

Ref. No.: QHTL/Sec/SE/2019-20/64

November 18, 2019

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: Outcome of Board Meeting – Newspaper Advertisement

In continuation to our letter dated November 14, 2019 with regard to outcome of Board Meeting, please find enclosed copies of advertisement published in following newspapers:

Newspaper	Language	Editions
Financial Express	English	All
Prabhat	Marathi	Pune

This is for your information and records.

For Quick Heal Technologies Limited


A. Srinivasa Rao
Company Secretary



QUICK HEAL TECHNOLOGIES LIMITED

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

Phone: +91 20 66813232 CIN: L72200MH1995PLC091408 Email : cs@quickheal.co.in

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS OF QUICK HEAL TECHNOLOGIES LIMITED FOR THE QUARTER AND SIX MONTHS 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)
	Income tax effect on above						
	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

Unaudited standalone financial information

(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	Revenue from operations	976.89	571.49	1,088.56	1,548.38	1,616.44	3,129.03
2	Profit before tax	503.71	162.79	579.01	666.50	676.35	1,290.70
3	Profit after tax	375.66	120.86	377.04	496.52	441.45	839.64

Notes to financial results:

- 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.
- 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.
- 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.
- 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.
- 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.
- 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".
- 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.
- 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

Sd/-

Kailash Katkar

Managing Director

& Chief Executive Officer

Place: Pune

Date: November 14, 2019