

STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2019

	As at September 30, 2019 (Unaudited)	As at March 31, 2019 (Audited)
Assets		
Non-current assets		
(a) Property, plant and equipment	1,565.26	1,570.04
(b) Capital work-in-progress	36.63	106.33
(c) Intangible assets	51.09	77.08
(d) Financial assets		
(i) Investments	320.86	296.23
(ii) Loans and security deposits	3.81	3.75
(iii) Other financial assets	3.89	4.04
(e) Deferred tax assets (net)	66.65	86.69
(f) Income tax assets (net)	83.65	45.54
(g) Other non-current assets	1.59	0.52
	2,133.43	2,190.22
Current assets		
(a) Inventories	44.57	53.94
(b) Financial assets		
(i) Investments	2,439.87	3,602.17
(ii) Trade receivables	1,249.94	1,250.52
(iii) Cash and cash equivalents	131.35	129.56
(iv) Bank balances other than (iii) above	1,013.13	1,219.44
(v) Loans and security deposits	7.52	7.09
(vi) Interest accrued	31.98	30.59
(c) Other current assets	45.22	44.74
	4,963.58	6,338.05
Total assets	7,097.01	8,528.27
Equity and liabilities		
Equity		
(a) Equity share capital	642.03	705.63
(b) Share application money pending allotment	-	0.17
(c) Other equity		
(i) Retained earnings	4,754.46	4,418.83
(ii) Securities premium	593.84	2,343.38
(iii) Amalgamation reserve	26.45	26.45
(iv) General reserve	450.26	450.26
(v) Capital redemption reserve	63.64	-
(vi) Other reserves	(38.87)	(47.13)
Total equity	6,491.81	7,897.59
Liabilities		
Non-current liabilities		
(a) Net employee defined benefit liabilities	4.64	18.37
(b) Other non-current liabilities	19.63	19.53
	24.27	37.90
Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	-	0.37
(b) Total outstanding dues creditors other than micro enterprises and enterprises	352.53	387.50
(ii) Other financial liabilities	17.53	34.23
(b) Other current liabilities	153.88	135.76
(c) Net employee defined benefit liabilities	18.67	21.22
(d) Income tax liabilities (net)	38.32	13.70
	580.93	592.78
Total liabilities	605.20	630.68
Total equity and liabilities	7,097.01	8,528.27



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 AND SIX MONTH ENDED SEPTEMBER 30, 2019

(INR in million, except per share data)

Sr. No	Particulars	Quarter ended			Six Month ended		Year ended
		September 30, 2019 (Unaudited)	June 30, 2019 (Unaudited)	September 30, 2018 (Unaudited)	September 30, 2019 (Unaudited)	September 30, 2018 (Unaudited)	March 31, 2019 (Audited)
1	Income						
	Revenue from operations	985.77	576.00	1,091.32	1,561.77	1,622.20	3,149.26
	Other income	73.38	84.46	86.85	157.84	150.94	326.67
	Total income	1,059.15	660.46	1,178.17	1,719.61	1,773.14	3,475.93
2	Expenses						
	Cost of raw materials consumed	1.68	6.17	10.75	7.85	12.98	30.56
	Purchase of security software products	24.48	8.27	43.33	32.75	62.55	115.96
	Changes in inventories of security software products	10.68	3.60	(8.28)	14.28	(14.04)	(19.40)
	Employee benefits expense	255.10	266.32	248.35	521.42	503.12	988.51
	Depreciation and amortisation expense	55.30	51.63	60.16	106.93	119.38	235.49
	Other expenses	216.25	163.40	200.69	379.65	371.87	754.62
	Total expenses	563.49	499.39	555.00	1,062.88	1,055.86	2,105.74
3	Profit / (loss) before exceptional items and tax (1-2)	495.66	161.07	623.17	656.73	717.28	1,370.19
4	Exceptional items	-	-	-	-	-	-
5	Profit / (loss) before tax (3-4)	495.66	161.07	623.17	656.73	717.28	1,370.19
6	Tax expense						
	Current tax						
	Pertaining to profit for the current period	110.14	41.78	191.44	151.92	221.19	447.25
	Adjustments of tax relating to earlier periods	-	-	14.71	-	14.71	45.99
	Deferred tax	18.17	0.31	(4.01)	18.48	(0.77)	(41.29)
	Total tax expense	128.31	42.09	202.14	170.40	235.13	451.95
7	Profit / (loss) for the period (5-6)	367.35	118.98	421.03	486.33	482.15	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	0.60	3.96	1.36	4.56	(3.33)	(3.23)
	Net (loss) or gain on FVTOCI assets	-	-	(29.52)	-	(29.52)	(29.52)
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:						
	Exchange differences on translation of foreign operations	0.41	(1.32)	2.05	(0.91)	4.35	2.73
	Total other comprehensive income	1.01	2.64	(26.11)	3.65	(28.50)	(30.02)
9	Total comprehensive income (after tax) for the period (7+8)	368.36	121.62	394.92	489.98	453.65	888.22
10	Paid-up equity share capital (face value of INR 10 each)	642.03	642.01	704.89	642.03	704.89	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	5.72	1.70	5.97	7.26	6.84	13.03
	b) Diluted	5.72	1.70	5.97	7.26	6.83	13.02



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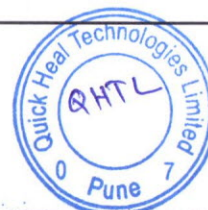
NOTES TO THE STATEMENT OF CONSOLIDATED FINANCIAL RESULTS OF QUICK HEAL TECHNOLOGIES LIMITED FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2019**Notes to financial results:**

- 1 The above financial results for the quarter and six months ended September 30, 2019 have been subjected to limited review by the statutory auditors and reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on November 14, 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 and half yearly consolidated financial results for the quarter and half year ended September 30, 2019. The financial results reported above for the corresponding quarter ended September 30, 2018 and the corresponding year-to-date from April 1, 2018 to September 30, 2018, under Indian Accounting Standards ('Ind AS') and net cash inflow/outflow, have been approved by the Board of Directors but have not been subjected to review.
- 3 During the previous year ended March 31, 2019, Company had 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. Company replied the notice of demand to Commissioner of Goods and Service Tax, Pune.


