



brightcom group



LEADING THROUGH TECHNOLOGY
WINNING THROUGH PEOPLE

19th ANNUAL
REPORT
FINANCIAL YEAR 2017 - 18

[INDEX]

CORPORATE INFORMATION	1	
LETTER FROM CHAIRMAN'S DESK	2	
KEY METRICS	5	
BUSINESS REVIEW	6	
BOARD OF DIRECTORS	8	
NOTICE	10	
BOARD' REPORT	16	
	29	MANAGEMENT DISCUSSION & ANALYSIS
	31	REPORT ON CORPORATE GOVERNANCE
	41	STANDALONE FINANCIAL STATEMENTS
	71	CONSOLIDATED FINANCIAL STATEMENTS



FORWARDLOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

REGISTERED OFFICE

Floor 5, Holiday Inn Express & Suites
Road No 2, Nanakramguda, Gachibowli,
Hyderabad, Telangana, India - 500032.
Phone: + 91 40 6744 9910
CIN: L64203TG1999PLC030996
Email: ir@brightcomgroup.com
www.brightcomgroup.com

BOARD OF DIRECTORS

Mr. M Suresh Kumar Reddy
Mr. Vijay Kancharla
Mr. Raghunath Allamsetty
Dr. K. Jayalakshmi Kumari
Dr. Surabhi Sinha

SUBSIDIARIES

Online Media Solutions Limited (Oridian)

Sapir 3 Herzlia 46733, PO Box 12637, Israel.

Ybrant Media Acquisition Inc

1201, Orange St, Suite 600, Wilmington,
New Castle County, Delaware, 19801, USA.

Dream ad S.A , Argentina

Av. Corrientes, 327 Piso 11, Buenos Aires, Argentina.

Dream ad S.A , Chile

Padre tMariano 103 Of. 207,
Providencia Santiago de Chile, Chile.

Dream ad S.A, Uruguay

Ellauti 357, Of. 50, 2Piso, Montevideo,
Uruguay CP. 11300.

Dream ad S.A, Panama

Av. Samuel Lewis y Calle 50, Panama city, Panama

Ybrant Digital (Brasil) Limited

188721, 333, North Bridge Road, #08-00,
KH KHEA Building, Singapore.

LIL Projects Private Limited

Floor 5, Holiday Inn Express & Suites
Road No 2, Nanakramguda, Gachibowli,
Hyderabad, Telangana, India - 500032.

Max Interactive Pty Ltd

5 Kings Lane, Darlinghurst, NSW 2010, Australia

International Expressions Inc (VoloMP)

108 West, 13th Street, Wilmington,
Delaware 19801, USA.

LGS Global FZE

Ras Al Khaimah Free Trade Zone, Ras Al Khaimah, UAE

Dyomo Corporation

16192, Coastal Highway, Lewes,
Delaware 19958-9776, County of Sussex, USA

Ybrant Digital Servicos De Publicidade LTDA

12995, Andar 18 Sala 36, 04.578-000,
Brooklin Novo, Sao Paulo, SP.

Frontier Data Management Inc (MediosOne)

108 West, 13th Street, Wilmington, Delaware 19801, USA.

Get Media Mexico S.A. DE CV

Presidente Masaryk No. 111, 1er. Piso, Col.
Chapultepec, Morales, Mexico D.F.

Yreach Media Private Limited

Floor 5, Holiday Inn Express & Suites
Road No 2, Nanakramguda, Gachibowli,
Hyderabad, Telangana, India - 500032.

BANKERS

Axis Bank Limited Canara Bank,
State Bank of India ICICI Bank Limited

CHIEF FINANCIAL OFFICER

CA Y. Srinivasa Rao

COMPANY SECRETARY

CS V. Sri Lakshmi

AUDITORS

P C N & ASSOCIATES
CHARTERED ACCOUNTANTS
Plot No. 12, "N Heights" Ground Floor,
Software Layout Unit, Cyberabad,
Hyderabad - 500081.

REGISTRAR AND SHARE TRANSFER AGENT

Aarathi Consultants Private Limited,
1-2-285, Domalguda, Hyderabad-500 029, Telangana, India
Phone: +91(40)2763 8111, +91 (40) 2763 4445, +91 (40) 2764 2217
Email: info@aarthiconsultants.com Fax:+91 (40) 2763 2184



Dear Shareholders,

It gives me great pleasure to update you on your company's progress for the year 2017-18. We had a challenging year in the market, and I am happy with the overall performance of the company in spite of that.

We had a few significant announcements during the year. One is we proposed to change the name of the company to Brightcom Group Limited. A couple of reasons why we did the name change. One is, we feel that it is more reflective, more positive and brighter way of representing the company. Two, more importantly, we had a judgment in the Court of the US, concerning Lycos Inc., where the receivership of the shareholding of Lycos Inc. was handed over to the seller Daum Global Holdings. It was important not to leave any overhang, both regarding going forward or even having discussions on how to get closure. I believe it is a good move because the product with the name Brightcom we launched three years ago for programmatic buying and video advertising has been doing exceptionally well. We got an excellent reputation in the market and extending that to the overall group is going to be very helpful for the company.

Financial Review

During the year, your Company achieved a consolidated turnover of Rs. 2,420.28 Crores as against Rs. 2,452.00 Crores in the previous year with net profit of Rs. 407.00 Crores as against Rs. 429.24 Crores in the last year.

There has been a lot of consolidation, not just at your company, but also in the industry. Formats of advertising usage have changed significantly. The consumers have started to use and spend more time on video as opposed to text-based media and are more comfortable giving commands through voice as opposed to using the keyboard. Several companies lost significant business since they were not prepared for the changes. We are happy to report that we have maintained the revenue. These are interesting times for the industry because while there has been growth, the majority of that additional growth has gone to two or three leading companies. But, we think the percolative effects are beginning to come now, something like GDPR is also a good thing for us. It creates a level playing field for all the players.

Live video streaming and influencer marketing also came to life in 2017–18. New consumer technologies, like live-video, enabled users to capture the attention of their peers and build more than humble followings. These quasi-celebrity personalities are now being categorized as micro-influencers and are helping both large and small brands reach highly engaged audiences.

It was also a big year for search marketers. New result types showed that search engines were honing in on searching intent and attempting to align results that best matched that intent. Websites other than Google and Bing also looked to incorporate search into their core strategies. Pinterest's foray into visual search and Amazon's investment in audio assistants are proof of search expanding beyond traditional search engines.

We have actively invested in branding to maintain our market position as a trusted partner. Our offerings boast of high-quality premium inventory along with high viewability. We continued to improve our ad quality tools and were leading the pack regarding the IAB's ads.txt initiative. Most of our publishers have included Brightcom in their ads.txt files.

We conducted two roadshows in the US, one with publishers focus in California and New York, and one with focus on demand partners in New York, and one in Europe.

Traffic Quality

We Invested in traffic quality ("TQ") technology and automated tools to protect our demand partners and to position Brightcom as a trusted supplier in the market. We saw great success in preventing TQ issues and increased our share with leading demand partners. We developed in-house pre-bid traffic quality tool to further enhance our control over our inventory across the different supply. We integrated Pixelate and Fraudlogix into Brightcom's ad quality tools. We improved our ad quality measurements ("AQ") through internal processes to keep existing publishers happy as well as recruit new publishers

Optimization

We have invested in strengthening our operations' automated tools to support campaign optimisation to get ready for 2018–19. We Integrated Header Bidding to Compass, our Display SSP, which allows us to gather more data and make better decisions concerning optimisation is yielding better results for our publishers.

Engagement

We also launched a solution called Perspective Engage which improves consumer engagement when you run Video Ads online. We started a new content platform with Tinbu (www.tinbu.com) to provide more exciting and engaging content to our users.

Third Party Validation

During the year in programmatic advertising Industry, we were rated as number one in the world on consumer trust index in March of this year by Pixelate.

Artificial Intelligence

Perhaps one of the biggest marketing buzzwords of 2017–18 has been "AI" (Artificial Intelligence). The potential of AI is quite exciting to science fiction writers and marketers alike. AI is an answer to numerous difficulties that marketers have faced in scaling efforts to meet consumer needs and improve upon marketing practices. We have started to work on some projects which are very interesting and show a lot of promise for this technology.

GDPR

Big update on data protection this year has been the implementation of what is called the GDPR, which is General Data Protection Regulation of Europe and all the publishers needed to comply with that. This spurred up significant activity for companies across the industry. We were well prepared and ready to take it on. The initial first month, there was some slowdown because our advertisers were watching to see the impact, so there was a holdback on the budget, but later it is turning out to be a great positive for us. Mainly since it is acting as a means to neutralize any unfair advantages that few players enjoyed in the past.

Moving Forward

Much of what drove industry change in 2017–2018 is set to continue affecting marketing in 2018–19. Personalization may finally come to a head as AI, and machine learning lead the way in enhancing consumer communication. More profound marketing insights and a digital–first approach to advertising will give business leaders the ability to make a real impact on their conversations. Transparency is key to digital advertising as an industry. Without it, business leaders will not be able to trust in the results they are seeing from their internal departments and external partners.

Consumer behavior will also continue to change in 2018–19. Voice search promises to alter the way consumers engage with the web and in turn affect the way content managers think about their websites. Titanic shifts in traditional entertainment media is going to change the audio and video industries forever. The video segment of our digital media business is being enhanced to capitalize on the fast–growing video monetization segment. Presently, your company is streamlining its operations globally to focus more on the priority segments of the business.

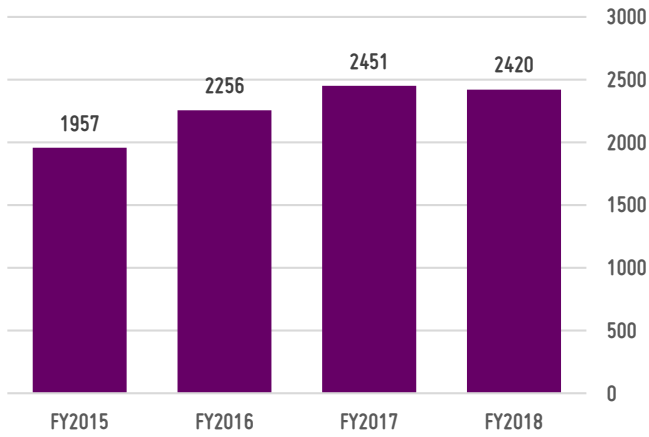
In summary, the game plan continues to leverage the steady growth of the digital media markets and build out the AI/IoT business to be ready for the explosive growth anticipated there. We intend to achieve this through smart and nimble teams that will innovate to create world–class services and products. Preparing for change, we will strive to stay ahead of the curve, by keeping a close eye on trends that reveal themselves as the year unfolds.

M Suresh Kumar Reddy

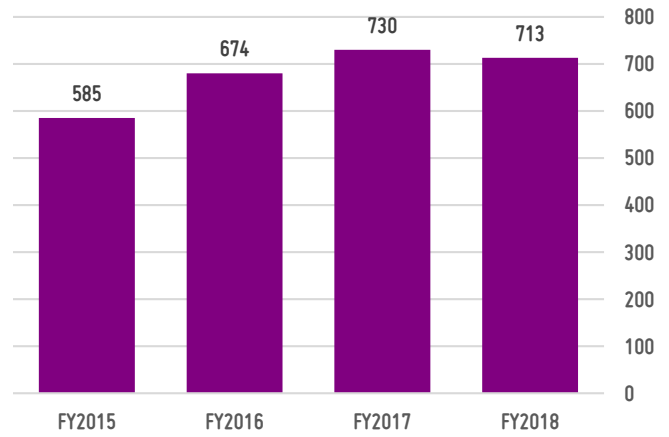
Chairman and Managing Director

KEY METRICS

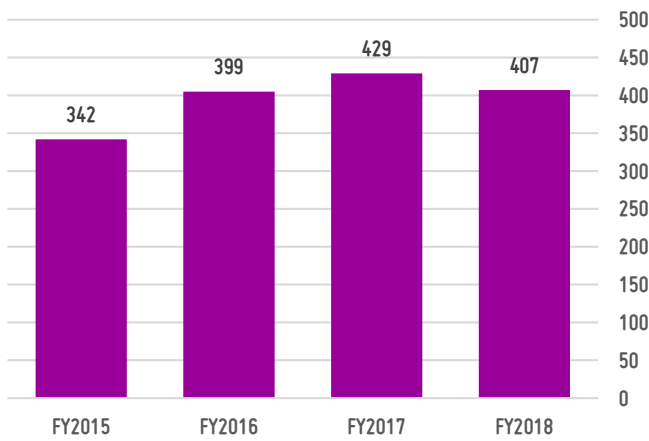
Revenue



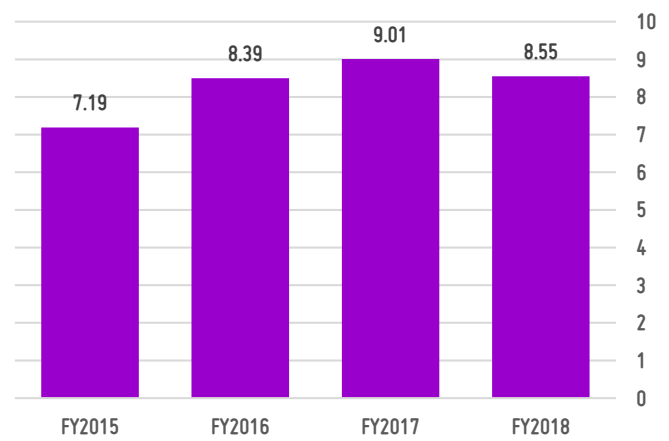
EBIDTA



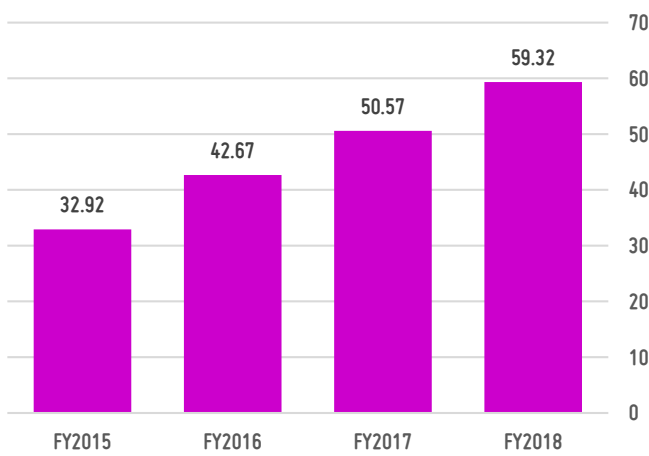
PAT



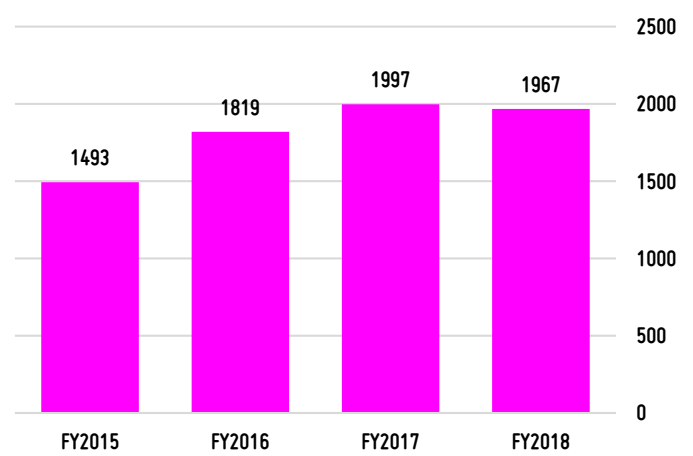
EPS



Book Value

















Digital Marketing Revenue

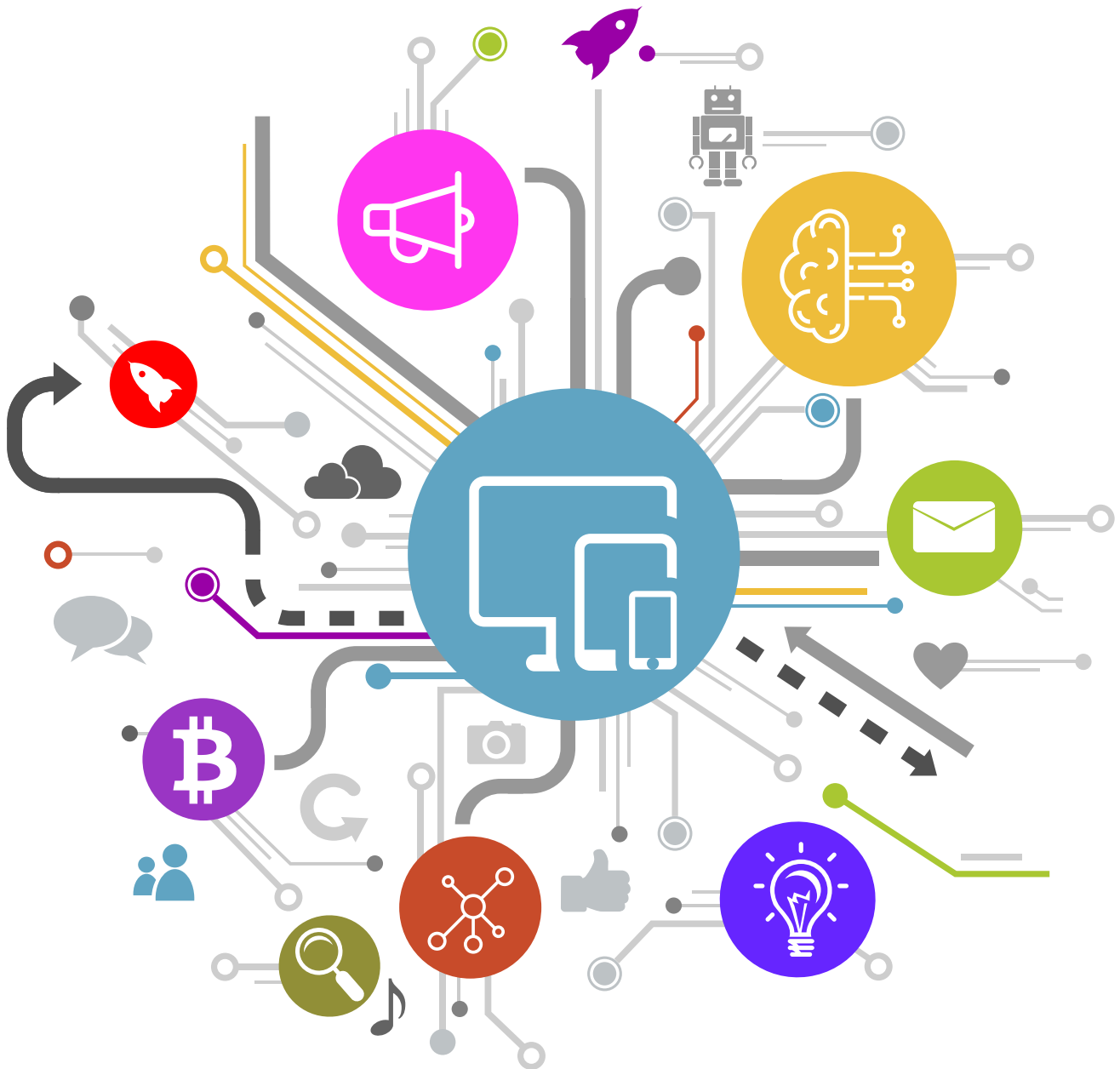


-  Lycos Internet Limited was officially renamed to Brightcom Group Limited.
-  Brightcom participated at the world converges at dmexco.
-  Brightcom Group at position #345 in The BW Real 500 list.
-  Integrated Picalate and Fraudlogix into Brightcom's ad quality.
-  Integrated Header Bidding to Compass, our Display SSP.





BUSINESS REVIEW

Advertising

-  We actively invested in branding to maintain our market position as a trusted partner, with high quality, premium inventory with high view ability.
-  We continued to improve our ad quality tools, and were leading the pack in terms of the IAB ads.txt initiative, as most of our publishers have included Brightcom in their ads.txt files. We witnessed success in our ads.txt initiative, and we have 60+ publishers who have already implemented Brightcom in their ads.txt files.
-  Conducted two roadshows in the US, one with publishers focus in California and New York, and one with focus on demand partners in NYC, and one in Europe.
-  Invested in traffic quality ("TQ") technology and automated tools in order to protect our demand partners and to position Brightcom as a trusted supplier in the market.
-  We saw great success in preventing TQ issues and increased our share with leading demand partners.
-  We implemented an ad quality system. We improved our ad quality measurements ("AQ") through internal processes and managed to maintain existing publishers as well as recruit new well-known publishers. Recruited new supply and demand partners to reduce our dependency on specific publishers and demand partners. We are in the process of strengthening our operations' automated tools to support 24/7 optimization to get ready for 2018.
-  In September, the team participated in Dmexco in Germany.
-  In October, the team participated in Google think partners conference that took place in Ireland.
-  We strengthened our demand stack by adding leading demand partners to both our display and video activities.
-  We continue to focus on our direct publisher strategy and it is our highest priority.
-  Brightcom is joining forces behind the ads.txt initiative, and believes it will enable us to strengthen our leading position in the market.
-  We continue to atomize and optimize the daily work flow using new developments and algorithms.
-  Also launched and improved post-bid.com landing page geared to potential Demand side partners <https://www.post-bid.com/>
-  Working on a summer release of a new Web Publishing platform based on the Wordpress platform. There has been a lot of progress. This will provide more tools and functionality for our users. New equipment upgrade is in process as well in the new Equinix facility.



Technology

-  Our ongoing investment in traffic quality tools helped Brightcom grow as a significant supplier for many of our leading demand partners. It also improved our brand, and allowed us to gain traction with more publishers and demand partners.
-  Developed in-house pre-bid traffic quality tool to further enhance our control over our inventory across the different supply.
-  Integrated Header Bidding to Compass, our Display SSP, which allows us to gather more data and take better decisions in terms of optimization, yielding better results for our publishers.
-  Signed business agreements with additional mobile and desktop RTB partners to strengthen our demand.



Suresh Reddy

Chairman and CEO

Suresh is the Chairman & CEO of Brightcom Group. An entrepreneur with a commitment to building high value businesses, Suresh is responsible for promoting the success of the group and its worldwide functions and sustainability. With over a decade of online marketing and advertising experience, he has a strong understanding of building effective cross-country and cross-cultural business operations. He directs and supervises the group's strategy and its implementation globally.

Suresh founded two successful companies USAGreetings and Ybrant Technologies. He maintains a global network of trusted relationships with peer entrepreneurs, corporates, partners, institutions and the media. He has consummated, completed and integrated 10 major acquisitions for Ybrant Digital, coupled with fund raising. The group under his leadership has raised \$100 million in equity and debt over a period of 7 years.

Prior to co-founding two successful companies USA-Greetings and Ybrant Technologies, he worked in various roles across different industries in Fortune 500 companies, such as Caterpillar, Chrysler, SBC(PacBell) and Charles Schwab.

Suresh holds an M. S. in Engineering from the Iowa State University and a B. Tech. in Mechanical Engineering from the Indian Institute of Technology, Kharagpur, India.



Vijay Kancharla

Chief Innovation Officer

Vijay leads the innovations at Brightcom Group. He is responsible for the company's worldwide technology enhancements and innovations. Vijay has been at the forefront of the internet revolution and has vast experience in building innovative solutions for the online market.

Prior to co-founding USAGreetings and Ybrant Technologies, he worked with some of the Fortune 500 companies, such as Hewlett Packard and Pacific Bell.

Vijay holds an M. S. in Computer Science from the University of Louisville and a B. Tech. from the Jawaharlal Nehru Technological University, Hyderabad, India.



Raghunath Allamsetty

Independent Director

Raghunath Allamsetty, is one of the veteran IT professionals in the country, who co-founded many US-based technology start-ups in India. Raghu is the co-founder of Platys Communications in India, which is one of the first Fab-less digital high speed ASIC (Chip) design house in Hyderabad that was acquired by Adaptec Inc., CA USA.

His expertise extends into the areas of Management, Operations, R&D, Hardware Engineering, and Software Design & Development. His skill in working with remote locations across international locations with expertise in operations and people management with diverse cultures, has led to the unmatched success of his teams.

Raghu has been involved with many NGOs and holds a respectable position in ROTARY, Task Force Member of SOS (save our Schools) of Rotary Initiatives and has served in many more capacities.



Dr. Surabhi Sinha

Independent Director

With a PhD in Mathematics from the Indian Institute of Technology, Kharagpur, and several academic publications to her credit, Dr. Surabhi Sinha started off as a Research Assistant at the Council for Scientific & Industrial Research, India, and way back in 1992. She served as Project Associate in the Department of Mathematics - IIT, Kharagpur for around 7 years.

Dr. Surabhi has published several academic papers in the field of Fuzzy Programming, Multi-level Non-linear Systems, Linear Programming Approaches, and Integer Solutions via Goal Programming.

Dr. Surabhi also holds an M.SC in Mathematics from IIT - Kharagpur, B.SC (Honors) in Mathematics from IIT-Kharagpur, and a Diploma in Information Technology from the National Institute of Information Technology, Delhi.



Dr. K. Jayalakshmi Kumari

Independent Director

Dr. JayalakshmiKumari has a Ph.D. in social sciences, an M.A in Economics, M.A in Political Science, M.Phil and M.Ed., with years of experience in teaching. With proven ability to constantly challenge and improve existing processes and systems, she has been participating and rendering voluntary services to many social organizations.

With a deep passion for teaching, She brings in 15 years of experience from the educational sector having worked for leading schools and colleges in Hyderabad. Presently, she is working with the Nalanda Educational Society as a faculty in the field of social sciences. In addition to this, she regularly conducts awareness programs for women's development, entrepreneurship, health camps, and does community services towards encouragement of economically weaker women.

She is also an Independent director in the listed company M/s Cambridge Technology Enterprises Ltd., Hyderabad.

NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the members of **Brightcom Group Limited (formerly Lycos Internet Limited)** will be held on Wednesday, November 28, 2018 at 10:00 A.M at Ellaa Hotels, Hill Ridge Springs, Gachibowli, Hyderabad – 500032, Telangana to transact the following business.

ORDINARY BUSINESS:

1. Adoption of Financial Statements:

To receive, consider and adopt:

- (a) the audited standalone financial statements of the company for the financial year ended March 31, 2018 together with the reports of the Board of Directors and the Auditors thereon; and
- (b) the audited consolidated financial statements of the company for the financial year ended March 31, 2018 together with the report of the Auditors thereon.

2. To appoint a Director in place of Mr. Vijay Kancharla (DIN: 02744217) who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

3. To Appoint Dr. Surabhi Sinha as an Independent Director.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT, pursuant to the provisions of sections 149, 150, 152, and other applicable provisions of the Companies Act, 2013 and the Rules made there under read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable regulations of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, Dr. Surabhi Sinha (DIN: 07354441) who was appointed as an Additional Director (Independent) of the Company with effect from 13th February,

2018 and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and Dr. Surabhi Sinha shall hold office for a term upto five consecutive years commencing from 13th February, 2018.”

