

NOTICE OF ANNUAL GENERAL MEETING



ZYLOG SYSTEMS LIMITED

Regd. Off. : 155, Thiruvalluvar Salai, Kumaran Nagar,
Sholinganallur, Chennai – 600119

Tel : 044 – 49157000, Fax : 044 -49157009,

Website : www.zsl.com E-mail id :- secretarial@zsl.com

Corporate Identification Number : L30006TN1995PLC03161

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Nineteenth Annual General Meeting of Zylog Systems Limited will be held on Wednesday 19th November, 2014 at 2.00 P.M at the Mini Hall, Narada Gana Sabha, No 314, Old No 254 TTK Road, Chennai – 600018 to transact the following business:

ORDINARY RESOLUTIONS:

1. Adoption of Financial Statements

To receive, consider and adopt the Directors' Report, the Audited Balance Sheet as at 31st March, 2014, the Profit and Loss Account for the year ended 31st March, 2014 and the Report of the Auditors thereon

2. To appoint a director in place of Mr. K.S. Subramanian who retires by rotation and, being eligible, offers himself for re-appointment as an Independent Director as :-

RESOLVED THAT pursuant to the provisions of Sections 149,150 ,152 and 161 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. K. S. Subramanian (DIN 06835374) be and is hereby appointed as a Director and who shall be the Independent Director of the Company not liable to retire by rotation for a term of three consecutive years from this Annual General Meeting.

3. Appointment of Statutory Auditors

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Ramadoss & Co Chartered Accountants, Chennai (Firm Registration No. 028795) be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 24th Annual General Meeting of the Company, on a remuneration as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS

4. Appointment of Mr. M. Gajhanathan as an Independent Director of the Company.

To consider and if deemed fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149,150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. M. Gajhanathan (DIN:01423732) be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a term of three consecutive years from this Annual General Meeting.

5. Borrowing Limits of the Company

To consider and if deemed fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT in supersession of the Ordinary Resolution passed by the Company and pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), consent is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) of the Company, for borrowing any sum or sums of money from time to time whether in Indian rupees or foreign currency, whether unsecured or secured, notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) will or may exceed the aggregate of paid-up capital and free reserves of the Company and that the total amount up to which the moneys borrowed by the Board of Directors and outstanding shall not exceed the sum of Rs. 2,000 crores (Rupees Two Thousand crores only) at any point of time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.

6. Creation of Mortgage/ Charge on the movable and immovable properties of the Company

To consider and if deemed fit, to pass the following resolution as a Special Resolution:

RESOLVED THAT in supersession of the Ordinary Resolution passed by the Company and pursuant to the provisions of section 180(1)(a) of the Companies Act 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent is hereby accorded to the Board of Directors of the Company (including a duly constituted Committee thereof) for mortgaging and/or charging all the immovable and movable properties of the Company, present and future, wheresoever situate, and whole or any part of the undertaking of the Company for borrowing upto Rs. 2,000 Crores (Rupees Two Thousand crores only) in respect of any term loans, foreign currency borrowing including external commercial borrowing, buyer's credit or syndicated loan, non-convertible debentures etc., issued by the Company together with interest at the agreed rate, additional interest, liquidated damages, commitment charges, costs, charges, expenses and all other monies payable by the Company to the lenders/ Trustees to the holders of the non-convertible debentures, with such ranking and at such time and on such terms as the Board may determine.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with the Bankers/Financial Institutions and Lenders/Trustees to the holders of the non-convertible debentures, as the case may be the documents for creating the aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above resolution.

7. Increase in Authorized Share Capital of the Company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 61(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and subject to such other rules framed thereunder, the authorized share capital of the Company be and is hereby increased from Rs. 40,00,00,000 (Rupees Forty Crores only) divided into 8,00,00,000 (Eight Crores) Equity Shares of Rs. 5/- each to Rs. 100,00,00,000 (Rupees One Hundred Crores only) divided into 20,00,00,000 (Twenty Crores) Equity Shares of Rs. 5/- each, by creation of additional 12,00,00,000 (Twelve Crores) Equity Shares of Rs. 5/- each.”

