

Nomura Financial Advisory and Securities (India) Private Limited

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April 16, 2019

Listing Department,
National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E)
Mumbai - 400 051.

Dear Sir / Madam,

Ref: Public Announcement in respect of Buyback of equity shares by Quick Heal Technologies Limited (the "Company")

In reference to the captioned buyback, please find enclosed two hard copies of the Public Announcement dated April 15, 2019 (the "Public Announcement") for your kind reference and records, which was released for publication by the Company on April 16, 2019 in the following newspapers:

Newspaper	Language	Editions
Financial Express	English	All
Jansatta	Hindi	All
Prabhat	Marathi	Pune

Please feel free to contact the following person from Nomura Financial Advisory and Securities (India) Private Limited if you require any information or clarification:

Contact Person	Telephone	Email
Vishal Kanjani	+91 22 4037 4089	vishal.kanjani@nomura.com

Thanking you,
Yours sincerely,

For Nomura Financial Advisory and Securities (India) Private Limited



Authorized Signatory

Name: Vishal Kanjani

Designation: Vice President

Quick Heal

Security Simplified

Quick Heal Technologies Limited

PUBLIC ANNOUNCEMENT

FOR THE ATTENTION OF THE SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF QUICK HEAL TECHNOLOGIES LIMITED FOR THE BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY BACK OF SECURITIES) REGULATIONS, 2018

This Public Announcement ("Public Announcement") is being made pursuant to the provisions of Regulation 7(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 ("Buyback Regulations") and contains the disclosures as specified in Schedule II to the Buyback Regulations read with Schedule I of the Buyback Regulations.

OFFER FOR BUYBACK OF UP TO 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 ("EQUITY SHARES") AT A PRICE OF ₹ 275/- (RUPEES TWO HUNDRED AND SEVENTY FIVE ONLY) PER EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER ROUTE (THROUGH STOCK EXCHANGE MECHANISM).

1 THE BUYBACK OFFER

1.1. 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) ("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 "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").

1.2. 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, 2018.

1.3. The Buyback shall be undertaken on a proportionate basis from the Shareholders ("Eligible Shareholders") as of Record Date (defined below) through the tender offer process prescribed under Regulation 4(iv)(a) of the Buyback Regulations. Please refer to Paragraph 10 of this Public Announcement for further details regarding the Record Date and shareholders' entitlement to tender the Equity Shares in the Buyback.

1.4. 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, the concerned authorities including approvals from the Reserve Bank of India ("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.

1.5. In terms of the Buyback Regulations, under tender offer route, the promoters and the promoter group of the Company ("Promoter and Promoter Group"), 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.

6.3. Intention of Promoters and Promoter Group to participate in Buyback:

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 Promoter and Promoter Group entity	Maximum Number of Equity Shares Intended to be offered
1.	Kailash Sanebrao Kulkar	1,850,047
2.	Sanjay Sanebrao Kulkar	1,850,047
3.	Anupama Kailash Kulkar	451,339
4.	Chhaya Sanjay Kulkar	451,339
Total		4,602,772

6.4. 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 Sanebrao Kulkar

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 (Transferee) and Quick Heal Technologies Private Limited (Transferor) 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 Sanebrao Kulkar

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 (Transferee) and Quick Heal Technologies Private Limited (Transferor) 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 Kulkar

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	-	-	-	-

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

Quick Heal Technologies Limited

Marvel Edge, Office No. 7010 C & D, 7th Floor, Opposite Neco Garden Society, Viman Nagar, Pune - 411014

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 initiated 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 the 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":

- 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;
- 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
- 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 Reporting Criteria.

Certification for Special Dividend of the Statement in accordance with the Reporting Criteria.

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").

1.2. 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.

1.3. The Buyback shall be undertaken on a proportionate basis from the Shareholders ("Eligible Shareholders") as of Record Date (defined below) through the tender offer process prescribed under Regulation 4(iv)(a) of the Buyback Regulations. Please refer to Paragraph 10 of this Public Announcement for further details regarding the Record Date and shareholders' entitlement to tender the Equity Shares in the Buyback.

1.4. 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 Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1998 and the rules and regulations framed thereunder, and that such approvals shall be required to be taken by such non-resident shareholders.

1.5. In terms of the Buyback Regulations, under tender offer route, the promoters and the promoter group of the Company ("Promoter and Promoter Group"), 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 6.3 of this Public Announcement.

1.6. The aggregate paid-up share capital and free reserves as per the latest audited standalone balance sheet of the Company as on March 31, 2018 is ₹ 7,330.24 million. Under the provisions of the Act, the funds deployed for the Buyback cannot exceed 25% of the aggregate of the fully paid-up share capital and free reserves of the Company i.e., ₹ 1,832.56 million. The maximum amount proposed to be utilized for the Buyback, i.e., ₹ 1,750 million (Rupees One Thousand Seven Hundred and Fifty Million only), is therefore within the limit of 25% of the Company's fully paid-up share capital and free reserves as per the latest audited financial statements of the Company as on March 31, 2018 (the latest audited financial statements available as on the date of Board Meeting approving the Buyback, subject to shareholders' approval).

1.7. The Buyback will not result in any benefit to Promoters and Promoter Group 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.

1.8. A copy of this Public Announcement is available on the website of the Company at www.quickheal.co.in, and is expected to be available on the website of SEBI i.e., www.sebi.gov.in during the period of the Buyback and on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com respectively.

