

VELANKANI

14th November 2016

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

Dear Sir / Madam,

Sub: Submission under Regulation 52(2) and 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

As per Regulations 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity, while submitting half yearly / annual financial results, shall disclose certain line items as specified thereunder along with the financial results.

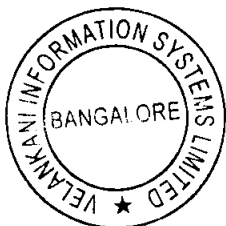
As per Regulation 54(2), the listed company shall disclose to the stock exchange in quarterly, half yearly, year-to-date and annual financial statements, as applicable, the extent and nature of security created and maintained with respect to its secured, listed non convertible debt securities.

In respect of 3550 Secured Listed Rated Redeemable Non-Convertible Debentures aggregating to Rs. 355,00,00,000/-(Rupees Three Hundred and Fifty Five Crores) issued by the Company, we herewith make the following submission:

1. Half Yearly Un-audited Financial Results as at 30 September 2016 – Attached as Annexure 1
2. Disclosure as per line items stated under Regulation 52(2) of the Regulations –attached as Annexure 2
3. Disclosure under Regulation 54(2) of the Regulations is stated hereinbelow:

Extent and Nature of Security for Series A to Series F:

- i. first ranking exclusive charge by way of registered equitable mortgage on immovable property comprising of land and building constructed on land admeasuring 21.59 acres situated in survey no. 43, 44 (part) and 46 (part) at phase II Karnataka Industrial Areas Development Board, Electronic city, Bangalore, together with Technology Park (Bangalore Tech Park) and the Hotel named "**Crowne Plaza Bengaluru Electronics City**" (formerly known as 'The Otterra') constructed on the land situated at Survey No. 43, 44 (part) and 46 (part) Phase II, Industrial Area, Doddathogur Village, Begur Hobli, of Electronics City, Bangalore – 560 100,
- ii. hypothecation of all receivables from IT Park and all monies lying in credit of the DSRA Account, Designated Account and Escrow Accounts, all cash flows and receivables from Crowne Plaza Bengaluru Electronics City, all moveable assets, intangible assets, book debts, receivables etc and



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



VELANKANI

- iii. All the right, title, benefit, claims and interest of the Company under all contracts, agreements, insurances, Licenses, approvals, permits, authorizations, no objections etc pertaining to IT Park and Hotel.
- iv. personal guarantee of Mr Kiron D Shah, Managing director
- v. A first ranking exclusive Pledge created over the 7,37,00,067 equity shares of Re.1/- each of the Company
- vi. A sponsor support undertaking by the promoters viz., Mr Kiron Shah, Managing Director and Velankani Mauritius Limited in terms of the Sponsor Support Agreement
- vii. A non-disposal undertaking in relation to the shares and securities of Velankani Mauritius Limited held by Velankani Holding Mauritius Limited in terms of VHML Agreement.
- viii. A non-disposal undertaking in relation to the shares and securities of Velankani Holding Mauritius Limited held by Mr. Kiron Shah, Mr. Shankar Iyer and Mr. Gurdeep Singh, Directors of the Company in terms of VHML Shareholders Agreement

Extent and Nature of Security for Series G to Series I:

- i. A second ranking charge by way of registered equitable mortgage on immovable property comprising of land and building constructed on land admeasuring 21.59 acres situated in survey no. 43, 44 (part) and 46 (part) at phase II Karnataka Industrial Areas Development Board, Electronic city, Bangalore, together with Technology Park (Bangalore Tech Park) and the Hotel named "*Crowne Plaza Bengaluru Electronics City*" (formerly known as 'The Oterra') constructed on the land situated at Survey No. 43, 44 (part) and 46 (part) Phase II, Industrial Area, Doddathogur Village, Begur Hobli, of Electronics City, Bangalore – 560 100,
- ii. (i) A first and exclusive charge in the nature of a hypothecation over the New Escrow Account, the Designated Account and DSRA Account, together with all monies lying to the credit thereof from time to time, (including monies lying to the credit of the DSRA Account towards the DSRA Requirement, in the New Escrow Account towards the New Escrow Minimum Balance and any Permitted Investments made from such accounts in terms of this Deed); (ii) a second ranking charge in the nature of hypothecation over the Surplus Account, the Existing Escrow Accounts and Existing DSRA Accounts (including monies lying to the credit of the Surplus Account, the Existing Escrow Accounts and Existing DSRA Accounts); (iii) a second ranking charge in the nature of hypothecation over the Moveable Properties and the Receivables (including DBOI Annual Advance Rentals), as well as any accounts, where such Receivables are maintained and any investments made out of such Receivables; ; and (iv) a first and exclusive charge in the nature of a hypothecation over the VEPL Loan Receivables, to be created by the Company in terms of the Deed of Hypothecation;



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- iii. An unconditional and irrevocable Personal Guarantee to be executed by Mr. Kiron Shah in favour of the Debenture Trustee in a form and manner satisfactory to the Debenture Trustee; Provided however it is clarified that Mr. Kiron Shah shall be at liberty to give personal guarantees for his other businesses.
- iv. A second ranking Pledge created over the Pledged Securities, held by the Pledgors in terms of the Share Pledge Agreement;
- v. A sponsor support undertaking by the Promoters, Mr Kiron Shah, Managing Director and Velankani Mauritius Limited in terms of the Sponsor Support Agreement;
- vi. A non-disposal undertaking in relation to the shares and securities of Velankani Mauritius Limited held by Velankani Holding Mauritius Limited in terms of VHML NDA;
- vii. A non-disposal undertaking by the Company in relation to 51% (Fifty One) percent of the issued and paid up share capital of Velankani Electronics Private Limited (*calculated on fully diluted basis*);
- viii. A non-disposal undertaking in relation to the shares and securities of Velankani Holding Mauritius Limited held by Mr. Kiron Shah, Mr. Shankar Iyer and Mr. Gurdeep Singh in terms of VHML NDA.