“RESOLVED FURTHER THAT the board of directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary for giving effect to this resolution

8. Amendment of Memorandum of Association of the Company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 13 read with Section 61 and other applicable provisions of the Companies Act, 2013, Clause V of the Memorandum of Association of the Company be and is hereby substituted and read as under :-

The Authorized share capital of the Company is Rs. 100,00,00,000 (Rupees One Hundred Crores only) divided into 20,00,00,000 (Twenty Crores) Equity Shares of Rs. 5/- each with the rights, privileges and conditions attached thereto as are provided by the regulations of the Company for the time being, with power to increase and reduce the Capital of the Company and to divide the shares in the capital for the time being in accordance with provisions of the Act and the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters that may be necessary, desirable or expedient for giving effect to the aforesaid resolution.”

9. Further Issue of Securities

To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:-

“RESOLVED THAT pursuant to the provisions of Section 62 (1)(c) and Section 42 and all other applicable provisions of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof) (the “Companies Act”) read with Companies (Share Capital & Debentures) Rule, 2014, (“Rules”, the relevant provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time, (the “ICDR Regulations”), the provisions of the Foreign Exchange Management Act, 2000 (“FEMA”), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2010, the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2009, Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2009, the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2009 and Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 (the “1993 Scheme”) as amended from time to time and such other statutes, notifications, clarifications, circulars, rules and regulations as may be applicable and relevant, as amended from time to time and issued by the Government of India (the “GOI”), the Reserve Bank of India (the “RBI”), the Foreign Investment Promotion Board (the “FIPB”), the Securities and Exchange Board of India (the “SEBI”), Stock Exchanges and any other appropriate authorities, institutions or bodies, as may be applicable and the enabling provisions of the Listing

Agreements entered into by the Company with the stock exchanges on which the Securities of the Company are listed (the "Listing Agreements") and Memorandum and Articles of Association of the Company, and subject to such approvals, consents, permissions and sanctions, if any, of the GOI, RBI, FIPB, SEBI, Stock Exchanges and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions as may be prescribed/stipulated by any of them while granting such approvals, consents, permissions and sanctions which may be agreed/accepted to by the Board of Directors of the Company (hereinafter referred to as the "Board" which shall be deemed to include any committee thereof, constituted or to be constituted to exercise its powers), the Board may, in its absolute discretion, create, offer, issue and allot, in one or more tranches, in domestic and/or international markets, equity shares or warrants simultaneously with Non-Convertible Debentures (NCDs) / Partly Convertible Debentures (PCDs) and / Optionally Convertible Debentures (OCDs) and / Fully Convertible Debentures (FCDs) or Foreign Currency Convertible bonds ("FCCBs") or American Depository Receipts convertible into equity shares of the Company including Convertible Bonds within India or such other securities exchangeable or convertible into equity shares of the Company (hereinafter referred to as "Securities"), for an aggregate amount not exceeding Rs.500 crore (Rupees Five Hundred Crore only), inclusive of such premium, as may be finalised by the Board, at such price being not less than the price determined in accordance with the applicable Guidelines/Regulations issued by SEBI or the Ministry of Finance or the RBI and such issue and allotment to be made on such terms and conditions as may be decided by the Board at the time of issue or allotment of the Securities.

RESOLVED FURTHER THAT if any issue of Securities is made by way of a qualified institutions placement in terms of Chapter VIII of the SEBI ICDR Regulations (hereinafter referred to as "Specified Securities" within the meaning of SEBI ICDR Regulations), the Specified Securities, or any combination of Specified Securities as may be decided by the Board, issued for such purpose, shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations and the Specified Securities shall not be eligible to be sold for a period of twelve months from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time under the SEBI ICDR Regulations.

