

Dated: 6<sup>th</sup> March, 2019

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

Dear Sir/Madam

**Sub: Investors Presentation-Reg** 

Ref: Scrip Code# 532372

With reference to the above subject, please find enclosed herewith the investors presentation pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015.

The same will also be hosted on the company's website at www.virinchi.com

This is for your information and records.

Thanking you

**Yours Truly** 

For Virinchi Ltd

K. Ravindranath Tagore Company Secretary

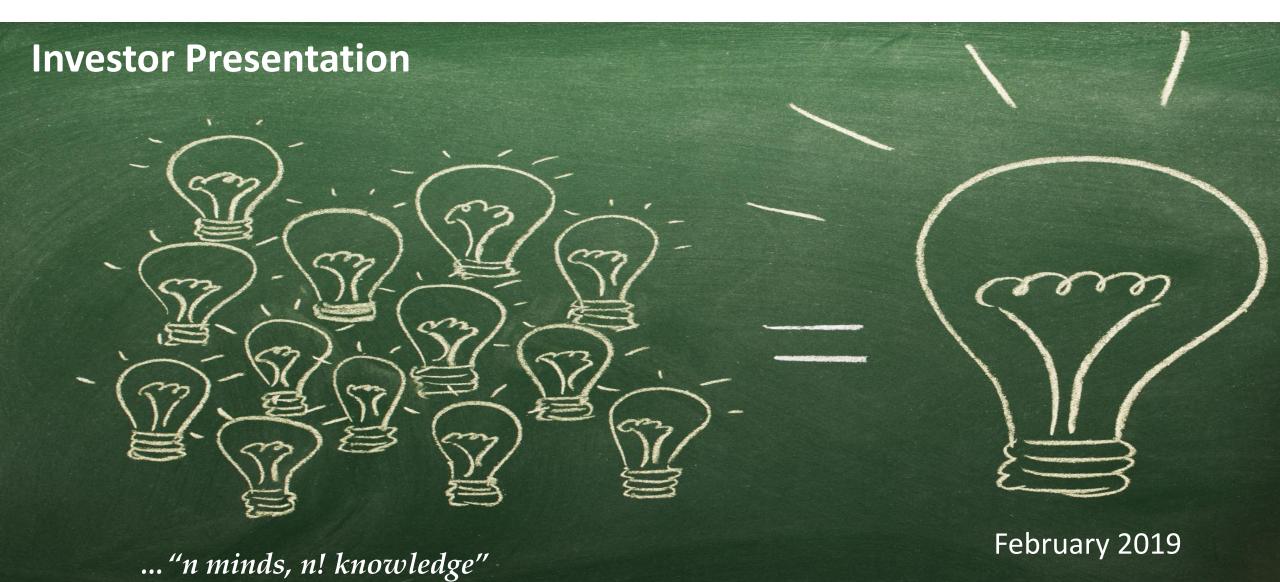
M.No. A18894

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# Overview

## Our Vision...



## "To be Technology led business innovator in Fintech & Healthcare Space"

#### **Financial Technology**

- ✓ "To build Globally Inclusive Solutions
  - Over 15mn short term loans, including payday loans, to sub-prime customers
  - Proprietary machine learning credit underwriting tools
  - Soon to be launched 'downloadable credit card' in India together with leading banks & NBFCs

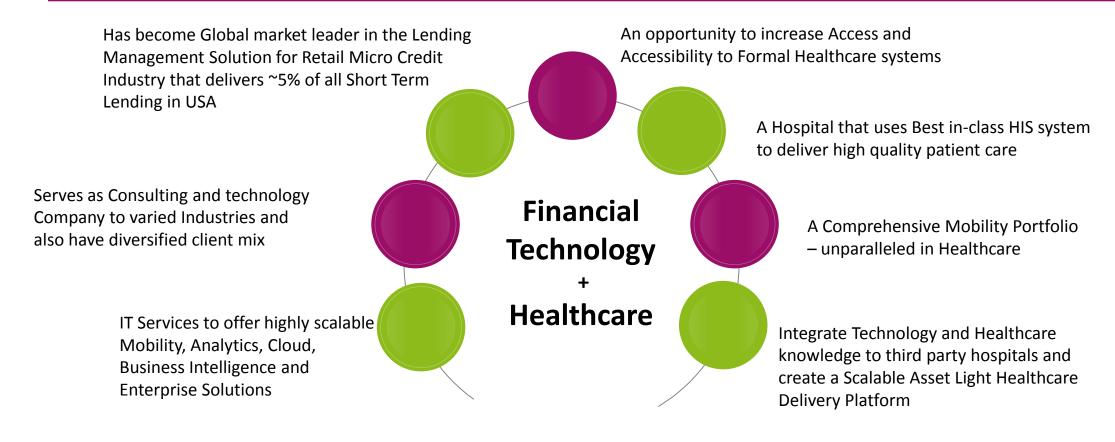


#### **Healthcare**

- ✓ "To serve a Billion Patients"
  - Existing 800 bed facilities across 3 locations in Hyderabad, to grow to 5,000 beds in 5 years
  - Leading HIS/EMR solution with 100+ installs
  - Healthcare Ecosystem mobility solution to target 1mn Integrated Healthcare Providers



