Quick Heal

Security Simplified

Quick Heal Technologies Limited

Investor Presentation

August 2016

DISCLAIMER

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These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond Quick Heal’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements.

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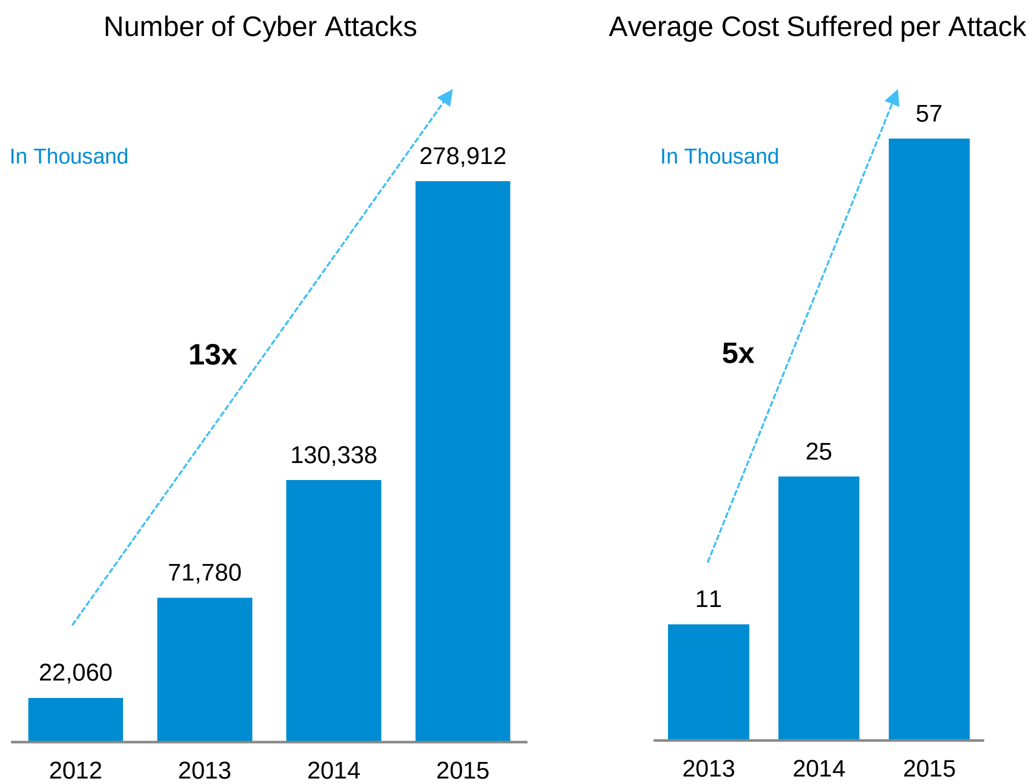
DISCUSSION SUMMARY

- INDUSTRY OVERVIEW
- COMPANY OVERVIEW
- COMPETITIVE ADVANTAGES
- BUSINESS MODEL
- STRATEGY & OUTLOOK
- Q1 FY17 RESULT ANALYSIS
- SHAREHOLDING STRUCTURE
- ANNEXURE
  – CONSOLIDATED FINANCIALS
  – CASE STUDIES

INDUSTRY OVERVIEW
RISING INCIDENCES OF CYBER ATTACKS

RISING CYBER ATTACKS IN INDIA



SOCIAL MEDIA SCAMS ON RISE

- 16% of social media scams are targeted at Indian users
- 156% rise has been seen in social media scams

THE CYBER THREAT SCENARIO IN INDIA 2015-16

- India is the 3rd top destination of cyberattacks
- 50% of cybercrimes in India are not reported (KPMG)

RANSOMWARE THREATS WILL REACH AN ALL-TIME HIGH IN 2016

- India faces the 2nd most ransomware attacks in Asia
- 430 million new unique pieces of malware in 2015
- India records 15 ransomware attacks per hour
- Rise of 114% in ransomware attacks. Out of these, 10% were crypto-ransomware attacks
- Ransomware moved beyond PCs to smartphones, Macs and Linux machines

INDIAN SMEs UNDER INCREASED THREAT

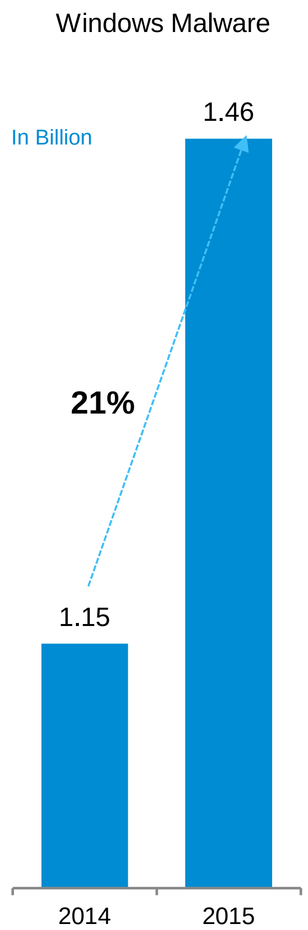
- Large number of financial Trojans against Indian SMEs
- Targeted organizations face at least 2 attacks on average
- 40% of BFSI industries were also hit at least once
- Over half a billion personal records were stolen or lost in 2015, from SMEs

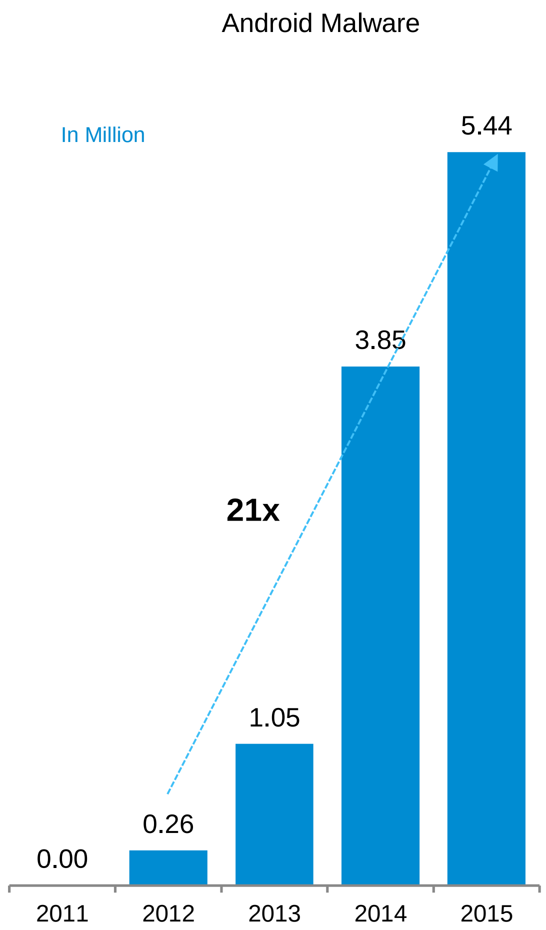
Rising threats in form of malwares, virus, phishing, trojans

Source: Company RHP

INDUSTRY OVERVIEW

RISING INCIDENCES OF CYBER ATTACKS





Source: Quick Heal Threat Report 2016

QUICK HEAL R&D DETECTION STATISTICS

21 new families of mobile banking trojans

50% increase in detection rate from 2014 (Windows malware are propagated through email attachments, infected websites, removable drives and bundled software)

803 Android malware families

50% increase in detection rate from 2014

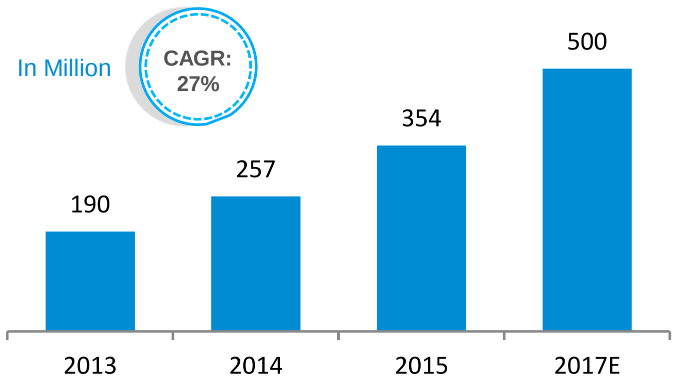
757 new variants of existing Android malware families

23% increase in detection rate from 2014(Android malware are propagated through ad plug-ins, third party stores, in-app purchases, trojanized apps, fake apps and protector plug-ins)

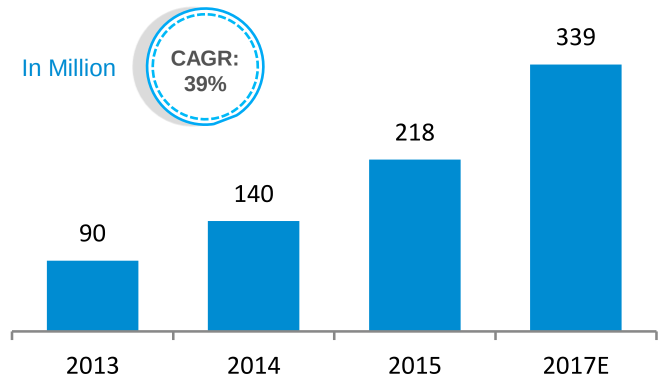
INDUSTRY OVERVIEW

FAST EXPANDING INTERNET USER BASE

INDIA HAS 2ND LARGEST INTERNET USER BASE IN THE WORLD



RISING SMARTPHONE SUBSCRIPTIONS

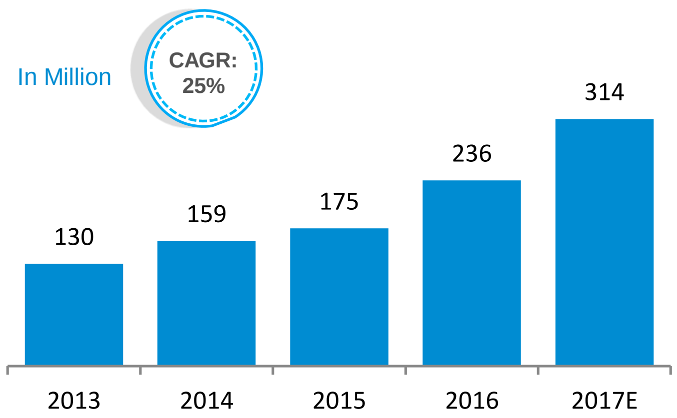


SIGNIFICANT EXPANSION IN NUMBER OF NETWORKED DEVICES

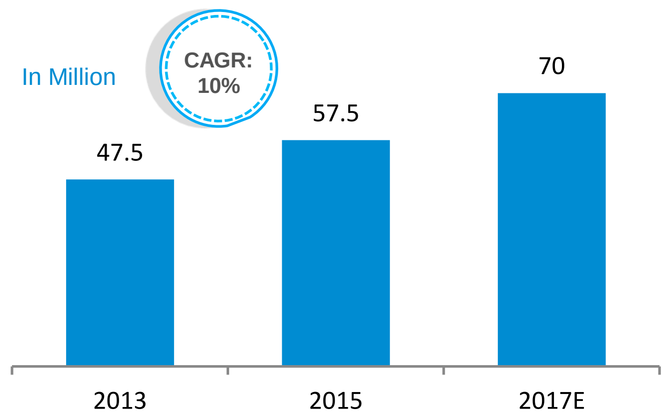
74%
of all devices expected to become mobile connected by 2019