RESOLVED FURTHER THAT the relevant date for the purpose of pricing of the Securities proposed to be issued in accordance with SEBI ICDR Regulations or the 1993 Scheme, shall be determined by the Board in compliance with applicable law, pursuant to the receipt of shareholders' approval in terms of Section 62 (1)(c) and Section 42 and other applicable provisions, if any, of the Companies Act and other applicable laws, regulations and guidelines in relation to the proposed issue of the Specified Securities, through a qualified institutions placement in accordance with Chapter VIII of the SEBI ICDR Regulations as amended from time to time or the proposed issue of other Securities in accordance with the 1993 Scheme as amended from time to time, as mentioned in the resolution above.

RESOLVED FURTHER THAT in the event that where Securities which are convertible into equity shares of the Company are issued under Chapter VIII of the SEBI ICDR Regulations or the 1993 Scheme, the relevant date for the purpose of pricing of the Securities, shall be the meeting in which the Board decides to open the issue of the Specified Securities subsequent to the receipt of shareholders' approval in terms of Section 62 (1)(c) and Section 42 and all other applicable provisions of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act and other applicable laws, regulations and guidelines in relation to the proposed issue of Specified Securities by way of a qualified institutions placement in accordance with the SEBI ICDR Regulations or in accordance with the 1993 Scheme, and which shall be subject to any amendments to the SEBI ICDR Regulations or the 1993 Scheme as mentioned above OR the date on which the holder of such Specified Securities, which are convertible into or exchangeable with the equity shares, becomes entitled to apply for the equity shares against such Specified Securities.

RESOLVED FURTHER THAT the consent of the Company be and is hereby granted in terms of section 180 and other applicable provisions, if any, of the Companies Act and subject to all necessary approvals to the Board to secure, if necessary, all or any of the Securities or Specified Securities to be issued, by the creation of a mortgage and/or charge on all or any of the Company's immovable, movable and/or intangible assets, both present and future in such form and manner and on such terms as may be deemed fit and appropriate by the Board.

RESOLVED FURTHER THAT the issue to the holders of the Securities or Specified Securities shall be, inter alia, subject to the following terms and conditions:

- i. the Securities or Specified Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and
- ii. the equity shares proposed to be issued through the qualified institutions placement in accordance with the SEBI ICDR Regulations or in the form of American Depositary Receipts including Convertible Bonds within India reflecting underlying equity shares of the Company or FCCBs convertible into equity shares of the Company, and allotment of equity shares upon conversion of any Securities referred to above, shall rank pari-passu with the then existing equity shares of the Company in all respects including dividend.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws, approvals, consents, permissions, if any, of any governmental body, authority or regulatory institution including any conditions as may be prescribed/stipulated in granting such approvals or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and the Board subject to applicable laws, regulations and guidelines, be and is hereby authorised in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval of the preliminary as well as final offer document(s), determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, execution of various transaction documents, creation of mortgage/charge in accordance with the provisions of Companies Act, in respect of any Securities as may be required either on pari-passu basis or otherwise as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities or Specified Securities and utilisation of the issue proceeds as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint such consultants, lead managers, underwriters, guarantors, depositories, custodians, registrars, share transfer agents, escrow banks, stabilizing agents, trustees, bankers, lawyers and any other advisors, professionals and intermediaries and all such agencies as may be involved or concerned in such offerings of Securities or Specified Securities and to remunerate them by way of commission, brokerage, fees or the like and to enter into and execute all contracts, agreements, arrangements/MoUs/documents with such agencies as may be required or desirable in connection with the issue of Securities including the listing of the Securities, if any, on any stock exchanges in India and outside India.