1.9. Participation in the Buyback by shareholders may trigger capital gains taxation in India and in their country of residence. The transaction of Buyback would also be chargeable to securities transaction tax in India. The shareholders are advised to consult their own legal, financial and tax advisors prior to participating in the Buyback.

2. 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.

3. MAXIMUM AMOUNT OF FUNDS REQUIRED FOR THE BUYBACK, ITS PERCENTAGE OF THE TOTAL PAID-UP CAPITAL AND FREE RESERVES, AND SOURCES OF FUNDS FROM WHICH BUYBACK WOULD BE FINANCED

3.1 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.).

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	-	700,000
May 25, 2011	Allotment	2,897	10	0.5178*	1,500*
February 26, 2014	Bonus Issue	19,557,461	10	-	-
Total		20,511,364			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	-	-
August 6, 2010	Transposition	62,600	10	10	1,400,000
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)

Chitaya 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)

7. CONFIRMATIONS FROM THE COMPANY AS PER THE PROVISIONS OF THE BUYBACK REGULATIONS AND THE ACT:

- (i) 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;
- (ii) 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;
- (iii) 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;
- (iv) 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;
- (v) 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

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. 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.

7. 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.

8. 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.

FOR S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

Sd/-

per Tridev Khandewal

Partner

Membership Number: 501160

(iii) The Buyback is generally expected to earn 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.

3 MAXIMUM AMOUNT OF FUNDS REQUIRED FOR THE BUYBACK, ITS PERCENTAGE OF THE TOTAL PAID-UP CAPITAL AND FREE RESERVES, AND SOURCES OF FUNDS FROM WHICH BUYBACK WOULD BE FINANCED

3.1 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.).

3.2 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%.

3.3 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.

3.4 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.

4 MAXIMUM PRICE FOR BUYBACK OF THE EQUITY SHARES AND BASIS OF ARRIVING AT THE BUYBACK PRICE

4.1 The Equity Shares of the Company are proposed to be bought back at a price of ₹ 275/- per Equity Share.

4.2 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.

4.3 The Buyback Price represents:

- (i) premium of 37.87% 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
- (ii) 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 period preceding the Intimation Date; and
- (iii) 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.

4.4 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.

5 MAXIMUM NUMBER OF EQUITY SHARES THAT THE COMPANY PROPOSES TO BUYBACK

The Company proposes to buyback up to 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.

6 DETAILS OF SHAREHOLDING AND INTENTION OF PROMOTERS AND PROMOTER GROUP TO PARTICIPATE IN THE BUYBACK

6.1 The aggregate shareholding of the Promoter and Promoter Group and persons in control of the Company as on the date of the Board Meeting, the date of the Postal Ballot Notice, i.e. March 7, 2019, and the date of this public announcement, are as follows:

Sl. No.	Name	No. of Equity Shares	% Shareholding
1	Kailash Sahenrao Kalkar	20,511,384	29.07
2	Sanjay Sahenrao Kalkar	20,511,384	29.07
3	Anupama Kailash Kalkar	5,003,976	7.09
4	Chhaya Sanjay Kalkar	5,003,976	7.09
Total		51,030,720	72.33

6.2 No shares or other specified securities in the Company were either purchased or sold by Promoters and Promoter Group and by persons who are in control of the Company during a period of 6 months preceding the date of the Board Meeting at which the Buyback was approved till the date of the Postal Ballot Notice, i.e. March 7, 2019.

the date on which the payment of consideration is made to the shareholders who have accepted the Buyback.

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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.

(vi) The Company, as per the provisions of Section 68(8) of the Companies Act, shall not make further issue of the same kind of Equity Shares within a period of 6 (six) months after the completion of the Buyback, except by way of bonus shares or Equity Shares issued to discharge subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.

(vii) The Company confirms 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.

(viii) The Company further confirms that a period of more than three years has lapsed since any such default which has ceased to subsist.

(ix) The Company shall not buyback its Equity Shares from any person through negotiated deals whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback.

(x) The Company has been in compliance with Sections 92, 123, 127 and 129 of the Act.

(xi) There is no pendency of any scheme of amalgamation or arrangement or compromise as on date.

(xii) 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.

(xiii) 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; and

(xiv) 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 Regulations.

8 CONFIRMATIONS FROM THE BOARD

The Board 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.

REPORT ADDRESSED TO THE BOARD OF DIRECTORS BY THE COMPANY'S AUDITORS 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 is reproduced below:

By the regulations, the national companies especially limited and the central depository, 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.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

Sd/-

per Tridewal Khandelwal

Partner

Membership Number: 5011160

UDIN: 19501160AAAAE2991

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-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 Kalkar

Managing Director

& Chief Executive Officer

DIN Number: 00397191

Place of Signature: Pune

Date: March 5, 2019

Sd/-

Nitin Kulkarni

Chief Financial Officer

Unquote

10 RECORD DATE AND SHAREHOLDER ENTITLEMENT

10.1 As required under the Buyback Regulations, the Company has fixed Friday, April 26, 2019, as the Record Date for the purpose of determining the entitlement and the names of the Shareholders, who will be eligible to participate in the Buyback. The Equity Shares proposed to be bought back by the Company shall be divided into two categories: (a) reserved category for small shareholders; and (b) general category for all other Eligible Shareholders. Eligible Shareholders holding Equity Shares, as on the Record Date will receive a letter

Cont...