

**CERTIFIED TRUE COPY OF RESOLUTION PASSED AT THE 27<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY HELD ON FRIDAY, AUGUST 26, 2022 THROUGH VIDEO CONFERENCING (VC)/ OTHER AUDIO VIDEO MEANS (OAVM)****Approval for the Buyback of Equity Shares of the Company**

**“RESOLVED THAT** in accordance with Article 9 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and 110 and all other applicable provisions, if any, of the Companies Act, 2013, as amended, (the **“Act”**), the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014, including any amendments, statutory modifications or re-enactments thereof, for the time being in force and in compliance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (the **“Buyback Regulations”**), and including any amendments, statutory modifications or re-enactments for the time being in force, and subject to such other approvals, permissions and sanctions as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by the appropriate authorities which may be agreed by the Board of Directors of the Company (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) and subject to such conditions and modifications as may be prescribed or imposed by Securities and Exchange Board of India (**“SEBI”**), the stock exchanges on which the Equity Shares of the Company are listed (**“Stock Exchanges”**) and other authorities, institutions or bodies (**“Appropriate Authorities”**), the consent of the shareholders is hereby accorded for the buyback by the Company of its fully paid-up equity shares of a face value of ₹ 10/- each (**“Equity Shares”**) representing 8.6% of the total-paid-up Equity Share capital, from the equity shareholders of the Company as on the record date (**“Record Date”**), at a price of ₹ 300/- per Equity Share (**“Buyback Price”**) payable in cash for an amount not exceeding ₹ 150 Crore (Rupees One Hundred and Fifty Crore only) (hereinafter referred to as the **“Buyback Size”**). The Buyback Offer Size does not include any expenses incurred or to be incurred for the Buyback like filing fee payable to SEBI, advisory fees, public announcement publication expenses, printing and dispatch expenses, transaction costs viz. brokerage, applicable taxes such as securities transaction tax, goods and services tax, stamp duty, filing fees, advisors’ fees, brokerage, public announcement expenses and other incidental and related expenses. The Buyback Offer Size is **24.71%** and **24.66%** of the aggregate of the fully paid-up Equity Share capital and free reserves as per the latest audited standalone and consolidated financial statements of the Company as on March 31, 2022 respectively. The Buyback offer will comprise a purchase of up to 50,00,000 Equity Shares at a price of ₹ 300/- (Rupees Three Hundred only) per Equity Share on a proportionate basis through the “Tender Offer” route (hereinafter referred to as the **“Buyback”**), in accordance and consonance with the provisions contained in the Buyback Regulations, the Act, Share Capital Rules and Management Rules.

**RESOLVED FURTHER THAT** in terms of Section 69 of the Act, the Company shall implement the Buyback out of its securities premium account and other free reserves and that the Buyback shall be through the Tender Offer route in such manner as may be prescribed under the Act and the Buyback Regulations and on such terms and conditions as the Board may deem fit.

**RESOLVED FURTHER THAT** all of the shareholders of the Company will be eligible to participate in the Buyback, including promoters and promoter group of the Company (including members thereof) and persons in control (including persons acting in concert), who hold Equity Shares as of the Record Date to be subsequently decided by the Board or a committee of the Board.

**RESOLVED FURTHER THAT** as required by Regulation 6 of the Buyback Regulations, the Company shall buyback Equity Shares from the equity shareholders on a proportionate basis under the Tender Offer route, provided that 15% of the number of Equity Shares which the Company proposes to buyback or the number of Equity Shares entitled as per the shareholding of small shareholders, as defined in the Buyback Regulations (**“Small Shareholders”**), as of the Record Date, whichever is higher, shall be reserved for Small Shareholders.

**RESOLVED FURTHER THAT** the Company shall implement the Buyback through the “tender offer” route as prescribed under the Buyback Regulations using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, as amended, read with the circulars issued in relation thereto, including the circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, and circular SEBI/HO/CFD/DCR-

III/CIR/P/2021/615 dated August 13, 2021 or such other circulars or notifications or amendments as may be applicable.

