

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS OF QUICK HEAL TECHNOLOGIES LIMITED FOR THE QUARTER ENDED JUNE 30, 2020

Sr. No	Particulars	(₹ in million, except earning per share)			
		Quarter ended			Year Ended
		June 30, 2020 (Unaudited)	March 31, 2020 (Audited)	June 30, 2019 (Unaudited)	March 31, 2020 (Audited)
1	Income				
	Revenue from operations	734.62	642.54	576.00	2,861.38
	Other income	63.15	82.42	84.46	315.96
	Total income	797.77	724.96	660.46	3,177.34
2	Expenses				
	Cost of raw materials consumed	1.05	0.19	6.29	8.16
	Purchase of security software products	6.60	45.70	8.27	95.94
	Changes in inventories of security software products	16.84	(17.00)	3.48	(3.86)
	Employee benefits expense	261.53	245.81	266.32	1,014.19
	Depreciation and amortisation expense	46.51	55.93	51.63	216.77
	Other expenses	127.24	291.99	163.40	833.03
	Total expenses	459.77	622.62	499.39	2,164.23
3	Profit / (loss) before exceptional items and tax (1-2)	338.00	102.34	161.07	1,013.11
4	Exceptional items	-	-	-	-
5	Profit / (loss) before tax (3-4)	338.00	102.34	161.07	1,013.11
6	Tax expense				
	Current tax				
	Pertaining to profit for the current period	98.91	2.83	41.78	211.44
	Adjustments of tax relating to earlier periods	-	-	-	-
	Deferred tax	(10.49)	19.58	0.31	57.56
	Total tax expense	88.42	22.41	42.09	269.00
7	Profit / (loss) for the period (5-6)	249.58	79.93	118.98	744.11
8	Other comprehensive income, net of tax				
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
	Re-measurement of defined benefit plans	1.00	1.25	3.96	9.73
	Exchange differences on translation of foreign operations	(0.08)	1.81	(1.32)	2.16
	Total other comprehensive income	0.92	3.06	2.64	11.89
9	Total comprehensive income (after tax) (7+8)	250.50	82.99	121.62	756.00
10	Paid-up equity share capital (face value of ₹10 each)	642.03	642.03	642.01	642.03
11	Other equity (as per balance sheet of previous accounting year)	-	-	-	5,798.65
12	Earnings per share of ₹10 each: (not annualised for the quarter)				
	a) Basic	3.89	1.24	1.70	11.34
	b) Diluted	3.89	1.24	1.70	11.34



QUICK HEAL TECHNOLOGIES LIMITED
 Regd. Office: Marvel Edge, Office No. 7010 C & D, 7th Floor, Opposite Neco Garden Society, Viman Nagar, Pune - 411014
 CIN: L72200MH1995PLC091408

NOTES TO THE STATEMENT OF CONSOLIDATED FINANCIAL RESULTS OF QUICK HEAL TECHNOLOGIES LIMITED FOR THE QUARTER ENDED JUNE 30, 2020

Notes to financial results:

