

Ref No.: QHTL/Sec/SE/2019-20/13

April 25, 2019

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: Submission of the Draft Letter of Offer pertaining to the proposed Buyback of up to 6,363,636 fully paid up equity shares of ₹ 10/- each ("Equity Shares") of Quick Heal Technologies Limited ("Company") at a price of ₹ 275 per Equity Share for a maximum amount of ₹ 1,750 million ("Buyback Size") through the tender offer process pursuant to the SEBI (Buy-Back of Securities) Regulations, 2018, as amended

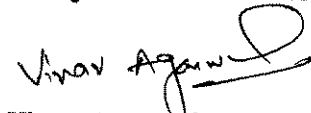
This is in regard to the captioned buyback and is further to our letter dated April 16, 2019, whereby we had submitted the Public Announcement.

We are pleased to submit herewith the draft letter of offer dated April 24, 2019 for your reference and dissemination.

This is for your kind information and records.

Thanking You

For Quick Heal Technologies Limited



Vinav Agarwal
Compliance Officer

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is sent to you as a registered Equity Shareholder of Quick Heal Technologies Limited (the “Company”) as on the Record Date in accordance with Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended (“Buyback Regulations”). If you require any clarifications about the action to be taken, you should consult your stockbroker or investment consultant or the Manager to the Buyback Offer i.e. Nomura Financial Advisory and Securities (India) Private Limited or the Registrar to the Buyback Offer i.e. Link Intime India Pvt. Ltd. Please refer to the section on “Definitions of Key Terms” for the definitions of the capitalized terms used herein.

Quick Heal

Security Simplified

Quick Heal Technologies Limited

CIN: L72200MH1995PLC091408

Registered Office: Marvel Edge, Office No. 7010 C & D, 7th Floor, Viman Nagar, Pune - 411 014, India

Phone: +91 (20) 6681 3232; **E-mail:** cs@quickheal.co.in; **Website:** www.quickheal.co.in

Contact Person: Mr. Vinav Agarwal, Compliance Officer

CASH OFFER TO BUYBACK UPTO 6,363,636 (SIX MILLION THREE HUNDRED AND SIXTY THREE THOUSAND SIX HUNDRED AND THIRTY SIX) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10/- (RUPEES TEN ONLY) EACH, REPRESENTING APPROXIMATELY 9.02% AND 9.04% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY AS AT MARCH 31, 2019 AND AS AT MARCH 31, 2018 RESPECTIVELY, FROM THE SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE, I.E. APRIL 26, 2019 ON A PROPORTIONATE BASIS, THROUGH THE “TENDER OFFER” ROUTE AT A PRICE OF ₹275/- (RUPEES TWO HUNDRED AND SEVENTY FIVE ONLY) PER EQUITY SHARE FOR AN AGGREGATE AMOUNT NOT EXCEEDING ₹ 1,750 MILLION (RUPEES ONE THOUSAND SEVEN HUNDRED AND FIFTY MILLION ONLY) EXCLUDING ANY EXPENSES INCURRED OR TO BE INCURRED FOR THE BUYBACK LIKE FILING FEE PAYABLE TO SEBI, ADVISORS’ FEES, PUBLIC ANNOUNCEMENT PUBLICATION EXPENSES, PRINTING AND DISPATCH EXPENSES, TRANSACTION COSTS VIZ. BROKERAGE, APPLICABLE TAXES SUCH AS SECURITIES TRANSACTION TAX, GST, STAMP DUTY, ETC.

- 1) The Buyback is in accordance with Article 9 of the Articles of Association of the Company and is subject to the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014, and in compliance with the Buyback Regulations, statutory modifications or re-enactments thereof, for the time being in force and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities and/or regulatory authorities including but not limited to Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited, Registrar of Companies, Reserve Bank of India, etc.
- 2) The Buyback Offer Size is ₹ 1,750 million (rupees one thousand seven hundred and fifty million only) which represents 23.87% and 24.31% of the aggregate of the fully paid-up Equity Share capital and free reserves as per the latest audited financial statements of the Company as on March 31, 2018, on a standalone and consolidated basis respectively, and is within the limit of 25% (for a Buyback as provided for under Section 68(2)(c) of the Act) of the aggregate of the Company’s total paid-up equity share capital and free reserves as per the latest standalone audited financial statements of the Company as on March 31, 2018.
- 3) The Draft Letter of Offer will be sent to the Equity Shareholder(s) / Beneficial Owner(s) of Equity Shares of the Company as on the Record Date i.e. April 26, 2019.
- 4) The procedure for tender and settlement is set out in paragraph 20 on page no. 35 of this Draft Letter of Offer. The form of acceptance cum acknowledgement (“**Tender Form**”) is enclosed together with this Draft Letter of Offer.
- 5) The payment of consideration is in cash to the Eligible Shareholders. For mode of payment of consideration to the Eligible Shareholders, please refer to paragraph 20.25 on page no. 41 of this Draft Letter of Offer.
- 6) A copy of the Public Announcement published on April 16, 2019, the Draft Letter of Offer and the Letter of Offer (along with the Tender Form) shall be available on the website of Securities and Exchange Board of India - <http://www.sebi.gov.in> and on the website of the Company - www.quickheal.co.in.
- 7) Eligible Shareholders are advised to read this Draft Letter of Offer and in particular, refer to paragraph 17 (**Details of Statutory Approvals**) and paragraph 21 (**Note on Taxation**) of this Draft Letter of Offer before tendering their Equity Shares in the Buyback.

BUYBACK OPENS ON: [•], [•], 2019

BUYBACK CLOSES ON: [•], [•], 2019

LAST DATE OF RECEIPT OF COMPLETED TENDER FORMS AND OTHER SPECIFIED DOCUMENTS BY THE REGISTRAR TO THE BUYBACK: [•], [•], 2019 BY 5.00 p.m.

MANAGER TO THE BUYBACK

NOMURA

Nomura Financial Advisory and Securities (India) Private Limited

Ceejay House, Level-11, Dr. Annie Besant Road, Worli, Mumbai - 400018

Tel: + 91 (22) 4037 4037; **Fax:** +91 (22) 4037 4111

Contact Person: Mr. Vishal Kanjani

Email: quickhealbuyback@nomura.com

Website: www.nomuraholdings.com/company/group/asia/india/index.html

SEBI Registration Number: INM000011419

Validity Period: Permanent

REGISTRAR TO THE BUYBACK

LINKIntime

Link Intime India Private Limited.

Address : C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083

Tel: +91 (22) 4918 6200; **Fax:** +91 (22) 4918 6195

Contact Person: Mr. Sumeet Deshpande

E-mail: quickheal.buyback@linkintime.co.in

Website: www.linkintime.co.in

SEBI Registration Number: INR000004058

Validity Period: Permanent

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1. SCHEDULE OF ACTIVITIES

Activity	Schedule of activities	
	Date	Day
Date of Board Meeting approving the proposal for the Buyback	March 5, 2019	Tuesday
Date of declaration of results of postal ballot for special resolution by the Equity Shareholders of the Company, approving the Buyback	April 13, 2019	Saturday
Date of Public Announcement of Buyback	April 15, 2019	Monday
Date of publication of the Public Announcement	April 16, 2019	Tuesday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	April 26, 2019	Friday
Date of opening of Buyback	[•], 2019	[•]
Date of closing of Buyback	[•], 2019	[•]
Last date of receipt of completed Tender Forms and other specified documents by the Registrar	[•], 2019	[•]
Last date of verification of Tender Forms by Registrar	[•], 2019	[•]
Last date of intimation to the Stock Exchange regarding acceptance or non-acceptance of tendered Equity Shares by the Registrar	[•], 2019	[•]
Last date of settlement of bids on the Stock Exchange	[•], 2019	[•]
Last date of payment to Eligible Shareholders/ return of unaccepted demat shares by Stock Exchange to Eligible Shareholders	[•], 2019	[•]
Last Date of Extinguishment of Shares bought back	[•], 2019	[•]

Note: Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates.

2. DEFINITION OF KEY TERMS

- 2.1 This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specifies otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.
- 2.2 The words and expressions used in this Draft Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the Buyback Regulations, the Companies Act, the Depositories Act, 1996, and the rules and regulations made thereunder.

Act or Companies Act	The Companies Act, 2013, as amended and rules framed thereunder
Acquisition Window	The facility for acquisition of Equity Shares through the mechanism provided by the Designated Stock Exchange in the form of a separate window in accordance with SEBI circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016, including any amendments thereof.
Articles or Articles of Association	Articles of Association of the Company, as amended from time to time

Board or Board of Directors	Board of Directors of the Company (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized "Committee" thereof)
Board Meeting	Meeting of the Board of Directors of the Company held on March 5, 2019 to approve the proposal of Buyback
BSE	BSE Limited
Buyback Regulations	Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended from time to time
Buyback Committee or Committee	Buyback committee comprising of Mr. Kailash Katkar, Managing Director and CEO, Mr. Sanjay Katkar, Joint Managing Director and CTO, Mr. Mehul Savla, Independent Director, Ms. Apurva Joshi, Independent Director, Mr. Nitin Kulkarni, Chief Financial Officer, Mr. Deepak Kalera, Finance Controller and Mr. Vinav Agarwal, Compliance Officer constituted and authorized for the purposes of the Buyback by a resolution passed by the Board at its meeting held on March 5, 2019.
Buyback Closing Date	[•], [•], 2019
Buyback Opening Date	[•], [•], 2019
Buyback Entitlement or Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender, in the Buyback, based on the number of Equity Shares held by such Eligible Shareholder, on the Record Date and the ratio / percentage of Buyback applicable in the category to which such Eligible Shareholder belongs
Buyback or Buyback Offer or Offer	Offer to buy back up to 6,363,636 (six million three hundred and sixty three thousand six hundred and thirty six) fully paid-up equity shares of ₹ 10/- (Rupees Ten only) each of the Company at a price of ₹ 275/- (Rupees Two Hundred and Seventy Five only) per Equity Share from the Equity Shareholders of the Company as on the Record Date, by way of Tender Offer in terms of the Buyback Regulations read with SEBI Circular, on a proportionate basis
Buyback Price or Offer Price	Price at which shares will be bought back from the Eligible Shareholders i.e. ₹ 275/- (Rupees Two Hundred and Seventy Five only) per Equity Share, payable in cash
Buyback Period	The period between the date of declaration of results of postal ballot for special resolution i.e. April 13, 2019 and the date on which the payment of consideration to the Eligible Shareholders who have accepted the Buyback is made
Clearing Corporation	Indian Clearing Corporation Limited
"Company" or "Our Company" or "we" or "us" or "our"	Quick Heal Technologies Limited
Company's Broker	Nomura Financial Advisory and Securities (India) Private Limited
Compliance Officer	Mr. Vinav Agarwal
Draft LOF or Draft Letter of Offer	The Draft Letter of Offer dated April 24, 2019 filed with SEBI
Depositories	Collectively, National Securities Depository Limited and Central Depository Services (India) Limited
Designated Stock Exchange	BSE Limited
Director(s)	Director(s) of the Company
DP	Depository Participant
Equity Share(s) or Share(s)	The Company's fully paid-up equity share(s) of face value of ₹ 10/- (Rupee Ten only) each
Eligible Person(s) or Eligible	Person(s) eligible to participate in the Buyback Offer and would mean

Shareholder(s)	all equity shareholders/beneficial owner(s) of Equity Shares of the Company as on Record Date i.e. April 26, 2019 and excludes Person(s) who do not have the capacity under applicable law to tender shares
Escrow Account	Escrow account titled "[•]" opened with [•] in accordance with Buyback Regulations
Escrow Agent	[•]
Escrow Agreement	The escrow agreement dated [•] entered into between the Company, the Escrow Agent, and the Manager to the Buyback
ESOP	Employee stock option plan
FEMA	Foreign Exchange and Management Act, 1999, as amended from time to time, including the regulations, circulars, directions and notifications issued thereunder
General Category	Eligible Shareholders other than the Small Shareholders
IT Act/ Income Tax Act	Income-tax Act, 1961, as amended
LODR Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
Manager to the Buyback or Manager to the Offer	Nomura Financial Advisory and Securities (India) Private Limited
Maximum Buyback Size or Offer Size	Number of Equity Shares proposed to be bought back (i.e. up to 6,363,636 (six million three hundred and sixty three thousand six hundred and thirty six) Equity Shares multiplied by the Buyback Price i.e. ₹275/- (Rupees Two Hundred and Seventy Five only) per Equity Share aggregating to ₹ 1,750 Million (Rupees One Thousand Seven Hundred and Fifty Million only). The Maximum Buyback Size does not include any expenses incurred or to be incurred for the Buyback like filing fee payable to SEBI, advisors' fees, public announcement publication expenses, printing and dispatch expenses, transaction costs viz. brokerage, applicable taxes such as securities transaction tax, GST, stamp duty, etc.
Memorandum of Association or MOA	Memorandum of Association of the Company, as amended from time to time
N.A.	Not applicable
Non-Resident Shareholders	Includes NRIs, Foreign Institutional Investors (FIIs), Foreign Portfolio Investors (FPIs), Overseas Corporate Bodies (OCBs) and Foreign Nationals
NSE	National Stock Exchange of India Limited
Offer Period or Tendering Period	Period of ten working days from the Buyback Opening Date i.e. [•], [•], 2019 to Buyback Closing Date i.e. [•], [•], 2019 (both days inclusive)
PA or Public Announcement	The public announcement dated April 15, 2019, made in accordance with the Buyback Regulations, published on April 16, 2019, in all editions of Financial Express and Jansatta, and the Pune edition of Prabhat, each with wide circulation.
PAN	Permanent Account Number
Promoters or Promoters and Promoter Group	Collectively, Kailash Sahebrao Katkar, Sanjay Sahebrao Katkar, Anupama Kailash Katkar, Chhaya Sanjay Katkar
RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the entitlement and the names of the Equity Shareholders, to whom the Draft Letter of Offer will be sent and who are eligible to participate in the Buyback Offer in accordance with the Buyback Regulations. The Record Date for this

	Buyback is April 26, 2019
Registrar to the Buyback or Registrar to the Offer or Registrar	Link Intime India Private Limited
Reserved Category	The Small Shareholders eligible to tender Shares in the Buyback
SEBI	The Securities and Exchange Board of India
SEBI Circular	The SEBI circular CIR/ CFD/POLICYCELL/1/2015 dated April 13, 2015 as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016, including any amendments thereof
Seller Member or Seller Broker	A stock broker, who is a member of the BSE, of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buyback
Small Shareholder	A Shareholder, who holds Equity Shares of market value of not more than ₹ 200,000/- (Rupees two hundred thousand only), on the basis of closing price of the Equity Shares on the Stock Exchange registering the highest trading volume, as on Record Date i.e. April 26, 2019.
Share Capital Rules	Companies (Share Capital and Debentures) Rules, 2014, as amended
Shareholders or Equity Shareholders or Members	Holders of Equity Shares and includes beneficial owners thereof
Stock Exchange Mechanism	The “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI Circular
Stock Exchanges	National Stock Exchange of India Limited and BSE Limited
Tender Form	Form of Acceptance–cum–Acknowledgement to be filled in and sent to the Registrar by the Eligible Shareholder(s) to participate in the Buyback
Tender Offer	Method of buyback as defined in Regulation 2(i)(q) of the Buyback Regulations
TRS	Transaction Registration Slip generated by the exchange bidding system
Working Day	Working day as defined in the Buyback Regulations

3. DISCLAIMER CLAUSE

3.1 As required, a copy of this Draft Letter of Offer has been submitted to SEBI. It is to be distinctly understood that submission of this Draft Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in the Draft Letter of Offer. The Manager to the Buyback, Nomura Financial Advisory and Securities (India) Private Limited, has certified that the disclosures made in the Draft Letter of Offer are generally adequate and are in conformity with the provisions of the Act and Buyback Regulations. This requirement is to facilitate investors to take an informed decision for tendering their Equity Shares in the Buyback.