We request you to kindly take the same on your records.

Thanking You

Sincerely,

For Velankani Information Systems Ltd

Name: Anju Prakash

Designation: Company Secretary

ACS: 12799



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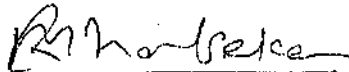
Independent Auditor's Review Report**To the Board of Directors of Velankani Information Systems Limited**

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

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	10,522.21
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



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
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


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)

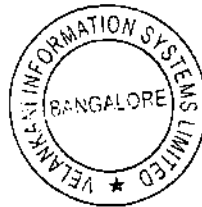
2 Outstanding Redeemable Preference Shares as on September 30, 2016 - NIL

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

K. D. Shah

Kiron D Shah
Managing Director
DIN : 00056091

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





VELANKANI

ANNEXURE 2.

14th November 2016

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

Dear Sir,

Sub: Half Yearly Communication for the half year ended 30th September 2016 to BSE Limited

As per Regulations 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity, while submitting half yearly / annual financial results, shall disclose certain line items as specified thereunder along with the financial results.

In respect of 3550 Secured Listed Rated Redeemable Non-Convertible Debentures aggregating to Rs. 355,00,00,000/- (Rupees Three Hundred and Fifty Five Crores only) issued by the Company, we hereby submit the following information as on September 30, 2016:

(a) credit rating and change in credit rating (if any); - credit rating as on 30th September 2016

Credit Rating Series A – CARE Rating AA(SO)
Credit Rating Series B – CARE Rating A –(SO)
Credit Rating Series C – CARE Rating AA(SO)
Credit Rating Series D – CARE Rating A –(SO)
Credit Rating Series E – CARE Rating AA(SO)
Credit Rating Series F - CARE Rating AA (SO)
Credit Rating Series G – CARE Rating BBB
Credit Rating Series H – CARE Rating BBB
Credit Rating Series I – CARE Rating BBB

(b) asset cover available, in case of non convertible debt securities – 1.43

(c) debt-equity ratio – 3.89

(d) previous due date for the payment of interest/ dividend for non-convertible redeemable preference shares/ repayment of principal of non-convertible preference shares /non convertible debt securities and whether the same has been paid or not:



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www.velankaniindia.com



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Previous due date for the payment of interest and amount:

Name	Interest Paid (In INR)	Due Date	Actual Date of Payment	Whether paid within due date
Aditya Birla Finance Limited	1,35,45,000	10.09.2016	08.09.2016	Yes
IL & FS Infra Asset Management Limited	1,29,25,579	10.09.2016	08.09.2016	Yes
IIFCL Asset Management Company Ltd	39,47,945	10.09.2016	08.09.2016	Yes
Total	3,04,18,524			

(e) next due date for the payment of interest/ dividend of non-convertible preference shares /principal along with the amount of interest/ dividend of non-convertible preference shares payable and the redemption amount;

Next Due date for the payment of Interest is 10th October 2016.

(f) debt service coverage ratio – 2.39

(g) interest service coverage ratio: 2.39

(h) outstanding redeemable preference shares (quantity and value); - NIL

(i) ~~capital redemption reserve~~/debenture redemption reserve: Rs. 2605.13 lakhs

(j) net worth: Rs. 9127.06 lakhs

(k) net profit after tax: Rs.1041.65 lakhs


(l) earnings per share: Rs. 1.41 per share

The necessary certificate from the Debenture Trustee is also attached herewith.

You are requested to kindly take the same on record.

Thanking You

Sincerely,
For Velankani Information Systems Ltd


Anju Prakash
Company Secretary
ACS: 12799



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November 14, 2016

To,

Ms. Anju Prakash
Company Secretary
Velankani Information Systems Limited
43 Eletronics City, Phase-Ii, Hosur Road
Bangalore Karnataka 560100 India
Dear Madam,

Sub: Half Yearly Certificate of Debenture Trustee for September 30, 2016

In compliance of the requirements of Chapter V, Regulation 52, Sub – Regulation (4) and (5) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for Non – Convertible Debt Securities we would like to state as under:

We, Vistra ITCL (India) Limited (formerly known as IL&FS Trust Company Limited), are acting as a Debenture Trustee for the Secured, Redeemable, Rated, Listed, Non-convertible Debenture issue aggregating to Rs. 355 crores of Velankani Information Systems Limited ('Company')

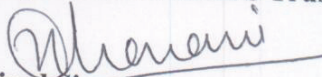
With reference to above, we have received the following documents from the Company and have noted its contents without verification:

1. Half Yearly Communication for the half year ended 30th September, 2016 to BSE Limited
2. Financial Results for the half year ended September 30, 2016
3. Independent Auditors Review Report
4. Credit Rating Letters (CARE) dated August 31, 2016 for Rs. 40 crores and Rs. 315 Crores

This certificate has been signed and issued by us based on documents (mentioned above) submitted by you.

Thanking You.

Sincerely,
For Vistra ITCL (India) Limited
(Formerly known as IL&FS Trust Company Limited)


Authorized Signatory

Place: Mumbai