.57**
At March 31, 2024	**2.66**	**1.09**	**66.35**	**7.80**	**1.11**	**2.76**	**1.67**	**0.16**	**83.61**

Note: 1. The value of land has been estimated based on the stamp duty valuation rate.

2. Building includes office building (including share in undivided portion of land) taken on long term lease i.e. 999 years.
3. The title deeds of the immovable properties are held in the name of the Company.
4. During the year, Company has transferred building of ₹ 14.20 (March 31, 2023: Nil) and accumulated depreciation of ₹5.19 (March 31, 2023: ₹ Nil) to investment property as the Company intends to lease and earn rental income from the same.

5 (a) Capital Work in Progress (CWIP)

	As at April 1, 2022	Expenditure during the year	Capitalised during the year	Impairment	Written off	Closing as at March 31, 2023
Computer and Software	-	2.59	2.59	-	-	-

	As at April 1, 2023	Expenditure during the year	Capitalised during the year	Impairment	Written off	Closing as at March 31, 2024
Computers and server	-	5.51	2.45	-	-	3.06
Office equipment	-	0.23	0.23	-	-	-
Electrical installations	-	2.49	2.49	-	-	-
Furniture and fixtures	-	0.07	0.07	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

5. PROPERTY, PLANT AND EQUIPMENT (Contd.)

5 (b) Ageing of Tangible CWIP

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
At March 31, 2023					
Projects in progress	-	-	-	-	-
	-	-	-	-	-
At March 31, 2024					
Projects in progress	3.06	-	-	-	3.06
	3.06	**-**	**-**	**-**	**3.06**

5 (c) There are no projects as Capital Work in Progress as at March 31, 2024 and March 31, 2023, whose completion is overdue or cost of which exceeds in comparison to its original plan.

6. INVESTMENT PROPERTY

	Buildings	Total
Cost (Gross)		
At April 1, 2022	32.43	32.43
Purchase	-	-
Disposals	-	-
At March 31, 2023	**32.43**	**32.43**
Transfer (refer note 5 (4))	14.20	14.20
Purchase	-	-
Disposals	-	-
At March 31, 2024	**46.63**	**46.63**
Depreciation		
At April 1, 2022	7.07	7.07
Depreciation charge for the year	1.24	1.24
Disposals	-	-
At March 31, 2023	**8.31**	**8.31**
Transfer (refer note 5 (4))	5.19	5.19
Depreciation charge for the year	1.51	1.51
Disposals	-	-
At March 31, 2024	**15.01**	**15.01**
Net block		
At March 31, 2023	**24.12**	**24.12**
At March 31, 2024	**31.62**	**31.62**

Information regarding income and expenditure earned from Investment properties

Particulars	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Rental income derived from investment properties (refer note 24)	4.99	3.58
Direct operating expenses (including repairs and maintenance) generating rental income	(0.25)	(0.20)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	**4.74**	**3.38**
Less – Depreciation charge for the year	(1.51)	(1.24)
Profit arising from investment properties before indirect expenses	**3.23**	**2.14**
Less – Indirect expenses	-	-
Profit from investment properties	**3.23**	**2.14**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

6. INVESTMENT PROPERTY (Contd.)

The Company's investment properties consist of office premises in India given on non-cancellable lease for a period of 11 months to 5 years.

Estimation of fair value

As at March 31, 2024, the fair values of the property is ₹ 65.79 (March 31, 2023: ₹ 41.42). 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.

Fair value hierarchy disclosures for investment properties have been provided in Note 43.

1. The Company has no restriction on the realisability of its investment properties and no contractual obligations to purchase, or develop investment properties.
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 categorised in level 2 fair value hierarchy.

Key assumption and inputs

The Company has adopted market approach to estimate the value of property. Market rate is estimated based on Prime data source & the rate applicable at surrounding vicinity.

1. Prime Source: Recorded sales transaction in the vicinity of property.
2. Secondary sources: Local enquiry about the rates, web advertisement about the land rates, ready reckoner/guideline rates.

7. INTANGIBLE ASSETS

	Software	Total
Cost (Gross)		
At April 1, 2022	45.17	45.17
Purchase	0.58	0.58
Disposals / written off	-	-
At March 31, 2023	**45.75**	**45.75**
Purchase	0.43	0.43
Disposals / written off	-	-
At March 31, 2024	**46.18**	**46.18**
Amortisation (Gross)		
At April 1, 2022	39.45	39.45
Amortisation for the year	3.53	3.53
Disposals / written off	-	-
At March 31, 2023	**42.98**	**42.98**
Amortisation for the year	1.71	1.71
Disposals / written off	-	-
At March 31, 2024	**44.69**	**44.69**
Net block		
At March 31, 2023	**2.77**	**2.77**
At March 31, 2024	**1.49**	**1.49**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

7. INTANGIBLE ASSETS (Contd.)

7 (a) Intangible assets under development

	As at April 1, 2022	Expenditure during the year	Capitalised during the year	Impairment	Written off	Closing as at March 31, 2023
Software	-	0.73	0.58	-	-	0.15

	As at April 1, 2023	Expenditure during the year	Capitalised during the year	Impairment	Written off	Closing as at March 31, 2024
Software	0.15	0.28	0.43	-	-	-

7 (b) Ageing of Intangible assets under development

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
At March 31, 2023					
Projects in progress	0.15	-	-	-	0.15
	0.15	**-**	**-**	**-**	**0.15**
At March 31, 2024					
Projects in progress	-	-	-	-	-
	-	**-**	**-**	**-**	**-**

7 (c) There are no Intangible assets under development as at March 31, 2024 and March 31, 2023, whose completion is overdue or cost of which has exceeded in comparison to its original plan.

8. INVESTMENTS IN SUBSIDIARIES AND OTHERS

	As at March 31, 2024	As at March 31, 2023
Non - current investments		
Investment in equity shares (unquoted) (at cost)		
Investment in wholly owned subsidiaries		
Nil (March 31, 2023: Nil) equity shares of JPY 50,000 each fully paid-up in Quick Heal Technologies Japan K.K., Japan (including net of repatriation of ₹ 2.27 and impairment of ₹ 15.17.)	-	17.44
Less: Repatriation	-	(2.27)
Less: Impairment of investment in Quick Heal Technologies Japan K.K., Japan	-	(15.17)
	-	-
788,000 (March 31, 2023: 788,000) equity shares of USD 1 each fully paid-up in Quick Heal Technologies America Inc., USA (net of impairment of ₹ 5.11)	0.25	0.25
	0.25	**0.25**
300 (March 31, 2023: 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 Subisidiaries	**0.81**	**0.81**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

8. INVESTMENTS IN SUBSIDIARIES AND OTHERS (Contd.)

	As at March 31, 2024	As at March 31, 2023
Investment carried at amortised cost		
Investment in tax free bonds (quoted)		
30,000 (March 31, 2023: 30,000) 7.35% Indian Railway Finance Corporation Limited Bonds	3.00	3.35
22,500 (March 31, 2023: 22,500) 7.39% National Highway Authority of India Bonds	2.25	2.48
Sub total	**5.25**	**5.83**
Investments at fair value through OCI		
Investment in other equity shares (unquoted)		
4,472 (March 31, 2023: 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)
Sub total	**-**	**-**
18,255 (March 31, 2023: 18,255) equity shares of NIS 0.01 each fully paid-up in L7 Defense Limited	1.62	2.18
Less: Fair value changes routed through OCI *	(1.62)	(0.56)
Sub total	**-**	**1.62**
4,651 (March 31, 2023: 4,651) equity shares of SGD 0.001 each fully paid-up in Ray Pte. Limited	3.10	2.00
Less: Fair value changes routed through OCI	(0.90)	1.10
Sub total	**2.20**	**3.10**
Investment in Preference shares (unquoted)		
1,49,925 (March 31, 2023: 1,49,925) compulsory convertible preference shares (CCPS) of NIS 0.01 each fully paid-up in L7 Defense Limited	10.94	14.73
Less: Fair value changes routed through OCI *	(10.94)	(3.79)
Sub total	**-**	**10.94**
Sub total - Investments	**7.45**	**21.49**
Total non - current investments	**8.26**	**22.30**
Current investments		
Investments at fair value through profit and loss		
Investments in mutual funds (quoted)		
Investments in mutual funds	182.51	176.20
Total current investments	**182.51**	**176.20**
Total non-current investments	**8.26**	**22.30**
Total current investments	**182.51**	**176.20**
Aggregate book value of quoted investments	165.20	169.69
Aggregate market value of quoted investments	188.46	182.28
Aggregate book value of unquoted investments	43.83	43.83
Aggregate amount of impairment/ fair value in value of investments	(40.82)	(27.36)
Investments carried at cost (net of impairment)	0.81	0.81
Investments carried at amortised cost	5.25	5.83
Investments carried at fair value through profit or loss	182.51	176.20
Investments carried at fair value through other comprehensive income	2.20	15.66

*Considering the financial position, liquidity condition, market conditions and geopolitical scenario in Israel, management based on its assessment has recorded a fair value loss in other comprehensive income (FVOCI) amounting to ₹ 12.55. Accordingly, the carrying value of investment made in L7 Defense Limited has been considered as ₹ Nil as at March 31, 2024.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

9. OTHER FINANCIAL ASSETS

	As at March 31, 2024	As at March 31, 2023
Current		
Interest accrued on fixed deposit	0.54	0.20
Security deposits	0.39	0.33
Other receivables	0.33	0.95
Total current	**1.26**	**1.48**
Non - current		
Bank balances		
Deposits with remaining maturity of more than twelve months	0.34	0.34
Security deposits	0.48	0.42
Total non - current	**0.82**	**0.76**
Other financial assets carried at amortised cost	**2.08**	**2.24**

Out of the total deposits ₹ 0.34 (March 31, 2023: ₹ 0.34) are pledged against bank guarantees.

10. INVENTORIES

	As at March 31, 2024	As at March 31, 2023
At lower of cost and net realisable value		
Raw materials - Security software devices	-	0.41
Finished goods - Security softwares products	2.80	4.09
Total	**2.80**	**4.50**

11. TRADE RECEIVABLES

	As at March 31, 2024	As at March 31, 2023
Trade receivables	129.86	121.81
Trade receivables from related parties (refer note 40)	2.19	0.96
Total	**132.05**	**122.77**

Break-up for security details:

	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Unsecured - considered good	132.05	122.77
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired*	44.13	36.98
Total	**176.18**	**159.75**
Allowance for bad and doubtful debts		
Unsecured - considered good	-	-
Trade receivables - credit impaired*	(44.13)	(36.98)
	(44.13)	**(36.98)**
Total	**132.05**	**122.77**

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

No trade or other receivables 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 40.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

11. TRADE RECEIVABLES (Contd.)

Ageing of Trade Receivable

As on March 31, 2024

	Outstanding for following periods from the due date of payment							
	Unbilled Dues	Not due	Less than 6 months	6 months - 1 year	1 - 2 years *	2 -3 years *	More than 3 years *	Total
i) Undisputed Trade receivables - considered good*	-	59.33	61.60	3.93	3.49	0.27	0.36	128.98
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables - credit impaired	-	1.56	2.89	0.39	11.80	0.29	1.35	18.28
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	3.07	3.07
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	1.03	24.82	25.85
Less: Impairment allowance (Disputed + Undisputed)	-	(1.56)	(2.89)	(0.39)	(11.80)	(1.32)	(26.17)	(44.13)
Total	**-**	**59.33**	**61.60**	**3.93**	**3.49**	**0.27**	**3.43**	**132.05**

As on March 31, 2023

	Outstanding for following periods from the due date of payment							
	Unbilled Dues	Not due	Less than 6 months	6 months - 1 year	1 - 2 years *	2 -3 years *	More than 3 years *	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: Impairment allowance (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**

* Trade receivables outstanding for more than eighteen months and disputed - considered good are not provided for, mainly on account of corresponding incentive provision outstanding in the books.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

12. CASH AND CASH EQUIVALENTS

	As at March 31, 2024	As at March 31, 2023
Balances with banks:		
On current account	6.06	8.18
On EEFC account	2.32	2.09
Deposits with original maturity of less than three months	28.07	-
Cash on hand	0.01	0.02
Total	**36.46**	**10.29**

13. OTHER BANK BALANCES

	As at March 31, 2024	As at March 31, 2023
Bank balances		
Deposits with remaining maturity of less than twelve months	0.08	0.08
Unpaid dividend account	0.17	0.19
Total	**0.25**	**0.27**

Out of the total deposits ₹ 0.08 (March 31, 2023: ₹ 0.08) are pledged against bank guarantees.

14. INCOME TAX ASSETS (NET)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Advance tax (net of provision for tax)	16.46	22.33
Total	**16.46**	**22.33**

15. OTHERS ASSETS

	As at March 31, 2024	As at March 31, 2023
Current (unsecured, considered good)		
Prepaid expenses	5.45	3.70
Balances with government authorities	0.04	0.02
Surplus in Gratuity fund (refer note 33)	1.36	0.60
Advance to suppliers	0.80	2.41
Total current	**7.65**	**6.73**
Non - current (unsecured, considered good)		
Prepaid expenses	0.91	0.65
Non - current (unsecured, considered doubtful)		
Capital advances	0.30	0.30
Less: provision for doubtful capital advances	(0.30)	(0.30)
Total non - current	**0.91**	**0.65**
Total current	**7.65**	**6.73**
Total non - current	**0.91**	**0.65**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

16. EQUITY SHARE CAPITAL

	As at March 31, 2024	As at March 31, 2023
Authorised shares capital		
7,50,00,000 (March 31, 2023: 7,50,00,000) equity shares of ₹ 10 each	75.00	75.00
	75.00	**75.00**
Issued, subscribed and fully paid-up shares		
5,35,16,271 (March 31, 2023: 5,30,73,851) equity shares of ₹ 10 each	53.51	53.07
Total issued, subscribed and fully paid-up share capital	**53.51**	**53.07**

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

	As at March 31, 2024		As at March 31, 2023	
	No.	₹	No.	₹
At the beginning of the year	5,30,73,851	53.07	5,80,09,601	58.01
Issued during the year				
Add: Employee stock option plan (ESOP)	4,42,420	0.44	64,250	0.06
Less: Shares bought back	-	-	50,00,000	5.00
Outstanding at the end of the year	**5,35,16,271**	**53.51**	**5,30,73,851**	**53.07**

(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 April 17, 2023, proposed a final dividend of ₹ 2.50 per equity share and the same was approved by the shareholders at the Annual General Meeting held on August 11, 2023. The amount was recognised as distributions to equity shareholders during the year ended March 31, 2024 and the total appropriation was ₹ 13.27 including Tax deduction at source.

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 recognised as distributions to equity shareholders during the year ended March 31, 2023 and the total appropriation was ₹ 26.11 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) There are no shares held by holding/ ultimate holding company and /or their subsidiaries/ associates

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

	As at March 31, 2024		As at March 31, 2023	
	Nos.	% holding	Nos.	% holding
Equity shares of ₹ 10 each fully paid-up				
Kailash Sahebrao Katkar	1,55,88,818	29.13%	1,55,88,818	29.37%
Sanjay Sahebrao Katkar	1,55,88,818	29.13%	1,55,88,818	29.37%
Anupama Kailash Katkar	38,03,075	7.11%	38,03,075	7.17%
Chhaya Sanjay Katkar	38,03,075	7.11%	38,03,075	7.17%

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

16. EQUITY SHARE CAPITAL (Contd.)

(e) Details of shares held by promoters

As at March 31, 2024

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Kailash Sahebrao Katkar	1,55,88,818	-	1,55,88,818	29.13%	-0.24%
Sanjay Sahebrao Katkar	1,55,88,818	-	1,55,88,818	29.13%	-0.24%
Anupama Kailash Katkar	38,03,075	-	38,03,075	7.11%	-0.06%
Chhaya Sanjay Katkar	38,03,075	-	38,03,075	7.11%	-0.06%
Sneha Kailash Katkar	2,567	-	2,567	0.00%	0.00%
Total	**3,87,86,353**	**-**	**3,87,86,353**	**72.48%**	**-0.60%**

As at March 31, 2023

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Kailash Sahebrao Katkar	1,55,88,818	-	1,55,88,818	29.37%	0.09%
Sanjay Sahebrao Katkar	1,55,88,818	-	1,55,88,818	29.37%	0.09%
Anupama Kailash Katkar	38,03,075	-	38,03,075	7.17%	0.02%
Chhaya Sanjay Katkar	38,03,075	-	38,03,075	7.17%	0.02%
Sneha Kailash Katkar	2,567	-	2,567	0.00%	0.00%
Total	**3,87,86,353**	**-**	**3,87,86,353**	**73.08%**	**0.22%**

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.

(f) Aggregate number of shares issued for consideration other than cash, bonus shares allotted and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
No of shares bought back	50,00,000	63,26,530	-	63,63,636	-
Total	**50,00,000**	**63,26,530**	**-**	**63,63,636**	**-**

(g) Shares reserved for issue under options.

For details of shares reserved for issue under the Share based payment plan of the Company refer note 34

17. OTHER EQUITY

	As at March 31, 2024	As at March 31, 2023
a) Reserves and Surplus		
(i) Retained earnings		
Balance as at the beginning of the year	**302.24**	**504.00**
Add: Amount transferred from surplus balance in the statement of profit and loss	24.07	7.70
Add: ESOP (vested option lapsed)	0.82	-
Add: Refund of GST on buy back expenses	0.14	-
Add: Refund of excess buy back tax paid [refer note i(a)]	8.60	-
Add: Re-measurement gains/(losses) on defined benefit plans	(0.16)	0.13
Less: Utilised for buy back	-	141.69
Less: Transfer to capital redemption reserves	-	5.00
Less: Buy back expenses	-	1.85
Less: Dividend paid [amount per share ₹ 2.5 (March 31, 2023: ₹ 4.5)]	13.27	26.11
Less: Tax on buy back	-	34.94
Balance as at end of the year	**322.44**	**302.24**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

17. OTHER EQUITY (Contd.)

i (a) During the year ended March 31, 2024, the Company received refund of ₹ 8.60, from the Income Tax Authorities for the assessment year 2022-23 towards excess buy back tax paid. Since the tax on buy back was debited to retained earnings during financial year ended March 31, 2022, the refund received is recognised in retained earnings.