During the earlier years, Company received similar 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. 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.

Based on technical circular issued by government authorities and an independent legal opinion obtained by the Company in earlier years, the Company is confident of getting this claim 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 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

In accordance with section 69 of the Companies Act, 2013, the Company has created 'Capital Redemption Reserve' of INR 63.64 million equal to the nominal value of the shares bought back as an appropriation from Securities Premium Account.
- 6 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".
- 7 Mr. Amitabha Mukhopadhyay appointed as Independent Director of the Company w.e.f. June 10, 2019 which was confirmed with the approval of shareholders in the 24th Annual General Meeting held on 15 July 2019.
- 8 Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with the current year's classification / disclosure.

Place: Pune
Date: November 14, 2019

For and on behalf of the Board of Directors


Kailash Katkar
Managing Director
& Chief Executive Officer

Quick Heal Technologies Limited
Consolidated Cash flow statement for the period ended September 30, 2019

(All amounts are in INR million, unless otherwise stated)

	September 30, 2019	March 31, 2019	September 30, 2018
	(Unaudited)	(Audited)	(Unaudited)
A. Cash flow from operating activities			
Profit before tax	656.73	1,370.19	717.28
Adjustment to reconcile profit before tax to net cash flows:			
Net (gain) / loss foreign exchange differences	(0.94)	1.26	(2.43)
Employee share based payments expense	9.25	10.68	2.88
Depreciation and amortization expense	106.93	235.49	119.38
Interest income	(46.46)	(110.05)	(56.01)
Provision for doubtful debts and advances	5.42	19.14	12.40
Bad debts / property, plant and equipment written off	1.11	4.09	1.82
Property, plant and equipment written off			0.62
Profit on sale of property, plant and equipment	(0.81)	(21.33)	(8.92)
Dividend income	(63.08)	(148.01)	(64.67)
Exchange difference on translation of foreign currency cash and cash equivalents	0.39	(1.97)	4.35
Net gain on sale of investment	(0.25)	(0.42)	(10.18)
Net (gain) / loss on FVTPL current investment	(12.68)	(16.53)	-
Operating profit before working capital changes	655.61	1,342.54	716.52
Movements in working capital:			
(Increase)/decrease in trade receivables	(5.92)	(241.40)	(143.78)
(Increase)/decrease in inventories	9.37	2.30	(4.60)
(Increase)/decrease in loans	(0.50)	1.19	(0.78)
(Increase)/decrease in other financial assets	(1.24)	(1.12)	(1.05)
(Increase)/decrease in other assets	(1.64)	(19.76)	(16.47)
Increase/(decrease) in net employee defined benefit liabilities	(10.15)	0.51	(8.48)
Increase/(decrease) in trade payables	(35.27)	60.70	68.90
Increase/(decrease) in other current liabilities	18.11	22.80	48.73
Cash generated from operations	628.37	1,167.76	658.99
Direct taxes paid (net of refunds)	(165.41)	(553.89)	(255.43)
Net cash flow from operating activities (A)	462.96	613.87	403.56
B. Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advances)	(25.16)	(108.57)	(8.14)
Proceeds from sale of property, plant and equipment	2.73	31.83	8.92
Investments in non-current investments (other)	(24.63)	(150.00)	(48.57)
Purchase of current investments	(1,680.01)	(6,735.48)	(1,626.71)
Sale of current investments	2,855.24	6,039.30	1,402.91
(Increase)/decrease in bank balances other than cash and cash equivalents	206.39	288.28	28.76
Interest received	46.55	118.46	57.02
Dividends received	63.08	148.01	64.67
Net cash (used in) investing activities (B)	1,444.19	(368.17)	(121.14)
C. Cash flow from financing activities			
Dividend paid on equity shares	(128.32)	(211.19)	(211.24)
Tax on equity dividend paid	(26.86)	(43.03)	(43.03)
Proceeds from issuance of equity shares (including securities premium and Buy back)	(1,749.54)	14.28	6.30
Share application money pending allotment	(0.17)	0.17	-
Net cash flow (used in) financing activities (C)	(1,904.89)	(239.77)	(247.97)
Net (decrease) in cash and cash equivalents (A+B+C)	2.26	5.93	34.45
Cash and cash equivalents at the beginning of the period	130.04	122.14	122.14
Effect of exchange differences on cash and cash equivalents held in foreign currency	(0.39)	1.97	(4.35)
Cash and cash equivalents at the end of the period	131.91	130.04	152.24
Components of cash and cash equivalents			
Cash on hand	0.43	0.35	0.45
Balances with banks			
On current account	123.90	94.29	129.16
On EEFC account	6.08	2.68	14.70
Unpaid dividend account	0.56	0.48	0.43
Deposits with original maturity of less than three months	-	28.37	7.50
Cheques on hand	0.94	3.87	-
Total cash and cash equivalents (refer note 12)	131.91	130.04	152.24

