

Regd. Office: Marvel Edge, Office No. 7010 C & D, 7th Floor,
Opposite Neco Garden Society, Viman Nagar, Pune 411014.
Tel: +91 20 66813232 | Email: info@quickheal.com
CIN - L72200MH1995PLC091408

Ref. No.: QHTL/Sec/SE/2020-21/15

June 02, 2020

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

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

Dear Sir/Madam,

Sub: Intimation of Impact of COVID -19 Pandemic on the Company

This has reference to the advisory on disclosure of material impact of COVID–19 pandemic on listed entities vide SEBI circular no.: SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 and as per regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations'/'LODR').

Please see below the details of impact of COVID-19 covering the following areas:

S. No	Particulars	Company's response
1	Impact of the COVID-19 pandemic on the business	<p>In compliance with the directions issued by the Central / State Governments / Municipal Corporation with a view to prevent and contain the spread of COVID -19, our Company had triggered Business Continuity Plan well before official lock down was announced to ensure the safety and wellbeing of all its employees and stakeholders. The Company had proactively initiated the work from home as per the directions of the government at all its office locations which is still continuing.</p> <p>Owing to COVID -19 linked disruption, business conditions are challenging in the near future. Further, our product development is not fully functional as some of our products require physical presence of manpower for the development/testing to take place. Those products are impacted considerably. There are disruptions in Supply chain activities.</p> <p>Company's 80% revenue comes from retail business. Overall COVID-19 impacted our</p>

		<p>sales and revenue to a great extent. Post lockdown, we expect to see a gradual recovery in sales.</p>
2	Ability to maintain operations	<p>The Company's registered office is situated at Pune, Maharashtra which falls under Red Zone and was under lockdown. Hence, the operations at the office location are suspended and all the employees have been allowed the facility to work from home where their job duty permits it, until further notice by the management.</p> <p>Accordingly, important official work is being done to a certain extent. In this lockdown time, we are increasing use of digital means in our business operations. The offices will resume based on the guidelines from the local administration maintaining safe work practices.</p>
3	Steps taken to ensure smooth functioning of operations	<p>All staff and employees have been briefed regarding safety measures to be followed. There are regular communications from HR to all the employees encouraging them to adopt safe practises to contain the spread of COVID -19. Each employee is checked at the time of entry to the offices.</p> <p>Employees have been instructed to take all necessary precautions and given hand sanitisers & are required to wear masks and hand gloves. Also employees are instructed to follow staggered tea and lunch timings</p>
4	Estimation of the future impact of COVID-19 on its operations	<p>The Company has around 1,000 employees. We believe in protecting our employees, their families and the income source. The Company has managed the current pandemic situation at this time till date. It is hoped that normalcy will return gradually in about 6 to 9 months' time. Nevertheless, the pandemic and resultant economic restrictions will have an impact on the company's operations and revenues in the current year.</p> <p>Given the nature of the COVID-19 pandemic and the uncertainty around the severity and duration of the impact across the globe and its impact is rapidly evolving in India, the management of the Company is not in a position to accurately assess the impact of this on future financial performance at this point of time.</p>

5	Details of Impact:	
	- Capital and financial resources	The resources will get stretched due to increased requirement of working capital.
	- Profitability;	There will be huge impact on profitability of the Company.
	- Liquidity position;	The Company has liquidity to manage the current situation at this time
	- Ability to service debt and other financing arrangements;	The Company is debt-free
	- Assets;	No major impact on the assets of the Company is envisaged for now.
	- Internal financial reporting and control	The Company has a sound internal financial reporting and control mechanism and wherever applicable additional controls are being added to address the current situation.
	- Supply chain	It is too early to assess as lockdown is just getting relaxed in some parts of the country. Our supply chain has been impacted and we are facing lot of challenges in supplying our products to our channel partners which is directly impacting our revenues.
	- Demand for its products/services	The Company's 80% revenue comes from retail business. Our overall sales are down considerably leading to lower revenue and it will take some time to reach normalcy. However, demand for the products on e-commerce platforms is marginally increased.
	- Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business	Currently, the Company does not see any failure in performance by the Company of its obligations envisaged in contract / agreement entered into by it which may have material effect.
	- Other relevant material, if any	None

Further, while submitting the financials under Regulation 33 of the LODR, we have included the impact of the COVID-19 pandemic on our financial statements.

We continue to monitor the situation closely and provide regular updates, as and when there are material developments in this regard.

This is for your information & record.

For Quick Heal Technologies Limited

Sd/-

A. Srinivasa Rao
Company Secretary