# Technology Driven Business Solutions...

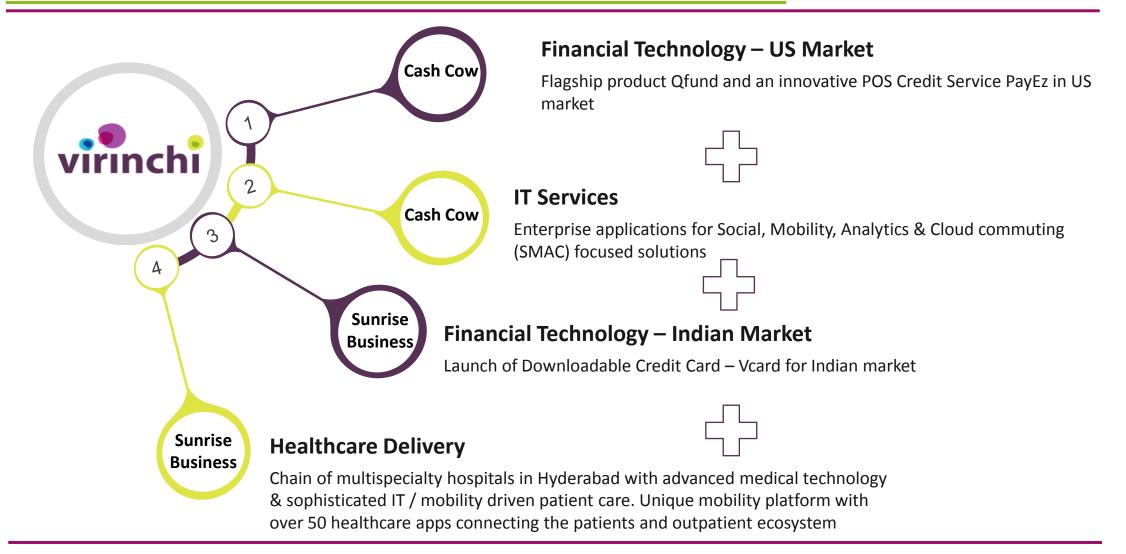


To be a Global Technology led Business Innovator in Healthcare & Financial Domain



### Blend of Cash Cow & Sunrise Businesses





# Chairman Emeritus's Strategic Overview





#### Vishwanath Kompella, Chairman, Founder - Promoter

IIT Madras, First Generation Serial Entrepreneur with interests in ICT, Healthcare, Education, Life Sciences and Entertainment

#### Commenting on the IT and Healthcare businesses,

"Fin-tech & Health-care, the two pillar domains of Virinchi are increasingly depending on Machine Learning and Artificial Intelligence to achieve precision at an individual customer level from "discovery to delivery" of service. With responsible use of data, we see Virinchi transforming as a Data Science company with these two industries as prime focus, to deliver best returns to the Customer, Company & Capital, in the near future"

# Management Team





**Satyajeet Prasad**Chief Executive Officer

- IIT Kharagpur, IIM Lucknow, GE Healthcare
- Co-Founder Asclepius Consulting
- Six Sigma Expert
- Industry thought leader in Healthcare Delivery



**G. Santi Priya**Group CFO & Whole

 B.com, Grad CWA, ACA, DISA

Time Director

 Has over 18 years of experience in the areas of auditing, corporate
 Finance and taxation



Vishal Ranjan Group Head, New Businesses

- IIT Delhi, IIM Calcutta (Rank Holder)
- Management Consultant at A.T. Kearney
- Co-founder Asclepius Consulting
- 15+ years of healthcare process technology & consulting



M.V. Srinivasa Rao
Group President &
Executive Director

- BE ECE (OU), IIM Ahmedabad
- 18+ years with Deloitte Touche Tohmatsu India
- Total experience of 26 years in management consulting,
   Strategy & operations and corporate finance



Neeraj Kumar Head, US Business Development

- IIT Delhi, IIM Lucknow, CFA
- Director Strategy, AXA Worldwide (London & New York)
- Global project implementation at PwC
- Co-founder Shear Web Technologies , www.bigvyor.com

# Management Team





Y Ravi

President – New Revenues

- IIT Delhi, IIM Bangalore
- Ex-marketing head, Airtel. Sales Manager – Microsoft.
- 16+ years' in marketing & innovation
- Founder tiktik, India's first telecom comparison app



Amar Sivaji Pendyala

COO

- MS (IT), Liverpool-UK
- 18+ years in Development & Delivery of Enterprise IT Solutions
- Experience in Financial & Healthcare domains
- and Data Centre Architecture & Management
- Sr. Tech Consultant at Logica (now CGI) & UBS, UK
- CEO Chenetha Colour Weaves, a Social Enterprise



**Arvind Hiremath** 

CTO

- B.E (CSE)
- President Technology & Cofounder Ascepius Consulting Worked in GE Healthcare
- More than 22 years
   experience in Design &
   Development of global
   technology solutions including
   Enterprise Applications,
   Mobility, AI & ML and Cloud
   Solutions



**K Ravindranath Tagore** 

**Company Secretary** 

- ACS, LLB
- Company Secretary, Chief Investors Relations Officer & Compliance Officer,
- 15+ Years of Experience in Corporate Laws, Secretarial matters, Corporate Restructuring and Fund Raising by Equity and Debt instruments.
- National 8<sup>th</sup> Rank holder in CS Final.



**Suyog Desarda** 

AVP – New Business

- IIM Ahmedabad, CA (All India rank holder), Grad CS (All India rank holder, Silver medalist)
- 3.5 years of experience in Ernst & Young
- Total 6+ years of finance, tax and consulting experience

# Management Team





Manu Jindal AVP, vCard

- IIM Calcutta
- BTech (ISM Dhanbad)
- Worked in Edtech,ecommerce and online directory companies



**Abhirup Roy**Sr Manager – New Business

- IIM Ahmedabad
- B.E. (IIEST, Rank holder)
- Multiple publications in Healthcare and Retail
- 2+ years experience across consulting and power sector



Vineet Mahajan
Sr. Manager, Business
Development

- IIM Calcutta, IIT Guwahati
- Enhanced distribution system efficiency for World No. 1 Medical Devices Company
- Operations experience in Renewable Energy Sector



Narendra Chouhan
Sr. Manager, Business
Development

- IIT Bombay
- IIM Calcutta
- 3.5 years of experience in SAP Consulting
- Package Solution Consultant at IBM

