



**VELANKANI**

23<sup>rd</sup> May 2017

To  
BSE Limited  
15th Floor, P.J. Towers, Dalal Street,  
Fort, Mumbai 400 001

Dear Sir / Madam,

**Sub: Declaration on Audit Report with unmodified opinion**  
**Scrip Code: 952258**  
**Name of the Company: Velankani Information Systems Limited**

We Velankani Information Systems Limited ("the Company"), a company incorporated under the Companies Act 1956 and having its registered office at No 43, Electronics City, Phase I, Hosur Road, Bangalore 560 100 and being a listed entity, hereby declare that the report of M/s Chaturvedi & Shah, Chartered Accountants, Mumbai, the Statutory Auditors of the Company on the Annual Financial Results of the Company for the Financial Year ended 31 March 2017 is audit report with unmodified opinion.

Thanking you,

Yours sincerely

For Velankani Information Systems Limited

**Kiron D Shah**  
**Managing Director**  
**DIN: 00056091**



**VELANKANI INFORMATION SYSTEMS LIMITED**

CIN : U72200KA1999PLC025275

Regd Office: 43 Electronics City Hosur Road  
Bangalore-560 100 India

Tel: +91-80-6614 5807/09 Fax: +91-80-6614 5808

To The Board of Directors  
Velankani Information Systems Limited

**Independent Auditor's Report on the Standalone Financial Results**

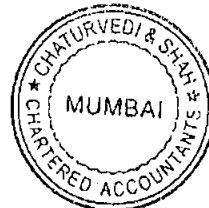
We have audited the standalone financial results of **Velankani Information Systems Limited** ("the Company") for the year ended March 31, 2017, together with notes thereon, being submitted by the Company pursuant to the requirement of Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

These standalone financial results which are responsibility of the Company's management and approved by the Board of Directors, have been prepared on the basis of related standalone financial statements, which are in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended and other accounting principles generally accepted in India.

Our responsibility is to express an opinion on the standalone financial results based on our audit. We conducted our audit in accordance with the standards on auditing specified under section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedure selected depends on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor consider internal control relevant to the entity's preparation and fair presentation of the statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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URL : [www.cas.ind.in](http://www.cas.ind.in)

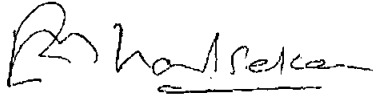
Branches: Ahmedabad | Bengaluru | Delhi | Jamnagar

In our opinion and to the best of our information and according to the explanations given to us the standalone financial results:

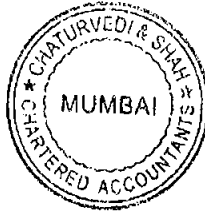
- (i) is presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (ii) give a true and fair view in conformity with aforesaid accounting standards and other accounting principles generally accepted in India of the net profit and other financial information for the year ended March 31, 2017.

The standalone financial results include the results for half year ended March 31, 2017 being the balancing figures between audited figures in respect of full financial year and published unaudited figures upto September 30, 2016 which were subject to limited review.

