

( ₹ In Lakhs except for share data)

Statement of Standalone Unaudited Financial Results for the Quarter and Six Months Ended September 2015							
Sl No.	Particulars	Quarter Ended			Six Months Ended		Year Ended
		September 30, 2015	June 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014	March 31, 2015
1	Income from operations						
	(a) Net sales/income from operations	3,057.63	3,195.35	4,434.25	6,252.98	24,479.67	31,308.45
	(b) Other operating income	-	-	-	-	-	-
	Total income from operations (net)	3,057.63	3,195.35	4,434.25	6,252.98	24,479.67	31,308.45
2	Expenses						
	(a) Employee benefits expense	2,474.12	2,403.18	4,123.39	4,877.31	21,206.55	26,149.58
	(b) Other expenses	863.80	542.94	663.22	1,406.76	5,331.61	7,598.35
	(c) Depreciation and amortisation expense	(2,460.80)	2,800.45	4,018.96	339.65	8,034.97	16,095.68
	Total expenses	877.12	5,746.57	8,805.58	6,623.72	34,573.13	49,843.61
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	2,180.50	(2,551.22)	(4,371.32)	(370.74)	(10,093.46)	(18,535.16)
4	Other income	(46.91)	54.95	1,130.37	8.04	1,379.65	2,022.03
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	2,133.60	(2,496.27)	(3,240.95)	(362.70)	(8,713.81)	(16,513.13)
6	Finance costs	4.00	19.60	-	23.59	257.45	443.23
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	2,129.60	(2,515.87)	(3,240.95)	(386.29)	(8,971.26)	(16,956.36)
8	Exceptional items	(1,152.79)	5,610.80	-	4,458.01	-	72.82
9	Profit / (Loss) from ordinary activities before tax (7 - 8)	3,282.40	(8,126.67)	(3,240.95)	(4,844.29)	(8,971.26)	(17,029.18)
10	Tax expense	(259.13)	(1,769.83)	(156.85)	(2,028.96)	(420.60)	(1,083.03)
11	Net Profit / (Loss) from ordinary activities after tax (9 - 10)	3,541.53	(6,356.84)	(3,084.10)	(2,815.34)	(8,550.66)	(15,946.15)
12	Extraordinary items (net of tax expense Rs. Lakhs)	-	-	18,073.48	-	18,073.48	46,894.35
13	Net Profit / (Loss) for the period (11 + 12)	3,541.53	(6,356.84)	(21,157.59)	(2,815.34)	(26,624.14)	(62,840.50)
14	Share of profit / (loss) of associates	-	-	-	-	-	-
15	Net Profit / (Loss) after taxes and share of profit / (loss) of associates (13 + 14)	-	-	-	-	-	-
16	Paid-up equity share capital (Face Value of the Share shall be indicated)	3,541.53	(6,356.84)	(21,157.59)	(2,815.34)	(26,624.14)	(62,840.50)
17	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	2,949.64	2,949.64	2,949.64	2,949.64	2,949.64	2,949.64
18.i	Earnings per share (before extraordinary items) (of Rs. 5/- each) (not annualised):	(75,863.02)	(20,849.20)	22,202.69	(75,863.02)	22,202.69	(14,492.39)
	(a) Basic						
	(b) Diluted	6.00	(10.78)	(35.86)	(4.77)	(45.13)	(106.52)
18.ii	Earnings per share (after extraordinary items) (of Rs. 5/- each) (not annualised):	6.00	(10.78)	(35.86)	(4.77)	(45.13)	(106.52)
	(a) Basic						
	(b) Diluted	6.00	(10.78)	(35.86)	(4.77)	(45.13)	(106.52)

**Notes:**

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 21-Dec-15
- Exceptional items of Rs. (11.53) cr for the current quarter ended 30th September 2015, include write-off of Current and non current assets, Long term investments & Advances and write back of current and non-current liabilities.
- Excess depreciation/amortisation provided Q1 has been reversed in Q2.
- Excess provision made in Q1 on different heads being reversed in Q2 since no longer required
- Previous period figures are regrouped / reclassified, to confirm to the current period classification

For and on behalf of the Board



Director

Place: Chennai

Date : Dec 21, 2015

PART II							
Select Information for the Quarter and Six Months Ended 30 <sup>th</sup> September 2015							
Sl No	Particulars	Quarter Ended			Six Months Ended		Year Ended
		September 30, 2015	June 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014	March 31, 2015
<b>A</b>	<b>Particulars Of Shareholding</b>						
<b>1</b>	<b>Public shareholding:</b>						
	Number of shares	57,335,955	57,335,955	57,335,955	57,335,955	57,335,955	57,335,955
	Percentage of shareholding	97.19	97.19	97.19	97.19	97.19	97.19
<b>2</b>	<b>Promoters and Promoter Group Shareholding</b>						
	a) Pledged / Encumbered						
	Number of shares	1,356,737	1,356,737	1,356,737	1,356,737	1,356,737	1,356,737
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	81.88	81.88	81.88	81.88	81.88	81.88
	Percentage of shares (as a % of the total share capital of the company)	2.30	2.30	2.30	2.30	2.30	2.30
	b) Non - encumbered						
	Number of shares	300,148	300,148	300,148	300,148	300,148	300,148
	Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	18.11	18.11	18.11	18.11	18.11	18.11
	Percentage of shares (as a % of the total share capital of the company)	0.51	0.51	0.51	0.51	0.51	0.51

