



14th November, 2017

To The Secretary Bombay Stock Exchange Limited Phiroze Jee Jee Bhoy Towers Dalal Street, Mumbai 400 001	To The Manager, National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East),Mumbai – 400 051
---	---

Sir,

SUB: OUTCOME OF BOARD MEETING

This is to inform that at the Meeting of the Board of Directors of the Company held on Tuesday, at 2:30 PM, November 14, 2017 at the ITC-Welcome Hotel, #10 Cathedral Road, R K Salai, Chennai – 600 004, the Board of Directors

1. Approved the Un-Audited Standalone and Consolidated Financials of the Company for the quarter ended 30th September, 2017.
2. The Board discussed the status of the application filed by Administrator seeking permission of the Hon'ble High Court, Madras to conduct the 22nd Annual General Meeting of the Company for the Financial Year 2016-17 which is pending before the Hon'ble High Court, Madras. The Board was informed by the lawyer that an order on the matter is expected to be passed any time.

The meeting concluded on 22:15 HRS

Kindly take the above on records and oblige.

Yours faithfully,
For **Zylog Systems Limited**


Authorised Representative
(Dilip R Misser)





CHARTERED ACCOUNTANT

T.R. Sarathy

Chartered Accountant

6, Sapthagiri Colony,

Ashok Nagar,

Chennai 600 083.

Ph: 9381735153

Email: sarathy20260@gmail.com

Auditors' Certificate

Review Report to the Board of Directors of Zylog Systems Limited

We have reviewed the accompanying statement of unaudited financial results of **M/s. Zylog Systems Limited** ("the Company") and its subsidiaries (together the Group) for the period ended 30th Sep 2017, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2016, except for the disclosures regarding 'Public Shareholding', 'Promoter and Promoter Group Share Holding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Engagements to Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Chennai
Date: 14th November 2017


T. R. Sarathy
Chartered Accountants
Membership No: 025982



PART I							Rs. in lakhs (Except per share data)
Statement of Standalone Unaudited Financials Results for the Quarter and Half Year Ended 30th September 2017							
Sl No.	Particulars	Quarter Ended			Half year Ended		Year Ended
		Sep 30,2017 (Unaudited)	June 30,2017 (Unaudited)	Sep 30,2016 (Unaudited)	Sep 30,2017 (Unaudited)	Sep 30,2016 (Unaudited)	March 31,2017 (Audited)
1	Income from operations						
	(a) Net sales/income from operations	2,588.15	2,458.41	4,212.23	5,046.56	6,871.17	13,463.19
	(b) Other operating income	0.00	0.00	0.00	0.00	0.00	0.00
	Total income from operations (net)	2,588.15	2,458.41	4,212.23	5,046.56	6,871.17	13,463.19
2	Expenses						
	(a) Employee benefits expense	1,770.15	2,124.93	2,787.11	3,895.08	4,872.62	9,668.71
	(b) Other expenses	1,015.68	331.38	937.13	1,347.06	1,646.37	3,407.90
	(c) Depreciation and amortisation expense+	75.99	75.95	59.01	151.94	266.69	490.85
	Total expenses	2,861.82	2,532.26	3,783.25	5,394.08	6,785.68	13,567.45
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(273.67)	(73.85)	428.98	(347.52)	85.49	(104.26)
4	Add: Other income	117.25	1.09	132.41	118.34	132.59	163.36
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	(156.42)	(72.76)	561.39	(229.18)	218.08	59.09
6	Less: Finance costs	37.34	21.14	5.78	58.48	9.56	47.28
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	(193.76)	(93.90)	555.60	(287.66)	208.52	11.82
8	Less: Exceptional items	545.84	(0.07)	0.99	545.77	3.35	3.35
9	Profit / (Loss) from ordinary activities before tax (7 - 8)	(739.60)	(93.83)	554.61	(833.43)	205.17	8.47
10	Less: Tax expense	24.18	23.89	74.17	48.07	119.25	236.95
11	Net Profit / (Loss) from ordinary activities after tax (9 - 10)	(763.78)	(117.72)	480.45	(881.50)	85.92	(228.48)
12	Less: Extraordinary items	0.00	0.00	0.00	0.00	0.00	0.00
13	Net Profit / (Loss) for the period (11 - 12)	(763.78)	(117.72)	480.45	(881.50)	85.92	(228.48)
14	Share of profit / (loss) of associates	0.00	0.00	0.00	0.00	0.00	0.00
15	Net Profit / (Loss) after taxes and share of profit / (loss) of associates (13 + 14)	(763.78)	(117.72)	480.45	(881.50)	85.92	(228.48)
16	Paid-up equity share capital (Face Value of the Share shall be indicated)	2,949.64	2,949.64	2,949.64	2,949.64	2,949.64	2,949.64
17	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	(89,501.88)	(88,738.10)	(88,305.98)	(89,501.88)	(88,305.98)	(88,620.38)
18.(i)	Earnings per share (before extraordinary items) (of Rs. 5/- each) (not annualised):						
	(a) Basic	(1.29)	(0.20)	0.81	(1.49)	0.15	(0.39)
	(b) Diluted	(1.29)	(0.20)	0.81	(1.49)	0.15	(0.39)
18.(ii)	Earnings per share (after extraordinary items) (of Rs. 5/- each) (not annualised):						
	(a) Basic	(1.29)	(0.20)	0.81	(1.49)	0.15	(0.39)
	(b) Diluted	(1.29)	(0.20)	0.81	(1.49)	0.15	(0.39)

