

14th February, 2018

To The Secretary Bombay Stock Exchange Limited Phiroze Jee Jee Bhoj 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.

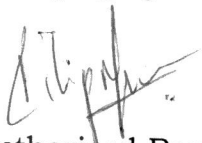
This is to inform that at the Board Meeting of the Company held on Thursday, February, 14, 2019 at 11.00 AM at the Registered Office of the Company, the Board –

Approved the un-audited Standalone and consolidated Financial Statement for quarter and Nine Month ended December, 31, 2018.

The Meeting concluded at 12.30PM.

Request you to kindly take the above information on records.

Yours faithfully,
For Zylog Systems Limited



Authorised Representative
Dilip R Misser

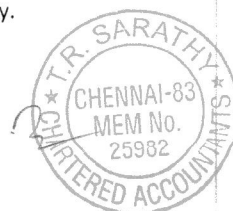
₹ in Lakhs except per share data

Statement of Standalone Unaudited Financials Results for the Quarter and Nine Months Ended 31st Dec 2018

Sl No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		Dec 31, 2018 (Unaudited)	Sep 30, 2018 (Unaudited)	Dec 31, 2017 (Unaudited)	Dec 31, 2018 (Unaudited)	Dec 31, 2017 (Unaudited)	Mar 31, 2018 (Audited)
1	Revenue from operations						
	Revenue from operations	2,312.01	2,212.16	2,077.03	6,571.58	7,123.59	10,165.58
	Other income	(74.41)	126.08	(39.83)	76.73	78.51	94.35
	Total Revenue	2,237.60	2,338.24	2,037.20	6,648.31	7,202.10	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	0.00	0.00	0.00	0.00	0.00	0.00
	Employee benefit expenses	205.50	183.50	207.87	546.11	758.22	1,017.92
	Project related expenses	1,859.62	1,693.23	1,836.70	5,206.39	5,181.43	6,965.57
	Finance costs	19.85	28.51	30.02	86.52	88.50	113.36
	Depreciation and amortisation expense	52.04	52.05	76.54	156.13	228.48	304.86
	Other expenses	311.24	263.90	336.70	844.66	1,089.07	1,614.04
	Total Expenses	2,448.25	2,221.19	2,487.83	6,839.81	7,345.70	10,015.75
3	Profit/(Loss) before exceptional items and tax (1-2)	(210.65)	117.05	(450.63)	(191.50)	(143.60)	244.18
4	Exceptional items/ Prior period items	0.03	2.27	3.06	(10.38)	1,143.52	2,085.97
5	Profit/(Loss) before tax (3-4)	(210.68)	114.78	(453.69)	(181.12)	(1,287.12)	(1,841.79)
6	Tax expense						
	Current tax	0.00	0.00	9.27	0.00	13.46	0.00
	Deferred tax	12.95	9.47	21.69	33.24	65.57	87.81
	Total Tax Expense	12.95	9.47	30.96	33.24	79.03	87.81
7	Profit/(Loss) for the period (5-6)	(223.63)	105.31	(484.65)	(214.36)	(1,366.15)	(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)	(223.63)	105.31	(484.65)	(214.36)	(1,366.15)	(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	(91,969.30)	(91,745.67)	(89,986.53)	(91,969.30)	(89,986.53)	(91,754.93)
12	Earnings per share (of Rs.5/- each)(not annualised)						
	(a) Basic	(0.38)	0.18	(0.82)	(0.36)	(2.32)	(3.27)
	(b) Diluted	(0.38)	0.18	(0.82)	(0.36)	(2.32)	(3.27)

Notes :

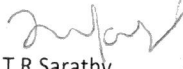
- 1 The Company has adopted the Indian Accounting Standards (Ind AS) from Apr 1, 2017 and these financial statements have been prepared in accordance with the recognition and measurement principles laid down in the said standards, consequently, the figures for the period ended 31-Dec-18 as prepared under IGAAP have been restated to make them comparable.
- 2 The above results have been reviewed and approved by the Board of Directors at its Meeting held on 14-Feb-2019.
- 3 Decrease in revenue during the nine months ended period when compared to previous year is due to drop in business across regions.
- 4 Interest on borrowings have not been provided for, as the company could not get confirmation of balance from the lenders, as all loans have been classified as NPAs.
- 5 Finance cost is on account of factoring of client invoices in USA operations.
- 6 The holding company has unpaid Statutory dues pertaining to the period under the erstwhile management till Nov 2015. The Statutory payments for the periods from December 2015 to December 2018 have been paid fully.



