

Independent Auditor's Review Report

To the Board of Directors of Velankani Information Systems Limited

We have reviewed the accompanying statement of standalone unaudited financial results of **Velankani Information Systems Limited** ('VISL'/'the Company') for the period ended September 30, 2016. 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 standalone 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 standalone 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 standalone 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 Regulation 52 of the Listing Agreement 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



Lalit R Mhalsekar

Partner

Membership Number: 103418



Place: Mumbai

Date: November 14, 2016

VELANKANI INFORMATION SYSTEMS LIMITED

Registered Office: No 43, Electronics City, Phase II, Hosur Road, Bangalore 560 100

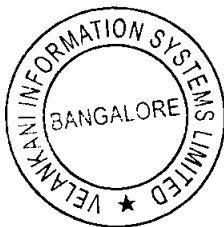
Tel: +91 80 6614 5807 fax: +91 6696 1854 Email: kshah@velankanigroup.com

Website : www.vislindia.com

CIN: U72200KA1999PLC025275

Financial results for the half year ended September 30, 2016

Sl No	Particulars	Standalone Results (Rs. in Lakhs, except for per share data)			
		Half year ended September 30, 2016	Half year ended September 30, 2015	Year to date figures for current period ended September 30 2016	Previous accounting year ended March 31, 2016
		Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations				
	Net sales/ Income from operations	5,282.01	5,121.60	5,282.01	10,622.21
	Total Income	5,282.01	5,121.60	5,282.01	10,622.21
2	Expenses				
	(a) Food and Beverages consumed	219.40	240.46	219.40	494.57
	(b) Purchase of traded goods	-	-	-	-
	(c) Stores and spares consumed	-	-	-	-
	(d) Employee benefits expenses	647.74	672.60	647.74	1,278.02
	(e) Depreciation and amortization expenses	978.39	968.90	978.39	1,927.15
	(f) Other expenses	1,006.00	894.68	1,006.00	2,214.44
	(g) Power and fuel expenses	271.28	473.64	271.28	473.64
	Total	3,122.81	3,250.28	3,122.81	6,387.82
3	Profit from operations before other income, finance costs and exceptional items (1-2)	2,159.20	1,871.32	2,159.20	4,234.39
4	Other income (including interest income)	525.04	274.17	525.04	1,057.15
5	Profit from ordinary activities before finance costs and exceptional items (3 + 4)	2,684.24	2,145.49	2,684.24	5,291.54
6	Finance costs	1,942.37	1,789.26	1,942.37	3,989.21
7	Exceptional items:				
	Profit on sale of fixed asset	987.08	1,634.98	987.08	1,634.98
8	Profit from ordinary activities after finance costs and exceptional items but before tax (5 - 6 + 7)	1,728.95	1,991.21	1,728.95	2,937.31
9	Tax expenses	687.30	1,133.72	687.30	765.18
10	Net profit from ordinary activities after tax (8 - 9)	1,041.65	857.49	1,041.65	2,172.13
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 3)	35,500.00	29,000.00	35,500.00	31,500.00
13	Reserve excluding revaluation reserves as per balance sheet	8,390.06	11,727.69	8,390.06	7,348.40
14	Networth as per balance sheet	9,127.06	12,929.45	9,127.06	8,085.40
15	Debenture redemption reserve	2,605.13	-	2,605.13	1,260.04
16	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



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		Unaudited	Unaudited	Unaudited	Audited
17	EPS (of Re.1 each) (not annualized):				
	(a) Basic	1.41	1.16	1.41	2.95
	(b) Diluted	1.41	1.16	1.41	2.95
	Other Information :				
18	Debt equity ratio (Refer note 4)	3.89	2.24	3.89	3.90
19	Debt service coverage ratio (DSCR)(Refer note 4)	2.39	2.65	2.39	2.22
20	Interest service coverage ratio (ISCR)(Refer note 4)	2.39	2.65	2.39	2.22
21	Asset coverage ratio (Refer note 4)	1.43	1.65	1.43	1.43

Notes to an audited financial results for the half year ended September 30, 2016

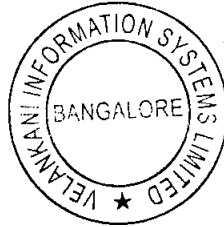
- During the half year ended September 30, 2016, the Company has issued 400 (Four Hundred) subordinate secured rated redeemable listed non-convertible debentures of a face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each, of the aggregate nominal value of Rs. 40,00,00,000/- (Rupees Forty Crores only) with coupon rate of 14% p.a. payable monthly and repayable on or before May 31, 2020 as per the repayment schedule agreed in Debenture Trust Deed executed on August 18, 2016.
- The above half yearly financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 14, 2016 and the said financial results has been reviewed by the statutory auditors of the Company.
- Paid up debt capital represents outstanding non convertible debentures issued by the Company.
- The Formulae used for computation of ratio are as follows:
 Debt-equity ratio represents loan funds (long term borrowings and current maturity of long term borrowings included in current liabilities) / shareholders' funds (equity share capital + reserves and surplus).
 DSCR represents profit before finance costs, depreciation and tax expenses including exceptional item / finance costs plus principal repayment.

 ISCR represents profit before finance costs, depreciation and tax expenses including exceptional item / finance costs.
 Asset coverage Ratio represents total assets minus intangible assets and current liabilities / loan funds (long term borrowings and current maturity of long term borrowings included in current liabilities).
- Comparative figures have been regrouped, reclassified and restated, wherever necessary.

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

[Signature]

Kiron D Shah
 Managing Director
 DIN : 00056091



Place : New York, USA
 Date: November 14, 2016

Financial results for the half year ended September 30, 2016

Additional disclosure under regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1 Particulars of interest and principal repayment of NCD and credit rating as at September 30, 2016:

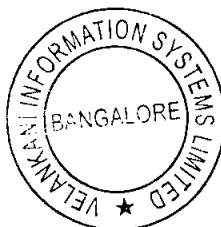
Series of NCD	Principal Amount (Rs in Lakh)	Principal repayment date	Last Interest Payment Due Date		Next Interest Payment Due Date	Credit Rating
			Date	Status		
Series A	18,500.00	31-May-2020	10-Sep-2016	Paid	10-Oct-16	CARE Rating AA(SO)
Series B	3,500.00	31-May-2020	10-Sep-2016	Paid	10-Oct-16	CARE Rating A- (SO)
Series C	5,500.00	31-May-2020	10-Sep-2016	Paid	10-Oct-16	CARE Rating AA(SO)
Series D	1,500.00	31-May-2020	10-Sep-2016	Paid	10-Oct-16	CARE Rating A- (SO)
Series E	1,900.00	31-May-2019	10-Sep-2016	Paid	10-Oct-16	CARE Rating AA(SO)
Series F	600.00	31-May-2020	10-Sep-2016	Paid	10-Oct-16	CARE Rating AA(SO)
Series G	2,000.00	Various dates starting from August 31, 2017	10-Sep-2016	Paid	10-Oct-16	CARE Rating BBB (Triple B)
Series H	1,500.00	Various dates starting from March 31, 2017	10-Sep-2016	Paid	10-Oct-16	CARE Rating BBB (Triple B)
Series I	500.00	Various dates starting from March 31, 2017	10-Sep-2016	Paid	10-Oct-16	CARE Rating BBB (Triple B)

2 Outstanding Redeemable Preference Shares as on September 30, 2016 - NIL

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



Kiron D Shah
Managing Director
DIN : 00056091



Place : New York, USA
Date: November 14, 2016