

31st October, 2018

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
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Sir,

SUB: OUTCOME OF BOARD MEETING.

This is to inform that at the Board Meeting of the Company held on Wednesday, October, 31, 2018 at 3.30 PM at the Registered Office of the Company, the Board –

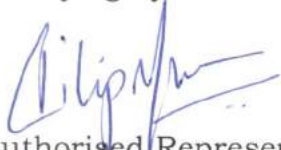
Approved the un-audited Standalone and consolidated Financial Statement for quarter and half yearly ended September, 30, 2018.

The Meeting concluded at 7.30PM.

Request you to kindly take the above information on records.

Yours faithfully,

For Zylog Systems Limited


Authorised Representative
Dilip R Misser



Rs. in Lakhs except per share data

Statement of Standalone Unaudited Financials Results for the Quarter and Half Year Ended 30th Sep 2018

SI No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		Sep 30, 2018 (Unaudited)	Jun 30, 2018 (Unaudited)	Sep 30, 2017 (Unaudited)	Sep 30, 2018 (Unaudited)	Sep 30, 2017 (Unaudited)	Mar 31, 2018 (Audited)
1	Revenue from operations						
	Revenue from operations	2,212.16	2,047.41	2,588.15	4,259.57	5,046.56	10,165.58
	Other income	126.08	25.06	117.25	151.14	118.34	94.35
	Total Revenue	2,338.24	2,072.47	2,705.40	4,410.71	5,164.90	10,259.93
2	Expenses						
	Cost of materials consumed	0.00	0.00	0.00	0.00	0.00	0.00
	Purchases of Stock-in-trade	0.00	0.00	0.00	0.00	0.00	0.00
	Changes in Inventories of finished goods and WIP	0.00	0.00	0.00	0.00	0.00	0.00
	Employee Benefit Expenses	183.50	157.11	260.16	340.61	550.35	1,017.92
	Project related expenses	1,693.23	1,653.54	1,509.99	3,346.77	3,344.73	6,965.57
	Finance costs	28.51	38.16	37.34	66.67	58.48	113.36
	Depreciation and amortisation expense	52.05	52.04	75.99	104.09	151.94	304.86
	Other expenses	263.90	269.52	420.99	533.42	752.37	1,614.04
	Total Expenses	2,221.19	2,170.37	2,304.47	4,391.56	4,857.87	10,015.75
3	Profit/(Loss) before exceptional items and tax (1-2)	117.05	(97.90)	400.93	19.15	307.03	244.18
4	Exceptional Items/ Prior period Items	2.27	(12.68)	1,140.53	(10.41)	1,140.46	2,085.97
5	Profit/(Loss) before tax (3-4)	114.78	(85.22)	(739.60)	29.56	(833.43)	(1,841.79)
6	Tax expense						
	Current tax	0.00	0.00	2.25	0.00	4.19	0.00
	Deferred tax	9.47	10.82	21.93	20.29	43.88	87.81
	Total Tax Expense	9.47	10.82	24.18	20.29	48.07	87.81
7	Profit/(Loss) for the period (5-6)	105.31	(96.04)	(763.78)	9.27	(881.50)	(1,929.60)
8	Other Comprehensive Income (net of tax)	0.00	0.00	0.00	0.00	0.00	0.00
9	Total Comprehensive Income for the period (7+8)	105.31	(96.04)	(763.78)	9.27	(881.50)	(1,929.60)
10	Paid-up equity share capital (of Rs.5/- each)	2,949.64	2,949.64	2,949.64	2,949.64	2,949.64	2,949.64
11	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	(91,745.67)	(91,850.98)	(89,501.88)	(91,745.67)	(89,501.88)	(91,754.93)
12	Earnings per share (of Rs.5/- each)(not annualised)						
	(a) Basic	0.18	(0.16)	(1.29)	0.02	(1.49)	(3.27)
	(b) Diluted	0.18	(0.16)	(1.29)	0.02	(1.49)	(3.27)