		As at March 31, 2024	As at March 31, 2023
(ii)	**Securities premium**		
	Balance as at the beginning of the year	0.01	2.30
	Add: ESOPs exercised	5.71	0.66
	Add: Transferred from ESOP account	3.83	0.36
	Less: Utilised for buy back	-	3.31
	Balance as at end of the year	**9.55**	**0.01**
(iii)	**Amalgamation reserve**		
	Balance as at the beginning and end of the year	**2.65**	**2.65**
(iv)	**General reserve**		
	Balance as at the beginning and end of the year	**45.03**	**45.03**
(v)	**Capital redemption reserve**		
	Balance as at the beginning of the year	**17.69**	**12.69**
	Add: Amount transferred from Retained earnings	-	5.00
	Balance as at end of the year	**17.69**	**17.69**
b)	**Other Equity**		
	Share based payment reserve		
	Balance as at the beginning of the year	**9.51**	**7.02**
	Add: Additions during the year (refer note 26 & 34)	5.10	2.85
	Less: Vested options lapsed transfer to Retained earning	0.82	-
	Less: Transfer to securities premium on exercise of stock options	3.83	0.36
	Balance as at end of the year	**9.96**	**9.51**
(c)	**Other Comprehensive Income**		
	Equity instruments through Other comprehensive income		
	Balance as at the beginning of the year	**(10.48)**	**(4.49)**
	Add: Additions during the year	(13.45)	(5.99)
	Balance as at end of the year	**(23.93)**	**(10.48)**
	Total Other equity (a+b+c)	**383.39**	**366.65**

Nature and purpose of reserves

Retained earnings

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

Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only 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, Cat Labs Private Limited (CLPL), subsidiary of the Company, had been merged with the Company with effect from April 1, 2010. Accordingly, an

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

17. OTHER EQUITY (NET) (Contd.)

amount of ₹ 2.65 was recorded as amalgamation reserve.

General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Capital redemption reserve

The Company had bought back its share in the past. In accordance with section 69 of the Companies Act, 2013, Capital Redemption Reserve is created (which represent nominal value of share bought back).

Share based payment reserve

The Company has two employee stock option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer note 34 for further details of these plans.

Fair value through other comprehensive income reserve

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the equity instruments through other comprehensive income within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

18. TRADE PAYABLES

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (refer note 37)	3.70	1.94
Total outstanding dues of creditors other than micro enterprises and small enterprises*	36.40	46.74
Total	**40.10**	**48.68**

* Includes amount payable to related party (refer note 40)
* For terms and conditions with related parties (refer note 40)
* For explanations on the Company's credit risk management processes (refer note 44)
- Trade payables are non-interest bearing and have an average credit term of 60 days.

Trade payables ageing schedules as on March 31, 2024

	Outstanding for following period from the date of invoice						
	Unbilled Dues	Not Due	Less than 1 year	1- 2 years	2- 3 years	More than 3 years	Total
(i) Micro enterprises and small enterprises	-	-	3.70	-	-	-	3.70
(ii) Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-	-
(iii) Other than micro enterprises and small enterprises	29.22	-	3.69	0.21	0.01	0.08	33.21
(iv) Disputed dues - Other than micro enterprises and small enterprises	-	-	-	-	-	3.19	3.19
Total	**29.22**	**-**	**7.39**	**0.21**	**0.01**	**3.27**	**40.10**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

18. TRADE PAYABLES (Contd.)

Trade payables ageing Schedules as on March 31, 2023

	Outstanding for following period from the date of invoice						
	Unbilled Dues	Not Due	Less than 1 year	1- 2 years	2- 3 years	More than 3 years	Total
(i) Micro enterprises and small enterprises	-	-	1.94	-	-	-	1.94
(ii) Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-	-
(iii) Other than micro enterprises and small enterprises	39.10	-	2.38	0.03	0.06	0.08	41.63
(iv) Disputed dues - Other than micro enterprises and small enterprises	-	-	-	1.89	0.03	3.19	5.11
Total	**39.10**	**-**	**4.32**	**1.92**	**0.09**	**3.27**	**48.68**

19. OTHER FINANCIAL LIABILITIES

	As at March 31, 2024	As at March 31, 2023
Current		
Carried at amortised cost		
Capital creditors	3.03	1.69
Unpaid dividend	0.17	0.19
Employee benefit liabilities	0.61	10.85
Other payables	0.01	-
Total	**3.82**	**12.73**
Total current	**3.82**	**12.73**

20. OTHER LIABILITIES

	As at March 31, 2024	As at March 31, 2023
Current		
Deferred revenue (refer note 23)	2.10	2.10
Statutory dues payable	10.99	5.79
Other liabilities	0.79	1.65
Total	**13.88**	**9.54**
Non - current		
Security deposit	2.33	0.52
Total	**2.33**	**0.52**
Total current	**13.88**	**9.54**
Total non - current	**2.33**	**0.52**

Terms and conditions of the above other liabilities:

- Payables for purchases of fixed assets are non interest bearing and have an average term of 90 days.

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

21. EMPLOYEE BENEFIT OBLIGATIONS

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Current		
Provision for employee incentive	14.37	-
Provision for compensated absences	1.20	0.57
Total	**15.57**	**0.57**
Non - current		
Provision for compensated absences	-	0.60
Total	**-**	**0.60**
Total current	**15.57**	**0.57**
Total non - current	**-**	**0.60**

22. INCOME TAX LIABILITIES (NET)

	As at March 31, 2024	As at March 31, 2023
Current tax liabilities (net of advance tax)	0.01	-
Total	**0.01**	**-**

23. REVENUE FROM CONTRACT WITH CUSTOMERS

	Year ended March 31, 2024	Year Ended March 31, 2023
Sale of security software products	288.58	276.72
Software support and services	3.17	1.39
Total	**291.75**	**278.11**

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, 2024	Year Ended March 31, 2023
Revenue by Geography		
India	272.83	262.51
Outside India	18.92	15.60
Total	**291.75**	**278.11**
Revenue by type of products and services		
Security software licenses	288.58	276.72
Software support and services	3.17	1.39
Total	**291.75**	**278.11**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

23. REVENUE FROM CONTRACT WITH CUSTOMERS (Contd.)

Movement in deferred revenue is as follows:

	Year ended March 31, 2024	Year Ended March 31, 2023
Balance at the beginning of the year	**2.10**	**2.10**
Less: Revenue recognised during the year	0.10	0.59
Add: Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	0.10	0.59
Balance at the end of the year	**2.10**	**2.10**

Performance obligation and remaining performance obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as of the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue.

The aggregate value of performance obligation that are completely or partially unsatisfied as of March 31, 2024, is ₹ 2.10 (March 31, 2023 : ₹ 2.10). Out of this, the Company expects to recognise revenue of around ₹ 2.10 in future, depending on the license period.

Reconciliation of the revenue recognised in the statement of profit and loss with the contracted price

	Year ended March 31, 2024	Year Ended March 31, 2023
Revenue as per contracted price	322.37	300.21
Adjustments		
Incentive, scheme and discounts	30.62	22.10
Revenue from contract with customers	**291.75**	**278.11**

24. OTHER INCOME

	Year ended March 31, 2024	Year Ended March 31, 2023
Interest income on		
Bank deposits	0.03	0.97
Tax free bonds	0.12	0.39
Income tax	1.14	0.42
Gain on sale of current investments (net)	2.02	3.20
Profit on sale Property, plant and equipment (net)	0.27	3.95
Foreign exchange gains (net)	-	0.29
Fair value gain on financial instruments at fair value through profit and loss *	10.23	6.88
Income from Investment property	4.99	3.58
Insurance claims **	1.79	-
Miscellaneous income	0.78	2.70
Total	**21.37**	**22.38**

* Fair value gain on financial instruments at fair value through profit and loss relates to investments in mutual funds.

** On May 9, 2023, a fire incident had taken place at the Company's corporate office located at Solitaire Business Hub, Viman Nagar, Pune. However, the business operations were not impacted. Electrical installations and office equipment amounting to net book value of ₹ 0.10 (Gross value of ₹ 1.10) were damaged which were written off in the statement of Profit & Loss account. The Company has received an insurance claim of ₹ 1.79 which has been accounted for as "Other Income".

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (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, 2024	Year Ended March 31, 2023
25. (a) Cost of materials consumed		
Inventory at the beginning of the year	0.41	0.31
Add: Purchases	-	1.21
Less: Inventory at end of the year	-	0.41
Sub-total	**0.41**	**1.11**
25. (b) Purchase of security software products		
Security software products	5.13	7.83
Sub-total	**5.13**	**7.83**
25. (c) Changes in inventories of finished goods		
Finished goods inventory at the beginning of the year	4.09	4.48
Less: Finished goods inventory at end of the year	2.80	4.09
Sub-total (Increase)/decrease in security software products	**1.29**	**0.39**
Total	**6.83**	**9.33**

Details of materials consumed

	Year ended March 31, 2024	Year Ended March 31, 2023
Security software devices - Unified Threat Management (UTM)	0.41	1.11
	0.41	**1.11**

Details of Closing inventory

	As at March 31, 2024	As at March 31, 2023
Raw materials		
Security software devices - Unified Threat Management (UTM)	-	0.41
	-	**0.41**
Finished goods		
Security software products	2.80	4.09
	2.80	**4.09**

26. EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2024	Year Ended March 31, 2023
Salaries, wages and bonus	153.83	142.34
Contribution to provident and other funds (refer note 33)	4.30	3.98
Gratuity expenses (refer note 33)	2.17	2.44
Staff welfare expenses	3.54	3.28
Employee share based payment expenses (refer note 34)	5.10	2.85
Total	**168.94**	**154.89**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

27. FINANCE COST

	Year ended March 31, 2024	Year Ended March 31, 2023
Interest on lease	0.13	-
Total	**0.13**	**-**

28. DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2024	Year Ended March 31, 2023
Depreciation of property, plant and equipment (refer note 5)	9.38	11.22
Depreciation of Investment property (refer note 6)	1.51	1.24
Amortisation of intangible assets (refer note 7)	1.71	3.53
Total	**12.60**	**15.99**

29. OTHER EXPENSE

	Year ended March 31, 2024	Year Ended March 31, 2023
Web publishing expenses	0.48	0.50
Technology subscription and Fees for technical service	10.27	8.78
Power and fuel	2.70	2.59
Rent (refer note 35)	1.46	1.34
Rate & Taxes	0.80	1.12
Insurance	0.49	0.43
Repairs and maintenance		
Buildings	1.06	1.19
Others	1.89	1.70
Corporate Social Responsibility (CSR) expenditure (refer note 38)	1.82	2.31
Commission to independent directors (refer note 40)	0.32	0.36
Directors' sitting fees (refer note 40)	0.17	0.16
Business promotion expenses	2.36	4.36
Advertisement and sales promotion	16.31	29.94
Freight and forwarding charges	0.55	0.48
Travelling and conveyance	4.36	4.39
Communication costs	21.38	14.90
Office expenses	2.88	3.17
Marketing support services (refer note 40)	0.90	0.58
Legal and professional fees	19.53	26.15
Payment to auditor (refer details below)	0.42	0.37
Foreign exchange loss (net)	0.15	-
Property, plant and equipment written off	0.32	-
Provision for doubtful debts and advances	7.15	5.14
Miscellaneous expenses	0.81	1.13
Total	**98.58**	**111.09**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

29. OTHER EXPENSE (Contd.)

Payment to auditor (excluding Goods and service tax)

	Year ended March 31, 2024	Year Ended March 31, 2023
As auditor:		
Audit fees	0.09	0.09
Limited review	0.25	0.24
In other capacity:		
Others (including certification fees)	0.04	0.01
Reimbursement of expenses	0.04	0.03
Total	**0.42**	**0.37**

30. INCOME TAX

The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are:

Statement of profit and loss section

	March 31, 2024	March 31, 2023
Current income tax:		
Current income tax charge	5.78	1.25
Adjustment in respect of previous years	0.07	(0.14)
Deferred tax:		
Relating to origination and reversal of temporary differences	(3.88)	0.48
Income tax expense reported in the statement of profit and loss	**1.97**	**1.59**
OCI Section		
Deferred tax related to items recognised in OCI during the year		
Net gain/(loss) on actuarial gains and losses	0.06	(0.05)
Deferred tax (charged)/credit to OCI	**0.06**	**(0.05)**

Reconciliation of deferred tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended

	March 31, 2024	March 31, 2023
Accounting profit before tax	26.04	9.29
At India's statutory income tax rate of 25.168% (March 31, 2023: 25.168%)	6.55	2.34
Adjustments (non-deductible expenses):		
Adjustments of tax relating to earlier periods	0.07	(0.14)
CSR expenditure	0.46	0.58
Tax impact on impairment of subsidiaries	-	0.03
Tax impact on Net loss or gain on FVTOCI assets	-	(0.65)
Tax impact on deduction of buy back expenses	-	(0.47)
Deferred tax on long term capital loss not recorded in earlier year due to lack of reasonable certainty	(5.36)	-
Others	0.25	(0.10)
At the effective income tax rate of 25.168% [March 31, 2023: 25.168%]	**1.97**	**1.59**
Income tax expense reported in the statement of profit and loss	**1.97**	**1.59**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

30. INCOME TAX (Contd.)

Movement in Deferred income tax assets / liabilities for the year ended is as follows:

	Balance sheet		Statement of profit and loss	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Property, plant and equipment	(8.34)	(7.72)	0.62	1.34
Expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	0.26	0.40	0.14	(0.05)
Provision for doubtful debts and advances	11.11	9.31	(1.80)	(1.30)
Deferred revenue	0.50	0.53	0.03	-
Prepaid rent	0.09	-	(0.09)	-
Unrealised gain on investment in mutual funds	(0.11)	(3.05)	(2.94)	0.56
Deferred tax on gratuity expense recognised in other comprehensive income	-	-	-	(0.66)
Others - rent equalisation reserve, prepaid rent etc.	(0.11)	-	0.11	-
Adjustment in respect of deferred tax of previous years	-	-	-	0.64
Net deferred tax expense / (income)			**(3.94)**	**0.53**
Net deferred tax assets / (liabilities)	**3.40**	**(0.53)**		

Details of income tax assets and income tax liabilities:

	March 31, 2024	March 31, 2023
Deferred tax liabilities	(8.56)	(10.77)
Deferred tax assets	11.96	10.24
Deferred tax assets, net	**3.40**	**(0.53)**

Reconciliation of deferred tax assets/(liabilities) net

	March 31, 2024	March 31, 2023
Opening balance	(0.53)	(0.64)
Tax income / (expenses) during the period recognised in statement of profit and loss	3.88	(0.48)
Tax income / (expense) during the period recognised in OCI	0.06	(0.05)
Adjustment in respect of deferred tax of previous years	(0.01)	0.64
Closing balance	**3.40**	**(0.53)**

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

31. EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on exercise of stock options.

The following reflects the income and share data used in the basic and diluted EPS computations:

		Year ended March 31, 2024	Year Ended March 31, 2023
Net profit after tax attributable to equity shareholders of the Company	(A)	24.07	7.70
Weighted average number of equity shares in calculating basic EPS	(B)	5,31,95,385	5,59,28,126
Effect of dilution:			
Stock options granted under ESOP share (in numbers)	(C)	8,54,714	1,61,408
Weighted average number of equity shares adjusted for the effect of dilution	D=(B+C)	5,40,50,098	5,60,89,534
Basic earnings per share of face value of ₹ 10 each (in ₹)	**(A/B)**	**4.52**	**1.38**
Diluted earnings per share of face value of ₹ 10 each (in ₹)	**(A/D)**	**4.45**	**1.37**

There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

32. DIVIDEND

The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable taxes if any. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

The amount of per share dividend recognised as distribution to equity shareholders is as follows:-

Particulars	Year ended March 31, 2024	Year Ended March 31, 2023
Final dividend paid financial year 2023	13.27	-
Final dividend paid financial year 2022	-	26.11

The Board of Directors of the Company in their meeting held on April 25, 2024 recommended a final dividend of ₹ 3.00 per equity share for the financial year ended March 31, 2024. The payment is subject to the approval of shareholders in the AGM of the Company. If approved, would result in a net cash outflow of approximately ₹ 16.05.

33. DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS

A. Defined contribution plans:

Amount of ₹ 4.30 (March 31, 2023: ₹ 3.98) is recognised 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

33. DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS (Contd.)

The following table summarises the components of net benefit expense recognised in the statement of profit and loss and the funded status and the amounts recognised in the balance sheet for the gratuity plan.

	Year ended March 31, 2024	Year Ended March 31, 2023
Statement of profit and loss:		
Current service cost	2.33	2.52
Past service cost	-	-
Net interest (income) / expense	(0.16)	(0.08)
Curtailment gain / (loss)	-	-
Settlement gain / (loss)	-	-
Net benefit expense recognised in the statement of profit and loss	**2.17**	**2.44**
Amount recorded in other comprehensive income:		
Measurement during the period due to:		
Actuarial gain / (loss) arising from change in financial assumptions on plan assets	0.10	0.09
Actuarial gain / (loss) arising on account of experience changes on plan assets	(0.06)	(0.03)
Actuarial gain / (loss) arising on account of experience changes on plan liabilities	(0.21)	(0.50)
Actuarial gain / (loss) arising on account of demographic changes on plan liabilities	-	-
Actuarial gain / (loss) arising on account of financial assumptions on plan liabilities	(0.05)	0.62
Total amount recognised in OCI	**(0.22)**	**0.18**

	As at March 31, 2024	As at March 31, 2023
Reconciliation of net (liability) / asset:		
Opening net defined benefit (liability) / asset	0.60	(0.21)
Expense charged to statement of profit and loss	(2.17)	(2.44)
Amount recognised in OCI	(0.22)	0.18
Contribution by employer	3.21	3.10
Benefits Directly paid by the Employer	-	0.04
Mortality charges and taxes	(0.06)	(0.07)
Closing net defined benefit assets/(liability)	**1.36**	**0.60**
Changes in the present value of the defined benefit obligation (DBO) are as follows:		
Opening DBO	(9.43)	(7.78)
Interest cost	(0.65)	(0.46)
Current service cost	(2.33)	(2.52)
Past service cost	-	-
Benefits paid	0.99	1.21
Remeasurement during the period due to:		
Actuarial gain / (loss) arising on account of experience changes on plan liabilities	(0.21)	(0.50)
Actuarial gain / (loss) arising from change in demographic assumptions	-	-
Actuarial gain / (loss) arising on account of experience changes	(0.05)	0.62
Closing defined benefit (obligation) / asset recognised in balance sheet	**(11.68)**	**(9.43)**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

33. DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS (Contd.)

	As at March 31, 2024	As at March 31, 2023
Changes in the fair value of plan assets:		
Opening fair value of plan assets	10.03	7.56
Interest income	0.81	0.54
Contributions by employer	3.21	3.10
Mortality charges and taxes	(0.06)	(0.07)
Benefits paid	(0.99)	(1.17)
Actuarial gain / (loss) arising from change in financial assumptions on plan assets	0.10	0.09
Actuarial gain / (loss) arising on account of experience changes on plan assets	(0.06)	(0.03)
Closing fair value of plan assets	**13.04**	**10.03**
Actual return on plan assets	**0.85**	**0.61**
Net defined benefit liability		
DBO	(11.68)	(9.43)
Fair value of plan assets	13.04	10.03
Closing net defined benefit Assets /(liability)	**1.36**	**0.60**
Net (liability)/ Assets is bifurcated as follows:		
Current	**1.36**	**0.60**
Non - current	**-**	**-**

The Company has contributed ₹ 3.21 to its gratuity fund in FY2024. The Company expects to contribute ₹ 1.50 towards its gratuity fund in 2025.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at March 31, 2024	As at March 31, 2023
(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, 2024	As at March 31, 2023
Discount rate	7.20%	7.30%
Employee turnover	20.00%	20.00%
Expected rate of increment in compensation levels		
- First two years	5.00%	5.00%
- Thereafter	7.00%	7.00%
Expected return on plan asset	7.30%	6.40%
Expected average remaining working lives (years)	4.83	4.86

