



AXB/CO/IFB-TS/18-19/203

October 24, 2018

To,

Quick Heal Technologies Limited

Marvel Edge, 7010 C&D, 7th Floor,

Opp. NECO Garden Society

Pune – 411 014

Kind Attn: Mr. Shankar Shinde

Dear Sir,

Sub: Quick Heal Technologies Limited - initial public offering of equity shares by the Company aggregating upto Rs. 250 Crores

We write in our capacity of Monitoring Agent for the captioned initial public offering of the Company and refer to our duties cast under Regulation 16(2) of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009.

In terms of above, please find attached the Monitoring Report for the quarter ended 30th September, 2018, as per aforesaid SEBI Regulations.

Request you to kindly take the same on records.

Thanking you,

For **Axis Bank Limited**


Amar Hadye
Assistant Vice President

Report of the Monitoring AgencyName of the Issuer: Quick Heal Technologies LtdFor Quarter ended: September, 2018Name 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)(b) Range of Deviation*: Not applicable (relevant comments are specified in the report below)

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.

For Axis Bank Limited

Authorized Signatory

Date: October 24, 2018

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*			

* Relevant comments are provided in our report dated 25th October, 2016

(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 FD with no 8813001474	75,00,000	6-Oct-18	7,397	4.00%	75,07,397
2	Fixed Deposit in Kotak Mahindra with FD no 8811980559	25,00,00,000	09-Mar-2019	98,98,973	7.05%	25,98,98,973
3	Fixed Deposit in Kotak Mahindra with FD no 8812002243	17,50,00,000	24-May-19	44,58,904	7.50%	17,94,58,904
4	Fixed Deposit in HDFC with FD no 50300237797800	10,00,00,000	26-Feb-2019	45,06,794	7.35%	10,45,06,794
5	Fixed Deposit in HDFC with FD no 50300241759252	15,00,00,000	24-Mar-2019	60,29,288	7.45%	15,60,29,288
6	Fixed Deposit in HDFC with FD no 50300280082163	7,75,00,000	25-Mar-2019	1,08,500	7.30%	7,76,08,500
7	Bank Balance in Axis Bank Account No. 916020008277004 as on 30 September 2018	14,84,586	NA	NA	NA	14,84,586
8	Fixed Deposit in Kotak Mahindra with FD no 8812985522	25,00,00,000	28-Aug-2019	17,40,411	7.70%	25,17,40,411
9	Fixed Deposit in Kotak Mahindra with FD no 8812988189	25,00,00,000	28-Aug-2019	17,85,616	7.90%	25,17,85,616
Total		1,26,14,84,586		2,85,35,883		1,29,00,20,469

* 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

Interest Accrued Earnings are mentioned as per interest accrued certificates issued by Bank is Rs. 2,85,35,883/-. However, as per unaudited books of the Company, total interest receivable on FD is Rs. 2,84,20,280/-

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



ANNEXURE 3.1 TO THE MONITORING AGENCY CERTIFICATE DATED October 24, 2018

Particulars	Reply	Yes/ No	Monitoring Agency Comment	Comments of Board of Directors
Whether all the utilization is as per disclosure in Offer Document?		Yes/ No	Pursuant to the terms of objects clause of Offer Document dated September 29, 2015 (the Offer Document) the Company proposes to deploy the entire Net Proceeds towards the objects as described in the offer document during fiscal years 2017, 2018 and 2019, as applicable. In the event that the estimated utilization of the net Proceeds in a scheduled fiscal year is not completely met, the same shall be utilized in the next fiscal year. Further, if the Net Proceeds are not completely utilised for the objects stated above by fiscal year 2019 due to factors such as (i) economic and business conditions; (ii) increased competition; (iii) delay in procuring and 105 operationalizing assets; (iv) timely completion of the Issue, market conditions outside the control of our Company; and (v) other commercial considerations; the same would be utilised (in part or full) in fiscal year 2020 or a subsequent period as may be determined by the Company in accordance with applicable law. The relevant comparison is provided on yearly basis and in our earlier reports	
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 October 24, 2018

Amount in million

Sl. No	Item Head\$	Amount as proposed in Letter of Offer	Amount utilized			Total unutilized Amount	Comments 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	361.68	26.82	388.5	721.5	Expenses incurred on advertising and sales promotion are utilized from net proceeds and are in accordance with the objects of the offer as stated in prospectus.		
2	Capital expenditure on research and development	418.8	308.94	0	308.94	109.86	For the said quarter, there is no expenditure incurred on Capital and Research development		
3	Purchase, development and renovation of office premises in Kolkata, Pune and New Delhi	275.95	188.72	0	188.72	87.23	For the said quarter, there is no expenditure incurred on Purchase, development and renovation of office premises.		
4	General corporate purposes	537.76	172.38	36.35	208.73	329.03	Utilization is as per disclosure in prospectus.		
	Total	2342.51	1031.72	63.17	1094.89	1247.62			