40%
of all devices expected to be smartphones by 2019

GROWING MOBILE INTERNET USERBASE



CONTINUED INCREASE IN PC INSTALLED BASE



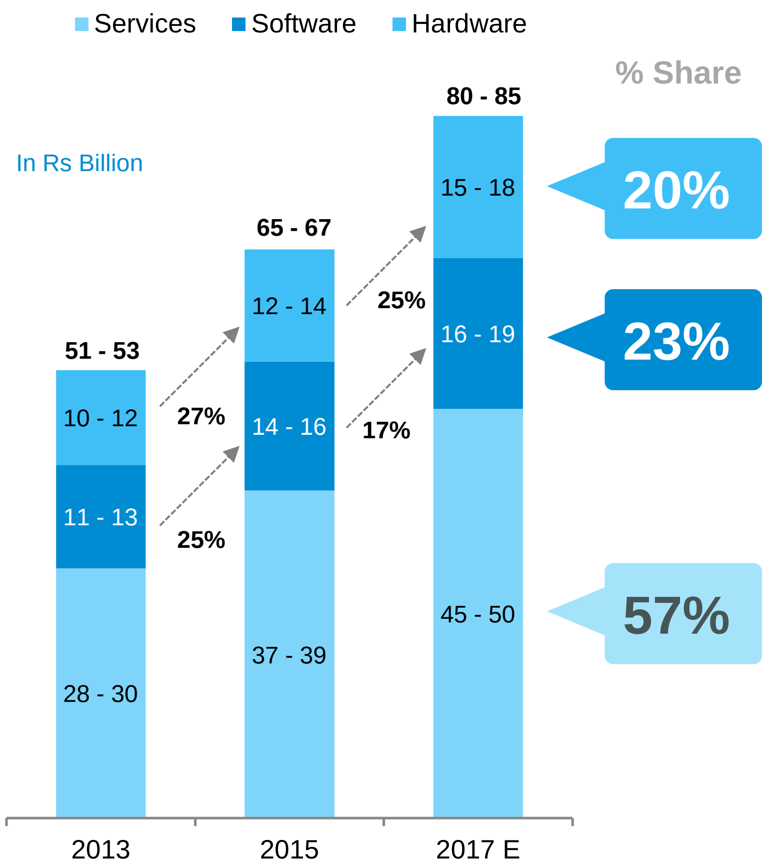
Source: Company RHP

Quick Heal

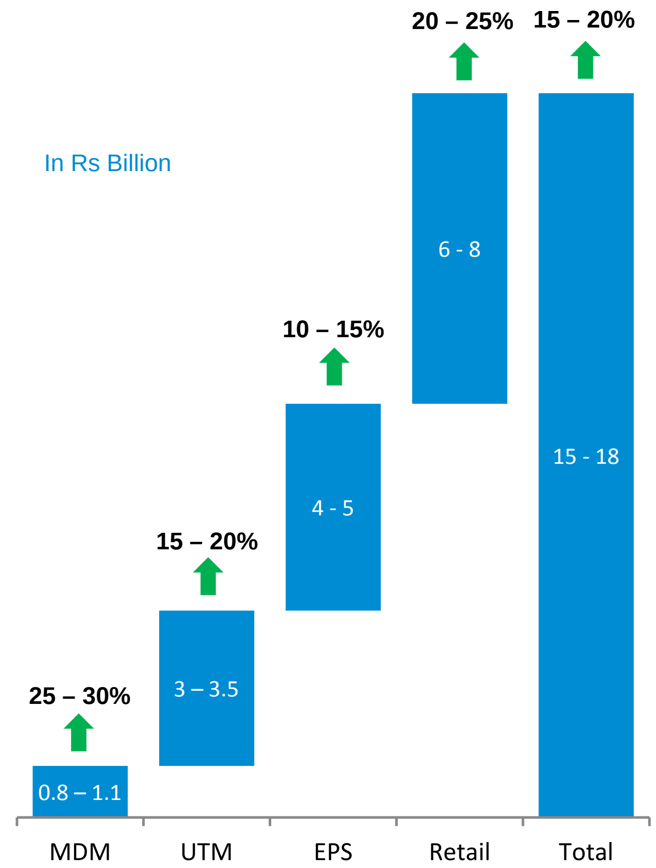
INDUSTRY OVERVIEW

IT SECURITY MARKET IN INDIA – STRONG GROWTH AHEAD

MULTIPLE LEVERS IN PLACE TO DRIVE RAPID GROWTH IN INDIAN IT SECURITY MARKET



Indian IT Security Market



IT Security Product Segments

Key Drivers

- Rapid growth in internet user base and number of networked devices including desktops, laptops, smartphones, tablets
- Increasing number of security intrusions in Corporate India
- Increase in allocation of corporate budgets towards IT Security
- High priority to IT Security especially from businesses having higher dependency on internet (e-commerce) and with sensitive information (BFSI, telecom, or the Government)

Source: Zinnov Analysis
MDM: Mobile Device Management, UTM: Unified Threat Management,
EPS: Endpoint Security

COMPANY OVERVIEW

QUICK HEAL – BRIEF PROFILE

BUSINESS OVERVIEW

- Incorporated in 1995, Quick Heal is the pioneer in Indian IT Security Software and is currently one of the leading providers of Security Software Products and Solutions in India
- More than 30% market share in Retail segment
- Strong recognition / customer recall – "Quick Heal" for retail products and "Seqrite" for enterprise products
- Active licenses of 7.6 mn as on Jun-16 across more than 80 countries
- Continued backing by Venture Capital Investor - Sequoia Capital which still holds 5.23%

KEY STRENGTHS

- Established and proven technology over a span of 22 years
- Comprehensive product offering (majority indigenously developed) across all segments (Home, SMB, Enterprise), all platforms (Windows, Mac, Android, iOS, Linux) and all devices (Desktops, Laptops, Mobiles, Tablets)
- Strong and diversified Channel network – 64 Offices and Warehouses in 36 Cities in India and 4 International Offices, 18,041 Retail Channel Partners, 438 Enterprise Channel Partners, 139 Government Partners, 1,189 Mobile Channel Partners
- Superior Customer Support

STRONG FINANCIALS

- Consolidated Revenues, EBITDA and PAT were Rs 3,380.7 mn, Rs 1,024.6 mn and Rs 584.0 mn respectively in FY16
- Robust profitability with EBITDA Margin of 30.3% and PAT Margin of 17.3% in FY16
- Strong cash generation with Operating Cash Flow / EBITDA of 74.8% in FY16
- Strong balance sheet with zero debt and healthy cash position in FY16

COMPANY OVERVIEW
QUICK HEAL JOURNEY

1995 - 1998
- Incorporation as ‘CAT Computer Services Pvt. Ltd.’
- Launch of ‘Quick Heal’ DOS version
- Launch of ‘Quick Heal’ Windows version

2002 - 2004
- Quick Heal starts Radio Campaign
- Quick Heal starts its first branch in Nashik

2006 - 2007
- Company renamed as Quick Heal Technologies Pvt. Ltd. from CAT Computer Services Pvt. Ltd.
- Quick Heal sets up Technical Support Centre at Nashik

2008
- Quick Heal becomes Microsoft’s certified partner
- Quick Heal hosts AAVAR International Security Conference in India

2009 - 2010
- Private Equity Investment firm Sequoia Capital, invests in Quick Heal
- Quick Heal recognized by CRN India as No.1 Channel Champion

2011
- Incorporates Quick Heal in Kenya
- Incorporates Quick Heal in Japan
- Quick Heal acquires SurfCanister Sandbox technology from Apurva Technologies, India

2012 - 2013
- Launches Quick Heal Mobile Security
- Launches Quick Heal End Point Security
- Quick Heal acquires behavior based technologies from Nova Shield Inc. UK
- Incorporates Quick Heal in Dubai
- ISO 9000

2014
- Launches Quick Heal MDM (Mobile Device Management)
- Launches Quick Heal Terminator (UTM- Unified Threat Management)
- Launches free mobile security for Android
- Quick Heal invests in Wegilant Net Solutions Pvt. Ltd, India

2015
- Launches Seqrite a brand encompassing security products for Business Enterprise customers
- Quick Heal invests in ‘Smartalyse Technologies Pvt. Ltd., India’
- Quick Heal inaugurates its first office in the US, ‘Quick Heal Technologies America’ in Boston
- Launches Quick Heal Gadget Securance for Mobile security + insurance
- Launches Fonetastic for Mobile security

2016
- Listing on BSE and NSE exchanges
- ISO 27001
- ISO 20000

COMPANY OVERVIEW

TECHNOLOGY & MARKET LEADERSHIP

Our solutions have earned a variety of awards and certifications from industry groups and publications including AV-Test and OPSWAT

Awards in India

- 2016: **Best Antivirus, 9th NCN Most Innovative Product of the Year Award**
- 2016: **Best Make in India Brand, 14th VARINDIA IT Forum**
- 2016: **12th Annual Info Security PG's 2016 Global Excellence Awards, USA**
  * Gold Winner for Product Development/Management Executive of the year
  * Silver Winner in the category of Security Products and Solutions for Small Businesses and SOHO
- 2016: **ICSA Labs Excellence in "Information Security Testing" Award for the 5th consecutive year**
- 2015: IMC Information Technology Award for Excellence in Information Technology Products for small and medium enterprise category, awarded by Indian Merchants Chamber
- 2015: Mumbai Hot 50 Brands in the B2C category, awarded by OneIndia
- 2014 – 2015: **DQ Channels India's Most Popular Vendor**
- 2014 and 2015: **CRN Channel Champions**, **Client Security** awarded by United Business Media
- 2012, 2013 and 2014: Quality Brands, awarded by Quality Brand Times
- 2012: Maharashtra Corporate Excellence Awards, by Maxell Foundation
- 2008, 2009 and 2010: **CRN Channel Champions, Antivirus Segments** awarded by United Business Media
- 2010: Tech Life – The Lifestyle and Gadgets Awards, awarded by NDTV
- 2010: SME Awards for **Best SME Innovation** awarded by Business Today
- 2010: **Deloitte Technology Fast500 Asia Pacific awarded by Deloitte**
- 2010: **Deloitte Technology Fast50** India awarded by Deloitte
- 2009: **Channels Choice Award**, awarded by DQ Channels
- 2009: Maharashtra IT Awards, awarded by Government of Maharashtra
- 2009: Emerging India Awards, awarded by ICICI Bank and CNBC TV 18

International Certificates

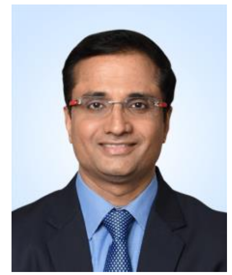
COMPANY OVERVIEW

BOARD OF DIRECTORS

KAILASH KATKAR

CEO & MD

Promoter of the Company since incorporation



SANJAY KATKAR

CTO & MD

Promoter of the Company since incorporation

ABHIJIT JORVEKAR

Executive Director & VP

Responsible for Sales & Marketing

SHAILESH LAKHANI

Non-Executive Director

Serves as the MD at Sequoia Capital India

APURVA JOSHI

Independent Director

Is a certified bank forensic accounting professional and anti-money laundering expert

SUNIL SETHY

Independent Director

Comes from an experienced background in accountancy, finance, treasury, and legal departments

PRADEEP BHIDE

Independent Director

Ex-IAS Officer and has served a series of increasingly senior positions at the State Government and Central Government

MEHUL SAVLA

Independent Director

Serves as the Director of RippleWave Equity Private Limited

COMPANY OVERVIEW

STRONG BRAND RECOGNITION AND RECALL

25.1 m
Product Licenses Installed

7.6 m
Active Licenses across more than 80 countries

2.0x Growth
Active Licenses over last 5 years

30% +
Retail Market Share in India

Preferred Choice of IT technicians for PC Virus Cleaning

Quick Heal Security Simplified

SEQRITE

Fonetastic

Quick Heal Gadget Securance

18,041 Retail, 438 Enterprise, 139 Government and 1,189 Mobile Partners

COMPANY OVERVIEW

EXPANDING PRESENCE ACROSS INTERNATIONAL MARKETS

INDIA (HO)
Quick Heal Technologies Ltd.

JAPAN
Quick Heal Japan KK.

