

Date: 16 March 2015

The Manager,
Listing Department,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai- 400001

Sub : Provisional Liquidation Matter – Status Update – Reg.

Dear Sir,

With reference to the subject matter, we wish to place on record the following developments post passing of order by Hon'ble High Court, Madras, dated 03 July 2014, appointing provisional Liquidator for the Company.

Appeal:

The Company had appealed against the said order before a Divisional Bench of hon'ble high court, Madras, in the matter of winding up of the Company on account of the failure of the Company to pay its debts and against the direction made to the official liquidator to take charge over the assets of the company in his capacity as Provisional Liquidator.

In this regard the Hon'ble High Court, Madras was pleased to pass an order dated 15 October 2014, in O.S.A No. 205 of 2014 on the appeal which inter alia provides that in:

Para 3 of the Order (Page no 4) passed by the Hon'ble High Court, Madras, clearly states that "Taking note of the fact that the appellant is running the company we make it clear that the Learned Official liquidator shall not take any steps to close the company. However the administrative decisions of the company will have to be made only with the concurrence of the Official Liquidator and no money can be spent without the approval of the Official Liquidator."

Annual General Meeting:

The Hon'ble high court, Madras, in the matter of a company application filed by one of the Director of the company (who was sought to be removed by shareholders at the AGM scheduled to be held on 19 November 2014), seeking grant of interim injunction restraining the company from conducting the AGM on the pretext that the company was in liquidation was pleased to pass order dated 18 November, 2014 granting the company to hold the AGM. The order also establishes the intention of the court behind appointing the Provisional Liquidator is to oversee the functions of the company and not for winding up the company and that the company shall continue with its routine business/statutory affairs. Even the subsequent appeal filed by the applicant before the division bench of High Court was shot down and the applicant withdrew his appeal in this regard.

Further, the Hon'ble High court vide the same order dated 18 November 2014 was pleased to grant approval for placing before the shareholders at the AGM, resolutions including relating to increase in borrowing powers of the company, increase in authorised capital & issue of fresh securities after obtaining consent from official liquidator in this regard. Accordingly the company after obtaining the consent from official liquidator passed these resolutions at the adjourned AGM held on 17 December 2014 with requisite majority.

Official Liquidator's clarification Letter to BSE:


The Official Liquidator while replying to BSE vide letter dated 31 December 2014 on the issue regarding status of the company and trading of its securities in the exchanges has made it clear that the company is a going concern and as per the High Court Order the company's business activity shall continue and should be not discontinued and trading in company shares should not be suspended. This makes it clear that the intent of continuation of Official Liquidator is only for overseeing the company's administrative and financial decisions and not for winding up the company. Further as mentioned earlier the official liquidator had given his approval to place before the shareholders a resolution to issue further securities which was passed at the AGM held on 17 December 2014 with requisite majority.

Based on the above facts we wish to place on record that the company is a going concern and shall not be treated as a company in Liquidation process.

This is for your kind information and records.

Thanking you

For Zylog Systems Limited


Ramanujam Sesharathnam
Managing Director & Chief Operating Officer

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भारतसरकार

GOVERNMENT OF INDIA

कारपोरेटकार्यमंत्रालय

MINISTRY OF CORPORATE AFFAIRS

शासकीय समापककार्यालय ,उच्च न्यायालय ,मद्रास

OFFICE OF THE OFFICIAL LIQUIDATOR, HIGH COURT, MADRAS

'कारपोरेटभवन' , II मंजिल,29, राजाजीसालै, चेन्नै- 600 001.

'Corporate Bhawan', II Floor,29, RajajiSalai, Chennai -600 001

BY e-mail/FAX/SPEED POST A/D
HIGH COURT MATTER/VERY URGENT

F.No.1012/2014/A.R-V/ATP/Vol-II

To

The Manager, Listing Department,
BSE Limited, Floor No.25,
PhirozeJeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.

