



AXB/CO/IFB-TS/18-19/ 17
April 13, 2018

To,
Quick Heal Technologies Limited
Marvel Edge, 7010 C&D, 7th Floor,
Opp. NECO Garden Society
Pune – 411 014

Kind Attn: Mr. Rajesh Ghonasgi

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 31st March, 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: March, 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: April 13, 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 with FD no 8811904951	31,50,00,000	29-May-18	1,76,93,507	6.70%	33,26,93,507
2	Fixed Deposit in Kotak Mahindra FD with no 08811928735	50,00,00,000	28-Aug-18	1,84,07,534	6.25%	51,84,07,534
3	Fixed Deposit in Kotak Mahindra with FD no 8811980559	25,00,00,000	09-Mar-19	10,62,329	7.05%	25,10,62,329
4	Fixed Deposit in HDFC with FD no 50300237797800	10,00,00,000	26-Feb-2019	7,65,205	7.35%	10,07,65,205
5	Fixed Deposit in HDFC with FD no 50300241759404	9,00,00,000	24-Sep-2018	2,16,000	7.30%	9,02,16,000
6	Fixed Deposit in HDFC with FD no 50300241759252	15,00,00,000	24-Mar-2019	3,67,397	7.45%	15,03,67,397
7	Bank Balance in Axis Bank Account No. 916020008277004 as on 31 March 2018	8,66,033	NA	NA	NA	8,66,033
Total		1,40,58,66,033		3,85,11,972		1,44,43,78,005

* 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. However, as per unaudited books of the Company, total interest receivable on FD is Rs. 3,84,43,219/-s

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



ANNEXURE 3.1 TO THE MONITORING AGENCY CERTIFICATE DATED April 13, 2018

Particulars	Reply	Monitoring Agency Comment	Comments of Board of Directors
Whether all the utilization is as per disclosure in Offer Document?	Yes/ No	<p>* 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. Accordingly, we have noticed that as per the projection provided in the Offer Document the Company was required to spend Rs. 370 million in the year 2017 and 2018 each under the head advertising and Sales promotion i.e. Rs. 740 million in total. However the Company has actually spent Rs. 319 million in total and Rs. 230 million during the current fiscal.</p> <p>* Pursuant to the terms of objects clause the Company was required to spend Rs. 220 million and Rs. 100 Million during the fiscal 2017 and 2018 respectively under the head Capital expenditure on research and development. However, the Company has actually spent Rs. 308 million in total and Rs. 76.72 million during the year.</p> <p>* Pursuant to the terms of objects clause the Company was required to spend Rs. 275.95 million under the head Purchase, development and renovation of office premises in the fiscal year 2017. However, the Company has actually spent Rs. 188.72 million during the year 2017 and 2018.</p>	
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 April 13, 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	244.28	75.02	319.30	790.70	NIL		
2	Capital expenditure on research and development	418.80	308.94	0.00	308.94	109.86	NIL		
3	Purchase, development and renovation of office premises in Kolkata, Pune and New Delhi	275.95	187.44	1.28	188.72	87.23	NIL		
4	General corporate purposes	537.76	102.51	31.03	133.54	404.22	No additional Comments apart from earlier reports		
	Total	2342.51	843.17	107.33	950.50	1392.01			