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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

33. DISCLOSURE PURSUANT TO EMPLOYEE BENEFITS (Contd.)

A quantitative sensitivity analysis for significant assumptions as at March 31, 2024 and March 31, 2023 is shown below:

	Sensitivity Level	Defined benefit obligation	
		As at March 31, 2024	As at March 31, 2023
Discount rate	1% decrease	12.21	9.86
	1% increase	11.17	9.01
Future salary increase	1% decrease	11.29	9.10
	1% increase	12.06	9.74
Withdrawal rate	1% decrease	11.69	9.43
	1% increase	11.65	9.40

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The followings are the expected future benefit payments for the defined benefit plan:

	As at March 31, 2024	As at March 31, 2023
Within the next 12 months (next annual reporting period)	2.05	1.57
Between 2 and 5 years	8.59	6.96
Beyond 5 years	11.76	10.77
Total expected payments	**22.40**	**19.30**

Weighted average duration of defined benefit plan obligation (based on discounted cash flows):

	As at March 31, 2024	As at March 31, 2023
Weighted average duration of defined benefit plan obligation	6.04 years	6.34 years

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

34. SHARE BASED ARRANGEMENTS

Share based payment arrangement 2014

On February 6, 2014, the Board of Directors approved the Equity Settled ESOP Scheme 2014 for issue of stock options to the employees 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 Initial grant	September 6, 2014
Date of board approval	February 6, 2014
Date of shareholder's approval	February 6, 2014
Method of settlement	Equity
Vesting period	4 years
Exercise period	5 years from date of vesting
Expected life (in years)	
Grant X	1.61
Grant XI	2.25
Grant XIII	1.72
Grant XVI	2.86
Grant XVIII	5.06
Grant XIX	4.25
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 summarised below:

	Year ended March 31, 2024		Year ended March 31, 2023	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	4,42,788	155.07	7,63,513	139.03
Granted during the year	-	-	-	-
Forfeited during the year	1,37,775	116.66	2,74,925	119.48
Exercised during the year	1,85,645	143.61	45,800	102.09
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,19,368	215.81	4,42,788	155.07
Exercisable at the end of the year	97,543	241.55	3,02,413	178.58

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

34. SHARE BASED ARRANGEMENTS (Contd.)

The details of exercise price for stock options outstanding at the end of the year are:

	As at March 31, 2024	As at March 31, 2023
Exercise price (₹)	97.50 – 294.33	93.00 – 294.33
Number of options outstanding	1,19,368	4,42,788
Weighted average remaining contractual life of options (in years)	0.99	1.92
Weighted average exercise price (₹)	215.81	155.07

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, 2024 was ₹ 390.71 (March 31, 2023: ₹ 198.91)

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, 2024 and March 31, 2023 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 of the Company. According to the ESOP 2021, 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 Initial grant	May 15, 2021
Date of board approval	March 10, 2021
Date of shareholder's approval	April 19, 2021
Method of settlement	Equity
Vesting period	4 years
Exercise period	3 years from date of vesting
Expected life (in years)	
Grant XXII	2.92
Grant XXIII	3.3
Grant XXIV	3.42
Grant XXV	3.32
Grant XXVII	2.87
Grant XXVIII	3.23
Grant XXIX	3.88
Grant XXXII	4.59
Grant XXXIII	4.26
Grant XXXIV	6.72
Grant XXXV	6.76
Grant XXXVI	6.76
Grant XXXVII	6.07
Grant XXXVIII	7.3
Grant XXXIX	7.3
Grant XXXX	7.3
Grant XXXXI	7.39
Grant XXXXII	7.46
Fair value of shares on date of grant	₹ 69.66 - ₹ 296.55
Vesting conditions	Continued employment and performance of employee as per contract

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

34. SHARE BASED ARRANGEMENTS (Contd.)

The vesting pattern of scheme is as follows:

Time period from the date of grant	Cumulative percentage of share vesting
12 months	25%
24 months	50%
36 months	75%
48 months	100%

The details of activities under the scheme have been summarised below:

	Year ended March 31, 2024		Year ended March 31, 2023	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	12,91,475	149.37	9,67,900	157.42
Granted during the year	12,93,600	117.27	6,72,100	144.49
Forfeited during the year	3,84,825	132.18	3,30,075	161.54
Exercised during the year	2,56,775	147.28	18,450	142.16
Expired during the year	-	-	-	-
Outstanding at the end of the year	19,43,475	125.88	12,91,475	149.37
Exercisable at the end of the year	1,87,200	143.13	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, 2024	As at March 31, 2023
Exercise price (₹)	10.00 - 330.00	99 - 176
Number of options outstanding	19,43,475	12,91,475
Weighted average remaining contractual life of options (in years)	4.56	3.97
Weighted average exercise price (₹)	125.88	149.37

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, 2024 was ₹ 404.42 (March 31, 2023: ₹ 142.16)

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 ₹ 152.98 (March 31, 2023: ₹ 78.03). The Black and Scholes valuation model has been used for computing the weighted average fair value considering the following inputs;

	As at March 31, 2024	As at March 31, 2023
Weighted average share price (₹)	117.27	161.92
Exercise price (₹)	₹ 10 - ₹ 330	₹ 99 - ₹ 158
Expected volatility (%)	46.20%	49.90%
Historical volatility (%)	0%	0%
Life of the options granted (vesting and exercise period) (in years)	3.5	6.76 - 0.77
Average risk-free interest rate (%)	7.10%	7.02%
Dividend yield %	2.10%	2.40%

The effect of share-based payment transactions on the Company's statement of profit and loss for the period and on its financial position:

	Year ended March 31, 2024	Year ended March 31, 2023
Expense arising from equity settled share based payment transaction	5.10	2.85

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FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

35. 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 are as under:

Particulars	As At March 31, 2024	As At March 31, 2023
Short term leases expenses	1.46	1.34
Total Lease expense	**1.46**	**1.34**

b. Operating lease - Company as a lessor

Particulars	As At March 31, 2024	As At March 31, 2023
The minimum rentals receivable on leases of investment properties are as follows		
Within 1 year	4.33	1.20
Between 1 to 2 years	3.23	0.86
Between 2 to 3 years	0.10	-
Between 3 to 4 years	0.11	-
Between 4 to 5 years	0.09	-
Later than 5 year	-	-
Total Lease income	**7.86**	**2.06**

Company as a lessor

The Company has entered into operating leases for its investment properties (refer note 6) . These leases have terms ranging from eleven months to five years. Some of these leases include an annual escalation clause on rental prices based on prevailing market conditions.

During the year ended 31 March 2024 ₹ 4.99 (31 March 2023: ₹ 3.58) was recognised in profit and loss in relation to rental income from the investment properties. (refer note 24)

c. Commitments

Particulars	As At March 31, 2024	As At March 31, 2023
Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided, net of advances	2.97	-

d. Contingent liabilities

Particulars	As At March 31, 2024	As At March 31, 2023
Claims against the Company not acknowledged as debts		
Tax demands		
Direct tax	2.87	-
Indirect tax	0.80	-
Total	**3.67**	**-**

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

35. COMMITMENTS AND CONTINGENCIES (Contd.)

ii) Direct tax

The claims against the Company primarily represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are majorly on account of disallowance of expenses pertaining to exempt income as per section 14A read with rule 8D of the Income Tax Act, 1961.

These matters are pending before various Income Tax Authorities and the Management including its tax advisors expect that its position will likely be upheld on ultimate resolution, and will not have a material effect on the Company's financial position and results of operations.

iii) Indirect tax

The claim against the Company represents a demand arising on account of mismatch of ITC under the Goods and Services Act, 2017. This matter is pending before Assistant Commissioner CGST and the Management including its tax advisors expect that its position will likely be upheld on ultimate resolution, and will not have a material effect on the Company's financial position and results of operations.

e. Other litigations

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, 2024 (Contd.)

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

36. FINANCIAL RATIOS

S No.	Ratio	Formula	Particulars		March 31, 2024		March 31, 2023		Ratio as on		Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	March 31, 2024	March 31, 2023		
(a)	Current Ratio	Current Assets / Current Liabilities	Current Assets	Current Liabilities	362.98	73.38	322.24	71.52	4.95	4.51	9.79%	
(b)	Return on Equity Ratio	Profit after tax x 100 / Average Shareholder's Equity	Net Income= Net Profits after taxes	(Opening Equity share capital & Other equity + Closing Equity share capital & Other equity)/2	24.07	428.31	7.70	419.72	0.06	0.02	206.33%	Refer Note (i)
(c)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	6.83	3.65	9.33	4.65	1.87	2.01	-6.84%	
(d)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Gross Sales excluding sales Incentives	(Opening Trade Receivables + Closing Trade Receivable)/2	323.90	127.41	304.43	147.85	2.54	2.06	23.46%	
(e)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	5.13	44.39	9.04	49.43	0.12	0.18	-36.81%	Refer Note (ii)
(f)	Net Capital Turnover Ratio	Revenue / Average Working Capital	Revenue net of sales Incentives	Average Working Capital= Average of Current assets – Current liabilities	291.75	270.16	278.11	347.88	1.08	0.80	35.08%	Refer Note (iii)
(g)	Net Profit Ratio	Net Profit / Net Sales	Profit after tax	Revenue net of sales Incentives	24.07	291.75	7.70	278.11	0.08	0.03	197.98%	Refer Note (iv)
(h)	Return on Capital Employed	EBIT / Capital Employed	Income before interest and tax	Capital Employed= Total Assets - Current Liability	26.04	439.23	9.29	421.37	0.06	0.02	168.90%	Refer Note (v)
(i)	Return on Investment	Net Income / Net Investment	Interest income on fixed deposit, bond & gain on Mutual funds (Including unrealised gain)	({Opening investment in mutual funds & bonds + fixed deposit}+{closing investment in mutual funds & bonds+ fixed deposit})/2	12.40	199.35	11.86	266.77	0.06	0.04	39.91%	Refer Note (vi)

Notes: (i) Due to increase in net profit as compared to previous year.

(ii) Trade payables turn over ratio has improved due to decrease in credit purchases in proportion of average creditor.

(iii) Increase in Net Capital Turnover Ratio due to increase in revenue and decrease in capital employed.

(iv) Increase in Net Profit Ratio due to increase in profit after tax.

(v) Increase in Return on Capital Employed due to increase in EBIT.

(vi) Increase in Return on Investment is due to decrease in average investment as compared to previous year.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

37. DISCLOSURE RELATING TO SUPPLIERS REGISTERED UNDER MSMED ACT BASED ON THE INFORMATION AVAILABLE WITH THE COMPANY: 2006

Particulars	Year ended March 31, 2024	Year Ended March 31, 2023
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	3.70	1.94
Interest *	-	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.	-	0.01
(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.	-	0.01

* Amount below rounding off norms adopted by the Company

38. CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	Year ended March 31, 2024	Year ended March 31, 2023
(a) Gross amount required to be spent by the Company during the year	1.71	2.31

	Year ended March 31, 2024			Year ended March 31, 2023		
	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	1.82	-	1.82	2.31	-	2.31
Contribution to PM Care fund	-	-	-	-	-	-

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Gross Amount required to be spent as per Section 135 of the Act	1.71	2.31
Add: Amount Unspent from previous years	-	-
Total Gross amount required to be spent during the year	**1.71**	**2.31**
Amount approved by the Board to be spent during the year	1.82	2.31
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	1.82	2.31

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

38. CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE (Contd.)

Details related to amount spent/ unspent

	March 31, 2024	March 31, 2023
Contribution to Quick Heal Foundation	1.82	2.31
Spent on social activities	-	-
Accrual towards unspent obligations in relation to:		
Ongoing projects	-	-
Other than Ongoing projects	-	-
Total	**1.82**	**2.31**

Details of excess CSR expenditure

Nature of Activity	Balance excess as at 1 April 2023	Amount required to be spent during the year	Amount spent during the year	Balance excess as at 31 March 2024
For the purpose of education and social activity	-	1.71	1.82	(0.11)

Contribution to Related Parties/ CSR Expenditure incurred with Related Parties

Name	Nature of Relationship	March 31, 2024	March 31, 2023
Quick Heal Foundation	Enterprises owned by directors or major shareholders	1.82	2.31

Disclosures on Shortfall in CSR expenditure

Particulars	March 31, 2023	March 31, 2022
Amount Required to be spent by the Company during the year	1.71	2.31
Actual Amount Spent by the Company during the year	1.82	2.31
Shortfall/(Excess) at the end of the year	(0.11)	-
Total of previous years shortfall	-	-

39. PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURES AS AT THE BALANCE SHEET DATE

	Foreign currency	As at March 31, 2024		As at March 31, 2023	
		In foreign currency	In Indian Rupees	In foreign currency	In Indian Rupees
Bank balances	USD	0.03	2.33	0.03	2.09
Cash balances	EUR	-	-	-	0.02
	JPY	-	-	0.00	0.00
	AED	0.00	0.01	-	-
	USD	0.00	0.00	0.00	-
Trade receivables	USD	0.10	8.68	0.05	4.48
	JPY	-	-	-	-
	AED	0.03	0.75	0.01	0.26
Trade payables	USD	0.00	0.18	-	0.13
	JPY	-	-	-	-
	AED	0.00	0.11	0.00	0.04
Investment (Net)	JPY	-	-	-	-
	AED	0.02	0.56	-	-
	USD	0.06	5.36	0.15	12.55
	KES	-	-	-	-
	SGD	0.04	2.20	0.05	3.10

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

40. (A) 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 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
	Sanjay Katkar, Joint Managing Director
	Vishal Salvi, Chief Executive Officer (w.e.f. July 3, 2023)
	Ankit Maheshwari, Chief Financial Officer (w.e.f April 26, 2023)
	Navin Sharma, Chief Financial Officer (upto April 18, 2023)
	Sarang Hari Deshpande, Company Secretary (w.e.f October 26, 2023)
	Srinivasa Rao Anasingaraju, Company Secretary (upto July 17, 2023)
	Amitabha Mukhopadhyay, Independent Director
	Apurva Joshi, Independent Director
	Bhushan Gokhale, 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)
	Chhaya Katkar (wife of Sanjay Katkar)
	Sneha Katkar (daughter of Kailash Katkar)
Enterprises owned by directors or major shareholders	Kailash Sahebrao Katkar HUF
	Sanjay Sahebrao Katkar HUF
	Quick Heal Foundation
	Dreambook Production (OPC) Private Limited
	Dreambook Enterprise LLP
	Gagan Bharari Enterprises LLP
	Trixter Cyber Solutions Private Limited
Entities in which directors of the Company holds directorship	Data Security Council of India

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

40. (A) RELATED PARTY TRANSACTION (Contd.)

Transactions with related parties and year end balances:

Nature of transaction	Name of the related party	Year Ended March 31, 2024	Year Ended March 31, 2023
Compensation paid to Key Management Personnel and their relatives*	Kailash Katkar	1.36	1.21
	Sanjay Katkar	1.31	1.21
	Vishal Salvi	1.02	-
	Navin Sharma	0.31	1.13
	Ankit Maheshwari	0.85	-
	Srinivasa Rao Anasingaraju	0.26	0.46
	Sarang Hari Deshpande	0.14	-
	Anupama Katkar	0.62	0.66
	Sneha Katkar	0.37	0.36
Sub-total		**5.99**	**5.03**
Directors' sitting fee	Amitabha Mukhopadhyay	0.05	0.04
	Apurva Joshi	0.06	0.04
	Bhushan Gokhale	0.04	0.04
	Mehul Savla	-	0.02
	Richard Stiennon	0.02	0.02
Sub-total		**0.17**	**0.16**
Commission to independent directors	Amitabha Mukhopadhyay	0.08	0.08
	Apurva Joshi	0.08	0.08
	Bhushan Gokhale	0.08	0.08
	Mehul Savla	-	0.04
	Richard Stiennon	0.08	0.08
Sub-total		**0.32**	**0.36**
Total		**6.48**	**5.55**

Compensation of key managerial personnel of the Company

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Short-term employee benefits (compensation)	5.99	5.03
Post - employment gratuity benefits	0.57	0.55
Leave benefits	0.04	0.03
Total compensation to key management personnel	**6.60**	**5.61**

* The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. The remuneration and perquisites on account of ESOP to key management personnel does not include employee stock compensation expense. The amount of performance link incentive to the extent paid till March 31, 2024 is only consider as remuneration Non-executive and independent directors do not receive gratuity entitlements and leave benefits from the Company.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

40. RELATED PARTY TRANSACTION (Contd.)

40 (b). Managerial remuneration

During the year ended March 31, 2024, due to inadequacy of profits earned by the Company, the remuneration paid to the Managing Director and Joint Managing Director of the Company exceeds the limits prescribed under Section 197 of the Companies Act, 2013 read with Schedule V to the Act, by ₹ 0.24. Further, the remuneration paid exceeds the limit prescribed under regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, by ₹ 1.72. The Company is in the process of placing this matter before the shareholders for seeking the requisite approvals at the forthcoming Annual General Meeting.

40 (c). During the year employee stock option were granted to key managerial personnel. The expenses on account of above share base payment recorded through the year ended March 31, 2024 amounts to ₹ 2.21. (March 31, 2023: ₹ Nil)

The details of 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	Exercise Price	March 31, 2024	March 31, 2023
		Number outstanding	Number outstanding
May 15, 2021	142.16	-	3,000
October 26, 2021	165.00	-	60,000
July 3, 2023	80.00	2,00,000	-
July 3, 2023	10.00	2,75,000	-

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, 2024	Year Ended March 31, 2023
CSR contribution	Quick Heal Foundation	1.82	2.31
		1.82	**2.31**
Sale of security software products	Quick Heal Technologies America Inc.	3.59	2.16
	Seqrite Technologies DMCC	1.10	0.58
		4.69	**2.74**
Rendering of services	Data Security Council of India	0.35	0.08
		0.35	**0.08**
Marketing support services received	Quick Heal Technologies America Inc.	0.59	0.44
	Seqrite Technologies DMCC	0.31	0.14
		0.90	**0.58**
Impairment reversal of investment in subsidiaries	Quick Heal Technologies Japan K.K	-	(0.10)
		-	**(0.10)**
Purchase of Material	Trixter Cyber Solutions Private Limited	0.26	0.50
		0.26	**0.50**
Services received	Data Security Council of India	0.64	0.11
		0.64	**0.11**
Final equity dividend declared and paid for the financial year ended March 31, 2023 and March 31, 2022	Kailash Katkar	3.90	7.64
	Sanjay Katkar	3.90	7.64
	Anupama Katkar	0.95	1.86
	Chhaya Katkar	0.95	1.86
	Sneha Katkar	0.00	-
		9.70	**19.02**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

40. 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, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: ₹ 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, 2024	As at March 31, 2023
Trade receivables	Quick Heal Technologies America Inc.	1.36	0.65
	Seqrite Technologies DMCC	0.75	0.26
	Data Security Council of India	0.08	0.05
		2.19	**0.96**
Other receivables	Kailash Katkar	-	0.47
	Sanjay Katkar	-	0.40
		-	**0.87**
Trade payables	Quick Heal Technologies America Inc.	0.16	0.13
	Seqrite Technologies DMCC	0.11	0.04
	Trixter Cyber Solutions Private Limited	-	0.09
	Data Security Council of India	0.02	0.04
		0.29	**0.29**
Director Sitting Fees Payable	Richard Stiennon	0.02	-
		0.02	**-**
Commission payable to independent directors	Amitabha Mukhopadhyay	0.08	0.08
	Apurva Joshi	0.08	0.08
	Bhushan Gokhale	0.08	0.08
	Mehul Savla	-	0.04
	Richard Stiennon	0.16	0.08
		0.40	**0.36**

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

41.