**RESOLVED FURTHER THAT** the Buyback from the shareholders who are residents outside India including Foreign Corporate Bodies (including erstwhile Overseas Corporate Bodies), Foreign Institutional Investors/ 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, 1999 and the rules and regulations framed and amended thereunder, and that such approvals shall be required to be taken by such non-resident shareholders.

**RESOLVED FURTHER THAT** nothing contained hereinabove shall confer any right on the part of any shareholder to offer, or any obligation on the part of the Company or the Board to buyback any shares and / or impair any power of the Company or the Board to terminate any process in relation to such Buyback if so permissible by law.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the power(s) conferred hereinabove as it may in its absolute discretion deem fit, to any Committee ("**Buyback Committee**") / any one or more Director(s)/Officer(s)/ Authorized Representative(s) of the Company to give effect to the aforesaid resolutions, including but not limited to finalizing the terms of the Buyback like record date, entitlement ratio, the time frame for completion of Buyback; appointment of managers to the Buyback, brokers, lawyers, depository participants, escrow agents, bankers, advisors, registrars, scrutinizers, consultants/intermediaries/agencies, as may be required, for the implementation of the Buyback; preparing, finalizing, signing and filing of the public announcement, the draft letter of offer/ letter of offer with SEBI, the Stock Exchanges where the Equity Shares are listed and other appropriate authorities and to make all necessary applications to the appropriate authorities for their approvals including but not limited to approvals as may be required from the SEBI and RBI; and initiating all necessary actions for preparation and issue of various documents including public announcement, draft letter of offer, letter of offer, opening, operation and closure of necessary accounts including escrow account, special account with the bank, demat escrow account, trading account, entering into escrow agreements as required under the Buyback Regulations, filing of declaration of solvency, obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law, extinguishing dematerialized shares and physically destroying share certificates in respect of the Equity Shares bought back by the Company, and filing such other undertakings, agreements, papers, documents and correspondence, as may be required to be filed in connection with the Buyback with the SEBI, RBI, Government of India, BSE Limited ("**BSE**"), National Stock Exchange of India Limited ("**NSE**") (together with BSE, the "**Stock Exchanges**"), Registrar of Companies, Depositories and / or other relevant authorities.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**//CERTIFIED TO BE TRUE//**

**For Quick Heal Technologies Limited**

**A. Srinivasa Rao**

**Company Secretary**

M.No.: F9901

Address: 502, Shivthierth, Erandwane, Pune – 411038

**Date: August 29, 2022**

**Place: Pune**

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

### **APPROVAL OF BUYBACK**

Pursuant to the provisions of the Companies Act, 2013, as amended, (the “**Companies Act**”), the Companies (Share Capital and Debentures) Rules, 2014, as amended (the “**Share Capital Rules**”), the Companies (Management and Administration) Rules 2014 (the “**Management and Administration Rules**”), as amended, to the extent applicable Article 9 of the Articles of Association of the Company, and in compliance with the Buyback Regulations, the Board of Directors of the Company (the “**Board**”) at its meeting held on July 21, 2022 has, subject to the approval of the shareholders of the Company by way of special resolution through e-voting and subject to such approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, approved the buyback of up to 50,00,000 fully paid-up equity shares of face value of ₹ 10/- each of the Company (“**Equity Shares**”) (representing up to 8.6% of the total issued and paid-up equity share capital of the Company as per the audited standalone financial statements as at and for the period ended March 31, 2022) at a price of ₹ 300/- per Equity Share (the “**Buyback Price**”) payable in cash for an aggregate amount of up to ₹ 150 Crores (Rupees One Hundred and Fifty only), which is 24.71% and 24.66% of the aggregate of the fully paid-up equity share capital and free reserves as per the latest audited standalone and consolidated financial statements of the Company, as at March 31, 2022, respectively (the “**Buyback Size**”) (excluding any expenses incurred or to be incurred for the Buyback like filing fee payable to SEBI, advisory fees, public announcement publication expenses, printing and dispatch expenses, transaction costs viz. brokerage, applicable taxes such as buyback tax, securities transaction tax, goods and service tax, stamp duty, etc. and other incidental and related expenses (“**Transaction Costs**”)), 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, and circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021 or such other circulars or notifications or amendments 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 to be subsequently decided by the Board or a committee of the Board. Since the Buyback constitutes more than 10% of the total paid-up equity capital and free reserves of the Company, in terms of Section 68(2)(b) of the Companies Act, it is necessary to obtain the consent of the shareholders of the Company, for the Buyback by way of a special resolution. Further, as per Section 110 of the Companies Act read with Rule 22(16) (g) of the Management and Administration Rules along with General Circular No. 14/2020 dated April 8, 2022, General Circular No. 17/2020 dated April 13, 2022, General Circular No. 22/2020 dated June 15, 2022, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 8, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021 and General Circular No. 3/2022 dated May 5, 2022 notified by the Ministry of Corporate Affairs, the consent of the shareholders of the Company to the Buyback is required to be obtained by means of e-voting. Accordingly, the Company is seeking your consent for the aforesaid proposal as contained in the resolution appended to this Notice. Certain figures contained in this notice, including financial information, have been subject to rounding-off adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Requisite details and material information relating to the Buyback are given below:

