"Quick Heal Technologies Limited
Q1 FY2020 Earnings Conference Call"

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Moderator: Good day ladies and gentlemen, and welcome to the Q1 FY2020 earnings conference call of Quick Heal Technologies Limited. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. As a reminder, all participant lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I will now hand the conference over to Mr. Sanjay Katkar – Joint MD and CTO of the Company. Thank you and over to you Sir!

Sanjay Katkar: Good evening friends. I am Sanjay Katkar – Joint MD and CTO and along with me I have Mr. Vijay Mhaskar – Chief Operating Officer, Mr. Nitin Kulkarni – Chief Financial Officer and SGA our IR agency. So we welcome you all to participate in our earnings conference call, to discuss on our performance of the quarter ended June 30, 2019.

Now I will start with a brief update on business performance. So during the quarter the overall demand for cyber security products and solutions in India was not in line with what we have been expecting, so we observed generic slowdown in the demand which resulted in pricing pressure in the SMB and consumer segment. We also witnessed slowdown in government buying due to India's General Elections and despite subdued demand and slowdown we have started FY2020 on positive note. Our revenue showed a growth of 8.5% while our net profit for quarter almost doubled compared to same period last year.

Coming to our segmental performance, our retail segment has seen a growth of 8%, while its volume grew by 4%. On the enterprise and government front our revenue grew marginally by 2% on account of pricing pressure and competitive scenario but has witnessed a healthy volume growth of 7%. We expect our enterprise segment to perform better in coming quarters.

I am happy to share that Quick Heal has recently been granted patent for anti-ransomware technology by US Patent and Trademark office. This patent is powered by artificial intelligence and machine learning, which detects and blocks known and unknown ransomwares on real-time basis. This technology makes us the first Indian company to indigenously develop and get granted a patent for anti-ransomware technology. The technology is available in all of our consumer and enterprise endpoint security product offered under Quick Heal and Seqrite brands.

Now I will share few of the updates on the threat landscape, so our state-of-the-art Quick Heal security labs have been successful in detecting millions of malware on a daily basis to protect our customers from daring cyber attacks. In the Q1 of FY2020 we detected over 434 million Windows malware, which turn into average daily detection count of four million malware, which majorly includes ransomware and cryptojacking malware. On the enterprise side manufacturing continue to be the most affected industry with cyber threat following by Education and BFSI sector.

With this I will now ask Vijay to share his thoughts on the operations of the company.

Vijay Mhaskar: Thank you Sanjay. Good evening all. Let me give some color to the opening comment given by Sanjay, so let me focus on the retail business. We had a moderate growth in Q1 as Sanjay said the license growth is more than the revenue growth and that is primarily due to the contribution of the product mix that was build in Q1. Now we are seeing a sustained demand for the consumer product across various price categories. The slow economic condition and the liquidity crunch in the channel is causing impact on the collections. So we have had better collections in Q1 but we are taking very cautious approach in stocking to not take any undue risk on outstanding or collections.

Our mantras of engaging distribution network and motivating them for driving more business continues. We want to be a channel friendly and that is our focus. We have various channel activities already undertaken and also planned in Q2. These interactions help us to explain the value of Quick Heal products and also benefits to our partners. We are looking forward to our long term relationship with our partners and many of our partners have a very long relationship with us.

Now moving onto the enterprise and government business vertical, we observed overall slowness as explained by Sanjay in SME and that has impacted some of the business that we were conducting. Most of our enterprise products are currently positioned into small and medium enterprise sector and that is where we have seen a little bit of slowdown and that also impacted some of the renewals that we had and some of the new orders. So overall, we see the impact is on the growth of the enterprise business. As Sanjay explained we had a single digit growth compared to Q1 of the previous year. We have added more number of users Y-o-Y basis but the revenue realization is lower due to pressure on pricing.

The aggressive competition in market is surely impacting our ARPU. The real strategy is to add more number of products through the portfolio and add more number of products value to the customer that really will improve the ARPU. The products that we have launched in last two three years are getting traction; we can see some of that revenue is helping. Though it is slower compared to what we expect but I think that is really the potential for adding more of these products into the customer kitty.

We are strengthening our sales and marketing effort on Seqrite. You would have seen some of the advertisements on Seqrite in newsprint already, which should actually help us to increase the penetration of our solutions. We are adopting solution centric options rather than just being product centric and this actually will create more pool for our complete portfolio of enterprise products.