3.2 It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the Draft Letter of Offer, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback, Nomura Financial Advisory and Securities (India) Private Limited, has furnished to SEBI a due diligence certificate dated April 24, 2019 in accordance with Buyback Regulations which reads as follows:

“We have examined various documents and materials relevant to the Buyback as part of the due-diligence carried out by us in connection with the finalization of the Public Announcement and the Draft Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- *The Public Announcement and the Draft Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback Offer;*
- *All the legal requirements connected with the said Buyback Offer including the Buyback Regulations, have been duly complied with;*
- *The disclosures in the Public Announcement and the Draft Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the Eligible Shareholders to make a well informed decision in respect of the captioned Buyback Offer;*
- *Funds used for Buyback shall be as per the provisions of the Companies Act, 2013.”*

3.3 The filing of offer document with SEBI, does not, however, absolve the Company from any liabilities under the provisions of the Act or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

3.4 The Promoters / Board of Directors declare and confirm that no information / material likely to have a bearing on the decision of Eligible Shareholders has been suppressed / withheld and / or incorporated in the manner that would amount to mis-statement / mis-representation and in the event of it transpiring at any point of time that any information / material has been suppressed / withheld and / or amounts to a mis-statement / mis-representation, the Promoters / Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Act and the Buyback Regulations.

3.5 The Promoters / Board of Directors also declare and confirm that funds borrowed from banks and financial institutions will not be used for the Buyback.

Disclaimer for U.S. Persons:

3.6 The information contained in this Draft Letter of Offer is exclusively intended for persons who are not US Persons as such term is defined in Regulations of the US Securities Act of 1933, as amended, and who are not physically present in the United States of America. This Draft Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the United States of America or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any such restrictions.

Disclaimer for Persons in foreign countries other than U.S.:

3.7 This Draft Letter of Offer does not in any way constitute an offer to sell or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any such restrictions.

Important Notice to All Shareholders

3.8 This Draft Letter of Offer has been prepared for the purposes of compliance with the Buyback Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The Company and the Manager to the Buyback are under no obligation to update the information contained herein at any time after the date of this Draft Letter of Offer. This Draft Letter of Offer shall be dispatched to all Shareholders whose names appear on the register of members of the Company, as of the Record Date. However, receipt of this Draft Letter of Offer by any Shareholders in a jurisdiction in which it would be illegal to make this Tender Offer, or where making this Tender Offer would require any action to be taken (including, but not restricted to, registration of this Draft Letter of Offer under any local securities laws), shall not be treated by such Shareholders as an offer being made to them. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any such restrictions. Any Eligible Shareholder who tenders his, her or its Equity Shares in the

Buyback shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buyback.

3.9 Forward Looking Statements

This Draft Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as 'aim', 'anticipate', 'believe', 'expect', 'estimate', 'intend', 'objective', 'plan', 'project', 'will', 'will continue', 'will pursue' or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the industries in which the Company operates and its ability to respond to them, the Company's ability to successfully implement its strategy, its growth and expansion, technological changes, exposure to market risks, general economic and political conditions in India or other key markets where it operates which have an impact on its business activities or investments, the monetary and fiscal policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which the Company operates.

4. TEXT OF RESOLUTION PASSED AT THE BOARD MEETING

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on March 5, 2019. The extracts of the Board resolution are as follows:

"RESOLVED THAT pursuant to the provisions of Sections 68, 69, 70, 110 and any other applicable provisions of the Companies Act, 2013, as amended (the **"Act"**) and the Companies (Share Capital and Debentures) Rules, 2014, (the **"Share Capital Rules"**), the Companies (Management and Administration) Rules 2014 to the extent applicable, Article 9 of the Articles of Association of the Company, and in compliance with the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (the **"Buyback Regulations"**), and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **"LODR Regulations"**) as amended, and including any amendments, statutory modifications or re-enactments for the time being in force, and such other statutory provisions for the time being in force, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the Securities and Exchange Board of India (**"SEBI"**), the stock exchanges on which the Equity Shares of the Company are listed (the **"Stock Exchanges"**) and other authorities, institutions or bodies (the **"Appropriate Authorities"**) while granting such approvals, permissions and sanctions, and subject to the approval of the shareholders of the Company by way of special resolution through postal ballot including e-voting process, the Board of Directors of the Company (the **"Board"**, which expression shall include any committee constituted/to be constituted by the Board to exercise its powers, including the powers conferred by this resolution) hereby approves the buyback of up to 63,63,636 fully paid-up equity shares of face value of Rs. 10/-each of the Company (**"Equity Shares"**) representing up to 9.02% of the total paid-up Equity Share capital of the Company at a price of Rs. 275/- per Equity Share (the **"Buyback Price"**) payable in cash for an aggregate amount of up to Rs. 1,750 Million (Rupees One Thousand Seven Hundred and Fifty Million Only) (excluding any expenses incurred or to be incurred for the Buyback like filing fee payable to SEBI, advisors' fees, public announcement publication expenses, printing and dispatch expenses, transaction costs viz. brokerage, applicable taxes such as securities transaction tax, GST, stamp duty, etc.), which is 23.87%, of the aggregate of the fully paid-up Equity Share capital and free reserves as per the latest standalone audited financial statements of the Company, as at March 31, 2018 (the **"Buyback Size"**), through the **"tender offer"** route as prescribed under the Buyback Regulations and the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the circulars issued in relation thereto, including the circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 or such other mechanism as may be applicable (the process being referred hereinafter as **"Buyback"**), on a proportionate basis, from the equity shareholders / beneficial owners of the Equity Shares of the Company as on the record date (the **"Record Date"**) to be subsequently decided by the Board or a committee of the Board.

“RESOLVED FURTHER THAT in terms of Section 69 of the Act, the Company shall transfer from its free reserves or securities premium account, a sum equal to the nominal value of the equity shares bought back through the Buyback, to the Capital Redemption Reserve account.”

“RESOLVED FURTHER THAT all the equity shareholders / beneficial owners of the Equity Shares of the Company as on the Record Date (**“Eligible Shareholders”**) will be eligible to participate in the Buyback including the promoters and promoter group of the Company.”

“RESOLVED FURTHER THAT 15% of the Equity Shares that the Company proposes to Buyback or number of Equity Shares entitled as per the shareholding of small shareholders as on the Record Date shall be reserved for small shareholders in accordance with the provisions of the Buyback Regulations.”

“RESOLVED FURTHER THAT the Buyback from the Eligible Shareholders who are residents outside India, including non-resident Indians, foreign nationals, foreign corporate bodies (including erstwhile overseas corporate bodies) and qualified institutional buyers including foreign portfolio investors, shall be subject to such approvals, if any, required under the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and the rules and regulations framed thereunder from the concerned authorities including the RBI, and that such approvals shall be required to be taken by such shareholders themselves.”

“RESOLVED FURTHER THAT the Buyback would be subject to the condition of maintaining minimum public shareholding requirements as specified under Regulation 38 of the LODR Regulations.”

“RESOLVED THAT the Board hereby confirms that it has made full enquiry into the affairs and prospects of the Company and after taking into account the financial position of the Company including the projections and also considering all contingent liabilities, the Board has formed an opinion:

1. That immediately following the date of this board meeting dated March 5, 2019 (**“Board Meeting”**) and the date on which the results of the postal ballot including e-voting for the proposed Buyback will be announced, there will be no grounds on which the Company could be found unable to pay its debts;
2. That as regards the Company’s prospects for the year immediately following the date of the Board Meeting and the date on which the results of the postal ballot including e-voting for the proposed Buyback will be announced, having regard to Board’s intentions with respect to the management of the Company’s business during that year and to the amount and character of the financial resources which will, in the Board’s view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date; and
3. That in forming the aforementioned opinion, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act and the Insolvency and Bankruptcy Code, 2016.”

“RESOLVED FURTHER THAT the Board hereby confirms that:

1. All the Equity Shares of the Company for Buyback are fully paid-up;
2. The Company shall not issue and allot any equity shares or specified securities (including by way of bonus or convert any outstanding ESOPs/outstanding instruments into Equity Shares) from the date of resolution passed by the Shareholders approving the Buyback till the expiry of the Buyback period, i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buyback;
3. The Company shall not raise further capital for a period of one year from the expiry of the Buyback period, i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buyback, except in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares;

4. The Company has not undertaken any buyback in the last 12 months.
5. The Company shall not buy back locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable;
6. The Company shall not buy back its Equity Shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
7. The Company has been in compliance with Sections 92, 123, 127 and 129 of the Act;
8. The Buyback Size i.e. Rs. 1,750 Millions (Rupees One Thousand Seven Hundred Fifty Million only) does not exceed 25% of the total paid-up Equity Share capital and free reserves of the Company [as per the latest audited balance sheet] of the Company as at March 31, 2018;
9. The Company shall not withdraw the Buyback after the draft letter of offer is filed with SEBI or public announcement of the Buyback is made;
10. The Company shall not make any offer of buy back within a period of one year reckoned from the expiry of the Buyback period i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buyback;
11. There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Act;
12. As required under Section 68(2)(d) of the Act, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up Equity Share capital and free reserves after the Buyback;
13. There are no defaults subsisting in the repayment of deposits accepted either before or after the commencement of the Act, interest payment thereon, redemption of debentures or preference shares or payment of dividend to any shareholder, or repayment of any term loan or interest payable thereon to any financial institution or banking company.
14. In case any such default has ceased to subsist, a period of more than three years has lapsed.
15. The Company shall not directly or indirectly facilitate the Buyback:
 - a. through any subsidiary company including its own subsidiary company; or
 - b. through any investment company or group of investment companies.
16. The Equity Shares bought back by the Company will be extinguished and physically destroyed in the manner prescribed under the Buyback Regulations and the Act within 7 (seven) days of the expiry of the Buyback period, i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buyback;
17. The consideration for the Buyback shall be paid only by way of cash;
18. That the maximum number of Equity Shares proposed to be purchased under the Buyback does not exceed 25% of the total number of Equity Shares in paid-up Equity Share capital of the Company as on date of this meeting;
19. The Company shall not allow buy back of its shares unless the consequent reduction of its share capital is affected;

20. The Company shall not utilise any funds borrowed from banks or financial institutions in fulfilling its obligations under the Buyback;
21. the Company shall not buy-back its shares or other specified securities so as to delist its shares or other specified securities from the stock exchange as per Regulation 4(v) of Buyback Regulation;
22. The statements contained in all the relevant documents in relation to the Buyback shall be true, material and factual and shall not contain any mis-statements or misleading information.

“RESOLVED FURTHER THAT no information or material that is likely to have a bearing on the decision of investors to participate in the Buyback has been suppressed or withheld or incorporated in a manner that would amount to mis-statement or misrepresentation and in the event of it transpiring at any point of time that any information or material has been suppressed or withheld or amount to a mis-statement or misrepresentation, the Board and the Company shall be liable for penalty in terms of the provisions of the Act and the Buyback Regulations.”

“RESOLVED FURTHER THAT nothing contained herein shall confer any right on any shareholder to offer or any obligation on the Company or the Board to Buyback any Equity Shares, or impair any power of the Company or the Board to terminate any process in relation to the Buyback, if so permissible by law.”

“RESOLVED FURTHER THAT the Company do maintain a register of securities bought back wherein details of equity shares bought back, consideration paid for the equity shares bought back, date of cancellation of equity shares and date of extinguishing and physically destroying of equity shares and such other particulars as may be prescribed, shall be entered and that the Company Secretary of the Company be and is hereby authorised to authenticate the entries made in the said register.”

“RESOLVED THAT any actions taken so far in connection with the Buyback by the officers of the Company be and are hereby ratified, confirmed and approved.”

5. DETAILS OF PUBLIC ANNOUNCEMENT

The Public Announcement dated April 15, 2019, was published in the following newspapers, in accordance with Regulation 7 of the Buyback Regulations, within 2 (two) working days from the date of declaration of results of the postal ballot for special resolution i.e. April 13, 2019:

Publication	Language	Date of Publication	Editions
Financial Express	English	April 16, 2019	All
Jansatta	Hindi	April 16, 2019	All
Prabhat	Marathi	April 16, 2019	Pune

The Company will publish further notices or corrigenda, if any, in the abovementioned newspapers.

The Public Announcement is available on the SEBI website at www.sebi.gov.in and on the website of the Company – www.quickheal.co.in.

6. DETAILS OF THE BUYBACK

- 6.1 The Board of Directors (hereinafter referred to as the **“Board”**, which expression includes any committee constituted by the Board to exercise its powers, including the powers conferred by this resolution) of the Company, at its meeting held on March 5, 2019 (**“Board Meeting”**) has, subject to the approval of the shareholders of the Company by way of a special resolution through postal ballot (including e-voting), approved the proposal for the buyback of up to 6,363,636 (six million three hundred and sixty three thousand six hundred and thirty six) Equity Shares at a price of ₹ 275/- (Rupees Two Hundred and Seventy Five only) (the **“Buyback Price”**) payable in cash for an amount aggregating up to ₹ 1,750 Million (Rupees One Thousand Seven Hundred and Fifty Million only) (**“Maximum Buyback Size”**) (being less than 25% of the total paid-up equity capital and free reserves of the Company as per the latest standalone audited financial statements of the Company as on March 31, 2018), from the shareholders of the Company (**“Shareholders”**) on a proportionate basis through the tender offer process, in accordance with the

provisions of the Companies Act, 2013, as amended ("**Companies Act**" or the "**Act**") and, the Companies (Share Capital and Debentures) Rules, 2014, as amended ("**Share Capital Rules**"), and in compliance with the Buyback Regulations ("**Buyback**" or "**Buyback Offer**"). The Maximum Buyback Size does not include any expenses incurred or to be incurred for the Buyback like filing fee payable to SEBI, advisors' fees, public announcement publication expenses, printing and dispatch expenses, transaction costs viz. brokerage, applicable taxes such as securities transaction tax, GST, stamp duty, etc. The Buyback is subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by SEBI, the Stock Exchanges and other authorities, institutions or bodies (the "**Appropriate Authorities**") while granting such approvals, permissions and sanctions, which may be agreed by the Board and on the terms and conditions set out in the explanatory statement contained in the notice of postal ballot dated March 7, 2019 ("**Postal Ballot Notice**").

- 6.2 The shareholders of the Company approved the Buyback, by way of a special resolution, through postal ballot (including e-voting) pursuant to the Postal Ballot Notice, the results of which were announced on April 13, 2019.
- 6.3 The Buyback shall be undertaken on a proportionate basis from the Eligible Shareholders through the tender offer process prescribed under Regulation 4(iv)(a) of the Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by Eligible Shareholders and settlement of the same, through the Stock Exchange Mechanism as specified in the SEBI Circular.
- 6.4 The Buyback from the Eligible Shareholders who are residents outside India including Foreign Corporate Bodies (including erstwhile Overseas Corporate Bodies), Foreign Portfolio Investors, Non-Resident Indians, shareholders of foreign nationality, shall be subject to such approvals, if any and to the extent required from the concerned authorities including approvals from the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, and that such approvals shall be required to be taken by such non-resident shareholders.
- 6.5 In terms of the Buyback Regulations, under tender offer route, the Promoters and Promoter Group of the Company, has the option to participate in the Buyback. In this regard, the Promoters and Promoter Group entities have expressed their intention to participate in the Buyback *vide* their letters dated March 6, 2019 and may tender up to an aggregate maximum of 4,602,772 Equity Shares or such lower number of Equity Shares in accordance with the provisions of the Buyback Regulations. The maximum number of Equity Shares to be tendered by each of the Promoters and Promoter Group entities has been detailed in Paragraph 9.5 of this Draft Letter of Offer.
- 6.6 The details of the paid-up equity share capital and free reserves of the Company based on the audited standalone and audited consolidated financial statements of the Company for the financial year ended March 31, 2018 and the Maximum Buyback Size as a percentage of the Company's total paid-up equity share capital and free reserves is as under:

Particulars	Standalone	Consolidated
Issued, subscribed and fully paid up equity share capital (₹ in Million)	703.88	703.88
Free Reserves	6,626.36	6,493.71
Total Paid up capital and free reserves	7,330.24	7,197.59
Maximum Buyback Size (₹ in Million)	1,750	1,750
Maximum Buyback Size as a percentage of fully paid-up share capital and free reserves (in %)	23.87%	24.31%

The Maximum Buyback Size therefore does not exceed 25% of the Company's total paid-up equity share capital and free reserves as per the last audited standalone and audited consolidated statements for the financial year ended March 31, 2018.

