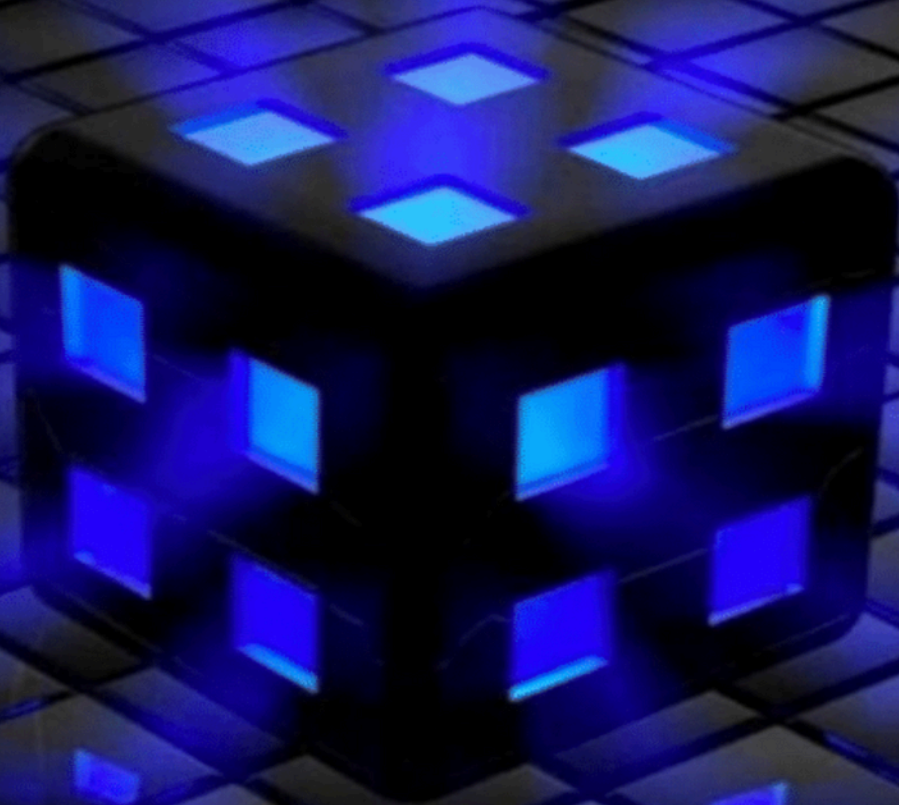




brightcom group

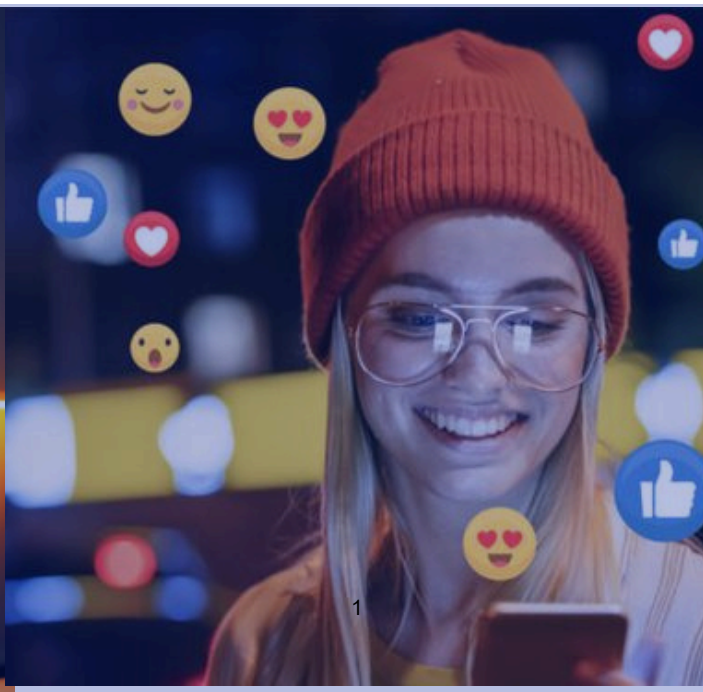
ANNUAL REPORT 2022-23



**ADTECH & DIGITAL MEDIA**

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# DISCLAIMER

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

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Email: [ir@brightcomgroup.com](mailto:ir@brightcomgroup.com)  
[www.brightcomgroup.com](http://www.brightcomgroup.com)

## BOARD OF DIRECTORS

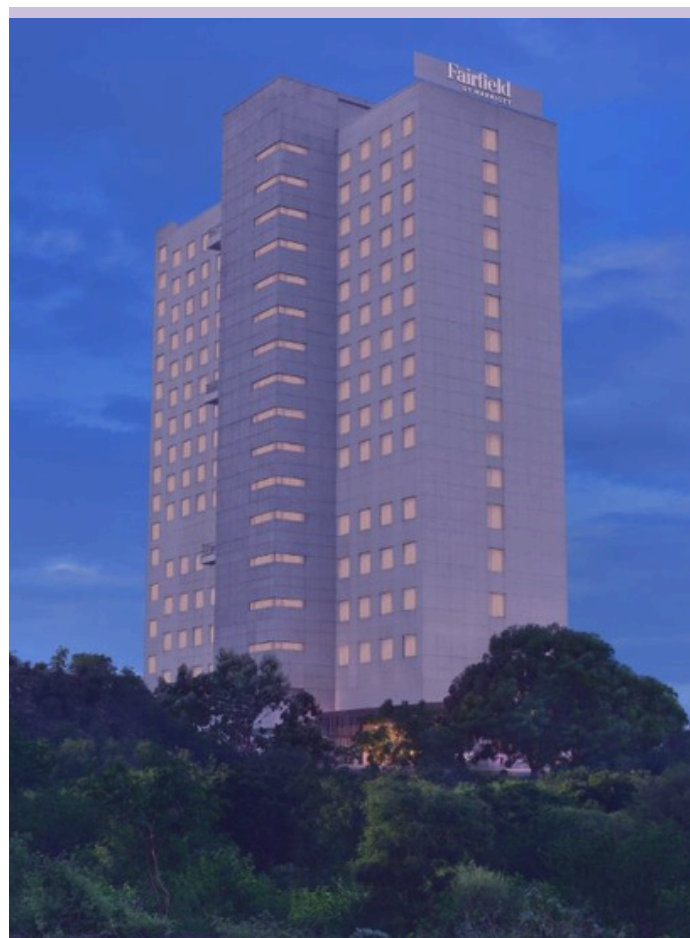
Mr. Raghunath Allamsetty  
Mr. Ram Sharma  
Mr. Satyanarayana Yadavally  
Dr. Chandrika Setu Sharma,  
Mr. PLEO GANESAN

## COMPLIANCE OFFICER

Mr. Raghunath Allamsetty

## REGISTRAR AND SHARE TRANSFER AGENT

Aarthi 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@arthiconsultants.com](mailto:info@arthiconsultants.com) Fax:+91 (40) 2763 2184



**PROVIDING DIGITAL AD  
OPPORTUNITIES AND  
SOFTWARE PLATFORMS**

**1998**

STARTED AS USA GREETINGS

**Presently:**

IT'S BRIGHTCOM GROUP, A LEADER IN ADTECH,  
DIGITAL MEDIA AND PUBLISHING.

STRONG BUSINESS FOOTPRINT IN THE US,  
EUROPE, UK, ISRAEL, AND AUSTRALIA.

**HEADQUARTERED IN HYDERABAD, INDIA.**

AdTech trends indicate a shift towards privacy-conscious, highly personalized, and data-driven advertising approaches while capitalizing on emerging technologies and new channels like CTV, AR, and retail media networks.

## **AI and Machine Learning for Personalized Ads:**

- **AI-driven Ad Optimization:** Leveraging AI to create more personalized and targeted campaigns by analyzing user data, behavior, and preferences in real time.
- **Dynamic Creative Optimization (DCO):** Personalized ads based on browsing behavior, location, and demographic data.

## **Cookieless Tracking and First-Party Data Strategies:**

- **Privacy-First Advertising:** As third-party cookies phase out, brands are focusing on first-party data.
- **Unified ID Solutions:** Efforts like Unified ID 2.0 and Privacy Sandbox aim to maintain personalized ad delivery.

## **CTV (Connected TV) and OTT (Over-the-Top) Advertising:**

- **Growing Importance of CTV Ads:** With the rise of streaming services, CTV and OTT are becoming key platforms for advertisers, offering highly targeted ad placements.
- **Programmatic TV:** Automating the buying and selling of ad inventory on TV platforms.

## **Retail Media Networks:**

- **Rise of Retail Media:** Big retailers like Amazon, Walmart, and Target are capitalizing on their customer data by creating retail media networks, offering brands a way to advertise directly on their platforms.
- **Omnichannel Integration:** These networks are integrating online and in-store data to create a unified view of the consumer journey.

## **Programmatic Advertising Evolution:**

- **Advanced Programmatic:** The integration of AI and predictive analytics into programmatic advertising.
- **Programmatic Audio and Video:** Advertisers are increasingly buying ad inventory on podcasts, music streaming services, and video platforms through programmatic channels.

## **Increased Focus on Privacy and Data Compliance:**

- **GDPR, CCPA, and Beyond:** Evolving regulations are making privacy compliance a key focus.
- **Zero-Party Data:** Companies are encouraging users to willingly share data through surveys, quizzes, etc.

## **Ad Fraud Detection and Prevention:**

- **Blockchain for Ad Verification:** Blockchain technology is being used to verify ad impressions and fight fraud.
- **Advanced Fraud Detection Tools:** More sophisticated AI tools are being developed to combat ad fraud.

## **Augmented Reality (AR) and Virtual Reality (VR) Ads:**

- **Immersive Ad Experiences:** Brands are using AR and VR technologies to create interactive and immersive ad experiences, allowing consumers to engage directly with products in virtual environments.
- **Metaverse Advertising:** As the metaverse continues to grow, companies are exploring advertising in virtual worlds and immersive platforms.

## **Augmented Reality (AR) and Virtual Reality (VR) Ads:**

- **Immersive Ad Experiences:** Brands are using AR and VR technologies to create interactive and immersive ad experiences, allowing consumers to engage directly with products in virtual environments.
- **Metaverse Advertising:** As the metaverse continues to grow, companies are exploring advertising in virtual worlds and immersive platforms.

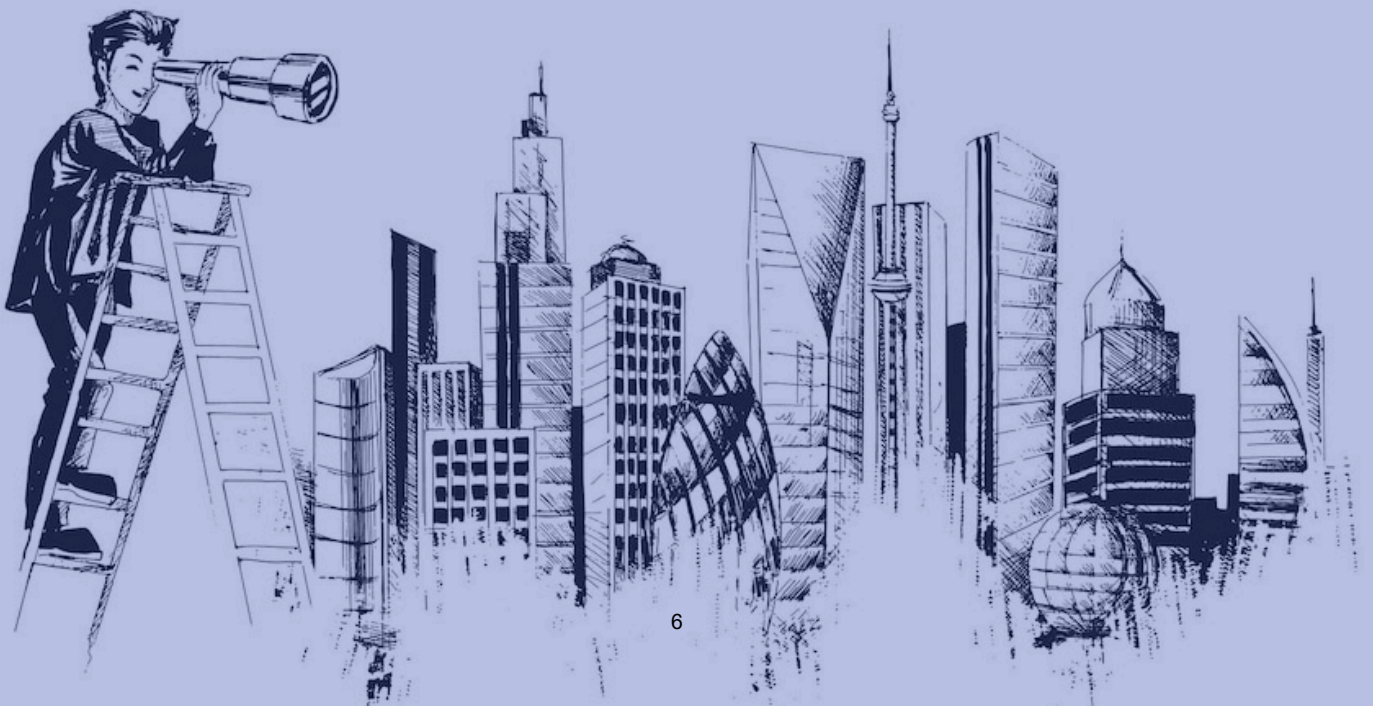
# MESSAGE FROM THE BOARD

## DEAR ALL

As we reflect on the journey that began in 1998 with the founding of the Company in California Bay Area as USA Greetings.com, it is astounding to witness the remarkable evolution of the digital landscape. From a mere 300 million users tethered to desktop computers, the online realm now encompasses over 3 billion users across the globe, accessing information, entertainment, and education through a myriad of devices.