4. Increase in limit of NRI investment in the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Foreign Exchange Management Act, 1999, the Foreign Exchange Management Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017, read with the Master Directions on Foreign Investment dated January 4, 2018 issued by Reserve Bank of India, the Consolidated FDI Policy effective from August 28, 2017, as subsequently amended, and all other applicable rules, and regulations, guidelines and laws (including any statutory modifications or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions which may be agreed to by the Board, approval of the Shareholders be and is hereby accorded to permit Non Resident Indians (“NRIs”), to acquire and hold on their own account such number of equity shares aggregating up to 24% of the issued, subscribed and paid-up equity share capital of the Company for the time being, subject to applicable laws, rules and regulations.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

BY ORDER OF THE BOARD OF DIRECTORS
For BRIGHTCOM GROUP LIMITED
(formerly Lycos Internet Limited)

M SURESH KUMAR REDDY
CHAIRMAN AND MANAGING DIRECTOR

Place: Hyderabad
Date: 16-10-2018

Registered Office:

Floor: 5, Holiday Inn Express & Suites,
Road No: 2, Nanakramguda, Gachibowli,
Hyderabad – 500032, Telangana, India.
CIN:L64203TG1999PLC030996
Email:ir@brightcomgroup.com;www.brightcomgroup.com
Tel:+91 40 67449910 fax: +91 22 66459677

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective, should reach the registered office of the Company at least 48 hours before the time of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the special business to be transacted at the Annual General Meeting is annexed hereto.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The Register of Members and Share Transfer books of the Company will remain closed from Thursday, November 22, 2018 to Wednesday, November 28, 2018 (both days inclusive).
5. Shareholders are requested to bring their folio number/demat account number/DPID-Client ID and are requested to sign at the place provided on the attendance slip and hand it over at the entrance to the venue of the Annual General Meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be titled to vote.
7. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
8. Members who hold shares in the dematerialized form and want to change/correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company will not entertain any direct request from such members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details.
9. Members holding shares in physical form are advised to submit particulars of their PAN, Bank Account details viz. name and address of the branch of the bank, MICR code of the

branch, type of account and account number to our Registrar and Share Transfer Agent, M/s Aarthi Consultants Private Limited, Unit: Brightcom Group Limited (formerly Lycos Internet Limited), 1-2-285, Domalguda, Hyderabad - 500 029.

10. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant provisions of Companies (Management and Administration) Rules, 2014, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company are requested to submit their request with their valid e-mail address to M/s. Aarthi Consultants Private Limited. Members holding shares in demat form are requested to register/update their e-mail address with their Depository Participant(s) directly. Members of the Company, who have registered their email address, are entitled to receive such communication in physical form upon request.
11. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m. upto the date of the 19th Annual General Meeting.
12. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to Members to exercise their right to vote by electronic means. The complete instructions on e-voting facility provided by the Company are annexed to this notice. Such remote e-voting facility is in addition to voting that may take place at the meeting venue on November 28, 2018.
13. The facility for voting through polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
14. The Company has appointed Mr. A Sridhar, Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.
15. Pursuant to Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting of the Company are provided in "Annexure to Notice". The Company has received the consents / declarations for their appointments / re-appointments under the Companies Act, 2013 and the rules there under.
16. The requirement to place the matter relating to appointment of the Statutory Auditors for ratification by members at every

Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of the Statutory Auditors, who were appointed in the Annual General Meeting, held on September 27, 2017.

INSTRUCTIONS ON E-VOTING FACILITY:

The instructions for shareholders voting electronically are as under:

The voting period begins on November 25, 2018 at 09:00 a.m. and ends on November 27, 2018 at 05:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of November 21, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).</p>

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant <BRIGHTCOM GROUP LIMITED> on which you choose to vote.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be down loaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

The Scrutinizer, after scrutinizing the votes cast at the meeting (Poll) and through remote e-voting, will, not later than 48 hours of conclusion of the Annual General Meeting, make a consolidated scrutinizer’s report and submit the same to the Chairman. Thereafter, the Chairman or any other person authorized by the Chairman shall declare the result of the voting forthwith.

The Voting Results on above resolutions along with the Scrutinizer’s Report shall be placed on the Company’s website www.brightcomgroup.com and on the CDSL website www.evotingindia.com and be submitted to the BSE Limited and the National Stock Exchange of India Limited within 48 hours from the conclusion of the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.

Annexure to Notice

Details of Directors retiring by rotation / seeking appointment / re-appointment at the 19th Annual General Meeting

Name of Director	Mr. Vijay Kancharla (DIN:02744217)	Dr. Surabhi Sinha (DIN: 07354441)
Date of Birth	10.05.1967	13.07.1966
Date of first Appointment	26.06.2012	13.02.2018
Category	Executive Director	Non-Executive & Independent Director
Relationship with other Directors	None	None
Qualification	Master of Science from University of Louisville & B.Tech., from JNTU, Hyderabad	PhD in Mathematics from the Indian Institute of Technology, Kharagpur, M.Sc (Mathematics)
Terms & Conditions of Re-Appointment along with Remuneration sought to be paid	Being reappointed as a Director liable to retire by rotation. No remuneration is being paid.	Being appointed as an Independent Director not liable to retire by rotation for a term of 5 year w.e.f. February 13,2018. Only sitting fees is being paid for attending Board and Committee meetings.
a)Brief Resume and Experience b)Expertise in specific functional area	Mr. Vijay Kancharla is one of the main Promoters and has been associated with the Company as Executive Director. Mr. .Vijay has been at the forefront of the internet revolution and has vast experience in building innovative solutions for the online market. Prior to co-founding USA Greetings and Ybrant Technologies, he worked with some of the Fortune 500 companies, such as Hewlett Packard and Pacific Bell.	Dr. Surabhi Sinha has several academic publications to her credit. She started off as a Research Assistant at the Council for Scientific & Industrial Research, India, way back in 1992. She served as Project Associate in the Department of Mathematics - IIT, Kharagpur for around 7 years. Later, she moved on in 2005 to serve as a Faculty in Hyderabad Central University for 2 years. Dr. Surabhi has published several academic papers in the field of Fuzzy Programming, Multi-level Non-linear Systems, Linear Programming Approaches, and Integer Solutions via Goal Programming.
No. of Board Meetings attended during the year	1	1
Directorships held in other Companies and Bodies Corporate as on March 31, 2018	NIL	NIL
Chairman / Member of the Committee of the Board of Directors of the Company	Member of the Audit Committee and CSR Committee	Member of the Stakeholders Relationship Committee and Nomination & Remuneration Committee
Chairman/Member of the Committee of the Board of Directors in other Companies as on March 31, 2018	NIL	NIL
Number of shares held in the Company as on 31.03.2018	3820946	NIL

*(Excluding Private, Section 8 Companies & Foreign Companies)

Explanatory Statement pursuant to Section 102 of the Companies Act 2013

ITEM NO.3

Based on the recommendations of the Nomination & Remuneration Committee ("NRC"), the Board of Directors of the Company have appointed Dr. Surabhi Sinha (DIN: 07354441) as an Additional Director (Independent) of the Company to hold office for a period of five consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM").

In terms of section 149 and any other applicable provisions of the Companies Act, 2013, Dr. Surabhi Sinha (DIN: 07354441) being eligible and having given her consent, is proposed to be appointed as an Independent Director for a term of five years. The Company has received declaration from Dr. Surabhi Sinha that she meets the criteria of independence as prescribed both under Section 149 read with schedule IV of the Companies Act, 2013 and applicable Regulations of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with requisite deposit proposing the candidature of Dr. Surabhi Sinha for the office of Independent Director, to be appointed as such under the provisions of Section 149(6) of the Companies Act, 2013.

In the opinion of the Board of Directors, Dr. Surabhi Sinha, the Independent Director proposed to be appointed, fulfills the conditions specified in the Act and the rules made thereunder and she is independent of the Management. A copy of the letter for the appointment of Dr. Surabhi Sinha as an Independent Director setting out the terms and conditions is available for inspection without any

fee by the members at the registered office of the company during normal business hours on working days up to the date of AGM.

The Board considers that her continued association would be of immense benefit to the company and it is desirable to continue to avail the services of Dr. Surabhi Sinha as an Independent Director.

Excepting Dr. Surabhi Sinha, who is interested in her appointment, no other Director or Key Managerial Personnel or their relatives, is concerned or interested in the said appointment.

The Board recommends the resolution set forth in item No. 3 for the approval of the members.

ITEM NO.4

The members are informed that the Company proposes to increase the aggregate limit of investment by non-resident Indians (NRIs) in the Company up to 24% of the paid-up equity share capital of the Company. This would allow non-resident Indians to acquire and hold on their own account to a greater extent to the equity shares and also allow effective listing trading in the Equity Shares by non-resident Indians.

The Board recommends the resolution set forth in item No. 4 for approval of the members of the Company.

None of the directors, key management personnel and relatives of directors and/or key management personnel are concerned or interested in the proposed resolution.

**BY ORDER OF THE BOARD OF DIRECTORS
For BRIGHTCOM GROUP LIMITED
(formerly Lycos Internet Limited)**

**Place: Hyderabad
Date: 16-10-2018**

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

BOARD'S REPORT

Dear Members,

Your Directors take pleasure in presenting the 19th Annual Report together with the Audited Statement of Accounts for the Financial Year ended March 31, 2018.

Financial Highlights

(Rs. in Lakhs)

Particulars	Consolidated FY 2017-18	Consolidated FY 2016-17	Standalone FY 2017-18	Standalone FY 2016-17
Total Revenue	242,028.43	245,200.48	45,482.82	46,623.05
Gross Profit before Interest, Depreciation & Tax	71,329.30	72,999.90	1,224.90	1,342.82
Less: Interest	1,479.57	1,524.13	1,478.75	1,523.27
Depreciation	10,814.98	9,574.25	107.92	142.71
Profit before Tax	59,034.75	61,901.53	(361.77)	(323.17)
Less: Provision for Tax	18,455.01	19,025.31	-	11.02
Less: Deferred Tax	(120.89)	(48.41)	(67.70)	(53.39)
Profit after Tax	40,700.63	42,924.62	(294.07)	(280.79)
Add: Other comprehensive income	964.83	(60.54)	68.53	(7.59)
Total comprehensive income for the period	41,665.46	42,864.09	(225.54)	(288.38)
Balance Brought forward from the previous year	177,535.08	135,244.21	6,924.63	7,786.21
Profit available for appropriations	219,200.54	178,108.29	6,699.09	7,497.83
Less: Dividend	-	476.25	-	476.25
Less: Tax on Dividends	-	96.96	-	96.95
Less: Amount transferred to retained earnings as per Schedule II of Companies Act, 2013	-	-	-	-
Less: Transferred to General Reserve	-	-	-	-
Profit Carried to Balance Sheet	219,200.54	177,535.08	6,699.09	6,924.63

Performance Review

During the year under review, your Company achieved a consolidated turnover of Rs. 242,028.43 lakhs as against Rs. 245,200.48 lakhs in the previous year. Your Company has earned a consolidated gross profit of Rs. 71,329.30 lakhs before interest, depreciation and tax as against Rs. 72,999.90 lakhs in the previous year. After deducting financial charges of Rs. 1,479.57 lakhs, depreciation of Rs. 10,814.98 lakhs and provision for tax of Rs. 18,334.12 lakhs, the operations resulted in a net profit of Rs. 40,700.63 lakhs as against Rs. 42,924.62 lakhs in the previous year.

There is no change in the nature of business carried on by the Company during the year under review.

There are no Material Changes and Commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this Report.

Deposits:

During the year, the Company has not accepted any public deposits.

Loans, Guarantees or Investments

The particulars of loans, guarantees, and investments have been disclosed in the financial statements.

Subsidiary Companies

The Company has 16 subsidiaries as of March 31, 2018. There was no material change in the nature of the business carried on by the subsidiaries. During the year under review the Company has not floated any new subsidiary Company.

Pursuant to Proviso to Section 129(3) of the Act, a statement containing the brief details of performance and financials of the Subsidiary Companies for the financial year ended March 31, 2018 is attached to Financial Statements of the Company.

Consolidated financial statements

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with the provisions of Section 129(3) and other applicable provisions of the Companies Act, 2013 and the Indian Accounting Standards Ind AS-110 and other applicable Accounting Standards, your Directors have pleasure in attaching the consolidated financial statements for the financial year ended March 31, 2018, which forms part of the Annual Report.

Management's discussion and analysis

Business Overview and Outlook and the state of the affairs of the Company and the Industry in which it operates, is discussed in detail in the section relating to Management Discussion & Analysis.

Related Party Transactions

All related party transactions that were entered into during the financial year were in the ordinary course of the business of the Company and were on an arm's length basis. There were no materially significant related party transactions entered by the Company during the year with the Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company.

The policy on related party transactions as approved by the Audit Committee and the Board of Directors is hosted on the website of

the Company www.brightcomgroup.com. Prior omnibus approvals from the Audit Committee are obtained for transactions which are repetitive and also normal in nature. Further, disclosures are made to the Committee and the Board on a quarterly basis.

Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, the requirement of furnishing the requisite details in Form AOC-2 is not applicable to the Company.

Details of the transactions with Related Parties are provided in the accompanying financial statements.

Corporate Governance

Pursuant to the provisions of Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance has been incorporated in the Annual Report for the information of the shareholders. A certificate from the Practicing Company Secretary regarding compliance with the conditions of Corporate Governance as stipulated under the said Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also forms part of this Annual Report.

Transfer of Un-Claimed Dividend to the Investor Education and Protection Fund.

Your Company during the year under review transferred the Unclaimed Dividend pertaining to the Financial Year 2009-10 to the Investor Education and Protection Fund in compliance with the provisions of Section 125 of the Companies Act, 2013.

Directors and key Managerial Personnel

In pursuance of Section 152 of the Companies Act, 2013 and the Rules framed there under, Mr. Vijay Kancharla, Executive Director is liable to retire by rotation, at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

During the period under review Mr. Subrato Saha ceased to be the Director of the Company w.e.f. October 25, 2017. Your Board places on record the valuable services rendered by Mr. Subrato Saha during his tenure as Director of the Company.

The Board of Directors appointed Dr. Surabhi Sinha as an Independent Director of the Company w.e.f. February 13, 2018.

The Independent Directors have submitted the declaration of independence, pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section(6) of Section 149 of the Companies Act, 2013.

The resolution seeking approval of the Members for the appointment of Dr. Surabhi Sinha as an Independent Director for a term of five years have been incorporated in the notice of the annual general meeting of the Company.

The Company has received notice under Section 160 of the Act along with the requisite deposit proposing the appointment of Dr. Surabhi Sinha as an Independent Director.

Evaluation of performance of the Board, Members of the Board and the Committees of the Board of Directors

The Nomination and Remuneration Committee has laid down criteria for performance evaluation of Directors, Chairperson, Board Level Committees and the Board as a whole and also the evaluation process for the same. The Nomination and Remuneration

Committee has reviewed the performance evaluation of the Directors, Chairperson, Nomination and Remuneration Committee, Audit Committee and Stakeholders Relationship Committee and the Board as a whole.

The statement indicating the manner in which formal annual evaluation of the Directors, the Board and the Board level Committees are given in the report on Corporate Governance, which forms part of this Annual Report.

Policy on Directors' Appointment and remuneration and other Details

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 is hosted on the Company's website www.brightcomgroup.com.

Meetings of Board of Directors

During the Financial Year six (6) meetings of the Board of Directors were held. The details of the meetings of the Board are given under the Section Corporate Governance Report which forms part of this Report.

The details of the familiarization programme formulated for Independent Directors is hosted on the Company's website www.brightcomgroup.com.

Audit Committee

The Company has in place an Audit Committee in terms of the requirements of the Companies Act, 2013 read with the Rules made thereunder and Regulation 18 of the SEBI (LODR) Regulations, 2015. The details relating to the Audit Committee are given in the section relating to Corporate Governance forming part of the Board Report.

During the year under review Mr. Subrato Saha Non-executive Independent Director ceased to be a member of the Audit Committee.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars as prescribed under sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are as follows:

A. Details of Conservation of Energy

The operations of your company do not consume high levels of energy. The Company uses electric energy for its equipment such as computer terminals, air conditioners, lighting and utilities in the work premises. Adequate measures have been taken to conserve energy by using energy-efficient computers and equipment with the latest technologies.

However, the requirement of disclosure of particulars with respect to conservation of energy as prescribed in the Section 134(m) of the Companies Act, 2013, read with Rule 8(3) of Companies (Accounts) Rules, 2014 are not applicable to the Company and hence not provided.

B. Technology Absorption

The Information Technology (IT) and Information Technology Enabled Services (ITES) Industry are subject to high rate of technological obsolescence. The Company's business is Digital

Marketing and Software Development. The change in the industry paradigm is dynamic. The Company is continuously updating these changes and constantly evaluating these developments to improve its capabilities towards the industry. Accordingly, research and development of new services, display advertising, platforms and methodologies, continue to be of importance to us. This allows us to enhance quality, productivity and customer satisfaction through continuous improvements and innovations. As part of the continuous thrust on R&D, the company is also focused on Solutions Research and Vertical Focus Research. These would identify new ideas which would enable business process improvement for customers and would be aligned with the business strategy and growth opportunities of the organization. Our R & D activities are not capital intensive and we do not specifically provide for the same in our books.

C. Foreign Exchange Earnings and outgo

The particulars of earnings and expenditure in foreign exchange during the year are given in notes to Standalone financial statements.

Statutory Auditors

M/s. P C N & Associates (formerly known as Chandra Babu Naidu & Co.,) (Firm Registration No.016016S), Chartered Accountants were appointed as Statutory Auditors of the Company for a term of Five years from the conclusion of the 18th Annual General Meeting till conclusion of 23rd Annual General Meeting conducted the Statutory Audit for the FY-2017-18. The Independent Auditors' Report(s) to the Members of the Company in respect of the Standalone Financial Statements and the Consolidated Financial Statements for the Financial Year ended March 31, 2018 form part of this Annual Report and do not contain any qualification(s) or adverse observations.

There have been no instances of fraud reported by the Auditors including the Statutory of the Company under Section 143(12) of the Companies Act, 2013 and the Rules framed there under either to the Company or to the Central Government.

Secretarial Auditors

In compliance with the provisions of Section 204(1) of the Companies Act, 2013, the Company has appointed Mr. A. Sridhar, Practicing Company Secretary to conduct Secretarial Audit of the records and documents of the Company for the Financial Year 2017-18. The Secretarial Audit Report for the Financial Year ended 31st March, 2018 in Form MR-3 is annexed to the Board's Report - Annexure -A and forms part of this Report. The Secretarial Auditors' Report to the Members of the Company for the Financial Year ended March 31, 2018 does not contain any qualification(s) or adverse observations.

Compliance with Secretarial Standards

The Company has complied with applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Government of India under Section 118(10) of the Companies Act, 2013.

Extract of Annual Return

The extract of the Annual Return of the Company in Form MGT-9 for the Financial Year ended 31st March, 2018 is given in Annexure- B and forms part of the Boards' Report.

Internal Financial Controls and Risk Management

The details relating to internal financial controls and their adequacy and Risk Management are included in the Management Discussion and Analysis Report.

Vigil Mechanism/ Whistle Blower Policy

The Company has a vigil mechanism policy to deal with instances of fraud and mismanagement, if any. The vigil mechanism policy is uploaded on the website of the Company www.brightcomgroup.com.

The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

Particulars of Employees and related disclosures:

No Salary is being paid to Directors of the Company including Managing Director other than sitting fee to Independent Directors and hence the details as required to be disclosed under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration to Key Managerial Personnel) Rules, 2014 is not applicable.

The information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request by any Member of the Company. In terms of Section 136 of the Companies Act, 2013, the Annual Report including the Board's Report and the Audited Accounts are being sent to the Members excluding the same. Any Member interested in obtaining a copy of the same may write to the Company Secretary at the Registered Office of the Company.

Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company as it ceased to be a Company covered under subsection (1) of Section 135 of the Companies Act, 2013 in the reporting financial year; hence disclosure in this regard is not provided.

Significant and material orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

Place: Hyderabad
Date: 16-10-2018

Protection of Women at Work Place

The Company has formulated a policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year ended 31st March, 2018, the Company has not received any complaints pertaining to Sexual Harassment.

Directors' Responsibility Statement:

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, your Directors to the best of their knowledge and ability confirm as under:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The directors have laid down internal financial controls based on internal controls framework established by the Company, which in all material respects were adequate and operating effectively.
- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgment:

Your Directors place on record their sincere appreciation and thanks for the valuable cooperation and support received from the employees of the Company at all levels, Company's Bankers, Associates, partners, clients, vendors, and Members of the Company and look forward for the same in equal measure in the coming years.

For and on behalf of the Board of Directors

(M. Suresh Kumar Reddy)
Chairman and Managing Director

Form No. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2018
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members of
Brightcom Group Limited
(formerly Lycos Internet Limited)
CIN: L64203TG1999PLC030996
Hyderabad

The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period);

(vi) Other Laws Applicable Specifically to the Company namely:

a) Information Technology Act, 2000 and the rules made thereunder

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Brightcom Group Limited (formerly Lycos Internet Limited) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

For the compliances of Labour Laws & other General Laws, my examination and reporting is based on the documents, records and files as produced and shown to me and the information and explanations as provided to me, by the officers and management of the company and to the best of my judgment and understanding of the applicability of the different enactments upon the Company, in my opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labour Laws.

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended on March 31, 2018 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have also examined compliances with the applicable clauses of Secretarial Standards (SS-1& SS-2) issued by the Institute of Company Secretaries of India and it was noted that the Company has complied with the same to the extent possible, however the stricter applicability of the Secretarial Standards is to be observed by the Company.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

I have not examined compliance with applicable Financial Laws, like Direct and Indirect Tax Laws, since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

As per the information furnished, adequate notice(s) were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance to all Directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings were duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

As per the records, the Company generally filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies ('ROC') within the stipulated time.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there was no event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (e) The Securities and Exchange Board of India ((Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable to the Company during the Audit Period);
- (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period);

Place: Hyderabad
Date: 01.10.2018

CSA. SRIDHAR
Practicing Company Secretary
C P No.: 12011

This report is to be read with my letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

To
The Members of
Brightcom Group Limited
(formerly Lycos Internet Limited)
Hyderabad.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

CSA. SRIDHAR
Practicing Company Secretary
C P No.: 12011

Place: Hyderabad
Date: 01.10.2018

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L64203TG1999PLC030996
ii.	Registration Date	28-Jan-1999
iii.	Name of the Company	BRIGHTCOM GROUP LIMITED (Formerly, Lycos Internet Limited)
iv.	Category/Sub-Category of the Company	Company Limited by Shares / Non-Government Company
v.	Address of the Registered office and contact details	Floor: 5, Holiday Inn Express & Suites, Road No: 2, Nanakramguda, Gachibowli, Hyderabad – 500032, Telangana, India. Ph. +91 40 6744 9910 e-Mail: ir@brightcomgroup.com Website: www.brightcomgroup.com
vi.	Whether listed company Yes/No	Yes BSE Limited National Stock Exchange of India Limited
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Aarthi Consultants Private Limited 1-2-285, Domalguda, Hyderabad – 500029. Ph. + 91 40 2763 8111; 2763 4445 Email: info@arthiconsultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Software Services and Digital Marketing	Division 62 and Division 63	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S.No.	Name of the company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	YReach Media Private Limited	U92412TG2012PTC082116	Subsidiary	99	2(87)
2.	LIL Projects Private Limited	U72900TG2016PTC110656	Subsidiary	100	2(87)
3.	Frontier Data Management Inc., USA	-	Subsidiary	100	2(87)
4.	International Expressions Inc., USA	-	Subsidiary	100	2(87)
5.	Online Media Solutions Limited, Israel	-	Subsidiary	100	2(87)
6.	Ybrant Media Acquisition Inc., USA	-	Subsidiary	100	2(87)
7.	Dyomo Corporation, USA	-	Subsidiary	100	2(87)
8.	Max Interactive Pty Ltd., Australia	-	Subsidiary	100	2(87)
9.	DreamAd, SA Argentina	-	Subsidiary	100	2(87)
10.	DreamAd, SA Chile	-	Subsidiary	100	2(87)
11.	Get Media Mexico Sociedad Anonima De Capital Variable, Mexico	-	Subsidiary	100	2(87)
12.	DreamAd, SA Panama	-	Subsidiary	100	2(87)
13.	DreamAd, SA Uruguay	-	Subsidiary	100	2(87)
14.	Ybrant Digital Services De Publicidade Ltd., Brasil	-	Subsidiary	100	2(87)
15.	Ybrant Digital (Brasil) Ltd, Singapore	-	Subsidiary	100	2(87)
16.	LGS Global FZE, UAE	-	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	67327627	0	67327627	14.14	67340627	0	67340627	14.14	0
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	67327627	0	67327627	14.14	67340627	0	67340627	14.14	0
2) Foreign									
a) NRIs-Individuals	91973599	0	91973599	19.31	91973599	0	91973599	19.31	0
b)Other-Individuals	-	-	-	-	-	-	-	-	-
c)Bodies Corp.	2186487	0	2186487	0.46	2186487	0	2186487	0.46	0
d) Banks / FI	-	-	-	-	-	-	-	-	-
e)Any Other	-	-	-	-	-	-	-	-	-
Overseas corporate bodies	24766812	0	24766812	5.2	24766812	0	24766812	5.2	0
Sub-total(A)(2):-	118926898	0	118926898	24.97	118926898	0	118926898	24.97	0
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	186254525	0	186254525	39.11	186267525	0	186267525	39.11	0
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e)Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Portfolio Investors	2415038	0	2415038	0.51	2725080	0	2725080	0.57	0.06
h) Foreign Venture Capital Funds	94847777	0	94847777	19.92	71807732	0	71807732	15.08	-4.84
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	97262815	0	97262815	20.42	74532812	0	74532812	15.65	-4.77
2. Non Institutions									
Bodies Corp.	61168156	25500	61193656	12.85	40656285	25500	40681785	8.54	-4.31
Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	46913378	260235	47173613	9.91	65737986	280135	66018121	13.86	3.95
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	53096842	0	53096842	11.15	71505894	0	71505894	15.01	3.86
Others(Specify)									
NBFCs Registered with RBI	100000	0	100000	0.02	106650	0	106650	0.02	0
Non Resident Individuals	14225349	509400	14734749	3.1	30139808	509400	30649208	6.44	3.34
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Trusts	1481000	0	1481000	0.31	1481000	0	1481000	0.31	0
Employees	0	357000	357000	0.07	0	357000	357000	0.07	0
Clearing Members	14597299	0	14597299	3.07	4651504	0	4651504	0.98	-2.09
Foreign Nationals									
Sub-total(B)(2)	191582024	1152135	192734159	40.47	214279127	1172035	215451162	45.24	4.77
Total Public Shareholding (B)=(B)(1)+ (B)(2)	28,88,44,839	1152135	289996974	60.89	288811939	1172035	289983974	60.89	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	475099364	1152135	476251499	100	475079464	1172035	476251499	100	-