We are also looking forward to government mandate on data protection regulation which should drive more awareness as well as urgency in SME to deploy the complete product portfolio of Seqrite. I had mentioned about elections earlier in the previous call and how that it would impact the government business, so we did experience a lack of budget approvals in the first couple of months of Q1. In the third month it did pickup, now that the government is in place, we expect the government purchasing should resume and we should be able to achieve our desired planned growth in the government vertical.

Overall a mixed quarter from the business perspective with the product portfolio at our disposal we expect better returns from our various initiatives. With that let me hand it over to our CFO, Nitin Kulkarni.

Nitin Kulkarni: Thank you Vijay and good evening everyone. Before taking you all through the quarterly financial performance, I am happy to share that the company has successfully completed the share buyback program of 6,363,636 equity shares aggregating to Rs.1,750 million through the tender offer process. The buyback program was undertaken to effectively return the surplus funds to shareholders by the company after considering all our operational and strategy growth requirements of the company in medium term. Post buyback the promoter shareholding has gone up from 72.32% to 72.83%.

Now I will take you through the consolidated financial performance of the company for quarter ended June 30, 2019. Our consolidated revenue for the quarter stood at Rs.576 million as compared to Rs.531 million in the same period last year, registering a growth of 8.5%. In terms of segmental performance, the retail segment revenue for the quarter stood at Rs.457 million as compared to Rs.423 million registering a growth of 8%. Our retail segment has seen a healthy growth on account of increased contribution of higher price product.

Our enterprise and government segment continue to face pricing pressure on account of competition and has registered a marginal growth of 2 percent from Rs.144 million to Rs.146 million in this quarter. Additionally, as Vijay and Sanjay explained, the government business had impact in this quarter because of General Election. In terms of revenue mix our retail segment contributes 76% while enterprise and government contribute 24%. On the license sold front, the retail segment we have sold 830k licenses which is a growth of 4% in Q1 whereas our enterprise and government has seen a good volume growth of 7% with 247k licenses sold in Q1 of 2020.

We have witnessed healthy renewal ratio which stood at about 40% for retail and around 80% for enterprise segment. Our focus has always been on maintaining healthy renewal ratios and constantly upgrading and developing newer products and strategically investing in our R&D activities.

Coming to EBITDA, our EBITDA for the quarter stood at Rs.128 million as compared to Rs.89 million registering a y-o-y growth of 43.7% and margin improvement of 545 basis points. The net profit for the quarter stood at Rs.118.98 million as compared to Rs.61.12 million compared to same period last year, registering a growth of 94.67%. PAT margin has improved by 915 basis point to 20.66%.

Cash PAT which is PAT plus depreciation for the quarter has increased by 41.8% to Rs.171 million compared to Rs.120 million in Q1 2019. The improvement in profits was mainly on account of constant efforts to optimize cost and develop new and innovative products. For the quarter, our sales and marketing expenses have dropped by 12% compared to Q1 of FY2019 which is expected to catch up in the subsequent quarters.

The increase in general and administration expenses was mainly on account of buyback related one-time cost of Rs.20 million incurred during the quarter. The depreciation for the quarter was lower as compared to the same period last year. This is mainly on account of no major additions in fixed assets during the quarter and was lower also due to the written down value method of depreciation followed by us. Other income for the quarter was higher mainly on account of higher treasury books, this is because of better return on investment and also rent income from property. The other income stood at Rs.84.46 million for the quarter compared to Rs.64.09 million in Q1 of 2019.

Now coming to consolidated balance sheet. As on June 30, 2019 our cash and cash equivalent along with investments in mutual funds, tax-free bonds, and fixed deposits stand at Rs.3,743.51 million as compared to Rs.4,848.52 million as at end of June 30, 2018 and net reduction in cash of Rs.110.01 million was mainly on account of buyback related program where we spent Rs.1,750 million. The cash balance includes IPO money of Rs.900 million invested in fixed deposits. The utilization of this money is as per the object as stated there in IPO.

On the working capital side, as of June 30, 2019 our overall working capital is around 106 days with receivable days of 155. We are constantly working on improving collections and in fact in absolute terms we have brought down the receivable by Rs.22 Crores as compared to March 31, 2019. And we are actively working on bringing down the receivable days back to the normal operating level.