Today, we stand at the precipice of another transformative era, characterized by the rapid integration of Artificial Intelligence (AI) into every facet of our lives. While Brightcom Group has only begun to explore the vast potential of AI, we recognize its influence in revolutionizing communication, problem-solving, and even reshaping big brands. The journey has just commenced, and we anticipate a magical transformation over the next two decades.

Our commitment to adapting and thriving in this dynamic landscape is evident in the Company's performance for the fiscal year 2022-23. Achieving a consolidated revenue of Rs.7396.77 Crores, PAT of Rs.1370.99 Crores and EBITDA of Rs. 2166.08 Crores, signifies not just financial success but a testament to our adaptability and resilience.



# MESSAGE FROM THE BOARD

In the ever-changing landscape of online engagement, we've witnessed screens transition from desktops to wrists, mobiles, and even car screens. Yet, we maintain that the form factor is secondary; it's the consumer behind the screen that matters. The imminent shift to an AI-first world reinforces our conviction that the device will eventually fade away, giving rise to smart internet systems that understand users while prioritizing privacy and security.

Advertising online has been integral to our journey, supporting the evolution of services and allowing us to navigate the digital realm. The fiscal year 2022-23 brought unparalleled growth, marking a 47.36% increase in revenue, propelling the Company to achieve a historic milestone. The performance and operations metrics tell a compelling story of our growth: Consolidated Revenues of Rs. 7396.77 Crores, and PAT of Rs. Rs.1370.99. We take pride in our debt-free status, a testament to our financial prudence.

Looking ahead, our focus remains on driving effective monetization for publishers, enhancing ad effectiveness for clients, and embracing emerging technologies like AI/ML, IoT, and Quantum computing. Our strategic pursuits will be marked by efficiency and sustainability, ensuring our continued growth.

In closing, we extend our gratitude to Brightcom's global team, business associates, and stakeholders for their unwavering commitment. As we navigate the future, your trust, guidance, and support remain invaluable.





# FOUNDERS

## MR. SURESH REDDY

As a co-founder of Brightcom Group, Mr. Suresh Reddy's vision and entrepreneurial commitment have been pivotal in shaping the group's global presence and sustainable growth. In addition to establishing two successful companies, USAGreetings and Ybrant Technologies, he led Ybrant Digital through 10 major acquisitions and raised over \$100 million in equity and debt funding over the years. Known for his strategic approach, Mr. Reddy steered Brightcom's efforts to create substantial value for clients and stakeholders alike. His prior experience spans various roles in Fortune 500 companies like Caterpillar, Chrysler, SBC (PacBell), and Charles Schwab, where he gained valuable insights into business scalability and leadership.

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

## MR. VIJAY KANCHARLA

Mr. Vijay Kancharla, co-founder of USAGreetings and Ybrant Technologies, was instrumental in advancing technology innovations within our organization. With a strong foundation in engineering and leadership, he helped drive the development of cutting-edge solutions that significantly enhanced our global technology capabilities. Mr. Kancharla's experience includes key roles in Fortune 500 companies such as Hewlett Packard and Pacific Bell, where he honed his expertise in managing complex technological challenges and large-scale projects. Known for his innovative mindset, he successfully bridged business strategy with technical solutions, making lasting contributions to digital market advancements.

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



## MR. RAGHUNATH ALLAMSETTY

EXECUTIVE DIRECTOR

Mr. Raghunath Allamsetty, a respected veteran in India's IT landscape and the current Executive Director at Brightcom Group, has a rich background in both technology and leadership. Known for his expertise in founding and scaling US-based tech start-ups in India, he co-founded Platys Communications, one of Hyderabad's pioneering fabless digital high-speed ASIC (chip) design firms, later acquired by Adaptec Inc., California. In his career, he has held impactful roles, including Managing Director of Adaptec India Pvt Ltd and Apere India Pvt Ltd, Vice President at Intrepid Global Security Solutions Inc., and Director on the board of Lycos Internet Ltd. His leadership has consistently propelled growth, innovation, and strategic partnerships in the tech industry.

In addition to his professional roles, Mr. Allamsetty has been an influential figure in multiple prestigious organizations. He served as Chairman of the Hyderabad Chapter of the American Chamber of Commerce (AMCHAM) in 2004 and 2005, supporting trade relations between India and the U.S. His community involvement includes serving on the organizing committee of IEEE Hyderabad Section, Secretary of the Japanese Business Council under the Indo-Japanese Chamber of Commerce, and Charter Member of TiE (The Indus Entrepreneurs), where he has actively supported new tech entrepreneurs.

Mr. Allamsetty also founded Ivana Foods Pvt. Ltd., a forward-looking food processing company committed to delivering 100% natural, ready-to-consume beverages and foods, aiming to set a new industry standard in health-conscious products. His commitment to innovation, strategic growth, and community engagement continues to drive impactful change across the technology and food processing sectors.

## MR. RAM SHARMA

INDEPENDENT DIRECTOR

Mr. Ram Sharma is an accomplished professional with extensive global experience in various corporate fields, including entrepreneurial ventures, legal practice, information technology, and training. He has a distinguished career as a practicing lawyer in the High Court at Hyderabad and other courts across India. Mr. Sharma has handled a diverse range of cases, including writs, civil appeals, original suits, consumer cases, and criminal petitions, particularly in matters related to personal property, land acquisition, municipal corporations, banking and debt recovery, and consumer protection. His core skill set includes drafting and negotiating contracts for various companies, executing legal strategies on a project basis, regulatory compliance, and leading high-stake litigations and arbitration matters.

In addition to his legal career, Mr. Sharma has held significant positions in multiple countries, including India, the UK, Australia, the USA, and Uganda. He served as the Managing Director of IBT Holdings in London and the Director of IBT Pvt Ltd., London School of English & Computing. He is the founder and Managing Director of a group of companies under IBT Holdings, specializing in skill development, software development, and linguistic and computing areas.

# BOARD OF DIRECTORS

## MR. SATYANARAYANA YADAVALLY

INDEPENDENT DIRECTOR

Mr. Satyanarayana Yadavally is a seasoned business leader with over four decades of experience in manufacturing and trading, demonstrating a rare depth of knowledge and strategic insight. Currently serving as the Executive Director of M/s P. Fluoro Compounds Pvt Ltd, Mr. Yadavally has overseen daily operations, driving business growth and operational efficiency. His tenure has been defined by his hands-on approach and focus on sustainable growth, positioning the company as a trusted player in the industry. Prior to this role, Mr. Yadavally spent 35 years in the manufacturing and marketing of instant geysers, where he played a vital role in expanding market share, strengthening brand recognition, and optimizing supply chain operations. His extensive industry expertise, combined with his pragmatic leadership style, enables him to navigate complex challenges and foster innovation. Mr. Yadavally's strategic foresight and dedication to excellence have proven invaluable to the board, where he contributes toward advancing operational standards and market positioning.

## DR. CHANDRIKA SETU SHARMA

INDEPENDENT DIRECTOR

Dr. Chandrika Setu Sharma is a renowned legal academic and expert in Constitutional Law, holding a Ph.D. in Law. Currently an Assistant Professor of Law at Dr. Akhilesh Das Gupta Institute of Professional Studies in New Delhi, Dr. Sharma has contributed extensively to the field through her numerous publications in prominent international and national law journals. Her research spans critical areas including Constitutional Law, Banking and Insurance Law, Property Law, and Alternative Dispute Resolution, bringing valuable insights into regulatory frameworks and legal systems. Dr. Sharma's experience is not limited to academia; she has also been instrumental in consulting on legal issues, providing expert advice on policy-making, compliance, and dispute resolution. Her work with various legal organizations and initiatives reinforces her dedication to the advancement of legal studies and governance. Her role as an Independent Director is marked by her analytical approach and commitment to upholding high standards of legal integrity and corporate governance.

## MR. PLEO GANESAN

INDEPENDENT DIRECTOR

Mr. Pleo Ganeshan is a distinguished civil engineer with a strong academic foundation, holding a B.E. in Civil Engineering and an M.Tech. in Structural Engineering. Over his extensive career, Mr. Ganeshan has led significant projects across the infrastructure and construction sectors, with a particular focus on executing complex undertakings for major clients such as the Railways and MES. As the leader of ENSYS Technologies in Telangana and Andhra Pradesh, he has developed a reputation for rigorous project management, ensuring timely completion and exceptional quality in each endeavor. His teams are known for their outstanding results, driven by his motivational leadership style and commitment to fostering a collaborative work environment. Mr. Ganeshan's deep technical expertise, coupled with his hands-on leadership, makes him an invaluable asset to the board, where he continually supports strategic growth and operational efficiency.

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## MR. KALLOL SEN

HEAD - OVERSEAS SUBSIDIARIES

Mr. Kallol Sen is a visionary leader in AI and emerging technologies, with over 25 years of experience that spans diverse sectors, including Internet technology, Gaming, Education, and Media & Entertainment. Known for his innovative thinking, Mr. Sen is the founder of CantorSpace, a digital platform focused on democratizing access and empowering users. Additionally, he serves as the CEO of Motes & Bots Technologies, where he leads efforts to provide clients with advanced AI, blockchain, and cloud-based solutions. His work has been instrumental in helping clients navigate complex technical landscapes, offering transformative strategies to solve intricate challenges. Mr. Sen's expertise in AI is complemented by his problem-solving acumen and ability to translate cutting-edge research into practical applications, making him a thought leader in the field.

He holds an MBA from the Indian Institute of Management, Calcutta, and a Bachelor of Technology in Computer Science & Engineering from the Indian Institute of Technology, Kharagpur. His strategic insights and dedication to advancing technology have a profound impact on the board and the industry.

## MR. SHREEDHAR REDDY

GENERAL MANAGER, INDIA OPERATIONS

A foundational member of Brightcom Group, Mr. Shreedhar Reddy has been instrumental in the company's growth from its earliest stages, contributing significantly to its technological foundation and evolution. His work includes pioneering projects such as Pangea, Compass (formerly One-Tag), Zentyl, and Flatmonk, each of which reflects his commitment to innovation and excellence.

Mr. Reddy's experience spans a broad spectrum of technology and operational roles, allowing him to integrate new developments with operational needs effectively. He holds an MSc in Computer Science from Manipal University, where he honed his skills in areas critical to Brightcom's core business. In his current role as General Manager, Mr. Reddy oversees India operations, focusing on enhancing efficiency and driving continued innovation across the organization.

His deep technical knowledge, coupled with his dedication to operational excellence, makes him a valued contributor to the board, where he leverages his insights to support the company's strategic vision and long-term goals.