RESOLVED FURTHER THAT the Board be and is hereby authorised to form a committee or delegate all or any of its powers to any committee of directors of the Company to give effect to the aforesaid resolutions and is authorised to take such steps and to do all such acts, deeds, matters and things and accept any alteration(s) or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of Securities or Specified Securities including but not limited to:

- a. Approving the offer document and filing the same with any authority or persons as may be required;
- b. Approving the issue price, the number of Securities to be allotted, the basis of allocation and allotment of Securities;
- c. Affixing the Common Seal of the Company on any agreement(s)/document(s) as may be required to be executed in connection with the above, in the presence of any Director of the Company and persons authorised who shall sign the same in token thereof;
- d. Arranging the delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of Securities by the Company;
- e. Seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in or outside India, and any other consents that may be required in connection with the issue and allotment of the Securities;
- f. Taking decision to open the issue, decide bid opening and closing date;
- g. Opening such bank accounts and demat accounts as may be required for the transaction(s);
- h. Do all such acts, deeds, matters and things and execute all such other documents and pay all such fees, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transaction(s);
- i. Making all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;
- j. Making applications for listing of the Securities of the Company on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s); and
- k. Authorising or delegating all or any of the powers herein above conferred to any or more persons, if need be".

For and on Behalf of the Board
For Zylog Systems Limited

-s/d-

Ramanujam Sesharathnam
Managing Director & COO

Date: 14th August, 2014
Place: Chennai

Notes:

1. Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder
2. The explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Items No. 2, 4 to 9 which sets out the details with respect to the special business to be transacted at the meeting is annexed hereto
3. The Register of Members and Share Transfer Books of the Company will remain closed from 17th November, 2014 to 19th November, 2014 (both days inclusive). The cut-off date for determining voting rights for e-voting on resolutions listed for the Annual General Meeting will be 17th October, 2014.
4. As per the provisions of section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014 Shareholders holding shares in physical form may file nomination in the prescribed SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in demat form, the nomination form may be filed with the respective Depository Participant
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
7. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their dematerialized accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent M/s Cameo Corporate Services Limited
8. Members holding shares in electronic form are requested to intimate immediately any change in their address to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to Cameo.
9. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company or M/s Cameo Corporate Services Limited, No.1, Subramanian Building, Club House Road, Anna Salai, Chennai, Tamil Nadu 600002 for assistance in this regard.

10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Cameo for consolidation into a single folio.
11. Details pertaining to Directors seeking appointment required as per Clause 49 of the Listing Agreement is provided in the Explanatory Statement to this notice.
12. Pursuant to Clause 32 of the Listing Agreement entered into with the Stock Exchanges and Sections 20, 101 and 136 of the Companies Act, 2013, electronic copy of Annual Report and this Notice inter-alia indicating the process and manner of e- voting along with Attendance Slip and proxy form are being sent by e- mail to those shareholders whose e-mail addresses have been made available to the Company/ Depository Participants unless any member has requested for a hard copy of the same.
13. In terms of Circular No. NDSL/CIR/II/10/2012 dated March 09, 2012 for those Members whose Depository Participant accounts do not contain the details of their email addresses, printed copies of the Notice of Annual General Meeting and Annual Report for the year ended March 31, 2014 are being dispatched in the mode prescribed under Companies Act, 2013
14. Members holding shares in electronic mode are requested to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to Cameo Corporate Services Limited, No. 1, Subramanian Building, Club House Road, Anna Salai, Chennai – 600 002 quoting their folio number(s).
15. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public holidays up to the date of the Annual General Meeting.
16. Shareholders may note that the Notice to the 19th annual general meeting of the company and the annual report for 2013-2014 will also be made available in the Company's website www.zsl.com All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company
17. Mr. I.B. Harikrishnan, Practising Company Secretary (Membership No. 5829) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
18. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Managing Director of the Company.
19. The instructions for shareholders voting electronically are as under:
 - (i) The voting period begins on 6th November, 2014 and 9.00 A.M and ends on 8th November, 2014 and 6.00 P.M During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 17th October, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.(Sequence number has been provided as Serial Number (SL NO.) in the Address Label - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

By the order of the Board
For Zylog Systems Limited

Date: 14th August, 2014
Place: Chennai

-s/d-
Ramanujam Sesharathnam
Managing Director & COO

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 2& 4 to 9 of the accompanying Notice:

Item No. 2

Mr.K.S. Subramanian is an Independent Director on the Board of the Company within the definition of Independent Directors under Clause 49 of the Listing Agreements entered with the Stock Exchanges.

