



Date: March 14, 2017

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

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

Scrip Code: BSE: 532368 & NSE: LYCOS

Dear Sir,

Sub: Clarification with regard to News Item.

This clarification letter is with reference to an article published on Economic Times dated March 14th 2017 titled "It's that time when penny stocks surge and this year's no different". The company would like to clarify on this news item. Contrary to the assumptions made by the article, we believe the recent activity in the stock was in response to the news item published by www.law360.com dated March 07th 2017 in reference to our subsidiary company Ybrant Media Acquisition Inc., which holds Lycos Inc.

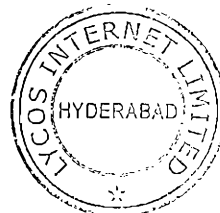
The article is attached for your perusal.

Please take the above said information on your records.

Thanking you,

Yours truly,
for **LYCOS INTERNET LIMITED**

M. SURESH KUMAR REDDY
CHAIRMAN & MANAGING DIRECTOR



LYCOS INTERNET LIMITED

(Formerly Ybrant Digital Limited)

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Ybrant Defeats Creditor's Bid To Ax Ch. 11 Case

By Alex Wolf

Law360, New York (March 7, 2017, 10:17 PM EST) -- A bankrupt unit of India's Ybrant Digital Ltd. with majority ownership of the search engine Lycos beat its largest creditor's bid to dismiss its Chapter 11 case when a New York bankruptcy judge ruled Tuesday that the case can't be axed simply because it has taken longer than expected to secure post-petition financing.

South Korean technology company Daum Global Holdings Corp., which has a lien of about \$37 million against Ybrant Digital Media Acquisition Inc., lost its bid to dismiss the debtor's Chapter 11 case after U.S. Bankruptcy Judge Stuart M. Bernstein said the creditor can't toss the case because it has not shown that it has suffered continual losses since Ybrant filed for bankruptcy last year or that the debtor will be unable to resolve its liabilities.

After a two-hour hearing that included witness testimony from Ybrant CEO Suresh Reddy, Judge Bernstein concluded that the debtor, which holds a 56 percent interest in Lycos as its sole asset, had taken longer than it expected to negotiate a lending agreement that would allow the company to pay Daum and emerge from Chapter 11, but credible evidence shows that Ybrant is engaged in due diligence to secure a \$150 million loan from White Oak Global Advisors LLC.

"It just takes time to do this," the judge said. "The fact that it is taking more time to do due diligence for a \$150 million loan doesn't surprise me."

Ybrant filed for Chapter 11 last March after being ordered to pay a \$37 million arbitration award to Daum over a failed agreement to purchase the creditor's shares in Lycos. Reddy said at the time of the filing that Ybrant commenced the case to afford it "breathing room" to complete settlement discussions with Daum and complete a capital raise with the assistance of its parent company.

"Proceeds of the financing will be available under a plan of reorganization to fund the settlement with Daum and satisfy other creditors," Reddy said at the time.

In its request to have the case dismissed, Daum said it believed the debtor could not have expected in good faith to be able to reorganize after filing for bankruptcy and it appears unable to secure financing that would allow it to pay Daum's claim, pointing to statements made by Reddy in November that financing terms from White Oak could be agreed to within a matter of weeks.

During a round of questions regarding the structure of the Ybrant business group and the Chapter 11 estate's current state of affairs, Reddy said that it had taken longer than expected to finalize a loan agreement with White Oak but that he is "very positive" a loan agreement will be signed and hopeful that the due diligence process completed in the next four to six weeks.

"They're very happy with the strategy and how we want to use the funds," Reddy said, referring to talks with White Oak.

Despite rejecting Daum's motion, Judge Bernstein told the creditor that it has the option at this point in time to file its own restructuring plan for the debtor.

Ybrant is represented by Nancy L. Kourland of Rosen & Associates PC.

Daum is represented by Bo-Yong Park and William J.T. Brown.

The case is In re: Ybrant Media Acquisition Inc., case number 1:16-bk-10597, in the U.S. Bankruptcy Court for the Southern District of New York.

--Editing by Bruce Goldman.