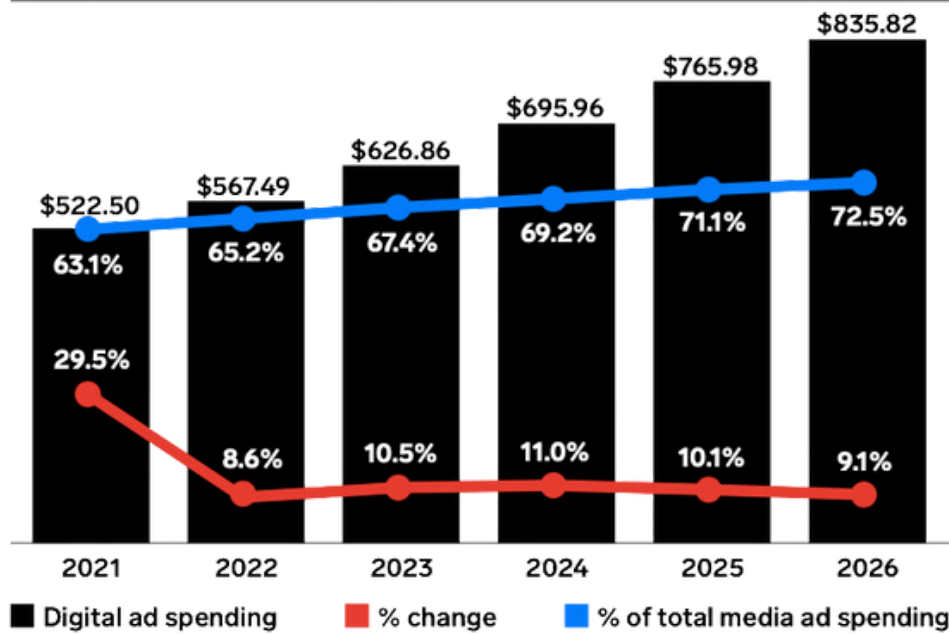


# HISTORY

- 1998 Started as USA Greetings in the US and renamed it to Ybrant Technologies in 2000.
- 2004 Started offering tools and services to digital ad networks.
- 2007 Acquired email marketing platform, VoloMP. Acquired MediosOne in the US, thereby, entering into the front-end digital marketing space. Raised US\$ 30 million from a few PE firms. Acquired AdDynamix in the US.
- 2008 Changed name to Ybrant Digital. Acquired Online Media Solutions in Israel with presence in 13 countries in Europe and South America. Raised US\$ 20 mn from Everest Capital. Acquired Dream Ad, Argentina. Acquired Max Interactive based in Australia.
- 2010 Raised US\$ 18 mn from Oak India and Batterymarch. Acquired LYCOS from Daum Communications.
- 2011 Merger of Ybrant Digital and LGS Global. Facebook chooses Ybrant Digital as an official marketing API partner.
- 2014 Changed name to Lycos Internet Limited. Lycos TV adds cool new content.
- 2015 LYCOS Gets Listed on the National Stock Exchange of India. Announces Lycos LIFE Division.
- 2016 Brightcom Programmatic Platform launched and Ranked #4 in Video Seller Trust Index. Chosen as Top Alternative Ad Network in MonetizeMore's 2016 roundup. COMPASS nominated as finalist for Best Ad Tech Tool at Cynopsis Model D Awards 2016. Lycos LIFE band features in '10 best fitness bands in India.
- 2017 Was listed as #1 in the world by Pixelate's Video Trust Index (International). Launched Israeli Ad-Tech Map. Ranked #345 in Business World Real 500 List.
- 2018 Changed name to Brightcom Group Limited.
- 2019 Featured among Fortune India 500 for the year 2019. Expanded offerings in Artificial Intelligence and Machine Learning.
- 2021 Recognized as the "Biggest Value Gainer" across India by Burgundy Private Hurun India 500 List, 2021. Included in MSCI (Morgan Stanley Capital International). Included in S&P BSE 500. Ranked # 235 in NSE 500. Company became debt-free.
- 2022 25th global office opened in Berlin which is a technology and innovation hub. Decision to invest on Quantum Computing Innovation Lab being set up in collaboration with Qulabz.
- 2023 Brightcom's HyGrowth Model was introduced. Brightcom partnered with LoopMe, a renowned name in artificial intelligence-driven brand advertising performance.

## GLOBAL DIGITAL AD SPEND

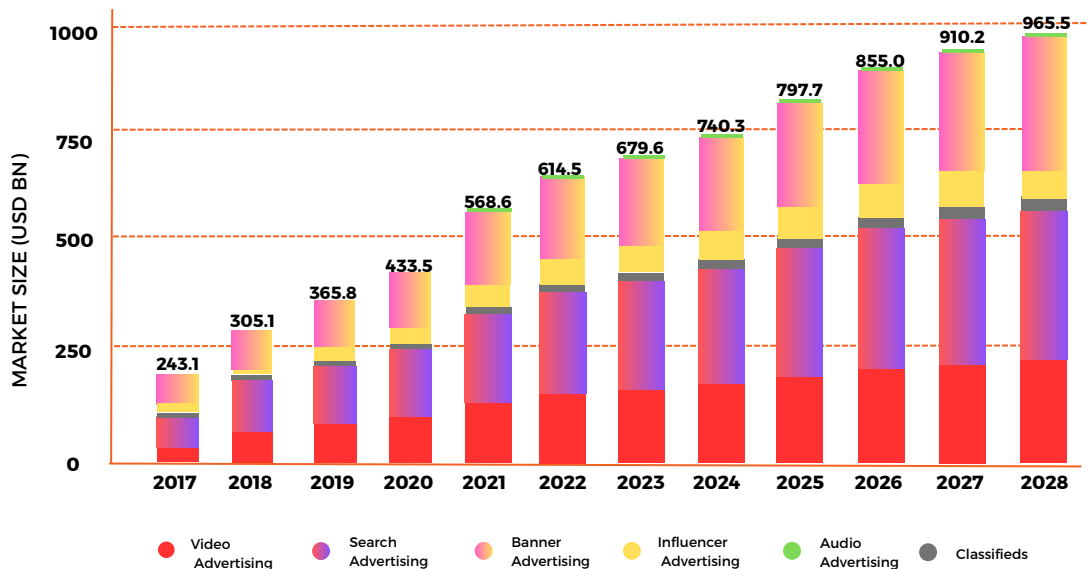
billions, % change, and % of total media ad spending



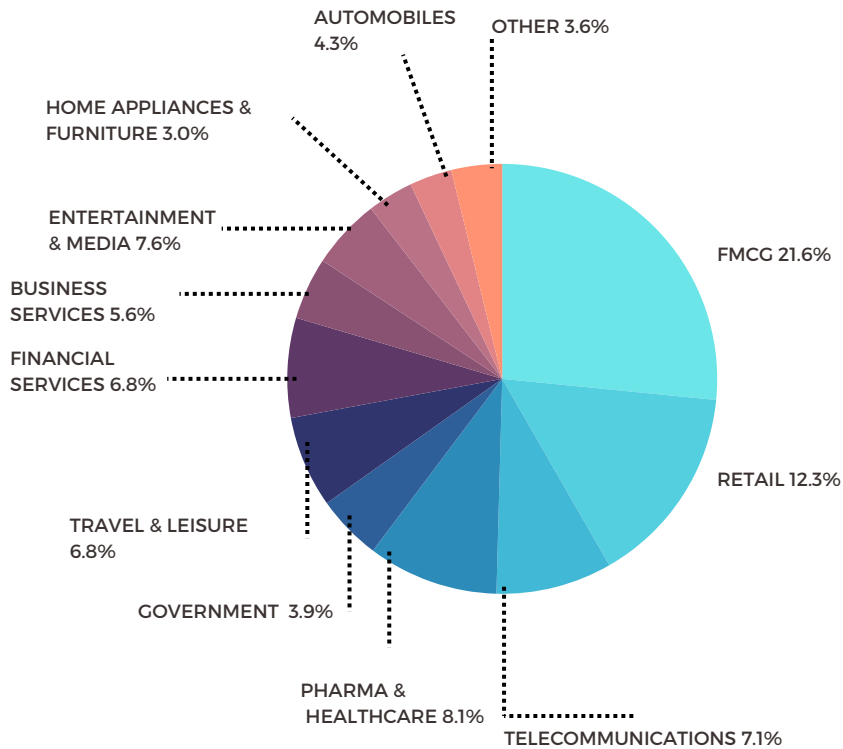
Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; excludes SMS, MMS, and P2P messaging-based advertising

Source: eMarketer, Oct 2022

## ADTECH MARKET SIZE



## AD SPEND SHARE BY INDUSTRY 2019-2023



## PROGRAMMATIC ADVERTISING FORECAST

- Programmatic buying in all its forms will underpin growth in all message formats. Unified auction will eventually power 95% of all advertisements and transactions.
- Real-time bidding (RTB) works well for performance advertisers as the opportunity to buy individual impressions and target a consumer with a particular product of interest has allowed advertisers to lower their cost per acquisition (CPA) and increase their ROI.



## GLOBAL ADTECH MARKET SEGMENTATION

### SOLUTIONS

- Demand Side Platforms (DSPs)
- Supply Side Platforms (SSPs)
- Ad Networks
- Data Management Platforms (DMPs)

### ENTERPRISE SIZE

- Small And Medium Enterprise (SME)
- Large Enterprise

### ADVERTISING TYPE

- Programmatic Advertising
- Search Advertising
- Display Advertising
- Mobile Advertising
- Email Advertising
- Native Advertising

### INDUSTRY VERTICALS

- Media & Entertainment
- BFSI
- Education
- Retail & Consumer Goods
- IT & Telecom
- Healthcare
- Travel & Hospitality
- Others