<b>B</b>	<b>Particulars</b>	<b>September 30, 2015</b>
	<b>INVESTOR COMPLAINTS</b>	
	Pending at the beginning of the quarter	41
	Received during the quarter	1
	Disposed of during the quarter	0
	Remaining unresolved at the end of the quarter	42

**Notes:**

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 21-Dec-15
- 2 During the half year ended 30th September 2015, Net Fixed assets has decreased from Rs.356.28 Cr to Rs. 45.69 Cr; Current and non current assets had reduced from Rs.652.12 Cr to Rs. 215.24 Cr. This is due to impairment in value of tangible and intangible assets considering their useful lives. Decrease in Current & Non- current assets is attributable to impairment in value of Long term investments & Advances.
- 3 The Company is engaged primarily in the business of Exports of Software and IT related services and hence there is no separate reportable segment as per Accounting Standard (AS:17 Segment Reporting).
- 4 Previous period figures are regrouped / reclassified, to confirm to the current period classification

For and on behalf of the Board

  
Director

Place: Chennai  
Date : Dec 21, 2015



Standalone statement of assets and liabilities			
(₹ In Lakhs except for share data)			
	Particulars	30-Sep-15	31-Mar-15
		Unaudited	Audited
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders' funds</b>		
	(a) Share capital	2,949.64	2,949.64
	(b) Reserves and surplus	(75,863.02)	(14,492.35)
	<b>Sub-total - Shareholders' funds</b>	(72,913.38)	(11,542.71)
	Other long-term liabilities		
<b>2</b>	<b>Non-current liabilities</b>		
	(a) Long-term borrowings	532.71	14,682.17
	(b) Deferred tax liabilities (net)	-	1,714.98
	(c) Long-term provisions	-	352.57
	(d) Other long-term liabilities	-	3.00
	<b>Sub-total - Non-current liabilities</b>	532.71	16,752.73
<b>3</b>	<b>Current liabilities</b>		
	(a) Short-term borrowings	88,268.53	77,082.70
	(b) Trade payables	1,714.25	1,429.68
	(c) Short-term provisions	-	-
	(d) Other current liabilities	8,490.52	17,118.18
	<b>Sub-total - Current liabilities</b>	98,473.30	95,630.56
	<b>TOTAL - EQUITY AND LIABILITIES</b>	26,092.65	100,840.58
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Fixed assets	4,568.62	35,628.21
	(b) Non-current investments	7,056.62	14,144.67
	(c) Deferred tax assets (net)	334.65	-
	(d) Long-term loans and advances	102.93	392.54
	(e) Other non-current assets	539.28	535.55
	<b>Sub-total - Non-current assets</b>	12,602.10	50,700.98
<b>2</b>	<b>Current assets</b>		
	(a) Current investments	0.71	0.71
	(b) Trade receivables	4,798.86	4,814.75
	(c) Cash and cash equivalents	123.45	75.20
	(d) Short-term loans and advances	8,567.52	37,891.26
	(e) Other current assets	-	7,357.68
	<b>Sub-total - Current assets</b>	13,490.54	50,139.60
	<b>TOTAL - ASSETS</b>	26,092.65	100,840.58

(₹ In Lakhs except per share data)

