

Quick Heal

Security Simplified

QUICK HEAL TECHNOLOGIES LIMITED

Quick Heal Technologies Limited (the “Company”) was incorporated as CAT Computer Services Private Limited on August 7, 1995, at Pune, Maharashtra as a private limited company under the Companies Act, 1956. For details of changes in the name and the registered office of the Company, see “History and Certain Corporate Matters” on page 158 of the Red Herring Prospectus dated January 29, 2016 (the “RHP”) (as supplemented by corrigendum dated January 30, 2016 and addendum dated February 1, 2016).

Registered and Corporate Office: Marvel Edge, Office No. 7010 C & D, 7th Floor, Opposite Neco Garden Society, Viman Nagar, Pune 411 014, India.

Contact Person: Vijay B. Shirode, Company Secretary and Compliance Officer. **Tel:** (91 20) 6681 3232; **Email:** cs@quickheal.co.in; **Website:** www.quickheal.com.

Corporate Identity Number: U72200MH1995PLC091408

INITIAL PUBLIC OFFER OF [•] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (“EQUITY SHARES”) OF QUICK HEAL TECHNOLOGIES LIMITED (“COMPANY” OR “ISSUER”) FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [•] PER EQUITY SHARE) AGGREGATING UP TO ₹ [•] MILLION (THE “OFFER”) CONSISTING OF A FRESH ISSUE OF UP TO [•] EQUITY SHARES BY THE COMPANY AGGREGATING UP TO ₹ 2,500.00 MILLION (THE “FRESH ISSUE”) AND AN OFFER FOR SALE OF 6,269,558 EQUITY SHARES BY KAILASH SAHEBRAO KATKAR, SANJAY SAHEBRAO KATKAR, SEQUOIA CAPITAL INDIA INVESTMENT HOLDINGS III AND SEQUOIA CAPITAL INDIA INVESTMENTS III (COLLECTIVELY, THE “SELLING SHAREHOLDERS”) AGGREGATING UP TO ₹ [•] MILLION (THE “OFFER FOR SALE”). THE OFFER COMPRISES A NET OFFER TO THE PUBLIC OF [•] EQUITY SHARES (THE “NET OFFER”) AND A RESERVATION OF [•] EQUITY SHARES AGGREGATING UP TO ₹ 50.00 MILLION FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED IN THE RHP) (THE “EMPLOYEE RESERVATION PORTION”). THE OFFER WOULD CONSTITUTE [•] % OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL AND THE NET OFFER WOULD CONSTITUTE [•] % OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL.

ASBA*

Simple, Safe, Smart way of making an Application - Make use of it!!!

*Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, investors can avail the same. For details, check section on ASBA below.

Mandatory in public issue from January 1, 2016. No cheque will be accepted.

APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA): Investors have to compulsorily apply through the ASBA process. ASBA has to be availed by all the investors except for Anchor Investors. The investor is required to fill the Bid-cum-Application-Form and submit the same to their respective SCSB or to the Syndicate Members at Specified Location or Registered Brokers or Broker Center or the RTA or the CDP. The SCSB will block the amount in the account as per the authority contained in the Bid-cum-Application Form and undertake other tasks as per the specified procedure. On Allotment, amount will be unblocked and account will be debited only to the extent required to be paid for Allotment of Equity Shares. Hence, there will be no need of refunds. Bid-cum-Application Forms can also be downloaded from the websites of BSE and NSE. Bid-cum-Application Form can be obtained from the list of SCSBs that is available on the website of SEBI at <http://www.sebi.gov.in> or members of the Syndicate. For details about ASBA, please refer to the details given in Bid-cum-Application-Form, abridged prospectus and the section “Offer Procedure” beginning on page 363 of the RHP.

ADDENDUM: NOTICE TO INVESTORS

Subsequent to the filing of the RHP with the Registrar of Companies, Maharashtra at Pune, our Company has received an order dated January 28, 2016 issued by the Additional Director General, Directorate General of Central Excise Intelligence, New Delhi (the “ADG”) in relation to a show cause cum demand notice dated February 2, 2015 issued by the ADG, disclosed on page 331 of the RHP in the section “Outstanding Litigation and Material Developments” in point no. 1 under “Litigation involving our Company – Litigation against our Company - Tax proceedings”. The said order has confirmed a demand of service tax of ₹ 560.71 million along with a penalty of ₹ 560.71 million. Accordingly, the following changes are made in the RHP. On page no. 331 of the RHP, in the section “Outstanding Litigation and Material Developments” in point no. 1 under “Litigation involving our Company – Litigation against our Company - Tax proceedings”, the following sentences are added after the sentence “Our Company has responded to the SCN denying the allegations, through a letter dated June 15, 2015” in the third paragraph:

“In relation to the service tax demand of ₹ 627.30 million mentioned in the SCN, the ADG, by an order dated January 28, 2016 (the “**ADG Order**”), has confirmed a demand of service tax of ₹ 560.71 million for the period from March 1, 2011 to March 31, 2014, along with interest at an appropriate rate in terms of the applicable provisions of the Finance Act, 1994. The ADG Order has also imposed a penalty of i) ₹ 560.71 million on our Company for, inter alia, wilful suppression of facts and contravention of the provisions of the Finance Act, 1994, with an intent to evade payment of service tax and, ii) ₹ 0.01 million for failure to assess service tax and furnish applicable returns in accordance with the applicable provisions of the Finance Act, 1994, for payment of service tax. Our Company is evaluating various legal recourses to contest the ADG Order.”