(ii) Shareholding of Promoters/Promoters Group

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	%of total Shares of the company	%of Shares Pledged/encumbered to total shares	No. of Shares	%of total Shares of the company	%of Shares Pledged/encumbered to total shares	% change in share holding during the year
1	M. Suresh Kumar Reddy	75084653	15.77	6.99	75084653	15.77	7.87	0
2	Vijay Kancharla	3820946	0.8	0.8	3820946	0.8	0.8	0
3	Redmond Investments Ltd.	24766812	5.2	5.2	24766812	5.2	5.2	0
4	Geetha Kancharla	6534000	1.37	0	6534000	1.37	0	0
5	S.V. Rajyalaxmi Reddy	6534000	1.37	0	6534000	1.37	0	0
6	Fingrowth Co. Ltd.	1414534	0.30	0.19	1414534	0.30	0.19	0
7	Palle Suguna Reddy	1941000	0.41	0	1941000	0.41	0	0
8	Probus Capital Ltd.	605000	0.13	0.12	605000	0.13	0.12	0
9	M. Shashidhar Reddy	1341000	0.28	0	1341000	0.28	0	0
10	M. Gangi Reddy	1156800	0.24	0	1156800	0.24	0	0
11	Mundi Enterprise Ltd.	166953	0.04	0.02	166953	0.04	0.02	0
12	Vijay Kumar Kancharla HUF	62044564	13.03	0.72	62044564	13.03	7.15	0
13	Kadiyala Venkateswara Rao	713963	0.15	0	713963	0.15	0	0
14	M. Subhadra Reddy	128500	0.03	0	141500	0.03	0	0
15	K. Mohan Rao	1800	0	0	1800	0	0	0
	Total	186254525	39.11	14.05	186267525	39.11	21.36	0

(iii) Change in Promoters'/Promoters' Group Shareholding (please specify, if there is no change)

Sl. No.	Name of the Shar holder	Shareholding at the beginning of the year		Change in Shareholding		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	Increase	Decrease	No. of Shares	% of total shares of the company
1	M. Suresh Kumar Reddy	75084653	15.77	0	0	75084653	15.77
2	Vijay Kancharla	3820946	0.8	0	0	3820946	0.8
3	Redmond Investments Ltd.	24766812	5.2	0	0	24766812	5.2
4	Geetha Kancharla	6534000	1.37	0	0	6534000	1.37
5	S.V. Rajyalaxmi Reddy	6534000	1.37	0	0	6534000	1.37
6	Fingrowth Co. Ltd.	1414534	0.30	0	0	1414534	0.30
7	Palle Suguna Reddy	1941000	0.41	0	0	1941000	0.41
8	Probus Capital Ltd.	605000	0.13	0	0	605000	0.13
9	M. Shashidhar Reddy	1341000	0.28	0	0	1341000	0.28
10	M. Gangi Reddy	1156800	0.24	0	0	1156800	0.24
11	Mundi Enterprise Ltd.	166953	0.04	0	0	166953	0.04
12	Vijay Kumar Kancharla HUF	62044564	13.03	0	0	62044564	13.03
13	Kadiyala Venkateswara Rao	713963	0.15	0	0	713963	0.15
14	M. Subhadra Reddy	128500	0.03	13000	0	141500	0.03
15	K. Mohan Rao	1800	0	0	0	1800	0

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Change in Shareholding		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of Shares	% of total shares of the Company
1	EVEREST CAPITAL (M) LTD	61478864	12.91	0	23040045	38438819	8.07
2	OAK INDIA INVESTMENTS	33368913	7.01	0	0	33368913	7.01
3	UNO METALS LTD	19650000	4.13	0	3650000	16000000	3.36
4	AKG FINVEST LTD	17030000	3.58	0	6030000	11000000	2.31
5	GOENKA SECURITIES PVT LTD	3000000	0.63	1500000	0	4500000	0.94
6	PRIYA PRAKASH	6257883	1.31	9272937	0	15530820	3.26
7	KRISHNI DEVI GOENKA	6000000	1.26	0	0	6000000	1.26
8	ASHOK KUMAR GOENKA	4500000	0.94	0	0	4500000	0.94
9	RAJESH GOENKA	4500000	0.94	0	0	4500000	0.94
10	RITU GOENKA	3000000	0.63	1500000	0	4500000	0.94

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Director and KMP	Shareholding at the beginning of the year		Change in Shareholding		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Increase		No. of Shares	% of total shares of the Company
Directors							
1	Mr. Subrato Saha *	0	0	0	0	0	0
2	Dr. K. Jayalakshmi Kumari	0	0	0	0	0	0
3	Mr. Raghunath Allamsetty	0	0	0	0	0	0
4	Dr. Surabhi Sinha **	0	0	0	0	0	0
KMPs							
1	Mr. M. Suresh Kumar Reddy, CMD	75084653	15.77	0	0	75084653	15.77
2	Mr. Vijay Kancharla, ED	3820946	0.8	0	0	3820946	0.8
3	Mr. Y. Ramesh Reddy, Group CFO	0	0	0	0	0	0
4	Mr. Y. Srinivasa Rao, CFO	0	0	0	0	0	0
5	Mrs. V. Sri Lakshmi, CS	0	0	0	0	0	0

* Mr. Subrato Saha ceased to be the Director of the Company w.e.f. October 25, 2017.

** Dr. Surabhi Sinha appointed as an Additional Director (Independent) of the Company w.e.f. February 13, 2018.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Rs. in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	79.18	85.47		164.65
ii) Interest due but not paid	12.41	0.00		12.41
iii) Interest accrued but not due	0.00	0.00		0.00
Total(i+ii+iii)	91.59	85.47		177.06
Change in Indebtedness during the financial year				
- Addition	0.00	0.26		0.26
- Reduction	5.51	0.00		5.51
Net Change	5.51	0.26		4.75
Indebtedness at the end of the financial year				
i) Principal Amount	76.77	85.73		162.50
ii) Interest due but not paid	9.31	0.00		9.31
iii) Interest accrued but not due	0.00	0.00		0.00
Total(i+ii+iii)	86.08	85.73		171.81

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

(Amount. in Rupees)

Sl. NO.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		M. Suresh Kumar Reddy	Vijay Kancharla	
1.	Gross Salary	Nil	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961			
	(b) Value of perquisites u/s 17(2) of of the Income Tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	As % of profit			
	Others, specify			
5.	Others, please specify	Nil	Nil	Nil
	Total (A)	Nil	Nil	Nil
	Ceiling as per the Act			

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
	Subrato Saha (Rs.)	Dr. K. Jayalakshmi Kumari (Rs.)	Raghunath Allamsetty (Rs.)	Dr. Surabhi Sinha (Rs.)	
Independent Directors					
Fee for attending board and committee meetings	-	80,000	80,000	10,000	1,70,000
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
Total (1)	-	80,000	80,000	10,000	1,70,000
Other Non-Executive Directors	-	-	-	-	-
Fee for attending board and committee meetings	-	-	-	-	-
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
Total (2)	-	-	-	-	-
Total (B) = (1+2)	-	80,000	80,000	10,000	1,70,000
Total Managerial Remuneration	-	80,000	80,000	10,000	1,70,000
Overall Ceiling as per the Act	-	-	-	-	-

Mr. Subrato Saha ceased to be the Director of the Company w.e.f. October 25, 2017.

Dr. Surabhi Sinha appointed as an Additional Director (Independent) of the Company w.e.f. February 13, 2018.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD**(Amount in Rs.)**

S. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		CEO	Company Secretary	CFO	Group CFO*	
1.	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	5,59,090/-	19,43,272/-	-	25,02,362/-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-			-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-			-	-
2.	Stock Option	-			-	-
3.	Sweat Equity	-			-	-
4.	Commission	-			-	-
	As % of profit	-			-	-
	Others, specify	-			-	-
5.	Others, please specify	-			-	-
	Total	-	5,59,090/-	19,43,272/-	-	25,02,362/-

- No remuneration has been paid to Group CFO.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no material penalties/punishment/compounding of offences for the year ended March 31, 2018.

For and on behalf of the Board of Directors

(M. Suresh Kumar Reddy)
Chairman & Managing Director

Place: Hyderabad
Date: 16-10-2018

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS ENVIRONMENT

Online Digital Advertising:

Total media ad spending worldwide will rise 7.4% to \$628.63 billion in 2018, according to eMarketer's latest report.

Digital media will account for 43.5% of investments, thanks to rising global ecommerce spending and shifting viewership from traditional TV to digital channels. By 2020, digital's share of total advertising will near 50%.

Asia-Pacific and North America will account for 70.5% of the \$628.63 billion global ad spend this year. Global media spending will grow steadily at more than 5.0% per year through 2022. Despite political and economic concerns in several markets, increasing digital ad business will sustain overall advertising gains.

North America will remain the top advertising market in 2018 at \$232.48 billion and a 37.0% share of worldwide total media. Asia-Pacific will place second in regional media spend with \$210.43 billion and one-third of global ad business.

According to the report, countries in the Fast-track Asia category, including Malaysia, Indonesia, the Philippines and China, are expected to see an average ad spend growth of 7.4% annually until 2020. In 2017, ad spend grew by 6.8% for the region, despite the fact that it saw an ad spend of about 10.1% in 2016. Fast-track Asia is characterized by economies that are growing extremely rapidly as they adopt Western technology and practices and innovate new ones, while benefiting from the rapid inflow of funds from investors hoping to tap into this growth.

On the other hand, the countries in the Advanced Asia category – Singapore, Hong Kong, Australia, New Zealand and South Korea – are estimated to witness a 3.8% average annual growth to 2020, ahead of the 3.1% average growth rate since 2012. Ad spend in the region grew 5.3% in 2015, but slipped back to approximately 1.8% this year.

Over the next three years, the US will be the leading contributor of new ad dollars to the global market, followed by China, which combines large scale and rapid growth. Between 2017 and 2020 the report forecasts global advertising expenditure to increase by US\$77 billion in total. The US will contribute 26% of this extra ad expenditure and China will contribute 22%, followed by Indonesia, India, the UK and Japan, which will contribute 4% each.

Seven of the 10 largest contributors will be the Rising Markets – China, Indonesia, India, Philippines, Brazil, Russia and South Korea. Between them, they will contribute 40% of new ad spend over the next three years. Overall, the report predicts Rising Markets to contribute 57% of additional ad expenditure between 2017 and 2020, and to increase their share of the global market from 37% to 39%.

Mobile advertising to grow

Mobile advertising is predicted to grow to US\$180 billion by 2020, nearly doubling desktop advertising's US\$94 billion total. According to the report, mobile will also account for 65.6% of internet expenditure and 29.3% of all expenditure in 2020, more than all the traditional media except television put together.

It is also expected to contribute US\$73 billion in extra ad spend between 2017 and 2020, which will be counterbalanced by a US\$2 billion decline in desktop advertising, as advertisers switch budgets to mobile.

This is also combined with a US\$12 billion decline from print. TV and outdoor advertising will be the second and third-largest contributors, growing respectively by US\$7 billion and US\$3 billion, while cinema and radio grow by about US\$2 billion and US\$1 billion respectively.

India's Digital Economy

While India has made significant strides in its Digital journey, embracing

Digital on almost all fronts, there are still gaps and challenges that need to be plugged and overcome before the vision of Digital India set for the country by the current government can be achieved.

The nation in fact, remains one of the fastest growing in terms of Digital adoption. According to McKinsey Global Institute (MGI), India's Digital Index rose by 56 percent during 2016-2019, from 18 to 29 on a scale of 1-100. This placed the country second in terms of growth among 17 emerging and mature Digital economies. In the lift off phase of its Digital journey, India has already built a strong foundation of Digital infrastructure and expanded its base of Internet subscribers to 431 million.

Based on the number of India's Digital identity holders, Internet subscribers, smartphone and social media users and Android app downloads, as well as Digital initiatives such as Aadhaar, it has become apparent that the focus of the nation has been on building a more equitable society where the underserved are addressed and empowered.

The bigger news however, is that the Digital Transformation is projected to create USD 1 trillion in value and sustain 55-60 million jobs by 2025. While Digital sectors such as IT-BPM industry, telecom, electronics manufacturing, e-commerce and Digital payments are expected to grow by 2-3x in terms of economic value by 2025, it is the Digital eco-systems in other verticals such as financial services, education, health, agriculture, manufacturing, transportation and logistics, etc., that are expected to help India reach the ambitious USD 1 trillion mark.

India has the second largest internet user base in the world. The number of internet users in India was estimated to be 481 million in December 2017, representing a growth of over 11% compared to December 2016. According to a report, Internet in India 2017, published jointly by the Internet and Mobile Association of India and Kantar IMRB, the number of internet users is expected to reach 500 million by June 2018. The report also states that, as on December 2017, overall internet penetration was estimated at 35% of total population.

According to the findings of the report, urban India witnessed a growth of 9.7% between December 2016 and December 2017, with there being around 295 million internet users as on December 2017. Rural India witnessed a growth of over 14% during the same period, and was estimated to have around 186 million internet users as on December 2017. It needs stating that while the growth rate of rural India is higher, it is mainly due to the low base effect. The number of internet users in rural India is still low: internet penetration in rural India was just a bit over 20% in December 2017 compared to 60.6% in urban India. Given that total urban population is much lower than that of rural, the urban-rural digital divide is more acute than what the penetration numbers portray.

Future growth policies must, therefore, focus on bridging this digital divide. In terms of numbers, urban India with an estimated population of 455 million already has 295 million using the internet. Rural India, with 918 million people according to the 2011 census, has only 186 million internet users. Thus, if rural India were to exhibit the urban internet penetration rate of 60.6%, there is a potential of bringing in an additional 370 million rural users –if only they can be reached out properly. The point is that while there have been rapid strides in internet usage in the country, there is still immense scope for further expansion as the overall internet penetration.

Business Review:

Financials:

During the year under review, your Company achieved a consolidated turnover of Rs. 2,420.28 Crores as against Rs. 2,452.00 Crores in the previous year. Your Company has earned a consolidated gross profit of Rs. 713.29 Crores before interest, depreciation and tax as against Rs. 729.99 Crores in the previous year. After deducting financial charges of Rs. 14.79 Crores, depreciation of Rs. 108.14 Crores and provision for tax of Rs. 183.34 Crores, the operations resulted in a net profit of Rs. 407.00 Crores as against Rs. 429.24 Crores in the previous year.

Operational:

- We actively invested in branding to maintain our market position as a trusted partner, with high quality, premium inventory with high view ability.
- We continued to improve our ad quality tools, and were leading the pack in terms of the IAB ads.txt initiative, as most of our publishers have included Brightcom in their ads.txt files. We witnessed success in our ads.txt initiative, and we have 60+ publishers who have already implemented Brightcom in their ads.txt files.
- Conducted two roadshows in the US, one with publishers focus in California and New York, and one with focus on demand partners in NYC, and one in Europe.
- Invested in traffic quality ("TQ") technology and automated tools in order to protect our demand partners and to position Brightcom as a trusted supplier in the market.
- We saw great success in preventing TQ issues and increased our share with leading demand partners.
- We implemented an ad quality system. We improved our ad quality measurements ("AQ") through internal processes and managed to maintain existing publishers as well as recruit new well-known publishers.
- Recruited new supply and demand partners to reduce our dependency on specific publishers and demand partners.
- We are in the process of strengthening our operations' automated tools to support 24/7 optimization to get ready for 2018.
- In September, the team participated in Dmexco in Germany.
- In October, the team participated in Google think partners conference that took place in Ireland.
- We integrated Pixelate and Fraudlogix into Brightcom's ad quality tools to continue to position Brightcom as a trusted supplier.
- We strengthened our demand stack by adding leading demand partners to both our display and video activities.
- We continue to focus on our direct publisher strategy and it is our highest priority.
- Brightcom is joining forces behind the ads.txt initiative, and believes it will enable us to strengthen our leading position in the market.
- We continue to atomize and optimize the daily work flow using new developments and algorithms.
- Also launched and improved post-bid.com landing page geared to potential Demand side partners <https://www.post-bid.com/>
- Brightcom participated at the world converges at dmexco for all things digital this fall.
- Working on a summer release of a new Web Publishing platform based on the Wordpress platform. There has been a lot of progress. This will provide more tools and functionality for our users. New equipment upgrade is in process as well in the new Equinix facility.

Technology

- Our ongoing investment in traffic quality tools helped Brightcom grow as a significant supplier for many of our leading demand partners. It also improved our brand, and allowed us to gain traction with more publishers and demand partners.
- Developed in-house pre-bid traffic quality tool to further enhance our control over our inventory across the different supply.

- Integrated Header Bidding to Compass, our Display SSP, which allows us to gather more data and take better decisions in terms of optimization, yielding better results for our publishers.
- Signed business agreements with additional mobile and desktop RTB partners to strengthen our demand.
- Converted over to a new customer Service platform "FreshDesk" for improved customer support.
- Launched a new content platform with Tinbu www.tinbu.com to provide more interesting and engaging content to our users.

Risks

The Company has a well-structured and robust risk management mechanism, which includes a comprehensive register that lists the identified risks, its impact and the mitigation strategy. Broadly, there are some overriding risks that are listed below:

Data Security: Technical failure and breakdowns in servers could lead to interruptions of our websites and result in corruption of all data and/or security breaches. The Company has initiated a pilot project to establish a secondary site in India as a precautionary measure.

Obsolescence: Being a technology driven company, it always faces the risk of an innovation or product development that can make one or more of Brightcom Group Limited's propositions redundant. The Company remains alert with technology developments to overcome this risk.

Financial Risks: Tax Issues: the Company has had a few income tax and service tax cases against it, which, if lost, may impact future cash flows. However, none of these is material.

Enhanced competition in the US market may reduce price and revenue margin.

The Company is expanding globally, and penetrating into potential markets like China. Going forward, it would focus more.

Consolidation of service providers may affect the Company

The Company has also ventured into strategic acquisitions and tie-ups to capitalize current market opportunities.

Business can be affected by privacy legislations and other regulations.

The Company discloses all its collection statements and dissemination practices in a published privacy statement in its website.

The new tie-ups may create problems of integration.

Brightcom Group enters into an agreement after extensive research, both internally and externally.

Human Resources:

The Company firmly recognizes the importance of its human resources to achieve its vision. Brightcom Group has significant policies to acquire and retain new and existing talent. It trains its people in a variety of ways to create an extensive talent pool. Apart from providing attractive remuneration to people, Brightcom Group also focuses on providing a stimulating and multicultural work environment.

Internal Control Systems:

Brightcom Group has a proper and adequate internal control system to ensure authorized business transactions.

Internal audit function is an independent function, which is carried out by internal auditors through extensive audits. Regular internal audits determine the operational and financial efficiencies of the company. Moreover, the Audit Committee of the Board of Directors conduct periodic reviews of pan organizational effectiveness and recommends improvements whenever required. The internal control system also formulates well documented policies, guidelines, authorizations and approval procedures and ensures compliance with applicable policies and statutes.

REPORT ON CORPORATE GOVERNANCE

In compliance with Chapter IV read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company sets forth the report on the Corporate Governance on the matters as mentioned in the said schedule and practices followed by the Company.

Company's Philosophy on Corporate Governance:

The Company implements and practices the principles of Corporate Governance based on fairness, transparency, integrity, honesty and accountability consistently being followed in all its business practices and dealings.

The Company is committed to observe good governance by focusing on adequate & timely disclosures, transparent & robust accounting policies, strong & independent Board and endeavors to maximize shareholders benefit.

Board of Directors

Composition of the Board

The Board of Directors has an optimum combination of Executive and Non-Executive Directors and is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations.

The Chairman of the Board of Directors is an Executive Director.

The Board is primarily responsible for the overall management of the Company's business. The Directors on the Board are from varied fields with wide range of skills and experience. The non-executive directors including Independent Directors bring statutory and wider perspective in the Board's deliberations and decisions.

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration under Section 149(7) of the Act that he/she meets the criteria of independence as required under Section 149(6) of the Act and as per Regulation 16(1)(b) of the SEBI Listing Regulations.

The Company provides information as set out in Regulation 17 read with Part A of Schedule II of the SEBI Listing Regulations to the Board and the Board Committees to the extent applicable.

The Composition of the Board of Directors as on March 31, 2018 with their attendance at the six Board Meetings held during the year 2017-18 and at the last Annual General Meeting are as detailed below:

Name of the Director	Category	Number of Board meetings attended during the year 2017-18	Attendance at the last AGM held on September 27, 2017	Number of directorships in other public companies #		Number of committee Positions held in other public companies##	
				Director	Chairman	Member	Chairman
Mr. M. Suresh Kumar Reddy	Promoter & Executive	6	Yes	NIL	NIL	1	NIL
Mr. Vijay Kancharla	Promoter & Executive	1	No	NIL	NIL	1	NIL
Mr. Subrato Saha*	Non-Executive & Independent	0	No	NA	NA	NA	NA
Mr. Raghunath Allamsetty	Non-Executive & Independent	6	Yes	NIL	NIL	2	2
Dr. K. Jayalakshmi Kumari	Non-Executive & Independent	6	Yes	1	NIL	1	NIL
Dr. Surabhi Sinha **	Non-Executive & Independent	1	NA	NIL	NIL	1	NIL

#excludes directorships in Indian private limited companies, foreign companies, companies under Section 8 of the Companies Act, 2013 and Alternate Directorships.

Membership/ Chairmanship in Audit and Stakeholders Relationship Committees of public limited companies (including Brightcom Group Limited) have been considered.

*Mr. Subrato Saha ceased to be the Director of the Company w.e.f. October 25, 2017. Three meetings were held during his tenure.

**Dr. Surabhi Sinha appointed as an Additional Director (Independent) on February 13, 2018.

None of the other directors are related to any other director on the Board.

None of the Directors of the Company are on the Boards of more than Ten Public Companies /overall Twenty Companies (including Private Limited Companies but excluding Companies incorporated outside India and Companies incorporated under Section 8 of the Companies Act, 2013).

There were no shares held by Non- Executive Directors (comprising of only independent directors) as on March 31, 2018.

The Company conducts Familiarization Programme for the Board Members and particularly for Independent Directors to enable them to be familiarized with the company, its management and its operations to gain a clear understanding of their roles, rights and responsibilities for enabling their contribution to the Company. Details of the familiarization programmes are hosted on www.brightcomgroup.com.

Board Meetings

The Company convened minimum one Board Meeting in each quarter as required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company ensured the gap between two Board Meetings has not exceeded One Hundred and Twenty Days.

The Board of Directors met six times during the financial year 2017-18. The meetings were held on May 30, 2017; August 14, 2017; August 21, 2017; October 27, 2017; November 11, 2017 and February 13, 2018.

Independent Directors Meeting

During the year 2017-18, independent Directors of the Company met separately on November 11, 2017 without the presence of other Directors or Management representatives, to review the performance of the Non-Independent Directors, the Board and the Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the Management and the Board.

Code of Conduct

The Board of Directors of the Company laid a Code of Conduct for Directors and senior management personnel. The Code of Conduct is posted on the Company's website www.brightcomgroup.com. All Directors and designated personnel in the senior management affirmed compliance with the Code for the year under review. The declaration to this effect furnished by Mr. M. Suresh Kumar Reddy, Chairman & Managing Director is annexed to this report.

BOARD COMMITTEES:

The Company has four Board level Committees, namely Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility (CSR) Committee.

I. Audit Committee:

The terms of reference of the Audit Committee are in conformity with the requirements of SEBI Listing Regulations and Section 177(4) of the Companies Act, 2013. Further, the Audit Committee has powers which are in line with the SEBI Listing Regulations. The responsibilities of the Committee include review of the quarterly and annual financial statements before submission to Board, review and approval of related party transactions, review of compliance of internal control system, overseeing the financial reporting process to ensure transparency, sufficiency, fairness and credibility of financial statements, statement of deviations, if any, etc. The Committee also reviews the functioning of whistle blower & Vigil mechanism.

The Audit Committee looks into the matters as are specifically referred to it by the Board of Directors besides looking into the mandatory requirements of the Regulation 18 read with Part C of Schedule II of SEBI Listing Regulations and provisions of Section 177 of the Act.

The Audit Committee comprises of two non-executive independent directors and one executive director having financial management expertise. The Chairman of the committee is an independent director, elected by the Members of the Committee.

Four meetings of the Audit Committee were held during the year viz. on May 30, 2017; August 14, 2017; November 11, 2017 and February 13, 2018 respectively. The Company Secretary acts as the Secretary to the Audit Committee.

The composition of the Audit Committee and details of their attendance at the meetings as at March 31, 2018 are as follows:

Name	Position	Category	No of Meetings Attended
Mr. Raghunath Allamsetty	Chairman	Non Executive & Independent Director	4 of 4
Mr. Vijay Kancharla	Member	Executive Director	1 of 4
Dr. K. Jayalakshmi Kumari	Member	Non Executive & Independent Director	4 of 4
Mr. Subrato Saha*	Member	Non Executive & Independent Director	0 of 2

*Mr. Subrato Saha ceased to be the member w.e.f. October 25, 2017.

II. Nomination and Remuneration Committee:

The terms of references of the Nomination & Remuneration Committee includes recommendation to the Board about appointment of directors, remuneration to Managing Director(s) and Executive Director(s), approval of stock options to employees, evaluation of the performance of the Directors and such other functions as may be delegated by the Board, from time to time.

During the year two meeting of the Committee was held on August 14, 2017 and February 13, 2018.

The composition of the Committee and the attendance details of the members as at March 31, 2018 are given below:

Name	Status	Category	No of Meetings Attended
Mr. Raghunath Allamsetty	Chairman	Non Executive & Independent Director	2
Dr. K. Jayalakshmi Kumari	Member	Non Executive & Independent Director	2
Dr. Surabhi Sinha*	Member	Non Executive & Independent Director	NA
Mr. Subrato Saha**	Member	Non Executive & Independent Director	0

*Appointed as member w.e.f. February 13, 2018.

** Ceased to be the member w.e.f. October 25, 2017.

Board Evaluation

Pursuant to provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, annual performance evaluation of the Directors including Chairman, Board and its Committees viz., the Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee has been carried out. The Nomination and Remuneration Committee reviews the said Performance Evaluation on annual basis. The Performance evaluation of Independent Directors was carried out by the entire Board of Directors without participation of the directors who are subject to the evaluation.

Remuneration of Directors

There was no pecuniary relationship or transaction between the Non-Executive Directors and the company during the financial year 2017-2018.

The role of Non-Executive/Independent Directors of the Company is not just restricted to corporate governance or outlook of the Company but they also bring with them significant professional expertise and rich experience across the wide spectrum of functional areas such as marketing, technology, corporate strategy, legal, finance and other corporate functions. The Company seeks their expert advice on various matters in technology, legal or Intellectual property from time to time.

Payment criteria of Non-Executive directors are given in the Nomination and Remuneration Policy. The same is displayed in the Investors' section of Company's website www.brightcomgroup.com.

The details of remuneration covering salary and other benefits paid for the year ended March 31, 2018 to the Managing Director and the Whole time Director of the Company and the details of the sitting fee paid to the Non-Executive Directors are as follows:

Name	Remuneration paid (Rs.)	Sitting fee paid during the period ended 31.03.2018 (Rs.)	No. of Shares held as on 31.03.2018
Mr. M. Suresh Kumar Reddy	NIL	NIL	75084653
Mr. Vijay Kancharla	NIL	NIL	3820946
Mr. Raghunath Allamsetty	NIL	80,000	NIL
Dr. K. Jayalakshmi Kumari	NIL	80,000	NIL
Dr. Surabhi Sinha *	NIL	10,000	NIL
Mr. Subrato Saha**	NIL	NIL	NIL

*Appointed as an Additional Director (Independent) w.e.f. February 13, 2018.

** Ceased to be the Director of the Company w.e.f. October 25, 2017.

III. Stakeholders Relationship Committee:

The Committee deals with the noting transfer/transmission of shares, review of dematerialized/rematerialized shares and all other related matters to shares.

The Chairperson of the Committee Mr. Raghunath Allamsetty is an Independent Director and the Company Secretary is the Secretary of the Committee. Ms. V. Sri Lakshmi, Company Secretary was designated as the Compliance Officer.