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- 7 The holding company has contingent liabilities with respect to demands raised by the government statutory authorities amounting to Rs. 521.95 Crores as of 31st December 2018.
- 8 The holding company has 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 erstwhile management.
- 9 The holding company has contingent liability to the tune of Rs.239/- Crores 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 IndAS.
- 11 Previous period figures are regrouped / reclassified, to confirm to the current period classification.

Place : Chennai
Date : 14-Feb-19


T R Sarathy
Chartered Accountant
Membership No.025982



For Zylog Systems Limited



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

Limited Review Report

To
The Administrator
Zylog Systems Limited
155, Thiruvallur Salai, Kumaran Nagar,
Sholinganallur,
Chennai – 600 119

Sir,

Sub: Limited Review Report on Standalone Financial Statements

- 1) We have reviewed the statement of unaudited financial results (“Statement”) of **Zylog Systems Limited** (“the Company”) and its subsidiaries (together the Group) for the quarter and nine months ended December 31, 2018 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated July 5, 2016 (collectively referred to as “LODR”).
- 2) 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.
- 3) We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity’ specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures 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.
- 4) Based on our review conducted as above, nothing has come to our attention that causes us to believe that the statement for the quarter and nine months ended December 31, 2018 prepared in accordance with applicable accounting





CHARTERED ACCOUNTANT

T.R. Sarathy

Chartered Accountant

6, Sapthagiri Colony,

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Chennai 600 083.

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standards i.e Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of LODR Including the manner in which it is to be disclosed, or that it contains any material misstatement

Place: Chennai

Date: 14th February 2019

T. R. Sarathy

Chartered Accountants

Membership No: 025982



Statement of Consolidated Financial Results for the Quarter and Nine Months Ended Dec 31, 2018

Sl No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		Dec 31, 2018	Sep 30, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017	Mar 31, 2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations						
	Revenue from operations	4,549.90	3,734.04	3,825.81	11,798.44	13,099.51	17,611.40
	Other income	(69.84)	115.18	(42.27)	66.32	83.94	94.99
	Total Revenue	4,480.06	3,849.22	3,783.54	11,864.76	13,183.45	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	1,059.24	1,111.65	773.25	3,192.64	2,524.78	3,642.88
	Project related expenses	3,157.15	2,558.51	3,002.77	8,430.09	8,809.16	11,138.48
	Finance costs	23.49	29.58	32.75	91.94	91.26	118.02
	Depreciation and amortisation expense	60.23	61.04	123.24	181.08	376.32	870.29
	Other expenses	531.97	480.23	527.61	1,452.91	1,763.34	2,365.98
	Total Expenses	4,832.08	4,241.01	4,459.62	13,348.66	13,564.86	18,135.65
3	Profit/(Loss) before exceptional items and tax (1-2)	(352.02)	(391.79)	(676.08)	(1,483.90)	(381.41)	(429.26)
4	Exceptional Items/ Prior period Items	0.02	2.02	6.80	(6.89)	1,148.71	2,188.92
5	Profit/(Loss) before tax (3-4)	(352.04)	(393.81)	(682.88)	(1,477.01)	(1,530.12)	(2,618.18)
6	Tax expense						
	Current tax	89.25	5.21	27.45	104.83	105.71	102.69
	Deferred tax	13.50	9.61	21.23	30.30	73.79	91.63
	Total Tax Expense	102.75	14.82	48.68	135.13	179.50	194.32
7	Profit/(Loss) for the period (5-6)	(454.79)	(408.63)	(731.56)	(1,612.14)	(1,709.62)	(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)	(454.79)	(408.63)	(731.56)	(1,612.14)	(1,709.62)	(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	(103,941.52)	(103,483.90)	(99,634.78)	(103,941.52)	(99,634.78)	(102,523.06)
12	Earnings per share (of Rs.5/- each)(not						
	(a) Basic	(0.77)	(0.69)	(1.24)	(2.73)	(2.90)	(4.77)
	(b) Diluted	(0.77)	(0.69)	(1.24)	(2.73)	(2.90)	(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 nine months ended 31-Dec-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 14-Feb-19
- Decrease in revenue during the nine months ended period when compared to previous year is due to drop in business across the regions; while the increase in the revenue in the current quarter when compared to previous quarter is on account of billings pertaining to previous quarters which were under dispute earlier are booked in this quarter.
- The increase in the project related expenses in the current quarter when compared to previous quarter is on account of the expenses related to the billings pertaining to previous quarters which were under dispute earlier are booked in this quarter.
- Interest on borrowings have not been provided for, as the company could not get confirmation of balance from the lenders, as all the loans have been classified as NPA's.