Notes :

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 14-Nov-17.
- Since the company's loan accounts have been declared as NPA by banks, No interest has been provided in the accounts. Finance Costs is mainly on account factoring of client invoices in USA operations.
- Other income is mainly on account of foreign exchange fluctuations. Reduction in Employee related expenses is mainly on account of cost reduction measures adopted by the Company.
- The government project executed by the company for the Transport department of Karnataka has been transferred to another implementation Partner by the Main bidder and the company is planning to initiate legal action against the main bidder. Hence the revenue of Rs. 150 lakhs per month from April 2017 has not been recognised.

- 5 Exceptional items includes reversal of an amount of USD 969,598 which was booked as unbilled revenue by USA operations in earlier years and further includes writeback of certain prior period Items.
- 6 The company was not able to get Operational/ Administrative control over the Singapore Subdiary M/s. Zylog Systems Asia Pte Ltd, as the Nominee directors of the Singapore subsidiary have not been cooperating and not providing the information rightlyfully due to the parent company. Further one of the vendors of Zylog Systems Asia Pacific Pte Ltd, Singapore subsidiary has filed a winding up petition against the company and has been taken under the control of the Provisional Liquidator due to non-representation by such Nominee Directors in Sep 2017. Accordingly as a matter of prudence, provision for diminution of 95% of the investment made by the parent company in Zylog Systems Asia Pte Ltd, Singapore has been grouped under "Operation and other Expenses".
- 7 The Company has unpaid Statutory dues pertaining to period prior to Nov ' 15 which was under the control of erstwhile management.
- 8 During the Half year ended 30-Sep-2017, the Company has received demands from various statutory authorities and hence the contingent liability as on 30-Sep-2017 is Rs. 73,171.69 Lakhs.
- 9 The company has also provided contingent liabilities for Rs.239.00 lakhs for the corporate guarantees given to the banks on behalf of its subsidiary companies for the loans availed by them from the banks.
- 10 The Company is engaged primarily in the business of export of Software and IT related services and hence there is no separate reportable segment as per Ind AS 108 (Operating Segments).
- 11 Previous period figures are regrouped / reclassified, to confirm to the current period classification.