One meeting of the Stakeholders Relationship Committee was held during the year on February 13, 2018.

The composition of the Committee and the attendance details of the members as at March 31, 2018 are given below:

Name	Status	Category	No of Meetings Attended
Mr. Raghunath Allamsetty	Chairman	Non Executive & Independent Director	1
Mr. M. Suresh Kumar Reddy	Member	Executive Director	1
Dr. Surabhi Sinha*	Member	Non Executive & Independent Director	1
Mr. Subrato Saha**	Member	Non Executive & Independent Director	0

*Appointed as member w.e.f. February 13, 2018.

** Ceased to be the member w.e.f. October 25, 2017.

During the year under review Ten(10) shareholders' complaints of general nature were received by the RTA/ Company and were solved to their satisfaction. Nil complaints were pending at the close of the financial year.

IV. Corporate Social Responsibility Committee:

The Company has constituted a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013. The Committee has been constituted with the following terms of reference:

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount to be spent on the CSR activities.
- Monitor the Company's CSR Policy periodically.
- Attend to such other matters and functions as may be prescribed from time to time.

The CSR policy of the Company is available on our website www.brightcomgroup.com

The composition of the Committee as at March 31, 2018 is as below:

Name	Status	Category
Dr. K. Jayalakshmi Kumari	Chairman	Non Executive & Independent Director
Mr. Vijay Kancharla	Member	Executive Director
Mr. M. Suresh Kumar Reddy	Member	Executive Director

The CSR provisions are not applicable to the Company as it ceased to be a Company covered under subsection (1) of Section 135 of the Companies Act, 2013 in the reporting financial year.

General Body Meetings:

Location and time of last three Annual General Meetings

The details of location and time of last three Annual General Meetings are as detailed below:

Financial Year	Date & Time	Location	Special Resolution Passed
2016-17	September 27, 2017 11:30 A.M.	Ellaa Hotels, Hill Ridge Springs, Gachibowli, Hyderabad - 500032.	To Re-appoint Mr. Raghunath Allamsetty as an Independent Director
2015-16	December 27, 2016 10:00 A.M.	Same location as above	Service of documents to members
2014-15	September 28, 2015 10:00 A.M.	Same location as above	1. To Re-appoint Mr. Y. Ramesh Reddy as an Independent Director 2. To Alter Articles of Association of the Company

All the special resolutions were passed with requisite majority by e-voting & poll.

No special resolution was passed through Postal Ballot during the Financial Year 2017-18.

Means of Communication:

The quarterly, half-yearly and annual financial results are sent to the Stock Exchanges immediately after the Board approves the same. These results are published in English newspaper and vernacular newspaper shortly after its submission to the Stock Exchanges. The results along with presentations made by the Company to Analysts are also posted on the website of the Company viz. www.brightcomgroup.com. The Company's website also displays all official news releases from time to time. The Company organizes investor conference calls to discuss its financial results every quarter where investor queries are answered by the Management of the Company.

The Company's website www.brightcomgroup.com contains a separate dedicated section 'Investors' where shareholders information is available. Full text of Annual Report is also available on the website in a user friendly and downloadable format as per the requirement of the Listing Regulations.

General Shareholder Information:

i	Annual General Meeting (Day, Date, Time and Venue):	19 th Annual General Meeting of the Company is scheduled to be held on Wednesday, 28 th November, 2018 at 10:00 AM at Ellaa Hotels, Hill Ridge Springs, Gachibowli, Hyderabad - 500032.
ii	Financial Year:	April 1 to March 31. The results of every quarter beginning from April are declared within the time specified under the provisions of Listing Regulations.
iii	Date of Book Closure:	November 22, 2018 to November 28, 2018 (Both days inclusive).
iv	Listing on stock exchanges:	BSE Limited (Bombay Stock Exchange). National Stock Exchange of India Limited. Annual listing fee has been duly paid to the Stock Exchanges.
v	Stock codes:	BSE - Scrip Code: 532368; Scrip Id: BCG NSE - Symbol: BCG
vi	Company's ISIN:	INE425B01027

Vii. Market price data

The monthly high and low stock quotations during the last financial year in BSE Limited and National Stock Exchange of India Limited are given below:

Month	BSE Limited		National Stock Exchange of India Ltd.	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April 2017	8.62	7.15	8.7	7.15
May 2017	7.48	6.37	7.4	6.25
June 2017	10.53	7.25	10.4	7.2
July 2017	8.85	7.16	8.8	7.15
August 2017	7.3	5.63	7.4	5.6
September 2017	6.65	5.55	6.7	5.5
October 2017	7.55	5.65	7.55	5.4
November 2017	6.67	5.42	6.7	5.4
December 2017	6.21	4.77	6.2	4.75
January 2018	9.94	5.77	10	5.7
February 2018	6.21	5	6.3	4.95
March 2018	5.7	4.05	5.75	4.05

Viii. Registrars and Transfer Agents

AARTHI CONSULTANTS PRIVATE LIMITED, (Unit: Brightcom Group Limited)(formerly Lycos Internet Limited);

1-2-285, Domalguda, Hyderabad - 500 029.

Phone : +91-40-27634445, 27638111, 27642217, 66611921; Fax : +91-40-27632184,

Email : info@arthiconsultants.com; arthiconsultants@gmail.com

Website: www.arthiconsultants.com

Share transfer system

The share transfers which are received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being found valid and complete in all respects. The Company appointed M/s. Arthi Consultants Private Limited as common Registrar and Transfer Agents for dealing with all the activities connected with both physical and demat segments pertaining to the Securities of the Company.

IX. Distribution of Shareholding as on March 31, 2018

Nominal Value of Shareholding (in Rs.)	No. of Shareholders	Percentage	No. of Shares	Percentage
Upto 5000	26301	77.04	17756812	3.73
5001 - 10000	3306	9.68	12797206	2.69
10001 - 20000	1862	5.46	14632766	3.07
20001 - 30000	722	2.11	9082111	1.91
30001 - 40000	448	1.31	8202157	1.72
40001 - 50000	255	0.75	5852093	1.23
50001 - 100000	589	1.73	21633655	4.54
100000 & Above	657	1.92	386294699	81.11
TOTAL	34140	100	476251499	100

Categories of Shareholding as on March 31, 2018:

Category	No. of Shares held	% of Shareholding
Promoter / Promoter Group	186267525	39.11
Foreign Portfolio Investors	2725080	0.57
Foreign Venture Capital Investors	71807732	15.08
Corporate Bodies	40681785	8.54
NBFCs Registered with RBI	106650	0.02
Non Resident Individuals	30649208	6.44
Trusts	1481000	0.31
General Public	137524015	28.88
Employees - Trusts	357000	0.07
Clearing Members	4651504	0.98
TOTAL	476251499	100.00

X. Dematerialization of shares:

The Company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to handle dematerialization of shares.

As on March 31, 2018, a total of 475,079,464 equity shares which form 99.76% of the share capital stand dematerialized.

Your Company confirms that the entire Promoter's holdings are in electronic form and the same is in line with the directions issued by SEBI.

The equity shares of the Company are regularly traded in BSE and NSE and hence have good liquidity.

Xi. Outstanding GDRs/ ADRs/ Warrants/ Convertible instruments

The Company has not issued Global Depository Receipts or American Depository Receipt or Warrants or any Convertible instruments.

Xii. Commodity Price Risk/ Foreign Exchange Risk and Hedging

The Company did not engage in hedging activities.

Xiii. Plant Location :

In view of the nature of the Company's business viz. Digital Marketing, Information Technology (IT) Services and IT Enabled Services, the Company operates from various offices in India and Abroad and does not have any manufacturing plant.

XIV. Address for Correspondence:

Company	Registrars and Transfer Agent
Investor Relations Brightcom Group Limited (formerly Lycos Internet Limited) Floor: 5, Holiday Inn Express & Suites, Road No: 2, Nanakramguda, Gachibowli, Hyderabad - 500032, Telangana, India. Tel:+91 40 67449910 fax: +91 22 66459677 Email: ir@brightcomgroup.com ; Website: www.brightcomgroup.com	Aarthi Consultants Private Limited, (Unit: Brightcom Group Limited) (formerly Lycos Internet Limited) 1-2-285, Domalguda, Hyderabad - 500 029. Phone : +91-40-27634445, 27638111, 27642217, 66611921 Fax : +91-40-27632184, Email: info@arthiconsultants.com ; arthiconsultants@gmail.com

Disclosures

- (i) During the financial year ended 31st March, 2018 there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- (ii) There were no occasions of non-compliance by the Company and no penalties or strictures were imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to Capital markets, during the last three years.
- (iii) The Company has formulated and adopted formal Whistle Blower Policy/vigil mechanism and the same is hosted on the Company's Web site and no concerned person has been denied access to the Audit Committee.
- (iv) The Company has framed a Material Subsidiary Policy and the same is placed on the Investors section of Company's website www.brightcomgroup.com.
- (v) The company has framed Related Party Transaction Policy and is placed on the Investors section of Company's website www.brightcomgroup.com.
- (vi) The Company has followed the treatment laid down in the Accounting Standards prescribed by the Institute of Chartered Accountants of India which are notified by the MCA in the preparation of financial statements.
- (vii) The Company has complied with all the applicable mandatory requirements of the Corporate Governance and also has complied with the following non-mandatory requirements as prescribed in the listing regulations:
 - Since the Company does not have a Non-Executive Chairman, it does not maintain such office.
 - During the year under review, there is no audit qualification in the Company's financial statements.

The Company has complied with all the mandatory clauses of corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of the regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the date of its applicability.

Declaration of compliance with the Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended March 31, 2018.

Place: Hyderabad
Date: 16-10-2018

M. Suresh Kumar Reddy
Chairman and Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Brightcom Group Limited
(formerly Lycos Internet Limited)

I have examined all the relevant records of Brightcom Group Limited (formerly Lycos Internet Limited) ("the Company") for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2018. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations as applicable for the year ended March 31, 2018.

CS A. SRIDHAR
Practicing Company Secretary
C P No.:12011

Place: Hyderabad
Date: 16-10-2018

COMPLIANCE CERTIFICATE

(Pursuant to Regulation 17 (8) of the SEBI (LODR) Regulations, 2015)

To
The Board of Directors
LYCOS INTERNET LIMITED

We, the undersigned, in our respective capacities as Chairman & Managing Director and Chief Financial Officer of LYCOS INTERNET LIMITED ("the Company"), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2018 and based on our knowledge and belief, we state that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - (i) significant changes, if any, in the internal control over financial reporting during the year;
 - (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For LYCOS INTERNET LIMITED

Y. SRINIVASA RAO
CHIEF FINANCIAL OFFICER

M. SURESH KUMAR REDDY
CHAIRMAN & MANAGING DIRECTOR

Place: Hyderabad
Date: 29.05.2018



Standalone Financials

INDEPENDENT AUDITOR'S REPORT

To the Members of Lycos Internet Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial statements of Lycos Internet Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), and Statement of Cash Flow and the Statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial Statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind As) specified under Section 133 of the Act, read with relevant Rules issued there under. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements:

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting

principles generally accepted in India including Ind AS, of the financial position of the company as at 31st March, 2018 and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued there under.
 - e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
 - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its notes to Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31st March 2018.

For P C N & Associates,
(Formerly known as ChandraBabu Naidu & Co.,)
Chartered Accountants
FRN: 016016S

ChandraBabu. M
Partner
M.No: 227849

Place: Hyderabad
Date: 29-05-2018.

Annexure A to the Auditors Report

Annexure referred to in Independent Auditors Report to the Members of Lycos Internet Limited on the Standalone Ind AS financial statements for the year ended 31st March 2018, we report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The Company is a service company, primarily rendering Digital Marketing and Software Development services. Accordingly, it does not hold any physical inventories. Thus, this clause is not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the company.

iv. The Company has provided a corporate guarantee on behalf of a Subsidiary Company, Ybrant Media Acquisitions Inc., USA (a party covered under section 185 and 186 of the Act) for acquisition of Lycos Inc. from Daum Global Holdings Corporation amounting to 4 million USD. The terms and conditions of the contract are not prejudicial to the interest of the company. (Please refer note no. 44 to notes to financial statements)

v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is not regular in depositing the undisputed statutory dues in respect of TDS, Dividend, Self Assessment Tax, Dividend Distribution Tax as applicable, with the appropriate authorities in India ;

(b) There was no undisputed amounts payable in respect of Employees State Insurance and other material statutory dues in arrears as at 31st March, 2018, except statutory dues amounting to Rs. 6,93,14,828/- for a period of more than 6 months from the date the became payable.

(c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Wealth Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes except as given below in respect of Income Tax and Service Tax:

Name of the statute	Year Pertains to	Forum where dispute is pending	Amount Involved
Income Tax	Various Assessment years	CIT/ITAT	Rs. 47,24,90,958/-
Service Tax	FY 2007-08 to FY 2012-13	CESTAT, Hyderabad	Rs. 18,73,28,280/-

viii. In our opinion and according to the information and explanations given to us with respect to repayment of dues to Banks/Financial Institutions (Canara Bank, Axis Bank and State Bank of India) the Company has defaulted in repayment of principal amount to the extent of Rs. 76.77 crores and Rs. 9.31 crores towards interest. All the loans were became Non Performing Assets.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of this clause are not applicable to the Company.

x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.

xi. The Company has not paid/provided for managerial remuneration during the financial year. Hence this clause is not applicable.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provisions of clause 3(xii) of the order are not applicable to the company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the notes to financial statements as required under Indian Accounting standard (Ind AS) 24, related party disclosures specified under section 133 of the Act, read with relevant Rules issued there under.

xiv. The Company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

**For P C N & Associates,
(Formerly known as ChandraBabu Naidu & Co.,)
Chartered Accountants
FRN: 016016S**

**ChandraBabu. M
Partner
M.No: 227849**

Place: Hyderabad

Date: 29-05-2018.

Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls under clause (j) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')

We have audited the internal financial controls over financial reporting of Lycos Internet Limited ('the company') as of 31st march 2018 in conjunction with our audit of standalone Ind AS financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing deed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2018, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants of India.

**For P C N & Associates,
(Formerly known as ChandraBabu Naidu & Co.,)
Chartered Accountants
FRN: 016016S**

**ChandraBabu. M
Partner
M.No: 227849**

**Place: Hyderabad
Date: 29-05-2018.**

Balance Sheet as at 31st March 2018

Particulars	Note	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,63,99,403	3,50,61,590
Investment property	5	21,95,210	21,95,210
Other intangible assets	4	11,31,536	13,89,123
Financial assets			
- Investments	6	5,09,03,37,585	5,08,98,47,585
- Loans	7	19,58,242	20,44,574
- Others financial assets	8	1,64,44,873	1,64,44,873
Deferred tax assets (net)	9	3,45,52,737	3,01,47,441
Non- Current tax assets (net)	10	73,26,228	65,88,002
Other non-current assets	11	10,00,000	10,00,000
Total Non-current assets		5,18,13,45,814	5,18,47,18,397
Current assets			
Financial assets			
- Trade receivables	12	2,28,37,26,925	2,18,23,97,917
- Cash and cash equivalents	13	7,27,535	8,37,140
- Other bank balances	14	4,18,989	5,08,469
- Loans	15	1,14,64,47,464	1,18,20,27,668
- Other Financial Assets	16	42,67,944	45,94,308
Other current assets	17	15,30,25,696	13,99,87,512
Total Current assets		3,58,86,14,553	3,51,03,53,014
Total assets		8,76,99,60,367	8,69,50,71,411
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	18	95,25,02,998	95,25,02,998
Other equity	19	4,87,75,37,828	4,90,00,91,881
Total Equity		5,83,00,40,826	5,85,25,94,879
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	20	85,73,21,331	85,46,85,044
Provisions	21	3,88,60,086	4,25,60,089
Total Non-current liabilities		89,61,81,417	89,72,45,133
Current liabilities			
Financial liabilities			
- Borrowings	22	68,31,01,384	68,31,01,383
- Trade payables	23	32,21,36,195	31,07,74,373
- Others financial liabilities	24	19,18,63,785	24,53,50,870
Other current liabilities	25	77,55,11,772	62,93,37,207
Provisions	26	7,11,24,988	7,66,67,568
Total Current liabilities		2,04,37,38,124	1,94,52,31,400
Total equity and liabilities		8,76,99,60,367	8,69,50,71,411

Notes forming part of Standalone financial statements

AS PER OUR REPORT OF EVEN DATE

For P C N & ASSOCIATES
(Formerly Known as Chandra Babu Naidu & Co.,)
CHARTERED ACCOUNTANTS
FRN: 016016S

CHANDRA BABU M
PARTNER
Membership Number: 227849

Place : Hyderabad
Date : 29-05-2018

For and on behalf of the Board

Lycos Internet Limited

M.Suresh Kumar Reddy
Chairman & Managing Director

Vijay Kancharla
Executive Director

Y.Srinivasa Rao
Chief Financial Officer

V.Sri Lakshmi
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2018

Particulars	Note	Year Ending	Year Ending
		31st March 2018	31st March 2017
		Rupees	Rupees
REVENUE			
I. Revenue from operations	27	4,55,20,45,808	4,66,41,07,205
II. Other income	28	(37,63,730)	(18,02,060)
III. Total revenue (I+II)		4,54,82,82,078	4,66,23,05,145
IV. EXPENSES			
Purchase / Cost of Revenue	29	3,50,14,46,023	3,58,17,72,401
Employee Benefit expenses	30	49,21,63,666	51,23,82,943
Other Operating Expenses	31	43,21,82,659	43,38,68,106
Financial costs	32	14,78,75,129	15,23,27,197
Depreciation and amortization expense	4	1,07,91,850	1,42,71,258
Total expenses (IV)		4,58,44,59,327	4,69,46,21,905
V. Profit/(loss) before tax (III-IV)		(3,61,77,249)	(3,23,16,760)
VI. Tax expenses			
Current tax		-	11,01,751
Deferred tax		(67,70,346)	(53,39,352)
VII. Profit/(loss) for the period (V-VI)		(2,94,06,903)	(2,80,79,159)
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss		-	
Remeasurement of the defined benefit plan(net of tax)		52,88,835	(7,58,769)
Income tax relating to items that will not be reclassified to profit or loss			
Items that will be reclassified to profit or loss		15,64,015	
Income tax relating to items that will be reclassified to profit or loss			
IX. Total comprehensive income for the period (VII+VIII)		(2,25,54,053)	(2,88,37,928)
Earnings per share			
a) Basic (in Rs.)		(0.062)	(0.06)
b) Diluted (in Rs.)		(0.062)	(0.06)

Notes forming part of Standalone financial statements
AS PER OUR REPORT OF EVEN DATE

For P C N & ASSOCIATES
(Formerly Known as Chandra Babu Naidu & Co.)
CHARTERED ACCOUNTANTS
FRN: 016016S

CHANDRA BABU M
PARTNER
Membership Number: 227849

Place : Hyderabad
Date : 29-05-2018

For and on behalf of the Board

Lycos Internet Limited

M.Suresh Kumar Reddy
Chairman & Managing Director

Y.Srinivasa Rao
Chief Financial Officer

Vijay Kancharla
Executive Director

V.Sri Lakshmi
Company Secretary

Statement of Changes in Equity for the period ended 31st March 2018

A. Equity Share Capital

Balance As at 1st April 2017	Changes in equity share capital during the year	Balance as at 31st March 2018
95,25,02,998	-	95,25,02,998

B. Other Equity

	Reserves and Surplus				Total
	Capital Reserve	General reserve	Surplus in statement of P&L	Retained Earnings	Rupees
Balance at the beginning of the reporting period As at 1st April 2017	4,16,78,11,992	3,98,17,160		69,24,62,729	4,90,00,91,881
Changes in accounting policy or prior period errors					
Restated balance at the beginning of the reporting period	4,16,78,11,992	3,98,17,160	-	69,24,62,729	4,90,00,91,881
Total Comprehensive Income for the year			(2,25,54,053)		(2,25,54,053)
Dividends(Including Dividend tax)				-	-
Transfer to General Reserve		-			-
Transfer to retained earnings			2,25,54,053	(2,25,54,053)	-
Any other change (to be specified)					-
Balance at the end of the reporting period 31st March 2018	4,16,78,11,992	3,98,17,160	-	66,99,08,676	4,87,75,37,828

Cash flow statement for the year ended 31st March,2018

	Particulars	Year ended	Year ended
		31 st March 2018	31 st March 2017
		Rupees	Rupees
A.	Cash Flow from Operating Activities		
	Profit Before Tax	(3,61,77,249)	(3,23,16,760)
	Adjustment for :		
	Add:Depreciation and amortisation expense	1,07,91,850	1,42,71,258
	Interest Expense	1,58,48,662	1,89,91,042
	Allowance for doubtful trade receivables	(1,26,36,639)	1,69,80,369
	Investments-written off	-	2,00,00,000
	Operating Profit before Working Capital Changes	(2,21,73,376)	3,79,25,909
	<u>Adjustment for Working Capital Changes:</u>		
	Increase/(Decrease) in Short term Borrowings	-	-
	Increase/(Decrease) in Trade Payables	1,13,61,824	(6,87,33,131)
	Increase/(Decrease) in other Current Liabilities	14,61,74,564	10,22,33,385
	Increase/(Decrease) in Others financial liabilities	(5,34,87,085)	8,20,22,840
	Increase/(Decrease) in Short-Term Provisions	(2,53,745)	(1,77,53,791)
	Decrease/(Increase) in Trade Receivables	(8,71,28,354)	3,11,64,189
	Decrease/(Increase) in Short-Term Loans and Advances	3,55,80,204	(7,44,35,961)
	(Increase)/Decrease in Other Financial Assets	3,26,364	(3,04,000)
	(Increase)/Decrease in other Current Assets	(1,30,38,184)	1,02,53,851
	Cash Flow from Operating Activities	1,73,62,212	10,23,73,291
	Less: Taxes paid	-	-
	Net Cash Flow from Operating Activities(A)	1,73,62,212	10,23,73,291
B	Cash Flow from Investing Activities		
	Purchase/(Increase) of Fixed Assets	(18,72,076)	(15,68,860)
	(Increase)/Decrease in Non-Current Investments	(4,90,000)	(99,980)
	Net cash flow from investing activities(B)	(23,62,076)	(16,68,840)
C.	Cash Flows from Financing Activities		
	Interest Paid	(1,58,48,662)	(1,89,91,042)
	Increase/(Decrease) in Long Term Loans	26,36,287	(1,96,40,355)
	Dividend Paid (Inclusive of Dividend tax)	-	(5,73,20,678)
	Increase/(Decrease) in long term provision	(37,00,003)	(11,73,622)
	(Increase)/Decrease in Deffered tax Asset(Net)	23,65,050	(3,39,304)
	(Increase)/Decrease in Long term loans and advances	86,332	(9,86,869)
	(Increase)/Decrease in Non current Other Financial Assets	-	-
	(Increase)/Decrease in Other Non - Current tax Assets(Net)	(7,38,226)	(19,84,315)
	Net cash flow from financing activities (C)	(1,51,99,222)	(10,04,36,186)
	Cash and cash equivalents at beginning of year	13,45,609	10,77,344
	Net change in cash (A+B+C)	(1,99,086)	2,68,265
	Cash and cash equivalents at period ended 31st March, 2018	11,46,524	13,45,609

Notes forming part of Standalone financial statements
AS PER OUR REPORT OF EVEN DATE

For P C N & ASSOCIATES
(Formerly Known as Chandra Babu Naidu & Co.,)
CHARTERED ACCOUNTANTS
FRN: 016016S

CHANDRA BABU M
PARTNER
Membership Number: 227849

Place : Hyderabad
Date : 29-05-2018

M.Suresh Kumar Reddy
Chairman & Managing Director

Y.Srinivasa Rao
Chief Financial Officer

For and on behalf of the Board

Lycos Internet Limited

Vijay Kancharla
Executive Director

V.Sri Lakshmi
Company Secretary

LYCOS INTERNET LIMITED

Notes forming part of Standalone statements for the year ended 31st March 2018

1. Corporate Information:

Lycos Internet Limited, offers digital marketing solutions to businesses, agencies and online publishers worldwide. Lycos Internet Limited connects Advertisers with their Audience across any form of Digital Media, using its massive local presence to deliver appropriate messages to the right audience, through the most relevant Digital channels. Lycos Internet Limited has a global presence, with offices in over 24 countries.

Lycos Internet Limited is also a Global Information Technology Implementation and Outsourcing Services Provider with an exceptional track record of providing high quality, on-budget, and on-time solutions to demanding clients. Our business knowledge in key verticals helps us provide solutions that are customized to address the specific needs while focusing on maximizing value of Information Technology investments such that clients can achieve their business objectives. We believe in fostering long-term relationships, and partner with our clients in their success. Lycos Provides End-to-end Enterprise Solution Offerings and Specializing in ERP Solutions, Microsoft and Open Source Systems development.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 read with rule 3 of companies (Indian accounting standards) Rules, 2015 ("the rules") (as amended).

b. Basis of preparation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c. Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

Impairment of investments

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

Contingencies

Management judgement is required for estimating the possible inflow/outflow of resources, if any, in respect of contingencies/claims/litigations against the Company/by the Company as it is not possible to predict the outcome of pending matters with accuracy.

Defined Benefit Plans

The present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, rate of increment in salaries and mortality rates. Due to complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All the assumptions are reviewed at each reporting date.

Fair Value measurement of financial instruments

When the fair values of financial assets and financial liabilities on reporting date cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques i.e., the DCF model. The inputs to these models are taken from observable markets.

Intangibles

Internal technical or user team assess the useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

d. Current Vs Non-current classifications

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it satisfies the below mentioned criteria:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realised within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current assets.

A liability is classified as current when it satisfies the below mentioned criteria:

- i. Expected to settle the liability in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as noncurrent. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

e. Dividends

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

f. Revenue recognition

1) Digital Marketing Services:

- i) The Contracts between the Company and its Customers are either time or material contracts or fixed price contracts.
- ii) Revenue from fixed price contracts is recognized according to the milestones achieved as specified in the contracts on the proportionate-completion method based on the work completed. Any anticipated losses expected upon the contract completion are recognized immediately. Changes in job performance, conditions and estimated profitability may result in revisions and corresponding revenues and costs are recognized in the period in which such changes are identified. Deferred revenue represents amounts billed in excess of revenue earned for which related services are expected to be performed in the next operating cycle.
- iii) In respect of time and material contract, revenue is recognized in the period in which the services are provided and related costs are incurred.
- iv) Revenue from product sale and licensing arrangements are recognized on delivery and installation.
- v) Revenue is reported net of discounts, indirect and service taxes

2) Software Development:

- i) Income from software development is accounted for on the basis of Software developed and billed to clients on

acceptance and/or on the basis of man days/man hours as per the terms of contract.

- ii) Revenue from professional services consist primarily of revenue earned from services performed on a 'time and material' basis. The related revenue is recognized as and when the services are performed and related costs are incurred.
- iii) Revenue from software development services includes revenue from time and material and fixed price contracts are recognized as related services are performed.
- iv) Revenue from fixed price contracts is recognized according to the milestones achieved as specified in the contracts on the proportionate-completion method based on the work completed. Any anticipated losses expected upon the contract completion are recognized immediately. Changes in job performance, conditions and estimated profitability may result in revisions and corresponding revenues and costs are recognized in the period in which such changes are identified. Deferred revenue represents amounts billed in excess of revenue earned for which related services are expected to be performed in the next operating cycle.
- v) Revenue is not recognized on the grounds of prudence, until realized in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.
- vi) Revenue is reported net of discounts, indirect and service taxes.

