

Report of the Monitoring Agency

Name of the Issuer: Quick Heal Technologies Ltd

For Quarter ended: June, 2017

Name of the Monitoring Agency: Axis Bank Limited

(a) Deviation from the objects: No deviation from the objects (relevant comments are specified in the report below)

- Utilization different from Objects stated in OD but in line with change of objects approved by shareholders' resolution; or
- Utilization neither in line with Objects stated in OD nor approved by shareholders' resolution
- In case of no deviation, the fact would be stated.

(b) Range of Deviation*: Not applicable (relevant comments are specified in the report below)

Indicate range of percentage deviation from the amount of issue proceeds earmarked for objects. For example, up to 10%, 10 - 25%, 25-50%, 50-75%, 75-100%, not ascertainable etc.


* Range of Deviation may be computed by taking weighted average of financial deviation of each object in the ratio of issue proceeds allocated for it. Non-financial deviation may be indicated separately by way of notes.

Declaration:

We hereby declare that this report is based on the format as prescribed by SEBI (ICDR) Regulations, 2009, as amended. We further declare that this report provides true and fair view of the utilization of issue proceeds.

We declare that we do not have any direct / indirect interest in or relationship with the issuer/promoters/directors/management and also confirm that we do not perceive any conflict of interest in such relationship / interest while monitoring and reporting the utilization of issue proceeds by the issuer. We also declare that the certificate is provided on the basis of management representation and certification provided by the independent chartered accountant.



Signature: 

Name of the Authorized Person/Signing Authority: **Mr. Amar Hadye**

Designation of Authorized person/Signing Authority: **Assistant Vice President**

Seal of the Monitoring Agency:

Date: 01.08.2017

1) **Issuer Details:**

Name of the issuer: Quick Heal Technologies Ltd

The names of the promoters of the issuer: Kailash Katkar, Sanjay Katkar, Anupama Katkar and Dr. Chhaya Katkar
Industry/sector to which it belongs: Security software products and solutions

2) **Issue Details:**

Issue Period: minimum of 3 working days and not more than 10 working days.

Type of issue (public/rights): Public Issue

Type of specified securities: Equity Shares

Grading: As this is an offer of Equity shares, no credit rating agency has been appointed in respect of obtaining grading for the offer.

Issue size (Rs. in Crores): Fresh issue of 250 crores

3) **Details of the arrangement made to ensure the monitoring of issue proceeds:**

(Give item by item description for all the objects stated in offer document separately in following format)

Particulars	Comment
Advertising and sales promotion	As per annexure attached 3.1
Capital expenditure on research and development	As per annexure attached 3.1
Purchase, development and renovation of office premises in Kolkata, Pune and New Delhi	As per annexure attached 3.1
General corporate purposes	As per annexure attached 3.1

Where material deviation may be defined to mean:

a) Deviation in the objects or purposes for which the funds have been raised: **Not applicable**

b) Deviation in the amount of fund actually utilized by more than 10% of the amount projected in the offer documents.: **Not applicable**

4) **Details of object(s) to be monitored:**

(i) Cost of object(s)-

(Give Item by Item Description for all the Objects Stated in Offer Document separately in following format)
(Rs. in million)

Sl. No	Item Head	Original Cost (as per Offer Document)	Revised Cost	Comments of Monitoring Agency	Comments of Board of Directors		
					Reason of cost revision	Proposed financing option	Particulars of firm arrangements made
1.	Offer related expenses	157.49	174.74	The fact that estimated offer related expenses are short of actual expenses is mentioned in all earlier Utilization Certificate			