31 DEC 2014

Sir,

Sub: C.P.No.372/2013 - High Court, Madras - M/s Zylog Systems Limited (in Provisional Liquidation) - Unlawful acquisition of Brainhunter Systems Ltd (previously known as Zylog Systems Canada Ltd) by IKYA Human Capital solutions Ltd, a subsidiary of Thomas Cook (India) Limited - Regarding.

- Ref: 1) This office letter of even no.dated 12.11.2014(copy enclosed)
- 2) Your letter no.LIST/COMP/AP/150/2014-15 dated 19/12/2014 Addressed to Sri.Ramanujam Sesharathnam.(copy enclosed).
- 3) Letter dated 30/12/2014 received from Zylog Systems Limited.(copy enclosed).

Sir,

With reference to the above, I am to state that this office had issued letter dated 12.11.2014 (under reference no.1), wherein it has been mentioned that ICICI Bank had sold 70,00,100 shares being 100% of the issued, subscribed and paid up share capital of Brainhunter Systems Limited (previously known as Zylog Systems (Canada) Ltd), which was held by M/s Zylog Systems Limited (in Provisional Liquidation) and M/s IKYA Human Capital Solutions Limited (subsidiary of M/s Thomas Cook (India) Limited) had acquired the same. The transaction was consummated on 23.10.2014 which was unlawful acquisition of Brainhunter Systems Ltd (previously known as Zylog Systems Canada Ltd) by IKYA Human Capital solutions Ltd, a subsidiary of Thomas Cook (India) Limited. In this connection, a letter dated 12.11.2014

was issued to you to cancel the transfer of Shares of Brainhunter Systems Limited purchased by IKYA Human Capital Solutions Limited **immediately** and also not to allow any share trading/transaction pertaining to the shares of M/s Brainhunter Systems Limited in your Exchange without leave of the Hon'ble High Court, Madras which is totally illegal and void abnatio. This being so you have addressed letter no.LIST/COMP/AP/150/2014-15 dated 19/12/2014 to Sri.Ramanujam Sesharathnam stating that "Trading in securities of company is bound to be suspended unless a confirmation from the Liquidator is obtained by you, within 7 days from the receipt of this letter". In this regard, letter from Zylog Systems Limited dated 30.12.2014 (ref.no.3)wherein they have stated "From the letter from BSE we could observe that BSE had mistook the letter written by the Official Liquidator on sale of Shares by ICICI Bank Limited to IKYA Human Capital Solutions Limited, which was the sale of Company's investment (shares in subsidiary) by ICICI without the leave of Official Liquidator. Accordingly, we request your goodselves to intervene in this matter and write clarification letter to the BSE so that the company's shares will not be suspended on this account."

I once again reiterate that the Hon'ble Division Bench, High Court, Madras by an order dated 21.08.2014 made in O.S.A No.205/2014 in Company Petition No.372/2013 has directed the Official Liquidator, High Court, Madras to take over of all the money transactions and the accounts pertaining thereto of M/s Zylog Systems Limited (in Provisional Liquidation) and also issued the following directions to M/s Zylog Systems Limited (in Provisional Liquidation).

- (i) To make all the administrative decisions only with the concurrence of the Official Liquidator, High Court, Madras,
- (ii) No money can be spent without the consent of the Official Liquidator, High Court, Madras.

The intention of Hon'ble Division Bench to carryout the business of the company and as such suspending the trade activities of Zylog Systems Limited (in Provisional Liquidation) will be against the directives of Hon'ble Division Bench.

You are therefore, requested to revoke the suspension of trading in securities of M/s.Zylog Systems Limited in provisional liquidation with immediate effect.

A line of reply in this regard is highly appreciated.

Yours faithfully


(D.RAMAKRISHNAN)
DEPUTY OFFICIAL LIQUIDATOR
HIGH COURT, MADRAS

ENCL: AS ABOVE.

COPY TO:

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Shri.M.Ramanujam Sesharathnam,
Ex-Managing Director,
M/s.Zylog Systems Limited (provisional liquidation)
No.155, Thiruvalluvar Salai, Kumaran Nagar,
Sholinganallur, Chennai - 600 119.

...For information