Quick Heal
Security Simplified

Quick Heal Technologies Ltd.
(Formerly Known as Quick Heal Technologies Pvt. Ltd.)
Regd. Office: Marvel Edge, Office No. 7010 C & D,
7th Floor, Viman Nagar, Pune 411014.
Tel: +91 20 66813232 | Email: info@quickheal.com
CIN - U72200MH1995PLC091408

Ref No.: QHTL/Sec/SE/2016-17/46

5th August, 2016

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 5th August 2016

Dear Sir/Madam,

We wish to inform you that the Board of Directors at its meeting held on 5th August 2016 which commenced at 4.30 pm and concluded at 7.30 pm, has approved following:

1. Unaudited Standalone Financial Results of the Company for the quarter ended 30th June 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 ended 30th June 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

Developers of
Quick Heal
India's leading Security Software

Complete Protection For
SMARTPHONES COMPUTERS TABLETS

QUICK HEAL TECHNOLOGIES LIMITED

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

CIN: U72200MH1995PLC091408

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2016

(₹ in Millions)

Sr. No.	Particulars	Quarter ended	
		June 30, 2016 (Unaudited)	June 30, 2015 (Refer note 2)
1	**Income from operations**		
	a) Income from operations	475.14	479.60
	b) Other operating income	-	-
	Total income from operations (a+b)	**475.14**	**479.60**
2	**Expenses**		
	a) Cost of materials consumed	20.35	22.55
	b) Changes in inventories of finished goods	(1.47)	2.36
	c) Employee benefits expense	237.36	195.11
	d) Depreciation and amortisation expense	73.88	57.02
	e) Other expenses	233.96	200.60
	Total expenses	**564.08**	**477.64**
3	**Profit/(loss) from operations before other income, finance costs and exceptional items (1-2)**	(88.94)	1.96
4	Other income	74.16	18.93
5	**Profit/(loss) from ordinary activities before finance costs and exceptional items (3+4)**	(14.78)	20.89
6	Finance costs	-	-
7	**Profit/(loss) from ordinary activities after finance costs but before exceptional items (5-6)**	(14.78)	20.89
8	Exceptional items (refer note 9)	37.80	-
9	**Profit/(loss) from ordinary activities before tax (7-8)**	(52.58)	20.89
10	Tax expense	(18.70)	4.90
11	**Net profit/(loss) from ordinary activities after tax (9-10)**	(33.88)	15.99
12	Extraordinary items (net of tax expense)	-	-
13	**Net profit/(loss) for the period (11-12)**	(33.88)	15.99
14	Other comprehensive income (after tax) (refer note 10)	(3.06)	(0.13)
15	**Total comprehensive income/(loss) for the period (13+14)**	(36.94)	15.86
16	Paid-up equity share capital (face value of ₹ 10 each)	700.32	610.70
17	**Earnings per share of ₹ 10 each:** (before and after extraordinary items) (not annualised for the quarters)		
	a) Basic	(0.48)	0.26
	b) Diluted	(0.48)	0.26

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Quick Heal Technologies Limited (Formerly known as Quick Heal Technologies Pvt. Ltd.) Pune

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CIN: U72200MH1995PLC091408

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2016

1. The aforesaid financials results for the quarter ended June 30, 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 respective meetings held on August 05, 2016.

2. **First time adoption of Ind AS:** The Company adopted Indian Accounting Standards ("Ind AS") from April 1, 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 on transition has been recorded in opening reserves as at April 1, 2015 and the periods presented have been restated accordingly.

   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 Ind AS financial results and financial information for the quarter ended June 30, 2015 have been compiled by the management after making necessary adjustments to give a true and fair view of the results. This information has not been subject 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 for the quarter ended March 31, 2016 and year ended March 31, 2016 have not been presented.