(ii) Progress in the object(s)-Attached as Annexure 3.2



(iii) Deployment of unutilized IPO proceeds-

Sl. no.	Type of instrument where amount invested*	Amount invested	Maturity date	Accrued interest Earnings	Return on Investment (ROI %)	Market Value as at the end of quarter**
1	Fixed Deposit in Kotak Mahindra with FD no 8811904951	31,50,00,000/-	29-May-18	19,08,123	6.70%	31,69,08,123
2	Fixed Deposit in Kotak Mahindra FD with no 8811882037	50,00,00,000/-	26-Aug-17	1,03,61,643	6.10%	51,03,61,643
3	Fixed Deposit in ICICI with FD no 42413006552	25,00,00,000/-	5-Mar-18	50,57,703	6.10%	25,50,57,703
4	Fixed Deposit in ICICI with FD no 42413006551	25,00,00,000/-	9-Mar-18	50,57,703	6.10%	25,50,57,703
5	Fixed Deposit in ICICI with FD no 42413006589	37,00,00,000/-	9-Sep-17	68,72,029	6.00%	37,68,72,029
6	Bank Balance in Axis Bank Account No. 916020008277004 as on 30 June 2017	56,86,576.79/-	NA	NA	NA	NA
	Total	1,69,06,86,577		2,92,57,201(Refer Notes #)		1,71,42,57,201

* Also indicate name of the party/company in which amounts have been invested

** Where market value is not practical to find, provide NAV/NRV/Book Value of the same

(iv) Delay in implementation of the object(s)- Not applicable



ANNEXURE 3.1 TO THE MONITORING AGENCY CERTIFICATE DATED 01.08.2017

Particulars	Reply	Monitoring Agency Comment	Comments of Board of Directors
Whether all the utilization is as per disclosure in Offer Document?	Yes/ No	The service tax paid for Sidley Austin LLP on reverse charge basis of Rs. 23,00,251 for preceeding quarter was made from another account and same is being reimbursed now.	
Whether Shareholder approval is obtained in case of material deviations# from expenditures disclosed in Offer Document?	Not Applicable	NIL	
Whether means of finance for disclosed objects of the Issue has changed?	Yes/ No	NIL	
Any major deviation observed over the earlier monitoring agency reports?	Yes/ No	Not to our knowledge	
Whether all Government / Statutory approvals related to the object(s) obtained?	Yes/ No	NIL	
Whether all arrangements pertaining to technical assistance/collaboration in operation?	Yes/ No	NIL	
Any favorable events improving object(s) viability	Yes/ No	NIL	
Any unfavorable events affecting object(s) viability	Yes/ No	Not to our knowledge	
Any other relevant information that may materially affect the decision making of the investors	Yes/ No	NIL	



ANNEXURE 3.2 TO THE MONITORING AGENCY CERTIFICATE DATED 01.08.2017

Sl. No	Item Heads	Amount as proposed in Letter of Offer	Amount utilized			Total unutilized Amount	Comments of Monitoring Agency	Comments of Board of Directors	
			As at Beginning of the quarter	During the quarter	At the end of the quarter			Reason of idle funds	Proposed Course of Action
1	Advertising and Sales Promotion	1110	88.76	75.43	164.19	945.81	NIL		
2	Capital expenditure on research and development	418.8	232.22	8.58	240.80	178	NIL		
3	Purchase, development and renovation of office premises in Kollala, Pune and New Delhi	275.95	57.29	122.97	180.26	95.69	NIL		
4	General corporate purposes	537.76	80.13	0.31	80.44	457.32	<p>* Utilization is as per disclosure in prospectus. However, service tax paid for Sidley Austin LLP on reverse charge basis of Rs. 23,00,251 for preceding quarter was made from another account and same is being reimbursed now.</p> <p>* The Company has incurred an excess amount of amount of Rs. 17.25 million as issue related expenses against as disclosed in the Offer Document (i.e. amount disclosed in Offer document is Rs. 157.49 million - actual amount incurred is 171.74 Million). The said expenses are shown under the head of General Corporate expenses</p> <p>* The expenses related to other shareholders aggregating to Rs. 126.95 million were also paid through the books of Company in addition to the issue related expenses paid by the Company</p>		
	Total	2342.51	458.4	207.29	665.69	1676.82			

