Quick Heal
Security Simplified

Quick Heal Technologies Ltd.

Regd. Office: Marvel Edge, Office No. 7010 C & D, 7th Floor,
Opposite Neco Garden Society, Viman Nagar, Pune 411014.
Tel: +91 20 66813232 | Email: info@quickheal.com
CIN - L72200MH1995PLC091408

Ref. No.: QHTL/Sec/SE/2020-21/11 May 22, 2020

The Manager,
Corporate Services,
BSE Limited,
14th floor, P J Towers, Dalal Street,
Mumbai – 400 001
Ref: Security ID: QUICKHEAL
Security Code: 539678

The Manager,
Corporate Services,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
Symbol: QUICKHEAL
Series : EQ

Dear Sir/Madam,

**Subject: Report of the Monitoring Agency for the quarter ended March 31, 2020**

Please find enclosed herewith a Report of the Monitoring Agency, for the quarter ended March 31, 2020, for your records.

As permitted, this letter is being submitted under Sd/- mode due to work from home as per the Government advisory on Covid-19 and as a part of safety measure.

This is for your information and records.

Please acknowledge the receipt.

**For Quick Heal Technologies Limited**

**Sd/-**

**A. Srinivasa Rao**
**Company Secretary**

**Encl.: As above**

**AXB/CO/IFB-TS/20-21/7**
**April 27, 2020**

**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 March 31st 2020 as per aforesaid SEBI Regulations.

Request you to kindly take the same on records.

Thanking you,
For **Axis Bank Limited**

**Authorised Signatory**

**Report of the Monitoring Agency**

Name of the Issuer: **Quick Heal Technologies Ltd**

For Quarter ended: **March, 2020**

Name of the Monitoring Agency: **Axis Bank Limited**

d(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: 27 April, 2020

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: 16th February 2016 to 18th February, 2016
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 Rs. 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*
*b) Deviation in the amount of fund actually utilized by more than 10% of the amount projected in the offer documents.*

4) **Details of object(s)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* | FD No | Amount invested | Maturity date | Accrued interest Earnings | Return on Investment (ROI %) | Market Value as at the end of quarter** |
|---|---|---|---|---|---|---|---|
| 1. | Fixed Deposit with Kotak Mahindra Bank | 8813188199 | 3,70,00,000 | 31-Aug-20 | 14,84,815 | 6.75% | 3,84,84,815 |
| 2. | Fixed Deposit with Kotak Mahindra Bank | 8813188205 | 4,70,00,000 | 31-Aug-20 | 18,86,116 | 6.75% | 4,88,86,116 |
| 3. | Fixed Deposit with Kotak Mahindra Bank | 8813188168 | 1,90,00,000 | 22-Sep-20 | 7,79,416 | 6.90% | 1,97,79,416 |
| 4. | Fixed Deposit with Kotak Mahindra Bank | 8814125315 | 4,10,00,000 | 26-Aug-20 | 2,28,027 | 5.80% | 4,12,28,027 |
| 5. | Fixed Deposit with Kotak Mahindra Bank | 8814125858 | 4,10,00,000 | 26-Aug-20 | 2,21,512 | 5.80% | 4,12,21,512 |
| 6. | Fixed Deposit with Kotak Mahindra Bank | 8814135505 | 4,87,50,000 | 12-Mar-21 | 1,60,274 | 6.00% | 4,89,10,274 |
| 7. | Fixed Deposit with Kotak Mahindra Bank | 8814135956 | 4,00,00,000 | 15-Mar-21 | 1,24,932 | 6.00% | 4,01,24,932 |
| 8. | Fixed Deposit with Kotak Mahindra Bank | 8814142596 | 8,45,00,000 | 23-Sep-20 | 66,558 | 5.75% | 8,45,66,558 |
| 9. | Fixed Deposit with Kotak Mahindra Bank | 8814142701 | 9,80,00,000 | 23-Sep-20 | 78,534 | 5.85% | 9,80,78,534 |
| 10. | Fixed Deposit with ICICI Bank | 624013035465 | 4,87,50,000 | 12-Mar-21 | 1,57,258 | 6.00% | 4,89,07,258 |
| 11. | Fixed Deposit with ICICI Bank | 624013031756 | 6,75,00,000 | 25-Sep-20 | 23,86,001 | 6.75% | 6,98,86,001 |
| 14 | Bank Balance in Axis Bank Account No. 916020008277004 as on 31 March 2020 | | 8,57,095 | NA | NA | NA | 8,57,095 |
| | **Total** | | | | | | ***58,09,30,538** |