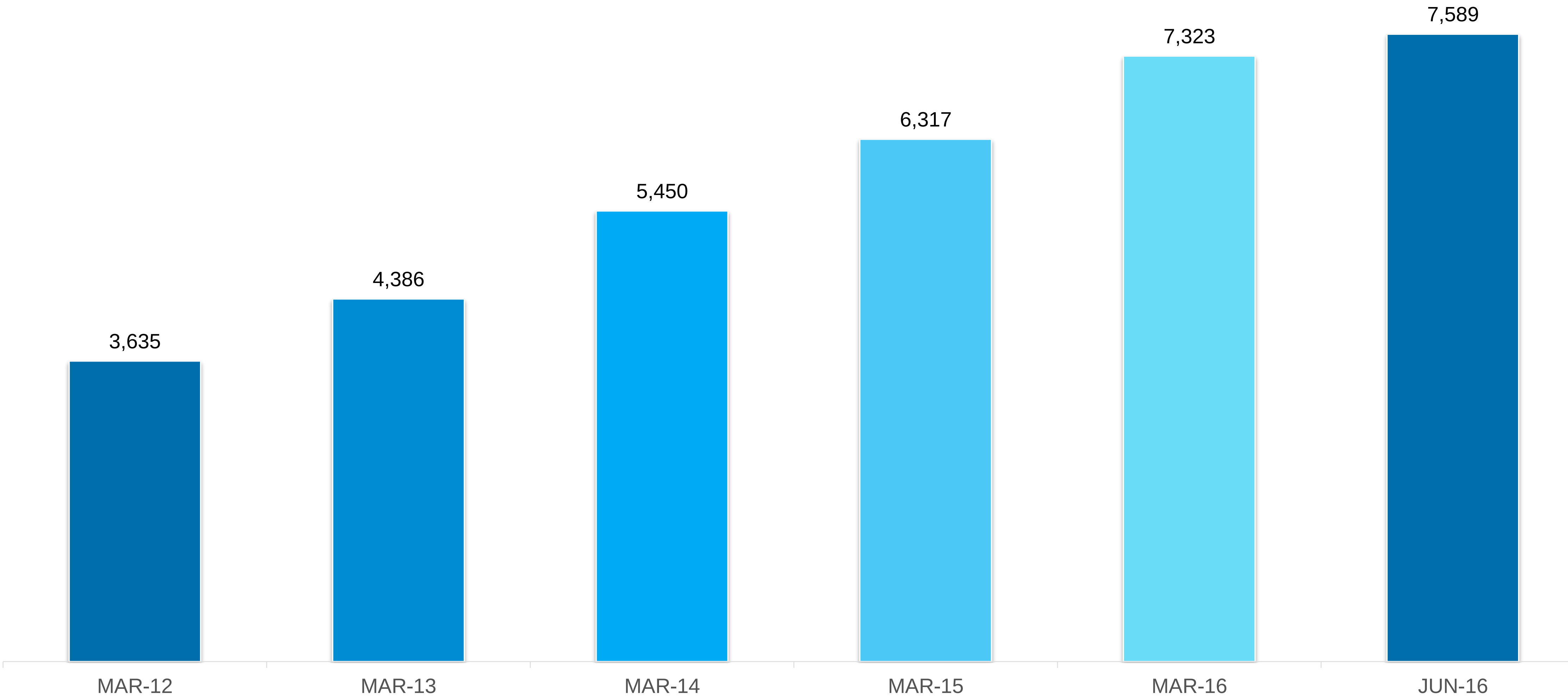
UAE
Quick Heal Technologies (MENA) FZE

KENYA
Quick Heal Technologies Africa Ltd.

USA
Quick Heal Technologies America Inc

COMPANY OVERVIEW
LARGE AND GROWING USER BASE

ACTIVE LICENSES ('000)



COMPETITIVE ADVANTAGE
ESTABLISHED AND PROVEN TECHNOLOGY

PIONEER IN IT SECURITY SOFTWARE IN INDIA

- Technological evolution over past 22 years
- Majority of products have been developed indigenously
- Highly effective against latest emerging threats and zero-day attacks
- Successful in detecting “CryptoLocker” family of viruses which use advanced obfuscation techniques to evade detection

QUICK HEAL’S PRODUCT COMPETENCE

- Consumer Security - **1,343 million** attacks blocked in FY16
- Enterprise Security - **118 million** attacks blocked in FY16
- Mobile Security **- 26 million** malicious apps detected in FY16

TECHNOLOGY CERTIFICATIONS

- AV Test, AV Comparatives
- VB 100,
- ICSA Lab
- OPSWAT

8 Trademarks in India

3 Pending patent applications in India

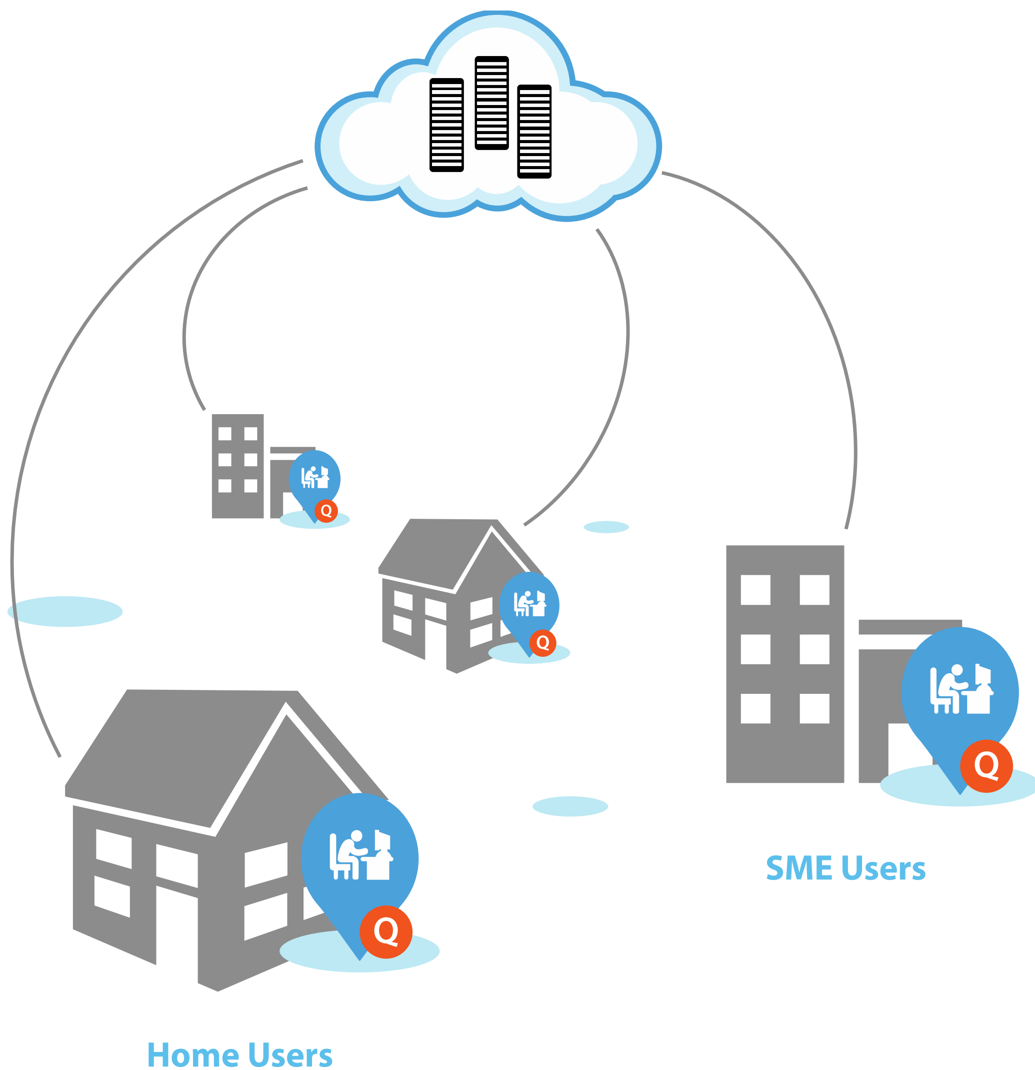
7 Trademarks in RoW

2 Copyrights in India

4 Patents in United States

4 Pending copyright applications in India

COMPETITIVE ADVANTAGE
COMPREHENSIVE PRODUCT PORTFOLIO



Retail / SMB

Features

- Core Protection
- Web Security
- Email Security
- Data Theft Protection
- Safe Banking Features
- Parental Controls
- Stealth Mode
- Anti-Keylogger
- Improved Scan Engine
- Virtual Keyboard
- Privacy Protection
- QH Remote Device Management
- PC2Mobile Scan
- PCTuner
- Track My Laptop

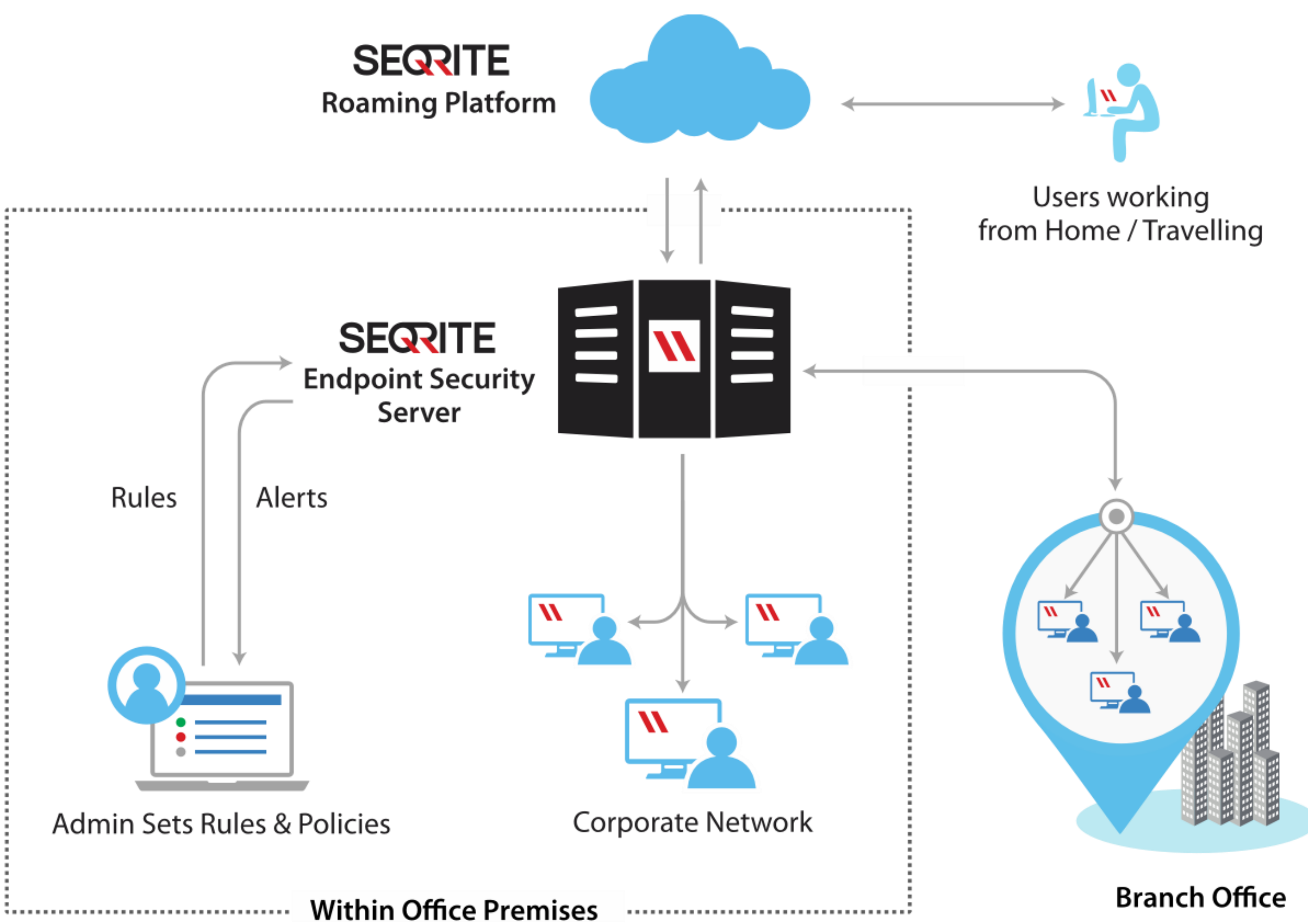
COMPETITIVE ADVANTAGE
COMPREHENSIVE PRODUCT PORTFOLIO

Mobile Security / Fontastic /Gadget Securance

Features

- Background Scan
- Security Advisor
- Privacy Advisor
- Call & Message Filter
- Register with TRAI
- Anti-Theft Technology
- Virus Protection
- Mobile Tracker
- Cloud Backup
- Insurance cover - Theft
- Physical and Liquid Damage
- Fire Damage
- Remote Device Management