(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. cyber security platform and as such there is no separate reportable operating segment as defined by Ind AS 108 "Operating segments". For management purposes, the Company reports the details of operating segments based on the target customer groups as under:

- Consumer
- Enterprise and Government

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.

41 (b). Exceptional items

Exceptional items includes impairment / (reversal) of impairment of investment in wholly owned subsidiaries amounting to ₹ NIL (March 31, 2023: ₹ (0.10)). The details are as follows:

Name of Subsidiary	Year Ended March 31, 2024	Year Ended March 31, 2023
Quick Heal Technologies Japan K.K., Japan	-	(0.10)
Total	**-**	**(0.10)**

42. FAIR VALUES

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments.

Particulars	Carrying value		Fair value	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Financial assets				
Carried at FVTPL				
Investments in mutual funds (quoted)	182.51	176.20	182.51	176.20
Carried at FVOCI				
Investments in equity instruments	2.20	4.72	2.20	4.72
Investment in Preference shares	-	10.94	-	10.94
Carried at amortised cost				
Investment in Tax Free Bonds	5.25	5.83	5.25	5.83
Trade and other receivables	132.05	122.77	132.05	122.77
Cash and cash equivalents	36.46	10.29	36.46	10.29
Other bank balances	0.25	0.27	0.25	0.27
Other financial assets	2.08	2.24	2.08	2.24
Total	**360.80**	**333.26**	**360.80**	**333.26**
Financial liabilities at amortised cost				
Trade and other payables	40.10	48.68	40.10	48.68
Other financial liabilities	3.82	12.73	3.82	12.73
Total	**43.92**	**61.41**	**43.92**	**61.41**

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 amortised 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

43. 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, 2024 and March 31, 2023.

Quantitative disclosures fair value measurement hierarchy for assets:

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through OCI					
Unquoted equity instruments in L7 Defense limited					
As at March 31, 2024	March 31, 2024	-	-	-	-
As at March 31, 2023	March 31, 2023	1.62	-	-	1.62
Unquoted equity instruments in Ray Pte. Limited					
As at March 31, 2024	March 31, 2024	2.20	-	-	2.20
As at March 31, 2023	March 31, 2023	3.10	-	-	3.10
Unquoted Compulsory Convertible Preference Share in L7 Defense limited					
As at March 31, 2024	March 31, 2024	-	-	-	-
As at March 31, 2023	March 31, 2023	10.94	-	-	10.94
Financial assets measured at fair value through profit and loss					
Mutual fund investments					
Fair value through profit or loss investments					
As at March 31, 2024	March 31, 2024	188.46	188.46	-	-
As at March 31, 2023	March 31, 2023	182.28	182.28	-	-
Investment Property					
As at March 31, 2024	March 31, 2024	65.79	-	65.79	-
As at March 31, 2023	March 31, 2023	41.42	-	41.42	-

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 and perference 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 and perference investments.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

43. 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 year ended 31 March 2024 and 31 March 2023:

	Unquoted equity and preference shares
As at April 1, 2022	21.64
Remeasurement recognised in OCI	(5.99)
Purchases	-
Sales	-
As at March 31, 2023	**15.65**
Remeasurement recognised in OCI	(13.45)
Purchases	-
Sales	-
As at March 31, 2024	**2.20**

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at March 31, 2024 and March 31, 2023 are as shown below:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value*
Unquoted equity and preference shares in L7 Defense Limited	Discounted cash flow method			Refer below note (a)
Unquoted equity and preference shares in L7 Defense 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

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

43. 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, 2024: 15% - 17%	1% increase in the WACC would decrease the fair value by ₹ 3.62 and 1% decrease would increase the fair value by ₹ 4.19.
		Long-term growth rate for cash flows	March 31, 2024: 0.50% - 2.50%	1% increase in the growth would increase the fair value by ₹ 2.41 and 1% decrease would decrease the fair value by ₹ 2.11.
		Long-term operating margin	March 31, 2024: 31.33% - 41.33%	5% increase in the margin would increase the fair value by ₹ 6.86 and 5% decrease would decrease the fair value by ₹ 6.86.
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.

*The above sensitivity analysis for fair value calculation has been derived on the entire Ray Pte. Limited and L7 Defense Limited capital amount of the companies.

(a) Considering the financial position, liquidity condition, market conditions and geopolitical scenario in Israel, management based on its assessment has recorded a fair value loss in other comprehensive income (FVOCI) amounting to ₹ 13.45. Accordingly, the carrying value of investment made in L7 Defense Limited has been considered as ₹ Nil during the year ended March 31, 2024.

44. 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 review and agree policies for managing each of these risks, which are summarised below:

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, investments, receivables, payables, advances and other financial instruments. From the perspective of the Company, the impact of the foreign currency risk, material price risk, interest rate risk and other price risk is not significant.

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 39 to the Standalone financial statements.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

44. 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, 2024	AED	0.05	5%	0.00	0.00
				0.00	0.00
	SGD	0.04	5%	0.11	0.11
				(0.11)	(0.11)
	USD	0.19	4%	0.72	0.72
				(0.72)	(0.72)
March 31, 2023	AED	0.05	5%	0.01	0.01
				(0.01)	(0.01)
	SGD	0.05	4%	0.12	0.12
				(0.12)	(0.12)
	USD	0.23	5%	0.95	0.95
				(0.95)	(0.95)

* 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 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, 2024 and March 31, 2023. The working capital as at March 31, 2024 was ₹ 289.60 (March 31, 2023: ₹ 250.72) including cash and cash equivalents.

As at March 31, 2024 and March 31, 2023, the outstanding employee obligations were ₹ 15.57 and ₹ 1.17 respectively which have been substantially funded. Accordingly, no significant liquidity risk is perceived.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

44. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

The table below summarises 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, 2024					
Trade payables	-	16.08	23.90	0.12	40.10
Unpaid dividend	0.17	-	-		0.17
Other financial liabilities	-	3.65	-	-	3.65
Total	**0.17**	**19.73**	**23.90**	**0.12**	**43.92**
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**

Financial risk management

Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder's value. The Company manages its capital and makes adjustments to it in light of the changes in economic and market conditions. The total equity as at March 31, 2024 is ₹ 436.90 (March 31, 2023: ₹ 419.72).

The Company does not have any debt as on March 31, 2024 & March 31, 2023 and hence 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, 2024 and March 31, 2023.

45. AUDIT TRAIL

The Company has used an accounting software, for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level during the year ended March 31, 2024, in respect of Accounting Software to log any changes at Database level. Further, the audit trail facility has been operated throughout the year for all relevant transactions recorded in the accounting software, except at the database level; wherein the audit trail facility was enabled with effect from April 19, 2024.

However, for the year ended March 31, 2024, as part of IT control environment of the Company, the privileged access to the ERP database was restricted to limited set of users who necessarily require this access for maintenance and administration of the database. Further, no instance of audit trail feature being tampered with was noted in respect of the accounting software.

The Company has used an accounting software which is operated by a third-party software service provider, for maintaining its payroll records. In the absence of independent service auditors report. The Company is unable to state that the audit trail feature was enabled in the said software and operated throughout the year for all relevant transactions recorded in the software.

46. 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.

47. 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

48. 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.

49. WILFUL DEFAULTER

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

50. 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,

51. 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.

52. 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.

53. 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.

54. UTILISATION 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 otherwise, 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.

55. 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).

56. DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

57. 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 Stanalone 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

58.

Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS and as required by Schedule III of the Act.

The accompanying notes form an integral part of the standalone 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/-	Sd/-
Shraddha D Khivasara	**Kailash Katkar**	**Sanjay Katkar**	**Vishal Salvi**	**Ankit Maheshwari**	**Sarang Hari Deshpande**
Partner Membership Number: 134285	Chairman & Managing Director DIN: 00397191	Joint Managing Director DIN: 00397277	Chief Executive Officer	Chief Financial Officer	Company Secretary Regs. No. ACS-18613
Place: Pune Date: April 25, 2024.	Place: Pune Date: April 25, 2024.	Place: Pune Date: April 25, 2024.	Place: Pune Date: April 25, 2024.	Place: Pune Date: April 25, 2024.	Place: Pune Date: April 25, 2024.

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, 2024, 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 material accounting policy information and other explanatory information (hereinafter referred to as the "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2024, 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), as 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 of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

We draw attention to the Note 37 (b) to the Consolidated financial statements which describes that the remuneration paid to the Managing Director and Joint Managing Director of the Holding Company for the financial year ended March 31, 2024, is in excess of the limits prescribed under Section 197 of the Companies Act, 2013 read with Schedule V to the Act, by ₹ 0.24 crores. Further, the remuneration paid exceeds the limit prescribed under regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, by ₹ 1.72 crores. The managerial remuneration paid in excess of the limits has been approved by the Board of Directors and the Holding Company is in the process of placing the same before the shareholders for their approval in the forthcoming Annual General Meeting.

Our opinion is not modified in respect of the above matter.

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, 2024 (current year). 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. We have determined the matters described below to be the key audit matters to be communicated in our report:

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1.	**Revenue from contract with customer's:** Refer the disclosures related to Revenue recognition in Note 23 to the accompanying Consolidated Financial Statements. Revenue from the sale of security software products is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which Group expects to be entitled in exchange for those goods.	Our audit procedures in respect of this area include, but are not limited to following: 1. Evaluated the Group accounting policies for revenue recognition (including incentives) and assessed its compliance with Ind AS 115 'Revenue from contracts with customers'; 2. Obtained and reviewed contracts with customers and confirmed our understanding of Group sales process, including design and implementation of controls and tested the operating effectiveness of these controls on a sample basis; 3. Reviewed the customer agreements, on a sample basis, to test the terms and conditions for sale of such products including identification of performance obligations and allocation of the transaction price to such performance obligation based on appropriate method, as applicable;

INDEPENDENT AUDITOR'S REPORT (Contd.)

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	The Application of Ind AS 115 involves certain key judgements relating to identification of performance obligations, determination of basis and its appropriateness for allocation of transaction price to the identified performance obligations; recognition of such identified performance obligations based on timing of satisfaction (i.e., over time or point in time). Due to the significance of revenue and involvement of management judgments relating to identification of separate performance obligations, this is considered as a key audit matter.	4. Discussed with management the key assumptions underlying the Group's assessment of cost related to identified performance obligations and tested mathematical accuracy of the underlying data used for computation and calculations made by the Group; 5. In case of variable consideration, assessed management's computations for accrual of discounts and incentives and on a sample basis compared the accruals made with the approved schemes and underlying documents; 6. Ensured that the actual discounts and incentives does not exceed the approved amount and it has been recorded in the correct accounting period; and 7. Evaluated the appropriateness of the disclosures made in the Consolidated financial statement in relation to revenue recognition as required by applicable accounting standards.
2.	**Provision for expected credit loss for accounts receivables.** Refer Note 11 of the Consolidated Financial Statements. The Group has total outstanding trade receivable amounting to ₹ 175.85 crore as at March 31, 2024 against which the Group has provided for ₹ 44.13 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 Group's policy on assessment of expected credit loss against trade receivables, including design and implementation of controls, validation of management review controls and testing the operating effectiveness of these controls; 2. Verified accuracy of the aging of trade receivables for sample customer transactions; 3. Obtained management's assessment and plan for recovery with respect to trade receivables outstanding for more than 365 days and corroborated the same; 4. Assessed the methodology applied for recognising expected credit loss against the trade receivables outstanding balances and verified the same based on historical collection data; 5. Tested the arithmetic accuracy and completeness of the expected credit loss provision performed by the Group; and 6. Assessed and validated the adequacy and appropriateness of the disclosures made by the management is as per the requirements of Ind AS 109 -'Financial Instruments'.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report, Corporate Governance report, Business Responsibility and Sustainability 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 CHARGE 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 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 Board of 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 each company.

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

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 3.23 crores as at March 31, 2024, total revenues of ₹ 5.59 crores and net cash outflows amounting to ₹ (0.27) crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirement below, is not modified in respect of the above matters with respect to our reliance on the work done and the report 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, based on our audit and on the consideration of the reports of the other auditors on the Separate Financial Statements of the subsidiaries referred to in the Other Matters section above 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 except for the matters stated in the paragraph 1 (h)(vi) below on reporting under Rule 11(g).

    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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies, are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

f. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 1(b) above on reporting under Section 143(3)(b) and paragraph 1(h)(vi) below on reporting under Rule 11(g).

g. 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".

h. 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 34(d) to the consolidated financial statements.

   ii. The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company:

Sr. No.	Date of Payment	Amount	No of days delay
1	09-11-2023	1,32,095	27

   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 persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other person(s) or entity(es) 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 persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company shall, directly or indirectly, lend or invest in other person(s) or entity(es) 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 (a) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

   v. The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

   The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of their respective 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 32 to the consolidated financial statements).

vi. Based on our examination, the Holding Company has used an accounting software, for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level during the year ended March 31, 2024 in respect of accounting software to log any direct data changes. Further, the audit trail facility has been operated throughout the year for all relevant transactions recorded in the accounting software, except at the database level as stated above, in respect of which the audit trail facility has not operated throughout the year ended March 31, 2024 for all relevant transactions recorded in this accounting software as it was enabled only with effect from April 19, 2024.

Further, during the course of our examination, we did not come across any instance of audit trail feature being tampered with, post enablement of the audit trail facility.

Based on our examination, the Holding Company has used an accounting software which is operated by a third-party software service provider, for maintaining its payroll records. In the absence of independent service auditors report, we are unable to comment whether the software has a feature of recording audit trail (edit log) facility, nor are we able to comment on whether the audit trail feature was enabled in the said software and operated throughout the year for all relevant transactions recorded in the software. We are further unable to comment as to whether there were any instances of the audit trail feature been tampered with.

2. In our opinion, according to information, explanations given to us, the remuneration provided for in the books of accounts by the Holding Company to its Managing Director and Joint Managing Director for the year ended March 31, 2024 is in excess of the limits prescribed under section 197 of the Companies Act, 2013 read with Schedule V to the Act by ₹ 0.24 crores. However, as informed to us, the managerial remuneration paid in excess of the limits has been approved by the Board of Directors and the management of the Holding Company intends to seek the requisite approvals of the shareholders at the forthcoming Annual General Meeting. Refer Note 37 (b) to the consolidated financial statements.

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 of 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

Sd/-
Shraddha D Khivasara
Partner
Membership No. 134285
UDIN:24134285BKEZAR9640

Place: Pune
Date: April 25, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF 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 Holding 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 the management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Directors 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, 2024 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

Sd/-
Shraddha D Khivasara
Partner
Membership No. 134288
UDIN:24134285BKEZAR9640

Place: Pune
Date: April 25, 2024

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(g) 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, 2024]

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 Group as of and for the year ended March 31, 2024, 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, 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

MANAGEMENT AND BOARD OF DIRECTOR'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 criteria established by the 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 Group; (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 Group are being made only in accordance with authorisations of management and directors of the Group; and (3) provide reasonable assurance regarding prevention

ANNEXURE B (Contd.)

or timely detection of unauthorised acquisition, use, or disposition of the Group'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

Sd/-
Shraddha D Khivasara
Partner
Membership No. 134285
UDIN:24134285BKEZAR9640

Place: Pune
Date: April 25, 2024

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2024

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

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	83.61	97.56
(b) Capital work-in-progress	5 (a)	3.06	-
(c) Investment Property	6	31.62	24.12
(d) Intangible assets	7	1.49	2.77
(e) Intangible assets under development	7 (a)	-	0.15
(f) Financial assets			
(i) Investments	8	7.45	21.49
(ii) Other financial assets	9	0.82	0.76
(g) Deferred tax assets (net)	30	3.40	-
(h) Income tax assets (net)	14	16.46	22.33
(i) Other non-current assets	15	0.91	0.65
		148.82	**169.83**
Current assets			
(a) Inventories	10	2.80	4.50
(b) Financial assets			
(i) Investments	8	182.51	176.20
(ii) Trade receivables	11	131.72	122.65
(iii) Cash and cash equivalents	12	37.51	11.58
(iv) Bank balances other than (iii) above	13	0.25	0.27
(v) Other financial assets	9	1.27	1.49
(c) Other current assets	15	7.75	6.78
		363.81	323.47
Total assets		**512.63**	**493.30**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	53.51	53.07
(b) Other equity	17	383.49	366.64
Total equity		**437.00**	**419.71**
Liabilities			
Non-current liabilities			
(a) Employee benefit obligations	21	-	0.60
(b) Other non-current liabilities	20	2.33	0.52
(c) Deferred tax liability (net)	30	-	0.53
		2.33	**1.65**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	18	3.70	1.94
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	18	36.18	46.67
(ii) Other financial liabilities	19	3.82	12.73
(b) Other current liabilities	20	14.02	10.03
(c) Employee benefit obligations	21	15.57	0.57
(d) Income tax liabilities (net)	22	0.01	-
		73.30	**71.94**
Total liabilities		**75.63**	**73.59**
Total equity and liabilities		**512.63**	**493.30**

Summary of material accounting policies 3

The accompanying notes form an integral part of the consolidated 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/-
Shraddha D Khivasara
Partner
Membership Number: 134285
Place: Pune
Date: April 25, 2024.

Sd/-
Kailash Katkar
Chairman & Managing Director
DIN: 00397191
Place: Pune
Date: April 25, 2024.

Sd/-
Sanjay Katkar
Joint Managing Director
DIN: 00397277
Place: Pune
Date: April 25, 2024.

Sd/-
Vishal Salvi
Chief Executive Officer
Place: Pune
Date: April 25, 2024.

Sd/-
Ankit Maheshwari
Chief Financial Officer
Place: Pune
Date: April 25, 2024.

Sd/-
Sarang Hari Deshpande
Company Secretary
Regs. No. ACS-18613
Place: Pune
Date: April 25, 2024.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

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

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
Revenue from contract with customers	23	291.75	278.09
Other income	24	21.39	22.13
Total income		**313.14**	**300.22**
EXPENSES			
Cost of material consumed	25 (a)	0.41	1.11
Purchase of security software products	25 (b)	5.13	7.83
(Increase) / decrease in security software products	25 (c)	1.29	0.39
Employee benefits expense	26	169.03	154.90
Finance cost	27	0.13	-
Depreciation and amortisation expense	28	12.60	15.99
Other expenses	29	98.34	111.98
Total expenses		**286.93**	**292.20**
Profit before tax		**26.21**	**8.02**
Tax expense			
Current tax	30	5.78	1.28
Adjustments of tax relating to earlier periods		0.07	(0.14)
Deferred tax		(3.88)	0.48
Total tax expense		**1.97**	**1.62**
Profit for the year		**24.24**	**6.40**
Other comprehensive income			
Other comprehensive income/ (expenses) not to be reclassified to profit or loss in subsequent periods:			
Re-measurement of defined benefit plans		(0.22)	0.18
Income tax effect		0.06	(0.05)
		(0.16)	0.13
Net (loss) or gain on FVOCI financial instruments		(13.45)	(5.99)
Income tax effect		-	-
		(13.45)	(5.99)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(13.61)**	**(5.86)**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(0.06)	(0.13)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		(0.06)	(0.13)
Total comprehensive income for the year		**10.57**	**0.41**
Earnings per equity share [nominal value per share ₹ 10 (March 31, 2023: ₹ 10)]	31		
Basic		4.56	1.14
Diluted		4.48	1.14

Summary of material accounting policies 3

The accompanying notes form an integral part of the consolidated 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/-
Shraddha D Khivasara
Partner
Membership Number: 134285
Place: Pune
Date: April 25, 2024.

