

Date: 28/02/2019

Deputy Manager
Dept. of Corporate Services,
BSE Limited
P J Towers, Dalal Street,
Fort, MUMBAI – 400001

Dear Sir/Madam,

Sub: outcome of the Board Meeting- held on 28th February, 2019 and Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Scrip code# 532372

Virinchi approves raising of structured Private Equity Growth Capital in its healthcare subsidiary, to undertake expansion activity.

Virinchi Hospital has completed two and half years of operations since launch of Phase 1 of the 600 bed flagship facility at Banjara Hills by the end of December 2018. The healthcare operations over the past two and half years on a consolidated basis have stabilized reporting total healthcare revenues of Rs.102.14 crores and EBITDA of Rs. 18.65 crores for the 9 month period ended December 31, 2018 across 550 operating beds (350 at Banjara Hills & 200 in two smaller facilities). Based on the operational and financial performance of the three hospitals over several quarters, the Board determined that it's time to undertake Private Equity driven expansion in the healthcare sector pan-India and has approved to take up the following measures in the Board meeting today:

- i. Sale of the Company's Health Care Business as a going concern by way of a slump sale to M/s. Virinchi health Care Private Ltd, a Wholly owned subsidiary of the Company for a cash consideration of Rs. 4557 Lakhs.**

In consonance with the objective of consolidation and expansion, the healthcare business in Virinchi Limited (Virinchi) is being transferred to Virinchi Healthcare Private Limited (VHPL), the 100% subsidiary of Virinchi through slump sale and the company has appointed consultants to facilitate the process. Post completion of this activity, all healthcare business will be carried out through VHPL.

With the consolidation of healthcare business in one entity and the unit wise cash flows being sufficient to take care of all operating costs of each of the unit respectively, healthcare business is well placed for expansion.

The above will be subject to the required approvals to be obtained including that of the shareholders of the Company under Section 180 and 188 of Companies Act, 2013 and the creditors/financial institutions and other regulatory agencies if any.

The details that are required to be disclosed under aforesaid Regulation 30 are enclosed as "**Annexure A**" as per Annexure I of SEBI circular dated, September 9, 2015.

ii. Taking all measures including appointment of Investment Bankers & consultants to assist in raising structured Private Equity growth capital to the extent of Rs. 100- 150 Cr by diluting minority stake in its subsidiary, "VHPL".

The Board has advised management to take all steps and appoint consultants to help raise structured Private Equity capital to the extent of 100-150 Crores in the 100% the subsidiary "VHPL", post the slump sale of the healthcare assets, to take up expansion of the healthcare business in other metropolitan cities in a phased manner. The Board recommended structured-equity based capital infusion from any large health care focussed PE firm, so that the Parent, M/S Virinchi Ltd, does not have to fund the expansion of the subsidiary, as opposed to a pure-debt plus internal accrual model that was followed, for the 600 bed Banjara Hills Hospital in Hyderabad.

iii. Approved the appointment of Mr. Suresh Juthuga as Additional Director – Independent Director of the company. The company hereby affirms that Mr. Suresh Juthuga, Director being appointed is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority as on date of appointment. We are herewith enclosing his brief profile as "**Annexure-B**".

iv. Approved the appointment of Mr.K Ravindranath Tagore (M.NO. A18894), Company Secretary of M/s. Virinchi Limited as a Company Secretary of M/s. Virinchi Healthcare Private Limited, a wholly owned subsidiary of the Company in compliance with Section 203 of the Companies Act,2013.

The Meeting commenced at 12 PM and concluded at 8.45 PM
This is for your record and reference.

Thanking you,

Yours faithfully,
For Virinchi Limited



K Ravindranath Tagore
Company Secretary
M.No.18894

Annexure-A		
SL No	Particulars	Details
1	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year;	Details relating to the health Care business for the financial year 2017-18; Turnover: Rs. 33.66 Crs (19.45%) Net Worth: Rs 13.94 Crs (6.90%)
2	Date on which the agreement for sale has been entered into;	February 28, 2019.
3	The expected date of completion of sale/disposal;	June 30,2019
4	Consideration received from such sale/disposal;	The consideration for the sale is Rs.4557 Lakhs and the Consideration would be appropriately adjusted for the difference, if any, between the working capital reckoned for the valuation and the actual working capital as at the closing date. The consideration will be settled in cash.
5	Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof;	Virinchi Health Care Private Ltd , is one of the super specialty hospitals in Hyderabad engaged in providing affordable health care to the people. Virinchi Health Care Private Ltd is 100% wholly owned by M/s. Virinchi Ltd.
6	Whether the transaction would fall within related party transactions? If yes, whether the same is done ate “arm’s length”	Transaction falls within the purview of related party Transactions and the same is done at arm’s Length. Valuation is based on the valuation report of Ujjineni & Co., firms of Chartered Accountants duly approved by the Audit Committee. The transaction will be subject to the receipt of required approvals including that of the shareholders of the company under section 188 of companies Act, 2013, creditors/financial institutions and other regulatory agencies if any. The consent of the shareholders is proposed to be obtained through postal ballot process.

7	Area of business of the entity (ies)	<p>Virinchi Limited is an IT products (Fintech), IT services company deploying IT as a tool to provide business solutions to clients across the domains of retail lending, health care, digital media and related large e-aggregation and e- distribution. Virinchi Limited is also into healthcare delivery through its two units with aggregate bed capacity of 200 in Hyderabad city.</p> <p>Virinchi Health Care Private Ltd , is one of the super speciality hospitals in Hyderabad with 350 operating beds with the latest medical technology coupled with information technology for enhancing patient experience, engaged in providing affordable tertiary health care to people in Hyderabad and nearby states and also international patients.</p>
8	Rationale for Slump Sale	<p>The transaction is part of the strategic plan of the company to consolidate all healthcare physical assets and cash flows into a single business in the subsidiary company, Virinchi Health Care Private Limited and facilitate expansion into other metropolitan cities in a phased manner through structured private equity capital.</p>
9	Brief details of change in shareholding (if any) of listed entity	<p>No change in the shareholding pattern of Virinchi Ltd</p>

K. Ray

Annexure-B

Name	Suresh Juthuga
Date of Birth	15/09/1977
Qualifications:	LLM from Nagarjuna University, LL.B from Andhra University
Expertise in Specific Functional Areas:	He has 12 years' experience in handling legal matters of the companies in various courts .He has represented various matters before judicial and quasi-judicial authorities including - Debt recovery cases , Motor Accident Claims case ,Consumer Forum cases with District Consumer Disputes Redressal Forum and Appeals before the state Consumer Disputes, Matters before Labour Courts and Industrial Tribunals. He is legal advisor to various companies. He is currently Independent Advocate at High Courts for the State of Telangana and State of Andhra Pradesh.
Directorships held in other public companies (Excluding Foreign companies and Section 8 Companies)	NIL
Memberships/Chairmanships of Committees of other public Companies (includes Only Audit committee and Stakeholder's Relationship Committee)	NIL
Relationship between directors inter-se	There is no relationship with other directors on the board

K. Ray