SEQRITE ENDPOINT SECURITY

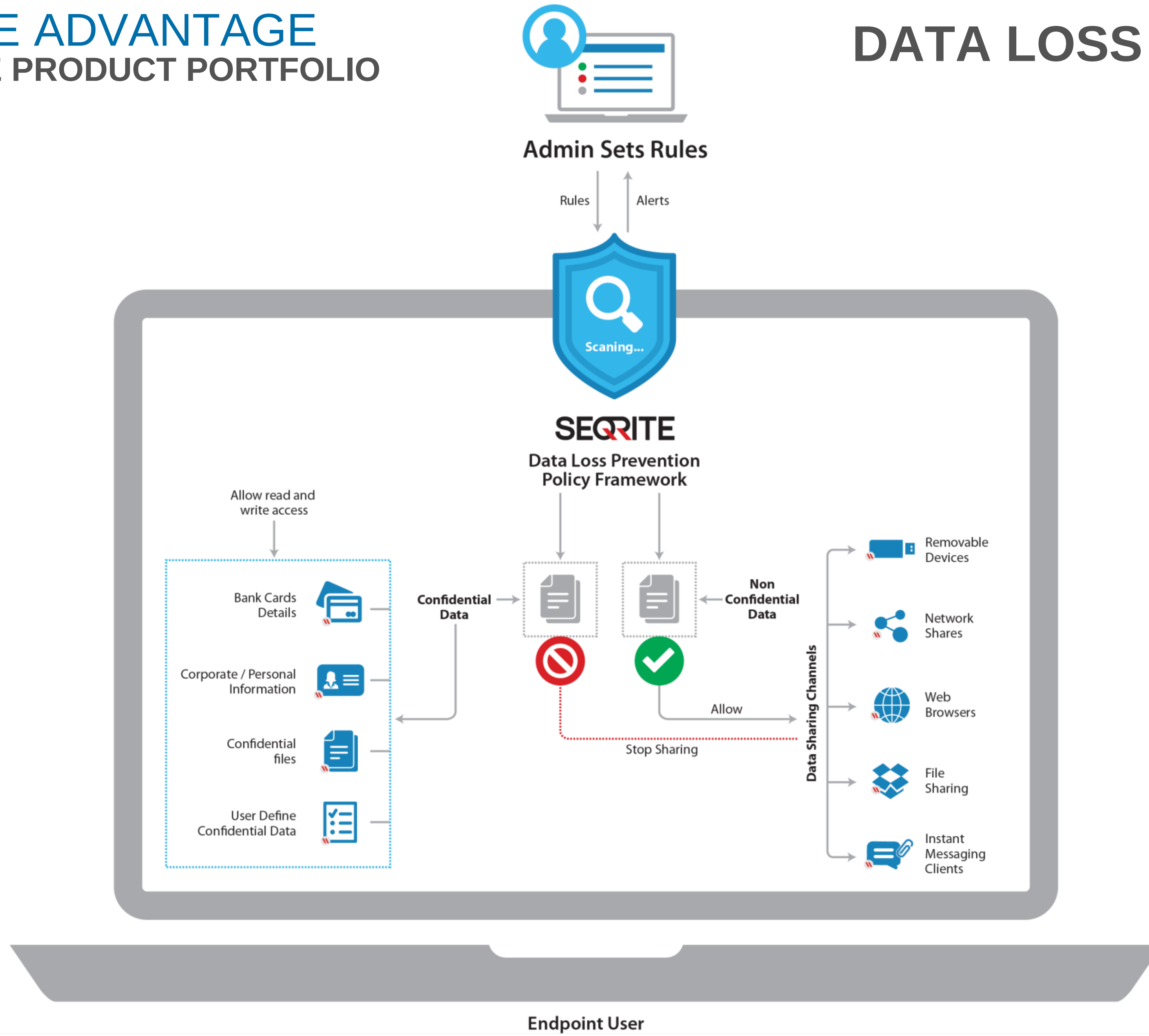


Features

- Asset Management
- File Activity Monitor
- Advance Device Control
- Vulnerability Scan
- Other AV Removal
- Remote Client management
- Web Security
- Core Protection (AV, Firewall, IDS/IPS)
- Application Control
- Data Loss Prevention

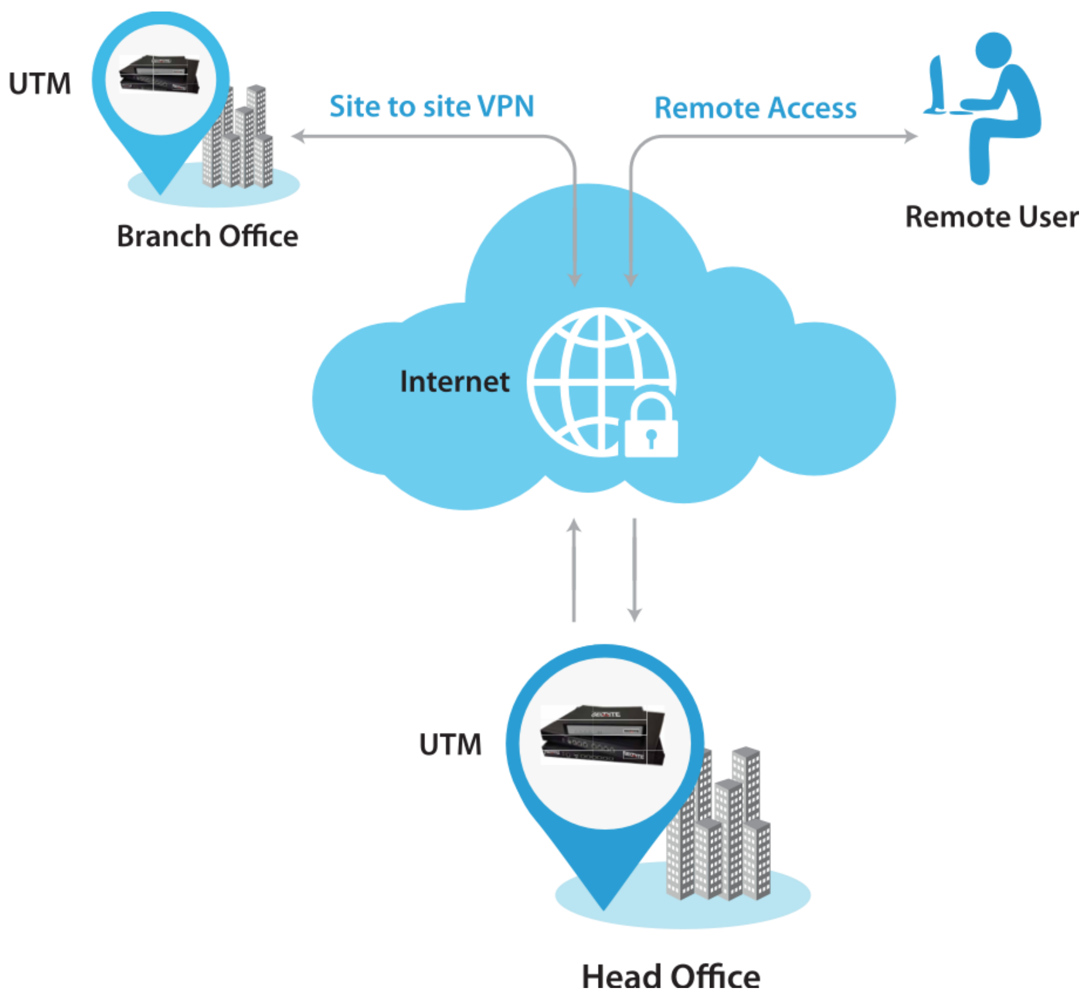
COMPETITIVE ADVANTAGE
COMPREHENSIVE PRODUCT PORTFOLIO

DATA LOSS PREVENTION (DLP)
WINDOWS & MAC



Quick Heal

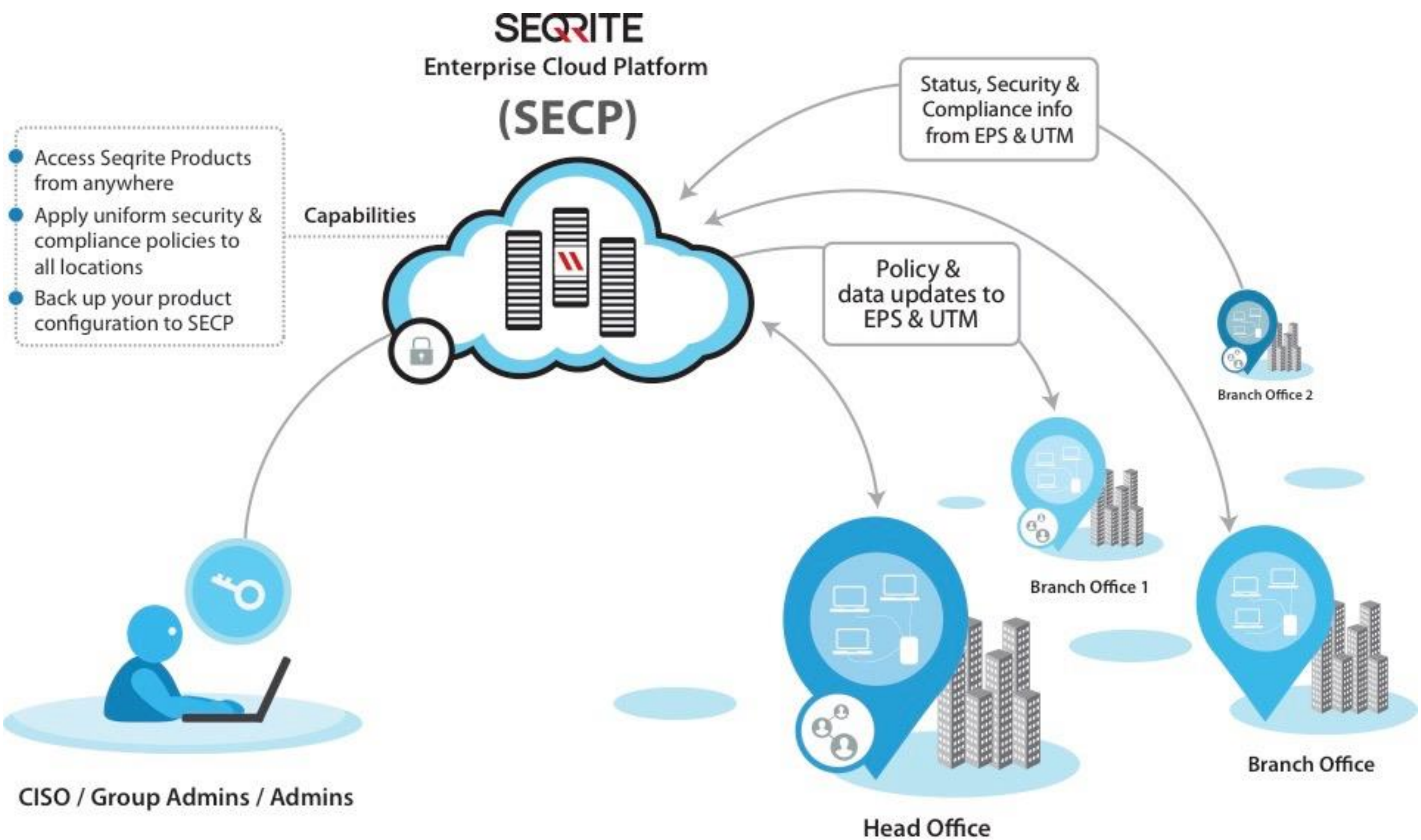
SEQRITE TERMINATOR



Features

- Firewall
- Antivirus
- Mail Protection
- Content Filtering
- IPS
- Application Control
- ISP Load Balance
- ISP Failover
- Link Aggregation
- Bandwidth Management
- User / Group management
- Monitoring and Reporting

