



Date: February 14, 2017

To,

**BSE Ltd**  
P. J. Towers, Dalal Street,  
MUMBAI – 400 001.

**National Stock Exchange of India Ltd.**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra East, Mumbai-400051.

**Scrip Code: BSE: 532368 & NSE: LYCOS**

Dear Sir(s),

**Sub: Un-Audited Financial Results for the Third Quarter ended 31.12.2016.**

In compliance with Regulation 33 & 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the enclosed Un-Audited Financial Results for the third quarter ended 31<sup>st</sup> December, 2016 (standalone) which have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 14<sup>th</sup> February, 2017 along with Limited Review Report of the Statutory Auditors of the Company.

The meeting of the Board of Directors of the Company commenced at 6:00 P.M and concluded at 07:15 P.M.

This is for your information and record.

Thanking You.

Yours truly,  
for LYCOS INTERNET LIMITED

**M. SURESH KUMAR REDDY**  
**CHAIRMAN & MANAGING DIRECTOR**



**LYCOS INTERNET LIMITED**

(Formerly Ybrant Digital Limited)  
Plot # 7A, MLA Colony, Road # 12, Banjara Hills, Hyderabad – 500034.  
Tel: +91 (40) 45678999, efax : +91 (22) 66459677  
CIN: L64203TG1999PLC030996

**Lycos Internet Limited (NSE&BSE - LYCOS )**

Regd. Office Plot no# 7A, Road No.12, M.L.A. Colony, Banjara Hills, Hyderabad - 500034, India

CIN:L64203TG1999PLC030996

Tel: +91 40 4567 8999, Fax: +91 22 6645 9677, www.lycos.com, email:ir@lycoscorp.com

**Statement of Unaudited Financial Results for the Quarter and Nine months Ended 31st December 2016**

All amounts in Indian Rupees Lakhs, except share data

| Sl. No. | Particulars  | Standalone       |                  |                  |                   |                  |
|---------|--|------------------|------------------|------------------|-------------------|------------------|
|         |  | Quarter ended    |                  |                  | Nine months ended |                  |
|         |  | 31-Dec-2016      | 30-Sep-2016      | 31-Dec-2015      | 31-Dec-2016       | 31-Dec-2015      |
|         | (Refer Notes below)  | (Unaudited)      | (Unaudited)      | (Unaudited)      | (Unaudited)       | (Unaudited)      |
| 1       | Income from operations   | 11,780.52        | 11,789.44        | 11,620.59        | 34,849.65         | 34,308.16        |
| 2       | <b>Expenses</b>  |                  |                  |                  |                   |                  |
|         | a) Cost of sales/services  | 8,991.26         | 9,055.18         | 9,141.22         | 26,831.67         | 26,597.26        |
|         | b) Changes in inventories of finished goods, work-in-progress and stock-in-trade                     | -                | -                | -                | -                 | -                |
|         | c) Employee benefits expense   | 1,412.70         | 1,311.47         | 1,237.33         | 3,883.75          | 3,756.98         |
|         | d) Depreciation and amortization expense   | 35.89            | 35.52            | 63.76            | 106.76            | 157.53           |
|         | e) Other expenses* (Refer note 4)  | 1,152.99         | 862.07           | 1,029.38         | 3,321.34          | 3,508.35         |
|         | <b>Total expenses</b>  | <b>11,592.84</b> | <b>11,264.24</b> | <b>11,471.69</b> | <b>34,143.52</b>  | <b>34,020.12</b> |
| 3       | <b>Profit/(loss) from operations before other income, finance costs and exceptional items (1-2)</b>  | <b>187.68</b>    | <b>525.20</b>    | <b>148.90</b>    | <b>706.13</b>     | <b>288.04</b>    |
| 4       | Other income   | 166.73           | (151.52)         | 100.89           | 177.58            | 240.03           |
| 5       | <b>Profit/(loss) from ordinary activities before finance costs and exceptional items (3+4)</b>       | <b>354.41</b>    | <b>373.68</b>    | <b>249.79</b>    | <b>883.71</b>     | <b>528.07</b>    |
| 6       | Finance costs  | 372.17           | 408.50           | 387.89           | 1,176.05          | 1,190.52         |
| 7       | <b>Profit/(loss) from ordinary activities after finance costs but before exceptional items (5-6)</b> | <b>(17.76)</b>   | <b>(34.82)</b>   | <b>(138.10)</b>  | <b>(292.34)</b>   | <b>(662.45)</b>  |
| 8       | Exceptional items  | -                | -                | -                | -                 | -                |
| 9       | <b>Profit/(loss) from ordinary activities before tax (7+8)</b>                                       | <b>(17.76)</b>   | <b>(34.82)</b>   | <b>(138.10)</b>  | <b>(292.34)</b>   | <b>(662.45)</b>  |
| 10      | Tax expense  | (6.88)           | (11.71)          | (17.23)          | (34.26)           | (50.67)          |
| 11      | <b>Net profit/(loss) from ordinary activities after tax (9-10)</b>                                   | <b>(10.88)</b>   | <b>(23.11)</b>   | <b>(120.87)</b>  | <b>(258.08)</b>   | <b>(611.78)</b>  |
| 12      | Extra ordinary Items (net of tax)  | -                | -                | -                | -                 | -                |
| 13      | <b>Net Profit/(loss) for the period (11-12)</b>  | <b>(10.88)</b>   | <b>(23.11)</b>   | <b>(120.87)</b>  | <b>(258.08)</b>   | <b>(611.78)</b>  |
| 14      | Total other comprehensive income (net of tax)  | (3.12)           | (6.60)           | (3.12)           | (12.84)           | (9.35)           |
| 15      | <b>Total comprehensive income for the period (13+14)</b>   | <b>(14.00)</b>   | <b>(29.71)</b>   | <b>(123.99)</b>  | <b>(270.92)</b>   | <b>(621.13)</b>  |
| 16      | Paid-up equity share capital (Face Value of Rs.2/-each)  | 9,525.03         | 9,525.03         | 9,525.03         | 9,525.03          | 9,525.03         |
| 17      | Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year              |                  |                  |                  |                   |                  |
| 18      | Earnings per share (before extraordinary items)<br>(Face value of Rs.2/-each) (not annualized)       |                  |                  |                  |                   |                  |
|         | a) Basic (in Rs.)  | (0.00)           | (0.00)           | (0.03)           | (0.05)            | (0.13)           |
|         | b) Diluted (in Rs.)  | (0.00)           | (0.00)           | (0.03)           | (0.05)            | (0.13)           |
|         | Earnings per share (after extraordinary items)<br>(Face value of Rs.2/-each) (not annualized)        |                  |                  |                  |                   |                  |
|         | a) Basic (in Rs.)  | (0.00)           | (0.00)           | (0.03)           | (0.05)            | (0.13)           |
|         | b) Diluted (in Rs.)  | (0.00)           | (0.00)           | (0.03)           | (0.05)            | (0.13)           |