Sd/-
Kailash Katkar
Chairman & Managing Director
DIN: 00397191
Place: Pune
Date: April 25, 2024.

Sd/-
Sanjay Katkar
Joint Managing Director
DIN: 00397277
Place: Pune
Date: April 25, 2024.

Sd/-
Vishal Salvi
Chief Executive Officer
Place: Pune
Date: April 25, 2024.

Sd/-
Ankit Maheshwari
Chief Financial Officer
Place: Pune
Date: April 25, 2024.

Sd/-
Sarang Hari Deshpande
Company Secretary
Regs. No. ACS-18613
Place: Pune
Date: April 25, 2024.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2024

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

Particulars	March 31, 2024	March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	26.21	8.02
Adjustment to reconcile profit before tax to net cash flows:		
Liability written back	-	(1.88)
Net (gain)/loss foreign exchange differences	(0.21)	0.85
Employee share based payments expense	5.10	2.85
Interest on lease	0.13	-
Rent equalisation	(0.12)	-
Depreciation and amortisation expense	12.60	15.99
Interest income	(1.43)	(1.78)
Provision for doubtful debts and advances	7.15	5.15
Property, plant and equipment written off	0.32	-
(Profit)/loss on sale of property, plant and equipment	(0.27)	(3.95)
Income from Investment property	(4.99)	(3.58)
Net (gain)/loss on sale of investment	(2.02)	(3.20)
Net (gain)/loss on FVTPL current investment	(10.23)	(6.88)
Operating profit before working capital changes	**32.24**	**11.59**
Movements in working capital:		
(Increase)/decrease in trade receivables	(16.07)	44.31
(Increase)/decrease in inventories	1.70	0.29
(Increase)/decrease in other financial assets	0.50	(0.88)
(Increase)/decrease in other assets	(1.23)	(3.38)
Increase/(decrease) in net employee benefit obligations	14.18	0.07
Increase/(decrease) in trade payables	(8.73)	(1.08)
Increase/(decrease) in other financials liabilities	(10.23)	(2.83)
Increase/(decrease) in other current and non current liabilities	5.80	(9.28)
Cash generated from operations	**18.16**	**38.81**
Income taxes paid (net of refund)	0.03	(8.00)
Net cash flow from /(used in) operating activities (A)	**18.19**	**30.81**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advances)	(7.56)	(4.08)
Proceeds from sale of property, plant and equipment	1.08	5.20
Purchase of mutual funds	(279.68)	(400.60)
Proceeds from sale of mutual funds	286.21	524.53
Rental income from investment property	4.99	3.58
Increase/(decrease) in Deposits with remaining maturity of more than twelve months	0.02	54.74
Interest received	1.09	1.86
Net cash flow from /(used in) investing activities (B)	**6.15**	**185.23**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

Particulars	March 31, 2024	March 31, 2023
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(13.29)	(26.09)
GST refund on buy back expenses	0.14	(34.94)
Proceeds from issuance shares (including securities premium) on exercise of ESOP	6.15	0.72
Buyback expenses	-	(1.85)
Refund of buy back tax	8.60	-
Buyback of equity shares	-	(150.00)
Net cash flow from / (used in) financing activities (C)	**1.60**	**(212.16)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**25.94**	**3.88**
Cash and cash equivalents at the beginning of the year	11.58	7.83
Effect of exchange differences on cash and cash equivalents held in foreign currency	(0.01)	(0.13)
Cash and cash equivalents at the end of the year	**37.51**	**11.58**
Components of cash and cash equivalents		
Cash on hand	0.01	0.02
Balances with banks		
On current account	7.11	9.47
On EEFC account	2.32	2.09
Deposits with original maturity of less than three months	28.07	-
Total cash and cash equivalents (refer note12)	**37.51**	**11.58**

Summary of material accounting policies (refer note 3)

The accompanying notes form an integral part of the consolidated 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/-
Shraddha D Khivasara
Partner
Membership Number: 134285

Place: Pune
Date: April 25, 2024.

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

Place: Pune
Date: April 25, 2024.

Sd/-
Sanjay Katkar
Joint Managing Director
DIN: 00397277

Place: Pune
Date: April 25, 2024.

Sd/-
Vishal Salvi
Chief Executive Officer

Place: Pune
Date: April 25, 2024.

Sd/-
Ankit Maheshwari
Chief Financial Officer

Place: Pune
Date: April 25, 2024.

Sd/-
Sarang Hari Deshpande
Company Secretary
Regs. No. ACS-18613

Place: Pune
Date: April 25, 2024.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2024

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

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 10 each issued, subscribed and fully paid-up	No.	Amount
As at April 1, 2022	**5,80,09,601**	**58.01**
- Changes in Equity share capital due to Prior period errors	-	-
- 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**
- Changes in Equity share capital due to Prior period errors	-	-
- Employee stock option plan (ESOP) (refer note 16)	4,42,420	0.44
As at March 31, 2024	**5,35,16,271**	**53.51**

B. OTHER EQUITY

Other equity attributable to equity holders of the Holding Company.

	Reserves and Surplus					Other Equity	Items of their Comprehensive Income		Total
	Retained earnings	Securities premium	Capital redemption reserve	Amalgamation reserve	General reserve	Employee stock options outstanding (ESOP)	Foreign currency translation reserve	Equity instruments through Other Comprehensive Income	
Balance as at April 1, 2022	**505.17**	**2.30**	**12.69**	**2.65**	**45.03**	**7.02**	**(0.78)**	**(4.49)**	**569.59**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Profit for the Year	6.40	-	-	-	-	-	-	-	6.40
Other comprehensive income	0.16	-	-	-	-	-	(0.13)	(5.99)	(5.96)
Total comprehensive income	**6.40**	**-**	**-**	**-**	**-**	**-**	**(0.13)**	**(5.99)**	**0.44**
									-
Expenses pertaining to share-based payments	-	-	-	-	-	2.85	-	-	2.85
Transferred to Capital redemption reserve	(5.00)	-	5.00	-	-	-	-	-	-
Utilised for buy back	(141.69)	(3.31)	-	-	-	-	-	-	(145.00)
Buy Back Expenses	(1.85)	-	-	-	-	-	-	-	(1.85)
Exercise of share options	-	0.66	-	-	-	-	-	-	0.66
Transfer from ESOP reserve on option exercised	-	0.36	-	-	-	(0.36)	-	-	-
Foreign currency translation reserve Recycled to Profit and Loss	-	-	-	-	-	-	1.00	-	1.00
Final equity dividend	(26.11)	-	-	-	-	-	-	-	(26.11)
Tax on buyback	(34.94)	-	-	-	-	-	-	-	(34.94)
Balance as at March 31, 2023	**301.98**	**0.01**	**17.69**	**2.65**	**45.03**	**9.51**	**0.09**	**(10.48)**	**366.64**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

	Reserves and Surplus					Other Equity	Items of their Comprehensive Income		Total
	Retained earnings	Securities premium	Capital redemption reserve	Amalgamation reserve	General reserve	Employee stock options outstanding (ESOP)	Foreign currency translation reserve	Equity instruments through Other Comprehensive Income	
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Profit for the Year	24.24	-	-	-	-	-	-	-	24.24
Other comprehensive income	(0.16)	-	-	-	-	-	(0.06)	(13.45)	(13.67)
Total comprehensive income	**24.08**	**-**	**-**	**-**	**-**	**-**	**(0.06)**	**(13.45)**	**10.57**
Expenses pertaining to share-based payments	-	-	-	-	-	5.10	-	-	5.10
Transferred from ESOP	0.82	-	-	-	-	(0.82)	-	-	-
GST on Buyback expenses	0.14	-	-	-	-	-	-	-	0.14
Exercise of share options	-	5.71	-	-	-	-	-	-	5.71
Refund of excess buy back tax paid	8.60	-	-	-	-	-	-	-	8.60
Transfer from ESOP reserve on option exercised	-	3.83	-	-	-	(3.83)	-	-	-
Final equity dividend	(13.27)	-	-	-	-	-	-	-	(13.27)
Balance as at March 31, 2024	**322.51**	**9.55**	**17.69**	**2.65**	**45.03**	**9.96**	**0.03**	**(23.93)**	**383.49**

Summary of material accounting policies (refer note 3)

The accompanying notes form an integral part of the consolidated 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/-
Shraddha D Khivasara
Partner
Membership Number: 134285

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Chairman & Managing Director
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Sarang Hari Deshpande
Company Secretary
Regs. No. ACS-18613

Place: Pune
Date: April 25, 2024.

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Date: April 25, 2024.

Place: Pune
Date: April 25, 2024.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

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 Solitaire Business Hub, 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 America Inc., USA

b) 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, 2024 were authorised for issue in accordance with a resolution of the Board of Directors on April 25, 2024.

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 Companies (Indian Accounting Standards) Rules, 2015, as amended and presentation requirements of Division II of Schedule III to the Companies Act 2013 (IND AS compliant Schedule III) as applicable.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets.

Items	Measurement basis
Certain financial assets and liabilities measured at fair value	Fair value
Equity-settled share based payment transactions	Fair value on date of grant

The consolidated financial statements are presented in ₹ Crores and all values are rounded off to two decimal; except when otherwise indicated.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following are the material 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, 2024. 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:

- combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- 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.
- eliminate in full intragroup assets and liabilities, equity, income, expenses and

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

cash flows relating to transactions between entities of the group. Profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full. However, intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 - Income Taxes apply to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

b) Current versus Non-Current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when it is:

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities as are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group's normal operating cycle has been considered to be twelve months.

c) Foreign currencies

The Group's consolidated financial statements are presented in Indian Rupees, which is also the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transaction and balances

Transactions in foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item i.e., translation differences on items whose fair value gain or loss is recognised in Other comprehensive income ('OCI') or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively.

On consolidation, the assets and liabilities of the subsidiaries are translated into Indian Rupees at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at average exchange rates. Equity items, other than retained earnings, are translated at the spot rate in effect on each related transaction date (specific identification). Retained earnings are translated at the weighted average exchange rate for the relevant year.

The exchange differences arising on translation for consolidation are recognised in OCI.

d) Fair value measurement

The Group measures financial instruments such as investments in equity shares at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- significant accounting judgements, estimates and assumptions (Refer Note 4)
- quantitative disclosures of fair value measurement hierarchy (Refer Note 42)
- financial instruments risk management objectives and policies (Refer Note 43)

e) Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services.

Goods and Services Tax (GST) and all other applicable taxes are not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Accordingly, it is excluded from revenue.

The following specific recognition criteria must also be met before revenue is recognised.

Sale of security software products:

Revenue from the sale of security software products is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group 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 Services Tax (GST) and amounts collected on behalf of third parties.

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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 component based on the fair value of the undelivered components. Wherever the arrangement does not meet the criteria of separate performance obligation, revenue is recognised over a period of time.

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 transfers goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A trade 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 (r) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Revenue from software services:

The Group has applied the principle under Ind AS 115 to identify each performance obligation on licenses sold to customer. Revenue for identified performance obligation pertaining to services is recognised over the period of time, when such performance obligation is rendered. In absence of standalone selling price of the performance obligation, the contract price is 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) Rental income from investment property

Rental income is accounted on a straight-line basis over the terms of the relevant lease.

g) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

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'.

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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 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	63.16%
Electrical installations	10	10	25.89%
Furniture and fixtures	10	10	25.89%
Office equipment	5	5	45.07%
Server	6	6	39.30%
Vehicles	8	8	31.23%

Leasehold premises are amortised on a straight line basis over the period of lease.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

i) Investment properties

Property which is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are expensed when incurred.

The Group depreciates building component of investment property over 60 years from the date of original purchase.

The Group, 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 Group 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.

j) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite useful lives i.e. software's are amortised on a straight line basis over the period of expected future benefits i.e. over their estimated useful lives of three years. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

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

Research and development costs

Research costs are expensed as incurred. Development expenditure is expensed except for a project where it is recognised as an intangible asset when the recognition criteria as per Ind AS 38 are met.

k) Leases

Group as a lessee

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

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

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

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

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

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

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

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

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

Right-of-use assets are depreciated on a straight-line basis over the lease term, i.e. 30 years.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

l) Inventories

Inventories are valued at the lower of cost and net realisable value.

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

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- Raw materials are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories is not written down below cost of the finished product in which they will be incorporated are expected to be sold at or above cost. Cost of raw material is determined on a weighted average basis
- Finished goods are valued at lower of cost and net realisable value. Cost includes direct material and labor and a proportion of manufacturing overhead based on normal operating capacity. Cost is determined on a weighted average basis

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

The comparison of cost and net realisable value is made on item by item basis.

m) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

n) Provisions

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

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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o) Contingent liabilities

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

p) Retirement and other employee benefits

In case of Holding Company:

(i) Post-employment benefits

- **Defined contribution plan**

  The Company makes payment to provident fund scheme which is defined contribution plan. The contribution paid/payable under the schemes is recognised in the statement of profit and loss during the period in which the employee renders the related service. The Company has no further obligations under these schemes beyond its periodic contributions.

  The Company recognise contribution payable to the provident fund scheme as an expenditure, when an employee renders the related services. If the contribution payable to the scheme for services received before balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then the excess recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or cash refund.

- **Defined benefit plan**

  The Company operates a defined benefit plan for its employees, viz. gratuity. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. The fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on a net basis.

  Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.

  Past service costs are recognised in statement of profit and loss on the earlier of:

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

  Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

  - Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
  - Net interest expense or income.

(ii) Short-term employee benefits

The distinction between short term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short-term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay, etc. and are recognised in the period in which the employee renders the related service.

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(iii) 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:

(i) Post-employment benefits

- Retirement benefit in the form of Gratuity is a defined benefit scheme is payables to the employees. There are no other long-term benefits payable to employees of any of the overseas subsidiaries.

q) Share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in employees share options outstanding reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

r) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

- **Financial assets**

  Initial recognition and measurement of financial assets

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

  Subsequent measurement

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

  - Debt instruments at amortised cost
  - Debt instruments at fair value through profit or loss (FVTPL)
  - Equity instruments measured at fair value through profit or loss (FVTPL)/ other comprehensive income (FVTOCI)

  Debt instruments at amortised cost

  A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 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.

The Group has decided to classify an equity instruments as at FVTOCI, and all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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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:

- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as expense/ (income) in the statement of profit and loss. This amount is reflected under the head 'Other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount; and
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis. The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

- **Financial liabilities**

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, loans and borrowings or payables as appropriate.

All financial liabilities are recognised initially at fair value.

The Group's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

s) 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.

t) Cash dividend

The Group recognises a liability to make cash distributions to the equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the provisions of the Act, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

u) 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.

v) 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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.

a) Judgements

In the process of applying the Group's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated 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.

b) 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 consolidated 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.

- **Expected Credit loss on trade receivables**

  The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. In addition to that management also make specific provision in case the recovery is not expected based on their discussion with the customer's.

- **Fair value measurement of financial instruments – Investment in equity instruments and preference shares**

  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.

4.1 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 1, 2024.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

5. PROPERTY, PLANT AND EQUIPMENT

	Freehold land (refer note 1 below)	Building (Right of use)	Buildings (refer note 2 below)	Computers and server	Office equipment	Electrical installa-tions	Furniture and fixtures	Vehicles	Total
Cost (Gross)									
At April 1, 2022	2.66	2.13	124.32	58.15	17.27	9.49	20.47	1.05	235.54
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**
Transfer (refer note 4)	-	-	14.20	-	-	-	-	-	14.20
Additions	-	-	-	2.45	0.23	2.49	0.07	-	5.24
Disposals/written-offs	-	-	0.48	7.37	0.29	1.03	0.29	-	9.46
At March 31, 2024	**2.66**	**2.13**	**107.36**	**54.43**	**16.43**	**10.95**	**20.19**	**1.05**	**215.20**
Depreciation (Gross)									
At April 1, 2022	-	0.91	40.01	46.53	15.82	8.00	17.64	0.70	129.61
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**
Transfer (refer note 4)		-	5.19						5.19
Depreciation charge for the year	-	0.06	3.51	4.25	0.25	0.73	0.51	0.07	9.38
Disposals/written-offs	-	-	0.19	6.98	0.27	0.93	0.28	-	8.65
At March 31, 2024	**-**	**1.04**	**41.02**	**46.63**	**15.32**	**8.18**	**18.53**	**0.88**	**131.60**
Net block									
At March 31, 2023	**2.66**	**1.15**	**79.15**	**9.99**	**1.15**	**1.11**	**2.11**	**0.24**	**97.56**
At March 31, 2024	**2.66**	**1.09**	**66.34**	**7.80**	**1.11**	**2.77**	**1.66**	**0.17**	**83.61**

Note: 1. The value of land has been estimated based on the stamp duty valuation rate.

2. Building includes office building (including share in undivided portion of land) taken on long term lease i.e. 999 years.
3. The title deeds of the immovable properties are held in the name of the Holding Company.
4. During the year, Holding Company has transferred building of ₹ 14.20 (March 31, 2023: Nil) and accumulated depreciation of ₹ 5.19 (March 31, 2023; ₹ Nil) to investment property as the Company intends to lease and earn rental income from the same.