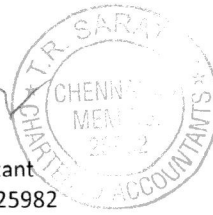


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- 6 Finance cost is on account of factoring of client invoices in USA operations.
- 7 The holding company has unpaid Statutory dues pertaining to the period under the erstwhile management till Nov 2015. The Statutory payments for the current period (Dec 2015 till Dec 2018) have been paid fully.
- 8 The holding company and its subsidiary companies in India have contingent liabilities with respect to demands raised by the government statutory authorities amounting to Rs. 547.17 Crores as of 31-Dec 2018.
- 9 The holding company has 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 erstwhile management.
- 10 The holding company has contingent liability to the tune of Rs.239/- crores for the corporate guarantees given to the banks on behalf of its subsidiary companies for the loans availed by them from the banks.
- 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.
- 12 Previous period figures are regrouped / reclassified, to conform to the current period classification.

For Zylog Systems Limited

T R Sarathy
T R Sarathy
Chartered Accountant
Membership No.025982



S. Rajeswaran

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

Place Chennai
Date 14-Feb-19



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Limited Review Report

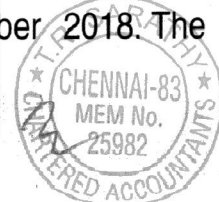
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The Administrator
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155, Thiruvallur Salai, Kumaran Nagar,
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Sir,

Sub: Limited Review Report on Consolidated Financial Statements

1. We have reviewed the statement of unaudited Consolidated Financial results (“Statement”) of Zylog Systems Limited (“the Company”) and its subsidiaries (together the Group) for the quarter and nine months ended 31st December 2018, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated July 5, 2016 (collectively referred to as “LODR”).
2. This statement is the responsibility of the Company and has been approved by the Administrator of the Company. Our responsibility is to issue a report on these financial statements based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity’ specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures 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.
4. To the extent 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.

We did not review the statement of the unaudited financial results of all subsidiaries and one branch for the quarter ended 31st December 2018. The financial





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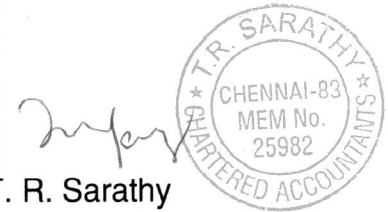
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statements and other financial information have not been audited by us and we relied upon the financial statements furnished to us and our opinion on the combined financial statements to the extent is based on the Financial Statements given to us.

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the statement for the quarter and nine months ended December 31, 2018 prepared in accordance with applicable accounting standards i.e Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of LODR Including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Chennai

Date: 14th February 2019



T. R. Sarathy

Chartered Accountant

Membership No. 025982