- (a) **Date of the Board meeting at which the proposal for buy back was approved by the Board of Directors of the Company – July 21, 2022 (“Board Meeting Date”)**
- (b) **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, whichever is higher. 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.

**(c) Maximum number of securities that the Company proposes to buyback**

The Company proposes to buy back up to 50,00,000 fully paid up Equity Shares of face value of ₹ 10/- (Rupees ten only) each.

**(d) Buyback price and the basis of arriving at buyback price**

- (i) The Equity Shares of the Company are proposed to be bought back at a price of ₹ 300/- (Rupees Three Hundred only) per Equity Share.
- (ii) The Buyback Price 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.
- (iii) The Buyback Price represents:
  - premium of 71.81% and 72.89% 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 July 15, 2022, being the date of intimation to the Stock Exchanges regarding the Board Meeting Date ("**Intimation Date**"); and
  - premium of 57.29% and 58.11% 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 79.75% and 79.96% over the closing price of the Equity Shares on the BSE and the NSE respectively, as on the Intimation Date.
  - premium of 50.87% and 50.98% over the closing price of the Equity Share on BSE and NSE, respectively, as on July 21, 2022, being the Board Meeting Date.

The closing market price of the Equity Shares as on the Intimation Date was ₹ 166.90 and ₹ 166.70 and as on the Board Meeting Date was ₹ 198.85 and ₹ 198.70 on the BSE and the NSE, respectively.

**(e) Maximum amount of funds required for the Buyback and its percentage of the total paid up capital and free reserves and source of funds from which Buyback would be financed.**

The maximum amount required for Buyback will not exceed ₹ 150 Crores (Rupees One Hundred and Fifty Crores only) (excluding Transaction Costs).

The maximum amount mentioned aforesaid is 24.71% and 24.66% of the aggregate of the fully paid-up equity share capital and free reserves as per the latest audited standalone and consolidated financial statements of the Company as on March 31, 2022 (being the latest audited financial statements available as on the Board Meeting Date), respectively, which is within the prescribed limit of 25%.

The funds for the implementation of the proposed Buyback will be sourced out of free reserves and securities premium of the Company and any other source as may be permitted by the Buyback Regulations or the Companies Act. Borrowed funds from banks and financial institutions, if any, will not be used for the Buyback.

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.

**(f) Method to be adopted for the Buyback**

The Buyback shall be on a proportionate basis through the tender offer route, as prescribed under the Buyback Regulations, to the extent permissible, and the “Mechanism for acquisition of shares through Stock Exchanges” as prescribed under the SEBI Circular. The Buyback will be implemented in accordance with the Companies Act, Rules, to the extent applicable, the Buyback Regulations and on such terms and conditions as may be deemed fit by the Company.