Coming to standalone financials, revenue for the quarter has been Rs.571 million compared to Rs.528 million in Q1 FY2019, a growth of 8.26% Y-o-Y. EBITDA for the quarter has been Rs.130 million compared to Rs.93 million Y-o-Y growth of 40%. EBITDA margin for the quarter improved by 520 basis points on 17.6% in Q1 FY2019, to 22.8% in Q1 FY2020. PAT has been Rs.121 million in Q1 FY2020 as compared to Rs.64 million in Q1 FY2019, a Y-o-Y growth of 88%. PAT margin for the quarter came in at 21.1% as compared to 12.24% in Q1 of FY2019 an improvement of 895 basis points.

With this we will now open the floor for question answers. Thank you very much.

Moderator: We will now begin the question and answer session. The first question is from the line of Dixit Doshi from White Stone Financial Advisor. Please go ahead.

Dixit Doshi: Hello, thanks for the opportunity Sir. Sir my first question is related to the enterprise segment, so let us say three years back when we started looking at this company, you know there was a perception that in India the SMEs, there are many companies or corporate who are running the small businesses having 100 or lesser than 100 kind of PCs and the opportunity is very large, since we are starting from the scratch, we can grow much faster but if we see today we are impacted by the government business which is very price competitive and we are not growing in SME, so what are the hindrances you are seeing there, why we are not able to grow in SME segment?

Vijay Mhaskar: This is Vijay. Dixit thanks for the question., You are absolutely right. The SME sector has enough opportunity and there are various technology solutions in the SME. So we are obviously offering those solutions, which are tuned for the SME. Now, what we have seen for last quarter, there has been a slowdown in this sector and we feel it should improve going forward as the economy picks up where we should see the purchasing of the security solutions to pick up. But as per the potential, for us it is not just SME segment we are adding more solution towards the mid and larger enterprise over the time, so our focus is while we strengthen our SME customer base which is more than 32,000 customers now, add more mid-size customers and also start moving towards the large size customer. So to answer your question, what we have seen the slowness in Q1 is primarily because of the economy condition,

Dixit Doshi: So my question was not related to let say just Q1 but even if we say last two three years, so you know every time as a management you were also thinking of doing the 20% kind of growth at least in enterprise segment but we actually never reached there. So my question was not related to just Q1 I understand that because of the slowness?

Vijay Mhaskar: Yes, so from the long-term perspective we have been penetrating into the SME sector but there most of the computers would have some solutions, so in a way we are kind of doing a replacement so it is not Greenfield and plus there is also lot of price pressure there as the sector has been very cost conscious and that is where we see ARPU pressure. For us to really strengthen the SME we have actually start moving into mid-market and that is where we will start getting larger accounts and larger margin. So we would definitely want to strengthen on the SME side but from growth perspective I would say it is more about moving into the mid-market and getting into the larger accounts.

Dixit Doshi: Okay. Sir my second question was related to our cash, so we did a buyback of Rs.178 Crores last year and still we have a Rs.375 Crore cash and let say this year also again we will generate around Rs.60 Crore cash and we reach around Rs.450 Crore – Rs.440 Crore cash balance again and now that we have a tax on buybacks also, is there any change of strategy at the management level or we will continue to see a good dividend payout and the buyback?

Nitin Kulkarni: Dixit this is Nitin, so if you look at dividend 2016-2017 we paid 25% then 2017-2018 it was 30% and last year post buy-back we paid 20% dividend. So of course, post buy-back tax, is introduced in the new budget so companies may not go for this route. There are lot of factors which we consider before deciding the dividend payout. There are definitely the organic and inorganic needs of the organization, are considered before taking any call on dividend by the board. So at this point of time it will be very difficult for us to really comment, so we will consider all these factors before deciding the final dividend for the year.

Sanjay Katkar: So we are also keeping the option of acquiring and growing inorganically and so accordingly we are working towards that as well.

Dixit Doshi: Okay and just one last question, our other income increased Y-o-Y, so is it just because of better yield because I think the cash balance has reduced Y-o-Y still we have a better other income, or is there any one-off in the other income?

Nitin Kulkarni: So cash balance got reduced by end of June, buy-back money of Rs.175 Crores was paid off on June 20, around that time. So the cash got exhausted in latter part of the year. So that is the reason for increase in treasury income.