- g) **Dividend income is recorded when the right to receive payment is established. Interest income is recorded using the effective interest method.**

h) Leases

Operating Lease:

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. The company charges Lease rentals in respect of assets taken under operating leases to statement profit and loss account on a straight line basis over the lease term.

Finance Lease:

A Finance lease is a lease that transfers substantially all the risks and rewards incidental to the ownership of an asset to the lessee. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

i) Cost recognition

Costs and expenses are recognised as and when incurred and have been classified according to their nature.

The costs of the Company are broadly categorized in employee benefit expenses, depreciation and amortisation and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, cost of running

its facilities, travel expenses, cost of equipment and software licenses, communication costs, allowances for delinquent receivables and advances and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment etc.

j) Foreign currency transactions

i. Functional and Presentation Currency:

The Company's functional and presentation currency is Indian National Rupee.

ii. Initial Recognition:

Foreign currency transactions are recorded in the presentation currency, by applying to the foreign currency amounts the exchange rate between the Presentation currency and the foreign currency at the date of the transaction.

iii. Conversion on reporting date:

Foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

iv. Exchange Differences:

Exchange difference arising on the settlement of monetary items or on Presenting monetary items of Company at rates different from those at which they were initially recorded during the year or presented in previous financial statements are recognised as income or as expenses in the year in which they arise.

k) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense includes income taxes payable by the Company, its branches in India and overseas. The current tax payable by the Company in India is Indian income tax payable on worldwide income.

The Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income.

Advance taxes and provisions for current income taxes are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

l) Financial Instruments

A financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Financial Assets.

i) Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

ii) Subsequent measurement:

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost

if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

iii. Derecognition:

A financial asset or where applicable, a part of a financial asset is primarily derecognised when: a. The rights to receive cash flows from the asset have expired, or b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement.

iv. Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables.

Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognised during the period is recognised as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet, it is shown as reduction from the specific financial asset.

2. Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

i) Initial recognition and measurement:

At initial recognition, all financial liabilities are recognised at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

ii) Subsequent measurement:

a) Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading are recognised in the profit or loss.

b) Financial liabilities at amortised cost:

Amortised cost, in case of financial liabilities with maturity more than one year, is calculated by discounting the future cash flows with effective interest rate.

The effective interest rate amortisation is included as finance costs in the Statement of Profit and Loss.

Financial liability with maturity of less than one year is shown at transaction value.

iii. Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

m) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

n) Financial Guarantee Contracts:

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with original or modified terms of a debt instrument.

The Company measures any financial guarantee on initial recognition at their fair value.

Subsequently these contracts are measured at the higher of:

- a. the amount of the loss allowance determined as per impairment requirements of Ind AS 109, and
- b. the amount initially recognised, less where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 18.

o) Fair Value Measurement:

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for such asset or liability, or in the absence of a principal market, in the most advantageous market which is accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a. Level 1 – Quoted (unadjusted market prices) in active markets for identical assets or liabilities.
- b. Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurements is directly or indirectly observable.
- c. Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

p) Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment.

q) Property, plant and equipment

Property, plant and equipment are stated at cost net of input tax credits, less accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and all attributable cost, to bring the asset to its working condition for its intended use. Borrowing costs relating to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to put to use.

The Company adopted cost model as its accounting policy, in recognition of the property, plant and equipment and recognises transaction value as the cost.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Statement of Profit and Loss. Property, Plant and Equipment which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from property, plant and equipment and the carrying amount net of scrap value, if any is charged to Statement of Profit and Loss.

The improvements/modifications carried on the lease hold land/property are recognised as lease hold improvements and are written off over the primary lease period or the life of such improvement whichever is lower.

The estimated useful lives are as mentioned below:

Type of asset	Method	Useful lives
Computer equipment	Straight line	3 years
Office equipments	Straight line	5 years
Furniture and fixtures	Straight line	10 years
Electrical installations	Straight line	10 years
Vehicles	Straight line	8 years

r) Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over license period which equates the useful life ranging between 5-6 years on a straight line basis.

s) Impairment of Non-financial assets

i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

ii. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset are no longer existing or have decreased.

t) Employee benefits

i) Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance sheet date. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the Balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and deductions in future contributions to the scheme.

ii) Defined contribution plans

Employer's contribution to provident fund/ employee state insurance which is in the nature of defined contribution scheme is expensed off when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

iii) Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date.

u) Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

v) Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the

period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

w) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker ("CODM").

The board of directors of the company has identified the Chairman and Managing Director as the CODM.

x) Provisions:

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

y) Contingencies:

Where it is not probable that an inflow or an outflow of economic resources will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statement of balance sheet and is disclosed as a contingent asset or contingent liability. Possible outcomes on obligations/ rights, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent assets or contingent liabilities.

z) Prior period items:

In case prior period adjustments are material in nature the Company prepares the restated financial statement as required under Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". Immaterial items pertaining to prior periods are shown under respective items in the Statement of Profit and Loss.

Notes forming part of Standalone financial statements

NOTE NO.4: PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS AS AT 31-03-2018

Amount in Rupees

Sl. No.	Particulars	Gross Block			Depreciation/Amortization					Net Block as on 31st March, 2018	Net Block as on 31st March, 2017	
		As on 1st April, 2017	Additions during the year	Sale / Deletions during the year	As on 31st March, 2018	Dep. As on 1st April, 2017	Depreciation/Amortization for the year	Sale / Deletions during the year	Adjustments to Reserves as per New Act			Total Depreciation
	PROPERTY, PLANT AND EQUIPMENT											
1	Electrical Equipment	2,37,90,270	2,49,345	-	2,40,39,615	2,02,54,945	15,55,200	-	-	2,18,10,144	22,29,471	35,35,326
2	Office Equipment	5,37,96,541	7,20,094	-	5,45,16,635	4,99,84,234	5,59,583	-	-	5,05,43,817	39,72,818	38,12,307
3	Air conditioners	74,91,714	-	-	74,91,714	41,43,688	5,25,176	-	-	46,68,864	28,22,850	33,48,026
4	Computers	35,91,96,896	6,13,337	-	35,98,10,233	35,33,26,566	3,64,990	-	-	35,36,91,557	61,18,676	58,70,330
5	Furniture	10,30,80,414	1,47,400	-	10,32,27,814	8,46,82,842	73,71,380	-	-	9,20,54,222	1,11,73,592	1,83,97,572
6	Vehicles	10,78,482	-	-	10,78,482	9,80,450	1,60,35	-	-	9,96,485	81,997	98,032
	INTANGIBLE FIXED ASSETS											
		54,84,34,317	17,30,176	-	55,01,64,493	51,33,72,726	1,03,92,363	-	-	52,37,65,088	2,63,99,403	3,50,61,592
1	Computer Products / Rights	22,32,374	1,41,900	-	23,74,274	8,43,252	3,99,486	-	-	12,42,738	11,31,536	13,89,122
	TOTAL	55,06,66,691	18,72,076	-	55,25,38,767	51,42,15,977	1,07,91,850	-	-	52,50,07,826	2,75,30,939	3,64,50,715

Notes forming part of Standalone Financial Statements
NOTE NO. 5 : INVESTMENT PROPERTY

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
I	Land at cost	21,95,210	21,95,210
	Total Investment Property	21,95,210	21,95,210

NOTE NO. 6 : INVESTMENTS - NON CURRENT

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Investments - Non- Current		
	(a) Investment in Equity Instruements at cost		
	(i) Subsidiaries (Unquoted)		
	Frontier Data Management Inc. USA	1,29,84,77,349	1,29,84,77,349
	International Expressions Inc. USA	1,04,53,63,208	1,04,53,63,208
	Online Media Solutions Limited , Israel	51,78,81,121	51,78,81,121
	Ybrant Media Acquisition Inc. USA	1,26,52,40,000	1,26,52,40,000
	Dream Ad Group	54,32,40,000	54,32,40,000
	Max Interactive Pty Ltd., Australia	41,74,90,000	41,74,90,000
	Dyomo Corporation .USA	4,67,300	4,67,300
	Ybrant Digital Services De Publicidade Ltda,Brasil	2,65,932	2,65,932
	Ybrant Digital (Brasil) Ltd., Singapore	45	45
	LGS Global FZE, UAE	2,43,650	2,43,650
	LIL Projects Private Limited	99,980	99,980
	Yreach Media Pvt.Ltd	99,000	99,000
	ii) Joint venture (Unquoted)		
	Apollo Lycos Netcommerce Ltd	14,70,000	9,80,000
	Total Investments Non- Current	5,09,03,37,585	5,08,98,47,585

NOTE NO. 7 : LOANS - NON CURRENT

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Loans - Non- Current		
	Unsecured, Considered Good		
	(a) Security deposits	19,58,242	20,44,574
	Total Loans - Non- Current	19,58,242	20,44,574

NOTE NO. 8 : OTHER FINANCIAL ASSETS - NON CURRENT

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
I	Other financial assets - Non- Current		
	Unsecured Considered Good		
	Advances to related parties		
	- Ybrant Employees Welfare Trust	1,07,50,000	1,07,50,000
	- LGSL Foundation Trust	56,94,873	56,94,873
	Total Other financial assets - Non- Current	1,64,44,873	1,64,44,873

NOTE NO. 9 : DEFERRED TAX ASSETS (NET)

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
I	Deferred tax assets (net)		
	Deferred tax liability	4,71,54,913	4,71,54,913
	Deferred tax assets		
	Opening Deferred tax assets	2,10,14,003	2,09,21,587
	- Fixed Assets	-	1,98,754
	- Provision for gratuity and compensated absences	44,05,296	(1,06,338)
	MAT Credit	5,62,88,351	5,62,88,351
	Deferred tax assets (net)	3,45,52,737	3,01,47,441

NOTE NO. 10 : NON- CURRENT TAX ASSETS (NET)

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
I	Non- Current tax assets (net)		
	-TDS Receivables	73,26,228	65,88,002
	Total Non- Current tax assets (net)	73,26,228	65,88,002

NOTE NO. 11 : OTHER NON CURRENT ASSETS

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
I	Other non-current assets		
	Others		
	Deposits with banks with maturity beyond 12 months	10,00,000	10,00,000
	Total Other non-current assets	10,00,000	10,00,000

NOTE NO. 12 : TRADE RECEIVABLES

S.No.	Particulars	As at 31s March 2018	As at 31st March 2017
		Rupees	Rupees
1	Trade receivables (i) Unsecured considered good	2,39,52,08,549	2,30,65,16,180
	Less: Allowances for bad and doubtful debts	11,14,81,624	12,41,18,263
	Notes In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.		
	Total Trade receivables	2,28,37,26,925	2,18,23,97,917

NOTE NO. 13 : CASH AND CASH EQUIVALENTS

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Cash and cash equivalents		
I	Balances with banks		
	(i) Current accounts	7,22,949	8,29,936
	(ii) Cheques, drafts on hand	-	-
	(iii) Cash on hand	4,586	7,204
	Total Cash and cash equivalents	7,27,535	8,37,140

NOTE NO. 14 : OTHER BANK BALANCES - CURRENT

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
I	Other bank balances - Current		
	(i) Earmarked balances with Banks		
	- Unpaid Dividend	1,24,989	2,14,469
	(ii) Balances with bank held as Margin Money	2,94,000	2,94,000
	Total Other bank balances - Current	4,18,989	5,08,469

NOTE NO. 15 : LOANS - CURRENT

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
I	Loans -Current		
	Unsecured Considered Good		
	(a) Loans to related parties		
	(b) Others		
	- Advances to Employees	21,90,073	22,91,386
	- Other Advances	1,14,42,57,391	1,17,97,36,282
	Total Loans - Current	1,14,64,47,464	1,18,20,27,668

NOTE NO. 16 : OTHER FINANCIAL ASSETS - CURRENT

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Other financial asset-Current		
I	(a) Security deposits		
	- Rental deposits	42,67,944	42,90,308
	- Other deposits	-	3,04,000
	Total Other Financial Assets - Current	42,67,944	45,94,308

NOTE NO. 17 : OTHER CURRENT ASSETS

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Other Current Assets		
I	Others.	15,30,25,696	13,99,87,512
	Total Other Current Assets	15,30,25,696	13,99,87,512

Notes forming part of Standalone Financial Statements

Note No: 18 Equity share capital

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Equity share capital		
	(i) Authorized		
	(975,000,000 Equity Shares of Rs.2/- each)	1,95,00,00,000	1,95,00,00,000
	(ii) Issued, Subscribed and Paid Up		
	(476,251,499 Equity Shares of Rs.2/- each)	95,25,02,998	95,25,02,998
	(iv) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:		
	Number of Shares		
	Shares outstanding at the beginning of the year	47,62,51,499	47,62,51,499
	Add: Issued and allotted during the year	-	-
	Shares outstanding at the end of the year	47,62,51,499	47,62,51,499
	(v) Rights, Preferences and restrictions attached to the equity shares:		
	(a) The Company has only one class of equity shares having par value of `2 each. Each shareholder is eligible for one vote per share held.		
	(b) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by equity shareholders.		
	(vi) Shares held by holding Company	-	-
	(vii) The details of shareholders holding more than 5% shares in the Company		
	(a) Equity Shares		
	M. Suresh Kumar Reddy		
	Number of equity shares	7,50,84,653	7,50,84,653
	% of holding	15.77%	15.77%
	Vijay Kumar Kancharla (HUF)		
	Number of equity shares	6,20,44,564	6,20,44,564
	% of holding	13.03%	13.03%
	Everest Capital (M) Ltd		
	Number of equity shares	3,84,38,819	6,14,78,864
	% of holding	8.07%	12.91%
	Oak India Investments		
	Number of equity shares	3,33,68,913	3,33,68,913
	% of holding	7.01%	7.01%
	Redmond Investments Ltd		
	Number of equity shares	2,47,66,812	2,47,66,812
	% of holding	5.20%	5.20%

Note No: 19 Other equity

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Other equity		
	(i) Reserves & Surplus		
	(a) Capital reserve	4,16,78,11,992	4,16,78,11,992
	(b) Retained earnings:		
	Opening balance	69,24,62,729	77,86,21,335
	Add: Total Other Comprehensive income for the period	(2,25,54,053)	(2,88,37,928)
	Less: Transfer to general reserve		
	Less: Dividend	-	4,76,25,150
	Less: Dividend distribution tax	-	96,95,528
	Closing Balance	66,99,08,676	69,24,62,729
	(c) Other reserves		
	- General reserve		
	Opening balance.	3,98,17,160	3,98,17,160
	Add: Additions during the year	-	
	Closing Balance	3,98,17,160	3,98,17,160
	Total Reserves and Surplus	4,87,75,37,828	4,90,00,91,881

NOTE NO. 20 : BORROWINGS - NON CURRENT

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Borrowings - Non-Current		
	(i) From banks-Secured		
	(a) SBI Term Loan	-	-
	(ii) From other parties-Unsecured		
	Loans from Related parties		
	Dream Ad, Panama - Loan	7,15,44,000	7,13,24,000
	Frontier Data Management -Loan	8,45,90,049	8,43,29,933
	International Expressions -Loan	6,84,03,609	6,81,93,266
	Online Media - Loan	10,25,68,080	10,22,52,680
	Ybrant Media Acquisition Inc - Loan	53,02,15,593	52,85,85,165
	Total Long term Borrowings Non-Current	85,73,21,331	85,46,85,044

NOTE NO. 21 : PROVISIONS - NON CURRENT

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Provisions- Non Current		
	Provision for employee benefits		
	(a) Gratuity	52,78,367	1,14,51,573
	(b) Leave encashment	18,06,672	18,06,672
	Other Provisions	3,17,75,047	2,93,01,844
	Total provisions Non current	3,88,60,086	4,25,60,089

NOTE NO. 22 : BORROWINGS - CURRENT

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
I	Borrowings - Current-Secured		
	Cash Credits and Working Capital from Banks		
	(a) Axis Bank Ltd - Cash Credit Facility	36,02,05,069	36,02,05,068
	(b) Canara Bank - OD Facility	32,28,96,315	32,28,96,315
	Notes:		
	Note No 22(a): Working Capital of Rs 4500 lakhs and Bank Guarantee /LC of Rs 400 Lakhs, term loan of Rs 500 lakhs and Rs.200 Lakhs Loan Equivalent Risk(LER) from Axis Bank Ltd are secured by charge on current assets, Fixed Assets, Pledge of promoters shares,immovable property and personal Guarantee of Promoter Directors.		
	Note No 22(b)::Working Capital of Rs 3500 lakhs and Bank Guarantee of Rs 1000 Lakhs and term loan of 450 lakhs from Canara Bank are secured by charge on current assets, Fixed Assets, Pledge of promoters shares,immovable property and personal Guarantee of Promoter Directors.		
Total Borrowings Current	68,31,01,384	68,31,01,383	

NOTE NO. 23 : TRADE PAYABLES - CURRENT

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
I	Trade payables	32,21,36,195	31,07,74,373
	Total Trade payables - Current	32,21,36,195	31,07,74,373

NOTE NO. 24 : OTHER FINANCIAL LIABILITIES - CURRENT

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
I	Other financial liabilities - Current		
	Current maturities of long term debt	8,45,48,957	10,86,90,517
	Interest accrued and due on borrowings	9,31,23,065	12,41,04,618
	Others	1,41,91,763	1,25,55,735
	Note : Term Loan of Rs. 400 lakhs from State Bank of India are secured by current assets, Fixed Assets, Pledge of Promoters shares and personal guarantee of Promoter Directors		
	Note : Working Capital Term Loan of Rs 3450 Lakhs, and Bank Guarantee of Rs 1000 lakhs from State Bank of India are secured by current assets, Fixed Assets, Pledge of Promoters shares and personal guarantee of Promoter Directors		
Total Other financial liabilities - Current	19,18,63,785	24,53,50,870	

NOTE NO. 25 : OTHER CURRENT LIABILITIES

.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
I	Other current liabilities		
	Unpaid dividend	10,45,28,269	12,85,44,918
	Other Current Liabilities	47,78,20,834	44,69,67,315
	To related parties		
	LIL Projects Pvt Limited	18,69,48,669	5,30,52,974
	Yreach media Pvt Limited	6,214,000	7,72,000
	Total Other current liabilities	77,55,11,772	62,93,37,207

NOTE NO. 26 : PROVISIONS - CURRENT

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
I	Provisions - Current		
	(i) Provision for employee benefits		
	Employee benefit payable	1,44,07,237	1,59,26,071
	(ii) Others		
	(a) Provisions for expenses	8,75,466	7,41,798
	(b) Other Provisions	5,58,42,285	5,99,99,698
	Total Provisions - Current	7,11,24,988	7,66,67,568

Notes forming part of Standalone Financial Statements
NOTE NO. 27 : REVENUE FROM OPERATIONS

S.No.	Particulars	Year Ending 31st March 2018	Year Ending 31st March 2017
		Rupees	Rupees
I	Sale of Services Domestic	66,58,775	1,52,45,212
	Sale of Services Exports	1,48,48,633	10,48,85,083
	Sale of Software Exports	4,53,05,38,400	4,54,39,76,910
	Total Revenue from Operations	4,55,20,45,808	4,66,41,07,205

NOTE NO. 28 : OTHER INCOME

S.No.	Particulars	Year Ending 31st March 2018	Year Ending 31st March 2017
		Rupees	Rupees
I	Interest income	1,15,494	52,115
	Net gain/loss on foreign currency translation and transaction	(38,79,224)	(18,54,175)
	Total Other Income	(37,63,730)	(18,02,060)

NOTE NO. 29 : PURCHASE/COST OF REVENUE

S.No.	Particulars	Year Ending 31st March 2018	Year Ending 31st March 2017
		Rupees	Rupees
I	Software Purchase & Sub Contractors Cost	3,50,14,46,023	3,58,17,72,401
	Total Purchase/Cost of Revenue	3,50,14,46,023	3,58,17,72,401

NOTE NO. 30 : EMPLOYEE BENEFIT EXPENSES

S.No.	Particulars	Year Ending 31st March 2018	Year Ending 31st March 2017
		Rupees	Rupees
	Salaries,wages and allowances	49,02,20,407	50,87,26,448
I	Contribution to provident and other fund	12,40,250	21,31,680
	Staff Welfare Expenses	7,03,009	15,24,815
	Total Employee Benefit Expenses	49,21,63,666	51,23,82,943

NOTE NO. 31 : OTHER OPERATING EXPENSES

S.No.	Particulars	Year Ending 31st March 2018	Year Ending 31st March 2017
		Rupees	Rupees
I	Power & Fuel	21,85,138	37,26,089
	Rent	4,33,43,184	4,17,65,299
	Repairs & Maintenance	62,26,013	50,37,245
	Insurance	64,89,341	61,01,228
	Rates & Taxes (excluding Income Tax)	70,376	10,500
	Miscellaneous Expenses	15,01,868	11,27,546
	Payment to Auditors:		
	(i) As Auditor fee	2,00,000	2,00,000
	(ii) For Tax Audit fee	1,00,000	1,00,000
	(iii) For Other Audit related Services	2,00,000	2,00,000
	Ins Fee	31,26,255	32,07,167
	Telephone, Postage and Others	1,76,41,106	1,62,23,804
	Business Promotion Expenses	7,91,86,928	6,06,48,328
	Travelling and Conveyance	2,12,34,264	1,81,33,505
	Office Maintenance	2,10,30,582	1,83,62,038
	Printing & Stationery Expenses	57,39,092	57,00,893
	Security Charges	10,27,100	9,46,170
	Consultancy Charges	2,18,80,338	2,06,97,533
	Event Sponsorship & Seminar Fee	1,56,61,659	1,48,19,197
	Web Development Expenses	6,40,89,370	5,37,62,954
	Professional Charges	1,31,18,103	1,69,95,775
	Sales and Marketing Expenses	9,79,18,810	8,87,20,289
	Books & Subscriptions	24,78,680	25,24,669
Provision for Impairment of Debtors	(1,26,36,639)	1,69,80,368	
Other Expenses	2,03,71,091	1,78,77,509	
Investments-written off	-	2,00,00,000	
	Total Other Operating Expenses	43,21,82,659	43,38,68,106

NOTE NO. 32 : FINANCE COSTS

S.No.	Particulars	Year Ending 31st March 2018	Year Ending 31st March 2017
		Rupees	Rupees
I	Interest on Working capital Loans	12,85,74,502	12,18,63,480
	Interest on Term Loan	1,58,48,662	1,89,91,042
	Interest on Unsecured Loan	28,58,068	1,06,33,531
	Loan processing Charges & Bank Charges	5,93,897	8,39,144
	Total Finance Costs	14,78,75,129	15,23,27,197

Notes forming part of Standalone Financial Statements
33. Auditor's Remuneration:

(Amount in Rs.)

Particulars	Year ended 31 st March,	
	2018	2017
Statutory Audit Fees	2,00,000	2,00,000
Tax Audit Fee	1,00,000	1,00,000
Other Audit related Services	2,00,000	2,00,000
Total	5,00,000	5,00,000

34. Quantitative Details:

The Company is engaged in providing digital marketing services, development of Computer Software and services. The production and sale of such digital marketing services and software development services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and certain information as required under **Paragraphs 5 (viii)(c) of general instructions for preparation of the Statement of Profit and Loss as per Schedule III to the companies Act,2013.**

35. Related Party Transactions:

During the financial year 2017-18 the Company has entered into some transactions, which can be deemed as related party transactions. All these matters have been approved by the Board, wherever necessary.

a) Related Parties:

S.No.	Particulars	Nature of Relationship
1	M.Suresh Kumar Reddy	Chairman and Managing Director
2	Vijay Kancharla	Executive Director
3	K.Jaya Lakshmi kumari	Independent Director
4	Raghunath Allamsetty	Independent Director
5	Surabhi Sinha	Independent Director
6	Yreach Media Private Limited, India	99% Owned Subsidiary
7	LIL Projects Private Limited, India	Wholly Owned Subsidiary
8	Frontier Data Management Inc, USA	Wholly Owned Subsidiary
9	International Expressions Inc, USA	Wholly Owned Subsidiary
10	Online Media Solutions Limited, Israel	Wholly Owned Subsidiary
11	Ybrant Media Acquisition Inc, USA	Wholly Owned Subsidiary
12	Dyomo Corporation, USA	Wholly Owned Subsidiary
13	Max Interactive Pty, Ltd., Australia	Wholly Owned Subsidiary
14	DreamAd, Argentina	Wholly Owned Subsidiary
15	DreamAd, Chile	Wholly Owned Subsidiary
16	Get Media Mexico Sociedad Anonima De Capital Variable, Mexico	Wholly Owned Subsidiary
17	DreamAd, Panama	Wholly Owned Subsidiary
18	DreamAd, Uruguay	Wholly Owned Subsidiary
19	Ybrant Digital Services De Publicidade Ltda, Brasil	Wholly Owned Subsidiary
20	Ybrant Digital (Brasil) Ltd., Singapore	Wholly Owned Subsidiary
21	LGS Global FZE, UAE	Wholly Owned Subsidiary
22	Lycos Inc.USA	Step down Subsidiary
23	Ybrant Employees welfare Trust	Directors acting as Trustees
24	LGSL Foundation Trust	Directors acting as Trustees
25	Apollo Lycos Netcommerce Ltd,India.	Joint Venture

b) Related Party Transactions during the year:

(1) Sales/ Revenue:

(Amount in Rs.)

Particulars	Year Ended 31 st March	
	2018	2017
Online Media Solutions Limited, Israel	NIL	2,05,01,841
Dyomo Corporation, USA	NIL	1,21,26,506
Max Interactive Pty, Ltd., Australia	NIL	78,42,845
Ybrant Technologies Inc	NIL	22,24,319
Lycos Inc -USA	NIL	1,53,72,300

c) Balances with related parties at the year end:**(i) Unsecured loans from Related Parties:**

Particulars	Year ended 31 st March	
	2018	2017
DreamAd, Panama	7,15,44,000	7,13,24,000
Frontier Data Management Inc, USA	8,45,90,049	8,43,29,933
International Expressions Inc, USA	6,84,03,609	6,81,93,266
Online Media Solutions Limited, Israel	10,25,68,080	10,22,52,680
Ybrant Media Acquisition Inc, USA	53,02,15,593	52,85,85,165
LIL Projects Pvt Ltd	18,69,48,669	5,30,52,974
Yreach media Pvt Ltd	62,14,000	7,72,000

(ii) Investment in Subsidiaries and Joint Ventures:

Particulars	For the Year ended 31 st March	
	2018	2017
DreamAd Group	54,32,40,000	54,32,40,000
Frontier Data Management Inc., USA	1,29,84,77,349	1,29,84,77,349
International Expressions Inc., USA	1,04,53,63,208	1,04,53,63,208
Online Media Solutions Limited, Israel	51,78,81,121	51,78,81,121
Ybrant Media Acquisition Inc., USA	1,26,52,40,000	1,26,52,40,000
Max Interactive Pty Ltd, Australia	41,74,90,000	41,74,90,000
Dyomo Corporation, USA	4,67,300	4,67,300
Ybrant Digital Servicos De Publicidade Ltda, Brasil	2,65,932	2,65,932
Ybrant Digital (Brasil) Ltd., Singapore	45	45
LGS Global FZE, UAE	2,43,650	2,43,650
Yreach Media Pvt Ltd, India	99,000	99,000
LIL Projects private limited.	99,980	99,980
Apollo Lycos Net commerce Ltd	14,70,000	9,80,000

(iii) Unsecured loans to Related parties:

Particulars	For the year ended 31 st March	
	2018	2017
Ybrant Employees welfare Trust	1,07,50,000	1,07,50,000
LGSL Foundation Trust	5,694,873	5,694,873

(iv) Account receivables

Particulars	Year Ended 31 st March	
	2018	2017
Online Media Solutions Limited, Israel	2,06,08,001	2,52,04,100

36. Operating Lease:

The company has taken its office premises on lease under operating lease agreement that is renewable on a periodic basis at the option of the both the lessor and the lessee. Rental expenses under those leases were Rs.4,33,43,184/- and for the previous year Rs. 4,17,65,299/-

37. Foreign Currency Outflows:

Foreign Exchange outflows as reported by the Company to Government of India and as certified by Management.