## GEOGRAPHICAL ADTECH MARKET SEGMENTATION

01

NORTH AMERICA

04

LATIN AMERICA

02

EUROPE

05

MIDDLE EAST

03

ASIA PACIFIC

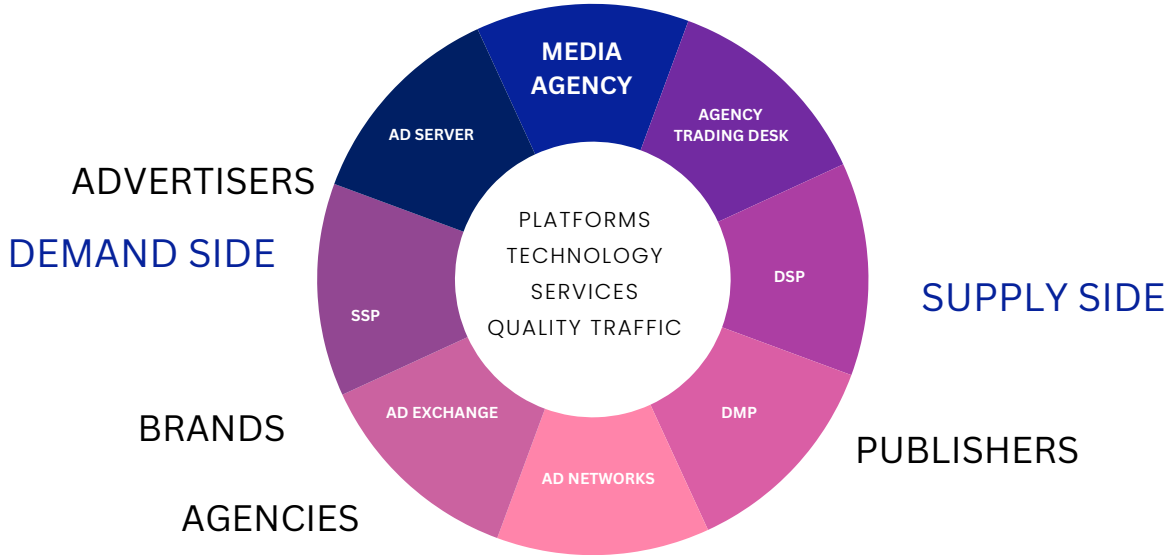
06

AFRICA

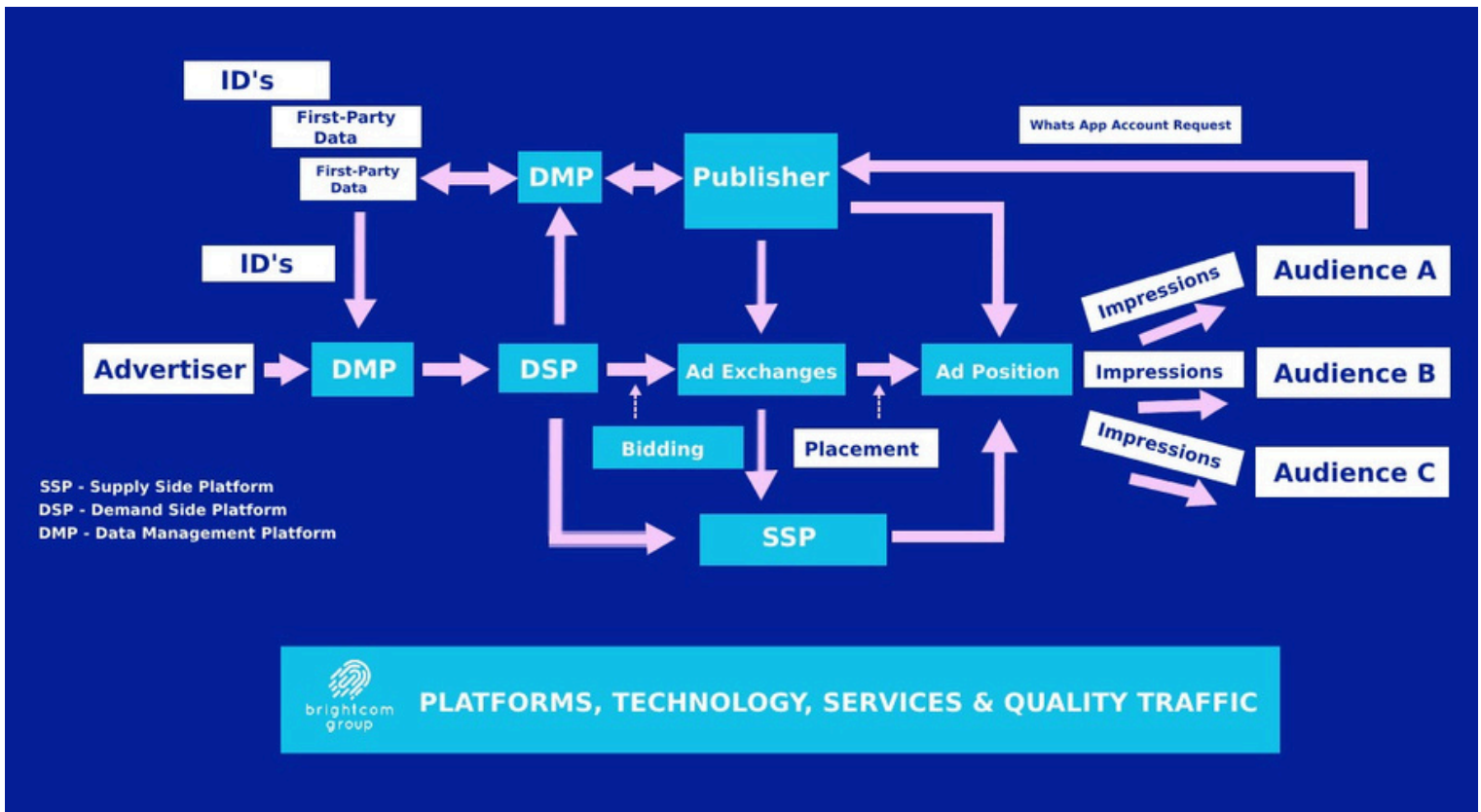
# BUSINESS



brightcom group



SSP - SUPPLY SIDE PLATFORM  
 DSP - DEMAND SIDE PLATFORM  
 DMP - DATA MANAGEMENT PLATFORM



# THE ADTECH ECOSYSTEM

The Adtech (advertising technology) ecosystem is a complex network of companies, technologies, and platforms that facilitate the buying and selling of digital advertising. Here's a simplified overview:

**Advertisers (Buyers):** Brands or individuals who want to promote their products or services.

**Publishers (Sellers):** They own the digital spaces where ads can be displayed, such as websites, apps, or other online platforms.

**Ad Networks:** Intermediaries that connect advertisers with a network of publishers, helping advertisers reach a broader audience.

**Ad Exchanges:** Platforms that facilitate the real-time auction of ad impressions between advertisers and publishers. This helps in efficient and automated buying and selling of ads.

**Demand-Side Platforms (DSPs):** Tools used by advertisers and agencies to purchase ad inventory across multiple ad exchanges through a single interface.  
**Supply-Side Platforms (SSPs):** Tools used by publishers to manage and optimize the sale of their ad inventory in real-time across various ad exchanges.

**Data Management Platforms (DMPs):** Systems that collect, analyze, and leverage data to provide insights for better targeting and personalization of ads.

**Ad Servers:** Platforms that store, manage, and deliver ads to be shown on websites or apps.

**Analytics and Measurement Tools:** Tools for tracking and analyzing the performance of ad campaigns, providing data on metrics like clicks, impressions, and conversions.

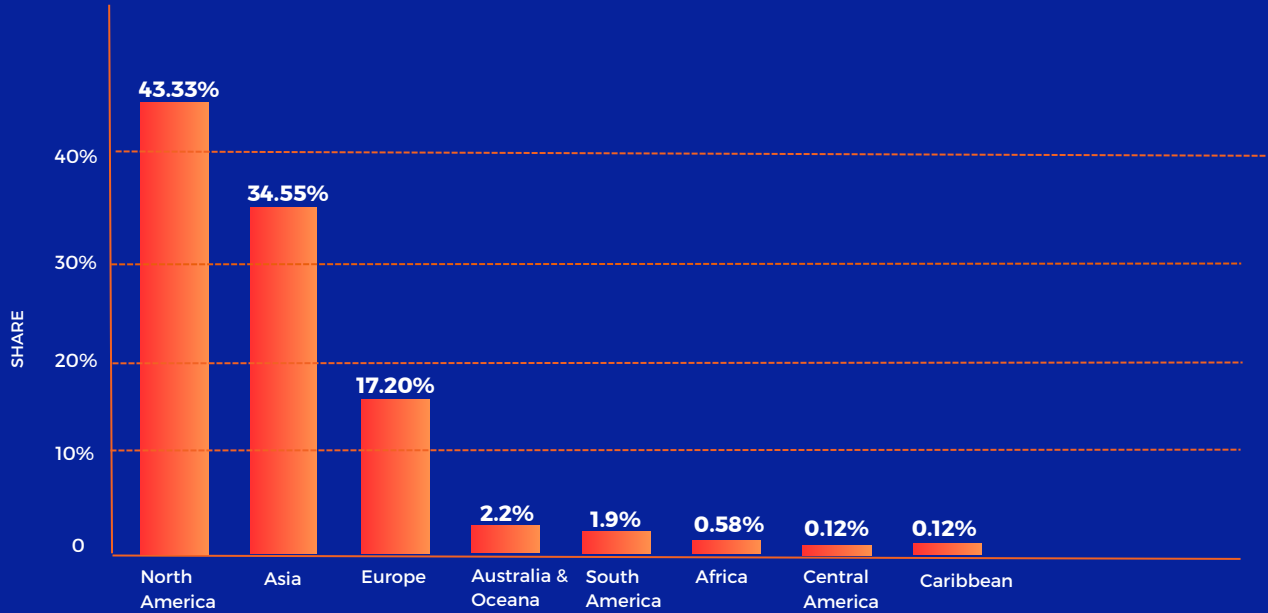
**Creative Agencies:** Entities responsible for designing the actual advertisements, ensuring they are visually appealing and effective.

**Regulatory and Compliance Services:** With focus on privacy and data protection, companies specialize in providing services to ensure that advertising activities comply with relevant regulations.

This ecosystem is continually evolving with new technologies and trends, aiming to make digital advertising more targeted, efficient, and data-driven.

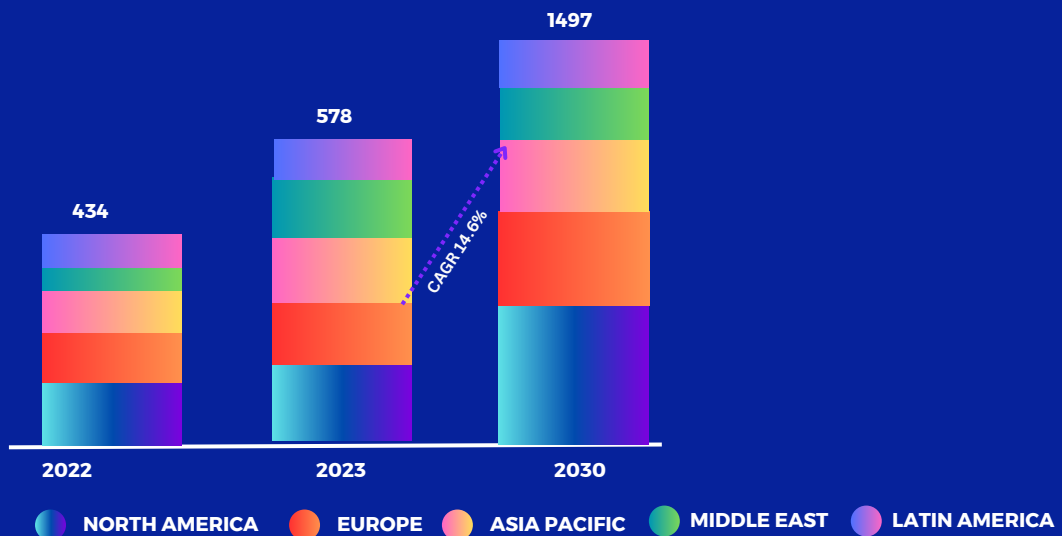
# THE ADTECH MARKET

## DISTRIBUTION OF PROGRAM MATIC ADVERTISING SPENDING WORLDWIDE 2024, BY REGION



## GLOBAL ADTECH MARKET FORECAST BY 2030

In \$ Billions



The global AdTech market is expected to reach \$1500 billion by 2030. At a CAGR of around 14.6%.

Source: Multiple sources

## DIGITAL ADVERTISING

**01**

Global Ad Spend at US\$740.3bn in 2024

**02**

Largest is Search Advertising with a market volume of US\$306.7bn in 2024

**03**

Most ad spending in the United States US\$298bn in 2024

**04**

Ad spend per user in the In-App Advertising market is US\$63.7 in 2024

**05**

70% of total ad spending will be generated through mobile in 2028

**06**

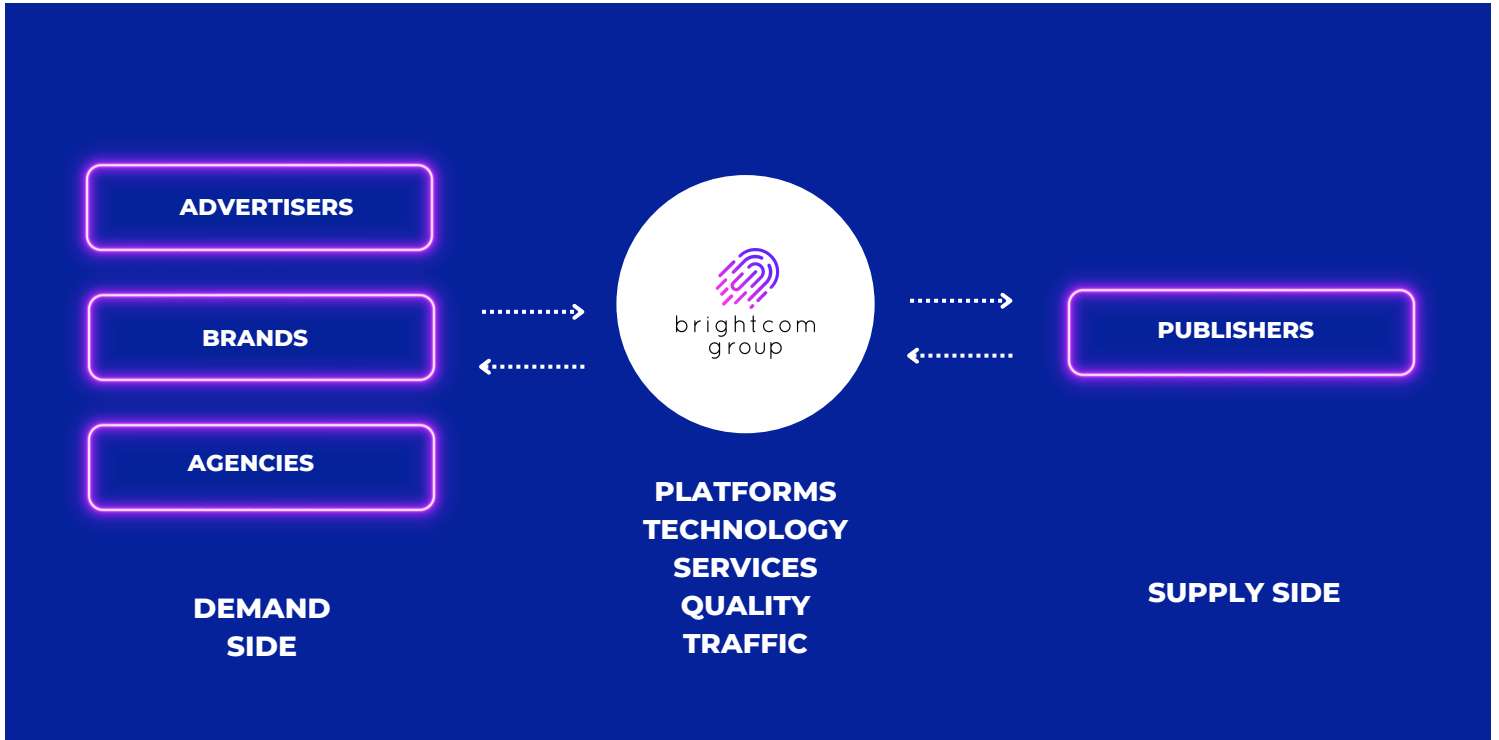
81% of the Digital Advertising revenue will be generated through programmatic advertising in 2028