Dixit Doshi: Okay fine. Thanks.

Moderator: Thank you. The next question is from the line of Ankit Agarwal from ARC Capital. Please go ahead.

Ankit Agarwal: Yes, so I have two questions, the first one being as we have seen in the last few months, the economy is not been in the best shape and we are seeing the advt. spend as a whole has reduced, so at a company level are we going to do the same, are we going to reduce our advt. or marketing expenses?

Sanjay Katkar: For us the advertisement is more of a seasonal, mostly in Q1 we stay away from lot of ATL activities and that is reflecting in the figures but Q2 will pick up actually.

Ankit Agarwal: Okay. And the next question being Sir, on our R&D, so what has been our R&D spends for the quarter?

Vijay Mhaskar: I think we should look at it on an annual basis, we project about between 18% and 20% as a spend on R&D on an annual basis on percentage point.

Ankit Agarwal: Okay as a percentage of revenue?

Nitin Kulkarni: So this we have to look at on an annual basis.

Ankit Agarwal: Okay. Fine that answers my question Sir. Thank you.

Moderator: Thank you. The next question is from the line of Sachin Shah from SS Securities. Please go ahead.

Sachin Shah: Thank you Sir for the opportunity. I just have two, three questions, one is on your working capital cycle, so what we observe is it has increased on Y-o-Y basis can you just elaborate or highlight on the same, why it has increased?

Nitin Kulkarni: This is Nitin, so debtor days have gone up in this June 2019 but if you see in terms of value there is a reduction of debtors by about Rs.22 Crores if you compare the debtors as of March 2019, because there was some disruption in the distribution network and because of that there were delays in few of the retail partners in collection . we are continuously monitoring the debtor days and lot of effort is being put on and as a result of that there is a reduction of Rs.22 Crores of debtors during the quarter and this focus is on and we expect debtor days to come back to a normal level in the next three to six months.

Sachin Shah: So in a normal scenario what would be your average working capital cycle?

Nitin Kulkarni: So if you look at debtor days it will be about 100 days that should be the level at which we aspire. So it will fluctuate may be between 100 to 110 but then our aspiration is to try and keep it to 100 days or about.

Sachin Shah: Okay and my second question is with respect to your market size overall, so what is your addressable market size globally and in India and what could be your market share in both the market and who are you competing with?

Vijay Mhaskar: So if you divide this, the space between consumer and enterprise, enterprise if you look at, it is a lot bigger space and India cyber security market is about literally 2% to 3% of the global cyber security market and within that it has number of divisions, we compete into two or three of those. One is enterprise platform protection. We also compete into DLP. And we compete into network security. So in these segments we are having close to about 10% to 13% share. But these numbers are not given by any agency because we do not have India cut. These are based on our assessment that we have close to 10% to 13% market share in these segments. If you look at the overall market is lot bigger, total addressable market is lot bigger too.

Sanjay Katker: So the market for different products is different, like the size of the market for endpoint security, can be different and therefore network security is different and again there are a lot of verticals that have come out in cyber security domain that includes like DLP and digital rights management and like lot other products. So at Seqrite, we are having three main products that is, end point security, gateway security and we have also entered into DLP since couple of years and this year, we have also launched this mobile device management along with the security portfolio which we will start to cater that market as well, because that is something which is growing fast and along with that we have also entered into encryption as a market which is again, because of data privacy has become very important market. So we have launched product into these two new segments as well and we do see a good potential in these segments as well.

Sachin Shah: So over the next three to five years what kind of CAGR growth you are expecting for the industry ?

Vijay Mhaskar: So if you look at globally from the Gartner perspective that is about single digit. Of that network security it will be growing at higher double digit but definitely the market on cyber security is growing. In particular India we will see as more compliances come in, we should see more growth in the market but definitely it is a growth market that you can see globally as well as in India.

Sachin Shah: Thank you so much.

Moderator: Thank you. The next question is from the line of Megha Hariramani from Pi Square Investments. Please go ahead.

Megha H: Thank you. I just joined the call a little late, I do not know if I being repetitive, I just wanted to know what is our outlook for this year, what is our estimate on the top line, bottom line and the margins?

Vijay Mhaskar: Megha this is Vijay. We do not really provide any futuristic outlook. We have the plans we are working on the plans, so we do expect from the retail perspective about high single digit growth and on enterprise side a double digit growth, that is what the plans are based on and as per the actual numbers forecasting which we do not provide that for the future quarters.