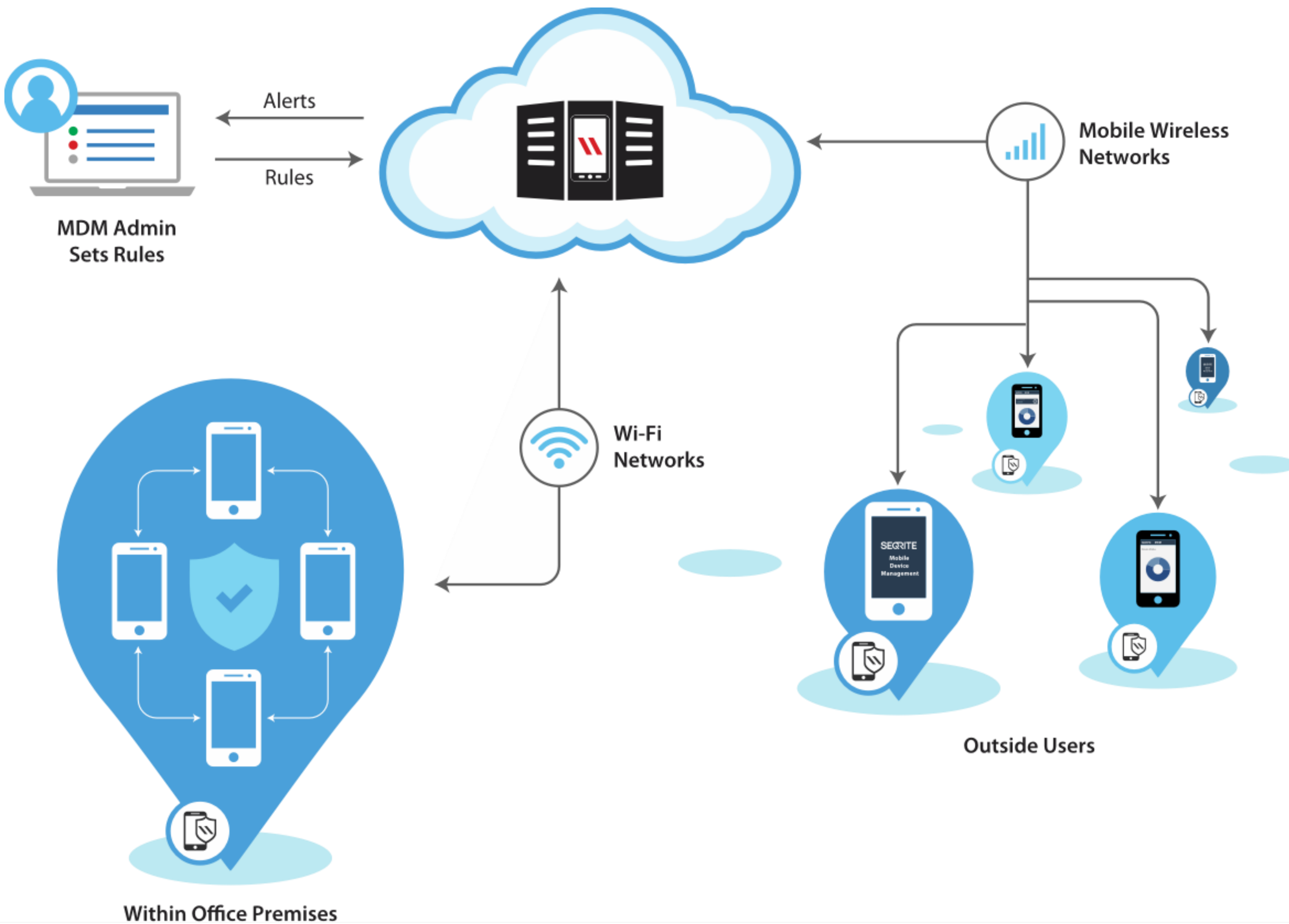
SEQRITE ENTERPRISE CLOUD PLATFORM



Features

- Get status, security and compliance info from EPS, Terminator products
- Access Seqrite products from anywhere and anytime
- Apply uniform security policies at all locations
- Backup important Seqrite product configuration to cloud

SEQRITE MOBILE DEVICE MANAGEMENT

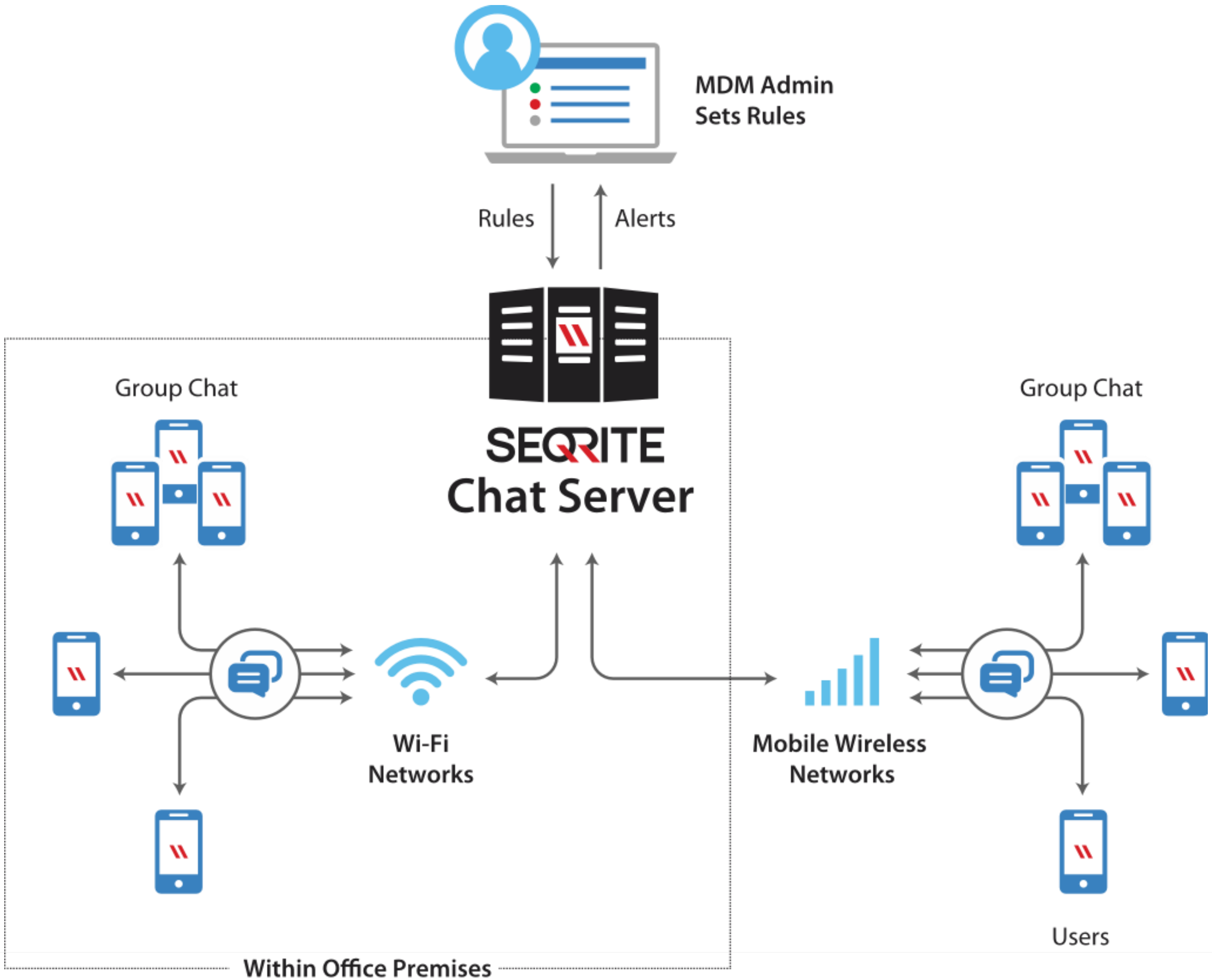


Features

- Manage users, devices, groups
- OTA provisioning of devices
- Remotely push configuration and policies
- Application control
- Anti-theft (ring / lock / locate / trace)
- Remote wipe

COMPETITIVE ADVANTAGE
COMPREHENSIVE PRODUCT PORTFOLIO

SEQRITE SECURE CHAT



Features

- Manage chat groups, policies
- One-to-One chat
- Share files (image, audio, video, etc.)
- Group Chat
- Evaporated & Private messages

COMPETITIVE ADVANTAGE
EXTENSIVE PAN-INDIA DISTRIBUTION NETWORK

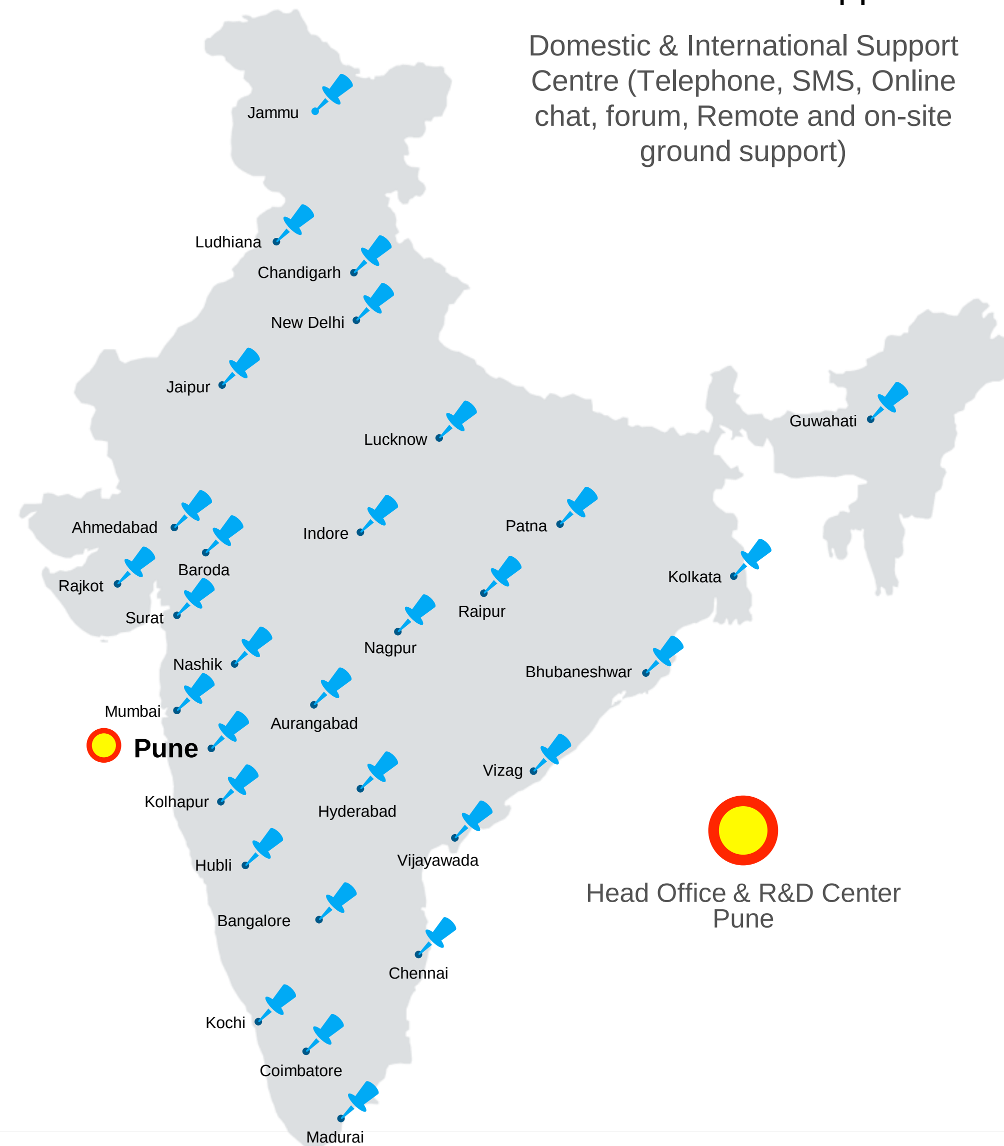
Quick Heal – 64 offices & warehouses across 36 cities in India

Retail Network	Enterprise & Government Network	Mobile Channel
18,041	577	1,189
End Users	End Users	End Users
Signed Agreements Annual Sales Targets Attractive Sales Incentives	Sales team is closely involved in maximising product availability across the channel and providing technical / sales assistance	Certifications programmes for enterprise channel partner empowerment & education On-going training (4 technical support centres) to channel partners for providing support services to end users

Significant National Outreach and Penetration

Customer Centric Approach

Domestic & International Support Centre (Telephone, SMS, Online chat, forum, Remote and on-site ground support)



Head Office & R&D Center
Pune

COMPETITIVE ADVANTAGE

SUPERIOR CUSTOMER SUPPORT

Strong Emphasis on Efficient Customer Service

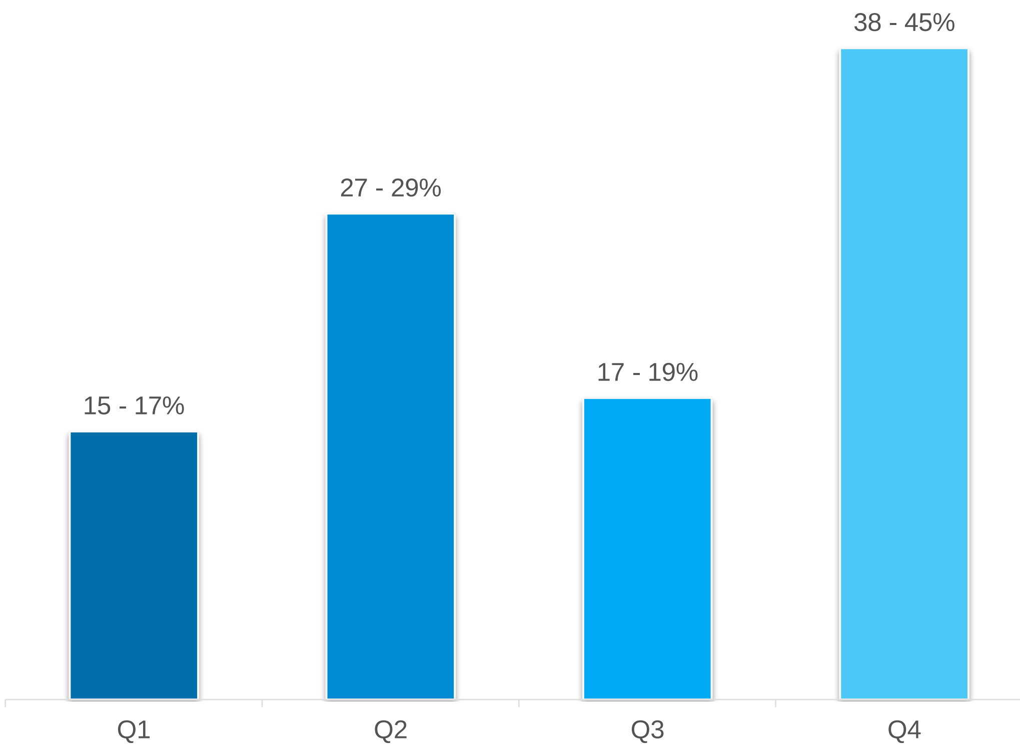
Remote Access Support – Key Differentiator

