

QUICK HEAL TECHNOLOGIES LIMITED
 Regd. Office: Marvel Edge, Office No. 7010 C & D, 7th Floor, Opposite Neco Garden Society, Viman Nagar, Pune - 411014
 CIN: U71200MH1995PLC091408

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

(in Millions)

Sr. No.	Particulars	Quarter ended			Six months ended	
		September 30, 2016 (Unaudited)	June 30, 2016 (Unaudited)	September 30, 2015 (Refer Note 2)	September 30, 2016 (Unaudited)	September 30, 2015 (Refer Note 2)
1	Income from operations					
	a) Income from operations	1,064.30	475.14	849.00	1,539.44	1,328.60
	b) Other operating income	-	-	-	-	-
	Total income from operations (a+b)	1,064.30	475.14	849.00	1,539.44	1,328.60
2	Expenses					
	a) Cost of raw materials consumed	3.91	3.83	2.46	7.74	4.55
	b) Purchase of security software products	40.14	16.52	29.79	56.66	50.25
	c) Changes in inventories of security software products	6.61	(1.47)	7.28	5.14	9.64
	d) Employee benefits expense	253.85	237.36	209.25	491.21	404.36
	e) Depreciation and amortisation expense	77.57	73.88	56.39	151.45	113.41
	f) Other expenses	203.84	233.96	198.36	437.80	398.96
	Total expenses	585.92	564.08	503.53	1,150.00	981.17
3	Profit/(loss) from operations before other income, finance costs and exceptional items (1-2)	478.38	(88.94)	345.47	389.44	347.43
4	Other income	69.06	74.16	24.65	143.22	43.58
5	Profit/(loss) from ordinary activities before finance costs and exceptional items (3+4)	547.44	(14.78)	370.12	532.66	391.01
6	Finance costs	-	-	-	-	-
7	Profit/(loss) from ordinary activities after finance costs but before exceptional items (5-6)	547.44	(14.78)	370.12	532.66	391.01
8	Exceptional items (refer note 8)	-	37.80	-	37.80	-
9	Profit/(loss) from ordinary activities before tax (7-8)	547.44	(52.58)	370.12	494.86	391.01
10	Tax expense	184.34	(18.70)	120.55	165.64	125.45
11	Net profit/(loss) from ordinary activities after tax (9-10)	363.10	(33.88)	249.57	329.22	265.56
12	Extraordinary items (net of tax expense)	-	-	-	-	-
13	Net profit/(loss) for the period (11-12)	363.10	(33.88)	249.57	329.22	265.56
14	Other comprehensive income (after tax)	(2.20)	(3.06)	(0.06)	(5.26)	(0.19)
15	Total comprehensive income/(loss) for the period (13+14)	360.90	(36.94)	249.51	323.96	265.37
16	Paid-up equity share capital (face value of ₹ 10 each)	700.34	700.32	610.70	700.34	610.70
17	Earnings per share of ₹ 10 each: (before and after extraordinary items) (not annualised)					
	a) Basic	5.18	(0.48)	4.09	4.70	4.35
	b) Diluted	5.15	(0.48)	4.03	4.67	4.29



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UNAUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016

(' in Millions)

		September 30, 2016
I.	ASSETS	
	Non - current assets	
(a)	Property, plant and equipment	1,719.15
(b)	Capital work-in-progress	297.07
(c)	Intangible assets	43.42
(d)	Investment in subsidiaries	266.19
(e)	Financial assets	
	(i) Loans	0.12
	(ii) Others	4.32
(f)	Deferred tax assets (net)	66.11
(g)	Other non-current assets	136.88
	Sub total - Non - current assets	2,533.26
	Current assets	
(a)	Inventories	43.06
(b)	Financial assets	
	(i) Investments	1,443.46
	(ii) Trade receivables	905.64
	(iii) Cash and cash equivalents	293.49
	(iv) Bank balances other than (iii) above	1,871.00
	(v) Loans	33.10
	(vi) Others	54.00
(c)	Other current assets	58.86
	Sub total - Current assets	4,702.61
	TOTAL - ASSETS	7,235.87
II.	EQUITY AND LIABILITIES	
	Equity	
(a)	Equity share capital	700.34
(b)	Other equity	5,833.52
	Sub total - Equity	6,533.86
	Current liabilities	
(a)	Financial liabilities	
	(i) Trade payables	347.35
	(ii) Other liabilities	15.27
(b)	Other current liabilities	129.01
(c)	Provisions	35.09
(d)	Current tax liabilities (net)	175.29
	Sub total - Current liabilities	702.01
	TOTAL - EQUITY AND LIABILITIES	7,235.87



STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

- The above financials results for the quarter and six months ended September 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 meetings held on November 10, 2016 and November 11, 2016 respectively.
- 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 Ind AS financial results and financial information for the quarter and six months ended September 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.
- The format for un-audited quarterly results as prescribed in SEBI's Circulars CIR/IMD/DF1/9/2015 dated November 27, 2015 and CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with the requirements of SEBI's Circular CIR/CFD/FAC/62/2016 dated July 5, 2016; Ind AS and Schedule III (Division II) to the Companies Act, 2013 applicable to companies that are required to comply with Ind AS.
 The Company has also 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 ended September 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 September 30, 2015 is presented below:

Sr. No.	Particulars	₹ (in Millions)	
		Quarter ended September 30, 2015	Notes
	Net profit under previous GAAP	249.30	
	Effects of transition to Ind-AS on Statement of profit and loss:		
(a)	On account of measuring investments at fair value through profit and loss (FVTPL)	1.57	(a)
(b)	On account of reclassification of actuarial gain or loss arising in respect of defined benefit plans	0.09	
(c)	On account of remeasurement of stock compensation expenses at fair value	(0.80)	
(d)	Deferred tax on above adjustments (net)	(0.59)	
	Net profit after tax for the period under Ind AS	249.57	
	Other comprehensive income (net of tax)	(0.06)	(b)
	Total comprehensive income	249.51	

- Notes:
- 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.
 - Other comprehensive income for the quarter and six months ended September 30, 2015 include reclassification of actuarial gain or loss arising in respect of defined benefit plans.
- There is a possibility that these quarterly and half yearly 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.
 - 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 September 30, 2016.
 - 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".
 - Adjustment to income from operations is as follows:

Sr. No.	Particulars	₹ (in Millions)	
		September 30, 2016	September 30, 2015
a)	Income from operations (gross)		
b)	Less: Adjustment pertaining to	1,717.82	1,479.83
	Sales incentive and promotional expenses (including channel spends) and multiple element contracts	178.38	151.23
	Income from operations (net)	1,539.44	1,328.60

- Exceptional items for the quarter ended June 30, 2016 represents provision for impairment of financial asset (loan and interest receivable) amounting to ₹ 37.80 million.
- Other comprehensive income, net of tax, for the six months period ended September 30, 2016 includes loss on reclassification of actuarial gain or loss arising in respect of defined benefit plans of ₹ 1.71 million and fair value loss for investment in equity instrument amounting to ₹ 3.55 million.

Place: Pune
 Date: November 11, 2016

For and on behalf of the Board of Directors

 Kailash Katkar
 Managing Director
 & Chief Executive Officer



ABRIDGED STATEMENT OF STANDALONE FINANCIAL RESULTS

Sr. No.	Particulars	(in Millions)		
		Quarter ended September 30, 2016	Six months ended September 30, 2016	Quarter ended September 30, 2015
1	Total income from operations (net)			
2	Net profit/(loss) for the period before tax (before exceptional and/or extraordinary items)	1,064.30	1,539.44	849.00
3	Net profit/(loss) for the period before tax (after exceptional and/or extraordinary items)	547.44	532.66	370.12
4	Net profit / (loss) for the period after tax (after exceptional and/or extraordinary items)	547.44	494.86	370.12
5	Total Comprehensive Income for the period [comprising profit/(loss) for the period (after tax) and other comprehensive income (after tax)]	363.10	329.22	249.57
6	Equity share capital (Face value of ` 10 each)	360.90	323.96	249.51
7	Earnings per share (before and after extraordinary items) (of ` 10 each) - not annualised	700.34	700.34	610.70
	Basic:	5.18	4.70	4.09
	Diluted:	5.15	4.67	4.03

Notes:

1. 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.

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.

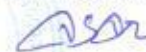
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(d)	Deferred tax on above adjustments (net)	(0.59)
	Net profit after tax for the period under Ind AS	249.57
	Other comprehensive income (net of tax)	(0.06)
	Total comprehensive income for the period under Ind AS	249.51

Place: Pune
 Date: November 11, 2016

For and on behalf of the Board of Directors



Sd/-
 Kailash Katkar
 Managing Director
 & Chief Executive Officer