Megha H: Okay and any guidance on the cost, I mean are we looking for cost optimization as we see the margins have improved for this quarter, do we see the trend going forward?

Nitin Kulkarni: Megha, this is Nitin, so cost optimization is more of the continuous activity and as Vijay said we do not provide any guidance but if I have to talk in terms of high-level numbers we definitely aspire to have EBITDA margin of 35% or more I think that is something which we feel we should be able to hold on.

Megha H: Okay, that is great. That is it from my side. Thank you.

Moderator: Thank you. The next question is from the line of Alekh Dalal from One Thirty Capital. Please go ahead.

Alekh Dalal: Hi, I was just trying to understand in terms of the pricing environment right now, given the economy how do you see retail pricing coming out?

Vijay Mhaskar: So retail pricing, because it is a stock and sell model we do not really change the pricing, what happens sometimes is that the demand will be lower for lower priced products but would be higher in the higher price product but as such at company level we have not done any change on the pricing., We have maintained it because in stock and sell model MOP is very crucial and we stay away from changing the price**.** We do see though the consumption patterns could change because of the economy. Some of the customers may choose to defer the renewal. So far we have not seen direct impact on that from the activation perspective on the retail but there is other impact which is going on the channel because of the liquidity crunch that I had talked about earlier and that kind of puts pressure on the recovery. So I would say that is a side effect of the economy but as far as from the consumer demand and acquisition perspective or pricing pressure perspective on retail we do not see the direct impact.

Alekh Dalal: Yes, due to this fact I can tell with the fact that guys like McAfee and that product has not dropped price or they seem to have make them available to the customer at a lower price and I think same has followed through because it is the retailer himself taking a hit on the product or how does that work?

Vijay Mhaskar: So I cannot talk about specific competition or the company but in general what is done is if they want to drop the price number of schemes are given to the partners so that they can drop the price. We actually do not adopt that approach, we have a consistent pricing. The drop in the pricing actually could get your billing in the short term but actually shakes the confidence of the partners who have been stocking the product for long. So we have been very consistent on our approach on pricing and margins and the schemes and because of that we have a large distribution network and they rely on our pricing and that is a reason we could achieve the stocking also reliably.

Alekh Dalal: But if once the customer is used to lower price how do you manage it later on when they come back.

Vijay Mhskar: It is about the value that customers would like. Quick Heal has been a very established brand and we have been getting really good certifications, so the value that customers have experienced, and we see that on the renewal rate also. They have been loyal customers for years, so it does not matter at a point of time they would still go for right and complete solution and they would pay the right price for that so I think there is a good understanding in the consumer, at least the part of the consumer base that if you want to have a complete protection you need to invest for that and they will need to pay for that.

Sanjay Katkar: So we do have a low price range of products as well where in we embark on the renewal where we try to upsale the customer to higher-end products actually, so to tackle the competition from the lower end we really have to push our low price products as well, so in some quarters it happens that our ARPU changes due to the mix of low price products

Vijay Mhaskar: So there the focus is to really push the lower price products to displace the competition and then when the customer gets convinced about the quality of the product and the value that we get, they start moving onto the higher value product.

Moderator: Ladies and gentlemen we have seen some loss of line, so while we wait for him to join back, will move to the next question from the line of Sameer Dalal from Natverlal & Sons Stock Brokers. Please go ahead.

Sameer Dalal: I had a quick question regarding repeat purchases, so if you I mean it may not be possible for you all but can you try to quantify when you all have the sales, what is the amount of repeat orders coming from customers and what our new customer addition you get, some sort of breakup on that?

Vijay Mhaskar: So if you look at this is split into retail and enterprise and on retail side, I would categorize this as customer retention which is currently as Nitin reported at about 40%, when I say customer retention it is basically after the expiry of the product within 90 days if the customer either buy a new product from us or renew the existing product then we call it as customer retention that is about 40%. On the enterprise side we see that is going all the way up to 80% and that usually the phenomenon because in the enterprise side replacing larger number of users is hard so that is where we see about 80% retention.

Sameer Dalal: So in the retail side you are saying it as low as 40% any particular reason why it is as low as that amount?