As required under the Buyback Regulations, the Company will announce a record date for the Buyback for determining the names of the shareholders holding Equity Shares of the Company who will be eligible to participate in the Buyback (“**Eligible Shareholder(s)**”). Subject to the approval of the special resolution under this Notice and subject to SEBI’s comments on the draft letter of offer, Eligible Shareholders will receive a letter of offer along with a tender/offer form indicating their entitlement.

The Equity Shares to be bought back is divided in two categories:

- (i) Reserved category for small shareholders; and
- (ii) General category for all other shareholders.

As defined in Regulation 2(1)(n) of the Buyback Regulations, a “small shareholder” is a shareholder who holds Equity Shares having market value, on the basis of closing price on Stock Exchange having highest trading volume as on record date, of not more than ₹ 200,000/- (Rupees Two Hundred Thousand only).

In accordance with Regulation 6 of the Buyback Regulations, 15% of the number of Equity Shares which the Company proposes to buyback or such number of Equity Shares entitled as per the shareholding of small shareholders as on the record date, whichever is higher, shall be reserved for the small shareholders as part of this Buyback.

Based on the holding on the Record Date, the Company will determine the entitlement of each Eligible Shareholder to tender their shares in the Buyback. This entitlement for each Eligible Shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the record date and the ratio of the Buyback applicable in the category to which such shareholder belongs. 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 proposes to 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. In case of physical shareholders, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Company will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, pension funds/trusts, insurance companies etc., with 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 and Transfer Agent as per the shareholder records received from the Depositories.

Shareholders' participation in Buyback will be voluntary. Eligible Shareholders holding Equity Shares of the Company can 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 shareholders, if any.

The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the shareholder as on the record date.

The Equity Shares tendered as per the entitlement by Eligible Shareholders holding Equity Shares of the Company as well as additional shares tendered, if any, will be accepted as per the procedure laid down in Buyback Regulations. The settlement under the Buyback will be done using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI Circular.

Participation in the Buyback by shareholders may trigger capital gains taxation in India and in their country of residence. The Buyback transaction 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.

Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the letter of offer to be sent to the Eligible Shareholder(s).

**(g) Time limit for completing the Buyback**

Subject to receipt of regulatory consents and approvals, if any, the Buyback is proposed to be completed within 12 months from the date of passing of special resolution detailed in this Notice.

**(h) Compliance with Section 68(2)(c) of the Companies Act**

The aggregate paid-up share capital and free reserves as per the latest audited standalone financial statements of the Company as on March 31, 2022 is ₹ 607.04 Crores. Under the provisions of the Companies 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., ₹ 151.76 Crores. The maximum amount proposed to be utilized for the Buyback, ₹ 150 Crores (Rupees One Hundred and Fifty Crores 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, 2022. 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 buyback up to 50,00,000 Equity Shares, the same is within the aforesaid 25% limit.

(i) **Details of holding and transactions in the shares of the Company**

- (i) The aggregate shareholding of the Promoter and Promoter Group and persons who are in control as on the Board Meeting Date and the date of this Notice, i.e., July 21, 2022, are as follows:

S. No.	Name of Shareholder	No. of Equity Shares	% Shareholding
1	Kailash Sahebrao Katkar	16,986,298	29.28
2	Sanjay Sahebrao Katkar	16,986,298	29.28
3	Anupama Kailash Katkar	4,144,007	7.14
4	Chhaya Sanjay Katkar	4,144,007	7.14
5	Sneha Kailash Katkar	2,567	--
<b>Total</b>		42,263,177	72.84

- (ii) No Equity Shares were purchased or sold by the Promoter and Promoter Group and persons in control of the Company during a period of six months preceding the Board Meeting Date and the date of this Notice, i.e. July 21, 2022.