**2024**

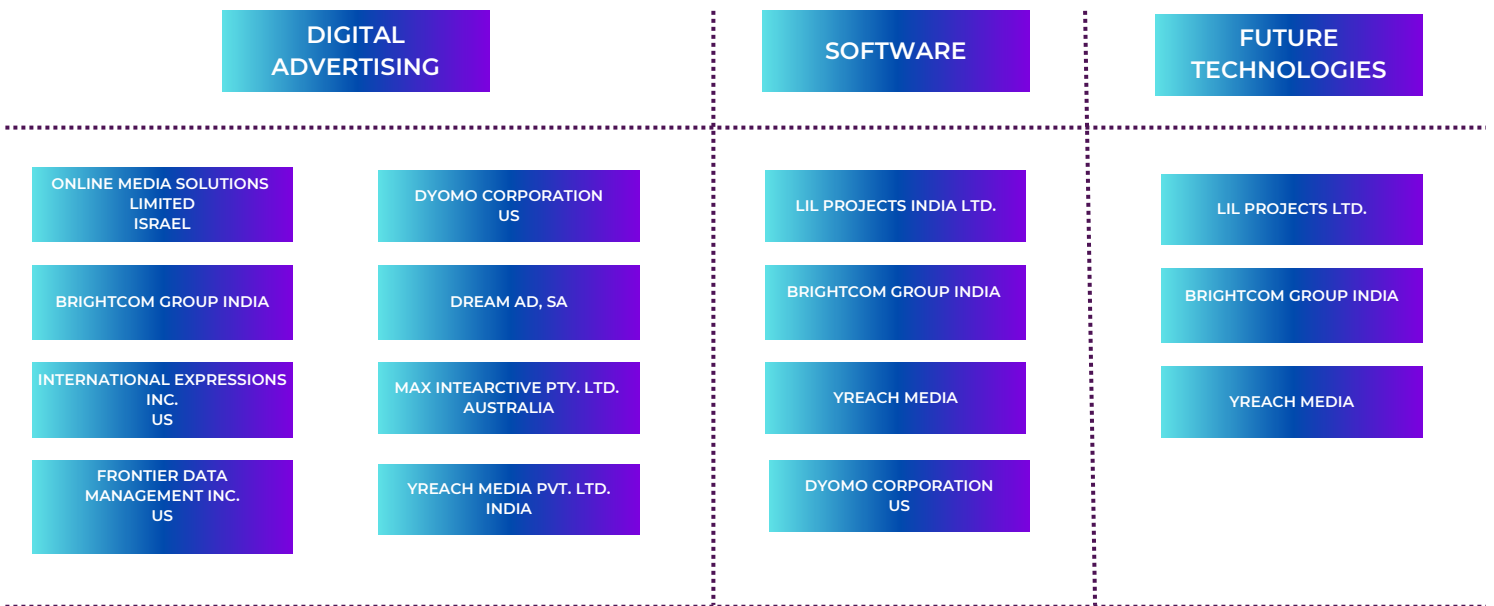
**AD SPENDING: US \$740.3bn**

Over \$778 billion — that's the rate global programmatic advertising spending is supposed to reach by 2028.

# BUSINESS



## SERVICES BY DIVISION



AdTech and Digital Media account for a significant portion of our revenue pie. We have built a world-class ad technology platform for advertisers, agencies, and publishers to power their digital marketing businesses. Across the Company, ML and AI are increasingly driving many of our latest innovations.

## **SOFTWARE SERVICES:**

Our software services include developing customised technology platforms for our clients to solve their needs, pertaining to the digital media and other related offerings. We integrate open source and commercially available software to ensure optimum cost-effectiveness.

**ONETAG:** Helps in Media and Ad Optimization. Our technology ensures a 100% fill rate. Advertisers can seamlessly integrate / switch the Tag with any DSP. The Ad performance is constantly monitored and helps in optimizing the programmatic campaign. The tag's efficient fraud detection system helps publishers by preventing counterfeiting and ensures a clean, transparent programmatic ecosystem. It also provides multiple reports to help Publishers / Advertisers in monitoring the Ad performance.

**VOLOMP:** A mass mailing tool for affiliate marketers which can be seamlessly integrated to any CRM platform. It helps the customers to schedule campaigns, send millions of mails with minimal effort and monitor campaign performance.

**COMPASS:** Brightcom's proprietary technology platform, Compass enables publishers to maximize yield by monetizing their media across all their devices.

**PROXYTOOL:** It is a Firefox installable tool bar with user authentication and admin functions.

**PANGEA:** It is a proprietary optimization approach which enables quality conversions with a full user funnel tracking system-please check if this is right to achieve optimum results.

**B-LOCAL:** A local news audience exchange providing demand partners with direct access to people's everyday lives.

**BRIGHTCOM PROGRAMMATIC PLATFORM:** It is a platform that allows the programmatic trading of ads, primarily video based. It allows for seamless integration and maximum yield over video and display, both mobile and desktop with a visual analytics interface.

## DIGITAL MEDIA: AN OVERVIEW

Our Digital Media has transformed the way we consume, create, and share information offering unprecedented access to information, entertainment, and communication on a global scale. It has empowered individuals to be content creators, fostering a participatory culture where users actively engage with and contribute to the digital landscape.

### Key aspects include:

**Diverse Formats:** Includes text, images, audio, and video, allowing for rich and interactive content experiences.

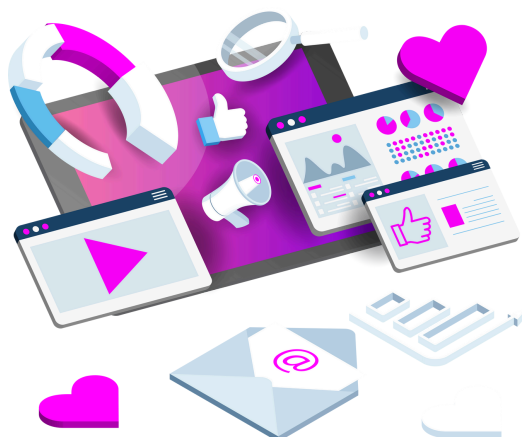
**Real-Time Communication:** Platforms like social media enable instant communication and collaboration, connecting people across geographical boundaries.

**Personalization:** Users can tailor their digital media experiences, receiving content that aligns with their preferences and interests.

**Monetization Opportunities:** Digital media has given rise to new business models, with opportunities for advertising, subscription services, and e-commerce.

**Accessibility:** Information is readily accessible, promoting knowledge-sharing and democratizing access to education and news.

As digital media continues to evolve, it brings both opportunities and challenges, including issues related to privacy, misinformation, and the need for digital literacy. Overall, it has become an integral part of our daily lives, influencing how we communicate, learn, and stay informed.





# SERVICES OFFERED

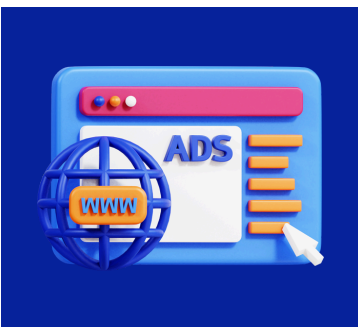
## VIDEO ADVERTISING



We offer a data-driven and automated method of buying and delivering video ads, leveraging technology and algorithms to streamline the process, making it more efficient and targeted. Video advertising has become increasingly popular due to its efficiency, targeting capabilities, and ability to reach a large and diverse audience enhancing both the delivery and impact of video content in the digital landscape.

## PROGRAMMATIC ADVERTISING

Ads are placed through an auction system known as real-time bidding (RTB) that manages transactions between the site or app publisher (the supply side) and the advertiser (the demand side). The advertiser sets criteria for buying ads through a software interface, such as a demand-side platform (DSP) When a publisher's software notifies the system that they have Ad Inventory (spaces for ads) available, those spaces are offered for real-time bidding.



Through our automated processes, advertisers bid for the impression (a single view of an ad by a single individual) based on its perceived value, according to established criteria. All these processes and the placement of the ad occur within the time it takes for the requested web page to load. The entire process takes place between the time that a user requests a web page and the time it takes for that page to load in the browser.

# SERVICES OFFERED

## IN-APP ADVERTISING



In-app advertising is an effective marketing technique because it allows the advertisers to reach the target audience based on the app's demographics. You see while playing a mobile game, surfing through social media, or doing anything on a mobile app. A mobile game or app allows advertising to be incorporated into its experience in order for a publisher to make money. We leverage the ads through different ad formats like interstitial, playable, or banner.

## DISPLAY ADVERTISING

We bring about successful display advertising campaigns using a clever combination of images, text, gifs, and videos to stand out on the internet and send brand message across to the targeted audience, with varied language, design, shapes, and sizes of banners to create engaging display ads.

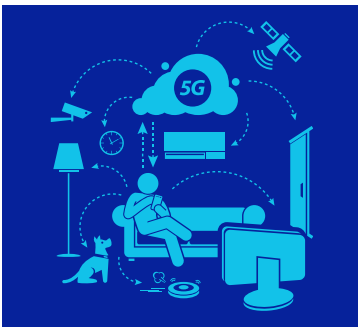


One of the most vital features of display advertising is its ability to target specific sections of the audience that match parameters based on the advertiser's requirement. The display advertising targeting feature ensures that your ad reaches the right audience, and ad spend isn't wasted on a demographic that isn't interested in your product/service.

# SERVICES OFFERED

## CONNECTED TV ADVERTISING

Connected TV (CTV) advertising refers to video ads that are delivered via a streaming service during a viewer's movie, TV show, or other video content — and viewed on an actual TV set. This viewing could be either directly on a smart TV or via a connected device like a Roku or Fire stick.



CTV advertising includes programmatically purchased ads shown on various platforms such as consoles, computer/mobile streaming, gaming devices, over-the-top (OTT), Video on Demand, and Smart TVs. It's an opportunity for brands to reach audiences who are actively consuming online content.

According to forecasts, global connected TV (CTV) advertising revenue will reach nearly 26 billion U.S. dollars in 2023, an increase of 13.2 percent compared to the previous year. By 2028, CTV ad spend is forecast to surpass 42 billion dollars.

We operate in a variety of environments with access to inventory in scale, high viewability, transparency & Ads.text compliance, worldwide exposure, coupled with inventory quality tools that make every campaign we handle get the best ROI for our advertisers and publishers. More so, our platforms are integrated with industry known Traffic and Quality providers like - IAB, Picalate, Protector, Google Ad Manager and Prebid to name a few.



# BUSINESS



### TECHNOLOGY PLATFORMS

Demand Side Platforms (DSPs), Supply Side Platforms (SSPs), Ad Networks, Data Management Platforms (DMPs) and tools for monetisation.



### ADTECH SOLUTIONS

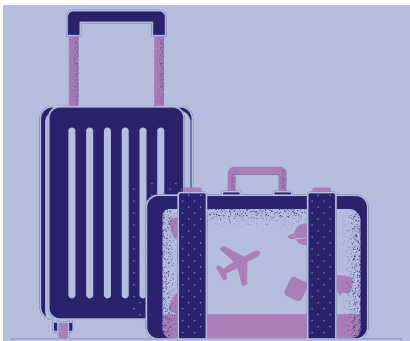
All types of digital advertising from Display, Programmatic, video, Audio, Search, and Mobile to Native Ads.



### DIGITAL MARKETING & PUBLISHING

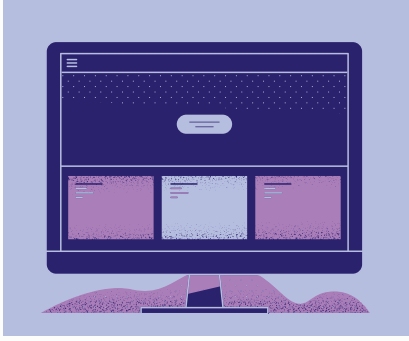
Digital Content Creation and Promotion.

## ADVANTAGE BRIGHTCOM



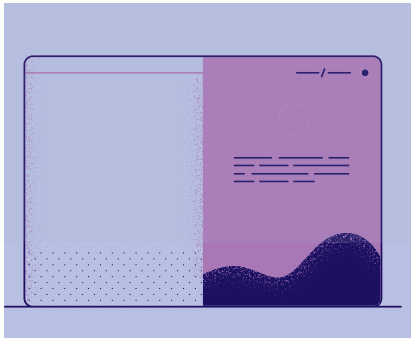
### UNMATCHED GLOBAL REACH & WIDE NETWORK

No matter where you are, we've got you covered.