# Management Team - Healthcare: Clinical





**Dr. Srinivas Samavedam**Medical Director, Virinchi
Hospitals

- MD, FRCP, MRCP, MHA
- 15+ years of Critical Care across leading organizations
- Director, Healthcare Quality, Healthcare Law & Ethics
- Senior Faculty Critical Care DNB Programs across India
- Secretary elect for Indian Society of Critical Care Medicine for 2019-20 & Secretary General elect thereafter



**Dr. Vijay Yeldandi**Director, Virinchi Institute of
Medical Research & Development

- MD, FACP, FCCP, FIDSA
- Clinical Professor of Medicine and Surgery University of Illinois at Chicago
  - Faculty Center for Global Health University of Illinois at Chicago
  - Faculty Public Health Foundation of India



Director, Clinical Pathways
Virinchi Hospitals

**Dr. NSVV Murty** 

- MBBS,MD,PDCC,CCST(UK),PG DM(Diab),FICCM
- Consultant Anaesthetist (UK) and Consultant Cardiac Anaesthesia And Critical Care

   (17 years)
- Director Of Axon Anaesthesia Associates
- 28 Years Administrative Experience in OT Dept



Dr. Charuta J Puranik

Director, Right to Science,

Virinchi Hospitals

- MBBS, DNB (Ophthalmolgy), Cornea Fellowship LVPEI
- Consultant Ophthalmologist Cornea & Anterior Segment Specialist
- Expert in Cataract, Cornea and Anterior Segment surgeries
- Multiple research publications in Indian and International Journals







**Srinivas Myana** 

Chief Marketing Officer Virinchi Hospitals

- ICWAI, ACS
- He has 20 years experience in tax, finance, investment banking and real estate
- Also has experience in retail, SME and corporate banking



**Dr. Amit Talwar** 

VP – Healthcare Delivery Virinchi Hospitals

- MBBS, IIM Indore
- ~10 years of healthcare strategy and process experience
- Strategy consultant at PwC
- Strategy Manager at Napier Healthcare



K. Sri Kalyan

Facility Director Virinchi Hospitals

- B.E (Mech. Engg.), MBA (SCM)
- Experience in Tecumseh Products in Quality Assurance, Production and Project Mgt, has 4 years of Admin & Ops experience

# **IT Products**









#### **Industry Dynamics**

Heavily High Entry
Regulated Barriers

Continuously B2B Model
Evolving



#### **CFPB Regulations**

Revised regulations on refinance, APR and Lenders' Profile lead to Industry innovations on products and business models

# - - Consolidation

Increasing consolidation bringing scale and efficiencies amongst lenders

# 9

#### **Co-existence**

Increased online lending while coexisting with store front models



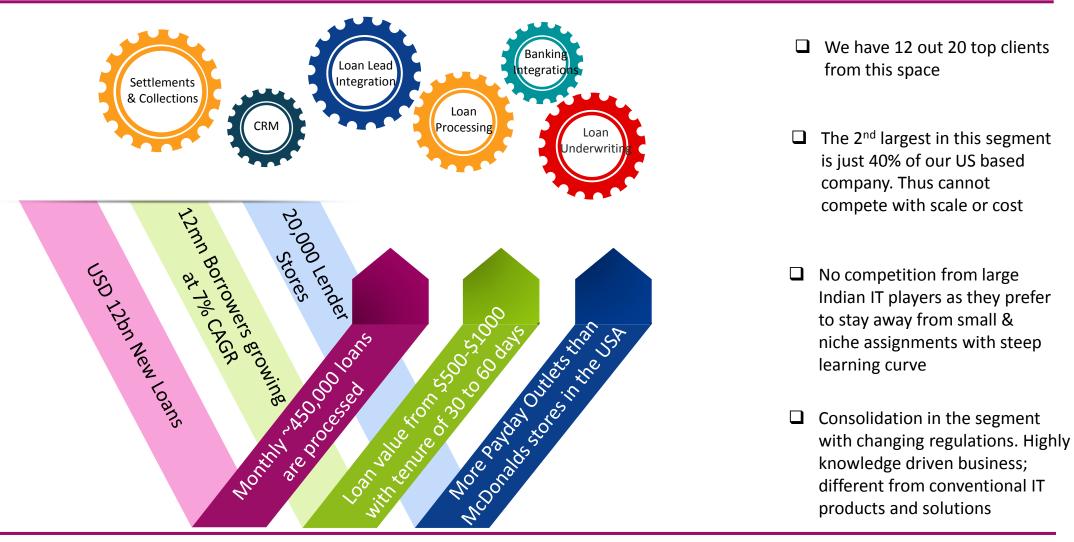
#### **RENEWED FOCUS**

TO CHOOSE
'APPROPRIATELY
PROFITABLE CUSTOMERS'

Over 15 mn short term loans, including payday loans to sub-prime customers serviced via Q-Fund







# **Qfund Strengths**



# **Product Footprint**

Expanded product footprint across related consumer lending segments

#### Intelligent Tool

Sophisticated mobility enabled business intelligence dashboards.