** 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.*
*## Interest accrued as per unaudited books of account is Rs. 75,49,723.29/- and as per Interest Certificates issued by bank is Rs. 75,73,443.00 /-*

(iv) Delay in implementation of the object(s) -No. As per the objects of the offer stated in the prospectus the Total Net Proceeds received by Quick Heal Technologies Limited by way of IPO should be deployed during the fiscal years 2016,2017,2018 and 2019. However, if the funds are not utilized within prescribed period for reasons mentioned in prospectus, then such unutilized fund can be utilized in a fiscal year 2020 or any subsequent period as may be determined by the company.
Based on the above, the Board of Directors of Quick Heal Technologies Limited in meeting dated 13th February 2019 have decided to extend the utilization of Net Proceeds to the subsequent fiscal years upto 31 March 2021 stating that the same is within permissible reason as specified in prospectus.

**ANNEXURE 3.1 TO THE MONITORING AGENCY CERTIFICATE DATED 27th APRIL, 2020**

| Particulars | Reply | Monitoring Agency Comment | Comments of Board of Directors |
|---|---|---|---|
| Whether all the utilization is as per disclosure in Offer Document? | Yes | Utilization is as per disclosure in prospectus. | |
| Whether Shareholder approval is obtained in case of material deviations from expenditures disclosed in Offer Document? | Not Applicable | For the concerned period, there is no material deviation for the expenses incurred on advertising and sales promotion expenses and Capital expenditure on research development & General Corporate purpose | |
| Whether means of finance for disclosed objects of the Issue has changed? | No | Nil | |
| Any major deviation observed over the earlier monitoring agency reports? | No | Not to our knowledge | |
| Whether all Government / Statutory approvals related to the object(s) obtained? | Not Applicable | Nil | |
| Whether all arrangements pertaining to technical assistance/collaboration in operation? | Yes | Nil | |
| Any favorable events improving object(s) viability | No | Not to our knowledge | |

| Particulars | Reply | Monitoring Agency Comment | Comments of Board of Directors |
|---|---|---|---|
| Any unfavorable events affecting object(s) viability | No | Not to our knowledge | |
| Any other relevant information that may materially affect the decision making of the investors | No | Not to our knowledge | |

**ANNEXURE 3.2 TO THE MONITORING AGENCY CERTIFICATE DATED 27th APRIL, 2020**

**Amount in million**

| Sl. No | Item Head | 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 | Transfer of funds after approval obtained in AGM dt.15th July 2019 | | | Reason of idle funds | Proposed Course of Action |
| 1 | Advertising and Sales Promotion | 1110 | 603.74 | 37.76 | 641.50 | 0 | 468.50 | 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 | 418.80 | 414.64 | 3.82 | 418.47 | 0 | 0.33 | Utilization is as per disclosure in prospectus | | |
| 3 | Purchase, development and renovation of office premises in Kolkata, Pune and New Delhi | 275.95 | 188.72 | 0 | 188.72 | (87.23) | 0 | For the said quarter, there is no expenditure incurred on Purchase, development and renovation of office premises in Kolkata, Pune and New Delhi.<br>Amount of 87.23 is transferred from Purchase, development and renovation of office premises in Kolkata, Pune and New Delhi object to General Corporate Purposes object by resolution dated 15th July 2019 | | |
| 4 | General corporate purposes | 537.76 | 401.04 | 133.27 | 534.31 | 87.23 | 90.68 | Utilization is as per disclosure in prospectus.<br>Amount of 87.23 is transferred from Purchase, development and renovation of office premises in Kolkata, Pune and New Delhi object to this object by resolution dated 15th July 2019 | | |
| | **Total** | **2342.51** | **1608.15** | **174.85** | **1782.99** | **0** | **559.51** | | | |