(j) **Intention of Promoter and Promoter Group to participate in Buyback**

In terms of the Buyback Regulations, under the tender offer route, the Promoter and Promoter Group have an option to participate in the Buyback. In this regard, the Promoter and Promoter Group entities have expressed their intention to participate in the Buyback vide their letters dated July 21, 2022 and may tender up to an aggregate maximum of 36,41,860 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 Promoter and Promoter Group:

S. No.	Name of the Promoter and Promoter Group entity	Maximum Number of Equity Shares intended to be offered in the Buyback
1	Kailash Sahebrao Katkar	14,63,810
2	Sanjay Sahebrao Katkar	14,63,810
3	Anupama Kailash Katkar	3,57,120
4	Chhaya Sanjay Katkar	3,57,120
<b>Total</b>		36,41,860

The Buyback will not result in any benefit to Promoter 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.

Since the entire shareholding of the members of the Promoter 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 Equity Shares by the Promoter and Promoter Group Entities is set out below:

**Kailash Katkar**

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)	Consideration
31-Mar-96	Allotment	100	10	10	1,000
31-Mar-97	Allotment	16,000	10	10	160,000
30-May-97	Transfer	(1,000)	10	10	10,000
31-Mar-98	Allotment	8,400	10	10	84,000
23-Feb-04	Allotment	8,012	10	10	80,120
25-Feb-04	Allotment	3,488	10	10	34,880
31-Mar-05	Bonus issue	70,000	10	-	-
6-Mar-06	Bonus issue	315,000	10	-	-
13-Mar-07	Bonus issue	1,260,000	10	-	-
31-Mar-08	Bonus issue	1,260,000	10	-	-
29-Jan-09	Allotment	70,000	10	10	700,000
6-Aug-10	Transposition	(62,600)	10	-	-
8-Sep-10	Transfer	(145,464)	10	768.67	111,813,813
17-Jan-10	Transfer	(10,910)	10	768.67	8,386,190
25-May-11	Allotment	2,897	10	0.5178*	1,500*
26-Feb-14	Bonus issue	19,557,461	10	-	-
16-Feb-16^	OFS in IPO	(1,840,000)	10	321	590,640,000
12-Jun-19	Buyback	(1,716,671)	10	275	472,084,525
21-Jun-21	Buyback	(1,808,415)	10	245	443,061,675
Total		169,86,298			

\* 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.

^ Date of allotment of shares under IPO.

**Sanjay Katkar**

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)	Consideration
31-Mar-96	Allotment	100	10	10	1,000
31-Mar-97	Allotment	7,000	10	10	70,000
30-May-97	Transfer	1,000	10	10	10,000
31-Mar-98	Allotment	4,400	10	10	84,000
01-Jun-00	Transfer	4,000	10	10	40,000
15-Jul-03	Transfer	4,000	10	10	40,000
23-Feb-04	Allotment	8,013	10	10	80,130
25-Feb-04	Allotment	6,487	10	10	64,870
31-Mar-05	Bonus issue	70,000	10	-	-



6-Mar-06	Bonus issue	315,000	10	-	-
13-Mar-07	Bonus issue	1,260,000	10	-	-
31-Mar-08	Bonus issue	1,260,000	10	-	-
29-Jan-09	Allotment	70,000	10	10	700,000
6-Aug-10	Transposition	(62,600)	10	-	-
8-Sep-10	Transfer	(145,464)	10	768.67	111,813,813
17-Jan-10	Transfer	(10,910)	10	768.67	8,386,190
25-May-11	Allotment	2,897	10	0.5178*	1,500*
26-Feb-14	Bonus issue	19,557,461	10	-	-
16-Feb-16^	OFS in IPO	(1,840,000)	10	321	590,640,000
12-Jun-19	Buyback	(1,716,671)	10	275	472,084,525
21-Jun-21	Buyback	(1,808,415)	10	245	443,061,675
<b>Total</b>		<b>169,86,298</b>			

\* 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.

^ Date of allotment of shares under IPO.