**For Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No. 101720W



**Lalit R. Mhalsekar**  
Partner  
Membership No. 103418



**Date:** May 23, 2017  
**Place:** Mumbai

**VELANKANI INFORMATION SYSTEMS LIMITED**

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Website : www.vislindia.com

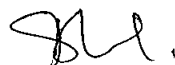
CIN: U72200KA1999PLC025275

**Standalone Balance Sheet as at March 31, 2017**

Rs. in Lakhs

Particulars	March 31, 2017	March 31, 2016
	Audited	Audited
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
Share capital	737.00	737.00
Reserves and surplus	9,887.58	7,348.40
	<b>10,624.58</b>	<b>8,085.40</b>
<b>Non-current liabilities</b>		
Long-term borrowings	33,800.00	31,500.00
Deferred tax liabilities (Net)	1,843.61	1,109.62
Other Long term liabilities	4,204.61	4,268.68
Long-term provisions	71.01	60.02
	<b>39,919.23</b>	<b>36,938.32</b>
<b>Current liabilities</b>		
Trade payables	1,352.15	915.84
Other current liabilities	2,263.52	886.76
Short-term provisions	175.26	132.93
	<b>3,790.93</b>	<b>1,935.53</b>
<b>TOTAL</b>	<b>54,334.74</b>	<b>46,959.25</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets		
Tangible assets	24,240.14	25,511.15
Intangible assets	1.67	4.00
Capital work-in-progress	1,980.60	2,070.36
	<b>26,222.41</b>	<b>27,585.51</b>
Non-current investments	4,006.99	4,003.30
Long-term loans and advances	18,866.16	7,907.94
Other non-current assets	983.67	532.27
	<b>50,079.23</b>	<b>40,029.02</b>
<b>Current assets</b>		
Current investments	2,696.72	5,218.19
Inventories	229.69	193.60
Trade receivables	401.95	510.13
Cash and bank balances	322.02	448.62
Short-term loans and advances	515.71	482.42
Other current assets	89.42	77.27
	<b>4,255.51</b>	<b>6,930.23</b>
<b>TOTAL</b>	<b>54,334.74</b>	<b>46,959.25</b>

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



**Kiron D Shah**  
Managing Director  
DIN : 00056091

Place : Bangalore  
Date: May 23, 2017



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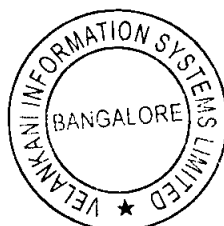
Website : www.vislindia.com

CIN: U72200KA1999PLC025275

**Standalone Financial Results for the year ended March 31, 2017**

Rs. in Lakhs, except for per share data

SI No	Particulars	Standalone Results			
		Half Year Ended		Year Ended	
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
		Unaudited (Refer Note 1)	Unaudited (Refer Note 1)	Audited	Audited
<b>1</b>	<b>Revenue from operations</b>				
	Net sales/ Income from operations	5,902.79	5,500.61	11,184.80	10,622.21
	<b>Total Income</b>	<b>5,902.79</b>	<b>5,500.61</b>	<b>11,184.80</b>	<b>10,622.21</b>
<b>2</b>	<b>Expenses</b>				
	(a) Food and Beverages consumed	305.21	254.11	524.61	494.57
	(b) Purchase of traded goods	-	-	-	-
	(c) Stores and spares consumed	-	-	-	-
	(d) Employee benefits expenses	640.61	605.42	1,288.35	1,278.02
	(e) Depreciation and amortization expenses	1,191.88	958.24	2,170.27	1,927.14
	(f) Other expenses	1,307.58	1,319.76	2,584.86	2,688.08
	<b>Total</b>	<b>3,445.28</b>	<b>3,137.53</b>	<b>6,568.09</b>	<b>6,387.81</b>
<b>3</b>	<b>Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>2,457.51</b>	<b>2,363.08</b>	<b>4,616.71</b>	<b>4,234.40</b>
<b>4</b>	Other income (including interest income)	1,172.52	782.98	2,684.64	2,692.13
<b>5</b>	<b>Profit from ordinary activities before finance costs (3 + 4)</b>	<b>3,630.03</b>	<b>3,146.06</b>	<b>7,301.35</b>	<b>6,926.53</b>
<b>6</b>	Finance costs	2,085.84	2,199.96	4,028.21	3,989.22
<b>7</b>	Exceptional items	-	-	-	-
<b>8</b>	<b>Profit from ordinary activities after finance costs but before tax (5 - 6 ± 7)</b>	<b>1,544.19</b>	<b>946.10</b>	<b>3,273.14</b>	<b>2,937.31</b>
<b>9</b>	Tax expenses	46.68	(368.54)	733.98	765.18
<b>10</b>	<b>Net profit from ordinary activities after tax (8 - 9)</b>	<b>1,497.51</b>	<b>1,314.64</b>	<b>2,539.16</b>	<b>2,172.13</b>
<b>11</b>	<b>Paid-up equity share capital</b> (Face value of the Re. 1/- each)	<b>737.00</b>	<b>737.00</b>	<b>737.00</b>	<b>737.00</b>
<b>12</b>	<b>Paid up debt capital (Refer note 4)</b>	<b>35,200.00</b>	<b>31,500.00</b>	<b>35,200.00</b>	<b>31,500.00</b>
<b>13</b>	Reserve excluding revaluation reserves as per balance sheet			9,887.58	7,348.41
<b>14</b>	Networth as per balance sheet			10,624.58	8,085.41
<b>15</b>	Debenture redemption reserve			3,233.00	1,260.04
<b>16</b>	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
<b>17</b>	<b>EPS (of Re.1 each) (not annualized):</b>				
	(a) Basic	2.03	1.78	3.45	2.95
	(b) Diluted	2.03	1.78	3.45	2.95
	<b>Other Information :</b>				
<b>18</b>	Debt equity ratio (Refer note 5)	3.31	3.90	3.31	3.90
<b>19</b>	Debt service coverage ratio (DSCR)(Refer note 5)	2.02	1.87	2.19	2.22
<b>20</b>	Interest service coverage ratio (ISCR)(Refer note 5)	2.31	1.87	2.35	2.22
<b>21</b>	Asset coverage ratio (Refer note 5)	1.48	1.43	1.48	1.43