### AI INCLUSIVE TECH SUPPORT

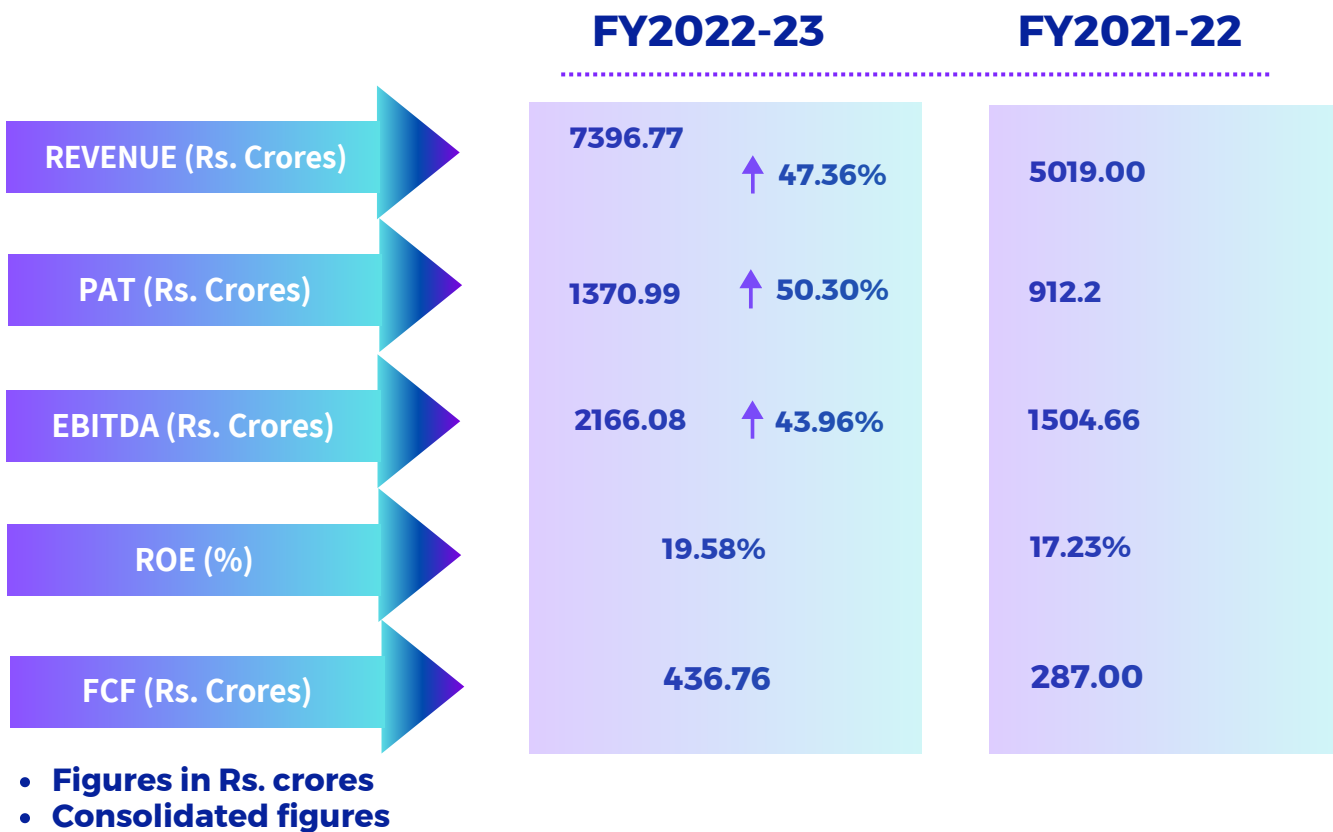
Highly effective ad optimising, targeting and monetisation.



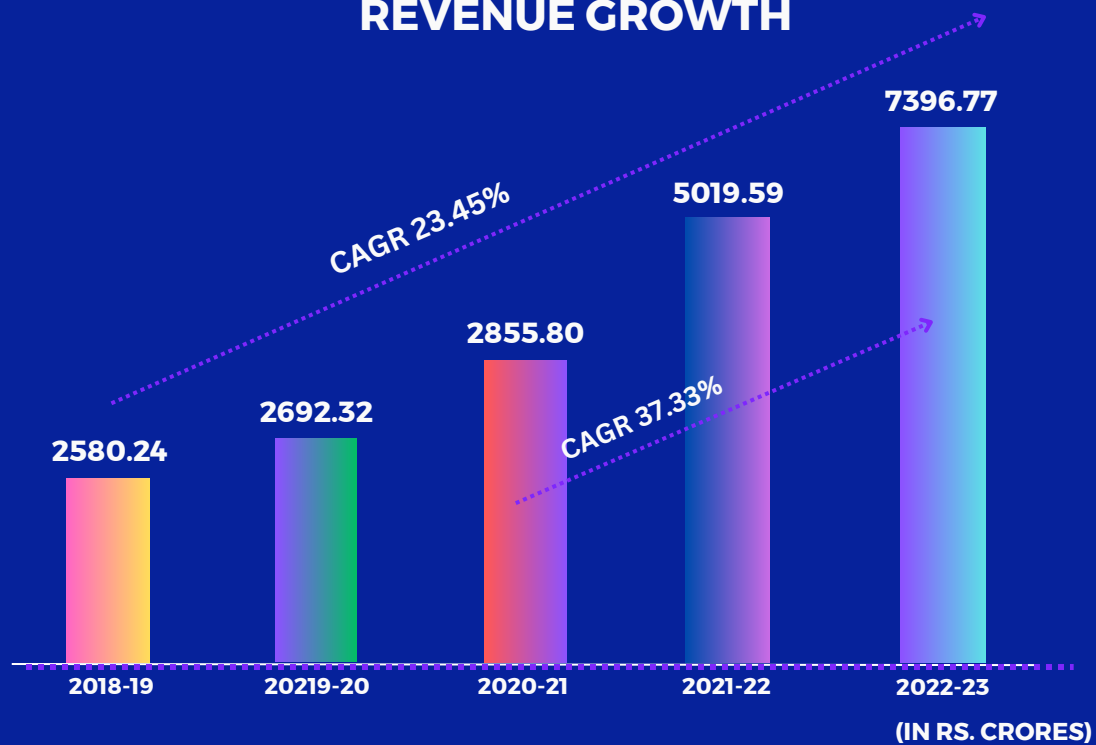
### OMNICHANNEL REACH

Providing the complete gamut of ad products and solutions.

# 2022-23 KEY HIGHLIGHTS



## REVENUE GROWTH

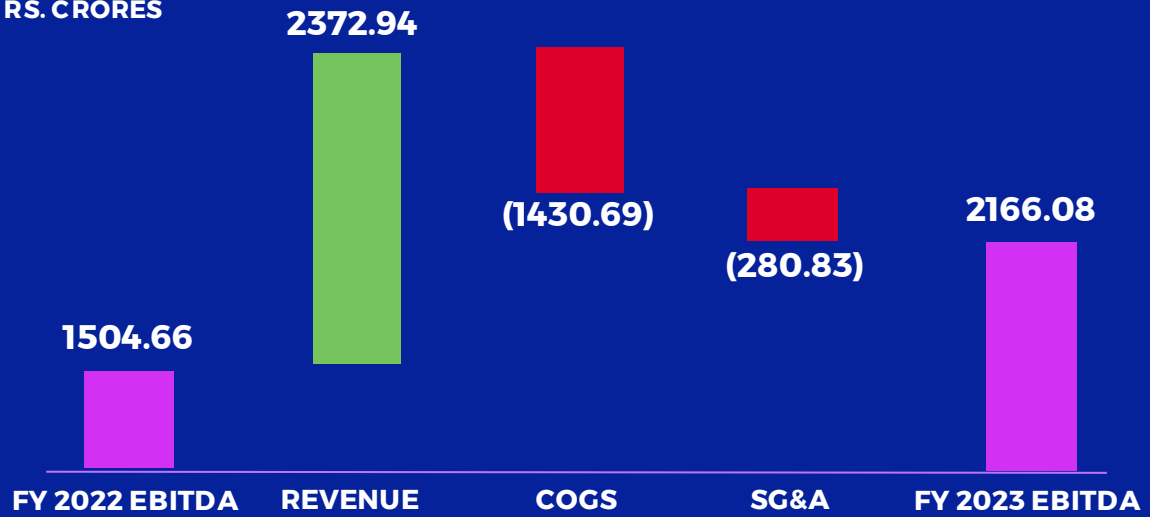


1. Yearly revenue have been continuously growing for the last five years.
2. BCG Revenue CAGR : 37.33 % - 3 yrs, 23.45% - 5 yrs.

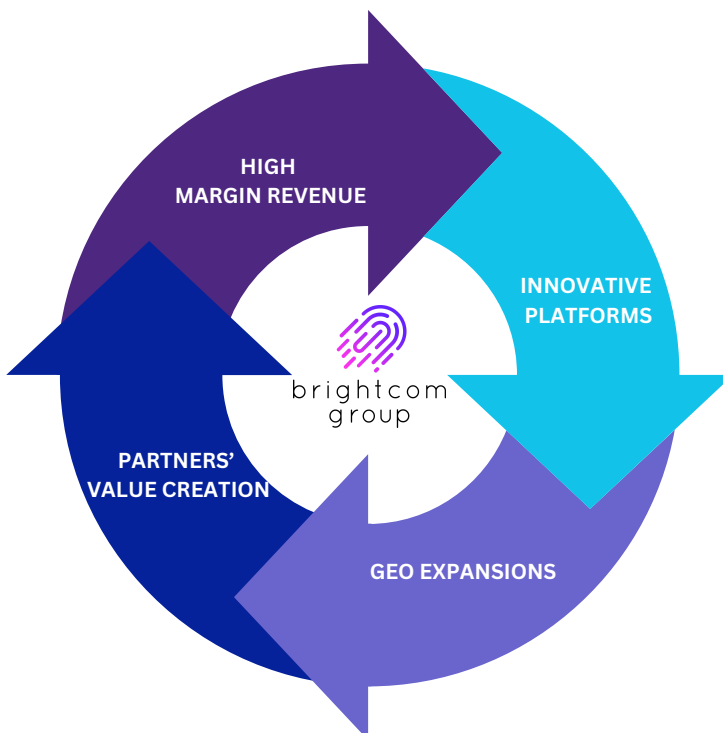
# 2022-23 KEY HIGHLIGHTS

## EBITDA BRIDGE 2022-23

IN RS. CRORES



## BUSINESS VALUE CREATION



-  PARTNERSHIPS
-  ACTIVATIONS
-  CONVERSIONS
-  ACQUISITIONS

## STRATEGIC LEVERS



### PERFORMANCE

- 20+ years Track Record
- Performance and Brand Building Business Models
- Proven Technology Platforms and Products

### GROWTH

- High Growth Industry
- Global Customer Base with High Retention
- Increasing Digitalization
- Offices Across the Globe

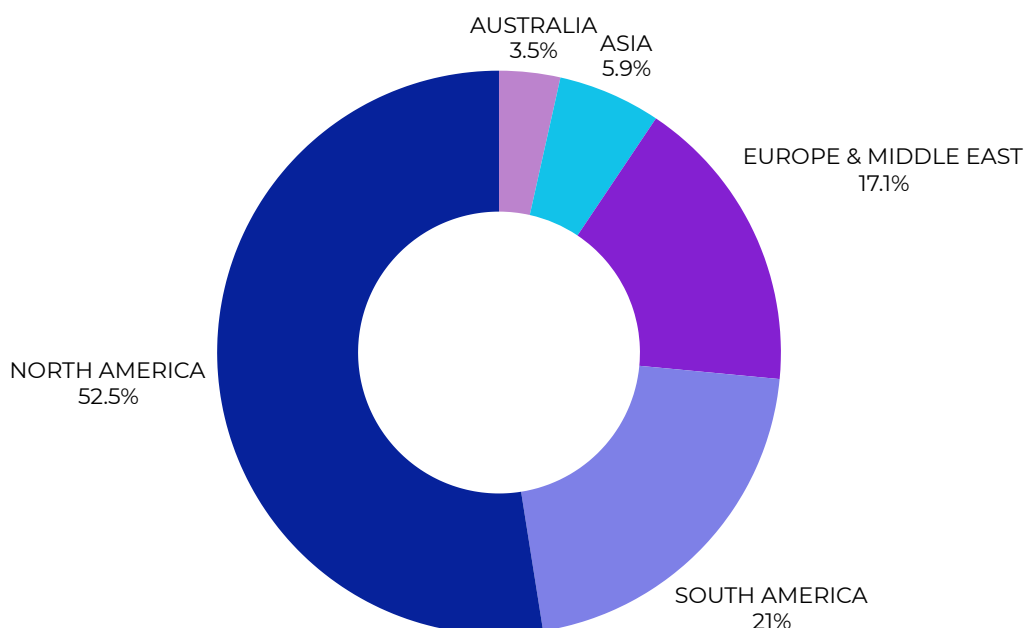
### CASHFLOW

- Positively Growing Cashflows
- Consistent Profitability Track Record
- Debt-free

### FUTURE

- Extensive Organic and Inorganic Growth
- Building Future Technologies Through Innovation Labs

## GLOBAL REVENUE DISTRIBUTION



# BUSINESS HIGHLIGHTS

-  **260 GLOBAL AGENCY RELATIONSHIPS**
-  **15 NEW ADVERTISING AGENCIES**
-  **630 DIRECT ADVERTISERS**
-  **650+ LARGE PUBLISHERS**
-  **50,000+ LONG-TAIL PUBLISHERS**

**Better eCPMs. B-Local Exchange and Brightcom Video player, both New Product Introductions, have started contributing significantly to the overall business.**