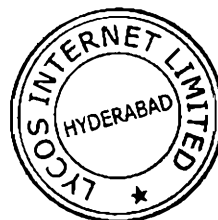
**Notes:**

1. The Company has adopted Indian Accounting Standards (Ind AS) prescribed under section 133 of Companies Act, 2013, read with relevant rules issued thereunder. The date of transition of the Ind AS is 1 April 2015 and accordingly, these unaudited financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" and other accounting principles generally accepted in India. The impact of transition has been accounted for in the opening reserves and the comparative period have been reinstated accordingly.
2. The above unaudited financial results for the quarter and nine month period ended 31 December 2016 were taken on record at the meeting of the Board of Directors held on 14 February 2017 after being reviewed and recommended by the Audit Committee.
3. There is a possibility that these quarterly financial results may require adjustment before constituting the final Ind AS financial statements as of and for the year ending 31 March 2017 due to changes in financial reporting requirements arising from the new or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions from full retrospective application as permitted under Ind AS 101.
4. During the nine month period ended 31 December 2016, the Company has assessed the recoverability of investments in Lanco Net Ltd and recorded an impairment charge of Rs. 200 lakhs. This amount of Rs 200 lakhs is included in the other expenses amount of Rs.3,321.34 Lakhs. (Refer line Item 2 (e))
5. The Company operates in two segments i.e, Digital Marketing and Software Development.
6. The figures for the previous period/year have been regrouped/reclassified, wherever necessary.

**7. Reconciliation of profit, as previously reported under IGAAP to Ind AS for the earlier periods**

| Sl.No. | Nature of Adjustments   | Quarter ended<br>31-Dec-2015 | Nine months<br>ended<br>31-Dec-2015 |
|--------|---|------------------------------|-------------------------------------|
| A      | Net profit as per IGAAP   | 6.31                         | 17.80                               |
| B      | <b>Effect of transition to Ind AS on statement of profit and loss:</b>    |                              |                                     |
| 1      | Provision for expected credit loss  | (69.48)                      | (200.14)                            |
| 2      | Reversal of exchange gain/(loss) on foreign currency borrowings from FCTR | (77.77)                      | (492.99)                            |
| 3      | Deferred taxes on above Ind AS Adjustments                                | 20.07                        | 63.55                               |
| 4      | Others  |                              |                                     |
|        | <b>Total adjustments</b>  | <b>(127.18)</b>              | <b>(629.58)</b>                     |
| C      | <b>Net profit for the period under Ind AS (A+B)</b>                       | <b>(120.87)</b>              | <b>(611.78)</b>                     |
| D      | <b>Total other comprehensive income (net of tax)</b>                      | <b>(3.12)</b>                | <b>(9.35)</b>                       |
| E      | <b>Total comprehensive income (C+D)</b>                                   | <b>(123.99)</b>              | <b>(621.13)</b>                     |

Place : HYDERABAD  
Date : February 14, 2017



For LYCOS INTERNET LIMITED

M. SURESH KUMAR REDDY  
Chairman and Managing Director

**Lycos Internet Limited (NSE&BSE - LYCOS )**

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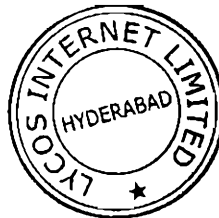
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**PART II: REPORTING OF SEGMENT WISE REVENUE, RESULTS AND SEGMENT ASSETS AND SEGMENT LIABILITIES**