Statement of Consolidated Results for the Quarter and Half Year ended Sep 30, 2015							
Sl No.	Particulars	Quarter Ended			Six Months Ended		Year Ended
		Sep 30, 2015 (Unaudited)	June 30, 2015 (Unaudited)	Sep 30, 2014 (Unaudited)	Sep 30, 2015 (Unaudited)	Sep 30, 2014 (Unaudited)	March 31, 2015 (Audited)
1	Income from operations						
	(a) Net sales/income from operations	5,330.75	5,562.24	6,801.38	10,892.99	29,015.07	41,101.34
	(b) Other operating income	-	-	-	-	-	-
	Total income from operations (net)	5,330.75	5,562.24	6,801.38	10,892.99	29,015.07	41,101.34
2	Expenses						
	(a) Employee benefits expense	4,334.34	4,452.77	5,968.06	8,787.11	24,707.18	33,612.67
	(b) Other expenses	820.71	733.45	716.03	1,554.16	5,800.25	8,253.42
	(c) Depreciation and amortisation expense	(2,124.24)	3,117.25	4,368.34	993.01	8,726.25	17,407.21
	Total expenses	3,030.81	8,303.47	11,052.43	11,334.28	39,233.68	59,273.30
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	2,299.94	(2,741.23)	(4,251.05)	(441.29)	(10,218.61)	(18,171.96)
4	Other income	203.51	160.13	1,029.38	363.64	1,308.95	2,103.32
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	2,503.45	(2,581.10)	(3,221.67)	(77.65)	(8,909.66)	(16,068.64)
6	Finance costs	3.99	19.60	0.30	23.59	372.85	1,556.41
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	2,499.46	(2,600.70)	(3,221.97)	(101.24)	(9,282.51)	(17,625.05)
8	Exceptional items	11,450.54	5,956.17	-	17,406.71	-	106.19
9	Profit / (Loss) from ordinary activities before tax (7 - 8)	(8,951.08)	(8,556.87)	(3,221.97)	(17,507.95)	(9,282.51)	(17,731.24)
10	Tax expense	(1,429.91)	(1,858.58)	(156.18)	(3,288.49)	(394.58)	(896.25)
11	Net Profit / (Loss) from ordinary activities after tax (9 - 10)	(7,521.17)	(6,698.29)	(3,065.79)	(14,219.46)	(8,887.93)	(16,834.99)
12	Extraordinary items (net of tax expense)	-	-	18,073.48	-	18,073.48	46,894.35
13	Net Profit / (Loss) for the period (11 - 12)	(7,521.17)	(6,698.29)	(21,139.27)	(14,219.46)	(26,961.41)	(63,729.34)
14	Share of profit / (loss) of associates	-	-	-	-	-	-
15	Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13 + 14)	(7,521.17)	(6,698.29)	(21,139.27)	(14,219.46)	(26,961.41)	(63,729.34)
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	(93,749.84)	(27,417.86)	15,478.55	(93,749.84)	15,478.55	(21,082.98)
18.i	Earnings per share (before extraordinary items) (of Rs. 5/- each) (not annualised):						
	(a) Basic	(12.75)	(11.35)	(35.83)	(24.10)	(45.70)	(108.03)
	(b) Diluted	(12.75)	(11.35)	(35.83)	(24.10)	(45.70)	(108.03)
18.ii	Earnings per share (after extraordinary items) (of Rs.5/- each) (not annualised):						
	(a) Basic	(12.75)	(11.35)	(35.83)	(24.10)	(45.70)	(108.03)
	(b) Diluted	(12.75)	(11.35)	(35.83)	(24.10)	(45.70)	(108.03)

**Notes:**

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 21-Dec-15
- Exceptional items of Rs. 114.51 cr for the current quarter ended 30th September 2015, include write-off of Current and non current assets, impairment of Goodwill, Long term investments & Advances and write back of current and non-current liabilities.
- Excess depreciation/amortisation provided Q1 has been reversed in Q2.
- Previous period figures are regrouped / reclassified, to confirm to the current period classification.

For and on behalf of the Board



Director

Place: Chennai

Date: 21-Dec-2015



**Select Information for the Quarter and Half Year ended September 30, 2015**

Sl No	Particulars	Quarter Ended			Half Year Ended		Year Ended
		September 30, 2015	June 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014	March 31, 2015
<b>A</b>	<b>PARTICULARS OF SHAREHOLDING</b>						
1	Public shareholding:						
	Number of shares	57,335,955	57,335,955	57,335,955	57,335,955	57,335,955	57,335,955
	Percentage of shareholding	97.19	97.19	97.19	97.19	97.19	97.19
2	Promoters and Promoter Group Shareholding						
	a) Pledged / Encumbered						
	Number of shares	1,356,737	1,356,737	1,356,737	1,356,737	1,356,737	1,356,737
	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	81.88	81.88	81.88	81.88	81.88	81.88
	Percentage of shares (as a % of the total share capital of the company)	2.30	2.30	2.30	2.30	2.30	2.30
	b) Non - encumbered						
	Number of shares	300,148	300,148	300,148	300,148	300,148	300,148
	Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	18.11	18.11	18.11	18.11	18.11	18.11
	Percentage of shares (as a % of the total share capital of the company)	0.51	0.51	0.51	0.51	0.51	0.51

B	Particulars	September 30, 2015
		<b>INVESTOR COMPLAINTS</b>
	Pending at the beginning of the quarter	41
	Received during the quarter	1
	Disposed of during the quarter	0
	Remaining unresolved at the end of the quarter	42

