

Independent Auditor's Review Report

To the Board of Directors of Velankani Information Systems Limited

We have reviewed the accompanying statement of unaudited financial results of Velankani Information Systems Limited ('VISL' / 'the Company') for the period ended September 30, 2015. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, 'Engagements to Review Financial Statements' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 29 of the Listing Agreement for debt securities including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration Number: 101720W



Chandan Lala

Partner

Membership Number: 35671



Place : Mumbai

Date : 10.11.2015

VELANKANI INFORMATION SYSTEMS LIMITED

Registered Office: No 43, Electronic City, Phase II Bangalore 560 100
Tel: +91 80 6614 5807 fax: +91 6696 1854 Email: kshah@velankanigroup.com
CIN: U72200KA1999PLC025275

Unaudited (Standalone) Financial results for the period ended September 30, 2015

Sl No	Particulars	(Rs. in Lakhs, except for per share data)			
		Half Year ended		Year Ended	Year Ended
		For Period ended September 30, 2015	For Period ended September 30, 2014	For Period ended September 30, 2015	March 31, 2015
		Unaudited and Reviewed	Unaudited (Refer Note 7)	Unaudited and Reviewed	Audited
	Financial Results:				
1	Revenue from operations				
	Net sales/ Income from operations	5,121.60	5,173.08	5,121.60	11,037.38
	Total Income	5,121.60	5,173.08	5,121.60	11,037.38
2	Expenses				
	(a) Food and Beverages consumed	240.46	226.41	240.46	490.96
	(b) Purchase of traded goods	-	-	-	-
	(c) Stores and spares consumed	-	-	-	-
	(d) Employee benefits expenses	672.60	689.50	672.60	1,510.02
	(e) Depreciation and amortisation expenses	968.90	1,207.93	968.90	2,386.54
	(f) Other expenses	1,368.32	1,197.56	1,368.32	2,776.23
	Total	3,250.28	3,321.40	3,250.28	7,163.75
3	(Loss)/profit from operations before other income, finance costs and exceptional items (1-2)	1,871.32	1,851.68	1,871.32	3,873.63
4	Other income (including interest income)	274.17	51.62	274.17	154.93
5	Profit / (loss) from ordinary activities before finance costs and exceptional items (3 + 4)	2,145.49	1,903.30	2,145.49	4,028.56
6	Finance costs	1,789.26	1,381.00	1,789.26	2,687.89
7	Exceptional items:				
	Profit on sale of fixed asset	1,634.98	-	1,634.98	-
8	(Loss)/profit from ordinary activities after finance costs and exceptional items but before tax (5 - 6 ± 7)	1,991.21	522.30	1,991.21	1,340.67
9	Tax expenses	1,133.72	105.00	1,133.72	297.27
10	Net (loss)/profit from ordinary activities after tax (8 - 9)	857.49	417.30	857.49	1,043.40
11	Paid-up equity share capital (Face value of the Re.1/- each)	737.00	737.00	737.00	737.00
12	Paid up debt capital (Refer note 4)	29,000.00	-	29,000.00	-
13	Reserve excluding revaluation reserves as per balance sheet	11,727.69	10,244.16	11,727.69	10,870.21
14	Debenture redemption reserve (Refer Note 6)	-	-	-	-
15	Weighted average number of equity shares for calculation of:				
	Basic earning per share (EPS)	73,700,067	73,700,067	73,700,067	73,700,067
	Diluted EPS	73,700,067	73,700,067	73,700,067	73,700,067
16	EPS (of Rs.10 each) (not annualised):				
	(a) Basic	1.16	0.57	1.16	1.42



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		Unaudited and Reviewed	Unaudited (Refer Note 7)	Unaudited and Reviewed	Audited
	(b) Diluted	1.16	0.57	1.16	1.42

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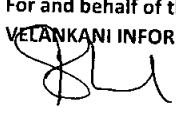


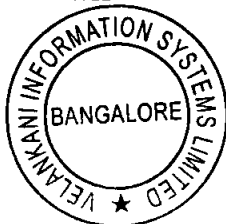
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		Unaudited and Reviewed	Unaudited (Refer Note 7)	Unaudited and Reviewed	Audited
Other Information:					
17	Debt equity ratio (Refer note 5)	Unaudited	Unaudited	Unaudited	Unaudited
		2.24	1.88	2.24	1.47
18	Debt service coverage ratio (DSCR)(Refer note 5)	2.65	1.24	2.65	1.28
19	Interest service coverage ratio (ISCR)(Refer note 5)	2.65	2.25	2.65	2.39

Notes to unaudited financial information for the six months period ended September 30, 2015

- During the half year ended September 30, 2015, the Company has issued (a) 2400 (Two Thousand Four Hundred) senior secured rated redeemable listed non-convertible debentures of a face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, of the aggregate nominal value of Rs. 240,00,00,000/- (Rupees Two Hundred Forty Crores only) with coupon rate of 11% p.a. payable monthly and legal maturity of 8 years, and (b) 500 (Five Hundred)subservient, secured, rated, redeemable, listed, non-convertible debentures of a face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, of the aggregate nominal value of Rs. 50,00,00,000/- (Rupees Fifty Crores only) with coupon rate of 12.9 % p.a payable monthly and legal maturity of 8 years.
- The above half yearly financial results have been reviewed and approved by the Board of Directors at its meeting held on November 10, 2015 and the said financial results has been reviewed by the statutory auditor of the Company.
- The financial results have been prepared as per the requirement of Clause 29 of the Listing Agreement for Debt Securities dated 15th June 2015 entered into by the Company with BSE Limited.
- Paid up debt capital represents Debentures.
- The Formulae used for computation of ratio as follows:
Debt Equity Ratio = Debt / Shareholders fund
DSCR = Earnings before Interest, Depreciation and Tax / (Interest Expenses + Principal Payment)
ISCR = Earnings before Interest, Depreciation and Tax / Interest Expenses
- The Company proposes to create Debenture Redemption Reserve as applicable in accordance with the provisions of the Companies Act, 2013 read with rules thereunder at the end of the current financial year 2015-16. Accordingly the above half yearly financial results have been drawn up without creation of such reserve.
- The figures for the corresponding half year ended September 30, 2014 have not been reviewed, as this is the first statement of unaudited financial results for the half year ended September 30, 2015 under Clause 29 of the Listing Agreement for Debt Securities dated June 15, 2015 referred above.
- There has been no deviation in the use of proceeds of issue of debt securities from the objects stated in the offer document.
- Comparative figures have been regrouped, reclassified and restated, wherever necessary to make them comparable with those of the figures for the half year ended September 30, 2015

For and behalf of the board of Directors of
VELANKANI INFORMATION SYSTEMS LIMITED


Kiron D Shah
Managing Director
DIN : 00056091



Place : Bangalore
Date: 10th November 2015