

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

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS OF QUICK HEAL TECHNOLOGIES LIMITED FOR THE QUARTER ENDED JUNE 30, 2021

(₹ in million, except earning per share)

Sr. No	Particulars	Quarter ended			Year ended
		June 30, 2021 (Unaudited)	March 31, 2021 (Audited)	June 30, 2020 (Unaudited)	March 31, 2021 (Audited)
1	Income				
	Revenue from operations	547.84	1,052.94	734.62	3,330.44
	Other income	62.51	57.34	63.15	241.61
	Total income	610.35	1,110.28	797.77	3,572.05
2	Expenses				
	Cost of raw materials consumed	1.18	3.60	1.05	10.27
	Purchase of security software products	11.66	40.43	6.60	83.29
	Changes in inventories of security software products	(2.38)	(4.07)	16.84	22.78
	Employee benefits expense	327.62	315.10	261.53	1,147.44
	Depreciation and amortisation expense	40.98	50.00	46.51	194.87
	Other expenses	157.75	160.10	127.24	652.03
	Total expenses	536.81	565.16	459.77	2,110.68
3	Profit before tax (1-2)	73.54	545.12	338.00	1,461.37
4	Tax expense				
	Current tax				
	Pertaining to profit for the current period	10.89	111.01	98.91	340.38
	Adjustments of tax relating to earlier periods	-	17.56	-	17.56
	Deferred tax	0.82	19.29	(10.49)	33.63
	Total tax expense	11.71	147.86	88.42	391.57
5	Profit for the period (3-4)	61.83	397.26	249.58	1,069.80
6	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	(2.10)	4.13	1.00	1.26
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
	Exchange differences on translation of foreign operations	0.63	(0.72)	(0.08)	(3.60)
	Total other comprehensive income	(1.47)	3.41	0.92	(2.34)
7	Total comprehensive income (after tax) (5+6)	60.36	400.67	250.50	1,067.46
8	Paid-up equity share capital (face value of ₹10 each)	578.80	642.07	642.03	642.07
9	Other equity (as per balance sheet of previous accounting year)	-	-	-	6,872.79
10	Earnings per share of ₹10 each: (not annualised for the quarter)				
	a) Basic	0.97	6.19	3.89	16.66
	b) Diluted	0.97	6.19	3.89	16.65



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NOTES TO THE STATEMENT OF CONSOLIDATED FINANCIAL RESULTS OF QUICK HEAL TECHNOLOGIES LIMITED FOR THE QUARTER ENDED JUNE 30, 2021

Notes to financial results:

- 1 The above financial results for the quarter ended June 30, 2021 have been subjected to limited review by the statutory auditors of the Company and reviewed by the Audit Committee and approved by the Board of Directors of the Company at the meeting held on August 07, 2021.
- 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 (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, Pune.

During the earlier years, The Parent Company received similar notice of demands in relation to service tax under the provisions of Finance Act, 1994 for ₹1,223.07 (excluding penalty of ₹626.97 and pre-deposit, if any) covering the period from March 1, 2011 to March 31, 2016 on supply of anti-virus software in Compact Disk. The 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 along with interest and penalty which was earlier confirmed by Directorate General of Central Excise Intelligence (DGCEI), New Delhi vide its Order of 2016 covering period from for the period March 1, 2011 to March 31, 2014.

Based on the latest judgement dated January 09, 2020 of CESTAT, New Delhi, technical circular issued by government authorities and an independent legal opinion obtained by the Parent Company in earlier years, the Company is confident to get relief and set aside for balance period from April 01, 2014 to June 30, 2017. Accordingly, no provision/contingent liability had been recognized/disclosed in the financial statements.

The Commissioner of Service Tax, Delhi has preferred an appeal against the above said Order passed by the Hon'ble Customs, Excise & Service Tax Appellate Tribunal (CESTAT) amounting to ₹ 560.71 and hearing for admission level is pending with the Hon'ble Supreme Court.
- 3 The Board of Directors of the Company at its meeting held on March 10, 2021 and the shareholders by way of postal ballot on April 18, 2021, approved the buy back of the Company fully paid equity shares of the face value of ₹10 each from its shareholder/beneficial owners of the Company including promoters of the Company as on the record date, on a proportionate basis through the "tender offer" route at a price of ₹245 per share for an aggregate amount not exceeding ₹1,550. The Company completed the Buy Back Process on June 24, 2021 and has complied with all the requisite formalities with SEBI and ROC.

