

# Sequoia Capital to invest `60 cr in Quick Heal Technologies

Shraddha Nair

Posted: Wed, Aug 18 2010. 1:00 AM IST

Sequoia Capital India, an active venture capital (VC) investor in India, announced on Tuesday a `60 crore investment in Pune-based Quick Heal Technologies Pvt. Ltd, a maker of computer security software. It did not disclose the stake acquired.

Sumir Chadha, managing director of Sequoia Capital India, said the deal is a sign of VC funds embracing product firms over services companies.

"We are looking to invest in more product companies," said Chadha, who will be joining the board of Quick Heal.

Sequoia Capital has invested close to \$1 billion (`4,670 crore) in India.

Quick Heal sells a range of software to guard computers from viruses and other threats, as well as a product to rid malware, spyware and viruses from cellphones. It had a revenue of at least `100 crore in 2009-10.

The firm will use the money from Sequoia to expand distribution globally and fund acquisitions.

"We're also looking to further develop our anti-virus software in mobiles and hence such plans need large amount to be spent on research and development and brand awareness," said Kailash Katkar, director and chief executive of Quick Heal.

The Indian market for anti-virus software in 2009 was `350 crore, he added.

RippleWave Equity Pvt. Ltd was the sole financial adviser in this transaction.

Over the past two years, Sequoia has invested `500-600 crore in 10 technology firms, including product companies such as Druva Software, which provides data protection software for enterprises, and Axtria Inc., a developer of sales and marketing analytics.

"Our technology product investment in the past two-three years has increased," said Chadha.

In July, Indian Angel Network, the country's largest grouping of angel investors, put in \$350,000 in InnovizeTech, a Pune-based company that develops an enterprise software for measuring employee productivity.

Sandeep Singhal, co-founder and managing director of Nexus Venture Partners, said while there are opportunities to invest in product companies, it's still early days for market acceptance of

such firms. "Indian companies are still not willing to pay the right price for the product and also there is the issue of piracy."

Nexus aims to invest in two-three software product firms every year.