

26th June, 2020

To,
The Manager,
Dept. of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400001

Dear Sir/Madam,

Sub: Press Release

Ref: BSE Scrip Code: 532372

With reference to the above stated subject, please find enclosed herewith the press release in respect of Audited Financial Results for the quarter and year ended 31st March, 2020.

Kindly take the above information on record.

Thanking you,

Yours faithfully,
For Virinchi Limited



K Ravindranath Tagore
Company Secretary
M.No.A18894

Encl: As above

Virinchi Limited - Q4 & FY20 Results

Virinchi Limited (BSE Scrip ID – 532372) announced its Audited Consolidated Results for the quarter and year ended 31st March 2020.

Consolidated

Particulars (Rs Cr.)	Q4FY20	Q4FY19	Change	FY20	FY19	Change
Revenue	95.67	101.35	-5.60%	383.16	411.12	-6.80%
EBITDA	30.21	29.45	2.60%	112.28	124.18	-9.58%
EBITDA Margin	31.58%	29.06%	-252bps	29.30%	30.21%	-90bps
PAT	10.77	16.88	-36.19%	46.46	58.92	-21.15%
PAT Margin	11.26%	16.66%	-540bps	12.13%	14.33%	-221bps

IT Products

Particulars (Rs Cr.)	Q4FY20	Q4FY19	Change	FY20	FY19	Change
Revenue	37.17	46.31	-19.73%	151.22	178.43	-15.25%
EBIT	8.66	12.17	-28.82%	34.91	45.28	-22.91%
EBIT Margin	23.30%	26.27%	-298bps	23.08%	25.38%	-229bps

IT Services

Particulars (Rs Cr.)	Q4FY20	Q4FY19	Change	FY20	FY19	Change
Revenue	16.92	14.08	20.14%	63.27	84.17	-24.83%
EBIT	5.31	2.55	108.35%	11.54	21.79	-47.06%
EBIT Margin	31.41%	18.08%	-1330bps	18.23%	25.89%	-765bps

Healthcare

Particulars (Rs Cr.)	Q4FY20	Q4FY19	Change	FY20	FY19	Change
Revenue	38.69	39.28	-1.50%	162.09	141.43	14.61%
EBIT	5.44	4.85	12.15%	19.25	16.74	14.99%
EBIT Margin	14.06%	12.35%	171bps	11.88%	11.84%	4bps

FY2019-20 Analysis

Business Highlights

- Towards the end of Q2FY20, fintech product for the domestic market - vCard™ India's first UPI based mobile technology driven downloadable credit card was launched in partnership with RBL Bank. Q3 & Q4 FY20 went in fine tuning the product and narrowing down the target segment and building the right customer funnel.
- Towards the middle of March 2020, various states in the US have started imposing lockdowns, which impacted the on-site IT Product implementation income in FY20
- In India, lockdowns imposed towards the last week of March 2020 impacted the patient footfalls affecting the income from out-patient activities and elective procedures. Hospitals were allowed to accept only emergency cases. Hence, lockdown had some impact on healthcare revenues in the month of March 2020 relating to FY20.

Consolidated financials

- Q4FY20 Consolidated Revenue has fallen to 95.67 Cr compared to Rs.101.35 Cr in Q4FY19. The YoY Consolidated Revenue has fallen by 6.80% to Rs. 383.16 cr in FY20, compared to Rs. 411.12 Cr in FY19.
- Q4FY20 Consolidated EBITDA stood at Rs. 30.21 cr compared to Rs. 29.45 cr in Q4FY19. The YoY Consolidated EBITDA has fallen by 9.58% to Rs. 112.28 cr in FY20, compared to Rs. 124.18 cr in FY19
- Q4FY20 Consolidated PAT stood at 10.77 cr compared to Rs. 16.88 cr in Q4FY19. The YoY Consolidated PAT has fallen by 21.15% to Rs. 46.46 cr compared to 58.92 cr in FY19.

IT Products

- Q4FY20 IT Product Revenue stood at Rs.37.17 Cr compared to Rs. 46.31 Cr the same period last year and FY20 IT Product Revenue stood at Rs. 151.22 Cr compared to Rs. 178.43 Cr the same period last year. The one time license revenue during FY19 is not available in FY20. Also, the lockdown in various US states had impacted the on-site implementation revenues from mid March 2020
- Other than the one-time license revenues, the ongoing SaaS business has grown at Industry growth rates of ~8% for the Year till February 2020
- The EBIT margin of 23.30% in Q4FY20 is expected to be sustained in the near future, which is close to the EBIT margin in FY20.

IT Services

- Q4FY20 IT Services Revenue increased to Rs. 16.92 Cr compared to 14.08 Cr in Q4FY19. However, the FY20 IT Services revenue shrunk to Rs. 63.27 Cr compared to Rs. 84.17 Cr during the same period last year due to the tough visa regime
- Q4FY20 EBIT margin has increased to 31.41% compared to 18.11% in Q4FY19 due to letting go of the lower margin clients and increasing the delivery work from India. However, the FY20 EBIT Margin has fallen to 18.23% compared to 25.89% in FY19 due to higher visa processing costs and the cost of rejected visas, with the rejection ratio being upwards of 50%

- QoQ IT Services Employee mix has moved towards increased offshore models and lower billing rates.
- Given uncertain visa regime, wherever possible, existing clients are being transitioned to offshore delivery models.

Healthcare

- Q4FY20 Healthcare revenue stood at Rs.38.69 Cr vis-à-vis Rs. 39.28 Cr for the same period last year. FY20 Healthcare revenue stood at Rs. 162.09 Cr vis-à-vis Rs. 141.43 Cr during FY19.
- The healthcare revenue for Q4FY20 and the total healthcare revenue for FY20 would have been higher than Rs. 38.69 Cr and Rs. 162.09 Cr respectively, but for the Covid related lockdown towards the last week of March 2020.
- Q4FY20 Healthcare EBIT stood at Rs. 5.44 cr compared to Rs. 4.85 Cr during Q4FY19 and FY20 Healthcare EBIT stood at Rs. 19.25 Cr vis-à-vis Rs. 16.74 Cr in FY19.
- FY20 EBIT margin stood at 11.88% compared to 11.84% for the same period last year.
- During the year, healthcare assets worth Rs. 37.27 Cr and corresponding liabilities of Rs. 25.64 Cr were transferred to Virinchi Healthcare Private Limited (VHPL) from Virinchi Limited through slump sale, effective April 1, 2019, which is a follow-on activity to the slump sale of the two smaller hospitals in Hyderabad with a total bed capacity of 200 in FY19, which was effective April 1, 2018. With this, all the healthcare assets and liabilities are now accounted in the books of VHPL.

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