

Ref No.: QHTL/Sec/SE/2016-17/113

3rd February 2017

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

Subject: Outcome of Board Meeting 3rd February 2017

Dear Sir/Madam,

We wish to inform you that the Board of Directors at its meeting held on 3rd February 2017 which commenced at 2.30 pm and concluded at 4.00 pm, has approved following:

1. Unaudited Standalone Financial Results of the Company for the quarter and nine months ended 31st December 2016.
2. Pursuant to Regulation 33 of SEBI Regulations, we have enclosed herewith Limited Review Report for the Unaudited Standalone Financial Results of the Company for the quarter and nine months ended 31st December 2016 from our Statutory Auditors M/s S R B C & CO LLP, Chartered Accountants.

This is for your information and records.

For Quick Heal Technologies Limited

Vijay Shirode
Company Secretary



Encl: As Above

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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 STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016

(in Millions)

Sr. No.	Particulars	Quarter ended			Nine months ended	
		December 31, 2016 (Unaudited)	September 30, 2016 (Unaudited)	December 31, 2015 (Refer Note 2)	December 31, 2016 (Unaudited)	December 31, 2015 (Refer Note 2)
	Income from operations					
1	a) Income from operations	531.93	1,064.30	539.64	2,071.37	1,868.24
	b) Other operating income	-	-	-	-	-
	Total income from operations (a+b)	531.93	1,064.30	539.64	2,071.37	1,868.24
2	Expenses					
	a) Cost of raw materials consumed	2.32	3.91	2.97	10.06	7.52
	b) Purchase of security software products	27.54	40.14	24.04	84.20	74.29
	c) Changes in inventories of security software products	(6.89)	6.61	(0.37)	(1.75)	9.27
	d) Employee benefits expense	249.08	253.85	208.00	740.29	612.36
	e) Depreciation and amortisation expense	75.63	77.57	60.21	227.08	173.62
	f) Other expenses	211.02	203.84	269.24	648.82	668.20
	Total expenses	558.70	585.92	564.09	1,708.70	1,545.26
3	Profit/(loss) from operations before other income, finance costs and exceptional items (1-2)	(26.77)	478.38	(24.45)	362.67	322.98
4	Other income	75.68	69.06	12.78	218.90	56.36
5	Profit/(loss) from ordinary activities before finance costs and exceptional items (3+4)	48.91	547.44	(11.67)	581.57	379.34
6	Finance costs	-	-	-	-	-
7	Profit/(loss) from ordinary activities after finance costs but before exceptional items (5-6)	48.91	547.44	(11.67)	581.57	379.34
8	Exceptional items (refer note 8)	6.33	-	-	44.13	-
9	Profit/(loss) from ordinary activities before tax (7-8)	42.58	547.44	(11.67)	537.44	379.34
10	Tax expense	16.43	184.34	3.73	182.07	129.18
11	Net profit/(loss) from ordinary activities after tax (9-10)	26.15	363.10	(15.40)	355.37	250.16
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net profit/(loss) for the period (11-12)	26.15	363.10	(15.40)	355.37	250.16
14	Other comprehensive income (after tax)	0.45	(2.20)	(0.07)	(4.81)	(0.26)
15	Total comprehensive income/(loss) for the period (13+14)	26.60	360.90	(15.47)	350.56	249.90
16	Paid-up equity share capital (face value of ` 10 each)	700.92	700.34	622.42	700.92	622.42
17	Earnings per share of ` 10 each: (before and after extraordinary items) (not annualised)					
	a) Basic	0.37	5.18	(0.02)	5.07	4.09
	b) Diluted	0.37	5.15	(0.02)	5.04	4.03



ABRIDGED STATEMENT OF STANDALONE FINANCIAL RESULTS

(in Millions)

Sr. No.	Particulars	Unaudited		(Refer note 2)	Unaudited	(Refer note 2)
		Quarter ended December 31, 2016	Quarter ended September 30, 2016	Quarter ended December 31, 2015	Nine months ended December 31, 2016	Nine months ended December 31, 2015
1	Total income from operations (net)	531.93	1,064.30	539.64	2,071.37	1,868.24
2	Net profit/(loss) for the period before tax (before exceptional and/or extraordinary items)	48.91	547.44	(11.67)	581.57	379.34
3	Net profit/(loss) for the period before tax (after exceptional and/or extraordinary items)	42.58	547.44	(11.67)	537.44	379.34
4	Net profit / (loss) for the period after tax (after exceptional and/or extraordinary items)	26.15	363.10	(15.40)	355.37	250.16
5	Total Comprehensive Income for the period [comprising profit/(loss) for the period (after tax) and other comprehensive income (after tax)]	26.60	360.90	(15.47)	350.56	249.90
6	Equity share capital (Face value of ` 10 each)	700.92	700.34	622.42	700.92	622.42
7	Earnings per share (before and after extraordinary items) (of ` 10 each) - not annualised					
	Basic:	0.37	5.18	(0.02)	5.07	4.09
	Diluted:	0.37	5.15	(0.02)	5.04	4.03