**Notes:**

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 21-Dec-15
- During the half year ended 30th September 2015, Net Fixed assets has decreased from Rs. 478.07 Cr to Rs. 58.26 Cr; Current and non current assets had reduced from Rs.678.64 Cr to Rs. 203.89 Cr. This is due to impairment in value of tangible & intangible assets considering their useful lives. Decrease in Current & Non- current assets is attributable to impairment in value of Goodwill, Long term investments & Advances.
- The Company is engaged primarily in the business of Exports of Software and IT related services and hence there is no separate reportable segment as per Accounting Standard (AS:17 Segment Reporting).
- Previous period figures are regrouped / reclassified, to confirm to the current period classification

5	Statement of Standalone Financials	Quarter Ended			Half Year Ended		Year Ended
		September 30, 2015	June 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014	September 30, 2014
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	<b>Particulars</b>						
	Income (Net Sales)	3,057.63	3,195.35	4,434.23	6,252.98	24,479.66	
	Profit before tax	3,282.40	(8,126.69)	(3,240.98)	(4,844.29)	(8,971.25)	
	Profit after tax	3,541.53	(6,356.87)	(21,157.61)	(2,815.34)	(26,624.13)	

Note: Excess provision made in Q1 on different heads being reversed in Q2 since no longer required

For and on behalf of the Board



Director

Place: Chennai

Date: 21-Dec-15

Consolidated statement of assets and liabilities			
	Particulars	30-Sep-15	31-Mar-15
		Unaudited	Audited
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders' funds</b>		
	(a) Share capital	2,949.64	2,949.64
	(b) Reserves and surplus	(93,749.84)	(21,082.98)
	<b>Sub-total - Shareholders' funds</b>	<b>(90,800.20)</b>	<b>(18,133.34)</b>
<b>2</b>	<b>Non-current liabilities</b>		
	(a) Long-term borrowings	532.71	15,175.77
	(b) Deferred tax liabilities (net)	-	1,629.77
	(c) Long-term provisions	426.03	546.34
	(d) Other non-current liabilities	-	18.16
	<b>Sub-total - Non-current liabilities</b>	<b>958.74</b>	<b>17,370.04</b>
<b>3</b>	<b>Current liabilities</b>		
	(a) Short-term borrowings	98,570.70	77,989.63
	(b) Trade payables	3,156.32	3,680.21
	(c) Other current liabilities	12,642.86	33,654.35
	(d) Short-term provisions	1,686.15	1,109.73
	<b>Sub-total - Current liabilities</b>	<b>116,056.13</b>	<b>116,433.92</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>26,214.67</b>	<b>115,670.62</b>
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Fixed assets	5,826.07	41,468.05
	(b) Capital work in progress	-	892.07
	(c) Intangible assets under development	-	5,446.93
	(d) Non-current investments	2,347.24	2,792.19
	(e) Long-term loans and advances	187.26	2,521.54
	(f) Other non-current assets	541.18	1,630.51
	<b>Sub-total - Non-current assets</b>	<b>10,636.11</b>	<b>54,751.29</b>
<b>2</b>	<b>Current assets</b>		
	(a) Current investments	0.71	0.71
	(b) Inventories	102.80	76.16
	(c) Trade receivables	8,359.01	16,563.83
	(d) Cash and cash equivalents	2,744.79	2,712.23
	(e) Short-term loans and advances	4,320.08	34,165.20
	(f) Other current assets	51.17	7,401.20
	<b>Sub-total - Current assets</b>	<b>15,578.56</b>	<b>60,919.33</b>
	<b>TOTAL - ASSETS</b>	<b>26,214.67</b>	<b>115,670.62</b>

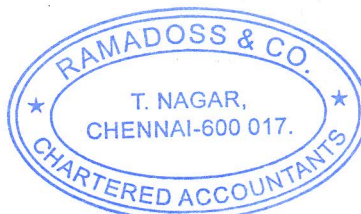




## Limited Review Report

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 and associates (together the Group) for the quarter ended 30th September 2015, being submitted by the company pursuant to the requirement of clause 41 of the Listing agreement, 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 M/s Ramadoss & Co. 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.
  - a. We did not review the statement of unaudited financial results of one subsidiary company (M/s Zylog Systems Asia Pte Ltd), whose unaudited quarterly financial results reflect to the total revenue of Rs. 562.33 Lakhs for the period ended 30<sup>th</sup> September 2015. These unaudited financial results and other financial information for the subsidiaries have been not reviewed by the other auditors and purely on the accounts submitted by the management.



# RAMADOSS & Co

Chartered Accountants

Reg. No. 002879 S



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4. Based on our review conducted as above on the unaudited separate quarterly financial results and on the other financial information of the components, nothing has come to our attention that cause us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 Interim Financial reporting notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended) and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Ramadoss & Co  
Chartered Accountants  
FR No.002879S

*K Ramadoss*

Partner  
K.Ramadoss  
M No: 019176



Chennai – 600 017  
Date: 21<sup>st</sup> Dec, 2015