5 (a) Capital Work in Progress (CWIP)

	As at April 1, 2022	Expenditure during the year	Capitalised during the year	Impairment	Written off	Closing as at March 31, 2023
Computers and server	-	2.59	2.59	-	-	-

	As at April 1, 2023	Expenditure during the year	Capitalised during the year	Impairment	Written off	Closing as at March 31, 2024
Computers and server	-	5.51	2.45	-	-	3.06
Office equipment	-	0.23	0.23	-	-	-
Electrical installations	-	2.49	2.49	-	-	-
Furniture and fixtures	-	0.07	0.07	-	-	-

5 (b) Ageing of Tangible CWIP

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
At March 31, 2023					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-
At March 31, 2024					
Projects in progress	3.06	-	-	-	3.06
	3.06	**-**	**-**	**-**	**3.06**

5 (c) There are no projects as Capital Work in Progress as at March 31, 2024 and March 31, 2023, whose completion is overdue or cost of which exceeds in comparison to its original plan.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

6. INVESTMENT PROPERTY

	Buildings	Total
Cost (Gross)		
At April 1, 2022	32.43	32.43
Purchase	-	-
Disposals	-	-
At March 31, 2023	**32.43**	**32.43**
Transfer (refer note 5 (4))	14.20	14.20
Purchase	-	-
Disposals	-	-
At March 31, 2024	**46.63**	**46.63**
Depreciation		
At April 1, 2022	7.07	7.07
Depreciation charge for the year	1.24	1.24
Disposals	-	-
At March 31, 2023	**8.31**	**8.31**
Transfer (refer note 5 (4))	5.19	5.19
Depreciation charge for the year	1.51	1.51
Disposals	-	-
At March 31, 2024	**15.01**	**15.01**
Net block		
At March 31, 2023	**24.12**	**24.12**
At March 31, 2024	**31.62**	**31.62**

Information regarding income and expenditure earned from Investment properties

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rental income derived from investment properties (refer note 24)	4.99	3.58
Direct operating expenses (including repairs and maintenance) generating rental income	(0.25)	(0.20)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	**4.74**	**3.38**
Less – Depreciation charge for the year	(1.51)	(1.24)
Profit arising from investment properties before indirect expenses	**3.23**	**2.14**
Less – Indirect expenses	-	-
Profit from investment properties	**3.23**	**2.14**

The Group investment properties consist of office premises in India given on non-cancellable lease for a period of 11 months to 5 years.

Estimation of fair value

As at March 31, 2024, the fair values of the property is ₹ 65.79 (March 31, 2023: ₹ 41.42). 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.

Fair value hierarchy disclosures for investment properties have been provided in Note 42.

1. The Group has no restriction on the realisability of its investment properties and no contractual obligations to purchase or develop investment properties.
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 categorised in level 2 fair value hierarchy.

Key assumption and inputs

The Holding Company has adopted market approach to estimate the value of property. Market rate is estimated based on Prime data source & the rate applicable at surrounding vicinity.

1. Prime Source: Recorded sales transation in the vicinity of property.
2. Secondary sources: Local enquiry about the rates, web advertisement about the land rates, ready reckoner/guideline rates.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

7. INTANGIBLE ASSETS

	Software	Patent	Total
Cost (Gross)			
At April 1, 2022	45.17	0.03	45.20
Purchase	0.57	-	0.57
Disposals / written off	-	0.03	0.03
At March 31, 2023	**45.74**	**-**	**45.74**
Purchase	0.43	-	0.43
Disposals / written off	-	-	-
At March 31, 2024	**46.17**	**-**	**46.17**
Amortisation (Gross)			
At April 1, 2022	39.44	0.02	39.46
Amortisation for the year	3.53	-	3.53
Disposals / written off	-	0.02	0.02
At March 31, 2023	**42.97**	**-**	**42.97**
Amortisation for the year	1.71	-	1.71
Disposals / written off	-	-	-
At March 31, 2024	**44.68**	**-**	**44.68**
Net block			
At March 31, 2023	**2.77**	**-**	**2.77**
At March 31, 2024	**1.49**	**-**	**1.49**

7 (a) Intangible assets under development

	As at April 1, 2022	Expenditure during the year	Capitalised during the year	Impairment	Written off	Closing as at March 31, 2023
Software	-	0.73	0.58	-	-	0.15

	As at April 1, 2023	Expenditure during the year	Capitalised during the year	Impairment	Written off	Closing as at March 31, 2024
Software	0.15	0.28	0.43	-	-	-

7 (b) Ageing of Intangible assets under development

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
At March 31, 2023					
Projects in progress	0.15	-	-	-	0.15
	0.15	**-**	**-**	**-**	**0.15**
At March 31, 2024					
Projects in progress	-	-	-	-	-
	-	**-**	**-**	**-**	**-**

7 (c) There are no projects Intangible assets under development as at March 31, 2024 and March 31, 2023, whose completion is overdue or cost of which has exceeded in comparison to its original plan.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

8. INVESTMENTS

	As at March 31, 2024	As at March 31, 2023
Non - current investments		
Investment carried at amortised cost		
Investment in tax free bonds (quoted)		
30,000 (March 31, 2023: 30,000) 7.35% Indian Railway Finance Corporation Limited Bonds	3.00	3.35
22,500 (March 31, 2023: 22,500) 7.39% National Highway Authority of India Bonds	2.25	2.48
	5.25	**5.83**
Investments at fair value through OCI		
Investment in other equity shares (unquoted)		
4,472 (March 31, 2023: 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)
Sub total	**-**	**-**
18,255 (March 31, 2023: 18,255) equity shares of NIS 0.01 each fully paid-up in L7 Defense Limited	1.62	2.18
Less: Fair value changes routed through OCI *	(1.62)	(0.56)
Sub total	**-**	**1.62**
4,651 (March 31, 2023: 4,651) equity shares of SGD 0.001 each fully paid-up in Ray Pte. Limited	3.10	2.00
Less: Fair value changes routed through OCI	(0.90)	1.10
Sub total	**2.20**	**3.10**
Investment in Preference shares (unquoted)		
1,49,925 (March 31, 2023:1,49,925) compulsory convertible preference shares (CCPS) of NIS 0.01 each fully paid-up in L7 Defense Limited	10.94	14.73
Less: Fair value changes routed through OCI *	(10.94)	(3.79)
Sub total	**-**	**10.94**
Total non - current investments	**7.45**	**21.49**
Current investments		
Investments at fair value through profit and loss		
Investments in mutual funds (quoted)		
Investments in mutual funds	182.51	176.20
Total current investments	**182.51**	**176.20**
Total non-current investments	**7.45**	**21.49**
Total current investments	**182.51**	**176.20**
Aggregate book value of quoted investments	165.20	161.24
Aggregate market value of quoted investments	188.46	182.28
Aggregate book value of unquoted investments	25.58	25.58
Aggregate amount of impairment/ fair value in value of investments	(23.38)	(9.92)
Investments carried at amortised cost	5.25	5.83
Investments carried at fair value through profit or loss	182.51	176.20
Investments carried at fair value through other comprehensive income	2.20	15.66

*Considering the financial position, liquidity condition, market conditions and geopolitical scenario in Israel, management based on its assessment has recorded a fair value loss in other comprehensive income (FVOCI) amounting to ₹ 12.55 (March 31, 2023: ₹ 4.35). Accordingly, the carrying value of investment made in L7 Defense Limited has been considered as ₹ Nil as at March 31, 2024.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

9. OTHER FINANCIAL ASSETS

	As at March 31, 2024	As at March 31, 2023
Current		
Interest accrued on bank balance	0.54	0.20
Security deposits	0.40	0.34
Other Receivables	0.33	0.95
Total current	**1.27**	**1.49**
Non - current		
Bank balances		
Deposits with remaining maturity of more than twelve months	0.34	0.34
Security deposits	0.48	0.42
Total non - current	**0.82**	**0.76**
Other financial assets carried at amortised cost	**2.09**	**2.25**

Out of the total deposit ₹ 0.34 (March 31, 2023: ₹ 0.34) are pledged against bank guarantees.

10. INVENTORIES

	As at March 31, 2024	As at March 31, 2023
At lower of cost and net realisable value		
Raw materials - Security software devices	-	0.41
Finished goods - Security softwares products	2.80	4.09
Total	**2.80**	**4.50**

11. TRADE RECEIVABLES

	As at March 31, 2024	As at March 31, 2023
Trade receivables	131.64	122.60
Trade receivables from related parties (refer note 37)	0.08	0.05
Total	**131.72**	**122.65**

Break-up for security details:

	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Unsecured - considered good	131.72	122.65
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired*	44.13	36.98
Total	**175.85**	**159.63**
Allowance for bad and doubtful debts		
Unsecured - considered good	-	-
Trade receivables - credit impaired*	(44.13)	(36.98)
	(44.13)	**(36.98)**
Total	**131.72**	**122.65**

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

No trade or other receivables 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.

For terms and condition relating to related party receivables refer note 37.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

11 TRADE RECEIVABLES (Contd.)

Ageing for Trade Receivables

As on March 31, 2024

	Outstanding for following periods from the due date of payment							
	Unbilled Dues	Not due	Less than 6 months	6 months - 1 year	1 - 2 years*	2 -3 years*	More than 3 years*	Total
i) Undisputed Trade receivables - considered good*	-	58.53	62.04	3.95	3.50	0.27	0.36	128.65
ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables - credit impaired	-	1.56	2.89	0.39	11.80	0.29	1.35	18.28
iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	3.07	3.07
v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	1.03	24.82	25.85
Less: Impairment allowance (Disputed + Undisputed)	-	(1.56)	(2.89)	(0.39)	(11.80)	(1.32)	(26.17)	(44.13)
Total	**-**	**58.53**	**62.04**	**3.95**	**3.50**	**0.27**	**3.43**	**131.72**

As on March 31, 2023

	Outstanding for following periods from the due date of payment							
	Unbilled Dues	Not due	Less than 6 months	6 months - 1 year	1 - 2 years*	2 -3 years*	More than 3 years*	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: Impairment allowance (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**

* Trade receivables outstanding for more than eighteen months and disputed - considered good are not provided for, mainly on account of corresponding incentive provision outstanding in the books.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

12. CASH AND CASH EQUIVALENTS

	As at March 31, 2024	As at March 31, 2023
Balances with banks:		
On current account	7.11	9.47
On EEFC account	2.32	2.09
Deposits with original maturity of less than three months	28.07	-
Cash on hand	0.01	0.02
Total	**37.51**	**11.58**

13. OTHER BANK BALANCES

	As at March 31, 2024	As at March 31, 2023
Bank balances		
Deposits with remaining maturity of less than twelve months	0.08	0.08
Unpaid dividend account	0.17	0.19
Total	**0.25**	**0.27**

Out of the total deposits ₹ 0.08 (March 31, 2023: ₹ 0.08) are pledged against bank guarantees.

14. INCOME TAX ASSETS (NET)

	As at March 31, 2024	As at March 31, 2023
Non-current		
Advance tax (net of provision for tax)	16.46	22.33
Total	**16.46**	**22.33**

15. OTHERS ASSETS

	As at March 31, 2024	As at March 31, 2023
Current (unsecured, considered good)		
Prepaid expenses	5.50	3.74
Balances with government authorities	0.05	0.03
Advance to suppliers	0.80	2.41
Advance to employees	0.04	-
Surplus in Gratuity fund	1.36	0.60
Total current	**7.75**	**6.78**
Non - current (unsecured, considered good)		
Prepaid expenses	0.91	0.65
Non - current (unsecured, considered doubtful)		
Capital advances	0.30	0.30
Less: provision for doubtful capital advances	(0.30)	(0.30)
Total non - current	**0.91**	**0.65**
Total current	**7.75**	**6.78**
Total non - current	**0.91**	**0.65**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

16. EQUITY SHARE CAPITAL

	As at March 31, 2024	As at March 31, 2023
Authorised shares capital		
7,50,00,000 (March 31, 2023: 7,50,00,000) equity shares of ₹ 10 each	75.00	75.00
	75.00	**75.00**
Issued, subscribed and fully paid-up shares		
5,35,16,271 (March 31, 2023: 5,30,73,851) equity shares of ₹ 10 each	53.51	53.07
Total issued, subscribed and fully paid-up share capital	**53.51**	**53.07**

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

	As at March 31, 2024		As at March 31, 2023	
	No.	₹	No.	₹
At the beginning of the Year	5,30,73,851	53.07	5,80,09,601	58.01
Issued during the year				
Add: Employee stock option plan (ESOP)	4,42,420	0.44	64,250	0.06
Less: Shares bought back	-	-	50,00,000	5.00
Outstanding at the end of the year	**5,35,16,271**	**53.51**	**5,30,73,851**	**53.07**

(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 April 17, 2023, proposed a final dividend of ₹ 2.50 per equity share and the same was approved by the shareholders at the Annual General Meeting held on August 11, 2023. The amount was recognised as distributions to equity shareholders during the year ended March 31, 2024 and the total appropriation was ₹ 13.27 including Tax deduction at source.

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 recognised as distributions to equity shareholders during the year ended March 31, 2023 and the total appropriation was ₹ 26.11 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) There are no shares held by holding/ ultimate holding company and /or their subsidiaries/ associates

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

	As at March 31, 2024		As at March 31, 2023	
	Nos.	% holding	Nos.	% holding
Equity shares of ₹ 10 each fully paid-up				
Kailash Sahebrao Katkar	1,55,88,818	29.13%	1,55,88,818	29.37%
Sanjay Sahebrao Katkar	1,55,88,818	29.13%	1,55,88,818	29.37%
Anupama Kailash Katkar	38,03,075	7.11%	38,03,075	7.17%
Chhaya Sanjay Katkar	38,03,075	7.11%	38,03,075	7.17%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

16. EQUITY SHARE CAPITAL (Contd.)

(e) Details of shares held by promoters

As at March 31, 2024

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Kailash Sahebrao Katkar	1,55,88,818	-	1,55,88,818	29.13%	(0.24%)
Sanjay Sahebrao Katkar	1,55,88,818	-	1,55,88,818	29.13%	(0.24%)
Anupama Kailash Katkar	38,03,075	-	38,03,075	7.11%	(0.06%)
Chhaya Sanjay Katkar	38,03,075	-	38,03,075	7.11%	(0.06%)
Sneha Kailash Katkar	2,567	-	2,567	0.00%	0.00%
Total	**3,87,86,353**	**-**	**3,87,86,353**	**72.48%**	**(0.60%)**

As at March 31, 2023

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Kailash Sahebrao Katkar	1,55,88,818	-	1,55,88,818	29.37%	0.09%
Sanjay Sahebrao Katkar	1,55,88,818	-	1,55,88,818	29.37%	0.09%
Anupama Kailash Katkar	38,03,075	-	38,03,075	7.17%	0.02%
Chhaya Sanjay Katkar	38,03,075	-	38,03,075	7.17%	0.02%
Sneha Kailash Katkar	2,567	-	2,567	0.00%	0.00%
Total	**3,87,86,353**	**-**	**3,87,86,353**	**73.08%**	**0.22%**

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.

(f) Aggregate number of shares issued for consideration other than cash, bonus shares allotted and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
No of shares bought back	50,00,000	63,26,530	-	63,63,636	-
Total	**50,00,000**	**63,26,530**	**-**	**63,63,636**	**-**

(g) shares reserved for issue under options

For details of shares reserved for issue under the Share based payment plan of the Holding Company refer note 33

17. OTHER EQUITY

		As at March 31, 2024	As at March 31, 2023
a)	**Reserves and Surplus**		
(i)	**Retained earnings**		
	Balance as at the beginning of the year	302.14	505.20
	Add: Amount transferred from surplus balance in the statement of profit and loss	24.24	6.40
	Add: ESOP (vested option lapsed)	0.82	-
	Add: Refund of GST on buy back expenses	0.14	-
	Add: Refund of excess buy back tax paid [refer note i (a)]	8.60	-
	Add: Re-measurement gains/(losses) on defined benefit plans	(0.16)	0.13
	Less: Utilised for buy back	-	141.69
	Less: Transfer to Capital redemption reserve	-	5.00
	Less: Buy back expenses	-	1.85
	Less: Dividend paid [amount per share ₹ 2.5 (March 31, 2023: ₹ 4.5)]	13.27	26.11
	Less: Tax on buyback	-	34.94
	Balance as at end of the year	**322.51**	**302.14**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

17. OTHER EQUITY (Contd.)

i (a) During the year ended March 31, 2024, the Holding Company received refund of ₹ 8.60, from the Income Tax Authorities for the assessment year 2022-23 towards excess buy back tax paid. Since the tax on buy back was debited to retained earnings during financial year ended March 31, 2022, the refund received is recognised in retained earnings.

		As at March 31, 2024	As at March 31, 2023
(ii)	**Securities premium**		
	Balance as at the beginning of the year	0.01	2.30
	Add: ESOPs exercised	5.71	0.66
	Add: Transferred from ESOP account	3.83	0.36
	Less: Utilised for buy back	-	3.31
	Balance as at end of the year	**9.55**	**0.01**
(iii)	**Amalgamation reserve**		
	Balance as at the beginning and end of the year	2.65	2.65
(iv)	**General reserve**		
	Balance as at the beginning and end of the year	45.03	45.03
(v)	**Capital redemption reserve**		
	Balance as at the beginning of the year	17.69	12.69
	Add: Amount transferred from Retained earnings	-	5.00
	Balance as at end of the year	**17.69**	**17.69**
b)	**Other Equity**		
	Share based payment reserve		
	Balance as at the beginning of the year	9.51	7.02
	Add: Additions during the year (refer note 26 & 33)	5.10	2.85
	Less: Vested options lapsed transfer to Retained earning	0.82	-
	Less: Transfer to securities premium on exercise of stock options	3.83	0.36
	Balance as at end of the year	**9.96**	**9.51**
c)	**Other Comprehensive Income**		
	(i) Equity instruments through Other comprehensive income		
	Balance as at the beginning of the year	(10.48)	(4.49)
	Add: Additions during the year	(13.45)	(5.99)
	Balance as at end of the year	**(23.93)**	**(10.48)**
	(ii) Foreign currency translation reserve		
	Balance as at the beginning of the year	0.09	(0.78)
	Less: Recycled to Profit and Loss	-	1.00
	Add: Additions during the year	(0.06)	(0.13)
	Balance as at end of the year	**0.03**	**0.09**
	Total Other Equity (a+b+c)	**383.49**	**366.64**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

17. OTHER EQUITY (Contd.)

Nature and purpose of reserves

Retained earnings

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

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only in accordance with the provisions of the Companies Act, 2013.

Amalgamation reserve

Pursuant to the scheme of amalgamation ("the Scheme") sanctioned by the Honorable High Court of Bombay, Cat Labs Private Limited (CLPL), subsidiary of the Group, had been merged with the Company with effect from April 1, 2010. Accordingly, an amount of ₹ 2.65 was recorded as amalgamation reserve.

General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Capital redemption reserve

The Group had bought back its share in the past. In accordance with section 69 of the Companies Act, 2013, Capital Redemption Reserve is created (which represent nominal value of share bought back).

Share based payment reserve

The Group has two employee stock option schemes under which options to subscribe for the Holding Company's shares have been granted to certain executives and senior employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer note 33 for further details of these plans.