**Anupama Katkar**

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)	Consideration
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	0	0
May 25, 2011	Allotment	2,897	10	0.5178*	1,500*
February 26, 2014	Bonus Issue	4,378,479	10	0	0
June 12, 2019	Buyback	(418,800)	10	275	115,170,000
June 21, 2021	Buyback	(441,169)	10	245	108,086,405
<b>Total</b>	-	<b>4,144,007</b>	-	-	-

\* 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 Katkar**

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)	Consideration
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	0	0
May 25, 2011	Allotment	2,897	10	0.5178*	1,500*
February 26, 2014	Bonus Issue	4,378,479	10	0	0
June 12, 2019	Buyback	(418,800)	10	275	115,170,000
June 21, 2021	Buyback	(441,169)	10	245	108,086,405
<b>Total</b>	<b>-</b>	<b>4,144,007</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* 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.

**(k) Confirmations from Company as per the provisions of Buyback Regulations and Companies Act**

- (i) All the Equity Shares for Buyback are fully paid up;
- (ii) The Company shall not issue any Equity Shares or other 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 proposed Buyback till the date of expiry of the Buyback period;
- (iii) The Company shall not raise further capital for a period of one year from the date of expiry of the Buyback period, 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;
- (iv) The Company shall not withdraw the Buyback after the draft letter of offer is filed with SEBI or the public announcement of the offer to buyback is made;
- (v) The Company shall not buyback locked-in shares and non-transferable shares or other specified securities till the pendency of the lock-in or till the shares or other specified securities become transferable;
- (vi) 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;
- (vii) The Company confirms that there are no defaults subsisting in repayment of deposits, redemption of debentures or interest thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans 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 Companies Act; as amended, and
- (xi) 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.
- (xii) The Company shall not make any offer of buyback within a period of one year reckoned

from the date of expiry of the Buyback Period;

- (xiii) The Company has not undertaken a buyback of any of its securities during the period of one year immediately preceding the Board Meeting Date.
- (xiv) That funds borrowed from Banks and Financial Institutions, if any, will not be used for the Buyback;
- (xv) The Company shall comply with the statutory and regulatory timelines in respect of the buyback in such manner as prescribed under the Companies Act and/or the Buyback Regulations and any other applicable laws;
- (xvi) There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date;
- (xvii) The buyback shall be completed within a period of one (1) year from the date of passing of this special resolution approving the buyback through e-voting;
- (xviii) The Company shall pay the consideration only by way of cash.
- (xix) The Company shall not buyback 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.

**(I) Confirmations from the Board**

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 Board Meeting Date and the date on which the results of the 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 Board Meeting Date and the date on which the results of the 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 Companies Act and the Insolvency and Bankruptcy Code, 2016, as amended.
- (m) 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 July 21, 2022 of MSKA & Associates, the Statutory Auditors of the Company, addressed to the Board of Directors of the Company is reproduced below:

**Quote**

**Statutory Auditor's report in respect of proposed buyback of equity shares by Quick Heal Technologies Limited ('the Company') in terms of clause (xi) of Schedule I of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 (as amended) ("Buyback Regulations").**

To,  
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

We have performed the following procedures agreed with you vide engagement letter dated July 21, 2022, in connection with the proposal of Quick Heal Technologies Limited ('Company') to buy-back its shares in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 ('the Act') read with Rule 17 of Companies (Share Capital and Debentures) Rules 2014 ('the Rules') and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 ('the Regulation'), approved by the Board of Directors of the Company at the Board Meeting held on July 21, 2022.

#### **Board of Directors Responsibility for the statement**

The preparation of the Statement of determination of the amount of permissible capital payment for the buyback in accordance with proviso to Section 68(2)(c) of the Companies Act, 2013 and the compliance with the SEBI Buyback Regulations, 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 design, implementation and maintenance of 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.

The Board of Directors are responsible to make 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 as well as the date of special resolution passed by the Shareholders at their meeting held for the purposes of the buyback and such declaration has been signed by at-least two directors.

