Chairman Emeritus' message

SaaS to KaaS.
Software as a Service to
Knowledge as a Service

Overview

I am pleased to present our performance during the year under review.

Virinchi reported a 20% growth in revenue, 28% increase in EBITDA and 78% growth in profit after tax in 2018-19.

Business approach

In the knowledge economy that we are living in today, the competitive edge is derived only by creating incremental knowledge and using that knowledge to enhanced value to the customer.

Virinchi operates in the domains of healthcare and fintech that are relevant whether economies are buoyant or weak, whether people are affluent or in need; there will always be a demand for superior medical treatment and a need to discover and create new assets to leverage. We believe that Virinchi is attractively placed at an inflection point, where a paradigm shift is happening in the global economy in general and the fintech & healthcare domains in particular.

During the last few years, mobile-based customer discovery, engagement and fulfillment combined with unlimited storage, broadband and computing power to moderate costs down to almost nil. This has lead to creation of an ocean of useful data about every single individual on the planet. Never before in the history of mankind has such precise personalised temporal data been available for businesses to serve their customers. This deluge of data has created an unprecedented market for data science to deliver immense value directly to the customer, accessing him or her on the mobile.

Data science, Virinchi & Healthcare

In the area of healthcare, doctors have traditionally relied on over a dozen of diagnostic readings that were easily accessible. They would use these readings to arrive at conclusions before proceeding with the next round of treatment. As medical science improved, the number of relevant diagnostic parameters multiplied from ten to hundred, or probably even a thousand. A deluge of useful data is engaging care givers, who earlier did not possess the wherewithal to decipher the correlations.

The entry of data science has revolutionised this segment: machines are now able to capture patient's medical reality at a cell level and machine learning can cross or match this data over a number of existing and evolving hypotheses to arrive at deeper conclusions, which are specific to the patient. Besides, in some cases, this deeper pattern recognition capability is empowering doctors to pin-point the diagnosis and prescribe targeted personalised therapies supported by much-needed evidence.

Optimism in our heath care business

At Virinchi, we are not just a standalone hospital company, but a data science-driven organisation integrated to deliver healthcare to patients. We see this as a synergic complement feeding on each other: the Hospital business provides us with precious patient data, which can be then crunched by our data science team to derive disease cum treatment patterns and trends. The learning from these patterns can then be relayed to the healthcare businesses even beyond our own captive entities to make treatment improvements, in real time.

We believe that this is how hospitals & healthcare companies of the future will emerge: enhancing clinical outcomes using historical patient data by using the tools of machine learning and data science in real time. Virinchi is probably one of first few healthcare companies in India to initiate the use of data analytics and machine learning as an integral part of caregiving. There is little doubt that the future of medical science world across will be completely driven by data science as future electronic medical record safe-keepers cannot be just passive warehouses of records but need to become active knowledge factories producing precision therapies based on patient similarity patterns. I am pleased to report that Virinchi has already moved ahead in this direction.

Optimism in our fintech business

In the modern world, if there is one thing in the fintech world more important than the need to discover a customer, it is the need to know how much to lend to the customer with potentially zero delinquency based on future potential and complete past data.

In a world where accurate credit analysis is critical to the long-term health of banks, financial institutions and other intermediaries, there is a premium on the ability to lend right (to who and how much and when), recover on time and engage in the next disbursement round.

Virinchi comes with proven credentials in this area with its longstanding exposure to the US fintech space where it has processed no less than 25 million lending cases, building a large repository of knowledge to understand how credit behaviour changes based on age, income, address, marital status, location, profession, race and even family size. The result is that the Company has developed a deep learning of multi-parametric dynamic credit rating know-how that can make accurate lending decisions, enhancing the quality of loan assets of lenders. This unique strength makes Virinchi the "first choice service provider" to potential lenders in the US, who wish to discover new customers and offer various lending products as we provide credit assessment 'knowledge as a service' than simple credit delivery 'software as a service'.

Optimistic outlook

At Virinchi, we believe that our healthcare and fintech businesses have great potential for growth. Our Company is braced to meet the challenges of a knowledge economy on the strength of the underlying data science platform, which can graduate the Company into a leader in the two segments, in less than a decade from now.

Viswanath Kompella,
Founder & Chairman Emeritus