#### Single Identity

Coexisting models for online, offline and hybrid lending on single identity

#### Software Experience

Experience of Software successfully executed over 15mn transactions

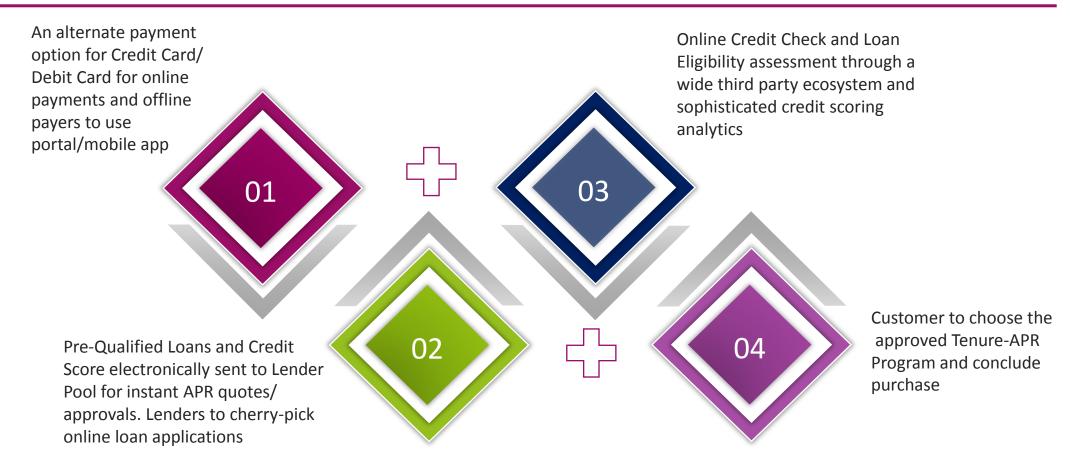
#### **Machine Learning**

Built machine learning underwriting tools to support heuristics decisions

Global Market Leader in Lending Management Solution for Retail Micro Credit Industry

# Adjacent Product launch with PayEz





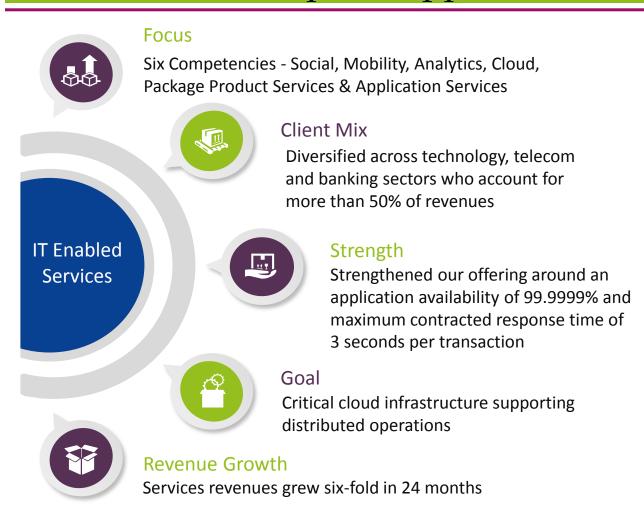
Sophisticated real-time uncollateralized consumer financing for online and offline purchases



# **IT Services**



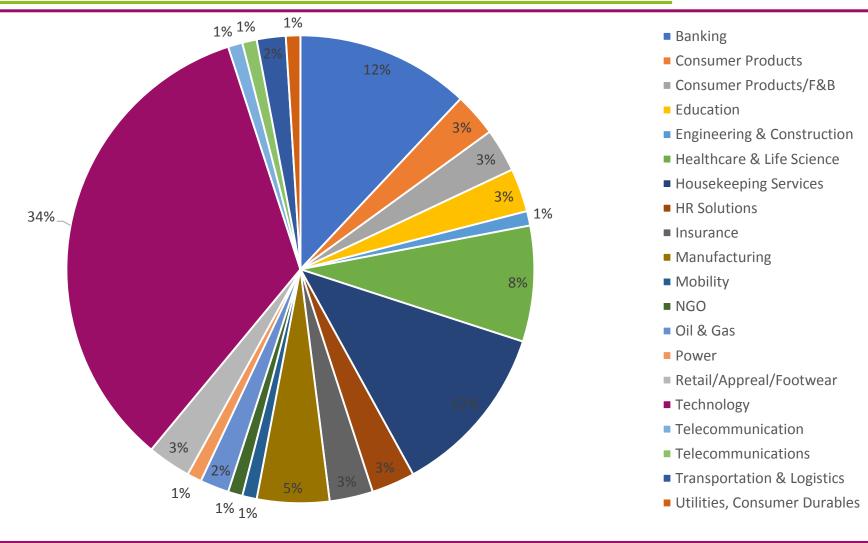












# SMAC Focus Strategy



#### **SOCIAL**

- Digital Marketing
- Social Management

#### **CLOUD**

- Deployment & Migration
- Managed Services
- Embedded Enterprise Apps
- App services

#### **MOBILITY**

- Healthcare
- Enterprise Mobility
- Games
- CRM

# PACKAGE PRODUCT SERVICES

- SAP/ SAP HANA
- Oracle
- App Development

#### **ANALYTICS**

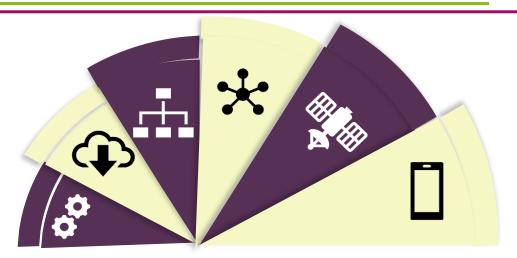
- Life Sciences
- Financial Services
- Business Intelligence
- Predictive Tool

# APPLICATION SERVICES

- Enterprise Integration
- Maintenance & Support
- Code/ Quality Services
- Testing

# Our Approach to IT Business





#### **Focus on Products & Services**

De-risking the business from a complete dependence on either; the company possesses the flexibility of extending Product sales & strengthening annuity revenues to enduring service engagement

#### **Maintained Realisation**

Unique technology driven service offerings & global reach through volumes, client mix & geographies have enabled to sustain our realisations

#### Offshore-driven approach

Our competence is built around quality onshore and offshore personnel

#### **Domain Expertise**

Investing in the cutting edge spaces of ChatBots, Machine Learning, Big Data Analytics, Cohort Analysis and Enterprise Mobility