(Amount in Rs.)

Particulars	Year Ended 31 st March,	
	2018	2017
Foreign Travelling	47,440	68,050
Total	47,440	68,050

38. Foreign Currency Inflows:

Foreign Exchange inflows as reported by the Company to Government of India and as certified by Management.

(Amount in Rs.)

Particulars	Year Ended 31 st March,	
	2018	2017
Sales & Services	1,48,48,633	5,78,14,619
Realization from Trade Receivables out of Opening Balance	NIL	1,23,03,824
Total	1,48,48,633	7,01,18,443

39. Employee Benefits (Gratuity)

The details of the Company's post - retirement benefit plans for its employees including whole-time directors are given below which are certified by an Independent Actuary.

a) Changes in the Present Value of Obligation

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Present Value of Obligation as at beginning	1,21,67,583	1,30,83,743
Current Service Cost	11,52,392	14,99,255
Interest Expense or Cost	9,18,653	10,33,616
Re-measurement (or Actuarial) (gain) / loss arising from: others	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	(76,74,692)	(25,83,315)
- experience variance (Actual v assumptions)	-	-
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(7,12,356)	(8,65,716)
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
Present Value of Obligation as at the end	58,51,580	1,21,67,583

b) Bifurcation of Net Liability

Particulars	As on	
	31-Mar-18	31-Mar-17
Current Liability (Short term)	5,73,213	6,15,385
Non-Current Liability (Long term)	52,78,367	1,15,52,198
Total Liability	58,51,580	1,21,67,583

c) Changes in the Fair Value of Plan Assets

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Fair Value of Plan Assets as at the beginning	7,16,010	12,88,035
OB difference	-	-
Investment Income	54,059	1,01,755
Employer's Contribution	-	-
Expenses	-	-
Employee's Contribution	-	-
Benefits Paid	(7,12,356)	(6,41,074)
Return on plan assets, excluding amount recognised in net interest expense	(20,807)	(32,706)
Acquisition Adjustment	-	-
Fair Value of Plan Assets as at the end	36,906	7,16,010

d) Change in the Effect of Asset Ceiling

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Effect of Asset Ceiling at the beginning	-	-
Interest Expense or Cost (to the extent not recognised in net interest expense)	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Effect of Asset Ceiling at the end	-	-

e) Expenses Recognised in the Income Statement

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Current Service Cost	11,52,392	14,99,255
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Expected return on Asset	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	8,64,594	9,31,861
Actuarial Gain/Loss	-	-
Expenses Recognised in the Income Statement	20,16,986	24,31,116

f) Other Comprehensive Income

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Actuarial (gains) / losses	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	(76,74,692)	(25,83,315)
- experience variance (i.e. Actual experience vs assumptions)	-	-
- others obd difference	-	-
Return on plan assets, excluding amount recognized in net interest expense	20,807	32,706
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognised in other comprehensive income	(76,53,885)	(25,50,609)

g) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As on	
	31-Mar-18	31-Mar-17
Government of India securities	-	-
State Government securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Special Deposit Scheme	-	-
Funds managed by Insurer	100%	100%
Bank balance	-	-
Other Investments	-	-
Total	100%	100%

h) Actuarial Assumptions:

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	As on	
	31-Mar-18	31-Mar-17
Discount rate (per annum)	7.72%	7.55%
Salary growth rate (per annum)	6.00%	6.00%

(ii) Leave Encashment

The provision for Leave Encashment is calculated as per accrual method and included in current liability & provision.

40. Earnings Per Share:

(Amount in Rs.)

Particulars	Year Ended 31 st March,	
	2018	2017
Profits Attributable to Equity Share Holders	(2,94,06,903)	(2,80,79,159)
Weighted Average No. of Shares Outstanding for the Year ended		
Basic	47,62,51,499	47,62,51,499
Diluted	47,62,51,499	47,62,51,499
Earnings per Share – Basic	(0.062)	(0.06)
Earnings per Share – Diluted	(0.062)	(0.06)

The EPS of Rs. (0.062) on a PAT(Loss) of Rs. (2,94,06,903/-) for the year ended 31 March 2018 for an Equity Capital i.e. Rs. 95,25,02,998 /- consisting of 47,62,51,499 Equity Shares of Rs.2/- each fully paid up and whereas the EPS of Rs.(0.06) on a PAT(Loss) of Rs. (2,80,79,159)/- for the year ended 31 March 2017.

41. As per Ind AS 21, the Foreign exchange fluctuation gain /(loss) on monetary items is recognized in statement of P & L a/c. The receivables have been considered at the actual rate at which the amount is realized, and on unrealized amount the rate prevailing at the reporting date. Accordingly gain/ (Loss) from Foreign Exchange fluctuation amount of Rs. (38,79,224)/- (net) has been recognised in statement Profit and Loss for the Year.

42. Segment Reporting:

The Company is mainly engaged in the area of Digital Marketing (& related) services and Software Development Services.

The company publishes standalone financial statements along with the consolidated financial statements in the annual report. Segment wise details are provided in Consolidated financial statements.

43. Intra branch Transactions:

The Intra Branch transactions have been eliminated while preparing the financial statements.

44. The subsidiary (Ybrant media Acquisition Inc, USA) has failed to pay part consideration due to Daum Global Holding Corporation in respect of acquisition of Lycos Inc, considering which District court of New York has granted receivership of 56% shares of the Lycos Inc, back to Daum Global Holding Corporation [Announcement under regulation 30 (LODR) dated 9th May, 2018 on BSE]

45. Dues to Micro & Small Enterprises:

There are no overdue principle amounts and interest thereon payable to Micro Enterprises and Small Enterprises, as at 31-03-2018.

46 . Confirmation of Closing Balances:

The Company has sought for confirmations in respect of Trade receivables, Trade Payables, loans and advances given and received. However, the confirmations from few parties are yet to be received in respect of the said items.

47. Contingent Liabilities & Guarantees:

(Amount in Rs.)

Particulars	Name of the Bank / Party	Year ending 31th March, 2018
Disputed Service tax Liability for the period May 2008 to September 2011	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	14,60,05,131
Disputed Service tax Liability for the period May 2008 to September 2011	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	4,13,23,149
Disputed Income Tax Liability for the A.Y.2006-07 to A.Y. 2009-10.	CIT(Appeals) / ITAT	29,85,352
Disputed Income Tax Liability for the A.Y.2010-11 to A.Y. 2013-14.	CIT(Appeals)/ ITAT	5,54,18,296
Disputed Income Tax Liability for the A.Y.2014-2015 and A.Y. 2015-16.	CIT(Appeals)/ ITAT	41,40,87,310
Corporate Guarantee for Acquiring Lycos Inc (USD 4 Mn) *	Daum Global Holdings Corp, Republic of Korea	26,01,60,000
SE Investments Loan	SE Investments Mumbai (Principal loan amount was repaid. SE Investments has issued notice to pay the penalty & delay charges. Negotiations are in process to reduce and settle the account).	1,01,23,233

* Assumption: 1 USD = Rs.65.04 (Closing rate as on 31st March 2018)

48. The Dividend related 2009-10 Rs. 1,17,362/- has been transferred to Investors education and protection fund.

49. Dividend Payable is pending for various financial years amounting to Rs.10,45,28,268/-

Financial Year	Amount Due
2010-11	95,656
2011-12	7,85,48,581
2015-16	2,58,84,031
Total	10,45,28,268

50. The figures of previous year have been regrouped wherever necessary.

51. The figures have been rounded off to the nearest rupee.

Notes forming part of Standalone financial statements**AS PER OUR REPORT OF EVEN DATE**

For P C N & ASSOCIATES
(Formerly Known as Chandra Babu Naidu & Co.,)
CHARTERED ACCOUNTANTS
FRN: 016016S

CHANDRA BABU M
PARTNER
Membership Number: 227849

Place : Hyderabad
Date : 29-05-2018

For and on behalf of the Board

Lycos Internet Limited

M.Suresh Kumar Reddy
Chairman & Managing Director

Vijay Kancharla
Executive Director

Y.Srinivasa Rao
Chief Financial Officer

V.Sri Lakshmi
Company Secretary



Consolidated Financials

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members

Lycos Internet Limited

Report on the consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of M/s.Lycos Internet Limited ("the Holding Company"), and its subsidiaries, its jointly controlled entities and associated companies; together referred to as "the Group" comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income) and Consolidated Cash Flow Statement and the Statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements')

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. The Board of Directors of the respective company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the rules made there under including the accounting and auditing standards and matters which are required to be included in audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS Financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks

of material misstatement of the consolidated Ind AS Financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the consolidated Ind AS Financial statements that give a true and fair view. In order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS Financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS Financial statements:

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated Ind AS Financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS, of the consolidated financial position of the group, as at 31st March 2018, and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the changes in equity for the year then ended.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
 - b) in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept by the Company so far as appears from our examination of those books;
 - c) the Consolidated Balance Sheet, the consolidated Statement of Profit and Loss including other comprehensive income, and the consolidated Cash Flow Statement and the Statement of changes in equity dealt with by this Report are in agreement with the books of account maintained for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
 - d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued there under.
 - e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2018, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary/joint venture companies incorporated in India, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial

controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statement has disclosed the pending litigations which could have impact on its financial position.
- ii. The Holding company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and the subsidiary companies incorporated in India.

Other Matter

We did not audit the financial statements of below mentioned list of subsidiary Companies and Joint Venture included in the consolidated Ind AS financial results, whose Ind AS financial statements/financial information reflect total assets of Rs. 29,91,06,64,840/- (excludes LIL Projects Pvt Limited and Yreach Media Private Limited) as at 31st March, 2018, total revenue of Rs.19,67,49,63,154/- (excludes LIL Projects Pvt Limited and Yreach Media Private Limited) for the year ended 31st March, 2018. These include financial statements of some subsidiary Companies which are located outside India whose financial statements and other financial information have been prepared by management in accordance with accounting principles generally accepted in their respective countries. The company management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of subsidiary Companies and Joint Venture and our report in terms of sub section (3) of section 143 of the Act insofar as it relates to the aforesaid subsidiary is based on solely on such unaudited financial statements and other financial information.

In our opinion and to the best of our information and according to the explanations given to us, this consolidated year-to-date financial results of the following entities:

- a) Yreach Media Pvt Ltd, India.
- b) Frontier Data Management Inc., USA
- c) International Expressions Inc., USA
- d) Online Media Solutions Limited, Israel
- e) Ybrant Media Acquisition Inc., USA
- f) Dyomo Corporation USA
- g) Max Interactive Pty Ltd., Australia
- h) DreamAD, SA Argentina
- i) DreamAD, SA Chile
- j) Get Media Mexico Sociedad Anonima de Capital Variable, Mexico
- k) DreamAD, SA panama
- l) DreamAD, SA Uruguay
- m) Ybrant Digital Services De Publicidade Ltd., Brasil.
- n) Ybrant Digital (Brasil) Ltd, Singapore.
- o) LGS Global FZE, UAE
- p) Apollo Lycos Netcommerce Limited – Joint venture, India.
- q) LIL Projects Private Limited, India.

The subsidiary (i.e M/s. Ybrant Media Acquisition Inc. USA) has failed to pay part consideration due to Daum Global Holding Corporation in respect of acquisition of Lycos Inc., considering which the district court of New York has granted receivership of 56% shares of the Lycos Inc. back to Daum Global Holding Corporation. [Announcement under Regulation 30 (LODR) dated 9th May, 2018 on BSE].

**For P C N & Associates,
(Formerly known as ChandraBabu Naidu & Co.,)
Chartered Accountants
FRN:016016S**

**ChandraBabu. M
Partner
M.No: 227849**

**Place: Hyderabad
Date: 29-05-2018.**

Annexure A to the Independent Auditor's Report

Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')

In conjunction with our Audit of the consolidated Ind AS financial statements of the company as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of Lycos Internet Limited ('the Holding company') and its subsidiary companies which are incorporated in India, as of the date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary/joint venture companies, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risk of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient

and appropriate to provide a basis for our audit opinion and the company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be deducted. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, The Holding Company and its subsidiary/ joint venture companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2018, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants of India.

**For P C N & Associates,
(Formerly known as ChandraBabu Naidu & Co.,)
Chartered Accountants
FRN:016016S**

**ChandraBabu. M
Partner
M.No: 227849**

Consolidated Balance Sheet as at 31st March 2018			
Particulars	Note	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	4	23,80,11,375	18,13,20,090
Capital work in Progress	4	1,24,99,01,121	-
Investment property	5	21,95,210	21,95,210
Goodwill on consolidation	4	1,49,46,95,340	1,49,46,95,340
Other intangible assets	4	3,68,80,32,298	3,99,51,02,922
Intangible assets under development	4	1,76,30,54,285	71,43,86,699
Financial assets			
- Investments	6	1,06,48,81,192	1,06,52,06,292
- Loans	7	1,55,19,47,031	1,54,72,67,847
- Others financial assets	8	13,02,19,761	12,69,07,070
Deferred tax assets (net)	9	4,27,85,377	3,48,38,247
Non- Current tax assets (net)	10	73,26,228	65,88,001
Other non-current assets	11	28,14,68,099	28,06,05,651
Total Non-current assets		11,51,45,17,317	9,44,91,13,369
Current assets			
Financial assets			
- Trade receivables	12	8,75,12,59,652	7,76,77,30,584
- Cash and cash equivalents	13	89,36,37,947	80,49,06,659
- Other bank balances	14	4,18,989	5,08,469
- Loans	15	5,95,69,12,105	5,71,90,07,914
- Other Financial Assets	16	42,67,944	45,94,308
Other current assets	17	5,50,47,56,471	4,77,89,82,239
Total Current assets		21,11,12,53,108	19,07,57,30,173
Total assets		32,62,57,70,425	28,52,48,43,541
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	18	95,25,02,998	95,25,02,998
Other equity	19	27,29,95,74,513	23,13,30,28,913
Total Equity		28,25,20,77,511	24,08,55,31,911
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings		-	-
Provisions	20	8,52,77,763	8,87,22,927
Deferred tax liabilities (net)	21	2,90,54,348	3,07,51,134
Total Non-current liabilities		11,43,32,111	11,94,74,062
Current liabilities			
Financial liabilities			
- Borrowings	22	68,31,01,383	68,31,01,383
- Trade payables	23	77,21,23,794	87,00,84,831
- Others financial liabilities	24	19,18,63,785	24,53,50,870
Other current liabilities	25	1,85,88,88,940	1,79,65,54,806
Provisions	26	75,33,82,901	72,47,45,679
Total Current liabilities		4,25,93,60,803	4,31,98,37,570
Total equity and liabilities		32,62,57,70,425	28,52,48,43,541

Notes forming part of Consolidated financial statements

AS PER OUR REPORT OF EVEN DATE
For P C N & ASSOCIATES
(Formerly Known as Chandra Babu Naidu & Co.)
CHARTERED ACCOUNTANTS
FRN: 016016S

CHANDRA BABU M
PARTNER

Membership Number: 227849

Place : Hyderabad

Date : 29-05-2018

For and on behalf of the Board

Lycos Internet Limited

M.Suresh Kumar Reddy
Chairman & Managing Director

Y.Srinivasa Rao
Chief Financial Officer

Vijay Kancharla
Executive Director

V.Sri Lakshmi
Company Secretary

Statement of Consolidated Profit and Loss for the year ended 31st March, 2018			
Particulars	Note	Year Ending	Year Ending
		31/03/2018	31/03/2017
		Rupees	Rupees
REVENUE			
I. Revenue from operations	27	24,20,74,30,562	24,51,31,85,213
II. Other income	28	(45,87,905)	68,62,439
III. Total revenue (I+II)		24,20,28,42,657	24,52,00,47,652
IV. EXPENSES			
Purchase / Cost of Revenue	29	13,66,32,51,799	13,76,48,68,875
Employee Benefit expenses	30	1,47,41,87,981	1,45,41,84,961
Other Operating Expenses	31	1,93,24,73,146	2,00,10,03,474
Financial costs	32	14,79,57,375	15,24,12,710
Depreciation and amortization expense	4	1,08,14,97,629	95,74,25,118
Total expenses (IV)		18,29,93,67,930	18,32,98,95,138
V. Profit/(loss) before tax (III-IV)		5,90,34,74,727	6,19,01,52,513
VI. Tax expense			
Current tax		1,84,55,01,228	1,90,25,30,961
Deferred tax		(1,20,89,350)	(48,40,942)
VII. Profit/(loss) for the period (V-VI)		4,07,00,62,849	4,29,24,62,494
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plan (net of tax)		(1,06,63,386)	(60,53,930)
Income tax relating to items that will not be reclassified to profit or loss		(8,15,100)	
Items that will be reclassified to profit or loss		10,79,61,238	
Income tax relating to items that will be reclassified to profit or loss			
IX. Total comprehensive income for the period (VII+VIII)		4,16,65,45,601	4,28,64,08,564
Earnings per share			
(1) Basic (in Rs.)		8.546	9.01
(2) Diluted (in Rs.)		8.546	9.01

Notes forming part of Consolidated financial statements

AS PER OUR REPORT OF EVEN DATE

For P C N & ASSOCIATES
 (Formerly Known as Chandra Babu Naidu & Co.)
CHARTERED ACCOUNTANTS
 FRN: 016016S

CHANDRA BABU M
PARTNER
 Membership Number: 227849

Place : Hyderabad
 Date : 29-05-2018

For and on behalf of the Board

Lycos Internet Limited

M.Suresh Kumar Reddy
 Chairman & Managing Director

Y.Srinivasa Rao
 Chief Financial Officer

Vijay Kancharla
 Executive Director

V.Sri Lakshmi
 Company Secretary

Statement of Changes in Equity for the period ended 31st March 2018 and 2017

A. Equity Share Capital

Balance As at 1st April 2017	Changes in equity share capital during the year	Balance As at 31st March 2018
95,25,02,998	-	95,25,02,998

B. Other Equity

	Reserves and Surplus				Exchange differences on translating the financial state-ments of a foreign operation	Total Rupees
	Capital Reserve	General reserve	Surplus in statement of P&L	Retained Earnings		
Balance at the beginning of the reporting period As at 1st April 2017	4,16,78,11,992	3,98,17,160		17,75,35,08,420	1,17,18,91,340	23,13,30,28,913
Changes in accounting policy or prior period errors						-
Restated balance at the beginning of the reporting period	4,16,78,11,992	3,98,17,160	-	17,75,35,08,420	1,17,18,91,340	23,13,30,28,913
Total Comprehensive Income for the year			4,16,65,45,601			4,16,65,45,601
Dividends (Including Tax on Dividends)				-		-
Transfer to General Reserve						-
Transfer to retained earnings			(4,16,65,45,601)	4,16,65,45,601		-
Any other change (to be specified) - FCTR					-	-
Balance at the end of the reporting period 31st March 2018	4,16,78,11,992	3,98,17,160	-	21,92,00,54,021	1,17,18,91,340	27,29,95,74,513

Consolidated statement for the year ended 31st March, 2018

	Particulars	Year ended	Year ended
		31 st March 2018	31 st March 2017
		Rupees	Rupees
A.	Cash Flow from Operating Activities		
	Profit Before Tax	5,90,34,74,727	6,19,01,52,513
	Adjustment for :		
	Add: Depreciation and amortisation expense	1,08,14,97,629	95,74,25,118
	Interest Expense	1,58,48,662	1,89,91,042
	Allowance for doubtful trade receivables	(76,30,042)	1,57,11,760
	Investments Write off	-	2,00,00,000
	Operating Profit before Working Capital Changes	6,99,31,90,975	7,20,22,80,435
	Adjustment for Working Capital Changes:		
	Increase/(Decrease) in Short term Borrowings	-	-
	Increase/(Decrease) in Trade Payables	(9,79,61,048)	(2,70,57,824)
	Increase/(Decrease) in other Current Liabilities	6,23,34,134	16,99,55,504
	Increase/(Decrease) in Others financial liabilities	(5,34,87,085)	8,20,22,839
	Increase/(Decrease) in Short-Term Provisions	(24,68,902)	(4,62,05,403)
	Decrease/(Increase) in Trade Receivables	(97,58,99,026)	(58,63,78,326)
	Decrease/(Increase) in Short-Term Loans and Advances	(23,79,04,191)	(2,14,72,30,681)
	(Increase)/Decrease in Other Financial Assets	3,26,364	(1,84,208)
	(Increase)/Decrease in other Current Assets	(72,57,74,232)	(1,37,26,91,690)
	Cash Flow from Operating Activities	4,96,23,56,990	3,27,45,10,647
	Less: Taxes paid	1,81,43,95,104	1,76,02,10,346
	Net Cash Flow from Operating Activities (A)	3,14,79,61,886	1,51,43,00,301
B	Cash Flow from Investing Activities		
	Sale of Fixed assets		
	Purchase/(Increase) of Fixed Assets	(11,67,31,580)	(8,11,79,986)
	Investment in Subsidiary /Joint Venture		
	(Increase)/Decrease in Non-Current Investments	(4,90,000)	3,847
	(Increase)/Decrease in Intangibles under development	(1,76,30,54,285)	(71,43,86,699)
	(Increase)/Decrease in Capital Work in Progress	(1,24,99,01,121)	-
	Net cash Flow from investing activities (B)	(3,13,01,76,986)	(79,55,62,839)
C.	Cash Flows from Financing Activities		
	Interest Paid	(1,58,48,662)	(1,89,91,042)
	Increase/(Decrease) in Long Term Loans	-	-
	Increase/(Decrease) in Foreign Currency Fluctuation Reserve	10,79,61,238	(46,31,13,705)
	Dividend Paid (Inclusive of Dividend tax)	-	(5,73,20,678)
	Increase/(Decrease) in long term provision	(1,41,08,550)	(82,88,357)
	(Increase)/Decrease in Deferred tax Asset(Net)	41,42,220	(17,35,441)
	Increase/(Decrease) in Deferred tax Liabilities(Net)	(16,96,786)	(15,48,172)
	(Increase)/Decrease in Long term loans and advances	(46,79,184)	14,72,44,505
	(Increase)/Decrease in other financial assets	(33,12,691)	(11,03,41,877)
	(Increase)/Decrease in Non- Current tax assets (net)	(7,38,228)	(8,82,563)
	(Increase)/Decrease in Other Non - Current Assets	(8,62,448)	64,25,238
	Net cash Flow from financing activities (C)	7,08,56,909	(50,85,52,094)
	Cash and cash equivalents at beginning of year	80,54,15,128	59,52,29,760
	Net change in cash (A+B+C)	8,86,41,808	21,01,85,368
	Cash and cash equivalents at period ended 31st March, 2018	89,40,56,936	80,54,15,128

Notes forming part of Consolidated financial statements
AS PER OUR REPORT OF EVEN DATE
For P C N & ASSOCIATES
(Formerly Known as Chandra Babu Naidu & Co.,)
CHARTERED ACCOUNTANTS
FRN: 016016S
**CHANDRA BABU M
PARTNER**
Membership Number: 227849
**Place : Hyderabad
Date : 29-05-2018**
For and on behalf of the Board
Lycos Internet Limited
**M.Suresh Kumar Reddy
Chairman & Managing Director**
**Vijay Kancharla
Executive Director**
**Y.Srinivasa Rao
Chief Financial Officer**
**V.Sri Lakshmi
Company Secretary**

1. Corporate Information:

Lycos Internet Limited, offers digital marketing solutions to businesses, agencies and online publishers worldwide. Lycos Internet Limited connects Advertisers with their Audience across any form of Digital Media, using its massive local presence to deliver appropriate messages to the right audience, through the most relevant Digital channels. Lycos Internet Limited has a global presence, with offices in over 24 countries.

Lycos Internet Limited is also a Global Information Technology Implementation and Outsourcing Services Provider with an exceptional track record of providing high quality, on-budget, and on-time solutions to demanding clients. Our business knowledge in key verticals helps us provide solutions that are customized to address the specific needs while focusing on maximizing value of Information Technology investments such that clients can achieve their business objectives. We believe in fostering long-term relationships, and partner with our clients in their success. Lycos Provides End-to-end Enterprise Solution Offerings and Specializing in ERP Solutions, Microsoft and Open Source Systems development.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 read with rule 3 of companies (Indian accounting standards) Rules, 2015 ("the rules") (as amended).

b) Basis of preparation

These Consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c) Basis of consolidation

The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over the entity.

Entities controlled by the Company are consolidated from the date control commences until the date control ceases.

All inter-company transactions, balances and income and expenses are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted

to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

d) Business Combinations

The Company accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

e) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of goodwill, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

Impairment of Goodwill

The Group estimate the value in use of the cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The discount rate used for the CGU's represent the weighted- average cost of capital based on the historical market returns of comparable companies.

Impairment of investments

The Group reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period.

Contingencies

Management judgement is required for estimating the possible inflow/outflow of resources, if any, in respect of contingencies/ claims/litigations against the Group/by the Group as it is not possible to predict the outcome of pending matters with accuracy.

Defined Benefit Plans

The present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, rate of increment in salaries and mortality rates. Due to complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All the assumptions are reviewed at each reporting date.

Fair Value measurement of financial instruments

When the fair values of financial assets and financial liabilities on reporting date cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques i.e., the DCF model. The inputs to these models are taken from observable markets.

Intangibles

Internal technical or user team assess the useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

f) Current Vs Non-current classifications

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it satisfies the below mentioned criteria:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realised within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current assets.

A liability is classified as current when it satisfies the below mentioned criteria:

- i. Expected to settle the liability in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as noncurrent. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

g) Dividends

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

h) Revenue recognition

1) Digital Marketing Services:

- i) The Contracts between the Group and its Customers are either time or material contracts or fixed price contracts.
- ii) Revenue from fixed price contracts is recognized according to the milestones achieved as specified in the contracts on the proportionate-completion method based on the work completed. Any anticipated losses expected upon the contract completion are recognized immediately. Changes in job performance, conditions and estimated profitability may result in revisions and corresponding revenues and costs are recognized in the period in which such changes are identified. Deferred revenue represents amounts billed in excess of revenue earned for which related services are expected to be performed in the next operating cycle.
- iii) In respect of time and material contract, revenue is recognized in the period in which the services are provided and related costs are incurred.
- iv) Revenue from product sale and licensing arrangements are recognized on delivery and installation.
- v) Revenue is reported net of discounts, indirect and service taxes.

2) Software Development:

- i) Income from software development is accounted for on the basis of Software developed and billed to clients on acceptance and/or on the basis of man days/man hours as per the terms of contract.
- ii) Revenue from professional services consist primarily of revenue earned from services performed on a 'time and material' basis. The related revenue is recognized as and when the services are performed and related costs are incurred.
- iii) Revenue from software development services includes revenue from time and material and fixed price contracts are recognized as related services are performed.