Notes :

- The Company has adopted the Indian Accounting Standards (Ind AS) from Apr 1, 2017 and these financial statements have been prepared in accordance with the recognition and measurement principles laid down in the said standards, consequently, the figures for the quarter and six months ended 30-Sep-18 as prepared under IGAAP have been restated to make them comparable.
- The above results have been reviewed and approved by the Board of Directors at its Meeting held on 31-Oct-18
- Decrease in revenue during the quarter & half year ended periods when compared to previous year is due to drop in business across the regions.
- Interest on borrowings have not been provided for as the company could not obtain confirmation of balance from the lenders as they have NPA's.
- Finance cost is on account of factoring of client invoices in USA operations.
- The holding company has unpaid Statutory dues pertaining to the period under the erstwhile management till Nov 2015. The Statutory payments for the current period (Dec 2015 till Jul 2018) have been made fully.
- The holding company & its subsidiary companies in India have contingent liabilities with respect to demands raised by the government statutory authorities amounting to Rs. 545.92/- Crores as of 30th Sep 2018.



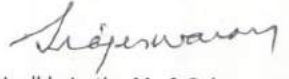
- 8 The holding company has received notices/complaints from revenue department, labour department, PF department for the complaints made by the employees of the company for non-payment of their dues, which are pertaining to the period (till Nov 2015) of the erstwhile management.
- 9 The Holding company has contingent liability to the tune of Rs.239/- crores for corporate guarantees given by it 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
- 11 Previous period figures are regrouped / reclassified, to confirm to the current period classification.

For Zylog Systems Limited

Place : Chennai
Date : 31-Oct-18


T R Sarathy
Chartered Accountant
Membership No. 025982




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





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 2018, 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: 31st October 2018


T. R. Sarathy
Chartered Accountants
Membership No: 025982



In Lakhs except per share data

Statement of Consolidated Financial Results for the Quarter and Half Year Ended Sep 30, 2018

Sl No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		Sep 30, 2018	Jun 30, 2018	Sep 30, 2017	Sep 30, 2018	Sep 30, 2017	Mar 31, 2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations						
	Revenue from operations	3,734.04	3,514.50	5,085.19	7,248.54	9,273.70	17,611.40
	Other income	115.18	20.98	112.51	136.16	126.21	94.99
	Total Revenue	3,849.22	3,535.48	5,197.70	7,384.70	9,399.91	17,706.39
2	Expenses						
	Cost of materials consumed	0.00	0.00	0.00	0.00	0.00	0.00
	Purchases of Stock-in-trade	0.00	0.00	0.00	0.00	0.00	0.00
	Changes in Inventories of finished goods &WIP	0.00	0.00	0.00	0.00	0.00	0.00
	Employee Benefit Expenses	1,111.65	1,021.75	876.83	2,133.40	1,751.53	3,642.88
	Project related expenses	2,558.51	2,714.43	2,837.29	5,272.94	5,806.39	11,138.48
	Finance costs	29.58	38.87	37.34	68.45	58.51	118.02
	Depreciation and amortisation expense	61.04	59.81	126.62	120.85	253.08	870.29
	Other expenses	480.23	440.71	596.37	920.94	1,235.73	2,365.98
	Total Expenses	4,241.01	4,275.57	4,474.45	8,516.58	9,105.24	18,135.65
3	Profit/(Loss) before exceptional items and tax (1-2)	(391.79)	(740.09)	723.25	(1,131.88)	294.67	(429.26)
4	Exceptional Items/ Prior period Items	2.02	(8.93)	1,140.58	(6.91)	1,141.91	2,188.92
5	Profit/(Loss) before tax (3-4)	(393.81)	(731.16)	(417.33)	(1,124.97)	(847.24)	(2,618.18)
6	Tax expense						
	Current tax	5.21	10.37	57.14	15.58	78.26	102.69
	Deferred tax	9.61	7.19	23.72	16.80	52.56	91.63
	Total Tax Expense	14.82	17.56	80.86	32.38	130.82	194.32
7	Profit/(Loss) for the period (5-6)	(408.63)	(748.72)	(498.19)	(1,157.35)	(978.06)	(2,812.50)
8	Other Comprehensive Income (net of tax)	0.00	0.00	0.00	0.00	0.00	0.00
9	Total Comprehensive Income for the period (7+8)	(408.63)	(748.72)	(498.19)	(1,157.35)	(978.06)	(2,812.50)
10	Paid-up equity share capital (of Rs.5/- each)	2,949.64	2,949.64	2,949.64	2,949.64	2,949.64	2,949.64
11	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	(103,483.90)	(103,147.41)	(98,769.32)	(103,483.90)	(98,769.32)	(102,523.06)
12	Earnings per share (of Rs.5/- each)(not annualised)						
	(a) Basic	(0.69)	(1.27)	(0.84)	(1.96)	(1.66)	(4.77)
	(b) Diluted	(0.69)	(1.27)	(0.84)	(1.96)	(1.66)	(4.77)

