

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 AND ITS SUBSIDIARIES FOR THE QUARTER ENDED JUNE 30, 2019

(INR in million, except per share data)

Sr. No	Particulars	Quarter ended		Year ended	
		June 30, 2019 (Unaudited)	March 31, 2019 (Audited)	June 30, 2018 (Unaudited)	March 31, 2019 (Audited)
1	Income				
	Revenue from operations	576.00	860.01	530.88	3,149.26
	Other income	84.46	85.15	64.09	326.67
	Total income	660.46	945.16	594.97	3,475.93
2	Expenses				
	Cost of raw materials consumed	6.17	11.42	5.32	30.56
	Purchase of security software products	8.27	33.98	18.54	115.96
	Changes in inventories of security software products	3.60	(9.58)	(8.17)	(19.40)
	Employee benefits expense	266.32	239.59	254.77	988.51
	Depreciation and amortisation expense	51.63	56.32	59.22	235.49
	Other expenses	163.40	198.39	171.18	754.62
	Total expenses	499.39	530.12	500.86	2,105.74
3	Profit / (loss) before exceptional items and tax (1-2)	161.07	415.04	94.11	1,370.19
4	Exceptional items	-	-	-	-
5	Profit / (loss) before tax (3-4)	161.07	415.04	94.11	1,370.19
6	Tax expense				
	Current tax				
	Pertaining to profit for the current period	41.78	146.99	29.75	447.25
	Adjustments of tax relating to earlier periods	-	31.28	-	45.99
	Deferred tax	0.31	(40.70)	3.24	(41.29)
	Total tax expense	42.09	137.57	32.99	451.95
7	Profit / (loss) for the period (5-6)	118.98	277.47	61.12	918.24
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	3.96	0.42	(4.69)	(3.23)
	Net (loss) or gain on FVTOCI assets	-	-	-	(29.52)
	Exchange differences on translation of foreign operations	(1.32)	0.17	2.30	2.73
	Total other comprehensive income	2.64	0.59	(2.39)	(30.02)
9	Total comprehensive income (after tax) (7+8)	121.62	278.06	58.73	888.22
10	Paid-up equity share capital (face value of INR 10 each)	642.01	705.63	704.70	705.63
11	Other equity (as per balance sheet of previous accounting year)				7,191.79
12	Earnings per share of INR 10 each: (not annualised for the quarter)				
	a) Basic	1.70	3.94	0.87	13.03
	b) Diluted	1.70	3.94	0.87	13.02

Unaudited standalone financial information

(INR in million, except per share data)

Sr. No	Particulars	Quarter ended		Year ended	
		June 30, 2019 (Unaudited)	March 31, 2019 (Audited)	June 30, 2018 (Unaudited)	March 31, 2019 (Audited)
1	Revenue from operations	571.49	853.54	527.88	3,129.03
2	Profit before tax	162.79	374.54	97.34	1,290.70
3	Profit after tax	120.86	237.26	64.41	839.64

Notes to financial results:

- 1 The above financial results for the quarter ended June 30, 2019 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 Group at the meeting held on August 08, 2019.
- 2 In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendments) Regulations, 2018 dated May 09, 2018 the company has prepared and published the quarterly consolidated financial results for the first time for the quarter ended June 30, 2019. Thus, the quarterly financial results reported above for the quarter ended June 30, 2018 and quarter ended March 31, 2019 were not subjected to limited review.
- 3 During the previous year ended March 31, 2019, the Group has received notice of demand dated March 13, 2019, in relation to service tax under the provisions of Finance Act, 1994 for INR 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 Group has replied the notice of demand to Commissioner of Goods and Service Tax, Pune.

During the earlier years, the Group had similarly received notice of demands in relation to service tax under the provisions of Finance Act, 1994 for INR 1,223.07 million (excluding penalty of INR 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 Group 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.

Based on technical circular issued by government authorities and an independent legal opinion obtained by the Group in earlier years, the Group is of the view that the said claim would be set aside. Accordingly no provision (including interest and penalty) has been recognised and the demand has been disclosed as contingent liability in the financial statements.
- 4 Effective April 1, 2019, the Group has adopted Ind AS 116 "leases". The application of Ind AS 116 did not have any material impact on the financial results of the Group.
- 5 The Board of Directors of the Group at its meeting held on March 5, 2019 and the shareholders by way of postal ballot on April 13, 2019, approved the buy back of the Parent Company fully paid equity shares of the face value of INR 10 each from its shareholder/beneficial owners of equity shares of the Quick Heal Technologies Limited (Parent Company) including promoters and promoter group of the Parent Company as on the record date, on a proportionate basis through the "tender offer" route at a price of INR 275 per share for an aggregate amount not exceeding INR 1,750 million. The Parent Company completed the Buy Back Process in June 2019 and has complied with all the requisite formalities with SEBI and ROC
- 6 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".
- 7 Mr. Pradeep V Bhide resigned as Independent Director of the Parent Company w.e.f. April 01, 2019.
Mr. Manu Parpia resigned as Independent Director of the Parent Company w.e.f. May 11, 2019.
- 8 Figures for the quarter ended March 31, 2019 are the balancing figures between the audited figures of the financial year ended March 31, 2019 and unaudited and non reviewed figures for the nine month ended December 31, 2018.

For and on behalf of the Board of Directors


Sanjay Katkar
Joint Managing Director
& Chief Technology Officer

Place: Pune

Date: August 08, 2019