Vijay Mhaskar: So usually customers defer their renewals many times so and they would come back to us later after about 90 days, as late as even nine months they would come back and do a renewal so that usually is the trend that we are seeing on the consumer side. It is primarily the sense of urgency that they would usually do it at their own convenience, 40% we see within 90 days, there is more number get added after 90 days so that is what, so our endeavor is actually try to make them as close to the expiry because we feel they are having this product not renewed for even eight to nine months are exposing the data to the hackers so that is something is a risk but today that is what the trend is, you will see consumers renewing after few months after the expiry.

Sameer Dalal: Okay. Now another question, you know I noticed that whenever you all have renewals. The renewals that you all have on your own platform is always more expensive than going and buying a new software box at these store, which is what a distributor give discounts like you said earlier, because you get the pricing possibilities to them, now what is that kind of does is also may be ensures that you know you are not able to get your actual renewal through the direct channel is there any way you can push the direct renewals through your own website and through your own software rather than trying to get them back again to the distributor at discounted price?

Vijay Mhaskar: Sameer thanks for the question. We observed that the thing is remember that 80% plus business is done through offline that is channel and channel is very sensitive about not only acquiring a customer but also retaining that customer and renewing that customer. They not only offer our product but also other services. So we have been very sensitive about that and we are very channel friendly and we actually want our channel to do that more. Having said that we do offer customers convenience to come online and renew and obviously they will be have to pay a little bit more but we maintain the price differentials that the dealers do not get a disadvantage and we handle this sensitivity carefully. But we do offer that options of customers to come online and renew it directly.

Sameer Dalal: So you will always have this price differential, you will always have your direct renewals at a higher price than going through a distributor?

Nitin Kulkarni: Yes, so we maintain some differential but that is required because just to handle the channel sensitivity.

Sameer Dalal: Okay. I will come back in line if I have a few more questions. Thank you.

Moderator: Thank you. The next question is from the line of Kapil Bhatt an individual investor. Please go ahead.

Kapil Bhatt: Hi, I have question on the service tax notice to the company. So how confident are we that we do not have to pay the service tax and we want the latest update on that?

Nitin Kulkarni: So the latest update is we have first two cases which are 11 to 14 and 14 to 16; they are at CESTAT Delhi and CESTAT Mumbai. We are waiting for the hearing on that and secondly so we have our internal study and also we have taken opinion from our external lawyers also plus this has also been evaluated by auditors and we are confident that we have a good case and we are confident about it, I can comment on this at this stage about this only, so once we get a final verdict on this from authorities, then we will be able to comment further but we are confident about the case.

Kapil Bhatt: Okay. When do you think will get a verdict from the government?

Nitin Kulkarni: Sir it is… we would like to get it as early as possible but then again it is in the hands of government so whenever they are ready with it we will get it.

Kapil Bhat: Okay, so we do not have the timelines for that we may get in three months or we may get in a year…?

Nitin Kulkarni: No Sir it is difficult to give any timeline. It all depends on the government authorities when they take up this matter. We will keep you updated.

Kapil Bhat: Okay, thank you. That is it from my side.

Moderator: Thank you. The next question is from the line of Raj Joshi from Ace Securities. Please go ahead.

Raj Joshi: Hello. Sir how has our government segment performed this quarter, have we seen any development in that segment?

Vijay Mhaskar: This is Vijay. Hey Raj, government primarily we have seen slowness because of the general elections, first two months of the quarter we have not seen much movement, it did pick up in the last month, so we feel in Q2 it should be back to normal so we should be able to achieve our planned growth in the Q2 but we did see impact in the Q1.

Raj Joshi: Okay. Would it be possible for you to provide us a breakup of government and the enterprise business?

Vijay Mhaskar: Sorry Raj that we do not provide.

Raj Joshi: Okay. That is all from my side.

Moderator: The next question is from the line of Priyanka Singh from Atidhan Securities. Please go ahead. We seemed to have lost the line. As there are no further questions in the participants I will now hand the conference over to the management for closing comments.

Sanjay Katkar: Yes, this is Sanjay here and thank you everyone for joining on call, I hope we have been able to address all your queries. For any further information kindly get in touch with us or a Strategic Growth Advisors our Investor Relations Advisors. Thank you once again.

Moderator: Thank you. On behalf of Quick Heal Technologies Limited we conclude this conference, thank you for joining us and you may now disconnect your lines.