Mr.K.S. Subramanian was appointed as Director at the Annual General Meeting held on 10th April, 2014 who retires by rotation at the ensuing Annual General Meeting. Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation. Accordingly the Board of Directors decided to appoint Mr.K.S. Subramanian as an Independent Director to comply with Section 149(4) of the Companies Act, 2013.

Mr.K.S. Subramanian have given a declaration to the Board that he meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, Mr.K.S. Subramanian fulfils the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the management.

The Board considers that the continued association of Mr.K.S. Subramanian would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director of the Company.

The terms and conditions of appointment of Mr.K.S. Subramanian as Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day excluding Saturday.

The Board recommends the ordinary resolutions at Item Nos. 2 for approval by the Members.

Memorandum of Interest

Except Mr.K.S. Subramanian, being the appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolutions.

A brief profile of Mr.K.S. Subramanian is given below as annexure to the Notice

Item Nos. 4

Mr. M. Gajhanandhan is an Independent Director on the Board of the Company within the definition of Independent Directors under Clause 49 of the Listing Agreements entered with the Stock Exchanges. Mr. M. Gajhanandhan joined the Board of the Company in March, 2002.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation. Accordingly the Board of Directors thought it fit to appoint Mr. M. Gajhanandhan as one of the Independent Directors as required under Section 149(4) of the Companies Act. 2013.

Mr. M. Gajhanandhan meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, Mr. M. Gajhanandhan fulfils the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the management.

The Board considers that the continued association of Mr. M. Gajhanandhan would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director of the Company.

The terms and conditions of appointment of Mr. M. Gajhanandhan as Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day excluding Saturday.

The Board recommends the ordinary resolution at Item Nos. 4 for approval by the Members.
Memorandum of Interest

Except Mr. M. Gajhanandhan, being the appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolutions.

A brief profile of Mr. M. Gajhanandhan is given below as annexure to the Notice

Item No. 5 & 6

Section 180 of the Companies Act, 2013 (the Act) (corresponding to Section 293 of the Companies Act, 1956) has been notified by Ministry of Corporate Affairs (MCA) with effect from September 12, 2013. In terms of Section 180(1)(c) borrowings by a Company apart from temporary loans obtained from the Company's bankers in excess of its paid-up capital and free reserves, require the approval of the Members by way of special resolution.

Section 180(1)(a) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not, without the consent of members in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

Members of the Company at the General Meeting had pursuant to Section 293(1)(d) of the Companies Act, 1956, approved the borrowings over and above the aggregate of paid up share capital and free reserves of the Company

The members of the Company under Section 293(1)(a) of the Companies Act, 1956 had also approved creating mortgages/ charges/ hypothecations on the movable and immovable properties of the Company in favour of the lending agencies/debenture trustees.

The Ministry of Corporate Affairs (MCA) has vide its Circular dated March 25, 2014 clarified that the resolution passed under Section 293 of the Companies Act, 1956 as Ordinary Resolutions prior to September 12, 2013 with reference to borrowings (subject to the limits prescribed) and/or creation of security on assets should be passed as Special Resolution Under Section 180 of the Act., Accordingly fresh approval of the Members is being sought under Section 180 of the Companies Act, 2013.

The Board recommends the Special Resolutions at Item Nos. 5 & 6 for approval by the Members.

Memorandum of Interest

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise in the resolutions.

ITEM NO.7& 8

The Board of Directors of the Company is contemplating issue of certain Securities as referred to in Notice as resolution No. 9, which will result in increase in paid-up capital of the Company. Hence to accommodate the further issue of securities, The Board of Directors proposes to increase the authorised share capital of the Company. Therefore, it is proposed to increase authorised share capital from Rs. 40 Crores to Rs. 100 Crores. Pursuant to section 61(1) and other applicable provisions of the Companies Act, 2013, the consent of shareholders is required for increasing the authorised share capital of the Company. Hence the Board of Directors recommends the proposed resolution for your approval.