All amounts in Indian Rupees Lakhs

| Sl.No.   | Particulars  | Standalone       |                  |                  |                   |                  |
|----------|--|------------------|------------------|------------------|-------------------|------------------|
|          |  | Quarter Ended    | Quarter Ended    | Quarter Ended    | Nine Months Ended |                  |
|          |  | 31-Dec-2016      | 30-Sep-2016      | 31-Dec-2015      | 31-Dec-2016       | 31-Dec-2015      |
| <b>1</b> | <b>Segment Revenue</b>   |                  |                  |                  |                   |                  |
|          | (a) Digital Marketing Segment  | 263.97           | 256.98           | 728.41           | 902.10            | 1,752.42         |
|          | (b) Software Development Segment                                       | 11,516.55        | 11,532.46        | 10,892.18        | 33,947.55         | 32,555.74        |
|          | <b>Total Sales/ Income from Operations</b>                             | <b>11,780.52</b> | <b>11,789.44</b> | <b>11,620.59</b> | <b>34,849.65</b>  | <b>34,308.16</b> |
|          | Less: Inter Segment Revenue  | -                | -                | -                | -                 | -                |
|          | <b>Net Sales/ Income from Operations</b>                               | <b>11,780.52</b> | <b>11,789.44</b> | <b>11,620.59</b> | <b>34,849.65</b>  | <b>34,308.16</b> |
| <b>2</b> | <b>Segment Results - Profit (+) / Loss (-) before tax and interest</b> |                  |                  |                  |                   |                  |
|          | (a) Digital Marketing Segment  | 66.28            | 64.39            | 414.11           | 186.44            | 362.34           |
|          | (b) Software Development Segment                                       | 288.14           | 309.29           | (164.32)         | 697.28            | 165.73           |
|          | <b>Total</b>   | <b>354.41</b>    | <b>373.68</b>    | <b>249.79</b>    | <b>883.71</b>     | <b>528.07</b>    |
|          | Less: Interest   | 372.17           | 408.50           | 387.89           | 1,176.05          | 1,190.52         |
|          | <b>Total Profit (+) / Loss (-) before tax</b>                          | <b>(17.76)</b>   | <b>(34.82)</b>   | <b>(138.10)</b>  | <b>(292.34)</b>   | <b>(662.45)</b>  |
| <b>3</b> | <b>Segment Assets</b>  |                  |                  |                  |                   |                  |
|          | (a) Digital Marketing Segment  | 51,791.79        | 49,930.93        | 50,194.71        | 51,791.79         | 50,194.71        |
|          | (b) Software Development Segment                                       | 37,145.54        | 37,386.75        | 38,860.27        | 37,145.54         | 38,860.27        |
|          | <b>Total segment assets</b>  | <b>88,937.33</b> | <b>87,317.68</b> | <b>89,054.98</b> | <b>88,937.33</b>  | <b>89,054.98</b> |
|          | <b>Segment liabilities</b>   |                  |                  |                  |                   |                  |
|          | (a) Digital Marketing Segment  | 13,392.00        | 12,033.08        | 12,314.31        | 13,392.00         | 12,314.31        |
|          | (b) Software Development Segment                                       | 16,262.64        | 16,153.98        | 16,785.33        | 16,262.64         | 16,785.33        |
|          | <b>Total segment liabilities</b>                                       | <b>29,654.64</b> | <b>28,187.06</b> | <b>29,099.64</b> | <b>29,654.64</b>  | <b>29,099.64</b> |



For LYCOS INTERNET LIMITED

**M.SURESH KUMAR REDDY**  
Chairman and Managing Director

Place : HYDERABAD  
Date : February 14, 2017



**P. MURALI & CO.,**

CHARTERED ACCOUNTANTS  
6-3-655/2/3, SOMAJIGUDA,  
HYDERABAD - 500 082. INDIA

Tel. : (91-40) 2332 6666, 2331 2554  
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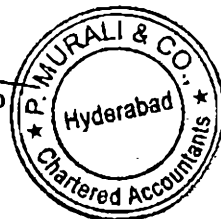
To  
The Board of Directors  
**LYCOS INTERNET LIMITED**  
Hyderabad

**Limited Review Report for the quarter ended 31<sup>st</sup> December, 2016**

1. We have reviewed the accompanying statement of unaudited financial results of M/s. LYCOS INTERNET LIMITED for the quarter ended 31<sup>st</sup> December, 2016, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.
2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/ committee of Board of Directors in their meeting held on 14<sup>th</sup> February, 2017. 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* 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 analytical procedures applied to financial data and thus provide 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 accompanying statement of unaudited financial results prepared in accordance with applicable Ind AS 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 and SEBI circular dated 05<sup>th</sup> July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For P. Murali & Co.  
Chartered Accountants  
FRN: 007257S

  
P Murali Mohana Rao  
Partner  
M.No. 023412



Place: Hyderabad  
Date: 14<sup>th</sup> February, 2017