- 6.7 Further, under the Companies Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity capital of the Company in that financial year. Since the Company proposes to buy back up to 6,363,636 (six million three hundred and sixty three thousand six hundred and thirty six) Equity Shares constituting approximately 9.02% and 9.04% of the total paid-up Equity Shares of the Company as at March 31, 2019 and as at March 31, 2018 respectively, the same is within the aforesaid 25% limit.
- 6.8 The Buyback will not result in any benefit to the Promoters and Promoter Group or any Directors of the Company except to the extent of the cash consideration received by them from the Company pursuant to their respective participation in the Buyback in their capacity as equity shareholders of the Company, and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to reduction in the equity share capital of the Company post Buyback. Please refer to Paragraph 13.6 of this Draft Letter of Offer for further details regarding shareholding (pre and post buyback) of the Promoters and Promoter Group in the Company.
- 6.9 The Company is not undertaking this Buyback so as to delist its Equity Shares or other specified securities from the stock exchanges.

7. AUTHORITY FOR THE BUYBACK

The Buyback is being undertaken by the Company in accordance with Article 9 of the Articles, the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, the Rules thereunder and the Buyback Regulations. The Board at its meeting held on March 5, 2019, passed a resolution approving the Buyback of Equity Shares of the Company and sought approval of its Shareholders, by a special resolution, through Postal Ballot Notice dated March 5, 2019. The Shareholders of the Company have approved the Buyback by way of a special resolution, through the postal ballot, the results of which were announced on April 13, 2019. The Buyback is subject to such other approvals and permissions, as may be required from statutory, regulatory or governmental authorities under applicable laws.

8. NECESSITY FOR THE BUYBACK

The Buyback is being undertaken by the Company after taking into account the operational and strategic cash requirements of the Company in the medium term and for returning surplus funds to the shareholders in an effective and efficient manner. The Buyback is being undertaken for the following reasons:

- (i) The Buyback will help the Company to distribute surplus cash to its shareholders holding Equity Shares thereby enhancing the overall return for them;
- (ii) The Buyback, which is being implemented through the tender offer route as prescribed under the Buyback Regulations, would involve a reservation of up to 15% of the equity shares, which the Company proposes to buyback, for small shareholders or the actual number of Equity Shares entitled as per the shareholding of small shareholders on the Record Date. The Company believes that this reservation for small shareholders would benefit a significant number of the Company's public shareholders, who would be classified as "Small Shareholders";
- (iii) The Buyback is generally expected to improve return on equity through distribution of cash and improve earnings per share by reduction in the equity base of the Company, thereby leading to long term increase in shareholders' value; and
- (iv) The Buyback gives an option to the Eligible Shareholders (as defined below) to either (A) participate in the Buyback and receive cash in lieu of their Equity Shares which are accepted under the Buyback, or (B) not to participate in the Buyback and get a resultant increase in their percentage shareholding in the Company post the Buyback, without additional investment.

9. MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF THE BUYBACK ON THE COMPANY

- 9.1 We believe that the Buyback is not likely to cause any impact on the profitability or earnings of the Company, except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. In the event that there is full acceptance of the Equity Shares tendered in the Buyback from Eligible Shareholders on a proportionate basis, the funds deployed by the Company towards the Buyback would be ₹ 1,750 Million (Rupees One Thousand Seven Hundred and Fifty Million only). This shall impact the investment income earned by the Company, on account of reduced amount of funds available for investments.
- 9.2 We believe that the Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.
- 9.3 The Buyback will not result in a change in control or otherwise affect the existing management structure of the Company.
- 9.4 The aggregate shareholding of the Promoters and Promoter Group and persons in control of the Company as on the date of the Public Announcement and this Draft Letter of Offer is as follows:

Sl. No.	Name of Shareholder	No. of Equity Shares	% Shareholding
1	Kailash Sahebrao Katkar	20,511,384	29.07
2	Sanjay Sahebrao Katkar	20,511,384	29.07
3	Anupama Kailash Katkar	5,003,976	7.09
4	Chhaya Sanjay Katkar	5,003,976	7.09
Total		51,030,720	72.32

- 9.5 In terms of the Buyback Regulations, under the tender offer route, the Promoters and Promoter Group have an option to participate in the Buyback. In this regard, the Promoters and Promoter Group entities have expressed their intention to participate in the Buyback vide their letters dated March 6, 2019 and may tender up to an aggregate maximum of 4,602,772 Equity Shares or such lower number of Equity Shares in accordance with the provisions of the Buyback Regulations. Please see below the maximum number of Equity Shares to be tendered by each of the Promoters and Promoter Group:

Sl. No.	Name of the Promoters and Promoter Group entity	Maximum Number of Equity Shares intended to be offered
1	Kailash Sahebrao Katkar	1,850,047
2	Sanjay Sahebrao Katkar	1,850,047
3	Anupama Kailash Katkar	451,339
4	Chhaya Sanjay Katkar	451,339
Total		4,602,772

- 9.6 Since the entire shareholding of the members of the Promoters and Promoter Group who intend to participate in the Buyback is in demat mode, the details of the date and price of acquisition/sale of the entire Equity Shares that the members of the Promoters and Promoter Group have acquired/ sold till date, are set-out below:

Kailash Sahebrao Katkar

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)	Consideration (Cash, other than cash etc.)
March 31, 2008	Bonus Issue	881,026	10	-	-
January 29, 2009	Allotment	70,000	10	10	700,000
May 25, 2011	Allotment	2,897	10	0.5178*	1,500*

February 26, 2014	Bonus Issue	19,557,461	10	-	-
Total		20,511,384			701,500

* 2,897 Shares were issued as per Scheme of merger of Cat Labs Private Limited (Transferor) and Quick Heal Technologies Private Limited (Transferee) in 2011. Therefore cost of acquisition of shares in the Transferor Company has been apportioned to the shares of Transferee Company as (150 Shares of Cat Labs Private Limited of ₹ 10 each aggregating to ₹ 1,500)

Sanjay Sahebrao Katkar

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)	Consideration (Cash, other than cash etc.)
March 31, 2008	Bonus Issue	881,026	10	-	-
January 29, 2009	Allotment	70,000	10	10	700,000
May 25, 2011	Allotment	2,897	10	0.5178*	1,500*
February 26, 2014	Bonus Issue	19,557,461	10	-	-
Total		20,511,384			701,500

* 2,897 Shares were issued as per Scheme of merger of Cat Labs Private Limited (Transferor) and Quick Heal Technologies Private Limited (Transferee) in 2011. Therefore cost of acquisition of shares in the Transferor Company has been apportioned to the shares of Transferee Company as (150 Shares of Cat Labs Private Limited of ₹ 10 each aggregating to ₹ 1,500)

Anupama Kailash Katkar

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)	Consideration (Cash, other than cash etc.)
March 31, 1997	Allotment	3,000	10	10	30,000
February 23, 2004	Allotment	2,000	10	10	20,000
March 31, 2005	Bonus Issue	10,000	10	-	-
March 6, 2006	Bonus Issue	45,000	10	-	-
March 13, 2007	Bonus Issue	180,000	10	-	-
March 31, 2008	Bonus Issue	180,000	10	-	-
March 25, 2010	Transfer	140,000	10	10	1,400,000
August 6, 2010	Transposition	62,600	10	-	-
May 25, 2011	Allotment	2,897	10	0.5178*	1,500*
February 26, 2014	Bonus Issue	4,378,479	10	-	-
Total		5,003,976			1,451,500

* 2,897 Shares were issued as per Scheme of merger of Cat Labs Private Limited (Transferor) and Quick Heal Technologies Private Limited (Transferee) in 2011. Therefore cost of acquisition of shares in the Transferor Company has been apportioned to the shares of Transferee Company as (150 Shares of Cat Labs Private Limited of ₹ 10 each aggregating to ₹ 1,500)

Chhaya Sanjay Katkar

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)	Consideration (Cash, other than cash etc.)
March 31, 1997	Allotment	3,000	10	10	30,000
February 23, 2004	Allotment	2,000	10	10	20,000
March 31, 2005	Bonus Issue	10,000	10	-	-

March 6, 2006	Bonus Issue	45,000	10	-	-
March 13, 2007	Bonus Issue	180,000	10	-	-
March 31, 2008	Bonus Issue	180,000	10	-	-
March 25, 2010	Transfer	140,000	10	10	1,400,000
August 6, 2010	Transposition	62,600	10	-	-
May 25, 2011	Allotment	2,897	10	0.5178*	1,500*
February 26, 2014	Bonus Issue	4,378,479	10	-	-
Total		5,003,976			1,451,500

* 2,897 Shares were issued as per Scheme of merger of Cat Labs Private Limited (Transferor) and Quick Heal Technologies Private Limited (Transferee) in 2011. Therefore cost of acquisition of shares in the Transferor Company has been apportioned to the shares of Transferee Company as (150 Shares of Cat Labs Private Limited of ₹ 10 each aggregating to ₹ 1,500)

- 9.7 No Equity Shares were purchased or sold by the Promoters and Promoter Group and persons in control of the Company during the period of six months preceding the date of the Board meeting at which the Buyback was approved and the date of the Postal Ballot Notice, i.e. March 7, 2019, and during the period of twelve months preceding the date of the Public Announcement i.e. April 15, 2019.
- 9.8 The Buyback will not result in any benefit to Promoters and Promoter Group or any Directors of the Company except to the extent of the cash consideration received by them from the Company pursuant to their respective participation in the Buyback in their capacity as equity shareholders of the Company, and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to reduction in the equity share capital of the Company post Buyback.
- 9.9 Assuming the response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Shareholders upto their entitlement including the Promoters and Promoter Group, the aggregate shareholding and the voting rights of the Promoters and Promoter Group of the Company, may increase to [•]% post Buyback from the current pre Buyback shareholding of 72.32%, and the aggregate shareholding of the public shareholders in the Company may decrease to [•]% post Buyback from the current pre Buyback shareholding of 27.68%.
- 9.10 Consequent to the Buyback and based on the number of Equity Shares bought back from the Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding of the Promoters and Promoter Group of the Company would undergo a change. Please refer to paragraph 13.6 for further details.
- 9.11 The debt-equity ratio post Buyback on standalone as well as consolidated basis will be compliant with the permissible limit of 2:1 prescribed under Section 68(2)(d) of Companies Act and Regulation 4(ii) of the Buyback Regulations, even if the response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Shareholders upto their Buyback Entitlement.
- 9.12 The Company shall not issue any Equity Shares or other specified securities (including by way of bonus) till the expiry of the Buyback period, i.e., date on which the payment of consideration to shareholders who have accepted the Buyback is made.
- 9.13 The Company shall not raise further capital for a period of 1 (one) year from the date of the expiry of the Buyback period, i.e., date on which the payment of consideration to shareholders who have accepted the Buyback is made, except in discharge of its subsisting obligations.

- 9.14 The Promoters and Promoter Group of the Company shall not deal in the Equity Shares of the Company in the stock exchange or off-market, including any *inter se* transfer of shares amongst the Promoters and Promoter Group, during the period between the date of passing of the special resolution through postal ballot i.e. April 12, 2019 and the date of the closure of the Buyback in accordance with the Buyback Regulations.
- 9.15 Salient financial parameters consequent to the Buyback based on the last audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2018 are as under:

Parameters	Standalone		Consolidated	
	Pre- Buyback	Post Buyback*	Pre- Buyback	Post Buyback*
Net worth (₹ in Million)	7,371.32	5,621.32	7,238.67	5,488.67
Annualized Average Return on Net worth (%)	11.14%	12.71%	11.98%	13.71%
Basic Earnings Per Share (₹)	11.23	12.35	11.82	13.00
Book Value per Share (₹)	104.72	87.80	102.84	85.73
P/E as per the latest audited financial results	23.65	21.51	22.47	20.43
Total Debt/ Equity Ratio	-	-	-	-

**(Assuming full acceptance of Equity Shares in the Buyback Offer in the ratio of Buyback and the post buyback numbers are adjusted accordingly)*

The key ratios have been computed as below:

Key Ratios	Basis
Basic Earnings per Share (₹)	Net Profit attributable to equity shareholders / Weighted average number of Shares outstanding during the year
Book value per Share (₹)	(Paid up Equity Share Capital + Reserves and Surplus excluding revaluation reserves) / Number of Equity Shares outstanding at year end
Annualised Average Return on Net Worth (%)	Net Profit After Tax / Average Net Worth Average Net Worth: (Net worth at the beginning of the period + net worth at the end of the period)/2
Total Debt/Equity Ratio	Total Debt / Net Worth Net Worth excludes revaluation reserves, miscellaneous expenditure to the extent not written off and other comprehensive income
P/E as per the latest audited financial results	Closing market price of the Equity Shares on BSE at the end of the year (March 31, 2018) / Basic Earnings per Share for the period ended March 31, 2018 (Latest audited financial results as on March 31, 2018)

10. BASIS OF CALCULATING THE BUYBACK PRICE

- 10.1 The Equity Shares of the Company are proposed to be bought back at a price of ₹ 275/- per Equity Share.
- 10.2 The Buyback Price of ₹ 275/- per Equity Share has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average prices and closing price of the Equity Shares on the Stock Exchanges where the Equity Shares of the Company are listed.

- 10.3 The Buyback Price represents:
- premium of 37.87% and 33.87% to the volume weighted average market price of the Equity Shares on the BSE and the NSE, respectively, during the 3 (three) months period preceding February 27, 2019, being the date of intimation to the Stock Exchanges regarding the date of the Board Meeting to consider the proposal of the Buyback ("Intimation Date"); and
 - premium of 28.98% and 27.07% to the volume weighted average market price of the Equity Shares on the BSE and the NSE, respectively, during the 6 (six) months preceding the Intimation Date; and
 - premium of 36.10% and 35.60% over the closing price of the Equity Shares on the BSE and the NSE respectively, as on the Intimation Date.
- 10.4 The closing market price of the Equity Shares as on the Intimation Date was ₹ 202.05 and ₹ 202.80 on the BSE and the NSE respectively.

11. SOURCES OF FUNDS FOR THE BUYBACK

- 11.1 The maximum amount required for Buyback will not exceed ₹ 1,750 million (Rupees One Thousand Seven Hundred and Fifty Million Only) (excluding expenses incurred or to be incurred for the Buyback like filing fee payable to SEBI, advisors' fees, public announcement publication expenses, printing and dispatch expenses, transaction costs viz. brokerage, applicable taxes such as securities transaction tax, GST, stamp duty, etc.).
- 11.2 The maximum amount mentioned above is 23.87% of the aggregate of the fully paid-up equity share capital and free reserves as per the latest standalone audited financial statements of the Company as on March 31, 2018, which is within the prescribed limit of 25%.
- 11.3 The funds for the implementation of the proposed Buyback will be sourced out of free reserves or securities premium of the Company and any other source as may be permitted by the Buyback Regulations or the Act. Borrowed funds from banks and financial institutions, if any, will not be used for the Buyback.
- 11.4 The Company shall transfer from its free reserves or securities premium account, a sum equal to the nominal value of the equity shares bought back through the Buyback to the Capital Redemption Reserve account

12. DETAILS OF ESCROW ACCOUNT AND AMOUNT DEPOSITED THEREIN

- 12.1 In accordance with Regulation 9(xi) of the Buyback Regulations, an Escrow Agreement shall be entered into amongst the Company, the Manager to the Buyback and the Escrow Agent.
- 12.2 In terms of the Escrow Agreement, the Company (a) shall open an escrow account in the name and style "[•]"; and (b) undertakes to deposit an amount of at least ₹ 325 million (Rupees three hundred and twenty five million) in cash, being an amount equivalent to the aggregate of 25% of ₹ 1,000 million and 10% of the Maximum Buyback Size less ₹ 1,000 million, by way of security for the fulfillment of its obligations under the Buyback, in compliance with the provisions of Regulation 9(xi) of the Buyback Regulations. The Manager to the Buyback shall be empowered to operate the Escrow Account in accordance with the Buyback Regulations.
- 12.3 The amount of cash to be deposited in the Escrow Account shall be in accordance with the Buyback Regulations.
- 12.4 The Company has adequate and firm financial resources to fulfill the obligations under the Buyback and the same has been certified by Rathi Rathi and Co. (Partner's name: Parag Rathi; Membership No. 132268; Firm Registration No. 135143W), Chartered Accountants, having its registered office at Office No. 202, Kamal

Kirti, Above SBI, Opp. P.L. Deshpande Garden, Sinhagad Road, Pune - 411 030 (Tel: +91 (20) 2425 4388 / +91 (20) 6522 6623) (vide their certificate dated April 24, 2019).