Fair value through other comprehensive income reserve

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the equity instruments through other comprehensive income within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

18. TRADE PAYABLES

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	3.70	1.94
Total outstanding dues of creditors other than micro enterprises and small enterprises*	36.18	46.67
Total	**39.88**	**48.61**

* Includes amount payable to independent directors (refer note 37)

* For terms and conditions with related parties (refer note 37)

* For explanations on the Group credit risk management processes (refer note 37)

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

Trade payables ageing Schedules as on March 31, 2024

	Outstanding for following period from the date of invoice						
	Unbilled Dues	Not Due	Less than 1 year	1- 2 years	2- 3 years	More than 3 years	Total
(i) Micro enterprises and small enterprises	-	-	3.70	-	-	-	3.70
(ii) Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-	-
(iii) Other than micro enterprises and small enterprises	29.00	-	3.69	0.21	0.01	0.08	32.99
(iv) Disputed dues - Other than micro enterprises and small enterprises	-	-	-	-	-	3.19	3.19
Total	**29.00**	**-**	**7.39**	**0.21**	**0.01**	**3.27**	**39.88**

Trade payables ageing Schedules as on March 31, 2023

	Outstanding for following period from the date of invoice						
	Unbilled Dues	Not Due	Less than 1 year	1- 2 years	2- 3 years	More than 3 years	Total
(i) Micro enterprises and small enterprises	-	1.94	-	-	-	-	1.94
(ii) Disputed dues - micro enterprises and small enterprises	-	-	-	-	-	-	-
(iii) Other than micro enterprises and small enterprises	39.03	-	2.38	0.03	0.06	0.08	41.56
(iv) Disputed dues - Other than micro enterprises and small enterprises	-	-	-	1.89	0.03	3.19	5.11
Total	**39.03**	**1.94**	**2.38**	**1.91**	**0.09**	**3.27**	**48.61**

19. OTHER FINANCIAL LIABILITIES

	As at March 31, 2024	As at March 31, 2023
Current		
Carried at amortised cost		
Capital creditors	3.03	1.69
Unpaid dividend	0.17	0.19
Employee benefit liabilities	0.61	10.85
Other payables	0.01	-
Total	**3.82**	**12.73**
Total current	**3.82**	**12.73**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

20. OTHER LIABILITIES

	As at March 31, 2024	As at March 31, 2023
Current		
Deferred revenue (refer note 23)	2.10	2.10
Statutory dues payable	10.99	5.79
Other liabilities	0.93	2.14
Total	**14.02**	**10.03**
Non - current		
Security deposit	2.33	0.52
Total	**2.33**	**0.52**
Total current	**14.02**	**10.03**
Total non - current	**2.33**	**0.52**

Terms and conditions of the above other liabilities:

- Payables for purchases of fixed assets are non interest bearing and have an average term of 90 days.
- Other liabilities are non interest bearing and have an average term of 45 days.

21. EMPLOYEE BENEFIT OBLIGATIONS

	As at March 31, 2024	As at March 31, 2023
Provision for Employee benefit		
Current		
Provision for employee incentive	14.37	-
Provision for compensated absences	1.20	0.57
Total	**15.57**	**0.57**
Non - current		
Provision for compensated absences	-	0.60
Total	**-**	**0.60**
Total current	**15.57**	**0.57**
Total non - current	**-**	**0.60**

22. INCOME TAX LIABILITIES (NET)

	As at March 31, 2024	As at March 31, 2023
Current tax liabilities (net of advance tax)	0.01	-
Total	**0.01**	**-**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

23. REVENUE FROM CONTRACT WITH CUSTOMERS

	Year ended March 31, 2024	Year Ended March 31, 2023
Sale of security software products	288.58	276.70
Software support services	3.17	1.39
Total	**291.75**	**278.09**

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, 2024	Year Ended March 31, 2023
Revenue by Geography		
India	272.84	262.51
Outside India	18.91	15.58
Total	**291.75**	**278.09**
Revenue by type of products and services		
Security software licenses	288.58	276.70
Software support and services	3.17	1.39
Total	**291.75**	**278.09**

Movement in deferred revenue is as follows:

	Year ended March 31, 2024	Year Ended March 31, 2023
Balance at the beginning of the year	**2.10**	**2.10**
Less: Revenue recognised during the year	0.10	0.59
Add: Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	0.10	0.59
Balance at the end of the year	**2.10**	**2.10**

Performance obligation and remaining performance obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as of the end of the reporting year and an explanation as to when the Group expects to recognise these amounts in revenue.

The aggregate value of performance obligation that are completely or partially unsatisfied as of March 31, 2024, is ₹ 2.10 (March 31, 2023 : ₹ 2.10). Out of this, the Group expects to recognise revenue of around ₹ 2.10 in future, depending on the license period.

Reconciliation of the revenue recognised in the statement of profit and loss with the contracted price

	Year ended March 31, 2024	Year Ended March 31, 2023
Revenue as per contracted price	322.37	300.19
Adjustments		
Incentive, scheme and discounts	30.62	22.10
Revenue from contract with customers	**291.75**	**278.09**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

24. OTHER INCOME

	Year ended March 31, 2024	Year Ended March 31, 2023
Interest income on		
Bank deposits	0.03	0.97
Tax free bonds	0.12	0.39
Income tax	1.14	0.42
Gain on sale of current investments (net)	2.02	3.20
Profit on sale Property, plant and equipment (net)	0.27	3.95
Fair value gain on financial instruments at fair value through profit and loss*	10.23	6.88
Income from Investment property	4.99	3.58
Insurance claims **	1.79	-
Miscellaneous income	0.80	2.74
Total	**21.39**	**22.13**

* Fair value gain on financial instruments at fair value through profit and loss relates to investments in mutual funds.

** On May 9, 2023, a fire incident had taken place at the Holding Company's corporate office located at Solitaire Business Hub, Viman Nagar, Pune. However, the business operations were not impacted. Electrical installations and office equipment amounting to net book value of ₹ 0.10 (Gross value of ₹ 1.10) were damaged which were written off in the statement of Profit & Loss account. The Holding Company has received an insurance claim of ₹ 1.79 which has been accounted for as "Other Income".

25. DETAILS RELATED TO COST OF SECURITY SOFTWARE DEVICES AND SOFTWARE PRODUCTS

	Year ended March 31, 2024	Year Ended March 31, 2023
25. (a) Cost of materials consumed		
Inventory at the beginning of the year	0.41	0.31
Add: Purchases	-	1.21
Less: Inventory at end of the year	-	0.41
Sub-total	**0.41**	**1.11**
25. (b) Purchase of security software products		
Security software products	5.13	7.83
Sub-total	**5.13**	**7.83**
25. (c) Changes in inventories of finished goods		
Finished goods inventory at the beginning of the year	4.09	4.48
Less: Finished goods inventory at end of the year	2.80	4.09
Sub-total (Increase)/decrease in security software products	**1.29**	**0.39**
Total	**6.83**	**9.33**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

25. DETAILS RELATED TO COST OF SECURITY SOFTWARE DEVICES AND SOFTWARE PRODUCTS (Contd.)

Details of materials consumed

	Year ended March 31, 2024	Year Ended March 31, 2023
Security software devices - Unified Threat Management (UTM)	0.41	1.11
	0.41	**1.11**

Details of Closing inventory

	As at March 31, 2024	As at March 31, 2023
Raw materials		
Security software devices - Unified Threat Management (UTM)	-	0.41
	-	**0.41**
Finished goods		
Security software products	2.80	4.09
	2.80	**4.09**

26. EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2024	Year Ended March 31, 2023
Salaries, wages and bonus	153.92	142.35
Contribution to provident and other funds	4.30	3.98
Gratuity expenses	2.17	2.44
Staff welfare expenses	3.54	3.28
Employee share based payment expenses (refer note 33)	5.10	2.85
Total	**169.03**	**154.90**

27. FINANCE COST

	Year ended March 31, 2024	Year Ended March 31, 2023
Interest on lease	0.13	-
Total	**0.13**	**-**

28. DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2024	Year Ended March 31, 2023
Depreciation of property, plant and equipment (refer note 5)	9.38	11.22
Depreciation of Investment property (refer note 6)	1.51	1.24
Amortisation of intangible assets (refer note 7)	1.71	3.53
Total	**12.60**	**15.99**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

29. OTHER EXPENSE

	Year ended March 31, 2024	Year Ended March 31, 2023
Web publishing expenses	0.48	0.50
Technology subscription and Fees for technical service	10.27	8.78
Power and fuel	2.70	2.59
Rent (refer note 34)	1.49	1.38
Rates and taxes	0.81	1.17
Insurance	0.49	0.43
Repairs and maintenance		
Buildings	1.06	1.19
Others	1.89	1.70
Corporate Social Responsibility (CSR) expenditure	1.82	2.31
Commission to independent directors (refer note 37)	0.32	0.36
Directors' sitting fees (refer note 37)	0.17	0.16
Business promotion expenses	2.44	4.36
Advertisement and sales promotion	16.31	29.94
Freight and forwarding charges	0.55	0.48
Travelling and conveyance	4.36	4.39
Communication costs	21.38	14.90
Office expenses	2.88	3.17
Marketing Support Services	-	-
Legal and professional fees	19.61	26.30
Payment to auditor (Refer below details)	0.43	0.41
Foreign exchange loss (net)	0.15	0.71
Property, plant and equipment written off	0.32	-
Provision for doubtful debts and advances	7.15	5.15
Miscellaneous expenses	1.26	1.60
Total	**98.34**	**111.98**

Payment to auditor (excluding Goods and services tax)*

	Year ended March 31, 2024	Year Ended March 31, 2023
As auditor:		
Audit fees*	0.10	0.13
Limited review	0.25	0.24
In other capacity:		
Others (including certification fees)	0.04	0.01
Reimbursement of expenses	0.04	0.03
Total	**0.43**	**0.41**

* includes remuneration to auditors of subsidiaries.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

30. INCOME TAX

The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are:

Statement of profit and loss section

	March 31, 2024	March 31, 2023
Current income tax:		
Current income tax charge	5.78	1.28
Adjustment in respect of previous years	0.07	(0.14)
Deferred tax:		
Relating to origination and reversal of temporary differences	(3.88)	0.48
Income tax expense reported in the statement of profit and loss	**1.97**	**1.62**
OCI Section		
Deferred tax related to items recognised in OCI during the year		
Net gain/(loss) on actuarial gains and losses	0.06	(0.05)
Deferred tax (charged)/credit to OCI	**0.06**	**(0.05)**

Reconciliation of deferred tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended

	March 31, 2024	March 31, 2023
Accounting profit before tax	26.21	8.02
At India's statutory income tax rate of 25.168% (March 31, 2023: 25.168%)	6.60	2.02
Adjustments (non-deductible expenses):		
Adjustments of tax relating to earlier periods	0.07	(0.14)
CSR expenditure	0.46	0.58
Tax impact on Net loss or gain on FVTOCI assets	-	(0.65)
Tax impact on deduction of buy back expenses	-	(0.47)
Deferred tax on long term capital loss not recorded in earlier year due to lack of reasonable certainty	(5.36)	-
Deferred tax asset on losses and unrealised profits not recognised	0.20	0.28
At the effective income tax rate of 25.168% [March 31, 2023: 25.168%]	**1.97**	**1.62**
Income tax expense reported in the statement of profit and loss	**1.97**	**1.62**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

30. INCOME TAX (Contd.)

Movement in Deferred income tax assets / liabilities for the year ended is as follows:

	Balance sheet		Statement of Profit & Loss	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Property, plant and equipment	(8.34)	(7.72)	0.62	1.34
Expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	0.26	0.40	0.14	(0.05)
Provision for doubtful debts and advances	11.11	9.31	(1.80)	(1.30)
Deferred revenue	0.50	0.53	0.03	-
Prepaid rent	0.09	-	(0.09)	-
Unrealised gain on investment in mutual funds	(0.11)	(3.05)	(2.94)	0.56
Deferred tax on gratuity expense recognised in other comprehensive income	-	-	-	(0.66)
Others - rent equalisation reserve, prepaid rent etc.	(0.11)		0.11	
Adjustment in respect of deferred tax of previous years	-	-	-	0.64
Net deferred tax expense / (income)			**(3.94)**	**0.53**
Net deferred tax assets / (liabilities)	**3.40**	**(0.53)**		

Details of income tax assets and income tax liabilities

	March 31, 2024	March 31, 2023
Deferred tax liabilities	(8.45)	(10.77)
Deferred tax assets	11.85	10.24
Deferred tax assets, net	**3.40**	**(0.53)**

Reconciliation of deferred tax assets / (liability) net

	March 31, 2024	March 31, 2023
Opening balance	(0.53)	(0.63)
Tax Income / (expense) during the year recognised in statement of profit and loss	3.88	(0.48)
Tax Income / (expense) during the year recognised in OCI	0.06	(0.05)
Adjustment in respect of deferred tax of previous years	(0.01)	0.63
Closing balance	**3.40**	**(0.53)**

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 recognised 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 recognised 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, 2024 (Contd.)

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

31. EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year 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 options.

The following reflects the income and share data used in the basic and diluted EPS computations:

		Year ended March 31, 2024	Year Ended March 31, 2023
Net profit after tax attributable to equity shareholders of the Holding Company	(A)	24.24	6.40
Weighted average number of equity shares in calculating basic EPS	(B)	5,31,95,385	5,59,28,126
Effect of dilution:			
Stock options granted under ESOP (in numbers)	(C)	8,54,714	1,61,408
Weighted average number of equity shares adjusted for the effect of dilution	D=(B+C)	5,40,50,098	5,60,89,534
Basic earnings per share of face value of ₹ 10 each (in ₹)	**(A/B)**	**4.56**	**1.14**
Diluted earnings per share of face value of ₹ 10 each (in ₹)	**(A/D)**	**4.48**	**1.14**

There have been no transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

32. DIVIDEND

The Holding Company declares and pays dividends in Indian rupees. The Holding Companies are required to pay/distribute dividend after deducting applicable taxes if any. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

The amount of per share dividend recognised as distribution to equity shareholders is as follows:-

Particulars	Year ended March 31, 2024	Year Ended March 31, 2023
Final dividend paid financial year 2023	13.27	-
Final dividend paid financial year 2022	-	26.11

The Board of Directors of the Holding Company in their meeting held on April 25, 2024 recommended a final dividend of ₹ 3.00 per equity share for the financial year ended March 31, 2024. The payment is subject to the approval of shareholders in the AGM of the Holding Company. If approved, would result in a net cash outflow of approximately ₹ 16.05.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

33. 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 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 Initial grant	September 6, 2014
Date of board approval	February 6, 2014
Date of shareholder's approval	February 6, 2014
Method of settlement	Equity
Vesting period	4 years
Exercise period	5 years from date of vesting
Expected life (in years)	
Grant X	1.61
Grant XI	2.25
Grant XIII	1.72
Grant XVI	2.86
Grant XVIII	5.06
Grant XIX	4.25
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 summarised below:

	Year ended March 31, 2024		Year ended March 31, 2023	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	4,42,788	155.07	7,63,513	139.03
Granted during the year	-	-	-	-
Forfeited during the year	1,37,775	116.66	2,74,925	119.48
Exercised during the year	1,85,645	143.61	45,800	102.09
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,19,368	215.81	4,42,788	155.07
Exercisable at the end of the year	97,543	241.55	3,02,413	178.58

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

33. SHARE BASED ARRANGEMENTS (Contd.)

The details of exercise price for stock options outstanding at the end of the year are:

	As at March 31, 2024	As at March 31, 2023
Exercise price (₹)	97.50 – 294.33	93.00 – 294.33
Number of options outstanding	1,19,368	4,42,788
Weighted average remaining contractual life of options (in years)	0.99	1.92
Weighted average exercise price (₹)	215.81	155.07

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, 2024 was ₹ 390.71 (March 31, 2023: ₹ 198.91)

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, 2024 and March 31, 2023 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 of the Holding Company. According to the ESOP 2021, 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 Initial grant	May 15, 2021
Date of board approval	March 10, 2021
Date of shareholder's approval	April 19, 2021
Method of settlement	Equity
Vesting period	4 years
Exercise period	3 years from date of vesting
Expected life (in years)	
Grant XXII	2.92
Grant XXIII	3.3
Grant XXIV	3.42
Grant XXV	3.32
Grant XXVII	2.87
Grant XXVIII	3.23
Grant XXIX	3.88
Grant XXXII	4.59
Grant XXXIII	4.26
Grant XXXIV	6.72
Grant XXXV	6.76
Grant XXXVI	6.76
Grant XXXVII	6.07
Grant XXXVIII	7.3
Grant XXXIX	7.3
Grant XXXX	7.3
Grant XXXXI	7.39
Grant XXXXII	7.46
Fair value of shares on date of grant	₹ 69.66 - ₹ 296.55
Vesting conditions	Continued employment and performance of employee as per contract

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

33. SHARE BASED ARRANGEMENTS (Contd.)

The vesting pattern of scheme is as follows:

Time period from the date of grant	Cumulative percentage of share vesting
12 months	25%
24 months	50%
36 months	75%
48 months	100%

The details of activities under the scheme have been summarised below:

	Year ended March 31, 2024		Year ended March 31, 2023	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	12,91,475	149.37	9,67,900	157.42
Granted during the year	12,93,600	117.27	6,72,100	144.49
Forfeited during the year	3,84,825	132.18	3,30,075	161.54
Exercised during the year	2,56,775	147.28	18,450	142.16
Expired during the year	-	-	-	-
Outstanding at the end of the year	19,43,475	125.88	12,91,475	149.37
Exercisable at the end of the year	1,87,200	143.13	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, 2024	As at March 31, 2023
Exercise price (₹)	10.00 - 330.00	99 - 176
Number of options outstanding	19,43,475	12,91,475
Weighted average remaining contractual life of options (in years)	4.56	3.97
Weighted average exercise price (₹)	125.88	149.37

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, 2024 was ₹ 404.42 (March 31, 2023: ₹ 142.16)

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 ₹ 152.98 (March 31, 2023: ₹ 78.03). The Black and Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	As at March 31, 2024	As at March 31, 2023
Weighted average share price (₹)	117.27	161.92
Exercise price (₹)	₹ 10 - ₹ 330	₹ 99 -₹ 158
Expected volatility (%)	46.20%	49.90%
Historical volatility (%)	0%	0%
Life of the options granted (vesting and exercise period) (in years)	3.5	6.76 - 0.77
Average risk-free interest rate (%)	7.10%	7.02%
Dividend yield	2.10%	2.40%

The effect of share-based payment transactions on the Group's statement of profit and loss for the period and on its financial position:

	Year ended March 31, 2024	Year ended March 31, 2023
Expense arising from equity settled share based payment transaction	5.10	2.85

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

34. COMMITMENTS AND CONTINGENCIES

a. Operating lease - Company 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 are as under:

Particulars	As At March 31, 2024	As At March 31, 2023
Short term leases expenses	1.49	1.38
Total Lease Expense	**1.49**	**1.38**

b. Operating lease - Group as a lessor

Particulars	As At March 31, 2024	As At March 31, 2023
The minimum rentals receivable on leases of investment properties are as follows		
Within 1 year	4.33	1.20
Between 1 to 2 years	3.23	0.86
Between 2 to 3 years	0.10	-
Between 3 to 4 years	0.11	-
Between 4 to 5 years	0.09	-
Later than 5 year	-	-
Total Lease income	**7.86**	**2.06**

Group as a lessor

The Group has entered into operating leases for its investment properties (refer note 6) . These leases have terms ranging from one to five years. Some of these leases include an annual escalation clause on rental prices based on prevailing market conditions. During the year ended March 31, 2024 ₹ 4.99 (March 31, 2023: ₹ 3.58) was recognised in profit and loss in relation to rental income from the investment properties. (refer note 24)

c. Commitments

Particulars	As At March 31, 2024	As At March 31, 2023
Capital commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided, net of advances	2.97	-

d. Contingent liabilities

Particulars	As At March 31, 2024	As At March 31, 2023
Claims against the Group not acknowledged as debts		
Tax demands		
Direct tax	2.87	-
Indirect tax	0.80	-
Total	**3.67**	**-**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

i) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund dated February 28, 2019. As a matter of caution, the Group has made a provision on a prospective basis from the date of the SC order. The Group will update its provision, on receiving further clarity on the subject.

ii) Direct tax

The claims against the Holding Company primarily represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are majorly on account of disallowance of expenses pertaining to exempt income as per section 14A read with rule 8D of the Income Tax Act, 1961.