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**Standalone Financial Results for the year ended March 31, 2017**

**Notes to audited financial results for the half year and year ended March 31, 2017**

- The standalone financial results include the results for half year ended March 31, 2017 being the balancing figures between audited figures in respect of full financial year and published unaudited figures upto September 30, 2016 which were subjected to limited review.
- During the year, 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 Financial results have been reviewed by Audit Committee and approved by the Board of Directors at their meeting concluded on May 23, 2017.
- 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).
- The above is an extract of the detailed format of half yearly/annual financial results filed with the stock exchange under regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of half yearly/annual financial results are available on the websites of the stock exchange BSE Limited and the Company.
- Comparative figures have been regrouped, reclassified and restated, wherever necessary.

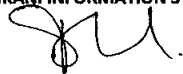
**Additional disclosure under regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

**1 Particulars of interest and principal repayment of NCD and credit rating as at March 31, 2017:**

Series of NCD	Principal Amount (Rs in Lakh)	Next Principal Repayment Due Date	Last Principal Repayment Due Date		Next Interest Payment Due Date	Last Interest Payment Due Date		Credit Rating
			Date	Status		Date	Status	
Series A	18,500.00	31-May-2020	N.A.	N.A.	10-Apr-17	10-Mar-17	Paid	CARE Rating AA(SO)
Series B	3,500.00	31-May-2020	N.A.	N.A.	10-Apr-17	10-Mar-17	Paid	CARE Rating A-(SO)
Series C	5,500.00	31-May-2020	N.A.	N.A.	10-Apr-17	10-Mar-17	Paid	CARE Rating AA(SO)
Series D	1,500.00	31-May-2020	N.A.	N.A.	10-Apr-17	10-Mar-17	Paid	CARE Rating A-(SO)
Series E	1,900.00	31-May-2019	N.A.	N.A.	10-Apr-17	10-Mar-17	Paid	CARE Rating AA(SO)
Series F	600.00	31-May-2020	N.A.	N.A.	10-Apr-17	10-Mar-17	Paid	CARE Rating AA(SO)
Series G	2,000.00	31-Aug-17	N.A.	N.A.	10-Apr-17	10-Mar-17	Paid	CARE Rating BBB (Triple B)
Series H	1,300.00	31-May-17	31-Mar-17	Paid	10-Apr-17	10-Mar-17	Paid	CARE Rating BBB (Triple B)
Series I	400.00	31-May-17	31-Mar-17	Paid	10-Apr-17	10-Mar-17	Paid	CARE Rating BBB (Triple B)

**2 Outstanding Redeemable Preference Shares as on March 31, 2017 - NIL**

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



**Kiron D Shah**  
Managing Director  
DIN : 00056091

Place : Bangalore  
Date: May 23, 2017