Consequent to increase in the authorised share capital, it is necessary to amend the existing capital clause of the Memorandum of Association of the Company.

Consequent to increase in authorized share capital of the Company, it is necessary to make amendments to the Memorandum of Association of the Company..The Copy of the Memorandum of Association along with the proposed amendments are available for inspection during the business hours of the Company.

The Board recommends the resolutions for approval of the shareholders.

None of the directors and key managerial personnel and their relatives is concerned or interested in the above referred resolutions.

Item No.9

The resolution mentioned in Item 9 relates to a proposal by the Company to create, offer, issue and allot Securities through further public offerings, preferential allotments, qualified institutions placements, issuance of Foreign Currency Convertible Bonds, including Convertible Bonds issued within India American depository receipts and such other Securities in such manner as stated in the resolution. The Company intends to issue Securities for a value of up to Rs. 500 Crores [including premium]. Subject to applicable laws and regulations, the Company intends to use the net proceeds of the Issue primarily for making acquisition, expansion and modernization of existing facilities, repayment of existing debt, working capital requirements and general corporate purpose.

The Special Resolution also seeks to empower the board of directors to undertake a qualified institutions placement with qualified institutional buyers as defined by SEBI (ICDR) Regulations. The board of directors, may in their discretion adopt this mechanism as prescribed under Chapter VIII of the SEBI (ICDR) Regulations for raising the funds for the expansion plans of the company, without the need for fresh approval from the shareholders.

In case of an issuance of Securities to qualified institutional buyers, whether or not such investors are existing members of the Company, through a qualified institutions placement under Chapter VIII of the SEBI (ICDR) Regulations, the final price at which the Securities will be offered will be subject to investor response and prevailing market conditions, and computed in accordance with the relevant provisions of Chapter VIII of the SEBI (ICDR) Regulations.

The detailed terms and conditions of the issue as and when made will be determined by the Board of Directors in consultation with the merchant bankers, lead managers, advisors and other experts in accordance with the applicable provisions of law.

The Special Resolution seeks to give the Board powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies or otherwise as the Board in its absolute discretion deem fit.

The consent of the Shareholders is being sought pursuant to the provisions of Section 62(1)(c) and Section 42 of the Companies Act, 2013 and other applicable provisions and Companies (Share Capital & Debentures) Rules, 2014 of the Companies Act, 2013, and in terms of the provisions of the listing agreements executed by the Company with the Stock Exchanges where the Equity Shares of the Company are listed i.e. Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

Section 62(1)(c) of the Companies Act, 2013 provides, inter-alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in accordance with the Act unless the shareholders in a general meeting decide otherwise. The special resolution seeks the consent and authorization of the members to the Board to make the proposed issue of Securities and in the event it is decided to issue Securities convertible into Equity Shares, to issue to the holders of such convertible Securities in such manner and such number of Equity Shares on conversion as may be required to be issued in accordance with the terms of the issue.

The Board of Directors believe that the issue of Securities to investors who are/ are not Shareholders of the Company is in the interest of the Company and therefore recommends the resolution for your approval.

None of the directors and key managerial personnel and their relatives is in any way concerned or interested in the above referred Resolutions.