- 12.5 Based on the aforementioned certificate, the Manager to the Buyback confirms that it is satisfied that firm arrangements for fulfilling the obligations under the Buyback are in place and that the Company has the ability to implement the Buyback in accordance with the Buyback Regulations.

13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 13.1 The present capital structure of the Company as on date of this Draft Letter of Offer is as follows:

Parameters	Pre-Buyback (in ₹ Million)
Authorised Share Capital	
75,000,000 Equity Shares of ₹ 10/- each	750.00
Total	750.00
Issued, Subscribed and Fully Paid-Up Share Capital	
70,563,654 fully paid-up Equity Shares of ₹ 10/- each	705.64
Total	705.64

On April 4, 2019, the Company has allotted 1,500 Equity Shares pursuant to exercise of stock options under the ESOP scheme, and the process of completing the corporate action is currently underway. These Equity Shares have not been included in the issued, subscribed and fully paid-up share capital reflected in the above table.

- 13.2 Assuming full acceptance in the Buyback of 6,363,636 Equity Shares, the capital structure post Buyback would be as follows:

Parameters	Post-Buyback (in ₹ Million)
Authorised Share Capital	
75,000,000 Equity Shares of ₹ 10/- each	750.00
Total	750.00
Issued, Subscribed and Fully Paid-Up Share Capital	
64,200,018 fully paid-up Equity Shares of ₹ 10/- each	642.00
Total	642.00

On April 4, 2019, the Company has allotted 1,500 Equity Shares pursuant to exercise of stock options under the ESOP scheme, and the process of completing the corporate action is currently underway. These Equity Shares have not been included in the issued, subscribed and fully paid-up share capital reflected in the above table.

- 13.3 As on the date of the Draft Letter of Offer, there are no partly paid up equity shares and calls in arrears.
- 13.4 As on the date of the Draft Letter of Offer, there are no convertible debentures or preference shares or any other convertible instruments of the Company.

- 13.5 There have been no other buyback programs of the Company over the last 3 years of the date of the Draft Letter of Offer.
- 13.6 The shareholding pattern of the Company before the Buyback, i.e., as on the Record Date, and after the Buyback (assuming full acceptance of 6,363,636 of shares in the Buyback), is as follows:

Particulars	Pre-Buyback		Post-Buyback	
	Number of Shares	% to existing share capital	No. of Shares post Buyback*	% holding post Buyback*
Promoters and persons acting in concert	[•]	[•]	[•]	[•]%
Foreign Investors (OCBs/ FIIs/ NRIs/ Non-residents/ Non-domestic companies and foreign mutual funds)	[•]	[•]	[•]	[•]%
Indian Financial Institutions/ Banks/ Mutual Funds/ Govt. Companies	[•]	[•]		
Public including other Bodies Corporate	[•]	[•]		
Total	[•]	[•]	[•]	[•]%

* Assuming full acceptance of 6,363,636 Equity Shares in the Buyback in the ratio of their entitlement.

- 13.7 No Promoters and Promoter Group entity have purchased/ sold shares and other specified securities in the Company during a period of 12 months preceding the date of the Public Announcement.
- 13.8 Assuming full acceptance of the Buyback, the issued, subscribed and paid up equity share capital of the Company would be ₹ 642,000,180 comprising 64,200,018 Equity Shares of ₹ 10/- each as more fully set out in paragraph 13.2 of this Draft Letter of Offer.
- 13.9 Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Shareholders upto their entitlement, the aggregate shareholding of the Promoters and Promoter Group of the Company, post Buyback may increase to [•]% from 72.32%.
- 13.10 There is no ongoing scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Act.

14. BRIEF INFORMATION OF THE COMPANY

- 14.1 The Company was incorporated as 'CAT Computer Services Private Limited' on August 7, 1995 at Pune as a private limited company under the Companies Act, 1956. Subsequently, the name of the Company was changed to 'Quick Heal Technologies Private Limited' on August 7, 2007. The company converted to a public limited company and the name of the Company was further changed to 'Quick Heal Technologies Limited' on September 8, 2015. The Company currently has its registered office at Marvel Edge, Office No. 7010 C & D, 7th Floor, Opposite Neco Garden Society, Viman Nagar, Pune 411 014.
- 14.2 The equity shares of the Company were listed at BSE Limited (Code: 539678) on February 18, 2016 and National Stock Exchange of India Limited (Code: QUICKHEAL) on February 18, 2016.

14.3 The paid up equity share capital of the Company for the year ended March 31, 2018 was ₹ 703.88 million and total free reserves for the year ended March 31, 2018 was ₹ 6,626.36 million.

14.4 History and Growth of Business:

The Company is one of the leading providers of IT security software products and solutions in India with a market share of about 34% in the retail segment. Its end customers include home users, small offices and home offices (SOHO), SMBs, enterprises, educational institutions, as well as government agencies and departments.

Its portfolio includes solutions under the widely recognized brand names “Quick Heal” and “Seqrite” for desktop and laptop security, mobile / smartphone security for retail segment and endpoint security, network security, cloud-based enterprise mobility management, and data protection solutions for enterprise and government segment.

14.5 Financial Growth:

For the financial years ended March 31, 2018, 2017 and 2016 the Company recorded, on a standalone basis, total income of ₹ 3,460.97 million, ₹ 3,267.98 million and ₹ 3,079.36 million, respectively. The net profit after tax for the financial years ended March 31, 2018, 2017 and 2016 was ₹ 788.78 million, ₹ 591.69 million and ₹ 623.78 million, respectively.

14.6 Following is the equity share capital history of the Company since inception:

Date of Allotment/date when fully paid up/date of change	Number of Equity Shares	Face Value (₹)	Issue price per Equity Share (₹)	Consideration (cash, bonus, consideration other than cash)	Nature of Allotment	Cumulative number of Equity Shares	Cumulative Equity Share Capital (₹)
March 31, 1996	200	10	10	Cash	Subscribers to Memorandum	200	2,000
March 31, 1997	33,000	10	10	Cash	Allotment	33,200	332,000
March 31, 1998	16,800	10	10	Cash	Allotment	50,000	500,000
February 23, 2004	20,025	10	10	Cash	Allotment	70,025	700,250
February 25, 2004	9,975	10	10	Cash	Allotment	80,000	800,000
March 31, 2005	160,000	10	-	-	Bonus issue	240,000	2,400,000
March 31, 2005	10,000	10	10	Cash	Allotment	250,000	2,500,000
March 6, 2006	750,000	10	-	-	Bonus issue	1,000,000	10,000,000
March 13, 2007	3,000,000	10	-	-	Bonus issue	4,000,000	40,000,000
March 31, 2008	3,000,000	10	-	-	Bonus issue	7,000,000	70,000,000
January 29, 2009	140,000	10	10	Cash	Allotment	7,140,000	71,400,000
August 11, 2010	436,394	10	768.67	Cash	Allotment	7,576,394	75,763,940
September 8, 2010	13,000	10	768.67	Cash	Allotment	7,589,394	75,893,940
January 17, 2011	32,729	10	768.67	Cash	Allotment	7,622,123	76,221,230
May 25, 2011	11,588	10	-	Consideration other than cash	Allotment	7,633,711	76,337,110
February 26, 2014	53,435,977	10	-	-	Allotment	61,069,688	610,696,880
December 23,	1,051,203	10	37.50	Cash	Shares allotted	62,120,891	621,208,910

2015					under ESOP		
December 23, 2015	26,000	10	96.25	Cash	Shares allotted under ESOP	62,146,891	621,468,910
December 23, 2015	92,888	10	110	Cash	Shares allotted under ESOP	62,239,779	622,397,790
December 23, 2015	2,088	10	110	Cash	Shares allotted under ESOP	62,241,867	622,418,670
February 16, 2016	7,788,161	10	321	Cash	Initial public offer	70,030,028	700,300,280
May 11, 2016	890	10	37.50	Cash	Shares allotted under ESOP	70,030,918	700,309,180
June 28, 2016	1,450	10	110	Cash	Shares allotted under ESOP	70,032,368	700,323,680
August 28, 2016	1,740	10	37.50	Cash	Shares allotted under ESOP	70,034,108	700,341,080
October 21, 2016	1,300	10	37.50	Cash	Shares allotted under ESOP	70,035,408	700,354,080
October 21, 2016	17,244	10	110	Cash	Shares allotted under ESOP	70,052,652	700,526,520
October 21, 2016	11,625	10	115	Cash	Shares allotted under ESOP	70,064,277	700,642,770
December 27, 2016	1,750	10	110	Cash	Shares allotted under ESOP	70,066,027	700,660,270
December 27, 2016	24,478	10	37.50	Cash	Shares allotted under ESOP	70,090,505	700,905,050
December 27, 2016	1,625	10	115	Cash	Shares allotted under ESOP	70,092,130	700,921,300
February 20, 2017	1,700	10	37.50	Cash	Shares allotted under ESOP	70,093,830	700,938,300
February 20, 2017	6,625	10	110	Cash	Shares allotted under ESOP	70,100,455	701,004,550
February 20, 2017	1,750	10	115	Cash	Shares allotted under ESOP	70,102,205	701,022,050
April 24, 2017	830	10	37.50	Cash	Shares allotted under ESOP	70,103,035	701,030,350
April 24, 2017	15,550	10	110	Cash	Shares allotted under ESOP	70,118,585	701,185,850
April 24, 2017	3,125	10	115	Cash	Shares allotted under ESOP	70,121,710	701,217,100
June 19, 2017	11,313	10	37.50	Cash	Shares allotted under ESOP	70,133,023	701,330,230
June 19, 2017	40,000	10	96.25	Cash	Shares allotted under ESOP	70,173,023	701,730,230
June 19, 2017	11,518	10	110	Cash	Shares allotted under ESOP	70,184,541	701,845,410
June 19, 2017	3,375	10	115	Cash	Shares allotted under ESOP	70,187,916	701,879,160
June 19, 2017	875	10	119	Cash	Shares allotted under ESOP	70,188,791	701,887,910
October 12, 2017	33,474	10	37.50	Cash	Shares allotted under ESOP	70,222,265	702,222,650
October 12, 2017	14,503	10	110	Cash	Shares allotted under ESOP	70,236,768	702,367,680
October 12, 2017	2,500	10	119	Cash	Shares allotted under ESOP	70,239,268	702,392,680

October 12, 2017	938	10	115	Cash	Shares allotted under ESOP	70,240,206	702,402,060
December 12, 2017	13,561	10	37.50	Cash	Shares allotted under ESOP	70,253,767	702,537,670
December 12, 2017	12,000	10	96.25	Cash	Shares allotted under ESOP	70,265,767	702,657,670
December 12, 2017	40,688	10	110	Cash	Shares allotted under ESOP	70,306,455	703,064,550
December 12, 2017	14,000	10	115	Cash	Shares allotted under ESOP	70,320,455	703,204,550
February 9, 2018	25,600	10	110	Cash	Shares allotted under ESOP	70,346,055	703,460,550
February 9, 2018	1,500	10	115	Cash	Shares allotted under ESOP	70,347,555	703,475,550
March 22, 2018	6,440	10	37.50	Cash	Shares allotted under ESOP	70,353,995	703,539,950
March 22, 2018	26,000	10	96.25	Cash	Shares allotted under ESOP	70,379,995	703,799,950
March 22, 2018	5,375	10	110	Cash	Shares allotted under ESOP	70,385,370	703,853,700
March 22, 2018	313	10	115	Cash	Shares allotted under ESOP	70,385,683	703,856,830
March 22, 2018	2,500	10	119	Cash	Shares allotted under ESOP	70,388,183	703,881,830
April 26, 2018	7,250	10	110	Cash	Shares allotted under ESOP	70,395,433	703,954,330
April 26, 2018	65,500	10	37.50	Cash	Shares allotted under ESOP	70,460,933	704,609,330
April 26, 2018	2,500	10	115	Cash	Shares allotted under ESOP	70,463,433	704,634,330
June 21, 2018	4,896	10	37.50	Cash	Shares allotted under ESOP	70,468,329	704,683,290
June 21, 2018	1,975	10	110	Cash	Shares allotted under ESOP	70,470,304	704,703,040
August 23, 2018	18,857	10	110	Cash	Shares allotted under ESOP	70,489,161	704,891,610
October 3, 2018	2,618	10	110	Cash	Shares allotted under ESOP	70,491,779	704,917,790
November 30, 2018	51,425	10	110	Cash	Shares allotted under ESOP	70,543,204	705,432,040
November 30, 2018	10,125	10	115	Cash	Shares allotted under ESOP	70,553,329	705,533,290
March 01, 2019	6,325	10	110	Cash	Shares allotted under ESOP	70,559,654	705,596,540
March 01, 2019	1,500	10	115	Cash	Shares allotted under ESOP	70,561,154	705,611,540
March 01, 2019	2,500	10	119	Cash	Shares allotted under ESOP	70,563,654	705,636,540

On April 4, 2019, the Company has allotted 1,500 Equity Shares pursuant to exercise of stock options under the ESOP scheme, and the process of completing the corporate action is currently underway. These Equity Shares are not included in the above table.

14.7 The details of the Board of Directors of the Company as on the date of Public Announcement is as follows:

Sr No	Name, Occupation, Age and DIN	Designation	Qualifications	Date of Appointment/ Re-appointment	Other Directorships
1.	Manu Parpia Mahmud	Independent Director	Bachelor's degree in Chemical Engineering from McGill University, Canada, MBA from Harvard Graduate School of Business Administration, USA and Diploma in Finance & Accounting from England	May 10, 2018	<ul style="list-style-type: none"> • Alchemy Capital Management Private Limited • 3D PLM Software Solutions Private Limited • Godrej Infotech Limited • 3D PLM Global Services Private Limited • Inventurus Knowledge Solutions Private Limited • Equirus Capital Private Limited • Nesco Limited
2.	Kailash Sahebrao Katkar	Managing Director and Chief Executive Officer	Passed Matriculation Exam	August 17, 1995	<ul style="list-style-type: none"> • Quick Heal Technologies America Inc. • Quick Heal Technologies Japan K.K. • Quick Heal Technologies Africa Limited • Data Security Council of India • Seqrite Technologies DMCC
3.	Sanjay Sahebrao Katkar	Managing Director and Chief Technical Officer	Bachelor's and Master's Degree in Computer Science	August 17, 1995	<ul style="list-style-type: none"> • Dreambook Productions (Opc) Private Limited • Quick Heal Technologies America Inc. • Quick Heal Technologies Japan K.K. • Quick Heal Technologies Africa Limited
4.	Mehul Savla	Independent Director	Master's Degree in Management Studies	June 13, 2011	<ul style="list-style-type: none"> • Ripplewave Advisors LLP • VertiGrow Offices Private Limited • RippleWave Equity Advisors LLP
5.	Shailesh Lakhani	Non- Executive Director	Bachelor's Degree in applied Science (Computer Engineering) and MBA from Harvard	April 29, 2014	<ul style="list-style-type: none"> • BT Techlabs Private Limited • 1mg Technologies Private Limited • Wickedride Adventure Services Private Limited • Resfeber Labs Private Limited • Vymo Solutions Private Limited • A&A Dukaan Financial Services Private Limited • Le Travenues Technology Private Limited • Bright Lifecare Private Limited • Girnar Software Private Limited • Sequoia Capital India Advisors Private Limited • Moonfrog Labs Private Limited • Capillary Technologies International Pte. Limited • True Software Scandinavia AB

Sr No	Name, Occupation, Age and DIN	Designation	Qualifications	Date of Appointment/ Re-appointment	Other Directorships
					<ul style="list-style-type: none"> Backwater Technologies Private Limited
6.	Apurva Pradeep Joshi	Independent Director	BCom. Passed CS Executive (ICSI) Passed IPCC (ICAI) and Bank Forensic Account Certificate Course, Doctor of Letters (D.Litt.) from University of South America and University of Asia	August 21, 2015	<ul style="list-style-type: none"> Minda Rinder Private Limited Riskpro Management Consulting Private Limited
7.	Priti Jay Rao	Independent Director	Post Graduate in Computer Science from IIT, Mumbai	April 10, 2018	<ul style="list-style-type: none"> Mastek Limited

14.8 The details of changes in Board of Directors during the last 3 years from the date of the Public Announcement are as under:

S. No.	Name	Date of Appointment	Date of Cessation	Reason
1.	Priti Jay Rao	April 10, 2018	-	Appointed as Independent Director
2.	Manu Parpia Mahmud	May 10, 2018	-	Appointed as Independent Director
3.	Sunil Sethy	-	April 24, 2018	Resignation
4.	Abhijit Jorvekar	-	May 23, 2018	Resignation
5.	Pradeep Vasudeo Bhide	-	April 01, 2019	Resignation

15. FINANCIAL INFORMATION ABOUT THE COMPANY

15.1 The brief audited financial information of the Company as extracted from the audited standalone results for the last three financial years and limited reviewed standalone results for the nine-month period ended December 31, 2018 are provided below:

(Amount in ₹ Million)

Particulars	Limited Reviewed	Audited		
	For the nine-months ended on December 31, 2018*	For the year ended on March 31, 2018 *	For the year ended on March 31, 2017 *	For the year ended on March 31, 2016 *
Revenue from operations	2,275.49	3,162.22	2,990.22	2,984.90
Other income	240.20	298.75	277.76	94.46
Total Income	2,515.69	3,460.97	3,267.98	3,079.36
Total Expenses (excluding Interest, Depreciation & Amortisation and Tax)	1,370.53	1,924.91	2,017.76	1,916.91
Depreciation & Amortisation	179	268.82	308.67	236.78

Profit before exceptional items & taxes	966.16	1,267.24	941.55	925.67
Exceptional items	50.00	75.09	44.13	-
Profit Before Tax	916.16	1,192.15	897.42	925.67
Provision for tax (including deferred tax)	313.78	403.37	305.73	301.89
Profit After Tax	602.38	788.78	591.69	623.78
Paid-up Equity Share Capital	705.53	703.88	701.02	700.30
Share Application money	-	-	0.06	-
Reserve & Surplus	6,999.98	6,667.44	6,089.44	5,699.67
Net worth [#]	7,705.51	7,371.32	6,790.52	6,399.97
Debt	-	-	-	-
Total debt	-	-	-	-

*All figures are as per Ind AS.