In line with the requirement of the Companies Act, 2013, an amount of ₹ 594.33 and ₹ 1,252.73 (Including tax on buy back of ₹ 360.32) has been utilised from securities premium and retained earnings respectively. In accordance with section 69 of the Companies Act, 2013, during the three months ended June 30, 2021, capital redemption reserve of ₹ 63.27 (representing the nominal value of the shares bought back) has been created as an apportionment from retained earnings. Consequent to such buy back, the paid-up equity share capital has reduced by ₹ 63.27. Further, transaction cost of buy back of shares of ₹ 17.24 has been reduced from retained earnings.
- 4 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".
- 5 **Estimated uncertainty relating to COVID-19 outbreak**
The Management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at quarter ended June 30, 2021 and has concluded that the impact is primarily on the operational aspects of the business. In assessing the recoverability of receivables, investments, and other assets, the Group 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 Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to gradually recover the carrying amount of these assets, the Group 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 Group will continue to closely monitor any material changes to future economic conditions
- 6 The Code on Social Security 2020 ('the Code') relating to employee benefits, during employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.
- 7 The Board of Directors has approved the discontinuation of operations of Quick Heal Technologies Japan KK, Japan.
- 8 Previous period's figures have been regrouped / reclassified wherever necessary to make them comparable with the current period's classification / disclosure.

Place: Pune

Date: August 07, 2021



For and on behalf of the Board of Directors

(Signature)

Kailash Katkar
Managing Director
& Chief Executive Officer

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STATEMENT OF STANDALONE FINANCIAL RESULTS OF QUICK HEAL TECHNOLOGIES LIMITED FOR THE QUARTER ENDED JUNE 30, 2021

(₹ in million, except per share data)

Sr. No	Particulars	Quarter ended		Year ended	
		June 30, 2021 (Unaudited)	March 31, 2021 (Audited)	June 30, 2020 (Unaudited)	March 31, 2021 (Audited)
1	Income				
	Revenue from operations	543.83	1,061.05	734.40	3,335.28
	Other income	62.35	57.24	62.63	239.37
	Total income	606.18	1,118.29	797.03	3,574.65
2	Expenses				
	Cost of raw materials consumed	1.18	3.60	1.05	10.27
	Purchase of security software products	14.90	40.40	6.60	80.45
	Increase / (decrease) in inventories of security software products	(2.73)	(3.90)	16.84	22.96
	Employee benefits expense	324.99	311.35	257.54	1,131.97
	Depreciation and amortisation expense	40.96	49.98	46.50	194.78
	Other expenses	161.22	168.86	124.12	675.85
	Total expenses	540.52	570.29	452.65	2,116.28
3	Profit before exceptional items and tax (1-2)	65.66	548.00	344.38	1,458.37
4	Exceptional items (refer note 3)	21.64	-	-	-
5	Profit before tax (3-4)	44.02	548.00	344.38	1,458.37
6	Tax expense				
	Current tax				
	Pertaining to profit for the current period	10.59	110.77	98.54	339.24
	Adjustments of tax relating to earlier periods (Net)	-	17.56	-	17.56
	Deferred tax	0.82	19.29	(10.49)	33.63
	Total tax expense	11.41	147.62	88.05	390.43
7	Profit for the period (5-6)	32.61	400.38	256.33	1,067.94
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	(2.10)	4.13	1.00	1.26
	Other comprehensive income to be reclassified to profit or loss in subsequent periods				
	Exchange differences on translation of foreign operations	-	-	-	-
	Total other comprehensive income	(2.10)	4.13	1.00	1.26
9	Total comprehensive income (after tax) (7+8)	30.51	404.51	257.33	1,069.20
10	Paid-up equity share capital (face value of ₹ 10 each)	578.80	642.07	642.03	642.07
11	Other equity (as per balance sheet of previous accounting year)	-	-	-	6,915.97
12	Earnings per share of ₹ 10 each: (not annualised except for the year ended March)				
	a) Basic	0.51	6.24	3.99	16.64
	b) Diluted	0.51	6.22	3.99	16.62



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3 **Impairment of investments**
Included in exceptional items

(₹ in million)

Particulars	Standalone			
	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Impairment of investment in wholly owned subsidiaries	21.64	-	-	-

- 4 The Board of Directors of the Company at its meeting held on March 10, 2021 and the shareholders by way of postal ballot on April 18, 2021, approved the buy back of the Company fully paid equity shares of the face value of ₹ 10 each from its shareholder/beneficial owners of equity shares of the Company including promoters of the Company as on the record date, on a proportionate basis through the "tender offer" route at a price of ₹ 245 per share for an aggregate amount not exceeding ₹ 1,550. The Company completed the Buy Back Process on June 24, 2021 and has complied with all the requisite formalities with SEBI and ROC.
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Place: Pune
Date: August 07, 2021



For and on behalf of the Board of Directors

A handwritten signature in blue ink, appearing to read "K Katkar".

Kailash Katkar
Managing Director
& Chief Executive Officer