Notes :

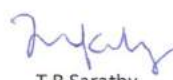
- The Company has adopted the Indian Accounting Standards (Ind AS) from Apr 1, 2017 and these financial statements have been prepared in accordance with the recognition and measurement principles laid down in the said standards, consequently, the figures for the quarter and six months ended 30-Sep-18 as prepared under IGAAP have been restated to make them comparable.
- The above results have been reviewed and approved by the Board of Directors at its Meeting held on 31-Oct-18
- Decrease in revenue during the quarter & half year ended periods when compared to previous year is due to drop in business across the regions.
- Interest on borrowings have not been provided for as the company could not obtain confirmation of balance from the lenders as they have NPA's.
- Finance cost is on account of factoring of client invoices in USA operations.
- M/s. Zylog Systems (Europe) Limited and its subsidiary M/s. Anodas Software Limited in UK, have not been able to open bank accounts due to liquidation issues faced by holding company. Their trade receivables are yet to be collected. M/s. Ducont Systems FZ LLC, Dubai (a step down subsidiary of Zylog Systems Limited) is continuing to support the operations of these two companies which is causing severe stress in the cash flow of the Dubai company.
- During the half year ended 30-sept-2018, Ducont Systems FZ LLC's revenue has come down significantly by about AED 6 mn compared to the 6 months period ended 30-Sep-2017. This is due to various factors like Geo-political situation in Middle East, Negative news floating in the social media about the holding company etc.
- The holding company & its subsidiary companies in India, have unpaid Statutory dues pertaining to the period under the erstwhile management till Nov 2015. The Statutory payments for the current period (Dec 2015 till Jul 2018) have been made fully.
- The holding company & its subsidiary companies in India have contingent liabilities with respect to demands raised by the government statutory authorities amounting to Rs. 545.92/- Crores as of 30th Sep 2018.




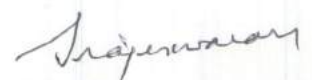
- 10 The holding company & its subsidiary companies in India, have received notices/complaints from revenue department, labour department, PF department for the complaints made by the ex-employees of the company for non-payment of their dues, which are pertaining to the period (till Nov 2015) of the
- 11 The Holding company has contingent liability to the tune of Rs.239/- crores for corporate guarantees given by it to the banks on behalf of its subsidiary companies for the loans availed by them from the banks.
- 12 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).
- 13 Previous period figures are regrouped / reclassified, to confirm to the current period classification.

For Zylog Systems Limited

Place Chennai
Date 31-Oct-18


T R Sarathy
Chartered Accountant
Membership No. 025982




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





CHARTERED ACCOUNTANT

T.R. Sarathy

Chartered Accountant

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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 period ended 30th September 2018, 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. 78.15 crs for the half year ended 30th September 2018. 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.





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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: 31st October 2018

T. R. Sarathy

Chartered Accountant

Membership No. 025982