[#] Excluding revaluation reserves and miscellaneous expenditure to the extent not written off

(Amount in ₹, except certain ratios)

Key Ratios	For the nine - months ended on December 31, 2018 (Limited Reviewed)	For the year ended on March 31, 2018 (Audited)	For the year ended on March 31, 2017 (Audited)	For the year ended on March 31, 2016 (Audited)
Basic Earnings per Share	8.54	11.23	8.45	10.00
Diluted Earnings per Share	8.53	11.20	8.40	9.98
Book value per Share	109.22	104.72	96.87	91.39
Debt / Equity Ratio	-	-	-	-
Return on Average Net Worth (%)	7.99% [^]	11.14%	8.97%	12.14%
Total Debt / Net Worth	-	-	-	-

[^] - Not annualized

- 15.2 The brief audited financial information of the Company as extracted from the audited consolidated results for the last three financial years are provided below:

(Amount in ₹ Million)

Particulars	Audited		
	For the year ended on March 31, 2018 *	For the year ended on March 31, 2017 *	For the year ended on March 31, 2016 *
Revenue from operations	3,183.15	2,999.73	3,020.90
Other income	300.02	284.51	99.03
Total Income	3,483.17	3,284.24	3,119.93
Total Expenses (excluding Interest, Depreciation & Amortisation and Tax)	1,979.74	2,098.29	2,001.74
Depreciation & Amortisation	269.27	309.44	237.12
Profit before exceptional items & taxes	1,234.16	876.51	881.07
Exceptional items	-	37.80	-
Profit Before Tax	1,234.16	838.71	881.07
Provision for tax (including deferred tax)	404.11	306.44	301.99

Profit After Tax	830.05	532.27	579.08
Paid-up Equity Share Capital	703.88	701.02	700.30
Share Application money	-	0.06	-
Reserve & Surplus	6,534.79	5,915.53	5,593.21
Net worth [#]	7,238.67	6,616.61	6,293.51
Debt	-	-	-
Total debt	-	-	-

*All figures are as per Ind AS

[#] Excluding revaluation reserves and miscellaneous expenditure to the extent not written off

(Amount in ₹, except certain ratios)

Key Ratios	For the year ended on March 31, 2018 (Audited)	For the year ended on March 31, 2017 (Audited)	For the year ended on March 31, 2016 (Audited)
Basic Earnings per Share	11.82	7.60	9.29
Diluted Earnings per Share	11.79	7.55	9.27
Book value per Share	102.84	94.39	89.87
Debt / Equity Ratio	-	-	-
Return on Average Net Worth (%)	11.98%	8.25%	11.46%
Total Debt / Net Worth	-	-	-

The key ratios have been computed as below:

Key Ratios	Basis
Basic Earnings per Share (Rs)	Net Profit attributable to equity shareholders / Weighted average number of Shares outstanding during the year
Diluted Earnings per Share (Rs)	Net Profit attributable to equity shareholders / Weighted average number of Shares outstanding during the year, adjusted for the effect of dilution
Book value per Share (Rs)	(Paid up Equity Share Capital + Reserves and Surplus excluding revaluation reserves) / Number of Equity Shares outstanding at year end
Debt-Equity Ratio	Total Debt / Net Worth Net Worth excludes revaluation reserves, miscellaneous expenditure to the extent not written off and other comprehensive income
Return on Average Net Worth	Net Profit After Tax / Average Net Worth Average Net Worth: (Net worth at the beginning of the period + net worth at the end of the period)/2
Total Debt / Net Worth	Total Debt includes non-current borrowings (including current maturities) and current borrowings

The Company shall comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, wherever and if applicable. The Company hereby declares that it has complied with Sections 68, 69 and 70 and other applicable provisions of the Companies Act, 2013.

16. STOCK MARKET DATA

- 16.1 The Shares of the Company are listed on BSE and NSE. NSE is the stock exchange where the Equity Shares are most frequently traded.

16.2 The high, low and average market prices for the last three financial years (April to March periods) and the monthly high, low and average market prices for the six months preceding the date of Public Announcement and the corresponding volumes on BSE are as follows:

Period	High [#] (₹)	Date of High	Number of Shares traded on that date	Low [#] (₹)	Date of Low	Number of Shares traded on that date	Average Price* (₹)	Number of shares traded in this period
3 Years								
FY 19 (Apr 18 – Mar 19)	348.20	May 8, 2018	144,421	174.05	February 19, 2019	27,352	243.96	8,333,520
FY 18 (Apr 17 – Mar 18)	383.60	January 11, 2018	1,145,164	174.60	August 28, 2017	31,541	240.09	25,185,663
FY 17 (Apr 16 - Mar 17)	292.20	July 7, 2016	429,874	214.80	April 8, 2016	70,044	249.35	37,195,597
Month wise								
March 1 to 31, 2019	233.25	March 6, 2019	138,757	218.50	March 1, 2019	52,758	227.06	469,989
February 1 to 28, 2019	216.75	February 28, 2019	262,929	174.05	February 19, 2019	27,352	186.80	801,865
January 1 to 31, 2019	212.00	January 1, 2019	6,088	185.15	January 30, 2019	25,462	202.59	294,702
December 1 to 31, 2018	227.70	December 19, 2018	146,268	181.50	December 10, 2018	7,681	199.65	536,969
November 1 to 30, 2018	224.65	November 12, 2018	40,314	194.60	November 30, 2018	5,439	205.84	388,712
October 1 to 31, 2018	212.55	October 3, 2018	41,091	184.60	October 9, 2018	33,682	194.17	592,742

Source: www.bseindia.com

*Arithmetical average of closing prices

[#]High and low are based on high and low of closing prices

16.3 The high, low and average market prices for the last financial three years (April to March periods) and the monthly high, low and average market prices for the six months preceding the Public Announcement and the corresponding volumes on NSE are as follows:

Period	High [#] (₹)	Date of High	Number of Shares traded on that date	Low [#] (₹)	Date of Low	Number of Shares traded on that date	Average Price* (₹)	Number of shares traded in this period
3 Years								
FY 19 (Apr 18 – Mar 19)	347.70	May 8, 2018	370,896	173.6	February 19, 2019	57,147	244.00	43,377,752
FY 18 (Apr 17 – Mar 18)	384.25	January 11, 2018	7,005,045	174.60	August 28, 2017	148,814	240.19	106,335,603
FY 17 (Apr 16 - Mar 17)	292.60	July 7, 2016	1,310,040	215.40	April 8, 2016	205,650	249.43	104,080,936
Month wise								
March 1 to 31, 2019	233.55	March 6, 2019	1,269,392	218.40	March 1, 2019	367,639	227.04	3,392,932
February 1 to 28, 2019	216.30	February 28, 2019	1,781,041	173.60	February 19, 2019	57,147	186.88	3,611,692

Period	High [#] (₹)	Date of High	Number of Shares traded on that date	Low [#] (₹)	Date of Low	Number of Shares traded on that date	Average Price* (₹)	Number of shares traded in this period
January 1 to 31, 2019	212.40	January 1, 2019	46,164	186.05	January 29, 2019	52,897	202.63	1,457,941
December 1 to 31, 2018	227.55	December 19, 2018	1,432,176	181.40	December 10, 2018	36,753	199.55	3,590,062
November 1 to 30, 2018	224.80	November 12, 2018	207,674	194.15	November 30, 2018	57,844	205.63	2,338,051
October 1 to 31, 2018	212.10	October 3, 2018	167,522	184.30	October 9, 2018	134,703	193.87	2,659,243

Source: www.nseindia.com

*Arithmetical average of closing prices

[#]High and low are based on high and low of closing prices

- 16.4 The notice of the Board Meeting convened to consider the proposal of the Buyback was given to the BSE and NSE on February 27, 2019. The Board, at its meeting held on March 5, 2019, approved the proposal for the Buyback at ₹ 275/- (Rupees Two Hundred and Seventy Five only) per share and the intimation was sent to BSE and NSE on the same day. The closing market price of the Company as on March 1, 2019 (being one working day prior to the date on which the Board Meeting was held to approve the Buyback), on BSE was ₹ 218.50, and on NSE was ₹ 218.40, respectively. The closing market price on March 5, 2019 (being the date of Board Meeting) was ₹ 224.20 on BSE and ₹ 224.25 on NSE. The closing market price on March 6, 2019 (being one working day after the date of the Board Meeting) was ₹ 233.25 on BSE and ₹ 233.55 on NSE.

17. DETAILS OF STATUTORY APPROVALS

- 17.1 The Board at its meeting held on March 5, 2019 approved the proposal for the Buyback. The Equity Shareholders approved the Buyback by way of a special resolution through postal ballot, the results of which were announced on April 13, 2019.
- 17.2 The Buyback offer is subject to approvals, if any required, under the provisions of the Act, the Buyback Regulations, FEMA and/or such other acts in force for the time being.
- 17.3 The Buyback of Shares from Non-Resident Shareholders, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs), and members of foreign nationality, if any, etc., will be subject to approvals, if any, of the appropriate authorities, including RBI under FEMA, as applicable. It is the obligation of such Non-Resident Shareholders, to obtain such approvals and submit such approvals along with the tender form, so as to enable them to tender equity shares in the buyback and for the Company to purchase such Equity Shares, tendered. The Company will have the right to make payment to the Eligible Shareholders in respect of whom no prior RBI approval is required and not accept Equity Shares from the Eligible Shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.
- 17.4 By agreeing to participate in the Buyback the Non-Resident Shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reportings, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
- 17.5 As of date, there is no other statutory or regulatory approval required to implement the Buyback, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback Offer will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buyback Offer, if any, shall be intimated to the Stock Exchanges.

18. DETAILS OF THE REGISTRAR TO THE BUYBACK AND INVESTOR SERVICE CENTRE

The Company has appointed the following as the Registrar to the Buyback:



Link Intime India Private Limited

Address: C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083

Contact Person: Mr. Sumeet Deshpande

Tel: +91 (22) 4918 6200

Fax: +91 (22) 4918 6195

E-mail: quickheal.buyback@linkintime.co.in

Website: www.linkintime.co.in

CIN: U67190MH1999PTC118368

SEBI Registration Number: INR000004058

In case of any query, the Shareholders may contact the Registrar to the Buyback, from Monday to Friday between 10:00 a.m. to 5:00 p.m. on all working days except public holidays at the above-mentioned address.

Eligible Shareholders are required to submit their form(s) with their broker for bidding. After entering a valid bid, the Seller Broker/Eligible Shareholder, shall send the Tender Form, along with the requisite documents, either by registered post / courier, to the Registrar to the Buyback, super scribing the envelope as "Quick Heal Technologies Limited Buyback Offer 2019", or hand deliver the same to the Registrar at the address mentioned above in paragraph 18. Eligible Shareholders holding Equity Shares in the dematerialized form are requested to refer to paragraph 20.21.

PLEASE NOTE THAT IT IS NOT MANDATORY FOR ELIGIBLE SHAREHOLDERS HOLDING AND TENDERING EQUITY SHARES IN DEMAT FORM TO SUBMIT THE TENDER FORM AND THE TRS.

ELIGIBLE SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK.

19. PROCESS AND METHODOLOGY FOR THE BUYBACK

- 19.1 The Company proposes to Buyback upto 6,363,636 (six million three hundred and sixty three thousand six hundred and thirty six) Equity Shares from the existing Eligible Shareholders of Equity Shares of the Company, on a proportionate basis, through the Tender Offer route at a price of ₹275/- (Rupees Two Hundred and Seventy Five only) per Equity Share, payable in cash for an aggregate amount not exceeding ₹ 1,750 Million (Rupees One Thousand Seven Hundred and Fifty Million only), which represents 23.87% of the aggregate of the fully paid-up equity share capital and free reserves as per the last standalone audited financial statements of the Company as on March 31, 2018 and is therefore within the limit of 25% of the Company's total paid-up equity share capital and free reserves as per the last standalone audited accounts as on March 31, 2018. The Equity Shareholders approved the Buyback by way of a special resolution through postal ballot, the results of which were announced on April 13, 2019. The Buyback is in accordance with Article 9 of the Articles of Association of the Company and subject to the provisions of Sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act and in compliance with Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI, Stock Exchanges, RBI etc.
- 19.2 The aggregate shareholding of the Promoters and Promoter Group as on the date of the public announcement and the date of this Draft Letter of Offer is 51,031,720 Equity Shares, which represents 72.32% of the existing equity share capital of the Company. In terms of the Buyback Regulations, under the tender offer route, the Promoters and Promoter Group have an option to participate in the Buyback. In this regard, the Promoters and Promoter Group entities have expressed their intention to participate in the Buyback vide their letters dated March 6, 2019 and may tender up to an aggregate maximum of 4,602,772 Equity Shares or such lower number of Equity Shares in accordance with the provisions of the Buyback Regulations. Please see below the maximum number of Equity Shares to be tendered by each of the Promoters and Promoter Group:

Sl. No.	Name of the Promoters and Promoter Group entity	Maximum Number of Equity Shares intended to be offered
1	Kailash Sahebrao Katkar	1,850,047
2	Sanjay Sahebrao Katkar	1,850,047
3	Anupama Kailash Katkar	451,339
4	Chhaya Sanjay Katkar	451,339
Total		4,602,772

19.3 Assuming the response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Shareholders upto their entitlement including the Promoters and Promoter Group, the aggregate shareholding and the voting rights of the Promoters and Promoter Group of the Company, may increase to [•]% post Buyback from the current pre Buyback shareholding of 72.32%, and the aggregate shareholding of the public shareholders in the Company may decrease to [•]% post Buyback from the current pre Buyback shareholding of 27.68%.

19.4 Record Date, Ratio of Buyback as per the Buyback Entitlement of each category

19.4.1 The Buyback Committee on April 13, 2019 has fixed April 26, 2019 as the Record Date for the purpose of determining the entitlement and the names of the Equity Shareholders, who are eligible to participate in the Buyback Offer.

19.4.2 The Equity Shares proposed to be bought back by the Company shall be divided in two categories:

- (i) Reserved category for Small Shareholders (“**Reserved Category**”); and
- (ii) General category for all Eligible Shareholders other than Small Shareholders (“**General Category**”)

19.4.3 As defined under Regulation 2(i)(n) of the Buyback Regulations, a “Small Shareholder” is a Shareholder who holds Equity Shares whose market value, on the basis of closing price on Stock Exchanges as on Record Date, is not more than ₹ 200,000/- (Rupees two hundred thousand only). As on the Record Date, the closing price on [•], having the highest trading volume was ₹ [•] per Equity Share, accordingly all Shareholders holding not more than [•] Equity Shares as on the Record Date are classified as ‘Small Shareholders’ for the purpose of the Buyback Offer.