Maintain High Levels of User Satisfaction and Retention

STRONG CUSTOMER SUPPORT – SINGLE LARGEST DIFFERENTIATOR

- Multi-lingual end user support in English, Hindi and several other major regional Indian languages
- Multi-modal support to users through phone, email, SMS, online chat, support forum and remote access
- Ground support and onsite support for non-home users pan India
- Availability of data sheets, product videos and manuals on website for providing information on technical specifications, installation guide, upgrade mechanisms
- Release of various articles, technical papers, quarterly threat reports and conducting webinars in the area of security software

BUSINESS MODEL
SEASONALITY IMPACT ON REVENUES & MARGINS



QUARTERLY REVENUES - % OF ANNUAL

SEASONALITY IMPACT ON REVENUES & MARGINS:

- Revenues are higher in Q2 and Q4.
- R&D, G&A expenses are spread across all four quarters
- Hence, there is variation in EBITDA margin on quarterly basis

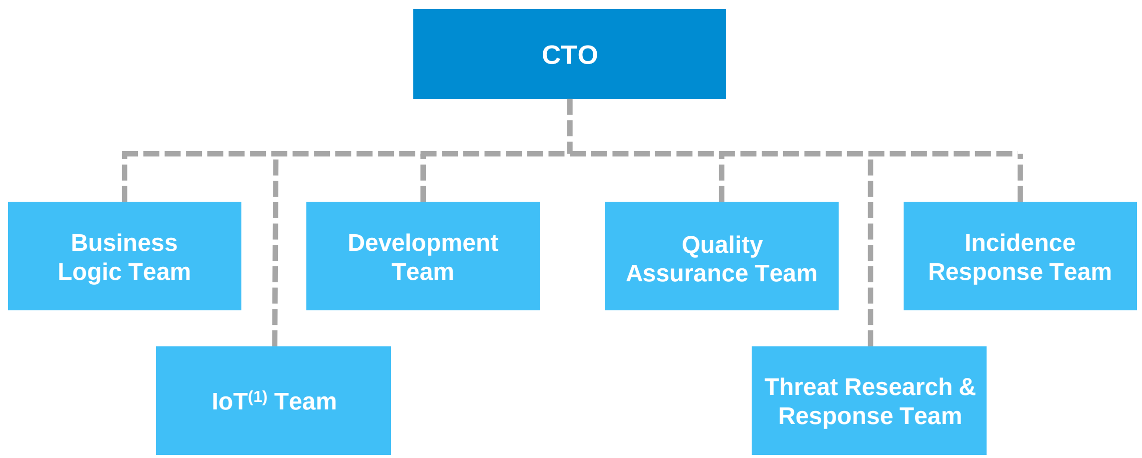
Source: Industry Overview and Trends – India and IT Security Market India - Inferences - Zinnov

Note: Fiscal year ends on March 31 of each year as shown above

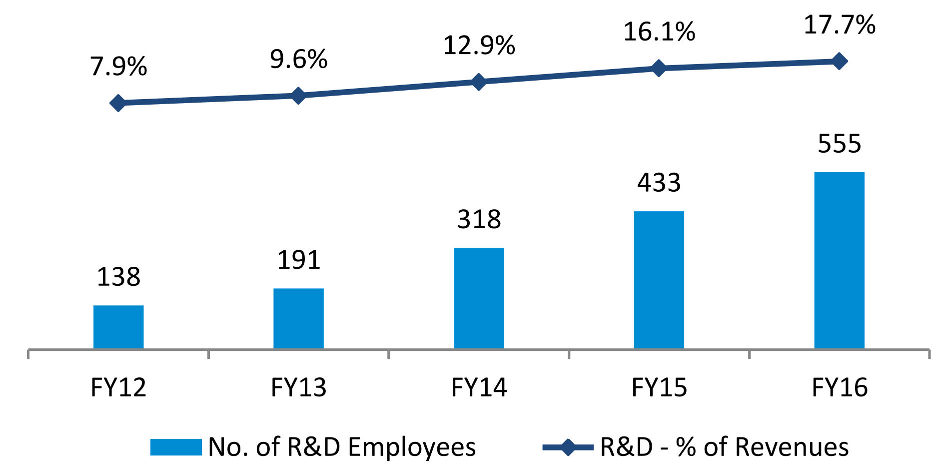
BUSINESS MODEL

THRUST ON RESEARCH & DEVELOPMENT

R&D DEPARTMENT STRUCTURE



CONTINUOUS FOCUS AND INVESTMENTS IN R&D



ROBUST R&D FRAMEWORK TO ACTIVELY TRACK AND QUARANTINE NEW VIRUSES

- **Business Logic Team** - helps in building product roadmaps and devising appropriate strategies.
- **Product Development Team** - responsible for the design and development of various products and solutions.
- **Incidence Response Team** – responsible for any emergency situation/incident at any enterprise security infrastructure.
- **Threat Research and Response Team** -takes part in detection of and removal of reported viruses and malwares
- **Internet of Things Security Team** - create products and solutions for home automation security
- **Quality Assurance Team** - provides systematic measurement, standard evaluation and monitoring of processes.

Earmarked Rs 418.8 mn from IPO proceeds to be spent on R&D investments over next 3 years

Indian GAAP Financial Reporting with full expensing of R&D expenses

STRONG DRIVERS FOR LONG-TERM GROWTH

Retain and Expand User Base

- Special focus on Tier II and Tier III towns
- Tailored offerings for SMB and enterprise users
- Develop and promote software-as-a-service model

Grow SMB and Enterprise Business

- Plans to focus on manufacturing, BFSI, healthcare, hospitality industries
- Reach out to SMBs, identify new SMB opportunities, increase engagement with channel partners

International Expansion

- Focus on international expansion through consistent brand building and marketing effort including media events and exhibitions
- Exploring opportunities in Africa, Middle East & South East Asia

Expand Mobile Capabilities

- Develop product for upcoming platforms like Androids, Windows, Linux, iOS to address opportunities in consumer enterprise.
- Monetize opportunities of our free solutions for mobile devices

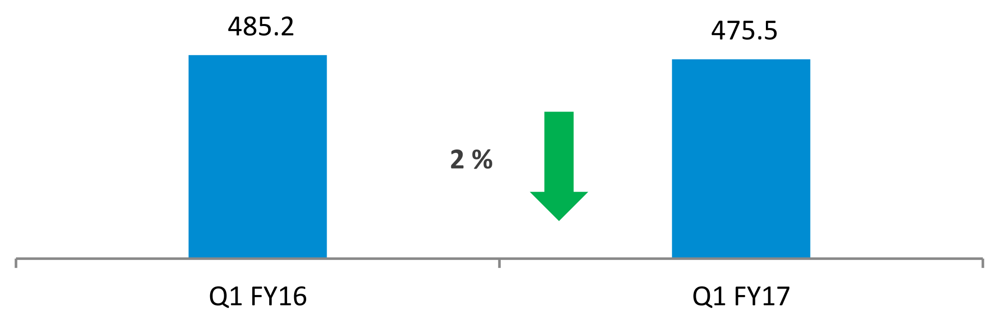
Strengthen R&D Investments and Broaden Product Portfolio

- Work ongoing on several new technologies such as IoT and home security automation
- Has 4 US patents to its credit. Awaiting 3 Indian patents