#### **Unique Market Positioning**

Presence in complex technology spaces insulated from commoditised competition

# **Healthcare Delivery**



# Strategy to serve a Billion patients

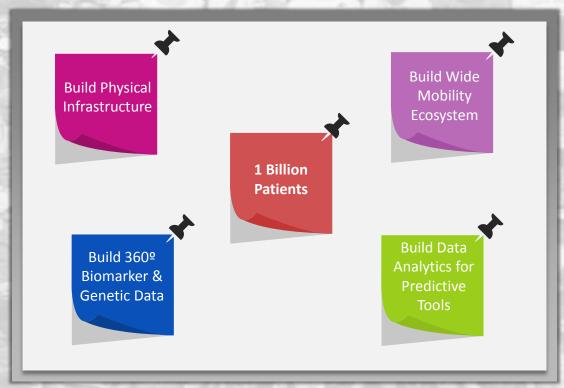


Strong mobility backed business processes for replicable and scalable patient

Build 'the widest healthcare mobility ecosystem'. Open API for new developer partnerships

experience

Provide free cloud based Clinic Management, Lab Management, Hospital Information System Asset Light Physical Hospital Infrastructure to scale from existing 800 beds



Work with Government Departments to offer free Mobility Network Services & achieve volume

Provide trained workforce to healthcare providers for managing healthcare delivery

Create quality transaction data and electronic medical records through ecosystem

Develop machine learning predictive tools to build data backed healthcare analytics vertical

# Differentiation through deployment of cutting edge Medical Technology & Big Data in Healthcare delivery **VIIIIChI**





To advance diagnosis and therapy as part of Right to Science; we offer stem cell-based therapies, organ regeneration, adoptive immune therapies, reconstruction surgeries, gene editing, fully guided surgeries, implants & transplants, 3D printed skeleton scaffolds, nanotechnology for disease detection, drug delivery and cell/tissue corrections among others

What works for you based on your genetic construct may not work for others. We provide with predictive diagnosis to reduce the incidence of disorders, enhance treatment specificity, reduce relapse and reduce overall treatment burden

Choice is to study few parameters and treat based on population statistics or study all parameters to give a personalized treatment

Engaging 'Technology and Big Data' to offer life saving therapies and diagnosis

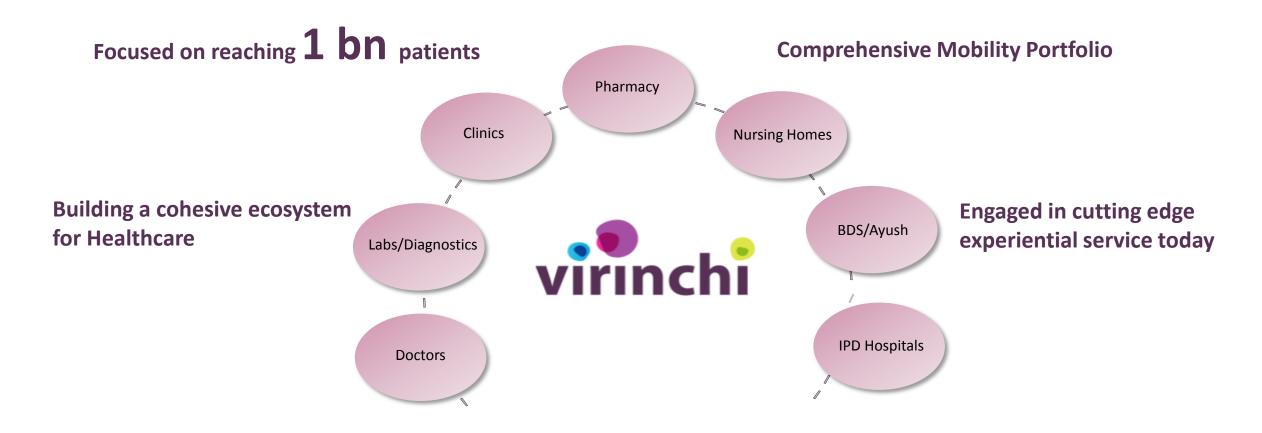


# Integrating IT with Healthcare Delivery...

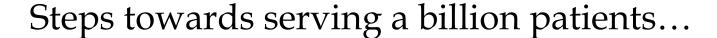


## ...to connect all Stakeholders



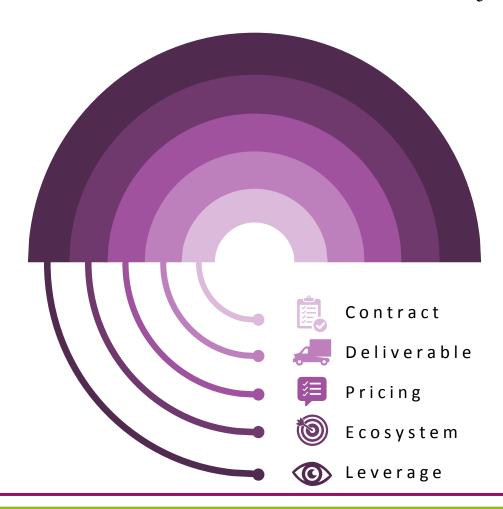


In-house Mobility Expertise leveraged to Provide unmatched Patient Experience





### Out Patient Eco System Project in Uttar Pradesh



- Won a Contract for Developing State Health Mobile App based on Android and iOS Platform for UPHSSP. UPHHSP is World Bank assisted project started to enhance Medical Heath care facilities in the state of Uttar Pradesh
- The App will be cobranded as 'v23 brand' and 'UHSSP brand' mobile App
- The Contract is for a period of 15 years at a Price of Rs. 1/- plus GST
- Opportunity to serve 3,800 hospitals which saw 120 million patients last year
- Facilitate additional ecosystem services to patients, subject to provider accreditation policy of state health department. The App will create healthcare records of 60-100mn patients and give them 24 x 7 uninterrupted access to data
- Virinchi will leverage the patient network to offer a plethora of Healthcare services

Creating an un-paralleled Healthcare Delivery system

# Virinchi Hospitals

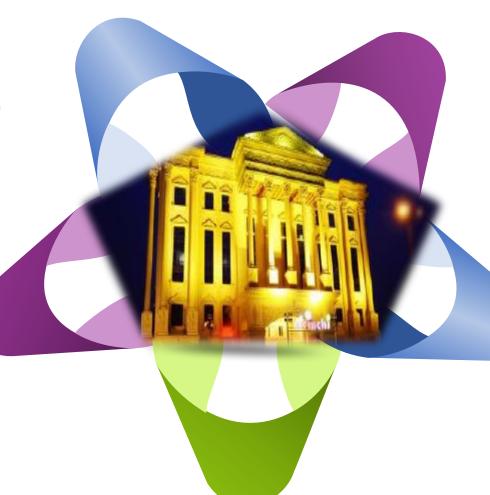


The 600 bed High End Facility in Flagship hospital in Banjara Hills being commissioned in phases.