19.4.4 Based on the above definition, there are [•] Small Shareholders with aggregate shareholding of [•] Equity Shares, as on the Record Date, which constitutes [•]% of the outstanding number of Equity Shares of the Company and [•]% of the maximum number of Equity Shares which are proposed to be bought back as part of this Buyback Offer.

19.4.5 In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be [•] Equity Shares which is higher of:

- (i) Fifteen percent of the number of Equity Shares which the Company proposes to Buyback i.e. 15% of [•] Equity Shares which works out to [•] Equity Shares; or
- (ii) The number of Equity Shares to which the Small Shareholders are entitled, as per their shareholding as on Record Date i.e. $\frac{[(\bullet)/(\bullet)]}{X} \times [•]$ which works out to [•] Equity Shares.

All the outstanding fully paid up Equity Shares have been used for computing the entitlement of Small Shareholders since the Promoters and Promoter Group also

intend to offer Equity Shares held by them in the Buyback.

19.4.6 Based on the above analysis and in accordance with Regulation 6 of the Buyback Regulations, [•] Equity Shares have been reserved for the Small Shareholders ("**Reserved Category**") and accordingly, the General Category for all other Eligible Shareholders shall consist of [•] Equity Shares ("**General Category**").

19.4.7 Based on the above, the entitlement ratio of Buyback for both categories is decided as below:

19.5 Category Entitlement Ratio of Buyback

Category	Entitlement Ratio of Buyback*
Reserved Category	[•] Equity Shares out of every [•] fully paid-up Equity Shares held on the Record Date
General Category	[•] Equity Shares out of every [•] fully paid-up Equity Shares held on the Record Date

**The above Ratio of Buyback is approximate and providing indicative Buyback Entitlement. Any computation of entitled Equity Shares using the above Ratio of Buyback may provide a slightly different number due to rounding-off. The actual Buyback Entitlement for Reserved category for Small Shareholders is [•]% and General category for all other Eligible Shareholders is [•]%.*

19.6 Fractional entitlements

If the entitlement under Buyback, after applying the above mentioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 Equity Share) then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback Offer, for both categories of Eligible Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold [•] or less Equity Shares as on Record Date, will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender additional Equity Shares as part of the Buyback Offer and will be given preference in the acceptance of one Equity Share, if such Small Shareholders have tendered additional Equity Shares.

19.7 Basis of acceptance of Equity Shares validly tendered in the Reserved Category

Subject to the provisions contained in this Draft Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by the Small Shareholders in the Reserved Category in the following order of priority:

19.7.1 Full acceptance (100%) of Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.

19.7.2 Post the acceptance as described in paragraph 19.7.1 above, in case, there are any Shares left to be bought back from the Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Shares (on account of fractional entitlement), and have tendered additional Shares, shall be given preference and one Equity Share each from the additional Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.

19.7.3 Post the acceptance as described in paragraph 19.7.1 and 19.7.2, in case, there are any validly tendered unaccepted Shares in the Reserved Category ("**Reserved Category Additional Shares**") and Shares left to be bought back in Reserved Category, the Reserved Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Eligible Shareholder shall be equal to the Reserved Category Additional Shares tendered by the Eligible Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Shares remaining to be

bought back in Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with paragraph 19.7.1 , shall be reduced by one.

19.7.4 Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.7.3, will be made as follows:

- (i) For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional acceptance is greater than or equal to 0.50 (point five zero), then the fraction would be rounded off to the next higher integer.
- (ii) For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.8 **Basis of acceptance of Equity Shares validly tendered in the General Category**

Subject to the provisions contained in this Draft Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by Eligible Shareholders (other than Small Shareholders) in the General Category in the following order of priority:

19.8.1 Full acceptance (100%) of Shares from Eligible Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.

19.8.2 Post the acceptance as described in paragraph 19.8.1 , in case, there are any validly tendered unaccepted Shares in the General Category ("**General Category Additional Shares**") and Shares left to be bought back in General Category, the General Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Shareholder shall be equal to the General Category Additional Shares by the Shareholder divided by the total General Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in General Category.

19.8.3 Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.8.2, will be made as follows:

- For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

19.9 **Basis of acceptance of Equity Shares between the two categories**

19.9.1 After acceptances of tenders, as mentioned in paragraph 19.7 and 19.8, in case, there are any Shares left to be bought back in one category ("**Partially Filled Category**") and there are additional unaccepted validly tendered Shares ("**Further Additional Shares**") in the second category ("**Over Tendered Category**"), then the Further Additional Shares in the Over Tendered Category shall be accepted in a proportionate manner i.e. valid acceptances per Shareholder shall be equal to Further Additional Shares validly tendered by the Shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Shares left to be bought back in the Partially Filled Category.

19.9.2 If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has received a Tender Form with zero

Buyback Entitlement and who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Share before acceptance in paragraph 19.9.1 out of the Shares left to be bought back in the Partially Filled Category provided no acceptance could take place from such Shareholder in accordance with paragraph 19.7.

19.9.3 Adjustment for fraction results in case of proportionate acceptance, as defined in paragraph 19.9.1 and 19.9.2:

- For any Eligible Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- For any Eligible Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

In case of any practical issues, resulting out of rounding-off of Shares or otherwise, the Buyback Committee or any person(s) authorized by the Buyback Committee will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares after allocation of Equity Shares as set out in the process described in paragraph 19.

19.10 **For avoidance of doubt, it is clarified that, in accordance with the clauses above:**

19.10.1 Shares accepted under the Buyback from each Eligible Shareholder, shall be lower of the following:

- the number of Shares tendered by the respective Eligible Shareholder and
- the number of Shares held by the respective Eligible Shareholder, as on the Record Date.

19.10.2 Shares tendered by any Eligible Shareholder over and above the number of Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of acceptance.

19.11 **Clubbing of Entitlement**

In order to ensure that the same shareholders with multiple demat accounts/ folios do not receive a higher entitlement under the Small Shareholder category, the Company will club together the Equity Shares held by such shareholders with a common PAN for determining the category (Small Shareholder or General) and entitlement under the Buyback. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical. The shareholding of institutional investors like mutual funds, pension funds / trusts, insurance companies, etc. with a common PAN will not be clubbed together for determining the category and will be considered separately where these Equity Shares are held for different schemes and have a different demat account nomenclature based on information prepared by the Registrar as per the shareholder records received from the Depositories. Further, the Equity Shares held under the category of “clearing members” or “corporate body margin account” or “corporate body – broker” as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

20. PROCEDURE FOR TENDERING SHARES AND SETTLEMENT

20.1 The Buyback is open to all Eligible Shareholders of the Company holding Equity Shares in dematerialized form on the Record Date. Please refer to paragraph 20.22 of this Draft Letter of Offer for details regarding the procedure to be followed for tendering Equity Shares held in physical form in the Buyback.

20.2 The Company proposes to effect the Buyback through the Tender Offer route, on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buyback as well as the detailed disclosures as specified in the Buyback Regulations, will be mailed/dispatched to Eligible Shareholders.

- 20.3 The Eligible Shareholders who have registered their email IDs with the depositories / the Company, shall be dispatched the Letter of Offer through electronic means. The Eligible Shareholders who have not registered their email ids with the depositories / the Company, shall be dispatched the Letter of Offer through physical mode by registered post / speed post / courier. In case of non-receipt of Letter of Offer and the Tender Form, please follow the procedure as mentioned in paragraph 20.24 below.
- 20.4 The Company will not accept any Equity Shares offered for Buyback which are under any restraint order of a court for transfer/ sale of such shares or where loss of share certificates has been notified to the Company and the duplicate share certificates have not been issued either due to such request being under process as per the provisions of law or otherwise. The Company shall comply with Regulation 24(v) of the Buyback Regulations which states that the Company shall not buyback locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till such Equity Shares become transferable. The Company shall also not accept the Equity Shares offered for Buyback where the title to such Equity Shares is under dispute or otherwise not clear.
- 20.5 Eligible Shareholders will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account. In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar to the Buyback and such tendered Equity Shares may be accepted subject to appropriate verification and validation by the Registrar to the Buyback. The Board or Buyback Committee authorized by the Board will have the authority to decide such final allocation in case of non-receipt of sufficient proof by such Eligible Shareholder.
- 20.6 Eligible Shareholders' participation in Buyback is voluntary. Eligible Shareholders holding Equity Shares of the Company may choose to participate and get cash in lieu of shares to be accepted under the Buyback or they may choose not to participate. Eligible Shareholders holding Equity Shares of the Company may also accept a part of their entitlement. Eligible Shareholders holding Equity Shares of the Company also have the option of tendering Additional Shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. The acceptance of any Equity Shares tendered in excess of the Buyback Entitlement by the Eligible Shareholder shall be in terms of the procedure outlined herein.
- 20.7 The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date.
- 20.8 The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date.
- 20.9 As elaborated under paragraph 19.5 above, the Equity Shares proposed to be bought as a part of the Buyback are divided into two categories: (a) Reserved Category for Small Shareholders and (b) the General Category for all other Eligible Shareholders. The Buyback Entitlement of Eligible Shareholders in each category shall be calculated accordingly.
- 20.10 Post acceptance of the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in other category.
- 20.11 The Buyback shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI Circular and following the procedure prescribed in the Companies Act, the Share Capital Rules and the Buyback Regulations and as may be determined by the Board (including the Buyback committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

- 20.12 For implementation of the Buyback, the Company has appointed Nomura Financial Advisory and Securities (India) Private Limited as the registered broker to the Company (the “**Company's Broker**”) to facilitate the process of tendering of Equity Shares through Stock Exchange Mechanism for the Buyback as described in the paragraph 20.11. In the tendering process, the Company's Broker may also process the orders received from the Eligible Shareholders. The contact details of the Company's Broker are as follows:



Name: Nomura Financial Advisory and Securities (India) Private Limited

Address: Ceejay House, Level 11, Plot F, Shivsagar Estate, Worli, Mumbai 400 018, Maharashtra, India

Tel: 022 4037 4037; **Fax:** 022 4037 4111

SEBI Registration No.: INB/INF/INE 231299034 (NSE), INB011299030 (BSE)

Website: www.nomuraholdings.com/company/group/asia/india/index.html

Email: quickhealbuyback@nomura.com

- 20.13 The Company will request the Stock Exchanges to provide the separate acquisition window to facilitate placing of sell orders by shareholders who wish to tender Equity Shares in the Buyback. BSE will be the designated stock exchange for the Buyback (“**Designated Stock Exchange**”). The details of the platform will be specified by the Stock Exchanges from time to time.
- 20.14 All Eligible Shareholders may place orders in the Acquisition Window, through their respective stock brokers (“**Seller Member(s)**”).
- 20.15 In the event Seller Member(s) are not registered with the Designated Stock Exchange or if the Eligible Shareholders do not have any stock broker then that Eligible Shareholders can approach any stock broker registered with the Designated Stock Exchange and can make a bid by using quick unique client code (“**UCC**”) facility through that stock broker registered with the Designated Stock Exchange after submitting the details as may be required by the stock broker to be in compliance with the Buyback Regulations. In case Eligible Shareholders is not able to bid using quick UCC facility through any other stock broker registered with the Designated Stock Exchange, then the Eligible Shareholders may approach the Company's Broker, to bid by using quick UCC facility after submitting requisite documents.

Eligible Shareholders approaching a stock broker registered with the Designated Stock Exchange (with whom they do not have an account) may have to submit the requisite documents as may be required. The requirement of documents and procedures may vary from broker to broker, and may inter alia include:

In case of Eligible Seller being an individual

If Eligible Seller is registered with KYC Registration Agency (“KRA”): Forms required:

- Central Know Your Client (CKYC) form including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested):
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

If Eligible Seller is not registered with KRA: Forms required:

- CKYC form including FATCA, IPV, OSV if applicable
- KRA form
- KYC form Documents required (all documents self-attested):
 - PAN card copy
 - Address proof

- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

In case of Eligible Seller is HUF:

If Eligible Seller is registered with KYC Registration Agency ("KRA"): Forms required:

- Central Know Your Client (CKYC) form of KARTA including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested):
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

If Eligible Seller is not registered with KRA: Forms required:

- CKYC form of KARTA including FATCA, IPV, OSV if applicable
- KRA form
- Know Your Client (KYC) form Documents required (all documents self-attested):
 - PAN card copy of HUF & KARTA
 - Address proof of HUF & KARTA
 - HUF declaration
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

In case of Eligible Seller other than Individual and HUF:

If Eligible Seller is KRA registered: Form required

- Know Your Client (KYC) form Documents required (all documents certified true copy)
 - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of Directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements

If Eligible Seller is not KRA registered: Forms required:

- KRA form
- Know Your Client (KYC) form Documents required (all documents certified true copy):
 - PAN card copy of company/ firm/trust

- Address proof of company/ firm/trust
- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of Directors/authorised signatories /partners/trustees
- PAN card copies & address proof of Directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution/partnership declaration
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements
- MOA/Partnership deed /trust deed

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

- 20.16 All Eligible Shareholders, through their respective Seller Member will be eligible and responsible to place orders in the acquisition window. All Eligible Shareholders can enter orders for Equity Shares in demat form.
- 20.17 During the Tendering Period, the order for selling the Equity Shares will be placed in the acquisition window by Eligible Shareholders through their respective Seller Members during normal trading hours of the secondary market.
- 20.18 Modification/ cancellation of orders and multiple bids from a single Shareholder will be allowed during the Tendering Period of the Buyback offer. Multiple bids made by single Shareholder for selling the Equity Shares shall be clubbed and considered as 'one' bid for the purposes of acceptance.
- 20.19 The cumulative quantity tendered shall be made available on website of BSE (www.bseindia.com) throughout the trading session and will be updated at specific intervals during the Tendering Period.
- 20.20 All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- 20.21 **Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialized form**
- 20.21.1 Eligible Shareholders who desire to tender their Equity Shares in the electronic form under Buyback would have to do so through their respective Seller Member by indicating to their Seller Member the details of Equity Shares they intend to tender under the Buyback.
- 20.21.2 The Seller Member would be required to place an order/ bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the acquisition window of the Designated Stock Exchange. Before placing the bid, the Eligible Shareholder would be required to transfer the tendered Equity Shares to the special account of the Clearing Corporation, by using the early pay in mechanism of the depository prior to placing the order/ bid on the platform of BSE or the Clearing Corporation by the Seller Member. For further details, Eligible Shareholders may refer to the circulars issued by Stock Exchanges/ Clearing Corporation.
- 20.21.3 The details of the settlement number of the special account of the Clearing Corporation under which the Equity Shares are to be transferred in the account of Clearing Corporation for the Buyback will be provided in a separate circular to be issued by BSE or the Clearing Corporation.
- 20.21.4 For custodian participant orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order/bid by custodian. The custodian shall either confirm or reject the orders not

later than the closing of trading hours (i.e. 3:30 p.m.) on the last day of the Tendering Period (i.e. the Buyback Closing Date). Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

20.21.5 Upon placing the bid, the Seller Member shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like bid ID number, application number, DP ID, client ID, number of Equity Shares tendered, etc.

20.21.6 Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):

- i. Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;
- ii. Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Eligible Shareholder has expired; and
- iii. In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions) and court approved scheme of merger/amalgamation for a company, if applicable.

20.21.7 **In case of demat equity shares, submission of Tender Form and TRS is not mandatory. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Eligible Shareholders holding Equity Shares in demat form are deemed to have successfully tendered the Equity Shares in the Buyback.**

20.21.8 The Eligible Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Buyback decided by the Company. Further, Eligible Shareholders will have to ensure that they keep the savings bank account attached with the DP account active and updated to receive credit remittance due to acceptance of Buyback of shares by the Company.

20.21.9 The details of the account opened with DP into which the Equity Shares tendered are to be transferred, are as given below:

DP ID	IN303116
DP Name	Ventura Securities Limited
Beneficiary Client ID	12871689
Client Account Name	LIPL Quick Heal Buyback Escrow Demat Account

20.22 **Procedure to be followed by Eligible Shareholders holding Equity Shares in physical form**

As per the proviso to Regulation 40(1) of the SEBI (LODR) Regulations (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018) read with the press release dated December 3, 2018 issued by SEBI, effective from April 1, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Hence, Public Shareholders desirous of tendering their Equity Shares held in physical form can do so only after the shares are dematerialized and are advised to approach the concerned depository participant to have their Equity Shares dematerialized.