These matters are pending before various Income Tax Authorities and the Management including its tax advisors expect that its position will likely be upheld on ultimate resolution, and will not have a material effect on the Holding Company's financial position and results of operations.

iii) Indirect tax

The claim against the Holding Company represents a demand arising on account of mismatch of ITC under the Goods and Services Act, 2017. This matter is pending before Assistant Commissioner CGST and the Management including its tax advisors expect that its position will likely be upheld on ultimate resolution, and will not have a material effect on the Holding Company's financial position and results of operations.

e. Other litigations

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 misappropriation 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

35. FINANCIAL RATIOS

S No.	Ratio	Formula	Particulars		March 31, 2024		March 31, 2023		Ratio as on		Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	March 31, 2024	March 31, 2023		
(a)	Current Ratio	Current Assets / Current Liabilities	Current Assets	Current Liabilities	363.81	73.30	323.47	71.94	4.96	4.50	10.38%	
(b)	Return on Equity Ratio	Profit after tax x 100 / Average Shareholder's Equity	Net Income= Net Profits after taxes	(Opening Equity share capital & Other equity + Closing Equity share capital & Other equity)/2	24.24	428.36	6.40	419.71	0.06	0.02	271.11%	Refer Note (i)
(c)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	6.83	3.65	9.33	4.65	1.87	2.01	(6.84%)	
(d)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Gross Sales excluding sales Incentives	(Opening Trade Receivables + Closing Trade Receivable)/2	323.90	127.19	304.41	147.31	2.55	2.07	23.23%	
(e)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	5.13	44.25	9.04	49.16	0.12	0.18	(36.95%)	Refer Note (ii)
(f)	Net Capital Turnover Ratio	Revenue / Average Working Capital	Revenue net of sales Incentives	Average Working Capital= Average of Current assets – Current liabilities	291.75	271.02	278.09	349.98	1.08	0.79	35.48%	Refer Note (iii)
(g)	Net Profit Ratio	Net Profit / Net Sales	Profit after tax	Revenue net of sales Incentives	24.24	291.75	6.40	278.09	0.08	0.02	261.02%	Refer Note (iv)
(h)	Return on Capital Employed	EBIT / Capital Employed	Income before interest and tax	Capital Employed= Total Assets - Current Liability	26.21	439.33	8.02	421.36	0.06	0.02	213.44%	Refer Note (v)
(i)	Return on Investment	Net Income / Net Investment	Interest income on fixed deposit, bond & gain on Mutual funds (Including unrealised gain)	({Opening investment in mutual funds & bonds + fixed deposit}+{closing investment in mutual funds & bonds+ fixed deposit})/2	12.40	185.32	11.86	266.76	0.07	0.04	50.50%	Refer Note (vi)

Notes:
(i) Due to increase in net profit as compared to previous year.
(ii) Trade payables turn over ratio has improved due to decrease in credit purchases in proportion of average creditor.
(iii) Increase in Net Capital Turnover Ratio due to increase in revenue and decrease in capital employed.
(iv) Increase in Net Profit Ratio due to increase in profit after tax.
(v) Increase in Return on Capital Employed due to increase in EBIT.
(vi) Increase in Return on Investment is due to decrease in average investment as compared to previous year.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

36. PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURES AS AT THE BALANCE SHEET DATE

	Foreign currency	As at March 31, 2024		As at March 31, 2023	
		In foreign currency	In Indian Rupees	In foreign currency	In Indian Rupees
Bank balances	USD	0.03	2.75	0.03	2.47
	AED	0.03	0.61	0.04	0.91
Cash balances	EUR	-	-	0.00	0.02
	JPY	-	-	0.00	0.00
	USD	0.00	0.00	0.00	0.00
Trade receivables	USD	0.10	8.41	0.05	4.14
	JPY	-	-	-	-
	AED	0.03	0.68	0.01	0.14
Trade payables	USD	0.00	0.04	-	-
	JPY	-	-	-	-
	AED	0.00	0.01	0.00	0.05
Loans & Advances	JPY	-	-	-	-
	AED	0.01	0.17	0.00	0.01
Investment (net)	USD	-	-	0.15	12.55
	SGD	0.04	2.20	0.05	3.10

37. (A). 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 Sanjay Katkar, Joint Managing Director Vishal Salvi, Chief Executive Officer (w.e.f. July 3, 2023) Ankit Maheshwari, Chief Financial Officer (w.e.f April 26, 2023) Navin Sharma, Chief Financial Officer (upto April 18, 2023) Sarang Hari Deshpande, Company Secretary (w.e.f October 26, 2023) Srinivasa Rao Anasingaraju, Company Secretary (upto July 17, 2023) Amitabha Mukhopadhyay, Independent Director Apurva Joshi, Independent Director Bhushan Gokhale, 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) Chhaya Katkar (wife of Sanjay Katkar) Sneha Katkar (daughter of Kailash Katkar)
Enterprises owned by directors or major shareholders	Kailash Sahebrao Katkar HUF Sanjay Sahebrao Katkar HUF Quick Heal Foundation Dreambook Production (OPC) Private Limited Dreambook Enterprise LLP Gagan Bharari Enterprises LLP Trixter Cyber Solutions Private Limited
Entities in which directors of the Company holds directorship	Data Security Council of India

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

37. (A). RELATED PARTY TRANSACTION (Contd.)

Transactions with related parties and year end balances:

Nature of transaction	Name of the related party	Year Ended March 31, 2024	Year Ended March 31, 2023
Compensation paid to Key Management Personnel and their relatives*	Kailash Katkar	1.36	1.21
	Sanjay Katkar	1.31	1.21
	Vishal Salvi	1.02	-
	Navin Sharma	0.31	1.13
	Ankit Maheshwari	0.85	-
	Srinivasa Rao Anasingaraju	0.26	0.46
	Sarang Hari Deshpande	0.14	-
	Anupama Katkar	0.62	0.66
	Sneha Katkar	0.37	0.36
Sub-total		**5.99**	**5.03**
Directors' sitting fee	Amitabha Mukhopadhyay	0.05	0.04
	Apurva Joshi	0.06	0.04
	Bhushan Gokhale	0.04	0.04
	Mehul Savla	-	0.02
	Richard Stiennon	0.02	0.02
Sub-total		**0.17**	**0.16**
Commission to independent directors	Amitabha Mukhopadhyay	0.08	0.08
	Apurva Joshi	0.08	0.08
	Bhushan Gokhale	0.08	0.08
	Mehul Savla	-	0.04
	Richard Stiennon	0.08	0.08
Sub-total		**0.32**	**0.36**
Total		**6.48**	**5.55**

Compensation of key managerial personnel of the Group

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Short-term employee benefits (compensation)	5.99	5.03
Post - employment gratuity benefits	0.57	0.55
Leave benefits	0.04	0.03
Total compensation to key management personnel	**6.60**	**5.61**

* The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. The remuneration and perquisites on account of ESOP to key management personnel does not include employee stock compensation expense. The amount of performance link incentive to the extent paid till March 31, 2024 is only consider as remuneration Non-executive and independent directors do not receive gratuity entitlements and leave benefits from the Group.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

37. (B). MANAGERIAL REMUNERATION

During the year ended March 31, 2024, due to inadequacy of profits earned by the Holding Company, the remuneration paid to the Managing Director and Joint Managing Director of the Holding Company exceeds the limits prescribed under Section 197 of the Companies Act, 2013 read with Schedule V to the Act, by ₹ 0.24. Further, the remuneration paid exceeds the limit prescribed under regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, by ₹ 1.72. The Holding Company is in the process of placing this matter before the shareholders for seeking the requisite approvals at the forthcoming Annual General Meeting.

37 (c) During the year employee stock option were granted to key managerial personnel. The expenses on account of above share base payment recorded through the year ended March 31, 2024 amounts to ₹ 2.21. (March 31, 2023: ₹ Nil)

The details of 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	Exercise Price	March 31, 2024	March 31, 2023
		Number outstanding	Number outstanding
May 15, 2021	142.16	-	3,000
October 26, 2021	165.00	-	60,000
July 03, 2023	80.00	2,00,000	-
July 03, 2023	10.00	2,75,000	-

As per the Group policy, the option stands cancel or expire if the employee has not exercised the option within six months from the date of resignation.

Nature of transaction	Name of the related party	Year Ended March 31, 2024	Year Ended March 31, 2023
CSR contribution	Quick Heal Foundation	1.82	2.31
		1.82	**2.31**
Purchase of Material	Trixter Cyber Solutions Private Limited	0.26	0.50
		0.26	**0.50**
Rendering of services	Data Security Council of India	0.35	0.08
		0.35	**0.08**
Services received	Data Security Council of India	0.64	0.11
		0.64	**0.11**
Final equity dividend declared and paid for the financial year ended March 31, 2023 and March 31, 2022	Kailash Katkar	3.90	7.64
	Sanjay Katkar	3.90	7.64
	Anupama Katkar	0.95	1.86
	Chhaya Katkar	0.95	1.86
	Sneha Katkar	0.00	0.00
		9.70	**19.02**

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, 2024, the Holding Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: ₹ 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

37. MANAGERIAL REMUNERATION (Contd.)

Balance outstanding

Nature of transaction	Name of the related party	As at March 31, 2024	As at March 31, 2023
Commission payable to independent directors	Amitabha Mukhopadhyay	0.08	0.08
	Apurva Joshi	0.08	0.08
	Bhushan Gokhale	0.08	0.08
	Mehul Savla	-	0.04
	Richard Stiennon	0.16	0.08
		0.40	**0.36**
Trade receivables	Data Security Council of India	0.08	0.05
		0.08	**0.05**
Other receivables	Kailash Katkar	-	0.47
	Sanjay Katkar	-	0.40
		-	**0.87**
Trade payables	Trixter Cyber Solutions Private Limited	-	0.09
	Data Security Council of India	0.02	0.04
		0.02	**0.13**
Director Sitting Fees Payable	Richard Stiennon	0.02	-
		0.02	**-**

38. SEGMENT

The Group is engaged in providing security software solutions. The Chief Operating Decision Maker (CODM) reviews the information pertaining to revenue of each of the target customer group (segments) as mentioned below. However, based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Group has structured its operations into one operating segment viz. cyber security platform 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:

- Consumer
- Enterprise and Government

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

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
India	272.84	262.51
Outside India	18.91	15.58
Total	**291.75**	**278.09**

The revenue information above is based on location of the customers

Non current assets *

Particulars	As at March 31, 2024	As at March 31, 2023
India	141.37	148.34
Outside India	-	-
Total	**141.37**	**148.34**

* 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

39. 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, 2024	March 31, 2023	
Quick Heal Technologies America Inc.	USA	March 31	100.00%	100.00%	Sale of security software products
Seqrite Technologies DMCC	Dubai	March 31	100.00%	100.00%	Sale of security software products

All the above subsidiaries of the Group are included in these consolidated financial statements.

40. STATUTORY GROUP INFORMATION

Disclosure of additional information pertaining to Holding Company and subsidiaries after elimination:

March 31, 2024

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 OCI	Amount	As % of TCI
Quick Heal Technologies Limited	436.90	99.98%	24.07	99.30%	(13.61)	99.56%	10.46	98.96%
Quick Heal Technologies America Inc.	0.20	0.05%	0.06	0.25%	-	0.00%	0.06	0.57%
Seqrite Technologies DMCC	0.72	0.16%	0.02	0.08%	-	0.00%	0.02	0.19%
Consolidation elimination and adjustment effect	(0.82)	(0.19%)	0.09	0.37%	(0.06)	0.44%	0.03	0.28%
Total	**437.00**	**100.00%**	**24.24**	**100.00%**	**(13.67)**	**100.00%**	**10.57**	**100.00%**

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 OCI	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%**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

41. FAIR VALUES

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments.

	Carrying value		Fair value	
	March 31, 2024	**March 31, 2023**	**March 31, 2024**	**March 31, 2023**
Financial assets				
Carried at FVTPL				
Investments in mutual funds (quoted)	182.51	176.20	182.51	176.20
Carried at FVOCI				
Investments in equity instruments	2.20	4.72	2.20	4.72
Investment in Preference shares	-	10.94	-	10.94
Carried at amortised cost				
Investment in Tax Free Bonds	5.83	5.83	5.83	5.83
Trade and other receivables	131.72	122.65	131.72	122.65
Cash and cash equivalents	37.51	11.58	37.51	11.58
Other bank balances	0.25	0.27	0.25	0.27
Other financial assets	2.09	2.25	2.09	2.25
Total	**362.11**	**334.44**	**362.11**	**334.44**
Financial liabilities at amortised cost				
Trade and other payables	39.88	48.61	39.88	48.61
Other financial liabilities	3.82	12.73	3.82	12.73
Total	**43.70**	**61.34**	**43.70**	**61.34**

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 amortised 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

42. 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 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, 2024 and March 31, 2023.

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 defense limited					
As at March, 31, 2024	March 31, 2024	-	-	-	-
As at March, 31, 2023	March 31, 2023	1.62	-	-	1.62
Unquoted Equity Share in Ray Pte. Limited					
As at March, 31, 2024	March 31, 2024	2.20	-	-	2.20
As at March, 31, 2023	March 31, 2023	3.10	-	-	3.10
Unquoted Compulsory Convertible Preference Share in L7 defense limited					
As at March, 31, 2024	March 31, 2024	-	-	-	-
As at March, 31, 2023	March 31, 2023	10.94	-	-	10.94
Financial assets measured at fair value through profit and loss					
Mutual fund and Tax Free bonds investments					
Fair value through profit or loss investments					
As at March, 31, 2024	March 31, 2024	188.46	188.46	-	-
As at March, 31, 2023	March 31, 2023	182.28	182.28	-	-
Investment Property					
As at March, 31, 2024	March 31, 2024	65.79	-	65.79	-
As at March, 31, 2023	March 31, 2023	41.42	-	41.42	-

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 and preference 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 and preference investments.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

42. 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, 2024 and March 31, 2023:

	Unquoted equity and preference shares
As at April 1, 2022	21.64
Remeasurement recognised in OCI	(5.99)
Purchases	-
Sales	-
As at March 31, 2023	**15.65**
Remeasurement recognised in OCI	(13.45)
Purchases	-
Sales	-
As at March 31, 2024	**2.20**

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at March 31, 2024 and March 31, 2023 are as shown below:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value*
Unquoted equity and preference shares in L7 Defense Limited	Discounted cash flow method			Refer below note (a)
Unquoted equity and preference shares in L7 Defense 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 Ray Pte. Limited	Discounted cash flow method	Weighted average cost of equity	March 31, 2024: 15% - 17%	1% increase in the WACC would decrease the fair value by ₹ 3.62 and 1% decrease would increase the fair value by ₹ 4.19.
		Long-term growth rate for cash flows	March 31, 2024: 0.50% - 2.50%	1% increase in the growth would increase the fair value by ₹ 2.41 and 1% decrease would decrease the fair value by ₹ 2.11.
		Long-term operating margin	March 31, 2024: 31.33% - 41.33%	5% increase in the margin would increase the fair value by ₹ 6.86 and 5% decrease would decrease the fair value by ₹ 6.86.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

42. 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.

*The above sensitivity analysis for fair value calculation has been derived on the entire Ray Pte. Limited and L7 Defense Limited capital amount of the companies.

(a) Considering the financial position, liquidity condition, market conditions and geopolitical scenario in Israel, management based on its assessment has recorded a fair value loss in other comprehensive income (FVOCI) amounting to ₹ 13.45. Accordingly, the carrying value of investment made in L7 Defense Limited has been considered as ₹ Nil during the year ended March 31, 2024.

43. 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 review and agree policies for managing each of these risks, which are summarised below:

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, investments, receivables, payables, advances and other financial instruments. From the perspective of the Group, the impact of the foreign currency risk, material price risk, interest rate risk and other price risk is not significant.

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 Consolidated financial statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

43. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

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, 2024	USD	0.13	4%	0.50	0.50
				(0.50)	(0.50)
	AED	0.05	4%	0.05	0.05
				(0.05)	(0.05)
	SGD	0.04	4%	0.11	0.11
				(0.11)	(0.11)
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)
	SGD	0.05	4%	0.12	0.12
				(0.12)	(0.12)

* 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 receivables.

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, 2024 and March 31, 2023. The working capital as at March 31, 2024 was ₹ 290.51 (March 31, 2023: ₹ 251.53) including cash and cash equivalents.

As at March 31, 2024 and March 31, 2023, the outstanding employee obligations were ₹ 15.57 and ₹ 1.17 respectively which have been substantially funded. Accordingly, no significant liquidity risk is perceived.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)
(All amounts are in ₹ Crores, unless otherwise stated)

43. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

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, 2024					
Trade payables	-	15.86	23.90	0.12	39.88
Unpaid Dividend	0.17	-	-	-	0.17
Other financial liabilities	-	3.65	-	-	3.65
Total	**0.17**	**19.51**	**23.90**	**0.12**	**43.70**
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**

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, 2024 is ₹ 437.00 (March 31, 2023: ₹ 419.71).

The Group does not have any debt as on March 31, 2024 and March 31, 2023 and hence there is no debt-equity ratio is computed.

44. The Group has used an accounting software, for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level during the year ended March 31, 2024, in respect of Accounting Software to log any changes at Database level. Further, the audit trail facility has been operated throughout the year for all relevant transactions recorded in the accounting software, except at the database level; wherein the audit trail facility was enabled with effect from April 19, 2024.

However, for the year ended March 31, 2024, as part of IT control environment of the Group, the privileged access to the ERP database was restricted to limited set of users who necessarily require this access for maintenance and administration of the database. Further, no instance of audit trail feature being tampered with was noted in respect of the accounting software.

The Group has used an accounting software which is operated by a third-party software service provider, for maintaining its payroll records. In the absence of independent service auditors report, the Group is unable to state that the audit trail feature was enabled in the said software and operated throughout the year for all relevant transactions recorded in the software.

45. 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.

46. 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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

47. 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.

48. 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.

49. 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.

50. 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).

51. 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 Labor 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 Consolidated 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.

52. Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS and as required by Schedule III of the Act.

The accompanying notes form an integral part of the consolidated 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/- **Shraddha D Khivasara** Partner Membership Number: 134285	Sd/- **Kailash Katkar** Chairman & Managing Director DIN: 00397191	Sd/- **Sanjay Katkar** Joint Managing Director DIN: 00397277	Sd/- **Vishal Salvi** Chief Executive Officer	Sd/- **Ankit Maheshwari** Chief Financial Officer	Sd/- **Sarang Hari Deshpande** Company Secretary Regs. No. ACS-18613
Place: Pune Date: April 25, 2024.	Place: Pune Date: April 25, 2024.	Place: Pune Date: April 25, 2024.	Place: Pune Date: April 25, 2024.	Place: Pune Date: April 25, 2024.	Place: Pune Date: April 25, 2024.

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Quick Heal

SEQRITE

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