Notes:

- The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchange under Regulation 33 of the Securities and Exchange Board of India ('SEBI') (Listing obligations and Disclosure Requirements ('LODR') Regulations, 2015. The full format of the unaudited standalone financial results of the Company are available on the Stock Exchange's website (www.bseindia.com and www.nseindia.com) and also on the Company's website - www.quickheal.co.in.
- The Company has adopted Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs with effect from April 01, 2016 and accordingly, the transition was carried out, from the Accounting Principles generally accepted in India as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 ("previous GAAP"), in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards. Accordingly, the impact of transition has been recorded in opening reserves as at April 1, 2015 and the periods presented have been restated.

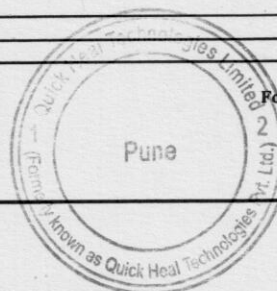
As the Company got listed on February 18, 2016, the Statement was drawn in accordance with Regulation 33 of SEBI LODR Regulations, 2015 for the first time for the quarter and year ended March 31, 2016. The figures for the quarter and nine months ended December 31, 2015, being the period which was not liable to be published, has been prepared by management. These figures have been prepared to give true and fair view and has not been subjected to any limited review or audit.

The Company has also prepared a reconciliation of the net profit for the quarter and nine months ended December 31, 2015 under previous GAAP with the total comprehensive income as reported in these financial results under Ind AS. The net profit reconciliation for the quarter and nine months ended December 31, 2015 is presented below:

in Millions

Sr. No.	Particulars	Quarter ended December 31, 2015	Nine months ended December 31, 2015
	Net profit under previous GAAP	(18.20)	245.21
(a)	On account of adjustment of deferral of income as per Ind AS 18	19.53	19.53
(b)	On account of measuring investments at fair value through profit and loss (FVTPL)	(9.29)	(5.53)
(c)	On account of reclassification of actuarial gain or loss arising in respect of defined benefit plans	0.11	0.40
(d)	On account of remeasurement of stock compensation expenses at fair value	(0.64)	(2.22)
(e)	Deferred tax on above adjustments (net)	(6.91)	(7.23)
	Net profit after tax for the period under Ind AS	(15.40)	250.16
	Other comprehensive income (net of tax)	(0.07)	(0.26)
	Total comprehensive income for the period under Ind AS	(15.47)	249.90

Place: Pune
 Date: February 3, 2017



For and on behalf of the Board of Directors
 Sd/-

 Kailash Katkar
 Managing Director
 & Chief Executive Officer

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016

1 The above financials results for the quarter and nine months ended December 31, 2016 have been subject to limited review by the auditors of the Company in terms of Regulation 33 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements ("LODR")) Regulations, 2015 and reviewed by the Audit Committee and approved by the Board of Directors of the Company at the meetings held on February 2, 2017 and February 3, 2017 respectively.

2 The Company has adopted Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs with effect from April 01, 2016 and accordingly, the transition was carried out, from the Accounting Principles generally accepted in India as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 ("previous GAAP"), in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards. Accordingly, the impact of transition has been recorded in opening reserves as at April 1, 2015 and the periods presented have been restated.

As the Company got listed on February 18, 2016, the Statement was drawn in accordance with Regulation 33 of SEBI LODR Regulations, 2015 for the first time for the quarter and year ended March 31, 2016. The figures for the quarter and nine months ended December 31, 2015, being the period which was not liable to be published, has been prepared by management. These figures have been prepared to give true and fair view and has not been subjected to any limited review or audit.

3 The Company has opted to avail the relaxation provided by SEBI Circular CIR/CFD/FAC/62/2016 dated July 5, 2016 in respect of disclosure requirements and accordingly the figures as at and for the year ended March 31, 2016 have not been presented.