20.23 **For Equity Shares held by Eligible Shareholders, being Non-Resident Shareholders of Equity Shares (Read with paragraph 17 “Details of the Statutory Approvals”):**

- 20.23.1 Eligible Shareholders, being Non-Resident Shareholders of Equity Shares (excluding FIIs) shall also enclose a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them.
- 20.23.2 In case the Equity Shares are held on repatriation basis, the Non-Resident Eligible Shareholder shall obtain and enclose a letter from its authorised dealer / bank confirming that at the time of acquiring such Equity Shares, payment for the same was made by the non-resident Eligible Shareholder from the appropriate account (e.g. NRE a/c.) as specified by RBI in its approval. In case the Non-Resident Seller is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Seller shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Equity shares accepted under the Buyback.
- 20.23.3 If any of the above stated documents (as applicable) are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback are liable to be rejected.

THE NON RECEIPT OF THE DRAFT LETTER OF OFFER BY, OR ACCIDENTAL OMISSION TO DISPATCH THE DRAFT LETTER OF OFFER TO ANY PERSON WHO IS ELIGIBLE TO RECEIVE THE SAME TO PARTICIPATE IN THE BUYBACK, SHALL NOT INVALIDATE THE BUYBACK OFFER IN ANY WAY.

20.24 In case of non-receipt of the Draft Letter of Offer:

If any Eligible Shareholder who is holding Equity Shares in dematerialized form and has been sent the Draft Letter of Offer through electronic means wishes to obtain a physical copy of the Draft Letter of Offer, they may send a request in writing to the Company or Registrar at the address or email id mentioned at the cover page of the Draft Letter of Offer stating name, address, number of Equity Shares held on Record Date, client ID number, DP name / ID, beneficiary account number. Upon receipt of such request, a physical copy of the Draft Letter of Offer shall be provided to such Eligible Shareholder. An Eligible Shareholder may participate in the Buyback by downloading the Tender Form from the website of the Company i.e. www.quickheal.co.in or the website of the Registrar, www.linkintime.co.in or by providing their application in writing on plain paper, signed by all Equity Shareholders, stating name and address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ ID, beneficiary account number and number of Equity Shares tendered for the Buyback.

Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Seller Member (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller Member or broker in the electronic platform to be made available by the Designated Stock Exchange before the Buyback Closing Date.

The Company shall accept Equity Shares validly tendered by the Eligible Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Shareholder(s) who intend to participate in the Buyback using the 'plain paper' option as mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the Buyback Offer, before participating in the Buyback.

The participation of the Eligible Shareholders in the Buyback is entirely at the discretion of the Eligible Shareholders. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or to not participate in the Buyback. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Eligible Shareholders are advised to adequately safeguard their interest in this regard.

20.25 Method of Settlement

20.25.1 Upon finalization of the basis of acceptance as per Buyback Regulations:

- (a) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time and in compliance with the SEBI Circular.
- (b) The Company will pay the consideration to the Company's Broker who will transfer the funds pertaining to the Buyback to the Clearing Corporation's bank accounts as per the prescribed schedule. For demat Equity Shares accepted under the Buyback, the Clearing Corporation will make direct funds payout to respective Eligible Shareholders. If Eligible Shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, such funds will be transferred to the concerned Seller Members' settlement bank account for onward transfer to such Eligible Shareholders holding Equity Shares in dematerialized form.
- (c) In case of certain client types viz. Non-Resident Shareholders (where there may be specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Seller Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account. For this purpose, the client type details would be collected from the Depositories, whereas amount payable to the Eligible Shareholder pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the BSE and the Clearing Corporation from time to time.
- (d) The Equity Shares bought back in demat form would be transferred directly to the demat account of the Company opened for the Buyback ("**Company Demat Account**") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Company Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of BSE.
- (e) The Eligible Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of shares under the Buyback.
- (f) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by the Clearing Corporation directly to the respective Eligible Shareholder's DP account, as part of the exchange payout process. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Seller Member's depository pool account for onward transfer to the Eligible Shareholder. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian participant. The Seller Members would return these unaccepted Equity Shares to their respective clients on whose behalf the bids have been placed.
- (g) The Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback. If Eligible Shareholders bank account details are not available or if the fund transfer instruction is rejected by RBI or bank, due to any reasons, then the amount payable to Eligible Shareholders will be transferred to the Seller Member for onward transfer to the Eligible Shareholder.
- (h) Eligible Shareholders who intend to participate in the Buyback should consult their respective Seller Members for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Member upon the Eligible Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the Eligible Shareholders from their respective Seller Members, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Manager and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Eligible Shareholders.
- (i) The Equity Shares lying to the credit of the Company Demat Account will be extinguished

in the manner and following the procedure prescribed in the Regulations.

20.26 **Rejection Criteria**

The Equity Shares tendered by Eligible Shareholders would be liable to be rejected on the following grounds:

- a) the Shareholder is not an Eligible Shareholder of the Company as on the Record Date; or
- b) If there is a name mismatch in the dematerialised account of the Shareholder and PAN.

21. **NOTE ON TAXATION**

IN VIEW OF THE PARTICULARIZED NATURE OF TAX CONSEQUENCES, ELIGIBLE SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE SUMMARY OF THE TAX CONSIDERATIONS IN THESE PARAGRAPHS ARE BASED ON OUR UNDERSTANDING OF THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS, ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS.

THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, ELIGIBLE SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUY BACK OF LISTED EQUITY SHARES ON THE STOCK EXCHANGE SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

GENERAL

The basis of charge of Indian Income –Tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from 1st April until 31st March. A person who is an Indian tax resident is liable to taxation in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act.

A person who is treated as a non – resident for Indian Income-Tax purposes is generally subject to tax in India only on such person's India accrued income or income received by such person in India or income deemed to accrue/ arise in India. Any gains arising to a non – resident on transfer of Equity Shares of an Indian Company should be taxable in India under the Income Tax Act. Further, the non – resident can avail the beneficial provisions of the DTAA between India and the respective jurisdiction of the shareholder subject to meeting relevant conditions and providing necessary documents as prescribed under the Income Tax Act.

The Income Tax Act also provides for different tax regimes/ rates applicable to the gains arising on buyback of shares, based on the period of holding, residential status and category of the shareholder, nature of the income earned, etc. The summary of tax implications on buyback of listed equity shares on the stock exchange is set out below. All references to equity shares in this note refer to listed equity shares unless stated otherwise.

CLASSIFICATION OF SHAREHOLDERS

Shareholders can be classified under the following categories:

a. Resident Shareholders being:

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of individuals (BOI)
- Companies
- Co-operative Societies

b. Non Resident Shareholders being:

- Non Resident Individuals
- Foreign institutional Investors (FIIs) and Foreign Portfolio Investors (FPIs)
- Others:
 - Company
 - Other than Company

CLASSIFICATION OF INCOME

Shares can be classified under the following 2 (two) categories:

- a. Shares held as investment (income from transfer taxable under the head “Capital Gains”)
- b. Shares held as stock-in-trade (income from transfer taxable under the head “Profit and Gains from Business or Profession”)

Gains arising from the transfer of shares may be treated either as “capital gains” or as “business income” for tax purposes, depending upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade). Traditionally, the issue of characterization of income arising from sale of shares has been a subject matter of litigation with the tax authorities. The Central Board of Direct Taxes has issued Circular no. 6 of 2016, as per which, if the taxpayer opts to consider the shares as stock-in-trade, the income arising from the transfer of such shares would be treated as his business income. Also, if such shares are held for a period of more than 12 months, and the taxpayer desires to treat the income arising from the transfer thereof as “capital gains”, the same shall not be put to dispute by the Tax Officer, however, this stand, once taken by the taxpayer in a particular Assessment Year, shall remain applicable in subsequent Assessment Years also and the taxpayers shall not be allowed to adopt a different/contrary stand in this regard in subsequent years.

Further, investments by FII in any securities in accordance with the regulations made under the Securities Exchange Board of India Act, 1992 would be treated as capital asset under the provisions of the Income Tax Act.

SHARES HELD AS INVESTMENT

As per the provisions of the Income Tax Act, where the shares are held as investments, income arising from the transfer of such shares is taxable under the head “Capital Gains”. Capital gains on buyback of shares are governed by the provisions of Section 46A of the Income Tax Act and would attract capital gains in the hands of shareholders as per provisions of Section 48 of the Income Tax Act. Exemption under section 10(34A) of the Income Tax Act is not applicable to buy back of shares of listed companies. The provisions of buy back under Section 115QA in Chapter XII-DA of the Income Tax Act do not apply for shares listed on the stock exchange.

For non – residents, capital gains would be subject to taxability under the Income Tax Act or beneficial provisions of applicable Double Taxation Avoidance Agreement (“DTAA”), whichever is more beneficial. However, in order to avail the benefits of DTAA, the non-resident shareholder shall obtain the certificate referred to in sub-section (4) of section 90 of the Income Tax Act and shall also furnish the prescribed particulars referred to in sub-section (5) of section 90 of the Income Tax Act.

21.1 Period of holding

Depending on the period for which the shares are held, the gains would be taxable as “short term capital gain” or “long term capital gain”:

- In respect of equity shares held for a period of less than or equal to 12 months prior to the date of transfer, the same shall be treated as a short term capital asset, and the gains arising there from shall be taxable as “short term capital gains” (“**STCG**”).
- Similarly, where equity shares are held for a period of more than 12 months prior to the date of transfer, the same shall be treated as a long- term capital asset, and the gains arising there from shall be taxable as “long – term capital gains” (“**LTCG**”).

21.2 Buy back of shares through a recognized stock exchange

Since the buyback is undertaken on the stock exchange, such transaction is chargeable to Securities Transaction Tax (“STT”). STT is a tax payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian Stock Exchange. Currently, the STT rate applicable on the purchase or sale of shares on the stock exchange is 0.1% of the value of security.

Where transfer of such equity shares (i.e. buyback) is through a recognized stock exchange & subject to STT, then the taxability will be as under (for all categories of shareholders):

- Long Term Capital Gains tax from such transactions will be charged @ 10% under section 112A of the Income Tax Act. However, long term capital gains from such shares up to a maximum of Rs 1,00,000/- during the financial year is exempt from tax.
- STCG arising from such transaction would be subject to tax @ 15% under Section 111A of the Income Tax Act.

In addition, surcharge (at the applicable rates if income exceeds certain limits) and health and education cess @ 4% is applicable.

Non- resident shareholders can avail beneficial provisions of the applicable DTAA entered into by India with relevant country in which the shareholder is resident but subject to fulfilling relevant conditions and submitting the certificate referred to in sub-section (4) of section 90 of the Income Tax Act and the particulars referred to in sub-section (5) of the said section.

SHARES HELD AS STOCK-IN-TRADE

If the shares are held as stock-in-trade by any of the shareholders of the Company, then the gains would be characterized as business income and taxable under the head “Profits and Gains from Business or Profession”. In such a case, the provisions of Section 46A of the Income Tax Act will not apply.

21.3 Resident Shareholders

- a. For individuals, HUF, AOP, BOI, profits/ gains would be taxable at slab rates.
- b. For persons other than stated in (a) above, profits/ gains would be taxable @ 30%. However, in the case of Domestic Companies where the turnover or gross receipts during the financial year 2016-17 does not exceed two hundred and fifty Crores, the rate of tax is 25%.

In addition, surcharge (at the applicable rates if the income exceeds certain limits) and health and education cess @ 4% will be applicable.

No benefit of indexation by virtue of period of holding would be available.

21.4 Non Resident Shareholders

- a. Where DTAA provisions are applicable:

Non – resident shareholders can avail beneficial provisions of the applicable DTAA entered into by India with relevant country in which the shareholder is resident, but subject to fulfilling relevant conditions and submitting necessary documents prescribed under Section 90(4) and 90(5) of the Income Tax Act.

- b. Where DTAA provisions are not applicable:

- For non-resident individuals, HUF, AOP, BOI, profits/ gains would be taxable at slab rates
- For foreign companies, profits/ gains would be taxed in India @ 40%
- For other non-resident shareholders, such as foreign firms, profits/ gains would be taxed in India @ 30%.

In addition to the above, Surcharge (at applicable rates) and Health and Education Cess @ 4% are leviable.

TAX DEDUCTION AT SOURCE

21.5 In case of Resident Shareholders

In the absence of any specific provision under the Income Tax Act, the Company is not required to deduct tax on the consideration payable to the resident shareholders pursuant to Buyback of listed shares.

21.6 In case of Non – resident Shareholders

Since the buy-back is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is on the non-resident shareholder. It is therefore advisable for the non-resident shareholders to suitably compute such gains (if any) on this transaction and immediately pay taxes in India (either through deduction at source or otherwise) in consultation with their custodians/authorized dealers/ tax advisor/ stock broker appropriately. The non-resident shareholders must also file their tax return in India inter-alia considering gains arising on this buyback of shares in consultation with their tax advisors.

In the event, the Company is held liable for the tax liability of the Non-resident Shareholder, the same shall be to the account of the Non-resident Shareholder and to that extent the Company is entitled to be indemnified. The non-resident shareholders also undertake to provide the Company, on demand, the relevant details in respect of the taxability / non-taxability of the proceeds arising on buyback of shares by the Company, copy of tax return filed in India, evidence of the tax paid etc.

RATE OF SURCHARGE AND CESS

In addition to the basic tax rate, Surcharge, Health and Education Cess are leviable as under:

21.7 Surcharge

- a. In case of foreign companies and FII's: Surcharge is levied @2% on the amount of income tax if Total income exceeds ₹ 1 Crore but does not exceed ₹ 10 Crores and 5% on the amount of income-tax if total income exceeds ₹ 10 Crores.
- b. In the case of resident and non – resident individuals, association of persons and body of individuals, surcharge will be levied @ 10% if the income exceeds Rs 50 Lakhs but does not exceed Rs 1 Crore. If the income exceeds Rs 1 Crore, surcharge will be levied @ 15%.
- c. In case of domestic companies: Surcharge @ 7% is levied where the total income exceeds ₹ 1 Crore but does not exceed ₹ 10 Crores and @ 12% is levied where the total income exceeds ₹ 10 Crores.
- d. In case of Co-op. Societies, Firms & Local Authority: Surcharge @ 12% is leviable where the total income exceeds ₹ 1 Crore.

21.8 Cess

Health and Education Cess @4% is leviable in all cases on the amount of tax and surcharge, if any.

21.9 Notes

- a. The above note on taxation sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the buyback of listed equity shares.
- b. This note is neither binding on any regulators nor can provide any assurance that the tax authorities will not take a position contrary to the comments mentioned herein. Hence, you should consult with your own tax advisors for the tax provisions applicable to your particular circumstances.
- c. All the above provisions are as per the current tax laws (including amendments made by the Finance Act, 2018), legislation, its judicial; interpretation and the policies of the regulatory

authorities are subject to change from time to time, and these may have a bearing on the provisions listed above. Accordingly, any changes or amendments in the law or relevant regulations would necessitate a review of the above.

- d. Several of these provisions/benefits are dependent on the shareholders fulfilling the conditions prescribed under the provisions of the relevant section under the relevant tax laws.

The tax rate and other provisions may undergo changes.

22. DECLARATION FROM THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Schedule I to the Buyback Regulations read with Regulation 5 (iv) (b) of the Buyback Regulations:

The Board of Directors of the Company confirm that there are no defaults subsisting in the repayment of deposits accepted either before or after the commencement of the Act, interest payment thereon, redemption of debentures or preference shares or payment of dividend to any shareholder, or repayment of any term loan or interest payable thereon to any financial institution or banking company.

The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and, after taking into account the financial position of the Company including the projections and also considering all contingent liabilities, has formed the opinion that:

- (i) That immediately following the date of this board meeting dated March 5, 2019 and the date on which the results of the postal ballot including e-voting for the proposed Buyback will be announced, there will be no grounds on which the Company could be found unable to pay its debts;
- (ii) That as regards the Company's prospects for the year immediately following the date of the Board Meeting and the date on which the results of the postal ballot including e-voting for the proposed Buyback will be announced, having regard to Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date; and
- (iii) That in forming the aforementioned opinion, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act and the Insolvency and Bankruptcy Code, 2016, as amended.

