

Dated:1<sup>st</sup> June, 2019

**The General Manager  
Department of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal street, Mumbai-01**

Dear Sir/Madam

Sub: Investor Release –Audited Results for the Qtr and year ended 31<sup>st</sup> March, 2019-Reg

Ref: Scrip code# 532372

With reference to the above subject, please find enclosed the investor release of Audited Results for the Qtr and year ended 31<sup>st</sup> March, 2019.

This is for your information and records

Thanking you

Yours Truly  
For Virinchi Ltd



K.Ravindranath Tagore  
Company Secretary  
A18894

## Virinchi Limited - Q4 & FY19 Results

- ✓ FY19 Consolidated Revenue at Rs.411.12 Cr a growth of 20.04% YoY
- ✓ FY19 Consolidated PAT at Rs. 58.92 Cr a growth of 78.41% YoY
- ✓ IT Product revenue grew by 38.21% YoY
- ✓ Healthcare revenues grew by 39.95% YoY

**Virinchi Limited** (BSE Scrip ID – INE539B01017) announced its un- audited consolidated results for the quarter and year ended 31<sup>st</sup> March 2019.

### Consolidated

Particulars (Rs Cr.)	Q4FY19	Q4FY18	Change	FY19	FY18	Change
<b>Revenue</b>	<b>101.35</b>	<b>87.43</b>	<b>15.92%</b>	<b>411.12</b>	<b>342.50</b>	<b>20.04%</b>
EBITDA	29.45	26.32	11.89%	124.18	96.92	28.13%
<b>EBITDA Margin</b>	<b>29.06%</b>	<b>30.10%</b>	<b>-92bps</b>	<b>30.21%</b>	<b>28.30%</b>	<b>+191bps</b>
PAT	16.88	9.04	86.73%	58.92	33.02	78.44%
<b>PAT Margin</b>	<b>16.66%</b>	<b>10.34%</b>	<b>+639bps</b>	<b>14.33%</b>	<b>9.64%</b>	<b>+469bps</b>

### IT Products

Particulars (Rs Cr.)	Q4FY19	Q4FY18	Change	FY19	FY18	Change
<b>Revenue</b>	<b>46.31</b>	<b>34.17</b>	<b>35.54%</b>	<b>178.43</b>	<b>129.10</b>	<b>38.21%</b>
EBIT	12.17	7.07	72.08%	45.28	25.62	76.74%
<b>EBIT Margin</b>	<b>26.27%</b>	<b>20.69%</b>	<b>+556bps</b>	<b>25.38%</b>	<b>19.85%</b>	<b>+553bps</b>

### IT Services

Particulars (Rs Cr.)	Q4FY19	Q4FY18	Change	FY19	FY18	Change
<b>Revenue</b>	<b>14.08</b>	<b>24.73</b>	<b>-43.06%</b>	<b>84.17</b>	<b>110.72</b>	<b>-23.98%</b>
EBIT	2.55	6.46	-60.60%	21.79	25.35	-14.06%
<b>EBIT Margin</b>	<b>18.08%</b>	<b>26.12%</b>	<b>+1036bps</b>	<b>25.89%</b>	<b>22.90%</b>	<b>+299bps</b>

### Healthcare

Particulars (Rs Cr.)	Q4FY19	Q4FY18	Change	FY19	FY18	Change
<b>Revenue</b>	<b>39.28</b>	<b>28.40</b>	<b>38.31%</b>	<b>141.43</b>	<b>101.05</b>	<b>39.96%</b>
EBIT	4.85	3.28	47.87%	16.74	11.39	46.97%
<b>EBIT Margin</b>	<b>12.35%</b>	<b>11.55%</b>	<b>+80bps</b>	<b>11.84%</b>	<b>11.27%</b>	<b>+56bps</b>

## **FY2018-19 Analysis**

### **Consolidated financials**

- YoY Consolidated Revenue grew by 20% to Rs. 411.1 cr, EBIT grew by 38.8%.
- YoY Consolidated PAT grew by 78.5% to Rs. 58.9 cr and the EPS grew by 60.6% to 18.9
- The Consolidated EBIDTA margin improved to 30.2% from 28.3% and PAT Margin improved to 14.3% from 9.6% last year

### **IT Products**

- IT Product SaaS and Implementation income has historically grown in line with the Industry growth of 8 – 10%
- YoY IT Product Revenue grew by 38.2% to Rs. 178.4 cr compared to Rs. 129.1 cr
- The company signed a one-time license sales contract with Advance America in April 2018, expected to add incremental one time license revenues and maintenance revenues over next 5 yrs
- The incremental license revenue budgeted for Y1 was completely realized in FY19. Given the rapid delivery, some additional license income budgeted for FY20, was also invoiced by Q4FY19.
- Other than the one-time license revenues, the ongoing SaaS businesses has grown at Industry growth rates of ~10% for the Year and is expected to sustain the growth going forward
- The EBIDTA margin of 35% is expected to be sustained in the near future

### **IT Services**

- Over the year, given the visa regime, we have seen a significant decline in onshore revenue together with a steady improvement in the offshore revenue mix – with decline in average billing rates but higher margins.
- YoY IT Services Revenue has shrunk by 24% to Rs. 84.2 cr. with an EBIT of Rs. 22 cr translating to an YoY improved EBIT margin of 25.9%
- QoQ IT Services Employee mix has moved towards increased offshore models.
- IT Services revenue mix has changed significantly over the 12 months on wake of uncertain US visa regime –with significantly more offshore revenues
- Given uncertain visa regime, wherever possible, existing clients are being transitioned to offshore delivery models.

### **Healthcare**

- The flagship hospital completed the year with all the three hospitals reporting 30%+ occupancy. In the FY2019-20, the healthcare business is expected to breakeven.
- YoY Healthcare Revenue grew by 40% to Rs. 141 cr. with an EBIT of Rs. 16.7 cr
- YoY Healthcare EBIDTA grew 44% to Rs. 28.41 cr with an overall EBIDTA margin of 20.3%. All the three hospitals operated on 18%+ EBIDTA margin over all months
- Post Slump Sale, the two hospitals added Rs. 35.7 cr of revenue while the flagship hospital standalone revenue increased 57% to Rs. 105.6 cr.
- Going forward, the flagship hospital is expected to improve upon the existing 30% occupancy and generate higher revenues

- The healthcare division of Virinchi Limited is transferred to Virinchi Health Care Private Limited through slump sale effective April 1, 2018. The slump sale includes the business of the two hospitals in Hyderabad totaling 200 beds.
- In FY19, the flagship hospital at Banjara Hills has received NABL accreditation in addition to the existing NABH accreditation. The National Board of Examinations has granted accreditation for 14 DNB seats across multiple specialties at Virinchi Hospital for a period of five years ending December 2023.

**About Virinchi Limited:**

Virinchi Limited is a Financial Technology & Healthcare company that serves multiple corporate and retail clients through a variety of technology and business solutions in India and in the US. For more information please visit [www.virinchi.com](http://www.virinchi.com)