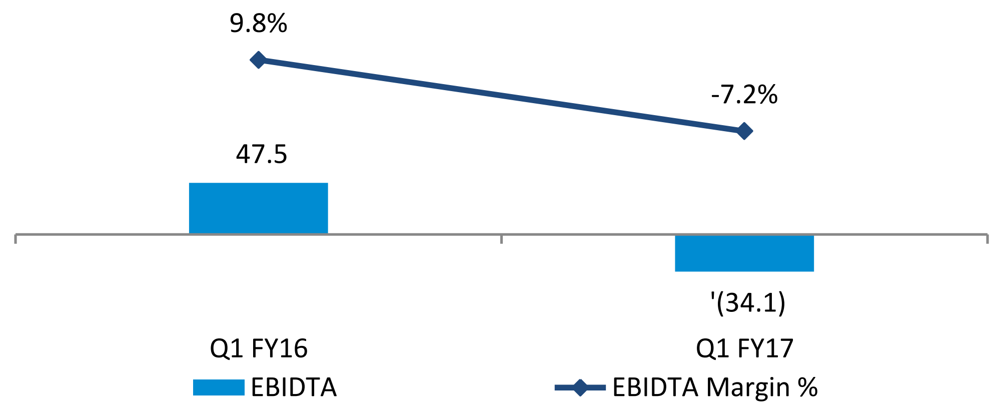
Q1 FY17 RESULTS HIGHLIGHTS

In Rs. Million

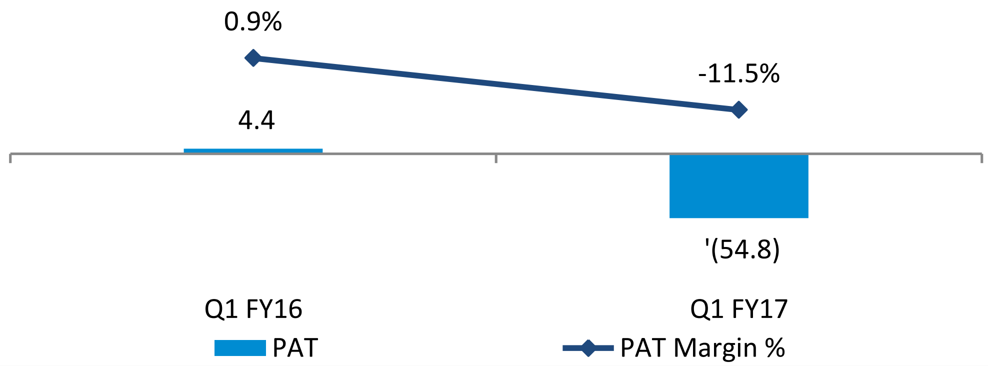
REVENUES



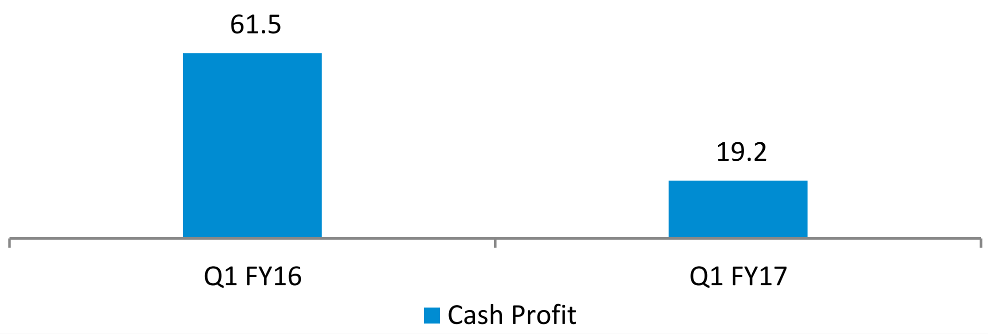
EBITDA and EBITDA MARGIN



PAT and PAT MARGIN



CASH PROFIT

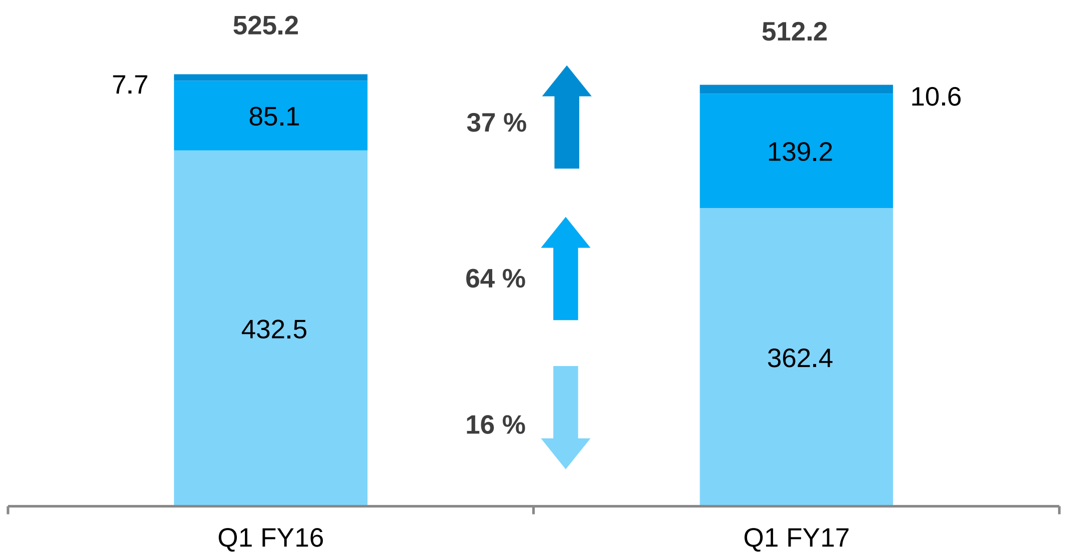


* Based on IND-AS Accounting Standards

Q1 FY17 – REVENUE ANALYSIS

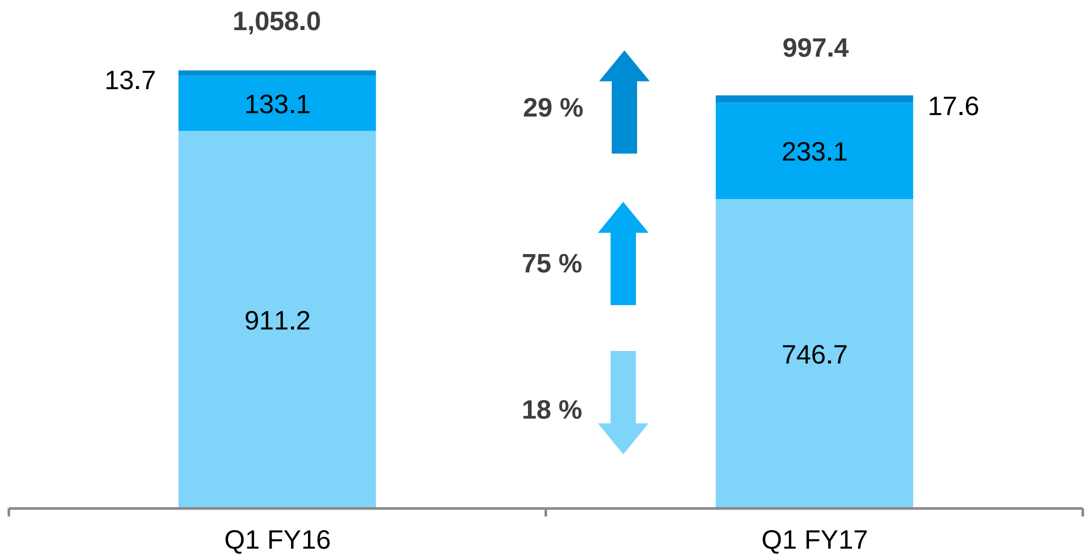
In Rs. Million

SEGMENT BREAKUP *



% Share	Q1 FY16	Q1 FY17
Retail	82.3%	70.8%
Enterprises & Government	16.2%	27.2%
Mobile	1.5%	2.1%

NUMBER OF LICENSES SOLD ('000)

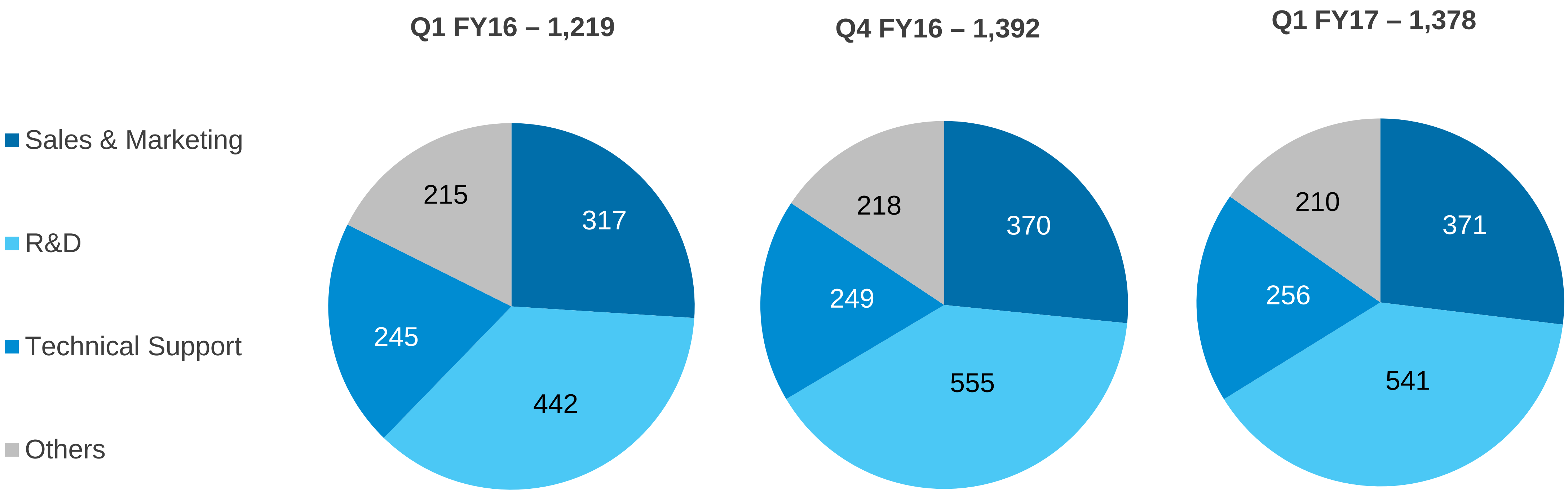


% Share	Q1 FY16	Q1 FY17
Retail	86.1%	74.9%
Enterprises & Government	12.6%	23.4%
Mobile	1.3%	1.8%

* Based on net revenues before adjusting for sales incentives

Quick Heal

Q1 FY17 – EMPLOYEE BREAKUP



Q1 FY17 – CHANGES RELATED TO IND-AS FINANCIALS

Note relating to Ind-AS financials and changes related thereto

- As per SEBI pronouncements, due to first time implementation of Ind-AS, companies can issue Ind-AS financials for the quarter, and the same quarter last year

- A reconciliation between the Ind-AS revenue and Indian GAAP revenue is being provided herewith.

- As per SEBI rules, we have opted for publishing the standalone financials for the quarter. A set of consolidated financials is also provided, consolidating the financials for subsidiaries also, however, these are not auditor reviewed.

Q1 FY17 CONSOLIDATED RESULTS – PROFIT & LOSS

Rs Million

S.No	Head	Consolidated			
		Q1 FY17	Q1 FY16	Growth	% Change
1	**Revenue**	**475.5**	**485.2**	**(9.7)**	**(2.0%)**
2	Direct Cost	45.5	54.1	(8.5)	(15.7%)
3	**Gross profit**	**429.9**	**431.1**	**(1.2)**	**(0.3%)**
4	**Gross Margin, %**	**90.4%**	**88.9%**		
	Operating Costs				
5	R&D Cost	158.8	139.6	19.2	13.8%
6	Sales and Marketing (S&M)	150.2	139.3	10.9	7.8%
7	General Administration (G&A)	154.9	104.7	50.2	47.9%
8	**Total**	**463.9**	**383.6**	**80.3**	**20.9%**
9	**EBIDTA**	**(34.0)**	**47.5**	**(81.5)**	**(171.6%)**
10	Depreciation / Amortization	74.0	57.0	1.7	29.8%
11	**EBIT**	**(108.0)**	**(9.5)**	**(98.5)**	**1036.8%**
12	Other Income	72.3	18.8	53.5	284.6%
13	Profit Before Tax & Exceptional Item	**(35.6)**	**9.2**	(44.8)	(486.9%)
14	Exceptional Item	37.8	0.0	37.8	-
15	Tax	(18.7)	4.9	(23.6)	(481.6%)
16	**Profit After Tax**	**(54.7)**	**4.3**	**(59.0)**	**(1372.1%)**
	Revenue Reconciliation between IGAAP and IND-AS				
1	**Revenue (Gross)**	561.5	566.4		
2	Taxes	49.3	41.2		
3	**Net revenue**	**512.2**	**525.2**		
4	Less Dealer Incentive	36.7	40.1		
5	**Net revenue after Dealer Incentive**	**475.5**	**485.2**		

Q1 FY17 CONSOLIDATED RESULTS – COST ANALYSIS

Rs Million

Particulars	Q1 FY17 @	Q1 FY16 @	Q4 FY16 #
Operating Cost			
Salaries	120.8	94.3	116.6
Fees for technical services	25.1	30.6	19.0
Technology subscription charges	12.8	14.6	25.7
R&D Expenses (A)	**158.8**	**139.6**	**161.3**
Salaries	72.4	54.7	61.3
Advertising Expenses	34.3	53.4	71.3
Sales Promotion	14.1	7.4	108.8
Traveling and conveyance	10.9	8.1	12.6
Technical Support Cost	18.2	15.5	18.0
Selling & Marketing Expenses (B) $ %	**150.2**	**139.3**	**272.0**
Salaries	36.3	37.0	34.7
Other Expenses	118.5	67.6	93.9
G&A (C)	**154.9**	**104.7**	**128.6**
Total Expenditure (A+B+C) % &	**463.9**	**383.6**	**561.9**

@ - From the Ind-AS financials reported for Q1 FY17

- From the Ind-GAAP numbers published in Q4 FY16

% - Sales Incentive to dealers has been taken out to equate this to Q1 FY17 figures and also for Q4 FY16, apples-to-apples

$ - Sales promotion costs are relative to revenues

& - Exceptional item, not being related to operations has been kept out of this analysis

Q1 FY17 CONSOLIDATED RESULTS – RATIO ANALYSIS

Ratio Analysis

S.No	Head	Consolidated	
		Q1 FY17	Q1 FY16
1	**Expenses**		
	Direct Cost / Revenue	9.57%	11.13%
	R&D / Revenue	33.40%	28.78%
	S&M / Revenue	31.59%	28.72%
	G&A / Revenue	32.58%	21.58%
	Total Cost / Revenue	107.17%	90.21%
2	**Margin**		
	Gross Margin	90.43%	88.87%
	EBIDTA	-7.15%	9.79%
	EBIT	-22.72%	-1.96%
	PBT	-15.50%	1.90%
	PAT	-11.51%	0.89%

Q1 FY17 STANDALONE RESULTS – PROFIT & LOSS

Rs Million

S.No	Head	Standalone			
		Q1 FY17	Q1 FY16	Growth	% Change
1	**Revenue**	**475.1**	**479.6**	**(4.5)**	**-0.9%**
2	Direct Cost	42.9	49.3	(6.4)	-13.0%
3	**Gross profit**	**432.2**	**430.3**	**2.0**	**0.5%**
4	**Gross Margin, %**	**90.9%**	**89.7%**	**1.0**	**1.4%**
	Operating Costs				
5	R&D Cost	158.8	139.8	19.6	14.0%
6	Sales and Marketing (S&M)	136.6	131.1	5.4	4.2%
7	General Administration (G&A)	151.9	100.4	51.0	50.8%
8	**Total**	**447.3**	**371.3**	**76.0**	**20.5%**
9	**EBIDTA**	**(15.0)**	**59.0**	**(74.0)**	**-125.5%**
10	Depreciation / Amortization	73.9	57.0	16.9	29.6%
11	**EBIT**	**(88.9)**	**2.0**	**(90.9)**	**-4619.9%**
12	Other Income	71.1	18.8	52.3	278.2%
13	Profit Before Tax & Exceptional Item	(17.8)	20.8	(38.6)	-185.8%
14	Exceptional Item	37.8	0.0	37.8	-
15	Tax	(18.7)	2.4	(21.1)	-878.3%
16	**Profit After Tax**	**(36.9)**	**18.4**	**(55.3)**	**-301.1%**