- 1 The above financial results for the quarter ended June 30, 2020 have been subjected to limited review by the statutory auditors of the Group and reviewed by the Audit Committee and approved by the Board of Directors of the Parent Company at the meetings held on August 10, 2020 respectively.
- 2 During the year ended March 31, 2019, the Parent Company had received notice of demand dated March 13, 2019, in relation to service tax under the provisions of Finance Act, 1994 for ₹ 387.43 million (excluding interest and penalties) covering the period from April 1, 2016 to June 30, 2017 on supply of anti-virus software in Compact Disk. The Parent Company replied to the notice of demand to Commissioner of Goods and Service Tax. During the earlier years, the Parent Company have received similar notice of demands in relation to service tax under the provisions of Finance Act, 1994 for ₹1,223.07 million (excluding penalty of ₹626.97 million and predeposit, if any) covering the period from March 1, 2011 to March 31, 2016 on supply of anti-virus software in Compact Disk. The Parent Company had filed an appeal with Customs, Excise and Service Tax Appellate Tribunal, New Delhi for the period March 1, 2011 to March 31, 2014 and with the Customs, Excise and Service Tax Appellate Tribunal, Mumbai for the period April 1, 2014 to March 31, 2016. The Hon'ble Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Principal Bench, New Delhi, vide its judgment (Order No. 50022/2020) dated January 09, 2020 (Service Tax Appeal No. 51175 of 2016), has set aside the Service Tax demand for ₹560.71 million along with interest and penalty which was earlier confirmed by Directorate General of Central Excise Intelligence (DGCEI), New Delhi vide its Order of 2016 covering period from 2011 to 2014. Based on this judgement of CESTAT, New Delhi, technical circular issued by government authorities and an independent legal opinion obtained by the Parent Company in earlier years, the Parent Company is confident of getting the claims set aside for balance period from April 01, 2014 to June 30, 2017. Accordingly no provision/contingent liability has been recognized/disclosed in the financial statements.
- 3 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) viz. retail, enterprise & government and mobile. However, based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Group has structured its operations into one operating segment viz. anti-virus and as such there is no separate reportable operating segment as defined by Ind AS 108 "Operating segments".
- 4 Figures for the quarter ended March 31, 2020 is the balancing figures between the audited figures in respect of the full years and published year to date figures of nine month ended December 31, 2019
- 5 **Estimated uncertainty relating to COVID-19 outbreak**
 The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. In response, the Indian Government have taken various actions and announced phased lockdown across the country from March 24, 2020 to contain the spread of the virus, which is being extended from time to time till August 31, 2020. This pandemic and Government response resulted in significant disruption in global supply chain and business operations and adversely impacting most of the industries which has resulted in global slowdown.
 The Management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the quarter ended June 30, 2020 and has concluded that the impact is primarily on the operational aspects of the business. In assessing the recoverability of receivables including receivables, investments, and other assets, the Company has considered internal and external information up to the date of approval of these financial results including status of existing and future customer orders, cash flow forecasts, commitments with suppliers, etc. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to gradually recover the carrying amount of these assets, the Company has also considered the impact of subsequent events in its assessment and concluded that there is no significant impact which is required to be recognised in the financial results. Accordingly, no further adjustments have been made to the financial results.
 Considering the dynamic nature of the issue, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.
- 6 Ms. Priti Rao has resigned as Independent Director w.e.f June 01, 2020.
- 7 Mr. Bhushan Gokhale (DIN 01493276) is appointed as an Additional Director in the Independent category w.e.f August 12, 2020.
- 8 Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with the current year's classification / disclosure.

For and on behalf of the Board of Directors


 Kailash Katar
 Managing Director
 & Chief Executive Officer



Place: Pune
 Date: August 10, 2020

QUICK HEAL TECHNOLOGIES LIMITED

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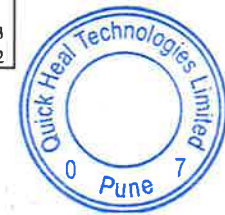
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STATEMENT OF STANDALONE FINANCIAL RESULTS OF QUICK HEAL TECHNOLOGIES LIMITED FOR THE QUARTER ENDED JUNE 30, 2020

(₹ in million, except per share data)