- Phase 1- main block, consisting of 350 beds commissioned in Nov 2016.
- Phase 2 In June 2018, announced commencement of project work for Economy block - 150 beds and Oncology block - 100 beds

30 year leased Brownfield project executed in 14 months at Rs. 40 lakhs per bed capex

Achieved EBITDA Breakeven in 2018



Two NABH accredited Hospitals. JCI certification underway. 300 super-specialists on board. Single Integrated HIS/ EMR

2 additional city hospitals of 140 bed & 60 beds with ~5 years of operations at 60% occupancy

Strategic landmark location- 11 OTs, 140 ICU beds, 3T MRI, 128 Slice Spectral CT, Ceiling Mounted Cath Lab

# Focus on C.O.N.N.E.C.T Specialties





Cardiology



Orthopaedics



Neurology



Nephrology



**Emergency** 



Cancer Care



**Transplant** 

# Multi-Dimensional Patient Engagement...



#### **Business Model Innovation**

- Highest Capital Efficiency
- Scale Benefits across Delivery Chain
- IT-Driven Cost Control
- Full Time Senior Medical Team on Salary
- Population Data Partnership AADHAAR
- NSDC for High Patient Provider ratio

#### **Healthcare Tech Innovations**

- Personalised Preventive Heathcare
- Public Health Evidence Based Treatment
- Clinical Collaboration Tools
- Targeted Therapy
- 'Functional' mobile-medicine virtual visits
- Inter-Disciplinary Therapies

#### **Marketing Innovation**

- Own/Partner Hospital & Outreach Centers
- Mobility App & Patient Portal
- Accountable Care Organisation
- Analytics and focused Patient CRM
- Mobility based Doctor Referral Network
- Leadership in Content Marketing

#### **Healthcare Delivery Innovation**

- Mobility backed Medical Devices
- Color Changing Dressing
- Robotic Interventions
- Ingestible Sensors

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- Image Guided Minimal Invasive Surgery
- Rapid Diagnostics Kits

#### **Medical Science Innovations**

- Gene Theraphy
- Clinical Trail Drug Availability
- Stem Cell Growrh
- Regenerative Medicine
- Xenograft/GEMM models for in-vivo study
- Genomics based Preventive Care

#### **Process Innovation**

- Technology Integrated Ecosystem
- IT enabled Checklist based Processes
- Digital Targeted Medical Literacy
- Patient Centric IT enabled Processes
- Cross Chain Patient Identity Integration
- Payment Integrations

....to focus on Patient Life Time Value

# Right to Science Club – Subscription services





- Dedicated Relationship Manager
- Individual Attention
- No Queues
- Indepth Discussions with Doctors

- Video Consultation
- In-person Consultation
- Mobile App
- Lab Tests
- Radiology Tests

- Drug Exposure
- Symptoms
- Radiological Markers
- Biomarkers

Personalized Medical Data on Mobile & all Medical Services Insured





200 beds in two locations

50,000 satisfied patient base

400 trained employees

Experience of well-oiled NABH processes

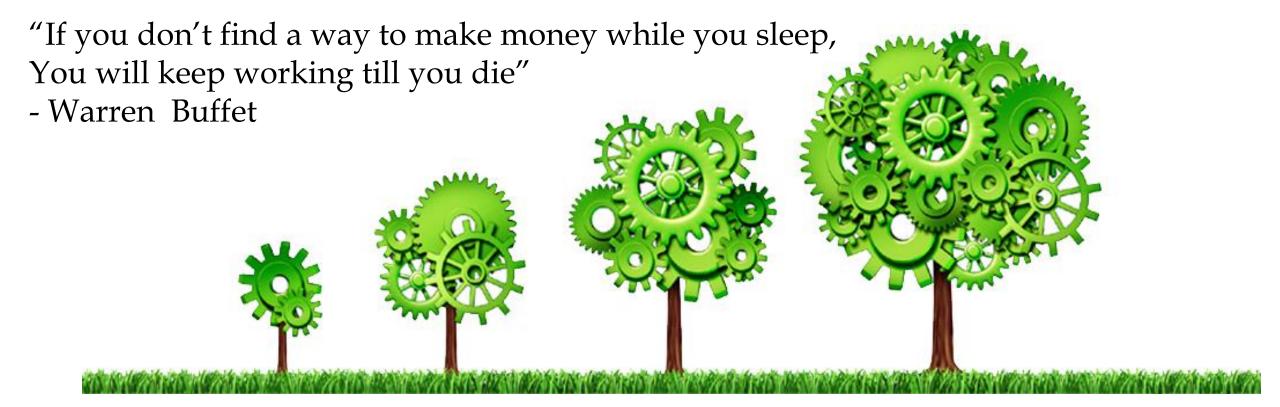


State-of-the-art medical infrastructure

Serviced by 100 doctor panel

 Strategic locations in old Hyderabad city and busy highway to Vijaywada & Chennai