Further, on page 331 of the RHP, in the section “Outstanding Litigation and Material Developments” in the second row of the table titled “Indirect tax proceedings (consolidated)” under “Litigation involving our Company – Litigation against our Company - Tax proceedings”, the amount of “₹ 912.65 million” stands deleted and is substituted with “₹ 1,406.77 million” and in the third row of the same table, the amount “₹ 912.97 million” stands deleted and is substituted with “₹ 1,407.09 million”.

Further, on page no. 35 of the RHP, in the section “Risk Factors”, in second row of the table titled “Litigation against our Company” in risk factor no. 48, the amount of “₹ 912.97 million” stands deleted and is substituted by “₹ 1,407.09 million”.

In addition, on page 34 of the RHP, in the section “Risk Factors”, under the first point in risk factor no. 47, after the statement “...under the applicable provisions of the Finance Act, 1994.”, the following statement is added:

“In relation to the service tax demand of ₹ 627.30 million mentioned in the SCN, the ADG, by an order dated January 28, 2016 (the “**ADG Order**”), has confirmed the demand of service tax of ₹ 560.71 million for the period for the period March 1, 2011 to March 31, 2014, along with interest at an appropriate rate in terms of the applicable provisions of the Finance Act, 1994. Further, the ADG Order has also imposed a penalty of i) ₹ 560.71 million on our Company for, inter alia, wilful suppression of facts and contravention of the provisions of the Finance Act, 1994, with an intent to evade payment of service tax and, ii) ₹ 0.01 million for failure to assess service tax and furnish applicable returns in accordance with the applicable provisions of the Finance Act, 1994, for payment of service tax. Whilst our Company is evaluating various legal recourses to contest the ADG Order, we cannot assure you that the outcome of such recourses would be in our favour. Any adverse outcome in the matter could require us to recognise a loss in our financial statements, revise our product pricing, impact our Gross Margins and may lead to an adverse impact on our business, financial condition, results of operations and cash flows.”

Further, on page 303 of the RHP, in the section “Management’s Discussion and Analysis of Financial Condition and Results of Operations” under the section “Tax Incentives”, the following new paragraph is added:

“In addition, in the event that we are required to collect service tax from customers on the sale of CDs and DVDs, we may need to revise our product pricing which may have an adverse impact on the volume of our business, or our Gross Margins if we are required to absorb the service tax, in part or in whole, and consequently affect our results of operation and profitability. For details, see “Risk Factors — We are involved in various tax proceedings and any negative outcome may have an adverse effect on our business, financial condition, results of operations and cash flows.”

Note: Capitalised terms used and not defined herein shall have the respective meanings assigned to them in the RHP.

CORRIGENDUM: NOTICE TO INVESTORS

On page A of the List of Bidding Centres attached to the Bid-cum-Application Form, the paragraph under the heading “TIMING FOR SUBMISSION OF BID CUM APPLICATION FORMS / REVISIONS FORMS” stands deleted and is substituted by the following:

“Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/ Offer Period (except the Bid/ Offer Closing Date) at the Bidding centres mentioned in the Bid-cum-Application Form, at the Designated Branches (a list of such branches is available at the website of the SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>) or with any of the members of the Syndicate, Registered Brokers, Collecting RTAs or the Collecting DPs. On the Bid/ Offer Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. IST.”

Further, on page A of the List of Bidding Centres attached to Bid cum Application Form, the paragraph along with the heading “BIDDING OF ASBAAPPLICATIONS BY SYNDICATE AND / OR SUB SYNDICATE MEMBERS” stands deleted.

Note: Capitalised terms used and not defined herein shall have the respective meanings assigned to them in the RHP.

For Quick Heal Technologies Limited

On behalf of the Board of Directors

Sd/-

Company Secretary and Compliance Officer

Place: Pune

Date: February 3, 2016

QUICK HEAL TECHNOLOGIES LIMITED is proposing, subject to receipt of requisite approvals, market conditions and other considerations, an initial public offering of its equity shares and has filed the RHP with the Registrar of Companies, Maharashtra at Pune and has also published a corrigendum dated January 30, 2016, addendum dated February 1, 2016 and this addendum-cum-corrigendum dated February 3, 2016 (together “**Corrigenda**”). The RHP is available on the website of the SEBI at www.sebi.gov.in and the websites of the Book Running Lead Managers at www.icicisecurities.com, www.jefferies.com and www.jpmorgan.com. Any potential investor should note that investment in Equity Shares involves a high degree of risk. For details, potential investors should refer to the section titled “Risk Factors” in the RHP as supplemented by the Corrigenda. Investors should not refer to the DRHP for making any investment decision.

This announcement is not an offer of securities for sale in any jurisdiction, including the United States. Any offering to be made will be made by a prospectus that may be obtained from the Issuer and the selling shareholders and will contain detail information about the Company, Management and Financial Statements.

The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be qualified institutional investors (as defined in Rule 144A under the Securities Act); and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and applicable laws of the jurisdictions where such offers and sales occur.