Place : Chennai
Date : 14-Nov-17

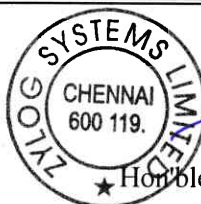


For Zylog Systems Limited


Hon'ble Justice Mr. S. Rajeswaran (Retd.)
Adminsitator

Rs. in lakhs

Standalone statement of assets and liabilities			
	Particulars	Year Ended	
		Sep 30, 2017	Mar 31, 2017
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	2,949.64	2,949.64
	(b) Reserves and surplus	(89,501.88)	(88,620.39)
	Sub-total - Shareholders' funds	(86,552.24)	(85,670.74)
2	Non-current liabilities		
	(a) Deferred tax liabilities (net)	227.68	183.80
	Sub-total - Non-current liabilities	227.68	183.80
3	Current liabilities		
	(a) Short-term borrowings	90,985.46	90,732.52
	(b) Trade payables	590.87	638.43
	(c) Short-term provisions	421.36	849.45
	(d) Other Current Liabilities	4,711.49	4,741.25
	Sub-total - Current liabilities	96,709.18	96,961.65
	TOTAL - EQUITY AND LIABILITIES	10,384.62	11,474.70
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	3,605.79	3,660.47
	(b) Non-current investments	1,329.66	1,924.36
	(c) Deferred tax assets (net)	0.00	0.00
	(d) Long-term loans and advances	110.61	89.24
	(e) Other non-current assets	521.11	540.19
	Sub-total - Non-current assets	5,567.17	6,214.26
2	Current assets		
	(a) Current investments	0.71	0.71
	(b) Inventories	0.00	0.00
	(c) Trade receivables	2,691.71	3,245.86
	(d) Cash and cash equivalents	158.64	255.55
	(e) Short-term loans and advances	1,927.55	1,719.12
	(f) Other current assets	38.89	39.21
	Sub-total - Current assets	4,817.50	5,260.45
	TOTAL - ASSETS	10,384.62	11,474.70



For Zylog Systems Limited

Hon'ble Justice Mr. S. Rajeswaran (Retd.)

Adminsitrator

Place : Chennai

Date : 14-Nov-17

Regd. & Corporate Office : 155, Thiruvalluvar Salai, Kumaran Nagar, Sholinganallur, Chennai - 600 119. Ph : 4915 7000, Fax : 4915 7009

USA Branch : 85, Lincoln Highway, Edison, NJ 08820 USA. Tel : 732-549-9770 Fax : 732 767 6644

www.zsl.com, info@zsl.com CIN : L30006TN1995PLC031651





CHARTERED ACCOUNTANT

T.R. Sarathy

Chartered Accountant

6, Sapthagiri Colony,

Ashok Nagar,

Chennai 600 083.

Ph: 9381735153

Email: sarathy20260@gmail.com

Limited Review Report

Review Report to the Board of Directors of Zylog Systems Limited

1. We have reviewed the accompanying statement of unaudited Consolidated Financial results of M/s. Zylog Systems Limited ("the Company") and its subsidiaries (together the Group) for the quarter ended 30th September 2017, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2016, except for the disclosures regarding 'Public Shareholding', 'Promoter and Promoter Group Share Holding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Engagements to Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and an analytical procedure 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.
3. To the extent stated in paragraph 3(a) stated below. We did not review the consolidated financial results of certain component entities that comprise the Group and are included in the accompanying unaudited consolidated financial results.

3(a) We did not review the statement of the unaudited financial results of all subsidiaries and one branch, whose unaudited quarterly financial results reflect to the total revenue of Rs. 87.99 crs for the Half year ended 30th September 2017. These financial statements and other financial information have not been audited by us and we relied upon the financial statements furnished to us and our opinion on the combined financial statements to the extent is based on the Financial Statements given to us.





CHARTERED ACCOUNTANT

T.R. Sarathy

Chartered Accountant

6, Sapthagiri Colony,

Ashok Nagar,

Chennai 600 083.