   The Company has also prepared a reconciliation of the net profit for the quarter ended June 30, 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 ended June 30, 2015 is presented below:

(₹ in Millions)

Sr. No.	Particulars	Quarter ended June 30, 2015	Notes
	Net profit after tax under previous GAAP	14.11	
(a)	On account of measuring investments at fair value through profit and loss (FVTPL)	2.19	(a) / (b)
(b)	On account of remeasurement of defined benefit plans	0.20	
(c)	On account of remeasurement of stock compensation expenses at fair value	(0.78)	
(c)	Deferred tax on above adjustments (net)	0.27	
	Net profit after tax for the period under Ind AS	15.99	
	Other comprehensive income (net of tax)	(0.13)	(c)
	Total comprehensive income for the period under Ind AS	15.86	

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 after the of transition has been recognised in statement of profit and loss.

b) Under previous GAAP, non-current investments were stated at cost. Where applicable, provision was made to recognise the decline, other than temporary, in valuation of such investments. Under Ind AS, financial assets in equity instruments have been classified as Fair Value through Other Comprehensive Income (FVTOCI) through an irrevocable election at the date of transition.

c) Other comprehensive income for the quarter ended June 30, 2015 include re-measurement of defined benefit plans.

4. There is a possibility that these quarterly financial results may require adjustment before constituting the final Ind AS financial statements 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 has filed an appeal with Customs, Excise and Service Tax Appellate Tribunal, New Delhi against one of the demand and is in the process of filing 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 June 30, 2016.

6. During the quarter ended June 30, 2016, the suit filed before the Civil Judge (Senior Division) at Serampore Court, Hooghly District, West Bengal by one of the erstwhile distributor of the Company against the Company and others, claiming Intellectual Property Rights to one of the brand names (Quick Heal - Total Security) and alleging illegal usage of said brand name by the Company and the suit filed before the City Civil Court, Calcutta by certain individuals who are relative of the erstwhile distributor claiming ownership of certain shares of the Company have been dismissed by the respective Courts.

7. 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".

8. **Reconciliation of income from operations as per previous GAAP and Ind AS:**

(₹ in Millions)

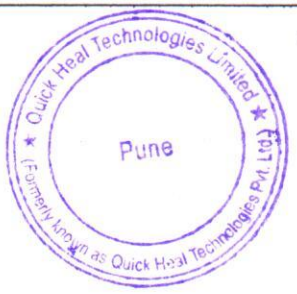
Sr. No.	Particulars	Quarter ended June 30, 2016	Quarter ended June 30, 2015
a)	Income from operations as per previous GAAP	511.85	519.66
b)	Less: Sales incentive and promotional expenses (including channel spends)	36.71	40.06
	Income from operations as per Ind AS	475.14	479.60

9. Exceptional item for the quarter ended June 30, 2016 represents provision for impairment of financial asset (loan and interest receivable) amounting to ₹ 37.80 million.

10. Other comprehensive income, net of tax, for the quarter ended June 30, 2016 includes gain on remeasurement of defined benefit plan of ₹ 0.49 Million and fair value (loss) for investment in equity instrument amounting to (₹ 3.55) million.

11. The Company has opted to publish only standalone unaudited financial results. The Company would be consolidating and presenting its consolidated financial statements as at and for the year ended March 31, 2017.

For and on behalf of the Board of Directors



Kailash Katkar
Managing Director
& Chief Executive Officer

Place: Pune
Date: August 05, 2016

S R B C & CO LLP
Chartered Accountants

C-401, 4th Floor
Panchshil Tech Park, Yerwada
(Near Don Bosco School)
Pune-411 006, India
Tel : +91 20 6603 6000
Fax : +91 20 6601 5900

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 June 30, 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 provide 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 Rs. 846.06 million (excluding penalty of Rs. 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 June 30, 2016. Our opinion is not qualified in respect of this matter.

We have not audited or reviewed the accompanying financial results and other financial information for the three months ended June 30, 2015 which have been prepared solely based on the information compiled by the management.

For S R B C & CO LLP
ICAI Firm Registration No.: 324982E/E300003
Chartered Accountants

per Tridevlal Khandelwal
Partner
Membership No.: 501160

Place: Pune
Date: August 5, 2016