## EVENTS PARTICIPATED

-  Digiday Publishing Summit Europe- Oct 2024.
-  DMEXCO, Cologne - September 2024.
-  Digiday Publishing Summit , Miami - Sep 2024.
-  Israel Mobile Summit, Israel - June 2024
-  CES 2023 at Las Vegas - January 2023.
-  d3con Advertisers day in Hamburg - March 2023.  
MWC Barcelona 2023 - February 2023.
-  Digiday Publishing Summit in Vail, Colorado, USA - March 2023



# PARTNERS

SERVING SOME OF THE BIGGEST BRANDS WORLDWIDE



Science

WebMD

nature



Yellow Pages™



TED



cheapOair®



TimeOut

Fandom

Reverso

PLAYBILL

# PARTNERS

## BRANDS AND SSPS



TOYOTA



OUR PLATFORM IS INTEGRATED WITH INDUSTRY  
KNOWN TRAFFIC AND AD-QUALITY PROVIDERS



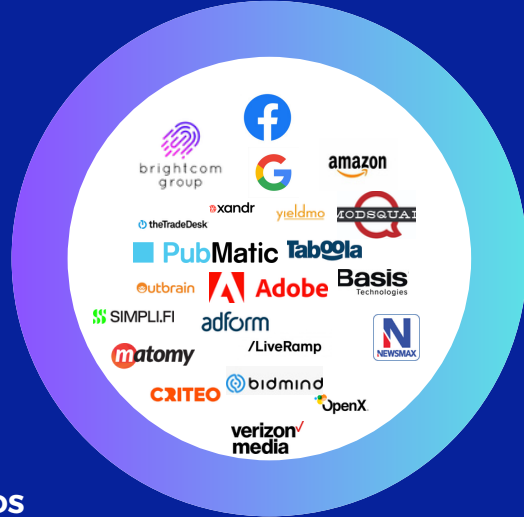
# MARKET LANDSCAPE

## GLOBAL

### DIGITAL MEDIA



### INTERNET & SOCIAL



### VIDEO ADS



### MOBILE



### AI & DATA ANALYTICS



# NOTICE OF THE AGM

# NOTICE OF THE 24TH ANNUAL GENERAL MEETING OF BRIGHTCOM GROUP LIMITED

**October 24, 2024**

Dear Shareholder(s),

You are cordially invited to attend the 24<sup>th</sup> Annual General Meeting of the Shareholders of Brightcom Group Limited ("the Company") to be held on Thursday, November 21, 2024 at 11.30 A.M. (IST) through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM").

The Notice of the meeting, containing the business to be transacted, is enclosed herewith. As per Section 108 of the Companies Act, 2013 read with the related Rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide its Shareholders the facility to cast their vote by electronic means on all resolutions set forth in the Notice.

The instructions for e-voting are enclosed herewith.

Yours sincerely

Sd/-

**Raghunath Allamsetty**

Executive Director

DIN # 00060018

Enclosures:

1. Notice of the 24<sup>th</sup> Annual General Meeting
2. Instructions for participation through VC
3. Instructions for e-voting

Note: Attendees who require technical assistance to access and participate in the meeting through VC are requested to contact the helpline number: 022-23058738 and 022-23058542-43

## Notice of the 24th Annual General Meeting of Brightcom Group Limited

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the Shareholders of Brightcom Group Limited (“the Company”) to be held on Thursday, November 21, 2024 at 11.30 A.M.(IST) through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) to transact the following business:

### ORDINARY BUSINESS:

#### 1. Adoption of Audited (Standalone & Consolidated) Financial Statements

a. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and Auditors thereon; and

b. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the report of the Auditors thereon.

#### 2. Appointment of Statutory Auditors of the Company for the Financial year 2023-24.

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

**“RESOLVED**, that pursuant to Sections 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) appoint the Statutory Auditors of the Company for the financial year 2023-24, who shall hold office from the conclusion of this 24<sup>th</sup> AGM till the conclusion of the 25<sup>th</sup> AGM, at such remuneration as may be determined by the shareholders of the Company at the ensuing AGM.”

M/s.P Murali and Co who were the Statutory Auditors for the financial year 2022-23 are not eligible to the Statutory Auditors for the financial year 2023-24. Hence, the Statutory Auditor proposed by the members will be appointed as Statutory Auditor for the financial year 2023-24 and shall hold office till conclusion of the 25<sup>th</sup> AGM.

**“RESOLVED FURTHER**, that the consent of the Members of the Company is accorded to the Board of Directors of the Company to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors / Executives of the Company to give effect to the aforesaid

resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

#### 3. To re-appoint Mr. PLEO Ganeshan (DIN # 08983194), who retires by rotation, and being eligible offers himself for the re-appointment.

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

**“RESOLVED THAT**, pursuant to provisions of Section 152 and other applicable provisions, if any, of The Companies Act, 2013 and rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. PLEO Ganeshan (DIN # 08983194), as Independent Director, to the extent that he is required to retire by rotation and continue as Independent Director of the Company as per the approval accorded by the Members at this 24<sup>th</sup> Annual General Meeting of the Company held on November 21, 2024 and as revised/ amended from time to time.”

### SPECIAL BUSINESS:

#### 4. Appointment of Mr. Raghunath Allamsetty (DIN # 00060018) as an Director (Executive) of the Company.

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

**“RESOLVED**, that Mr. Raghunath Allamsetty (DIN # 00060018), who was appointed as an Additional Director (Executive) of the Company with effect from June 28, 2024 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (‘Act’) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, and who is eligible for appointment be and is hereby appointed as a Director of the Company.

**“RESOLVED FURTHER**, that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015 ('SEBI Listing Regulations'), as amended from time to time, the appointment of Mr. Raghunath Allamsetty (DIN # **00060018**), that meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, for a term of five years, i.e., from June 28, 2024 to June 27, 2029 (both days inclusive) and who would be liable to retire by rotation, be and is hereby approved.

**"RESOLVED FURTHER**, that pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Mr. Raghunath Allamsetty (DIN # 00060018) shall be entitled to receive the sitting fees/commission and out of pocket expenses as permitted to be received in the capacity of Executive Director of the Company under the Act and SEBI Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time."

**"RESOLVED FURTHER**, that the consent of the Shareholders of the Company be and is accorded to the Board of Directors of the Company to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors/ Executives of the Company to give effect to the aforesaid resolution."

**5. Appointment of Mr. Ram Sharma (DIN # 06747944) as an Independent Director of the Company.**

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

**"RESOLVED**, that Mr. Ram Sharma (DIN # **06747944**), who was appointed as an Additional Director (Independent) of the Company with effect from June 28, 2024 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ('Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, and who is not eligible for appointment be and is hereby appointed as a Director of the Company.

**"RESOLVED FURTHER**, that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors)

Rules, 2014, Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, the appointment of Mr. Ram Sharma (DIN # **06747944**), that meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Additional Director (Independent) of the Company, for a term of five years, i.e., from June 28, 2024 to June 27, 2029 (both days inclusive) and who would not be liable to retire by rotation, be and is hereby approved.

**"RESOLVED FURTHER**, that pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Mr. Ram Sharma (DIN # **06747944**) shall be entitled to receive the sitting fees/ commission and out of pocket expenses as permitted to be received in the capacity of Non-Executive, Independent Director of the Company under the Act and SEBI Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time."

**"RESOLVED FURTHER**, that the consent of the Shareholders of the Company be and is accorded to the Board of Directors of the Company to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors/ Executives of the Company to give effect to the aforesaid resolution."

**6. Appointment of Mr. Satyanarayana Yadavally (DIN # 07583181) as an Independent Director of the Company.**

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

**"RESOLVED**, that Mr. Satyanarayana Yadavally (DIN # **07583181**), who was appointed as an Additional Director (Independent) of the Company with effect from August 1, 2024 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ('Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, and who is eligible for appointment be and is hereby appointed as a Director of the Company.

**“RESOLVED FURTHER**, that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time, the appointment of Mr. Satyanarayana Yadavally (DIN # **07583181**), that meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Additional Director (Independent) of the Company, for a term of five years, i.e., from August 1, 2024 to July 31, 2029 (both days inclusive) and who would not be liable to retire by rotation, be and is hereby approved.

**“RESOLVED FURTHER**, that pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Mr. Satyanarayana Yadavally (DIN # **07583181**), shall be entitled to receive the sitting fees/commission and out of pocket expenses as permitted to be received in the capacity of Non-Executive, Independent Director of the Company under the Act and SEBI Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time.”

**“RESOLVED FURTHER**, that the consent of the Shareholders of the Company be and is accorded to the Board of Directors of the Company to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors/ Executives of the Company to give effect to the aforesaid resolution.”

#### **7. Appointment of Dr. Chandrika Setu Sharma (DIN # 10753180) as an Independent Director of the Company.**

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

**“RESOLVED**, that Dr. Chandrika Setu Sharma (DIN # **10753180**), who was appointed as an Additional Director (Independent) of the Company with effect from August 1, 2024 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (‘Act’) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of

the Company, and who is eligible for appointment be and is hereby appointed as a Director of the Company.

**“RESOLVED FURTHER**, that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time, the appointment of Dr. Chandrika Setu Sharma (DIN # **10753180**), that meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Additional Director (Independent) of the Company, for a term of five years, i.e., from August 1, 2024 to July 31, 2029 (both days inclusive) and who would not be liable to retire by rotation, be and is hereby approved.

**“RESOLVED FURTHER**, that pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Dr. Chandrika Setu Sharma (DIN # **10753180**), shall be entitled to receive the sitting fees/commission and out of pocket expenses as permitted to be received in the capacity of Non-Executive, Independent Director of the Company under the Act and SEBI Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time.”

**“RESOLVED FURTHER**, that the consent of the Shareholders of the Company be and is accorded to the Board of Directors of the Company to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors/ Executives of the Company to give effect to the aforesaid resolution.”

#### **8. Appointment of Mr. PLEO Ganeshan (DIN # 08983194) as an Independent Director of the Company.**

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

**“RESOLVED**, that Mr. PLEO Ganeshan (DIN # **08983194**), who was appointed as an Additional Director (Independent) of the Company with effect from August 24, 2024 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, and who holds office up to the date of this Annual General Meeting



of the Company under Section 161(i) of the Companies Act, 2013 ('Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, and who is eligible for appointment be and is hereby appointed as a Director of the Company.

**"RESOLVED FURTHER**, that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, the appointment of Mr. PLEO Ganeshan (**DIN # 08983194**), that meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Additional Director (Independent) of the Company, for a term of five years, i.e., from August 24, 2024 to August 23, 2029 (both days inclusive) and who would not be liable to retire by rotation, be and is hereby approved.

**"RESOLVED FURTHER**, that pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Act and the Rules made thereunder, Mr. PLEO Ganeshan (**DIN # 08983194**), shall be entitled to receive the sitting fees/commission and out of pocket expenses as permitted to be received in the capacity of Non-Executive, Independent Director of the Company under the Act and SEBI Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time."

**"RESOLVED FURTHER**, that the consent of the Shareholders of the Company be and is accorded to the Board of Directors of the Company to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors/ Executives of the Company to give effect to the aforesaid resolution."

**By order of the Board  
For Brightcom Group Limited**

**Date: 24-10-2024  
Place: Hyderabad**

**Sd/-  
Raghunath Allamsetty  
Executive Director  
DIN # 00060018**

## **Notes to the AGM Notice:**

1. Pursuant to the General Circulars 2/2022 dated May 05, 2022 and 19/2021 dated January 13, 2022 and other circulars issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/ HO/ CFD/ CMD2/ CIR /P / 2022/62 dated May 13, 2022 issued by SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC. The deemed venue for the AGM shall be the Registered Office of the Company.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) read with Circular dated May 13, 2022 and MCA Circulars dated January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. Thereby, facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM

without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 8, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/ OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 02/2022 dated May 5, 2022 reading with Circular No. 20/2020 dated May 5, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.brightcomgroup.com](http://www.brightcomgroup.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and evoting system during the AGM) i.e., [www.evotingindia.com](http://www.evotingindia.com).

7. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member. In terms of MCA Circulars, since physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, facility of appointment of proxies by Members under Section 105 of the Act, will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to the Notice.

8. The Register of members and transfer books of the company will remain closed from Thursday November 14, 2024 to Thursday November 21, 2024 (both days inclusive).

9. Members, who hold shares in electronic / Demat form are requested to furnish the change of address, details of their bank accounts, viz, name of the bank, full address of the branch, account no. etc., to their respective Depository Participants and who hold shares in physical form to the Company's Registrars and Transfer Agents Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad - 500029 (Phone: 040-27638111/27642217/27634445 Email: [info@arthiconsultants.com](mailto:info@arthiconsultants.com)) so as to enable the Company to incorporate the bank details on the dividend warrants.