- iv) Revenue from fixed price contracts is recognized according to the milestones achieved as specified in the contracts on the proportionate-completion method based on the work completed. Any anticipated losses expected upon the contract completion are recognized immediately. Changes in job performance, conditions and estimated profitability may result in revisions and corresponding revenues and costs are recognized in the period in which such changes are identified. Deferred revenue represents amounts billed in excess of revenue earned for which related services are expected to be performed in the next operating cycle.
- v) Revenue is not recognized on the grounds of prudence, until realized in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.
- vi) Revenue is reported net of discounts, indirect and service taxes
- i) Dividend income is recorded when the right to receive payment is established. Interest income is recorded using the effective interest method.

j) Leases

Operating Lease:

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. The Group charges Lease rentals in respect of assets taken under operating leases to statement profit and loss account on a straight line basis over the lease term.

Finance Lease:

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

k) Cost recognition

Costs and expenses are recognized as and when incurred and have been classified according to their nature. The costs of the Group are broadly categorized in employee benefit expenses, depreciation and amortization and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, cost of running its facilities, travel expenses, cost of equipment and software licenses, communication costs, allowances for delinquent receivables and advances and other expenses. Other expenses is an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment etc.

l) Foreign currency transactions

i. Functional and Presentation Currency:

The functional currency of the Company and its Indian subsidiaries is the Indian National Rupee whereas the functional currency of foreign subsidiaries is the currency of

their countries of domicile.

ii. Initial Recognition:

Foreign currency transactions are recorded in the Presentation currency, by applying to the foreign currency amounts the exchange rate between the Presentation currency and the foreign currency at the date of the transaction.

iii. Conversion on reporting date:

Foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

iv. Exchange Differences:

Exchange difference arising on the settlement of monetary items or on Presenting monetary items of Company at rates different from those at which they were initially recorded during the year or presented in previous financial statements are recognised as income or as expenses in the year in which they arise.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively.

m) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense includes income taxes payable by the Group, its overseas branches and its subsidiaries in India and overseas. The current tax payable by the Company and its subsidiaries in India is Indian income tax payable on worldwide income.

The Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income.

The current income tax expense for overseas subsidiaries has been computed based on the tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

Advance taxes and provisions for current income taxes are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

Deferred income taxes

Deferred income tax is recognised using the Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises

from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one Entity and a financial liability or equity instrument of another Entity.

1. Financial Assets.

i) Initial recognition and measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

ii) Subsequent measurement:

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

iii. Derecognition:

A financial asset or where applicable, a part of a financial asset is primarily derecognised when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement.

iv. Impairment of financial assets:

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the debt instruments, that are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables.

Expected credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the group expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognised during the period is recognised as income or expense, as the case may be, in the statement of profit and loss. In case of balance sheet, it is shown as reduction from the specific financial asset.

2. Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Entity after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net off direct issue cost.

i) Initial recognition and measurement:

At initial recognition, all financial liabilities are recognised at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

ii) Subsequent measurement:

a. Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading are recognised in the profit or loss.

b. Financial liabilities at amortised cost:

Amortised cost, in case of financial liabilities with maturity more than one year, is calculated by discounting the future cash flows with effective interest rate.

The effective interest rate amortisation is included as finance costs in the Statement of Profit and Loss.

Financial liability with maturity of less than one year is shown at transaction value.

iii. Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

o) Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

p) Financial Guarantee Contracts:

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with original or modified terms of a debt instrument.

The Group measures any financial guarantee on initial recognition at their fair value.

Subsequently these contracts are measured at the higher of:

- a. the amount of the loss allowance determined as per impairment requirements of Ind AS 109, and
- b. the amount initially recognised, less where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 18.

q) Fair Value Measurement:

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for such asset or liability, or in the absence of a principal market, in the most advantageous market which is accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a. Level 1 – Quoted (unadjusted market prices) in active markets for identical assets or liabilities.
- b. Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurements is directly or indirectly observable.
- c. Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

r) Investment in subsidiaries

Investment in subsidiaries are measured at cost less impairment.

s) Property, plant and equipment

Property, plant and equipment are stated at cost net of input tax credits, less accumulated depreciation and accumulated impairment losses, if any. Cost comprises the

purchase price and all attributable cost, to bring the asset to its working condition for its intended use. Borrowing costs relating to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to put to use.

The Group adopted cost model as its accounting policy, in recognition of the property, plant and equipment and recognises transaction value as the cost.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the Statement of Profit and Loss. Property, Plant and Equipment which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from property, plant and equipment and the carrying amount net of scrap value, if any is charged to Statement of Profit and Loss.

The improvements/modifications carried on the lease hold land/property are recognised as lease hold improvements and are written off over the primary lease period or the life of such improvement whichever is lower.

The estimated useful lives are as mentioned below:

Type of asset	Method	Useful lives
Computer equipment	Straight line	3 years
Office equipments	Straight line	5 years
Furniture and fixtures	Straight line	10 years
Electrical installations	Straight line	10 years
Vehicles	Straight line	8 years

t) Intangible assets

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirers interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over license period which equates the useful life ranging between 5-6 years on a straight line basis.

u) Impairment of Non-financial assets

i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable

amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

ii. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset are no longer existing or have decreased.

v) Employee benefits

i. Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance sheet date. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. Past service cost both vested and unvested is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the Balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and deductions in future contributions to the scheme.

ii. Defined contribution plans

Employer's contribution to provident fund/ employee state insurance which is in the nature of defined contribution scheme is expensed off when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

iii. Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date.

w) Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

x) Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an

asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

y) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker ("CODM").

The board of directors of the company has identified the Chairman and Managing Director as the CODM.

z) Provisions:

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

aa) Contingencies:

Where it is not probable that an inflow or an outflow of economic resources will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statement of balance sheet and is disclosed as a contingent asset or contingent liability. Possible outcomes on obligations/ rights, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent assets or contingent liabilities.

ab) Prior period items:

In case prior period adjustments are material in nature the Group prepares the restated financial statement as required under Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". Immaterial items pertaining to prior periods are shown under respective items in the Statement of Profit and Loss.

NOTE NO. 5 : INVESTMENT PROPERTY

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
I	Land at cost	21,95,210	21,95,210
	Total Investment Property	21,95,210	21,95,210

NOTE NO. 6 : INVESTMENTS - NON CURRENT

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Investments - Non Current		
	Investment in Equity Instruments at cost		
	Equity Shares -Unquoted		
I	Affiliates	1,06,52,10,138	1,06,52,10,138
	(ii) Joint venture	-	-
	Apollo Lycos Netcommerce Ltd	14,70,000	9,80,000
	Share of profits	(17,98,947)	(9,83,847)
	Net Investments	(3,28,947)	(3,847)
	Total Investments-Non - Current	1,06,48,81,192	1,06,52,06,292

NOTE NO. 7 : LOANS - NON CURRENT

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
I	Loans - Non- Current		
	Unsecured, Considered Good		
	(a) Security deposits	5,47,93,746	5,47,17,607
	(b) Other Advances	1,49,71,53,285	1,49,25,50,240
	Total Loans - Non current	1,55,19,47,031	1,54,72,67,847

NOTE NO. 8 : OTHER FINANCIAL ASSETS - NON CURRENT

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Other financial assets - Non- Current		
	Unsecured, Considered Good		
	Advances other than Capital advances		
I	(a) Other advances	11,37,74,888	11,04,62,197
	(b) Advances to related parties		
	- Ybrant Employees Welfare Trust	1,07,50,000	1,07,50,000
	- LGSL Foundation Trust	56,94,873	56,94,873
	Total Other financial assets - Non Current	13,02,19,761	12,69,07,070

NOTE NO. 9 : DEFERRED TAXES ASSET (NET)

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Deferred tax assets (net)		
	Deferred tax liability	4,71,54,913	4,71,54,913
	Deferred tax assets		
I	Opening Deferred tax assets	2,57,19,278	2,56,12,393
	- Fixed Assets	-	1,98,754
	- Provision for gratuity and compensated absences	79,32,661	(1,06,338)
	MAT Credit	5,62,88,350	5,62,88,350
		-	
	Deferred Tax Asset Net	8,99,40,290	8,19,93,159
	Total Deferred Tax Asset(Net)	4,27,85,377	3,48,38,247

NOTE NO. 10 : NON- CURRENT TAX ASSETS (NET)

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Non- Current tax assets (net)		
I	-TDS Receivables	73,26,228	65,88,001
	Total Non- Current tax assets (net)	73,26,228	65,88,001

NOTE NO. 11 : OTHER NON CURRENT ASSETS

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Other non-current assets		
	Others	28,04,68,099	27,96,05,651
I	Deposits with banks with maturity beyond 12 months	10,00,000	10,00,000
	Total Other Non Current Assets	28,14,68,099	28,06,05,651

NOTE NO. 12 : TRADE RECEIVABLES

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Trade receivables		
	(a)Unsecured Considered good	8,87,27,40,127	7,89,67,80,060
I	Less: Allowances for bad and doubtful debts	12,14,80,475	12,90,49,475
	Notes In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.		
	Total Trade Receivables	8,75,12,59,652	7,76,77,30,584

NOTE NO. 13 : CASH AND CASH EQUIVALENTS

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Cash and cash equivalents		
	Balances with banks		
	- Current Accounts	89,36,22,807	80,48,96,486
	- Cash on hand	15,140	10,174
	Total Cash and cash equivalents	89,36,37,947	80,49,06,659

NOTE NO. 14 : OTHER BANK BALANCES - CURRENT

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Other bank balances - Current		
	(i) Earmarked balances with Banks		
I	- Unpaid Dividend	1,24,989	2,14,469
	(ii) Balances with bank held as Margin Money	2,94,000	2,94,000
	Total Other bank balances - Current	4,18,989	5,08,469

NOTE NO. 15 : LOANS - CURRENT

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Loans -Current		
	Unsecured Considered Good		
	(a) Loans to related parties		
I	(b) Others		
	Advances to Employees	27,90,912	27,46,829
	Other Advances	5,95,41,21,193	5,71,62,61,085
	Total Loans - Current	5,95,69,12,105	5,71,90,07,914

NOTE NO. 16 : OTHER FINANCIAL ASSETS - CURRENT

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Other financial asset-Current		
	(a) Security deposits		
I	- Rental deposits	42,67,944	42,90,308
	- Other deposits	-	3,04,000
	Total Other financial assets - Current	42,67,944	45,94,308

NOTE NO. 17 : OTHER CURRENT ASSETS

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Other Current Assets		
I	Other receivable	5,13,01,84,451	4,51,70,93,194
	Prepaid expenses	37,45,72,020	26,18,89,045
	Total Other Current Assets	5,50,47,56,471	4,77,89,82,239

Note No: 18 Equity share capital

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Equity share capital		
	(i) Authorized		
	(975,000,000 Equity Shares of Rs.2/- each)	1,95,00,00,000	1,95,00,00,000
	(ii) Issued , Subscribed and Paid Up	-	
	(476,251,499 Equity Shares of Rs.2/- each)	95,25,02,998	95,25,02,998
	(iv) Reconciliation of the shares outstanding at the beginning :		
	Number of Shares	47,62,51,499	47,62,51,499
	Shares outstanding at the beginning of the year	-	
	Add: Issued and allotted during the year	47,62,51,499	47,62,51,499
	Shares outstanding at the end of the year	-	
	(v) Rights, Preferences and restrictions attached to the equity shares:		
	(a) The Company has only one class of equity shares having par value of Rs. 2 each. Each shareholder is eligible for one vote per share held.		
	(b) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by equity shareholders.		
	(vi) Shares held by holding Company		
	(vii) The details of shareholders holding more than 5% shares in the Company		
	(a) Equity Shares		
	M. Suresh Kumar Reddy		
	Number of equity shares	7,50,84,653	7,50,84,653
	% of holding	15.77%	15.77%
	Vijay Kumar Kancharla (HUF)		
	Number of equity shares	6,20,44,564	6,20,44,564
	% of holding	13.03%	13.03%
	Everest Capital (M) Ltd		
	Number of equity shares	3,84,38,819	6,14,78,864
	% of holding	8.07%	12.91%
	Oak India Investments		
	Number of equity shares	3,33,68,913	3,33,68,913
	% of holding	7.01%	7.01%
	Redmond Investments Ltd		
	Number of equity shares	2,47,66,812	2,47,66,812
	% of holding	5.20%	5.20%

Note No: 19 Other equity

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Other equity		
	(i) Reserves & Surplus		
	(a) Capital reserve	4,16,78,11,992	4,16,78,11,992
	(b) Retained earnings:		
	Opening balance	17,75,35,08,420	13,52,44,20,534
	Add: Total Other Comprehensive income for the period	4,16,65,45,601	4,28,64,08,564
	Less: Transfer to general reserve		
	Less: Dividend	-	4,76,25,150
	Less: Dividend distribution tax	-	96,95,528
	Closing Balance	21,92,00,54,021	17,75,35,08,420
	(c) Other reserves	-	
	- General reserve	-	
	Opening balance	3,98,17,160	3,98,17,160
	Add: Additions during the year		
	Closing Balance	3,98,17,160	3,98,17,160
	- Foreign currency translation reserve	1,17,18,91,340	1,17,18,91,340
	Total Reserve & Surplus	27,29,95,74,513	23,13,30,28,913

NOTE NO. 20 : PROVISIONS - NON CURRENT

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Provisions - Non current		
	Provision for employee benefits		
I	a) Gratuity	52,78,367	1,14,51,573
	b) Leave encashment	18,06,672	18,06,672
	Accrued Severance Pay	4,63,05,228	4,61,62,838
	Other Provisions	3,18,87,496	2,93,01,844
	Total Provisions - Non Current	8,52,77,763	8,87,22,927

NOTE NO. 21 : DEFERRED TAX LIABILITIES (NET)			
S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	DEFERRED TAX LIABILITIES (NET)		
	Opening Deferred tax liability	3,26,15,284	3,25,14,991
	ADD:		
	Deferred Tax Liability for the year (Due to SLM and WDV Difference)		
	Deferred Tax Liability due to others	-	
	Gross Deferred tax liability	3,26,15,284	3,25,14,991
	Deferred tax assets	-	
	Opening Deferred tax	17,69,298	17,63,857
	ADD: During th year		
	Deferred Tax Asset for the year (Due to SLM and WDV Difference)	-	
	Provision for Gratuity and Compensated Absences	17,91,638	
	MAT Credit	-	
	Gross Deferred tax Asset	35,60,936	17,63,857
	Deferred Tax Liability - Net	2,90,54,348	3,07,51,134
NOTE NO. 22 : BORROWINGS - CURRENT - SECURED			
S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Borrowings - Current-Secured		
	Cash Credits and Working Capital from Banks		
	(a) Axis Bank Ltd - Cash Credit Facility	36,02,05,068	36,02,05,068
I	(b) Canara Bank - OD Facility	32,28,96,315	32,28,96,315
	Notes:		
	Note No 22(a): Working Capital of Rs 4500 lakhs and Bank Guarantee /LC of Rs 400 Lakhs, term loan of Rs 500 lakhs and Rs.200 Lakhs Loan Equivalent Risk(LER) from Axis Bank Ltd are secured by charge on current assets, Fixed Assets, Pledge of promoters shares,immovable property and personal Guarantee of Promoter Directors.		
	Note No 22(b)::Working Capital of Rs 3500 lakhs and Bank Guarantee of Rs 1000 Lakhs and term loan of 450 lakhs from Canara Bank are secured by charge on current assets, Fixed Assets, Pledge of promoters shares,immovable property and personal Guarantee of Promoter Directors.		
	Total borrowings - current	68,31,01,383	68,31,01,383
NOTE NO. 23 : TRADE PAYABLES - CURRENT			
S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Trade payables	77,21,23,794	87,00,84,831
	Total Trade Payables - Current	77,21,23,794	87,00,84,831

NOTE NO. 24 : OTHER FINANCIAL LIABILITIES - CURRENT

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Other financial liabilities - Current		
	a)Current maturities of long term debt	8,45,48,958	10,86,90,517
	b)Interest accrued and due on	9,31,23,065	12,41,04,618
	c)borrowings Others	1,41,91,763	1,25,55,735
	Note : Term Loan of Rs. 400 lakhs from State Bank of India are secured by current assets, Fixed Assets, Pledge of Promoters shares and personal guarantee of Promoter Directors		
I	Note : Working Capital Term Loan of Rs 3450 Lakhs, and Bank Guarantee of Rs 1000 lakhs from State Bank of India are secured by current assets, Fixed Assets, Pledge of Promoters shares and personal guarantee of Promoter Directors		
	Total Other financial liabilities - Current	19,18,63,785	24,53,50,870

NOTE NO. 25 : OTHER CURRENT LIABILITIES

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Other current liabilities		
	Unpaid dividend	10,45,28,269	12,85,44,918
I	Other Current Liabilities	71,37,20,671	63,05,69,888
	Acquisition Payables -Lycos Inc	1,04,06,40,000	1,03,74,40,000
	Total Other current liabilities	1,85,88,88,940	1,79,65,54,806

NOTE NO. 26 : PROVISIONS - CURRENT

S.No.	Particulars	As at 31st March 2018	As at 31st March 2017
		Rupees	Rupees
	Provisions - Current		
	(i) Provision for employee benefits		
	Employee benefit payable	2,10,22,395	1,92,93,925
	(ii) Others		
	(a) Provisions for expenses	1,83,76,685	1,84,28,484
I	(b) Other Provisions	5,58,54,125	5,99,99,699
	(c)Tax	65,81,29,695	62,70,23,572
	Total Provisions - Current	75,33,82,901	72,47,45,679

NOTE NO. 27 : REVENUE FROM OPERATIONS

S.No.	Particulars	Year Ending 31-03-2018	Year Ending 31-03-2017
		Rupees	Rupees
I	(a)Sale of Services Domestic	66,58,775	1,52,45,213
	(b)Sale of Services Exports	19,67,02,33,387	19,95,39,63,091
	(c)Sale of Software Exports	4,53,05,38,400	4,54,39,76,910
	Total Revenue from Operations	24,20,74,30,562	24,51,31,85,213

NOTE NO. 28 : OTHER INCOME

S.No.	Particulars	Year Ending 31-03-2018	Year Ending 31-03-2017
		Rupees	Rupees
I	(a)Interest income	1,23,025	52,115
	(b)Net gain/loss on foreign currency translation and transaction	(47,10,930)	68,10,324
	Total Other Income	(45,87,905)	68,62,439

NOTE NO. 29 : PURCHASE/COST OF REVENUE

S.No.	Particulars	Year Ending 31-03-2018	Year Ending 31-03-2017
		Rupees	Rupees
I	(a)Media Cost	8,60,42,33,375	8,42,26,08,014
	(b)Internet,cloud and Infrastructure	1,39,41,45,449	1,36,16,18,461
	(c)Syndication Cost	26,53,44,673	48,53,17,297
	(d)Software Purchase & Sub Contractors Cost	3,39,95,28,302	3,49,53,25,103
	Total Purchase/Cost of Revenue	13,66,32,51,799	13,76,48,68,875

NOTE NO. 30 : EMPLOYEE BENEFIT EXPENSES

S.No.	Particulars	Year Ending 31-03-2018	Year Ending 31-03-2017
		Rupees	Rupees
I	(a)Salaries,wages and allowances	1,44,86,10,801	1,44,36,55,725
	(b)Contribution to provident and other fund	2,47,07,722	87,58,681
	(c)Staff Welfare Expenses	8,69,458	17,70,555
	Total Employee Benefit Expenses	1,47,41,87,981	1,45,41,84,961

NOTE NO. 31 : OTHER OPERATING EXPENSES

S.No.	Particulars	Year Ending 31-03-2018	Year Ending 31-03-2017
		Rupees	Rupees
I	(a)Power & Fuel	1,86,68,589	2,01,20,576
	(b)Rent	29,54,16,837	30,97,33,888
	(c)Repairs & Maintenance	4,06,44,592	4,30,43,167
	(d)Insurance	3,47,36,718	3,49,90,584
	(e)Rates & Taxes (excluding Income Tax)	3,71,20,950	3,87,70,758
	(f)Miscellaneous Expenses	2,81,24,640	2,77,88,669
	(g)Payment to Auditors:		
	(i) As Auditor fee	50,26,493	50,46,579
	(ii) For Tax Audit fee	3,53,372	3,63,751
	(iii) For Other Audit related Services	26,76,642	27,25,302
	(h)Ins Fee	57,62,775	55,53,869
	(i)Discount Expense	-	-
	(k)Telephone, Postage and Others	5,22,76,966	5,76,09,097
	(l)Business Promotion Expenses	66,67,14,835	72,22,28,516
	(m)Travelling and Conveyance	11,36,55,862	10,73,58,551
	(n)Office Maintenance	9,81,16,328	9,81,37,918
	(o)Printing & Stationery Expenses	1,28,76,491	1,25,64,191
	(p)Security Charges	20,32,595	19,17,001
	(q)Consultancy Charges	5,88,52,139	5,80,77,066
	(r)Event Sponsorship & Seminar Fee	1,73,98,844	1,62,47,712
	(s)Web Development Expenses	7,95,24,166	6,39,71,502
(t)Professional Charges	6,67,71,965	7,24,22,316	
(u)Sales and Marketing Expenses	17,84,62,545	16,38,36,793	
(v)Books & Subscriptions	41,25,828	41,29,845	
(w)Provision for Impairment of Debtors	(76,30,042)	1,57,11,760	
(x)Other Expenses	12,07,63,016	9,86,54,063	
(y)Investments Write off	-	2,00,00,000	
	Total Other Operating Expenses	1,93,24,73,146	2,00,10,03,474

NOTE NO. 32 : FINANCE COSTS

S.No.	Particulars	Year Ending 31-03-2018	Year Ending 31-03-2017
		Rupees	Rupees
I	(a) Interest on Working capital Loans	12,85,74,502	12,18,63,480
	(b) Interest on Term Loan	1,58,48,662	1,89,91,042
	(c)Interest on Unsecured Loan	28,58,068	1,06,33,531
	(d)Loan processing Charges & Bank Charges	6,76,143	9,24,657
	Total Finance Costs	14,79,57,375	15,24,12,710

Notes forming part of Consolidated Financial Statements

(Amount in Rs.)

33. Auditor's Remuneration:

Particulars	Year ended 31 st March,	
	2018	2017
Statutory Audit Fees	50,26,493	50,46,579
Tax Audit Fee	3,53,372	3,63,751
Other Audit related Services	26,76,642	27,25,302
Total	80,56,507	81,35,632

34. Quantitative Details:

The Group is engaged in providing digital marketing services, development of Computer Software and services. The production and sale of such digital marketing services and software development services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and certain information as required under **Paragraphs 5 (viii)(c) of general instructions for preparation of the Statement of Profit and Loss as per Schedule III to the companies Act,2013.**

35. Related Party Transactions:

During the financial year 2017-18 the Company has entered into some transactions, which can be deemed as related party transactions. All these matters have been approved by the Board, wherever necessary.

a) Related Parties:

S.No.	Particulars	Nature of Relationship
1	M.Suresh Kumar Reddy	Chairman and Managing Director
2	Vijay Kancharla	Executive Director
3	K.Jaya Lakshmi kumari	Independent Director
4	Raghunath Allamsetty	Independent Director
5	Surabhi Sinha	Independent Director
6	Yreach Media Private Limited, India	99% Owned Subsidiary
7	LIL Projects Private Limited, India	Wholly Owned Subsidiary
8	Frontier Data Management Inc, USA	Wholly Owned Subsidiary
9	International Expressions Inc, USA	Wholly Owned Subsidiary
10	Online Media Solutions Limited, Israel	Wholly Owned Subsidiary
11	Ybrant Media Acquisition Inc, USA	Wholly Owned Subsidiary
12	Dyomo Corporation, USA	Wholly Owned Subsidiary
13	Max Interactive Pty, Ltd., Australia	Wholly Owned Subsidiary
14	DreamAd, Argentina	Wholly Owned Subsidiary
15	DreamAd, Chile	Wholly Owned Subsidiary
16	Get Media Mexico Sociedad Anonima De Capital Variable, Mexico	Wholly Owned Subsidiary
17	DreamAd, Panama	Wholly Owned Subsidiary
18	DreamAd, Uruguay	Wholly Owned Subsidiary
19	Ybrant Digital Services De Publiciade Ltda, Brasil	Wholly Owned Subsidiary
20	Ybrant Digital (Brasil) Ltd., Singapore	Wholly Owned Subsidiary
21	LGS Global FZE, UAE	Wholly Owned Subsidiary
22	Lycos Inc.USA	Step down Subsidiary
23	Ybrant Employees welfare Trust	Directors acting as Trustees
24	LGSL Foundation Trust	Directors acting as Trustees
25	Apollo Lycos Netcommerce Ltd,India.	Joint Venture

b) Related Party Transactions during the year:
(1) Sales/ Revenue:

(Amount in Rs.)

Particulars	Year Ended 31 st March	
	2018	2017
Online Media Solutions Limited, Israel	NIL	2,05,01,841
Dyomo Corporation, USA	NIL	1,21,26,506
Max Interactive Pty, Ltd., Australia	NIL	78,42,845
Ybrant Technologies Inc	NIL	22,24,319
Lycos Inc -USA	NIL	1,53,72,300

C) Balances with related parties at the yearend:
(i) Unsecured loans from Related Parties:

(Amount in Rs.)

Particulars	Year ended 31 st March	
	2018	2017
DreamAd, Panama	7,15,44,000	7,13,24,000
Frontier Data Management Inc, USA	8,45,90,049	8,43,29,933
International Expressions Inc, USA	6,84,03,609	6,81,93,266
Online Media Solutions Limited, Israel	10,25,68,080	10,22,52,680
Ybrant Media Acquisition Inc, USA	53,02,15,593	52,85,85,165
LIL Projects Pvt Ltd	18,69,48,669	5,30,52,974
Yreach media Pvt Ltd	62,14,000	7,72,000

(ii) Investment in Subsidiaries and Joint Ventures:

(Amount in Rs.)

Particulars	For the Year 31 st March	
	2018	2017
DreamAd Group	54,32,40,000	54,32,40,000
Frontier Data Management Inc., USA	1,29,84,77,349	1,29,84,77,349
International Expressions Inc., USA	1,04,53,63,208	1,04,53,63,208
Online Media Solutions Limited, Israel	51,78,81,121	51,78,81,121
Ybrant Media Acquisition Inc.,USA	1,26,52,40,000	1,26,52,40,000
Max Interactive Pty Ltd,Australia	41,74,90,000	41,74,90,000
Dyomo Corporation,USA	4,67,300	4,67,300
Ybrant Digital Servicos De Publiciade Ltda, Brasil	2,65,932	2,65,932
Ybrant Digital (Brasil) Ltd., Singapore	45	45
LGS Global FZE,UAE	2,43,650	2,43,650
Yreach Media Pvt Ltd, India	99,000	99,000
LIL Projects private limited.	99,980	99,980
Apollo Lycos Net commerce Ltd	14,70,000	9,80,000

(iii) Unsecured loans to Related parties:

(Amount in Rs.)

Particulars	For the year ended 31 st March	
	2018	2017
Ybrant Employees welfare Trust	1,07,50,000	1,07,50,000
LGSL Foundation Trust	5,694,873	5,694,873

(iv) Account receivables

(Amount in Rs.)