Q1 FY17 STANDALONE RESULTS – RATIO ANALYSIS

Ratio Analysis

S.No	Head	Standalone	
		Q1 FY17	Q1 FY16
1	**Expenses**		
	Direct Cost / Revenue	9.03%	10.29%
	R&D / Revenue	33.55%	29.15%
	S&M / Revenue	28.74%	27.34%
	G&A / Revenue	31.85%	20.93%
	Total Cost / Revenue	103.17%	87.70%
2	**Margin**		
	Gross Margin	90.97%	89.71%
	EBIDTA	-3.17%	12.30%
	EBIT	-18.72%	0.41%
	PBT	-11.71%	4.33%
	PAT	-7.77%	3.83%

Q1 FY17 CONSOLIDATED RESULTS – BALANCE SHEET

Particulars (In Rs Mn)	Q1 FY17	Q1 FY16
Share Holders' Funds:		
Equity Share Capital	700.3	610.7
Reserves And Surplus	5,557.9	2,736.7
Total Of Shareholder Funds	**6,258.2**	**3,347.4**
Non-Current Liabilities:		
Long Term Borrowings	0.0	0.0
Deferred Tax Liabilities (Net)	0.0	0.0
Other Long Term Liabilities	0.0	0.0
Long Term Provisions	0.0	0.0
Total Of Non-Current Liabilities	**0.0**	**0.0**
Current Liabilities:		
Short-Term Borrowings	0.0	0.0
Trade Payables	397.4	339.5
Other Current Liabilities	89.9	542.6
Short-Term Provisions	116.4	32.8
Total Of Current Liabilities	**603.7**	**914.9**
Total Equity & Liabilities	**6,861.9**	**4,262.3**

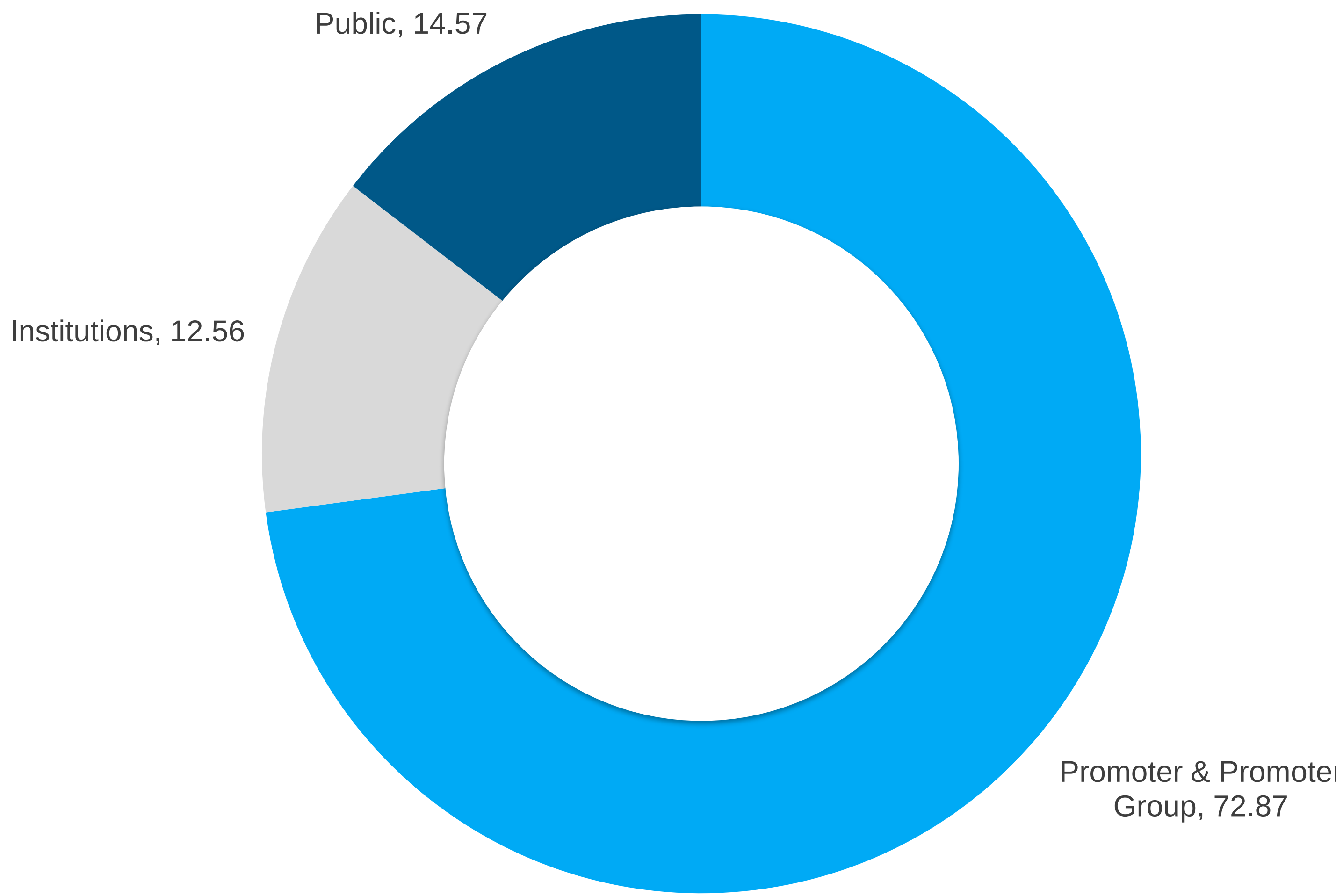
Particulars (In Rs Mn)	Q1 FY17	Q1 FY16
Non-Current Assets:		
Fixed Assets		
Fixed Assets	1,911.1	1,940.8
Non-Current Investments	36.5	3.9
Deferred Tax Assets (Net)	67.4	56.2
Long-Term Loans And Advances	2.9	1.3
Other Non-Current Assets	253.7	191.8
Total Non-Current Assets	**2,271.6**	**2,194.1**
Current Assets:		
Current Investments	1,332.8	1,326.5
Inventories	65.1	80.4
Trade Receivables	616.3	448.3
Cash And Bank Balances	2,461.4	105.3
Short-Term Loans And Advances	75.4	62.6
Other Current Assets	39.4	45.1
Total Current Assets	**4,590.3**	**2,068.1**
Total Assets	**6,861.9**	**4,262.3**

Q1 FY17 STANDALONE RESULTS – BALANCE SHEET

Particulars (In Rs Mn)	Q1 FY17	Q1 FY16
Share Holders' Funds:		
Equity Share Capital	700.3	610.7
Reserves And Surplus	5,682.1	2,813.3
Total Of Shareholder Funds	**6,382.4**	**3,424.0**
Non-Current Liabilities:		
Long Term Borrowings	0.0	0.0
Deferred Tax Liabilities (Net)	0.0	0.0
Other Long Term Liabilities	0.0	0.0
Long Term Provisions	0.0	0.0
Total Of Non-Current Liabilities	**0.0**	**0.0**
Current Liabilities:		
Short-Term Borrowings	0.0	0.0
Trade Payables	392.4	334.5
Other Current Liabilities	89.6	541.5
Short-Term Provisions	116.4	32.8
Total Of Current Liabilities	**598.3**	**908.8**
Total Equity & Liabilities	**6,980.8**	**4,332.8**

Particulars (In Rs Mn)	Q1 FY17	Q1 FY16
Non-Current Assets:		
Fixed Assets		
Fixed Assets	1,908.6	1,939.8
Non-Current Investments	218.6	93.1
Deferred Tax Assets (Net)	67.4	59.3
Long-Term Loans And Advances	3.8	3.7
Other Non-Current Assets	255.5	193.0
Total Non-Current Assets	**2,453.8**	**2,288.8**
Current Assets:		
Current Investments	1,332.8	1,326.5
Inventories	53.1	70.1
Trade Receivables	633.7	481.5
Cash And Bank Balances	2,394.0	60.3
Short-Term Loans And Advances	75.5	61.6
Other Current Assets	37.8	43.9
Total Current Assets	**4,526.9**	**2,044.0**
Total Assets	**6,980.8**	**4,332.8**

SHAREHOLDING STRUCTURE



% Shareholding – June 2016

Source – BSE

FOR FURTHER QUERIES

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ANNEXURE – CONSOLIDATED BALANCE SHEET

Particulars (In Rs Mn)	FY16	FY15
Share Holders' Funds:		
Equity Share Capital	700.3	610.7
Reserves And Surplus	5,369.0	2,703.7
Total Of Shareholder Funds	**6,069.3**	**3,314.4**
Non-Current Liabilities:		
Long Term Borrowings	0.0	0.0
Deferred Tax Liabilities (Net)	0.0	0.0
Other Long Term Liabilities	0.0	0.0
Long Term Provisions	0.0	0.0
Total Of Non-Current Liabilities	**0.0**	**0.0**
Current Liabilities:		
Short-Term Borrowings	0.0	0.0
Trade Payables	531.8	373.7
Other Current Liabilities	143.3	75.0
Short-Term Provisions	409.6	516.7
Total Of Current Liabilities	**1,084.7**	**965.3**
Total Equity & Liabilities	**7,154.0**	**4,279.7**

Particulars (In Rs Mn)	FY16	FY15
Non-Current Assets:		
Fixed Assets		
Fixed Assets	1,967.9	1,848.0
Non-Current Investments	34.2	4.2
Deferred Tax Assets (Net)	71.6	48.5
Long-Term Loans And Advances	177.7	172.3
Other Non-Current Assets	2.0	1.2
Total Non-Current Assets	**2,253.4**	**2,074.2**
Current Assets:		
Current Investments	1,084.0	1,296.1
Inventories	66.7	78.4
Trade Receivables	945.8	647.6
Cash And Bank Balances	2,690.6	126.4
Short-Term Loans And Advances	94.6	55.4
Other Current Assets	19.0	1.6
Total Current Assets	**4,900.6**	**2,205.5**
Total Assets	**7,154.0**	**4,279.7**

ANNEXURE – CASE STUDIES

AIMIL LIMITED

Nature of Business – Civil Engineering

CLIENT CHALLENGES	QUICK HEAL SOLUTION
▪ Ensure uniformity and consistency across multiple company locations / endpoints ▪ Manage IT systems and policies across multiple company locations / endpoints ▪ Continuous ongoing support from the IT security provider for real-time problem resolution	▪ Seqrite Cloud solution - Seqrite Endpoint Security's roaming platform allows monitoring of all endpoints even when they are out of the local network. ▪ Dedicated quick Heal manager allocated to address on-demand local and remote support issues

SARDAR PATEL UNIVERSITY

Nature of Business – Education

CLIENT CHALLENGES	QUICK HEAL SOLUTION
▪ Prevent loss of sensitive data ▪ Provide adequate and efficient support for IT resource management ▪ Allow multiple polices / rules to be implemented for different student groups	▪ Seqrite Endpoint Security - advanced browsing and spam protection solution that blocks viruses before they enter the network ▪ Provides group policy management feature that allows the university to customise user groups and define individual policies ▪ Dedicated technical account manager allocated to reduce dependency on external resources and support expenses

ANNEXURE – CASE STUDIES

BOMBAY HOSPITAL, INDORE

Nature of Business – Healthcare & Hospitals

CLIENT CHALLENGES	QUICK HEAL SOLUTION
▪ Prevent loss of bandwidth due to employees accessing social media sites ▪ Allow the hospital to implement uniform policies across all systems ▪ Prevent slowing down and frequent freezing of systems within the hospital network	▪ Seqrite Endpoint Security - allows the hospital to implement website filtering to block individual sites or category-based sites ▪ Provides group policy management feature that allows the hospital to define user groups and assign policies ▪ Allows cleaning up of junk files and deletes invalid registry entries to optimize system speed and avoid unwanted disruptions

PUBLIC WORKS DEPARTMENT – DEHRADUN

Nature of Business – Government Authority for State Road Network

CLIENT CHALLENGES	QUICK HEAL SOLUTION
▪ Prevent loss of bandwidth due to employees accessing unwanted websites ▪ Allow installation of crucial software without slowing down the network ▪ Provide adequate technical support and services for addressing issues	▪ Seqrite Endpoint Security - allows website filtering to restrict access to unwanted websites to preserve network bandwidth ▪ Includes an application control feature that blocks categories of applications from functioning within the network ▪ Dedicated technical account manager to resolve technical issues from time to time