 Benefit of Economies of Scale of existing Hospital Chain



**Financials** 





#### IT Products

- Revenue stood at Rs. 47 Crs for Q3FY19 versus Rs. 34 Crs for the same period last year
- The EBIT margin for Q3FY19 stood at 26%, compared to 20% in the corresponding period last year
- For 9MFY19, revenues stood at Rs. 132 Crores as against Rs. 95 Crores for 9MFY18 with EBIT margins of 25% and 20% for 9MFY19 and 9MFY18 respectively

#### **IT Services**

- Q3FY19 reported net revenue of Rs. 22 Crs versus Rs. 26 Crs for Q3FY18
- The EBIT margin for Q3FY19 stood at 29%, compared to 24% in the corresponding period last year
- For 9MFY19, revenues stood at Rs. 70 Crores as against Rs. 86 Crores for 9MFY18 with EBIT reported at Rs. 19 Crores and Rs. 19 Crores and Rs. 19 Crores and margins at 27% and 22% for 9MFY19 and 9MFY18 respectively

#### Healthcare

- The Company's three state of-the-art multispecialty hospitals reported net revenue of Rs. 37 Crs for Q3FY19 from Rs. 25 Crs for Q3FY18 with EBIT margin for Q3FY19 stood at 12%, vis-a-vis 12% for the corresponding period last year
- For the first Nine months of fiscal 2019, revenues stood at Rs. 102 Crores as against Rs. 73 Crores for 9MFY18 with EBIT margins at 12% and 11% respectively
- The capacity utilization at the flagship Virinchi hospital at Banjara Hills is around 32% reporting a month-on-month improvement in utilizations. The two other hospitals under the Bristlecone Hospitals brand are running with average capacity utilization of 55%



# Consolidated Income Statement

Particulars (Rs. Mn)	Q3FY19	Q3FY18	YoY%	9MFY19	9MFY18	YoY%
Net Sales & Other Operating Income	1,061	856	23.9%	3,063	2,541	20.5%
Raw Material	62	35		174	86	
Employee Cost	317	331		960	982	
General Administration Expenses	346	242		1,016	777	
EBITDA	335	248	35.2%	912	696	31.1%
EBITDA%	31.6%	29.0%	264 Bps	29.8%	27.4%	240 Bps
Other Income	6	2		10	10	
Depreciation	105	84		268	240	
EBIT	236	166	42.2%	655	466	40.5%
EBIT %	22.3%	19.4%	287 Bps	21.4%	18.3%	304 Bps
Finance Cost	64	44		148	134	
РВТ	172	123	40.5%	507	332	52.7%
Tax	20	34		86	92	
Profit After Tax	152	89	71.4%	420	240	75.2%
PAT%	14.3%	10.4%	397 Bps	13.7%	9.4%	428 Bps



# Consolidated Balance Sheet

Rs. Mn	Sep-18	Mar-18
Equity		
Equity Share Capital	306	282
Other Equity	2,496	2,207
Money Received Against Share Warrant	53	65
Non-current liabilities		
Financial Liabilities		
Borrowings	1,275	1,083
Deferred Tax Liabilities (net)	21	118
Long-term provisions	84	17
Current liabilities		
Financial Liabilities		
Borrowings	481	491
Trade Payables	228	397
Provisions	270	275
Total Liabilities	5,213	4,935

Rs. Mn	Sep-18	Mar-18	
Non-current assets			
Fixed Assets			
Property, Plant & Equipment	3,096	2,594	
Capital Work in Progress	28	49	
Goodwill	414	414	
Intangible Assets	213	221	
Financial Assets			
Non current investments	12	12	
Long term Loans and advances	96	105	
Other non current assets	12	11	
Current Assets			
Inventories	89	103	
Financial Assets			
Trade Receivables	703	784	
Cash and cash equivalent	127	99	
Short term loans and advances	389	498	
Other current assets	32	45	
Total Assets	5,213	4,935	