Sr. No	Particulars	Quarter ended			Year ended
		June 30, 2020 (Unaudited)	March 31, 2020 (Audited)	June 30, 2019 (Unaudited)	March 31, 2020 (Audited)
1	Income				
	Revenue from operations	734.40	634.31	571.49	2,834.04
	Other income	62.63	81.12	84.27	313.41
	Total income	797.03	715.43	655.76	3,147.45
2	Expenses				
	Cost of raw materials consumed	1.05	0.19	6.18	8.16
	Purchase of security software products	6.60	45.70	8.27	95.94
	Increase / (decrease) in inventories of security software products	16.84	(21.34)	3.87	(16.18)
	Employee benefits expense	257.54	242.04	264.13	999.90
	Depreciation and amortisation expense	46.50	55.88	51.61	216.64
	Other expenses	124.12	287.46	158.91	815.42
	Total expenses	452.65	609.93	492.97	2,119.88
3	Profit / (Loss) before exceptional items and tax (1-2)	344.38	105.50	162.79	1,027.57
4	Exceptional items (refer note 3)	-	23.17	-	23.17
5	Profit / (Loss) before tax (3-4)	344.38	82.33	162.79	1,004.40
6	Tax expense				
	Current tax				
	Pertaining to profit for the current period	98.54	2.51	41.62	210.45
	Deferred tax	(10.49)	19.58	0.31	57.56
	Total tax expense	88.05	22.09	41.93	268.01
7	Profit / (Loss) for the period (5-6)	256.33	60.24	120.86	736.39
8	Other comprehensive income, net of tax				
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
	Re-measurement of defined benefit plans	1.00	1.25	3.96	9.73
	Net (loss) or gain on FVTOCI assets	-	-	-	-
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
	Exchange differences on translation of foreign operations	-	-	-	-
	Total other comprehensive income	1.00	1.25	3.96	9.73
9	Total comprehensive income (after tax) (7+8)	257.33	61.49	124.82	746.12
10	Paid-up equity share capital (face value of ₹ 10 each)	642.03	642.03	642.01	642.03
11	Other equity (as per balance sheet of previous accounting year)				5,840.10
12	Earnings per share of ₹ 10 each: (not annualised except for the year ended March)				
	a) Basic	3.99	0.94	1.73	11.23
	b) Diluted	3.99	0.94	1.73	11.22

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QUICK HEAL TECHNOLOGIES LIMITED

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- During the earlier years, Company received similar notice of demands in relation to service tax under the provisions of Finance Act, 1994 for ₹ 1,223.07 million (excluding penalty of ₹ 626.97million and predeposit, if any) covering the period from March 1, 2011 to March 31, 2016 on supply of anti-virus software in Compact Disk. Company had filed an appeal with Customs, Excise and Service Tax Appellate Tribunal, New Delhi for the period March 1, 2011 to March 31, 2014 and with the Customs, Excise and Service Tax Appellate Tribunal, Mumbai for the period April 1, 2014 to March 31, 2016.
- The Hon'ble Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Principal Bench, New Delhi, vide its judgment (Order No. 50022/2020) dated January 09, 2020 (Service Tax Appeal No. 51175 of 2016), has set aside the Service Tax demand for ₹ 560.71 million along with interest and penalty which was earlier confirmed by Directorate General of Central Excise Intelligence (DGCEI), New Delhi vide its Order of 2016 covering period from 2011 to 2014.
- Based on this latest judgement of CESTAT, New Delhi, technical circular issued by government authorities and an independent legal opinion obtained by the Company in earlier years, the Company is confident of getting the claims set aside for balance period from April 01, 2014 to June 30, 2017. Accordingly no provision/contingent liability has been recognized/disclosed in the financial statements..

3 **Impairment of investments**

Included in exceptional items

(₹ in million)

Particulars	Standalone			
	Quarter ended		Year ended	
	June 30, 2020 (Unaudited)	March 31, 2020 (Audited)	June 30, 2019 (Unaudited)	March 31, 2020 (Audited)
Impairment of investment in wholly owned subsidiaries	-	23.17	-	23.17

- 4 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) viz. retail, enterprise & government and mobile. However, based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into one operating segment viz. anti-virus and as such there is no separate reportable operating segment as defined by Ind AS 108 "Operating segments".



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The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the quarter ended June 30, 2020 and has concluded that the impact is primarily on the operational aspects of the business. In assessing the recoverability of receivables including receivables, investments, and other assets, the Company has considered internal and external information up to the date of approval of these financial results including status of existing and future customer orders, cash flow forecasts, commitments with suppliers, etc. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to gradually recover the carrying amount of these assets, the Company has also considered the impact of subsequent events in its assessment and concluded that there is no significant impact which is required to be recognised in the financial results. Accordingly, no further adjustments have been made to the financial results.

Considering the dynamic nature of the issue, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

6 Ms. Priti Rao has resigned as Independent Director w.e.f June 01, 2020.

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Place: Pune

Date: August 10, 2020



For and on behalf of the Board of Directors

Kailash Katkar
Managing Director
& Chief Executive Officer