

31st July, 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 Un Audited Financial Results for the quarter ended 30th June, 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 – Q1 FY21 Results

- ✓ Q1FY21 Consolidated Revenue at Rs.78.84 Cr
- ✓ Q1FY21 Consolidated PAT at Rs. 2.92 Cr
- ✓ Q1FY21 IT Product revenue at Rs. 33.03 Cr
- ✓ Q1FY21 Healthcare revenues at Rs. 29.99 Cr

Virinchi Limited (BSE Scrip ID –532372) announced its un- audited consolidated and Standalone results for the quarter ended 30th June 2020.

Q1FY2020-21 Analysis

Consolidated financials

- Q1FY21 Consolidated Revenue stood at Rs. 78.84 cr vis-à-vis Rs. 93.50 Cr for the same period last year
- Q1FY21 Consolidated EBITDA stood at Rs. 17.56 Cr vis-à-vis Rs. 26.19 Cr for the same period last year

Particulars (Rs Cr.)	Q1FY21	Q1FY20	Change	Q4FY20	FY20
Revenue	78.84	93.50	-15.67%	95.67	383.16
EBITDA	17.56	26.19	-32.94%	30.21	112.28
EBITDA Margin	22.28%	28.01%	-573bps	31.58%	29.30%
PAT	2.92	11.04	-73.55%	10.77	46.46
PAT Margin	3.70%	11.80%	-810bps	11.26%	12.13%

The consolidated revenue for the quarter has been impacted due to fall in revenues across the three business segments of IT Products, IT Services and Healthcare. IT Products and IT Services revenues have been impacted due to the Covid-19 related lockdowns in US and healthcare revenues have been impacted due to the Covid-19 related lockdowns in India. The off-shore IT Product team has been working from home from the time lockdown has been imposed in India and supporting clients in the US at near normal efficiency.

IT Products

- Q1FY21 IT Product Revenue stood at Rs. 33.03 Cr compared to Rs. 36.23 Cr the same period last year. The fall is on account of the lockdown in the US states impacting our client business and consequently our business. Though initially the component of the income associated with our resource deployment at the client's offices' to carry out changes/support the software, was impacted, towards April the ASP (SaaS model) income was also affected and continued into May 2020 and mid of June 2020. With the lockdown being lifted across most of the states in the US, our clients' stores are open and lending operations have started from the second week of June 2020.
- The EBIT margin has come down to 12.79% in Q1FY21 compared to 22.15% the same period last year as most of the costs are fixed in nature and the fall in income has directly impacted the EBIT margin.

Particulars (Rs Cr.)	Q1FY21	Q1FY20	Change	Q4FY20	FY20
Revenue	33.03	36.23	-8.83%	37.17	151.22
EBIT	4.22	8.02	-47.35%	8.66	34.91
EBIT Margin	12.79%	22.15%	-936bps	23.30%	23.08%

IT Services

- Q1FY21 has seen a slight decline in onshore revenue due to clients putting on hold some projects due to lockdowns in the US states and also the Visa regime tightening further. IT Services Revenue has shrunk to Rs. 15.05 Cr compared to Rs. 16.29 Cr in Q1FY20.
- Q1FY21 EBIT margin has fallen to 8.51% compared to 13.57% in Q1FY20 due to higher visa processing costs, the cost of rejected visas.
- IT Services revenue mix has changed significantly over the 12 months on wake of uncertain US visa regime –with significantly more offshore revenues with lower billing rates
- Given uncertain visa regime, wherever possible, existing clients are being transitioned to offshore delivery models.

Particulars (Rs Cr.)	Q1FY21	Q1FY20	Change	Q4FY20	FY20
Revenue	15.05	16.30	-7.67%	16.92	63.27
EBIT	1.28	2.21	-42.16%	5.31	11.54
EBIT Margin	8.51%	13.58%	-507bps	31.41%	18.23%

Healthcare

- Q1FY21 Healthcare revenue stood at Rs. 29.99 Cr vis-à-vis Rs. 40.17 Cr for the same period last year
- The Covid-19 pandemic has impacted the healthcare industry in general and our healthcare services business as Lockdowns have impacted out-patient foot-falls and the directive of the government on not taking up elective surgeries has impacted the inpatient case-loads and the travel restrictions impacted both domestic and international patients' inflow to the hospitals
- Q1FY21 Healthcare EBIT stood at Rs. 0.74 cr compared to Rs. 4.41 Cr during Q1FY20. Though cost cutting measures were undertaken, the large fall in revenues in the months of April and May 2020 due to Covid-19 related lockdowns have directly impacted the EBIT numbers
- Q1FY21 EBIT margin stood at 2.47% compared to 10.97% for the same period last year due to the reasons listed above.

Particulars (Rs Cr.)	Q1FY21	Q1FY20	Change	Q4FY20	FY20
Revenue	29.99	40.17	-25.34%	38.69	162.09
EBIT	0.74	4.41	-83.18%	5.44	19.25
<i>EBIT Margin</i>	<i>2.47%</i>	<i>10.97%</i>	<i>-850bps</i>	<i>14.06%</i>	<i>11.88%</i>

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