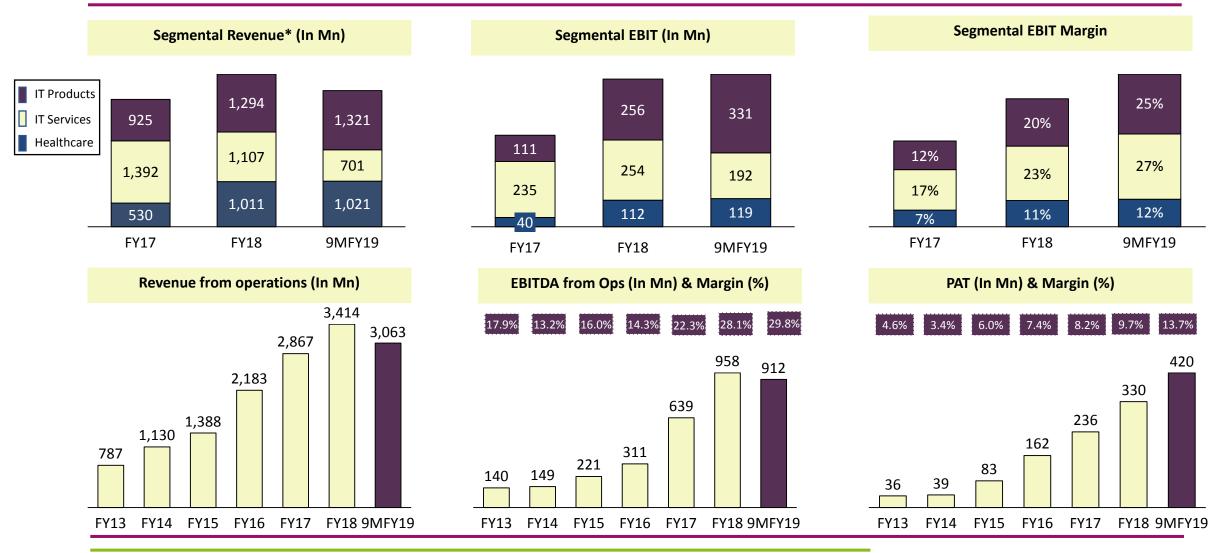


# Historical Performance

Particulars (Rs. Mn)	FY13	FY14	FY15	FY16	FY17	FY18	CAGR
Revenue from Operations	787	1,130	1,388	2,183	2,867	3,414	34.1%
Employee Expenses	239	321	492	927	1,229	1,309	
Administration Expenses	408	660	675	945	999	1021	
EBITDA	140	149	221	311	639	958	46.9%
EBITDA %	17.9%	13.2%	16.0%	14.3%	22.3%	28.1%	
Other Income	17	15	24	21	19	11	
Depreciation/Amortization	74	86	114	121	248	334	
Finance Cost	27	19	21	30	115	180	
Profit before Tax & Minority Interest (MI)	56	61	110	182	295	455	52.0%
Tax	20	24	28	19	59	125	
Profit after Tax & before MI	36	36	83	162	236	330	55.8%
Minority Interest	0	2	0	0	0	0	
Profit after Tax & MI	36	39	83	162	236	330	55.8%
Cash Profit	110	124	197	283	484	664	43.3%
EPS	2.0	2.2	4.6	9.0	8.8	11.8	



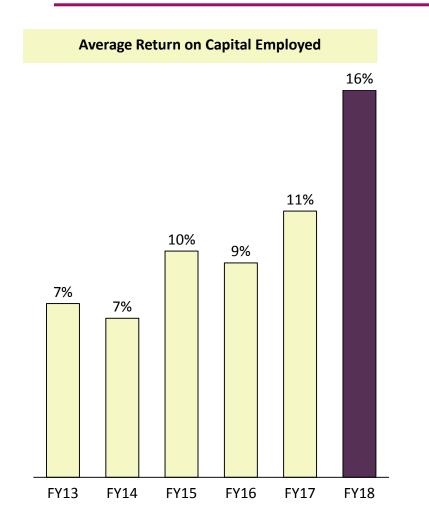


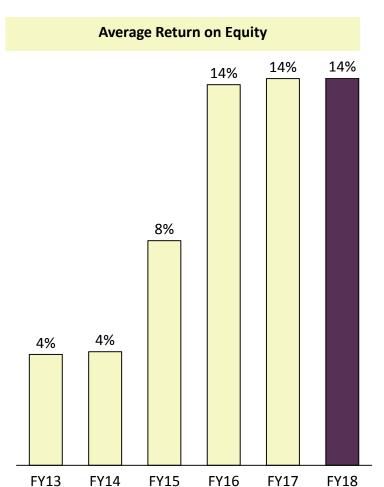


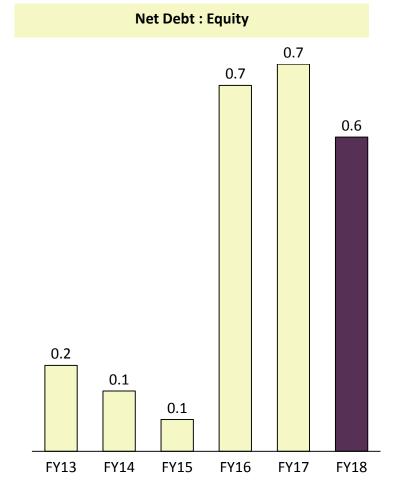
<sup>\*</sup>The difference between total operating revenue and segmental revenue is due to Other Operating Income (ITES)









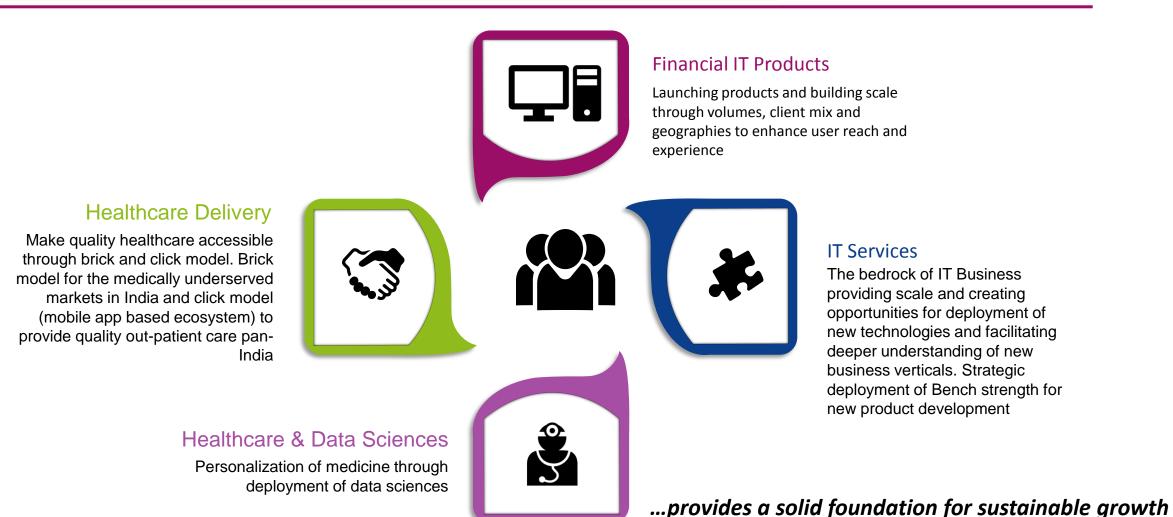


# Way Forward



# Our Strategy for Value Creation...







### For further information, please contact





#### Company:

#### Virinchi Ltd.

CIN - L72200TG1990PLC011104

Mr. Ravindranath Tagore

tagore@virinchi.com

www.virinchi.com

#### **Investor Relations Advisors:**

#### **Strategic Growth Advisors Pvt. Ltd.**

CIN - U74140MH2010PTC204285

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