For and on Behalf of the Board
For Zylog Systems Limited

Date: 14th August, 2014
Place: Chennai

-s/d-
Ramanujam Sesharathnam
Managing Director & COO

ANNEXURE TO THE NOTICE

Details of Directors Seeking Appointment/Re-appointment at the Annual General Meeting

Particulars	K.S Subramanian	M. Gajanathan
Date of Birth	17/09/1943	15/01/1957
Date of Appointment	14/02/2014	31/03/2002
Qualification	B.Com, F.C.M.A (Fellow of Cost and Management Accountants)	Master of Arts, Chennai University, LLB – Bangalore University
Expertise in specific functional areas	Accounting & Financial functions	Administration and Legal Functions
Directorships held in other companies (excluding foreign companies)	NIL	NIL
Memberships/ Chairmanships of committees of other companies (includes only Audit Committee and Shareholders/Investors Grievance Committee)	NIL	NIL
Number of shares held in the Company	Nil	Nil
Interse relationship with any Director	Nil	Nil

ZYLOG SYSTEMS LIMITED
Regd. Off. : 155, Thiruvalluvar Salai, Kumaran Nagar,
Sholinganallur, Chennai – 600119
Tel : 044 – 49157000, Fax : 044 -49157009,
Website : www.zsl.com E-mail id :- secretarial@zsl.com
Corporate Identification Number : L30006TN1995PLC03161

ATTENDANCE SLIP

I/We here by record my/our presence at the **NINETEENTH ANNUAL GENERAL MEETING** of the Company at Mini Hall, Narada Gana Sabha, No 314, Old No 254 TTK Road, Chennai – 600018 at 2.00 P.M. on Wednesday, the 19th November, 2014.

Member's Folio/DP ID-Client IDNo.	
Member's/Proxy's Name in Block Letters	
No of Shares	
Member's/Proxy's Signature	

Note:

1. Please Complete the Folio/DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance verification counter at the **ENTRANCE OF THE MEETING HALL**.
2. Members holding shares in physical form are requested to advise the change in their address, if any, to M/s Cameo Corporate Services Limited,
3. Members are requested to bring this slip alongwith them as duplicate slips will not be issued at the venue of the Meeting.

ZYLOG SYSTEMSLIMITED
Regd. Off. : 155, ThiruvalluvarSalai, Kumaran Nagar,
Sholinganallur, Chennai – 600119
Tel : 044 – 49157000, Fax : 044 -49157009
CIN : L30006TN1995PLC03161

PROXY FORM - FORM MGT- 11

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio/DP ID-Client ID No. :

I/We, being the member(s) holding.....shares of the
above named company, hereby appoint:

(1)Name.....Address.....
..... Email Id: Signature.....or
failing him/her;

(2)Name.....Address.....
..... Email Id: Signature.....or
failing him/her;

(3)Name.....Address.....
..... Email Id: Signature.....or
failing him/her;

my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Nineteenth Annual General Meeting of the Company to be held on Wednesday, the 19th November, 2014 at 2.00 p.m. at Mini Hall, Narada Gana Sabha, No 314, Old No 254 TTK Road, Chennai – 600018 , and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
1	To Consider and adopt Financial Statements of the Company for the year ended 31st March, 2014 together with the Reports of the Board		
2	To appoint a director in place of Mr. K.S. Subramanian who retires by rotation and to appoint as Independent Director of the Company		
3	Appointment of Statutory Auditors		
4	Appointment of Mr. M. Gajhanathan as an Independent Director		
5	<u>Borrowing Limits under Section 180 (1) (c) of the Companies Act, 2013</u>		
6	Creation of Mortgage/ Charge on the movable and immovable properties of the Company under Section 180 (i) (a) of the Companies Act, 2013		
7	Increase In Authorized Share Capital of the Company		
8	Amendment of Memorandum of Association of the Company		
9	Further issue of Securities		

Signed this day of 2014.

Signature of the Shareholder

Signature of Proxy holder(s)

Affix Re.1
Revenue
Stamp

Note :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the Meeting.
2. It is optional to put a "X" in the appropriate column against the Resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. Please complete all details of member(s) in the above box before submission.

IF UNDELIVERED, PLEASE RETURN TO:

ZYLOG SYSTEMS LIMITED
No. 155, Thiruvalluvar Salai,
Kumaran Nagar, Sholinganallur
Chennai – 600119
Phone: 044-49157000