

Virinchi Ltd

Innovating Healthcare, Fintech and IT | Multifold Opportunity | 3-4x growth

Unlocking Value through Demerger

The company is strategically carving out its Fintech business into a separate listed entity to unlock value and provide investors with focused exposure to high-margin technology operations. Meanwhile, the healthcare segment will continue to engage in growth and profitability improvements.

Company Overview

The company is a diversified with a presence in multiple industries, including IT services, healthcare, fintech, and a IT platform. With a revenue of INR 3,010 million in FY25, the company has demonstrated potential growth across its business segments and enhance shareholder value.

Business Segments

Healthcare: The company runs 4 hospitals, with 3 are currently operational and the hospitals have a combined bed capacity of 600 and focus on specialty care such as:

Cardiology: Advanced cardiac care, including interventional cardiology and cardiac surgery.

Oncology: Comprehensive cancer care, including medical, surgical, and radiation oncology.

Transplants: Kidney, liver, and heart transplants, with a team of experienced transplant surgeons.

Neurology: Advanced neurological care, including stroke management and neurosurgery.

The hospital is equipped with state-of-the-art medical equipment, including:

Robotic surgery systems: Enabling minimally invasive surgeries with precision and accuracy.

Advanced imaging modalities: Such as MRI, CT, and PET-CT scans, providing high-quality diagnostic imaging.

ICU and critical care: Providing intensive care for critically ill patients.

Fintech: The company's fintech offering, vCard, provides UPI-based credit lines and co-branded cards, addressing India's underpenetrated credit market. With significant traction and growth, vCard has issued over 24,000 cards and disburses over INR 20,000 million monthly.

IT Services: The company provides high-margin IT services, including offshore development, analytics, and mobility solutions, to global enterprises. This segment contributes to the company's profitability and growth.

IT Platform: The company's IT platform offers an end-to-end loan management solution for NBFCs in the US. With over INR 120,000 millions of sanctioned loans processed, the platform generates sticky annuity income and has strong growth potential. Margins are expected to improve with lower licensing fees and entry into new segments such as cheque cashing.

Growth Drivers

Healthcare Growth: The company is investing in advanced technologies, specialty care, and digital initiatives to strengthen its healthcare presence. The upcoming V23 aggregator app aims to digitize patient discovery, diagnostics, pharmacy, and payments, enhancing growth visibility.

Experienced Leadership: Healthcare operations are led by Dr. Krishna Mohan and an ex-Care Hospital co-founder in cardiology, who is likely to join as CEO. Around 20 doctors have been granted ESOPs, and a new oncology unit is planned to start by the end of the next financial year, enhancing credibility and specialty depth.

Fintech Optionality: The vCard business offers significant upside potential as India's digital credit adoption accelerates. The company is well-positioned to capitalize on this trend.

IT Services: High-margin IT services provide resilience against healthcare volatility and fund growth in other segments.

IT Platform Growth: The IT platform is poised for growth through new client additions, expansion into new lending segments, and digital innovations that enhance client value and retention.