Ph: 9381735153

Email: sarathy20260@gmail.com

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Chennai

Date: 14th November 2017



T. R. Sarathy
Chartered Accountant
Membership No. 025982

in Lakhs except per share data

Statement of Consolidated Financial Results for the Quarter and Half Year Ended Sep 30, 2017

Sl No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		Sep 30, 2017	Jun 30, 2017	Sep 30, 2016	Sep 30, 2017	Sep 30, 2016	Mar 31, 2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations						
	(a) Net sales/income from operations	5,085.19	4,188.51	6,051.49	9,273.70	10,720.33	22,146.60
	(b) Other operating income	0.00	0.00	0.00	0.00	0.00	0.00
	Total income from operations (net)	5,085.19	4,188.51	6,051.49	9,273.70	10,720.33	22,146.60
2	Expenses						
	(a) Employee benefits expense	3,714.12	3,843.80	4,471.90	7,557.92	8,308.04	16,771.91
	(b) Other expenses	1,191.06	639.36	1,213.87	1,830.42	2,212.06	4,285.33
	(c) Depreciation and amortisation expense	126.62	126.46	111.52	253.08	376.91	706.37
	Total expenses	5,031.80	4,609.62	5,797.29	9,641.42	10,897.01	21,763.61
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	53.39	(421.11)	254.20	(367.72)	(176.68)	382.99
4	Add: Other income	112.51	13.70	133.48	126.21	140.57	93.74
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	165.90	(407.41)	387.68	(241.51)	(36.11)	476.73
6	Less: Finance costs	37.34	21.17	5.78	58.51	9.56	47.28
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	128.56	(428.58)	381.90	(300.02)	(45.67)	429.45
8	Less: Exceptional items	545.89	1.33	(12.34)	547.22	(22.23)	(21.01)
9	Profit / (Loss) from ordinary activities before tax (7 - 8)	(417.33)	(429.91)	394.24	(847.24)	(23.44)	450.46
10	Less: Tax expense	80.86	49.96	88.76	130.82	146.49	284.78
11	Net Profit / (Loss) from ordinary activities after tax (9 - 10)	(498.19)	(479.87)	305.48	(978.06)	(169.93)	165.68
12	Less: Extraordinary items (net of tax expense)	0.00	0.00	0.00	0.00	0.00	0.00
13	Net Profit / (Loss) for the period (11 - 12)	(498.19)	(479.87)	305.48	(978.06)	(169.93)	165.68
14	Share of profit / (loss) of associates	0.00	0.00	0.00	0.00	0.00	0.00
15	Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13 + 14)	(498.19)	(479.87)	305.48	(978.06)	(169.93)	165.68
16	Paid-up equity share capital (Face Value of Rs. 5/- each)	2,949.64	2,949.64	2,949.64	2,949.64	2,949.64	2,949.64
17	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	(98,769.32)	(98,903.58)	(98,398.49)	(98,769.32)	(98,398.49)	(98,478.92)
18.i	Earnings per share (before extraordinary items) (of Rs. 5/- each) (not annualised):						
	(a) Basic	(0.84)	(0.81)	0.52	(1.66)	(0.29)	0.28
	(b) Diluted	(0.84)	(0.81)	0.52	(1.66)	(0.29)	0.28
18.ii	Earnings per share (after extraordinary items) (of Rs.5/- each) (not annualised):						
	(a) Basic	(0.84)	(0.81)	0.52	(1.66)	(0.29)	0.28
	(b) Diluted	(0.84)	(0.81)	0.52	(1.66)	(0.29)	0.28

Notes :

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 14-Nov-17.
- Since the company's loan accounts have been declared as NPA by banks, No interest has been provided in the accounts. Finance Costs is mainly on account factoring of client invoices in USA operations
- Other income is mainly on account of foreign exchange fluctuations. Reduction in Employee related expenses is mainly on account of cost reduction measures adopted by the Company.
- The government project executed by the company for the Transport department of Karnataka has been transferred to another implementation Partner by the Main bidder and the company is planning to initiate legal action against the main bidder. Hence the revenue of Rs. 150 lakhs per month from April 2017 has not been recognised.
- Exceptional items includes reversal of an amount of USD 969,598 which was booked as unbilled revenue by USA operations in earlier years and further includes writeback of certain prior period Items.