The Company has also prepared a reconciliation of the net profit for the quarter and nine months ended December 31, 2015 under previous GAAP with the total comprehensive income as reported in these financial results under Ind AS. The net profit reconciliation for the quarter and nine months ended December 31, 2015 is presented below:

(' in Millions)				
Sr. No.	Particulars	Quarter ended December 31, 2015	Nine months ended December 31, 2015	Notes
	Net profit under previous GAAP	(18.20)	245.21	
	Effects of transition to Ind-AS on Statement of profit and loss:			
(a)	On account of adjustment of deferral of income as per Ind AS 18	19.53	19.53	
(b)	On account of measuring investments at fair value through profit and loss (FVTPL)	(9.29)	(5.53)	(a)
(c)	On account of reclassification of actuarial gain or loss arising in respect of defined benefit plans	0.11	0.40	
(d)	On account of remeasurement of stock compensation expenses at fair value	(0.64)	(2.22)	
(e)	Deferred tax on above adjustments (net)	(6.91)	(7.23)	
	Net profit after tax for the period under Ind AS	(15.40)	250.16	
	Other comprehensive income (net of tax)	(0.07)	(0.26)	(b)
	Total comprehensive income	(15.47)	249.90	

Notes:

a) Under previous GAAP, current investments were stated at lower of cost and fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition and fair value changes has been recognised in the statement of profit and loss.

b) Other comprehensive income for the quarter and nine months ended December 31, 2015 include actuarial gain or loss arising in respect of defined benefit plans.

4 There is a possibility that these quarterly and nine months financial results may require adjustment before constituting the final Ind AS financial statement as of and for the year ending March 31, 2017 due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by MCA / other regulatory authorities or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS as permitted under Ind AS-101.

5 During the previous year, the Company had received two statement of demands of service tax under the provisions of Finance Act, 1994 for ₹ 846.06 million (excluding penalty of ₹ 560.72 million stated in one of the demands) covering the period from March 01, 2011 to March 31, 2015 on supply of anti-virus software in Compact Disk. The Company had filed an appeal with Customs, Excise and Service Tax Appellate Tribunal, New Delhi against one of the demand and has filed a reply against the second demand notice with the appropriate authorities. Based on a technical circular issued by the government authorities and an independent legal opinion, the Company is confident of getting this claim set aside and accordingly no provision has been considered necessary in this regard and also for the subsequent period till December 31, 2016.

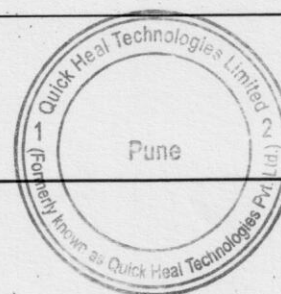
6 The Company is engaged in providing security software solutions. Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into one operating segment viz. anti-virus and as such there is no separate reportable operating segment as defined by Ind AS 108 "Operating segments".

7 Adjustment to Income from operations is as follows:

(' in Millions)					
Sr. No.	Particulars	Quarter ended		Nine months ended	
		December 31, 2016	September 30, 2016	December 31, 2015	December 31, 2015
a)	Income from operations (gross)	576.47	1,205.97	578.22	2,294.29
b)	Less: Adjustment pertaining to				
	Sales incentive and promotional expenses (including channel spends) and multiple element contracts	44.54	141.67	38.58	222.92
	Income from operations (net)	531.93	1,064.30	539.64	2,071.37

8 Exceptional item for the nine months ended December 31, 2016 represents impairment of financial assets (Loan and interest receivable) of ₹ 37.80 million and impairment of investment in subsidiary (i.e. 'Quick Heal Technologies MENA FZE') amounting to ₹ 6.33 million (Exceptional item for the quarter ended December 31, 2016).

Place: Pune
 Date: February 3, 2017



For and on behalf of the Board of Directors

(Signature)

Kailash Katkar
 Managing Director
 & Chief Executive Officer

Limited Review Report**Review Report to
The Board of Directors
Quick Heal Technologies Limited**

We have reviewed the accompanying statement of unaudited financial results of Quick Heal Technologies Limited ('the Company') for the quarter ended December 31, 2016 and year to date from April 1, 2016 to December 31, 2016 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

We draw attention to note 5 of the statement, wherein it is stated that the Company had received statement of demands of service tax under the provision of Finance Act, 1994 for INR 846.06 million (excluding penalty of INR 560.72 million stated in one of the demands) for the period from March 01, 2011 to March 31, 2015 and as more fully discussed therein and based on matter stated therein including legal opinion obtained by the Company, no provision has been considered by the management in these statements including similar liability for the subsequent period till December 31, 2016. Our conclusion is not qualified in respect of this matter.

We draw attention to note 2 of the statement and, we report that the figures for the corresponding quarter ended December 31, 2015 and year to date from April 1, 2015 to December 31, 2015 for "unaudited standalone financial results" has been compiled by the management and has not been subjected to any review or audit by us. Our conclusion is not qualified in respect of this matter.

For S R B C & CO LLP
ICAI Firm registration number: 324982E/E300003
Chartered Accountants


per Tridev Lal Khandelwal
Partner
Membership No.: 501160

Place: Pune
Date: February 3, 2017