#### **Auditor's Responsibility**

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 provision 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 Regulation, 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 board meeting as well as the date of special resolution passed by the Shareholders at their meeting held for the purposes of the buyback; and
- iii) Whether, we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as of any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

The standalone and consolidated financial statements as at March 31, 2022, have been audited by us, on which we issued an unmodified audit opinion vide our reports dated May 5, 2022. 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.

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.

We have been provided with the following documents:

- a) Audited standalone and consolidated financial statement of the Company for the year ended March 31, 2022.
- b) Board Resolution for approval of buyback of shares and approval of declaration of Directors in terms of section 68(6) of Companies Act, 2013 dated July 21, 2022.
- c) Calculation of permissible amount of buy back of securities as per section 68 of the Act.
- d) Affidavit verifying the declaration of solvency dated July 21, 2022 stating that Company shall not be rendered insolvent within a period of one year from the date as per the provision of the Act read with the Rules and the Regulation.
- e) Article of Association of the Company.
- f) Calculation of debt to capital ratio.
- g) Bank confirmations regarding the outstanding debts, if any.

A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mentioned in Auditor's Responsibility paragraph 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

- 1. Inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statement for the year ended March 31, 2022.
- 2. Examined authorization for buyback from the Article of Association of the Company.
- 3. With respect to the amount of permissible capital payment for buy back of shares, verified whether the same is within the limits as specified under Section 68 of the Act.
- 4. Examined the ratio of debt owned by the Company, if any, is not more than twice the capital and free reserves after such buyback, based on both, the audited standalone and consolidated financial statement of the Company as on March 31, 2022.
- 5. Examined the bank confirmations obtained.
- 6. Examined that all the shares for buyback are fully paid up.
- 7. Examined resolutions passed in the meetings of the Board of Directors for approval of buyback of shares and declaration of solvency by Directors.
- 8. Examined affidavit verifying the declaration of solvency dated July 21, 2022.

### **Opinion**

Based on our examination and according to the information and explanation given to us, in our opinion

1. Statement of permissible capital payment towards buyback of shares as annexed to this report, has been properly determined in accordance with Section 68 of the Act and Regulation 4(i) of Regulations; and
2. The Board of Directors at their meeting held on July 21, 2022 have formed its opinion, as specified in clause (x) of Schedule I of the Regulation, on reasonable grounds and 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 as well as the date of special resolution passed by the Shareholders at their meeting held for the purposes of the buyback, and we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matter mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Our report is addressed to Board of Directors of the Company pursuant to the requirement of the Regulation solely to enable them to include it (a) in the explanatory statement to be included in the notice of AGM 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 for providing to the Manager to the Buyback Offer, and should not be used by any other person or for any other purpose. This report may not be useful for any other purpose. MSKA & Associates shall not be liable to the Company or any other concerned, for any claims, liabilities or expenses relating to this assignment. This report relates only to the items specified above.

**For MSKA & Associates**  
**Chartered Accountants**  
**ICAI Firm Registration No. 105047W**

**SD/-**

**Nitin Manohar Jumani**  
**Partner**  
**Membership No. 111700**  
**UDIN: 22111700ANKGOR5667**

Place: Pune  
Date: July 21, 2022

**Encl:** Statement of permissible capital payment

Statement of permissible capital payment

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

(Amount in INR Crores)

Particulars	As at March 31, 2022	
	Standalone	Consolidated
Equity Share Capital	58.01	58.01
Total (A)	58.01	58.01
Retained Earnings	501.70	502.9
Securities Premium Account	2.30	2.3
General reserves	45.03	45.03
Total Free Reserves (B)	549.03	550.23
Grand Total (A+B)	607.04	608.24
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)	151.76	152.06

Notes:

1. Calculation in respect of Permissible Capital payment for buy back is based on the audited standalone and consolidated financial statement for the year ended March 31, 2022.
2. Amalgamation reserve, capital redemption reserve, employee stock option reserve, reserve on fair value through other comprehensive income and foreign currency translation 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: Pune  
Date: July 21, 2022

Unquote

SD/-

Navin Sharma  
Chief Financial Officer

Place: Pune  
Date: July 21, 2022