- 6 The company was not able to get Operational/ Administrative control over the Singapore Subdiary M/s. Zylog Systems Asia Pte Ltd, as the Nominee directors of the Singapore subsidiary have not been cooperating and not providing the information rightlyfully due to the parent company. Further one of the vendors of Zylog Systems Asia Pacific Pte Ltd, Singapore subsidiary has filed a winding up petition against the company and has been taken under the control of the Provisional Liquidator due to non-representation by such Nominee Directors in Sep 2017. Hence the consolidated financials for the Half year includes the financials for three months for the period ended 30-Jun-17 only. Accordingly as a matter of prudence, provision for diminution of 95% of the investment made by the parent company in Zylog Systems Asia Pte Ltd, Singapore has been grouped under "Operation and other Expenses".
- 7 The Company has unpaid Statutory dues pertaining to period prior to Nov ' 15 which was under the control of erstwhile management.
- 8 During the Half year ended 30-Sep-2017, the Company has received demands from various statutory authorities and hence the contingent liability as on 30-Sep-2017 is Rs. 75,639.55 Lakhs.
- 9 The company has also provided contingent liabilities for Rs.239.00 lakhs for the corporate guarantees given to the banks on behalf of its subsidiary companies for the loans availed by them from the banks.
- 10 Due to Regulatory reasons, Subsidiary in UK has not booked revenue for one month Sept 2017 and hence the same is not included in the above Results.
- 11 The Company is engaged primarily in the business of export of Software and IT related services and hence there is no separate reportable segment as per Ind AS 108 (Operating Segments).
- 12 Previous period figures are regrouped / reclassified, to confirm to the current period classification.

Place Chennai
Date : 14-Nov-17



For Zylog Systems Limited

S. Rajeswaran
Hon'ble Justice Mr. S. Rajeswaran (Retd.)
Administrator

Rs. In Lakhs

Consolidated Statement of Assets and Liabilities for the period ended			
	Particulars	Sep 30, 2017	Mar 31, 2017
		(Unaudited)	(Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	2,949.64	2,949.64
	(b) Reserves and surplus	-98,769.32	-98,478.95
	Sub-total - Shareholders' funds	-95,819.68	-95,529.31
2	Non-current liabilities		
	(a) Long-term borrowings	0.00	0.00
	(b) Long-term provisions	426.03	426.03
	Sub-total - Non-current liabilities	426.03	426.03
3	Current liabilities		
	(a) Short-term borrowings	100,571.04	100,751.75
	(b) Trade payables	2,017.18	1,769.63
	(c) Other current liabilities	11,302.31	10,905.19
	(d) Short-term provisions	551.94	677.06
	Sub-total - Current liabilities	114,442.47	114,103.63
	TOTAL - EQUITY AND LIABILITIES	19,048.82	19,000.38
B	ASSETS		
1	Non-current assets		
	(a) Fixed assets	4,290.58	4,318.03
	(b) Non-current investments	1,341.49	1,326.90
	(c) Deferred tax assets (net)	1,059.57	1,111.95
	(d) Long-term loans and advances	217.02	195.57
	(e) Other non-current assets	521.11	540.19
	Sub-total - Non-current assets	7,429.77	7,492.64
2	Current assets		
	(a) Current investments	0.71	0.71
	(b) Inventories	0.00	0.00
	(c) Trade receivables	7,242.34	7,475.95
	(d) Cash and cash equivalents	1,556.45	1,763.48
	(e) Short-term loans and advances	2,574.69	1,993.16
	(f) Other current assets	244.86	274.44
	Sub-total - Current assets	11,619.05	11,507.74
	TOTAL - ASSETS	19,048.82	19,000.38

For Zylog Systems Limited



S. Rajeswaran
Hon'ble Justice Mr. S. Rajeswaran (Retd.)
Adminstrator

Place : Chennai

Date : 14-Nov-17

Regd. & Corporate Office : 155, Thiruvalluvar Salai, Kumaran Nagar, Sholinganallur, Chennai - 600 119. Ph : 4915 7000, Fax : 4915 7009
USA Branch : 85, Lincoln Highway, Edison, NJ 08820 USA. Tel : 732-549-9770 Fax : 732 767 6644
www.zsl.com, info@zsl.com CIN : L30006TN1995PLC031651