Particulars	Year Ended 31 st March	
	2018	2017
Online Media Solutions Limited, Israel	2,06,08,001	2,52,04,100

36. Operating Lease:

The Group has taken its office premises on lease under operating lease agreement that is renewable on a periodic basis at the option of the both the lessor and the lessee. Rental expenses under those leases were Rs.29,54,16,837/- and for the previous year Rs. 30,97,33,888/-.

37. Foreign Currency Outflows:

Foreign Exchange outflows as reported by the Company to Government of India and as certified by Management.

(Amount in Rs.)

Particulars	Year Ended 31 st March,	
	2018	2017
Foreign Travelling	47,440	68,050
Total	47,440	68,050

38. Foreign Currency Inflows:

Foreign Exchange inflows as reported by the Company to Government of India and as certified by Management.

(Amount in Rs.)

Particulars	Year Ended 31 st March,	
	2018	2017
Sales & Services	1,48,48,633	5,78,14,619
Realization from Trade Receivables out of Opening Balance	NIL	1,23,03,824
Total	1,48,48,633	7,01,18,443

39. Employee Benefits:**(i). Gratuity:**

The details of the Company's post - retirement benefit plans for its employees including whole-time directors are given below which are certified by an Independent Actuary.

a) Changes in the Present Value of Obligation

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Present Value of Obligation as at beginning	1,21,67,583	1,30,83,743
Current Service Cost	11,52,392	14,99,255
Interest Expense or Cost	9,18,653	10,33,616
Re-measurement (or Actuarial) (gain) / loss arising from: others	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	(76,74,692)	(25,83,315)
- experience variance (Actual v assumptions)	-	-
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(7,12,356)	(8,65,716)
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
Present Value of Obligation as at the end	58,51,580	1,21,67,583

b) Bifurcation of Net Liability

Particulars	As on	
	31-Mar-18	31-Mar-17
Current Liability (Short term)	5,73,213	6,15,385
Non-Current Liability (Long term)	52,78,367	1,15,52,198
Total Liability	58,51,580	1,21,67,583

c) Changes in the Fair Value of Plan Assets

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Fair Value of Plan Assets as at the beginning	7,16,010	12,88,035
OB difference	-	-
Investment Income	54,059	1,01,755
Employer's Contribution	-	-
Expenses	-	-
Employee's Contribution	-	-
Benefits Paid	(7,12,356)	(6,41,074)
Return on plan assets, excluding amount recognised in net interest expense	(20,807)	(32,706)
Acquisition Adjustment	-	-
Fair Value of Plan Assets as at the end	36,906	7,16,010

d) Change in the Effect of Asset Ceiling

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Effect of Asset Ceiling at the beginning	-	-
Interest Expense or Cost (to the extent not recognised in net interest expense)	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Effect of Asset Ceiling at the end	-	-

e) Expenses Recognised in the Income Statement

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Current Service Cost	11,52,392	14,99,255
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Expected return on Asset	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	8,64,594	9,31,861
Actuarial Gain/Loss	-	-
Expenses Recognised in the Income Statement	20,16,986	24,31,116

f) Other Comprehensive Income

Particulars	For the period ending	
	31-Mar-18	31-Mar-17
Actuarial (gains) / losses	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	(76,74,692)	(25,83,315)
- experience variance (i.e. Actual experience vs assumptions)	-	-
- others obd difference	-	-
Return on plan assets, excluding amount recognized in net interest expense	20,807	32,706
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognised in other comprehensive income	(76,53,885)	(25,50,609)

g) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As on	
	31-Mar-18	31-Mar-17
Government of India securities	-	-
State Government securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Special Deposit Scheme	-	-
Funds managed by Insurer	100%	100%
Bank balance	-	-
Other Investments	-	-
Total	100%	100%

h) Actuarial Assumptions:

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	As on	
	31-Mar-18	31-Mar-17
Discount rate (per annum)	7.72%	7.55%
Salary growth rate (per annum)	6.00%	6.00%

(ii) Leave Encashment

The provision for Leave Encashment is calculated as per accrual method and included in current liability & provision.

40. Earnings Per Share:

(Amount in Rs.)

Particulars	Year Ended 31st March,	
	2018	2017
Profits Attributable to Equity Share Holders	4,07,00,62,849	4,29,24,62,496
Weighted Average No. of Shares Outstanding for the Year ended		
Basic	47,62,51,499	47,62,51,499
Diluted	47,62,51,499	47,62,51,499
Earnings per Share – Basic	8.546	9.01
Earnings per Share – Diluted	8.546	9.01

The EPS of Rs.8.546 on a PAT of Rs. 4,07,00,62,849 /- for the year ended 31 March 2018 for an Equity Capital i.e. Rs.95,25,02,998 /- consisting of 47,62,51,499 Equity Shares of Rs.2/- each fully paid up and whereas the EPS of Rs. 9.01 on a PAT of Rs. 4,29,24,62,496 /- for the year ended 31 March 2017

41. As per Ind AS 21, the Foreign exchange fluctuation gain /(loss) on monetary items is recognized in statement of P & L a/c. The receivables have been considered at the actual rate at which the amount is realized, and on unrealized amount the rate prevailing at the reporting date. Accordingly gain/ (Loss) from Foreign Exchange fluctuation amount of Rs. Rs. 47,10,930/- (net) has been recognised in statement Profit and Loss for the Year.

42. Segment Reporting:

The group is mainly engaged in the area of Digital Marketing (& related) services and Software Development Services. The segment report is given in Annexure A.

43. Intra branch Transactions:

The Intra Branch transactions have been eliminated while preparing the financial statements.

44. The subsidiary (Ybrant media Acquisition Inc, USA) has failed to pay part consideration due to Daum Global Holding Corporation in respect of acquisition of Lycos Inc, considering which District court of New York has granted receivership of 56% shares of the Lycos Inc, back to Daum Global Holding Corporation [Announcement under regulation 30 (LODR) dated 9th May, 2018 on BSE]

45. Dues to Micro & Small Enterprises:

There are no overdue principle amounts and interest thereon payable to Micro Enterprises and Small Enterprises, as at 31-03-2018.

46. Confirmation of Closing Balances:

The Group has sought for confirmations in respect of Trade receivables, Trade Payables, loans and advances given and received. However, the confirmations from few parties are yet to be received in respect of the said items.

47. Contingent Liabilities & Guarantees:

(Amount in Rs.)

Particulars	Name of the Bank / Party	Year ending 31th March, 2018
Disputed Service tax Liability for the period May 2008 to September 2011	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	14,60,05,131
Disputed Service tax Liability for the period May 2008 to September 2011	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	4,13,23,149
Disputed Income Tax Liability for the A.Y.2006-07 to A.Y. 2009-10.	CIT(Appeals) / ITAT	29,85,352
Disputed Income Tax Liability for the A.Y.2010-11 to A.Y. 2013-14.	CIT(Appeals)/ ITAT	5,54,18,296
Disputed Income Tax Liability for the A.Y.2014-2015 and A.Y. 2015-16.	CIT(Appeals)/ ITAT	41,40,87,310
Corporate Guarantee for Acquiring Lycos Inc (USD 4 Mn) *	Daum Global Holdings Corp, Republic of Korea	26,01,60,000
SE Investments Loan	SE Investments Mumbai (Principal loan amount was repaid. SE Investments has issued notice to pay the penalty & delay charges. Negotiations are in process to reduce and settle the account).	1,01,23,233

* Assumption: 1 USD = Rs.65.04 (Closing rate as on 31st March 2018)

48. The Dividend related 2009-10 Rs. 1,17,362/- has been transferred to Investors education and protection fund.

49. Dividend Payable is pending for various financial years amounting to Rs.10,45,28,268/-

Financial Year	Amount Due
2010-11	95,656
2011-12	7,85,48,581
2015-16	2,58,84,031
Total	10,45,28,268

50. The figures of previous year have been regrouped wherever necessary.

51. The figures have been rounded off to the nearest rupee.

52. Statement of Net assets and profit or loss attributable to Owners and Minority Interest is attached in Annexure B.

As per our report of even date
For P C N & ASSOCIATES
(Formerly Known as Chandra Babu Naidu & Co.,)
CHARTERED ACCOUNTANTS
FRN: 016016S

For and on behalf of the Board of
LYCOS INTERNET LIMITED

CHANDRA BABU M
PARTNER
Membership Number: 227849

M.Suresh Kumar Reddy
Chairman & Managing
Director

Vijay Kancharla
Executive Director

PLACE: HYDERABAD
DATE: 29th May, 2018

Y.Srinivasa Rao
Chief Financial Officer

V.Sri Lakshmi
Company Secretary

Sl.No.	Annexure A	Consolidated	
	Particulars	12 Months ended 31st March, 2018	12 Months ended 31st March, 2017
		Audited	Audited
1	Segment Revenue		
	(a) Digital Marketing Segment	1,96,768.93	1,99,692.08
	(b) Software Development Segment	45,305.38	45,439.77
	Total Sales/ Income from Operations	2,42,074.31	2,45,131.85
	Less: Inter Segment Revenue		
	Net Sales/ Income from Operations	2,42,074.31	2,45,131.85
2	Segment Results - Profit (+) / Loss (-) before tax and interest		
	(a) Digital Marketing Segment	59,589.60	62,358.57
	(b) Software Development Segment	924.72	1,067.08
	Total	60,514.32	63,425.65
	Less: Interest	1,479.57	1,524.13
	Total Profit (+) / Loss (-) before tax	59,034.75	61,901.52
3	Segment Assets		
	(a) Digital Marketing Segment	2,90,133.21	2,45,892.96
	(b) Software Development Segment	36,124.47	39,355.47
	Total segment assets	3,26,257.68	2,85,248.43
	Segment liabilities		
	(a) Digital Marketing Segment	22,886.47	20,961.68
	(b) Software Development Segment	20,850.43	23,431.43
	Total segment liabilities	43,736.90	44,393.11

Annexure B

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As% of total comprehensive income	Amount
Parent	20.64%	5,83,00,40,826	-0.72%	(2,94,06,903)	7.10%	68,52,850	-0.54%	(2,25,54,053)
Parent Subsidiaries								
Indian								
Yreach Media Pvt Ltd	0.00%	(22,116)	0.00%	(21,972)	0.00%	-	0.00%	(21,972)
LIL Projects PVT LTD	0.00%	1,01,463	0.00%	12,363	0.00%	-	0.00%	12,363
Foreign								
Dream Ad-Argentina	4.70%	1,32,84,52,957	9.03%	36,73,85,886	6.29%	60,73,040	8.96%	37,34,58,926
Dream Ad-Chile	3.33%	94,07,41,664	4.59%	18,67,16,695	3.87%	37,35,505	4.57%	19,04,52,200
Dream Ad- Mexico	1.55%	43,87,44,585	2.46%	10,02,65,668	1.59%	15,37,034	2.44%	10,18,02,702
Dream Ad-Panama	2.11%	59,60,53,399	3.19%	13,00,05,351	2.07%	19,95,459	3.17%	13,20,00,810
Dream Ad-Uruguay	0.12%	3,47,08,646	0.10%	41,31,553	-0.14%	(1,34,758)	0.10%	39,96,795
Dyomo Corporation, USA	7.47%	2,11,05,74,242	9.76%	39,70,96,509	9.59%	92,53,976	9.75%	40,63,50,485
Frontier Data Management Inc. USA	20.22%	5,71,24,53,150	14.54%	59,17,41,058	22.55%	2,17,55,729	14.72%	61,34,96,787
International Expressions Inc. USA	12.77%	3,60,85,85,627	4.68%	19,06,17,229	5.07%	48,88,189	4.69%	19,55,05,418
Max Interactive Pty Ltd., Australia	2.37%	66,89,19,851	3.35%	13,61,92,608	2.66%	25,68,991	3.33%	13,87,61,599
Online Media Solutions Limited , Israel	27.62%	7,80,19,79,001	45.06%	1,83,40,49,417	31.96%	3,08,37,899	44.76%	1,86,48,87,316
Ybrant Digital Services De Publicidade Ltda.Brasil	3.72%	1,04,98,25,707	3.73%	15,18,86,469	4.66%	44,95,127	3.75%	15,63,81,595
Ybrant Digital (Brasil) Ltd., Singapore	0.00%	45	0.00%	-	0.00%	-	0.00%	-
Ybrant Media Acquisition Inc. USA	11.40%	3,22,13,41,641	0.23%	93,90,921	3.56%	34,38,811	0.31%	1,28,29,732
LGS Global FZE, UAE	0.00%	2,43,650	0.00%	-	0.00%	-	0.00%	-
Joint Ventures(investment as per the equity method)								
Indian								
Apollo Lycos Netcommerce Ltd	-0.01%	(17,99,243)	0.00%	-	-0.84%	(8,15,100)	-0.02%	(8,15,100)
Total	118.01%	33,34,09,45,096	100.00%	4,07,00,62,853	100.00%	9,64,82,752	100.00%	4,16,65,45,605
Less:								
Adjustments arising on account of Consolidation	18.01%	5,08,88,67,585	0.00%		0.00%		0.00%	
Total	100.00%	28,25,20,77,511	100.00%	4,07,00,62,853	100.00%	9,64,82,752	100.00%	4,16,65,45,605

Dream Ad-Argentina

S.No	Description	Amount In	
		INR	USD
a)	Share Capital	85,58,897	1,70,157
b)	Reserves and Surplus	1,31,98,94,060	2,02,80,687
c)	Total Assets	1,44,99,25,689	2,23,18,506
d)	Total Liabilities	1,44,99,25,689	2,23,18,506
e)	Details of Investments	NIL	NIL
f)	Turnover	1,83,41,79,133	2,84,58,947
g)	Profit before tax	56,63,68,676	87,87,722
h)	Provision for tax	19,89,82,790	30,59,391
i)	Profit After Tax	36,73,85,886	57,28,331
	Other comprehensive income	(19,86,498)	(30,822)
	Total comprehensive income for the period	37,34,58,926	56,97,509
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Dream Ad-Chile

S.No	Description	Amount In	
		INR	USD
a)	Share Capital	1,42,349	2,830
b)	Reserves and Surplus	94,05,99,315	1,44,64,697
c)	Total Assets	99,15,03,147	1,52,47,992
d)	Total Liabilities	99,15,03,147	1,52,47,992
e)	Details of Investments	NIL	NIL
f)	Turnover	69,55,80,957	1,07,92,567
g)	Profit before tax	25,10,25,618	38,94,889
h)	Provision for tax	6,43,08,923	9,88,760
i)	Profit After Tax	18,67,16,695	29,06,130
	Other comprehensive income	(8,35,504)	(12,964)
	Total comprehensive income for the period	19,04,52,200	28,93,166
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Get Media Mexico Sociedad Anonima de Capital Variable, Mexico

S.No	Description	Amount In	
		INR	USD
a)	Share Capital	15,17,652	30,172
b)	Reserves and Surplus	43,72,26,933	67,17,176
c)	Total Assets	49,10,27,058	75,51,202
d)	Total Liabilities	49,10,27,058	75,51,202
e)	Details of Investments	NIL	NIL
f)	Turnover	40,48,28,863	62,81,286
g)	Profit before tax	14,33,16,834	22,23,690
h)	Provision for tax	4,30,51,166	6,61,918
i)	Profit After Tax	10,02,65,668	15,61,772
	Other comprehensive income	(7,80,304)	(12,107)
	Total comprehensive income for the period	10,18,02,702	15,49,665
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Dream Ad-Panama

S.No	Description	Amount In	
		INR	USD
a)	Share Capital	1,25,75,000	2,50,000
b)	Reserves and Surplus	58,34,78,399	89,14,545
c)	Total Assets	63,47,26,014	97,59,142
d)	Total Liabilities	50,10,89,277	77,27,881
e)	Details of Investments	NIL	NIL
f)	Turnover	49,23,69,629	76,39,560
g)	Profit before tax	17,34,24,597	26,90,839
h)	Provision for tax	4,34,19,246	6,67,578
i)	Profit After Tax	13,00,05,351	20,23,262
	Other comprehensive income for the period	(9,92,323)	(15,397)
	Total comprehensive income for the period	13,20,00,810	20,07,865
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Dream Ad.-Uruguay

S.No	Description	Amount In	
		INR	USD
a)	Share Capital	16,74,437	33,289
b)	Reserves and Surplus	3,30,34,209	5,00,361
c)	Total Assets	5,32,28,971	8,18,404
d)	Total Liabilities	5,32,28,971	8,18,404
e)	Details of Investments	NIL	NIL
f)	Turnover	19,17,07,911	29,74,522
g)	Profit before tax	54,01,239	83,805
h)	Provision for tax	12,69,686	19,522
i)	Profit After Tax	41,31,553	64,283
	Other comprehensive income for the period	(2,76,426)	(4,289)
	Total comprehensive income for the period	39,96,795	59,994
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Dyomo Corporation, USA

S.No	Description	Amount In	
		INR	USD
a)	Share Capital	4,67,300	10,000
b)	Reserves and Surplus	2,11,01,06,942	3,25,40,220
c)	Total Assets	2,29,55,26,710	3,53,93,892
d)	Total Liabilities	2,29,55,26,710	3,53,93,892
e)	Details of Investments	NIL	NIL
f)	Turnover	1,69,99,06,847	2,63,75,591
g)	Profit before tax	66,33,99,286	1,02,74,348
h)	Provision for tax	26,63,02,777	40,94,446
i)	Profit After Tax	39,70,96,509	61,79,902
	Other comprehensive income for the period	(14,81,754)	(22,991)
	Total comprehensive income for the period	40,63,50,485	61,56,911
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Frontier Data Management Inc., USA

S.No	Description	Amount In	
		INR	USD
a)	Share Capital	1,29,80,71,205	2,89,19,389
b)	Reserves and Surplus	4,41,43,81,945	6,11,16,157
c)	Total Assets	5,94,85,14,574	9,36,65,026
d)	Total Liabilities	5,94,85,14,574	9,36,65,026
e)	Details of Investments	NIL	NIL
f)	Turnover	2,52,73,55,578	3,92,14,206
g)	Profit before tax	96,82,00,102	1,45,03,437
h)	Provision for tax	37,64,59,044	57,88,116
i)	Profit After Tax	59,17,41,058	87,15,321
	Other comprehensive income for the period	(14,37,780)	(22,308)
	Total comprehensive income for the period	61,34,96,787	86,93,013
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

International Expressions Inc. USA

S.No	Description	Amount In	
		INR	USD
a)	Share Capital	1,06,48,18,187	2,01,87,000
b)	Reserves and Surplus	2,54,37,24,166	3,46,64,357
c)	Total Assets	3,68,25,76,352	5,59,13,187
d)	Total Liabilities	3,68,25,76,352	5,59,13,187
e)	Details of Investments	NIL	NIL
f)	Turnover	1,01,16,91,247	1,56,97,304
g)	Profit before tax	31,15,72,955	46,06,191
h)	Provision for tax	12,09,99,000	18,60,378
i)	Profit After Tax	19,05,73,955	27,45,813
	Other comprehensive income for the period	(5,48,606)	(8,512)
	Total comprehensive income for the period	19,54,62,145	27,37,301
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Max Interactive Pty Ltd., Australia
Online Media Solutions Ltd, Israel

S.No	Description	Amount In	
		INR	USD
a)	Share Capital	139	2
b)	Reserves and Surplus	66,89,19,712	1,02,85,021
c)	Total Assets	70,66,34,897	1,08,64,899
d)	Total Liabilities	70,66,34,897	1,08,64,899
e)	Details of Investments	NIL	NIL
f)	Turnover	65,23,39,736	1,01,21,641
g)	Profit before tax	19,48,14,101	30,22,717
h)	Provision for tax	5,86,21,493	9,01,314
i)	Profit After Tax	13,61,92,608	21,21,402
	Other comprehensive income for the period	(8,27,196)	(12,835)
	Total comprehensive income for the period	13,87,61,599	21,08,568
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

S.No	Description	Amount In	
		INR	USD
a)	Share Capital	28,74,96,660	63,69,000
b)	Reserves and Surplus	7,51,44,82,341	11,32,66,228
c)	Total Assets	8,27,08,94,449	12,68,44,876
d)	Total Liabilities	8,27,08,94,449	12,68,44,876
e)	Details of Investments	NIL	NIL
f)	Turnover	8,70,85,62,118	13,51,21,212
g)	Profit before tax	2,41,71,35,254	3,74,69,088
h)	Provision for tax	58,30,85,837	89,65,034
i)	Profit After Tax	1,83,40,49,417	2,85,04,054
	Other comprehensive income for the period	(58,34,654)	(90,530)
	Total comprehensive income for the period	1,86,48,87,315	2,84,13,524
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Ybrant Digital Servicos De Publicidade Ltda, Brasil
Ybrant Media Acquisition Inc USA

S.No	Description	Amount In	
		INR	USD
a)	Share Capital	2,93,925	6,426
b)	Reserves and Surplus	1,04,98,25,707	1,61,41,231
c)	Total Assets	1,09,22,77,033	1,67,93,930
d)	Total Liabilities	1,09,22,77,033	1,67,93,930
e)	Details of Investments	NIL	NIL
f)	Turnover	58,04,62,301	90,06,397
g)	Profit before tax	23,09,27,429	35,83,048
h)	Provision for tax	7,90,40,959	12,15,267
i)	Profit After Tax	15,18,86,469	23,67,781
	Other comprehensive income for the period	(3,71,475)	(5,764)
	Total comprehensive income for the period	15,63,81,596	23,62,017
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

S.No	Description	Amount In	
		INR	USD
a)	Share Capital	1,21,90,40,000	2,70,00,000
b)	Reserves and Surplus	2,00,23,01,641	3,32,82,319
c)	Total Assets	4,29,53,41,917	7,67,95,238
d)	Total Liabilities	4,29,53,41,917	7,67,95,238
e)	Details of Investments	NIL	NIL
f)	Turnover	87,59,78,833	1,35,91,603
g)	Profit before tax	1,41,01,813	1,84,936
h)	Provision for tax	47,10,892	72,431
i)	Profit After Tax	93,90,921	1,12,506
	Other comprehensive income for the period	(5,79,701)	(8,995)
	Total comprehensive income for the period	1,28,29,732	1,03,511
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Ybrant Digital (Brasil) Limited,Singapore

S.No	Description	Amount In	
		INR	USD
a)	Share Capital	45	1
b)	Reserves and Surplus	-	-
c)	Total Assets	45	1
d)	Total Liabilities	45	1
e)	Details of Investments	NIL	NIL
f)	Turnover	-	-
g)	Profit before tax	-	-
h)	Provision for tax	-	-
i)	Profit After Tax	-	-
	Other comprehensive income for the period		
	Total comprehensive income for the period		
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

LGS Global FZE, UAE

S.No	Description	Amount In	
		INR	USD
a)	Share Capital	2,43,650	5,000
b)	Reserves and Surplus	-	-
c)	Total Assets	2,43,650	5,000
d)	Total Liabilities	2,43,650	5,000
e)	Details of Investments	NIL	NIL
f)	Turnover	-	-
g)	Profit before tax	-	-
h)	Provision for tax	-	-
i)	Profit After Tax	-	-
	Other comprehensive income for the period		
	Total comprehensive income for the period		
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Yreach Media Pvt Ltd, Hyderabad, India

S.No	Description	Amount In
		INR
a)	Share Capital	1,00,000
b)	Reserves and Surplus	(1,22,116)
c)	Total Assets	82,31,485
d)	Total Liabilities	82,31,485
e)	Details of Investments	NIL
f)	Turnover	14,09,188
g)	Profit before tax	(21,972)
h)	Provision for tax	-
i)	Profit After Tax	(21,972)
	Other comprehensive income for the period	-
	Total comprehensive income for the period	-
j)	Proposed Dividend	NIL
k)	% of Share Holding	99%

LIL projects Pvt Ltd, Hyderabad, India

S.No	Description	Amount In
		INR
a)	Share Capital	1,00,000
b)	Reserves and Surplus	1,463
c)	Total Assets	20,41,18,608
d)	Total Liabilities	20,41,18,608
e)	Details of Investments	NIL
f)	Turnover	8,01,05,961
g)	Profit before tax	(13,951)
h)	Provision for tax	26,314
i)	Profit After Tax	12,363
	Other comprehensive income for the period	-
	Total comprehensive income for the period	12,363
j)	Proposed Dividend	NIL
k)	% of Share Holding	100%

BRIGHTCOM GROUP LIMITED

(formerly Lycos Internet Limited)

Registered Office: Floor: 5, Holiday Inn Express & Suites,
Road No: 2, Nanakramguda, Gachibowli,
Hyderabad – 500032, Telangana, India.
CIN: L64203TG1999PLC030996 Tel: 91 40 67449910 eFax: 91 22 66459677
Email: ir@brightcomgroup.com Website: www.brightcomgroup.com

ATTENDANCE SLIP**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.**

Joint shareholders may obtain additional slip at the venue of the meeting.

I/We hereby record my/our presence at the 19th Annual General Meeting of the Company at Ellaa Hotels, Hill Ridge Springs, Gachibowli, Hyderabad - 500032 on Wednesday, November 28, 2018 at 10:00 a.m.

For Physical Holding	For Electronic Form (Demat) NSDL / CDSL		No. of shares
LF No.	DP ID	CLIENT ID	

Name of the Member: _____ Signature: _____

Name of the Proxyholder: _____ Signature: _____

Only Member / Proxyholder can attend the meeting.

BRIGHTCOM GROUP LIMITED

(formerly Lycos Internet Limited)

Registered Office: Floor: 5, Holiday Inn Express & Suites, Road No: 2,
Nanakramguda, Gachibowli, Hyderabad – 500032, Telangana, India.
CIN: L64203TG1999PLC030996 Tel: 91 40 67449910 eFax: 91 22 66459677
Email: ir@brightcomgroup.com Website: www.brightcomgroup.com

PROXY FORM*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of the member(s) Registered Address	Email ID Folio No./ *Client ID *DP ID	

I/We, being the member(s) of _____ shares of the Brightcom Group Limited, hereby appoint:

1) Name: _____ email id: _____
Address: _____
Signature: _____

or failing him

2) Name: _____ email id: _____
Address: _____
Signature: _____

or failing him

3) Name: _____ email id: _____
Address: _____
Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual General Meeting of the Company, to be held on Wednesday, November 28, 2018 at 10:00 a.m. at Ellaa Hotels, Hill Ridge Springs, Gachibowli, Hyderabad – 500032 and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution No.	Resolution
Ordinary Business	
1.	Adoption of the Audited Financial Statements (standalone & Consolidated) together with the reports of the Board of Directors and Auditors' thereon.
2.	To appoint a Director in place of Mr. Vijay Kancharla (DIN: 02744217) who retires by rotation and being eligible, offers himself for reappointment.
Special Business	
3.	To Appoint Dr. Surabhi Sinha as an Independent Director
4.	Increase in limit of NRI investment in the Company

Signed _____ this day _____ of 2018

Signature of member _____ : Signature of proxy holder: _____

Affix Re.1/- Revenue Stamp

Note: 1 The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

2. The Proxy need not be a member of the Company.

* Applicable for investors holding shares in Electronic Form.



brightcom group limited

FLOOR : 5, HOLIDAY INN EXPRESS & SUITES, ROAD NO : 2,
NANAKRAMGUDA, GACHIBOWLI, HYDERABAD - 500032, TELANGANA
IR@BRIGHTCOMGROUP.COM | WWW.BRIGHTCOMGROUP.COM