For and on behalf of the Board of Directors

Sd/-

Kailash Katkar
Managing Director & CEO
DIN: 00397191

Sd/-

Sanjay Katkar
Joint Managing Director & CTO
DIN: 00397277

23. REPORT ADDRESSED TO THE BOARD OF DIRECTORS BY THE COMPANY'S AUDITOR'S ON THE PERMISSIBLE CAPITAL PAYMENT AND THE OPINION FORMED BY DIRECTORS REGARDING INSOLVENCY

The text of the Report dated March 5, 2019 of S R B C & Co. LLP, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

Quote

Independent Auditors' Report on buy back of shares pursuant to the requirements of Schedule I to the Securities and Exchange Board of India (Buy-back of securities) Regulations, 2018

The Board of Directors

1. This Report is issued in accordance with the terms of our service scope letter dated March 01, 2019 and revised master engagement agreement dated March 01, 2019 with Quick Heal Technologies Limited (hereinafter referred to as the "Company").
2. In connection with the proposal of the Company to buy back its equity shares in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 ("the Regulations"), and in terms of the resolution passed by the directors of the Company in their meeting held on March 5, 2019, which is subject to the approval of the shareholders of the Company, we have been engaged by the Company to perform a reasonable assurance engagement on the Statement of determination of the amount of permissible capital payment (the "Statement"), which we have initialed for identification purposes only.

Board of Directors Responsibility for the Statement

3. The preparation of the Statement of determination of the amount of permissible capital payment for the buyback is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Board of Directors are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date of the board meeting and date on which the results of the shareholders' resolution is declared and such declaration has been signed by at-least two directors.

Auditor's Responsibility

5. Pursuant to the requirements of the Regulations, it is our responsibility to provide reasonable assurance on the following "Reporting Criteria":
 - (i) Whether the amount of capital payment for the buyback is within the permissible limit and computed in accordance with the provisions of Section 68 of the Act;
 - (ii) Whether the Board of Directors has formed the opinion, as specified in Clause (X) of Schedule I to the Regulations, on reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the date of the board meeting and from the date on which the results of the shareholders' resolution is declared; and
 - (iii) Whether we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.
6. The financial statements for the year ended March 31, 2018 have been audited by us, on which we issued an unmodified audit opinion with Emphasis of matter vide our report dated May 10, 2018. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
 - i) We have inquired into the state of affairs of the Company in relation to its standalone audited financial statements for the year ended March 31, 2018;
 - ii) Examined authorization for buyback from the Articles of Association of the Company;
 - iii) Examined that the amount of capital payment for the buy-back as detailed in Statement is within permissible limit computed in accordance with section 68 of the Act;
 - iv) Examined that the ratio of debt owned by the Company, if any, is not more than twice the capital and its free reserves after such buy-back;
 - v) Examined that all shares for buy-back are fully paid-up;
 - vi) Examined resolutions passed in the meetings of the Board of Directors;
 - vii) Examined Director's declarations for the purpose of buy back and solvency of the Company;
 - viii) Obtained necessary representations from the management of the Company.

Opinion

10. Based on our examination as above, and the information and explanations given to us, in our opinion,
 - (i) the Statement of permissible capital payment towards buyback of equity shares, as stated in Statement, is in our view properly determined in accordance with Section 68 of the Act; and
 - (ii) the Board of Directors, in their meeting held on March 5, 2019, have formed the opinion, as specified in clause (x) of Schedule I of the Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of board meeting, and from the date on which the results of the shareholders' resolution is declared, and we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

Restriction on Use

11. The certificate is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Regulations solely to enable them to include it (a) in the explanatory statement to be included in the postal ballot notice to be circulated to the shareholders, (b) in the public announcement to be made to the Shareholders of the Company, (c) in the draft letter of offer and letter of offer to be filed with the Securities and Exchange Board of India, the stock exchanges, the Registrar of Companies as required by the Regulations, the National Securities Depository Limited and the Central Depository Securities (India) Limited, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Sd/-

per Tridevlal Khandelwal

Partner

Membership Number: 501160

UDIN: 19501160AAAAAE2991

Place of Signature: Pune

Date: March 5, 2019

Statement

Computation of amount of permissible capital payment towards buyback of equity shares in accordance with Section 68(2) of the Act

Particulars	As at March 31, 2018 (Amount in INR million)
Equity Share Capital	703.88
Total (A)	703.88
Retained Earnings	3,884.34
Securities Premium Account	2,327.92
General reserves	450.26
Equity instrument through other comprehensive income	(36.16)
Total Free Reserves (B)	6,626.36
Grand Total (A+B)	7,330.24
Maximum amount of capital payment permissible for the buy back of equity shares in accordance with Section 68(2) of the Act (25% of paid up equity capital and free reserves)	1,832.56

Note:

- 1) Calculation in respect of Permissible Capital Payment for Buyback of Equity Shares is done on the basis of the standalone audited financial statement for the year ended March 31, 2018.
- 2) Amalgamation reserve and employees stock options reserve has not been considered for the purpose of above computation.

For and on behalf of
Quick Heal Technologies Limited

Sd/-

Kailash Katkar

Managing Director

& Chief Executive Officer

DIN Number: 00397191

Place of Signature: Pune

Date: March 5, 2019

Nitin Kulkarni
Chief Financial Officer

Sd/-

Place of Signature: Pune
Date: March 5, 2019

Unquote

24. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at Marvel Edge, Office No. 7010 C & D, 7th Floor, Viman Nagar, Pune - 411 014, India on any working day (i.e. Monday to Friday) between 11:00 a.m. to 4:00 p.m. during the Offer Period.

- a) Copy of the Certificate of Incorporation and the Memorandum and Articles of Association of Quick Heal Technologies Limited;
- b) Copy of the annual reports of Quick Heal Technologies Limited for the years ended March 31, 2018, March 31, 2017 and March 31, 2016, and the limited review financial results for the nine month period ended December 31, 2018;
- c) Copy of the resolution passed by the Board of Directors at the meeting held on March 5, 2019 approving proposal for Buyback;
- d) Copy of the special resolution of the Equity Shareholders passed by way of postal ballot, the results of which were announced on April 13, 2019;
- e) Copy of Certificate dated March 5, 2019 received from S R B C & Co. LLP, the Statutory Auditors of the Company, in terms of clause (xi) of Schedule I of the Buyback Regulations;
- f) Copy of Declaration of solvency and an affidavit in form SH-9 as prescribed under section 68(6) of the Companies Act;
- g) Copy of Escrow Agreement dated [•] between Quick Heal Technologies Limited, the Escrow Agent and the Manager to the Buyback;
- h) Certificate dated April 24, 2019 received from Rathi Rathi and Co. (Partner's name: Parag Rathi; Membership No. 132268; Firm Registration No. 135143W), Chartered Accountants, certifying that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback, in accordance with the Regulations;
- i) Copy of Public Announcement published on April 16, 2019 regarding Buyback of Equity Shares; and
- j) Copy of SEBI observation letter no. [•] dated [•].

25. DETAILS OF THE COMPLIANCE OFFICER

The Company has designated the following as the Compliance Officer for the Buyback:

Name	:	Mr. Vinav Agarwal
Designation	:	Compliance Officer
Address	:	Marvel Edge 7010 C & D, Opposite Neco Garden Society, Viman Nagar, Pune - 411 014

Phone : +91 (20) 6681 3232
Email : cs@quickheal.co.in
Website : www.quickheal.co.in

In case of any clarifications or to address investor grievance, the Shareholders may contact the Compliance Officer, from Monday to Friday between 10 a.m. to 5 p.m. on all working days except public holidays, at the above-mentioned address.

26. REMEDIES AVAILABLE TO SHAREHOLDERS/ BENEFICIAL OWNERS

In case of any grievance relating to the Buyback (e.g. non-receipt of the Buyback consideration, demat credit etc.) the investor can approach the Compliance Officer and/or the Registrar to the Buyback and/or Manager to the Buyback for redressal.

If the Company makes any default in complying with the provisions of Section 68 of the Companies Act or any rules made there-under, or any regulation or under clause (f) of subsection (2) of Section 68 of the Companies Act, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act.

The address of the concerned office of the Registrar of Companies is as follows:

Registrar of Companies, Pune

PNCDDTA Green Building,
Block A 1st & 2nd Floor,
Near Akrudi railway Station, Akrudi
Pune, Maharashtra 411044
Tel: +91 (20) 27651375, +91 (20) 27651378
Fax: +91 (20) 25530042

27. DETAILS OF THE MANAGER TO THE BUYBACK

The Company has appointed the following as Manager to the Buyback:

The logo for Nomura, featuring the word "NOMURA" in a bold, red, sans-serif font.

Nomura Financial Advisory and Securities (India) Private Limited

Ceejay House, Level-11, Dr. Annie Besant Road, Worli, Mumbai- 400018

Tel: + 91 (22) 4037 4037; **Fax:** +91 (22) 4037 4111

Contact Person: Mr. Vishal Kanjani

Email: quickhealbuyback@nomura.com

Website: www.nomuraholdings.com/company/group/asia/india/index.html

SEBI Registration Number: INM000011419

Validity Period: Permanent Registration

28. DECLARATION BY THE DIRECTORS

As per Regulation 24(i)(a) of the Buyback Regulations, the Board of Directors of the Company accepts full responsibility for all the information contained in this Draft Letter of Offer. This Draft Letter of Offer is issued under the authority of the Board and in terms of the resolution passed by the Board on March 5, 2019 and the special resolution passed by the Shareholders through postal ballot, the results of which were announced on April 13, 2019.

**For and on behalf of the Board of Directors of
Quick Heal Technologies Limited**

Sd/-	Sd/-	Sd/-
Kailash Katkar Managing Director & CEO DIN: 00397191	Sanjay Katkar Joint Managing Director & CTO DIN: 00397277	Vinav Agarwal Compliance Officer Membership No. A40751

Date: April 24, 2019

Place: Pune

TENDER FORM (FOR EQUITY SHAREHOLDERS HOLDING SHARES IN DEMATERIALISED FORM)

Bid Number:

Date:

BUYBACK OPENS ON		[●], [●], 2019	
BUYBACK CLOSES ON		[●], [●], 2019	
For Registrar / Collection Centre use			
Inward No.	Date	Stamp	
<i>Status (please tick appropriate box)</i>			
☐	Individual	☐	FII/FPI
☐	Foreign Co	☐	NRI/OCB
☐	Body Corporate	☐	Bank/FI
☐	VCF	☐	Partnership/LLP
☐		☐	Insurance Co
☐		☐	FVCI
☐		☐	Pension/PF
☐		☐	Others
India Tax Residency Status: Please tick appropriate box			
☐	Resident in India	☐	Non-Resident in India
		Resident of _____ (shareholder to fill in country of residence)	

To,
The Board of Directors,
Quick Heal Technologies Limited,
C/o. Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai 400 083
Tel: +91 22 4918 6200; Fax: +91 22 4918 6195

Dear Sirs,

Subject: Letter of Offer dated [●], 2019 to Buyback up to 6,363,636 Equity Shares of Quick Heal Technologies Limited (the “Company”) at a price of ₹ 275 (Rupees two hundred and seventy five only) per Equity Share (“Buyback Price”), payable in cash (“Buyback”)

1. I / We (having read and understood the Letter of Offer dated [●], 2019) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
2. I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
3. I / We hereby affirm that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
4. I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback Offer and that I / we am / are legally entitled to tender the Equity Shares for Buyback.
5. I / We agree that the Company will pay the Buyback Offer Price only after due verification of the validity of the documents and that the consideration may be paid to the first named shareholder.
6. I / We acknowledge that the responsibility to discharge the tax due on any gains arising on buy-back is on me / us. I / We agree to compute gains on this transaction and immediately pay applicable taxes in India and file tax return in consultation with our custodians/authorized dealers/tax advisors appropriately.
7. I / We undertake to indemnify the Company if any tax demand is raised on the Company on account of gains arising to me / us on buyback of shares. I / We also undertake to provide the Company, the relevant details in respect of the taxability / non-taxability of the proceeds arising on buyback of shares by the Company, copy of tax return filed in India, evidence of the tax paid etc.
8. I / We agree that the consideration for the accepted Shares will be paid to the Eligible Shareholder as per secondary market mechanism.
9. I/We agree that the excess demat Equity Shares or unaccepted demat Shares, if any, tendered would be returned to the Selling Member by Clearing Corporation in payout.
10. I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
11. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act and the Buyback Regulations.
12. Details of Equity Shares held and tendered / offered for Buyback:

Particulars	In Figures	In Words
Number of Equity Shares held as on Record Date (April 26, 2019)		
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback (including Additional Shares)		

Note: Eligible Shareholders also have the option of tendering Additional Equity Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholder, if any. The acceptance of any Equity Shares tendered in excess of the Buyback Entitlement by the Eligible Shareholder shall be in terms of Paragraphs 19 and 20 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

Tear along this line

Acknowledgement Slip: QUICK HEAL TECHNOLOGIES LIMITED BUY BACK OFFER 2019
(to be filled by the Equity Shareholder) (subject to verification)

DP ID		Client ID	
Received from Mr./Ms./Mrs.			
Form of Acceptance-cum-Acknowledgement, Original TRS along with:			
No. of Equity Shares offered for Buyback (In Figures)		(in words)	
Please quote Client ID No. & DP No. for all future correspondence		Stamp of Broker	

13. Details of Account with Depository Participant (DP):

Name of the Depository (tick whichever is applicable)		NSDL		CDSL
Name of the Depository Participant				
DP ID No.				
Client ID No. with the DP				

11. Equity Shareholders Details:

	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) Of The Holder				
Signature(s)*				
PAN No.				
Address of the Sole/First Equity Shareholder				
Telephone No. / Email ID				

*Corporate must affix rubber stamp and sign under valid authority. The relevant corporate authorisation should be enclosed with the application form submitted

INSTRUCTIONS

- The Buyback will open on [●], [●], 2019 and close on [●], [●], 2019.
- This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
- Eligible Shareholders who desire to tender their Equity Shares in the dematerialized form under the Buyback would have to do so through their respective Selling Member by indicating the details of Equity Shares they intend to tender under the Buyback.
- The Equity Shares tendered in the Buyback shall be rejected if (i) the shareholder is not a shareholder of the Company as on the Record Date; (ii) if there is a name mismatch in the demat account of the shareholder, (iii) in case of receipt of the completed Tender Form and other documents but non-receipt of Equity Shares in the special account of the Clearing Corporation, or (iv) a non-receipt of valid bid in the exchange bidding system.
- The Eligible Shareholder will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to the Buyback being on a proportionate basis in terms of the Buyback Entitlement.
- In case of non-receipt of the Letter of Offer, Eligible Shareholders holding Equity Shares may participate in the Buyback by providing their application in plain paper in writing signed by all Eligible Shareholders (in case of joint holding), stating name and address of the Eligible Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name, DP ID, beneficiary account number and number of Equity Shares tendered for the Buyback
- Eligible Shareholders to whom the Buyback offer is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their Buyback entitlement.
- For the procedure to be followed by Equity Shareholders for tendering in the Buyback, please refer to Paragraph 20 of the Letter of Offer.
- All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- Non-Resident Equity Shareholders must obtain and submit all necessary approvals, if any and to the extent required from the concerned authorities including approvals from the Reserve Bank of India ("RBI") under Foreign Exchange Management Act, 1999, as amended (the "FEMA Regulations") and the rules and regulations framed there under, for tendering Equity Shares in the Buyback, and also undertake to comply with the reporting requirements, if applicable, under the FEMA Regulations and any other rules, regulations and guidelines, in regard to remittance of funds outside India.
- By agreeing to participate in the Buyback the Non-Resident Shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reportings, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
- In case any registered entity that has merged with another entity and the merger has been approved and has come into effect but the process of getting the successor company as the registered shareholder is still incomplete, then such entity along with the Tender Form file a copy of the following documents:
 - Approval from the appropriate authority for such merger
 - The scheme of merger and
 - The requisite form filed with MCA intimating the merger
- The Tender Form and TRS is not required to be submitted to the Company, Manager or the Registrar. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted for the Eligible Shareholders holding Equity Shares in demat form.**

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ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:

Investor Service Centre, QUICK HEAL TECHNOLOGIES LIMITED BUY BACK OFFER 2019

Link Intime India Private Limited, C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India

Tel: +91 22 4918 6200 | Fax: +91 22 4918 6195 |

Email: quickheal.buyback@linkintime.co.in | Website: www.linkintime.co.in

Contact Person: Mr. Sumeet Deshpande