10. Pursuant to Section 72 of the Companies Act, 2013 and the Rules made thereunder the Members holding shares

in single name may, at any time, nominate in form SH-13, any person as his/her nominee to whom the securities shall vest in the event of his/ her death. Nomination would help the nominees to get the shares transmitted in their favor without hassles. Members desirous of making any cancellation/ variation in the said nomination can do so in SH-14.

11. Members holding shares in identical order of names in more than one folio are requested to write to the company's Registrars & Transfer Agents enclosing their share certificates to enable consolidation of their shareholdings in one folio. As per the amended Provisions based on the PAN, all different folios of the same PAN will be treated as one folio.

12. Members are requested to refer to the Corporate Governance Report for information in connection with the unpaid / unclaimed dividend along with underlying shares thereto liable to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government. Members are requested to refer the web site of the Company [www.brightcomgroup.com](http://www.brightcomgroup.com) for the details made available by the Company pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017.

As per Section 124(6) of the Act read with the IEPF Rules as amended from time to time, all the shares in respect of which dividend has remained unpaid/ unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account. In case the dividends are not claimed by the respective shareholders. Company had transferred unpaid/ unclaimed dividend till the financial year 2012-13 along with underlying shares to IEPF authorities. Company will initiate the necessary steps on due dates to transfer shares held by the members to IEPF along with dividend remaining unpaid/unclaimed thereon.

Members may please note that in the event of transfer of such shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF authorities by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF- 5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the

Registrars and Transfer Agents of the Company.

14. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public noninstitutional shareholders/ retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process pursuant to a public consultation, it has been decided to enable e-voting to all the Demat account holders, by way of a single login credential, through their Demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process

15. In compliance with provisions of Section 108 of (C.P. No. 10787), has been appointed as the scrutinizer to scrutinize the remote e-voting process. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and he will submit his report within the period not exceeding three working days from the conclusion of e-voting. The Chairman will declare the results on or after the AGM of the Company accordingly and will also be placed at the company website and also forward the same to the stock exchanges where the shares has been listed.

16. The Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts for the proposed resolutions and disclosures as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ("SS-2") forms part of this Notice.

17. Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI etc.) are required to send a certified true copy (PDF Format) of the Board resolution/authority letter, authorizing their representative to attend and vote. The said resolution/authorisation shall be sent by an e-mail to Scrutinizer at [alwyn.co@gmail.com](mailto:alwyn.co@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and to the Company at [ir@brightcomgroup.com](mailto:ir@brightcomgroup.com).

**18. THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

a) The voting period begins on Monday, November 18 2024 at 9.00 a.m. and ends on Wednesday, November 20, 2024 at 5.00 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 Wednesday November 13, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

b) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

c) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through

the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the members with facility to exercise their right to vote at the 24<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-voting Services provided by Central Depository Services (India) Limited (CDSL).

The e-voting period commences on Monday, November 18 2024 at 9.00 a.m. and ends on Wednesday, November 20, 2024 at 5.00 p.m. During this period shareholders of the Company, holding shares as on cut-off date Wednesday, November 13, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company. A member who has cast his/ her vote by electronic means is entitled to attend the AGM but not entitled to vote again at the AGM.

CS Saurabh Poddar, Company Secretary in Practice

their Demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat accounts in order to access e-Voting facility. Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

### **Type of shareholders**

### **Login Method**

Individual Shareholders holding securities in Demat mode with  
**CDSL Depository**

- 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website [www.cdslindia.com](http://www.cdslindia.com) and click on login icon & New System Myeasi Tab.
- 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
- 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website [www.cdslindia.com](http://www.cdslindia.com) and click on login & New System Myeasi Tab and then click on registration option.
- 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders  
holding securities in demat  
mode with  
**NSDL Depository**

- 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsd.com> either on a Personal Computer or on a mobile. Once the home page of the e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see the e-Voting services. Click on "Access to the e-Voting" under the e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to the e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- 2) If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com>. Select "Register Online for IDeAS" Portal or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>.
- 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on the company name or the e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Individual Shareholders  
(holding securities in demat  
mode) login through their  
**Depository Participants  
(DP)**

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see the e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see the e-Voting feature. Click on company name or the e-Voting service provider name and you will be redirected to the e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use the Forget User ID and Forget Password option available at the abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

### Login type

Individual Shareholders holding securities in Demat mode with CDSL

Individual Shareholders holding securities in Demat mode with NSDL

### Helpdesk details

Members facing any technical issue in login can contact CDSL helpdesk by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact the toll free No. 1800 22 55 33

Members facing any technical issue in login can contact NSDL helpdesk by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at toll free No.: 1800 1020 990 and 1800 22 44 30

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on "Shareholders" module.
3. 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by the Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by the Company/RTA or contact Company/RTA.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	<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> <ul style="list-style-type: none"> <li>• 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.</li> </ul>

- (i) After entering these details appropriately, click on "SUBMIT" tab.
- (ii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (iii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on the EVSN for the relevant Brightcom Group Limited on which you choose to vote.

- (v) 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.
- (vi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (vii) 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.
- (viii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (x) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password, enter the details as prompted by the system.
- (xi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to the scrutinizer for verification.
- (xii) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 will be mapped automatically & can be delinked in case of any wrong mapping.
  - It is Mandatory that, 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.
  - Alternatively, it is mandatory for Non Individual shareholders to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [ir@brightcomgroup.com](mailto:ir@brightcomgroup.com), if they have voted from individual tab & not uploaded the same in the CDSL e-voting system for the scrutinizer to verify the same.

**19. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- a) The procedure for attending the meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
- b) The link for VC/OAVM to attend meeting will be available where the EVSN of the Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- c) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
- d) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- e) Further, shareholders will be required to allow Camera and use a high speed Internet to avoid any disturbance during the meeting.
- f) Please note that the participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network.

It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

g) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to the meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries 7 days in advance prior to the meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

h) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

i) Only those shareholders, who are present in the AGM/ EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.

j) If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

20. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.brightcomgroup.com](http://www.brightcomgroup.com) and on the website of CDSL i.e., [www.cdslindia.com](http://www.cdslindia.com) within two days of the passing of the Notice Resolutions at the 24<sup>th</sup>AGM of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of the shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP).

3. For Individual Demat shareholders – Please update your email id & Mobile No. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 02223058542/43. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, NM Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

Members who could not vote through Remote e-voting may avail the e-voting system on the date of AGM i.e., Thursday, November 21, 2024 which will commence from 11:30 A.M. and will end after the conclusion of the AGM. The e-voting module shall be disabled by CDSL for voting thereafter. The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on Wednesday , November 13, 2024 i.e., cut-off date.



**CONTACT DETAILS:**

Company	Brightcom Group Limited, Phone: +91 (40) 67449910, E-mail: <a href="mailto:ir@brightcomgroup.com">ir@brightcomgroup.com</a> , Floor-5, Fairfield by Marriott, Road No.2, Nanakramguda, Gachibowli, Hyderabad, Telangana, India - 500032
Registrar and Transfer Agent:	Aarthi Consultants Private Limited Phone: 040-27638111/ 27642217 / 27634445   Email: <a href="mailto:info@arthiconsultants.co">info@arthiconsultants.co</a>
e-Voting Agency	Central Depository Services (India) Limited E-mail: <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>   Phone: +91-22-22723333/8588
Scrutinizer	Saurabh Poddar , Practicing Company Secretary, E-mail: <a href="mailto:saurabhpoddar1977@gmail.com">saurabhpoddar1977@gmail.com</a>   Phone: +91-9581186260

**GENERAL INFORMATION:**

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evotingindia.com](http://www.evotingindia.com) to reset the password.

The Company has appointed Mr.Saurabh Poddar Practicing Company Secretary (Membership No. FCS 9190), to act as the Scrutinizer for conducting the remote e-Voting and e-Voting during the AGM in a fair and transparent manner.

The Scrutinizer shall, immediately upon conclusion of the voting at the AGM, unblock the votes cast through e-Voting (votes cast during the AGM and votes cast through remote e-Voting) and will submit a consolidated Scrutinizer's Report to the Chairman or any other person authorized by him in writing, who shall countersign the same and declare the results thereof.

The results declared along with the Scrutinizer's report, will be posted on the website of the Company at [www.brightcomgroup.com](http://www.brightcomgroup.com) and will be displayed on the Notice Board of the Company at its Registered Office as well as the Corporate Office immediately after the declaration of the result by the Chairman or any person authorized by him in writing. The Company shall simultaneously communicate the results to the Stock Exchanges not later than two working days as required under Regulation 44(3) of the SEBI Listing Regulations.

Members are requested to address all correspondence, to the RTA, Aarthi Consultants Private Limited, 1-2-285, Domalguda, Hyderabad - 500029 (Phone: 040-27638111/27642217/27634445 Email: [info@arthiconsultants.com](mailto:info@arthiconsultants.com)).

SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2022/8 dated January 25, 2022, has mandated companies to issue securities in dematerialized form only, while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement, sub-division/splitting, consolidation of securities certificate, transmission, and transposition. Members are accordingly advised to get their shares held in physical form dematerialized through their Depository Participant.

**PROCEDURE FOR INSPECTION OF DOCUMENTS:**

Relevant documents referred to in the accompanying Notice calling the AGM will be made available for electronic inspection by the Members upon sending the email to the Company at [ir@brightcomgroup.com](mailto:ir@brightcomgroup.com) upto the date of the AGM. The said documents will be available for electronic inspection for the Members without payment of any fee. The Register of Directors and the Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Act will be available for inspection in electronic mode, based on the request being sent on [ir@brightcomgroup.com](mailto:ir@brightcomgroup.com).

**OTHERS**

The Company has designated an exclusive e-mail id viz. [ir@brightcomgroup.com](mailto:ir@brightcomgroup.com) to enable Investors to register their complaints, if any.

In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-Voting for the resolutions set out in this notice:

1. In case shares are held in physical mode, please provide Folio No., Name of the shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to the RTA at [info@arthiconsultants.com](mailto:info@arthiconsultants.com).
2. In case shares are held in demat mode, please provide DP ID-Client ID (16-digit DP ID + Client ID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to the RTA at [info@arthiconsultants.com](mailto:info@arthiconsultants.com) with a copy marked to the Company at [ir@brightcpmgroup.com](mailto:ir@brightcpmgroup.com). If you are an individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) above i.e., Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-Voting by providing the above mentioned documents.

For ease of participation of the Members, below are the key details regarding the meeting-

#	Particulars	Details	
1.	Cut-off Date for e-voting	November 14,2024	
2.	Remote e-Voting starts on	November 18,2024	
3.	Remote e-Voting ends on	November 20,2024	
4.	Last date for speaker registration	November 11,2024	

By order of the Board  
For Brightcom Group Limited

Sd/-  
Raghunath Allamsetty  
Executive Director  
DIN # 00060018

Date: 24-10-2024  
Place: Hyderabad

**ANNEXURE TO NOTICE:**

Information provided pursuant to the requirements given under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard in respect of the individuals proposed to be appointed/ re-appointed as Director(s):

Name of Director	Mr. Raghunath Allamsetty
Director Identification Number	00060018
Date of Birth	21.02.1967
Date of first Appointment	28-06-2024
Qualification	B.Tech
Terms & Conditions of re appointment along with Remuneration sought to be paid	Appointed for a period of 5 years with effect from June 28, 2024 and liable to retire by rotation. Remuneration to be paid at Rs.5,00,000/- per month plus benefits as per company policy.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	There is no inter-se relationship between Mr. Raghunath Allamsetty and other Directors & KMPs.
*Directorships held in other Companies and Bodies Corporate as on March 31, 2023.	LIL Projects Private Limited YReach Media Private Limited
Chairman / Member of the Committee of the Board of Directors of the Company	None
No. of Board Meetings attended during the year	NIL
Chairman/Member of the Committee of the Board of Directors in other Companies as on March 31, 2022	None
No. of Equity Shares of Rs.2/- held in the Company as on 31.03.2023	NIL

**EXPLANATORY STATEMENT**

**As required by Section 102(1) of the Act, the following Explanatory Statement sets out the material facts relating to the business under Item Nos. 4 to 8 of the accompanying Notice dated April 26, 2023.**

**Item #4: To appoint Mr. Raghunath Allamsetty (DIN # 00060018) as Executive Director of the company.**

On the recommendation of the Nomination & Remuneration Committee (NRC), the Board of Directors at their meeting held on June 26, 2024, appointed Mr. Raghunath Allamsetty (DIN # 00060018) as an Additional Director in the capacity of an Executive Director of the Company, with effect from June 26, 2024 for a term of 5 consecutive years upto June 25, 2029 subject to the approval of the Members of the Company. In terms of Section 160 of the Act, the Company has received a notice in writing from a member signifying the intention to propose the candidature of Mr. Raghunath Allamsetty for the office of Director of the Company.

The Company has received the requisite consents, declarations, etc. from Mr. Raghunath Allamsetty in relation to his appointment as an Executive Director.

### **Brief Profile of Mr. Raghunath Allamsetty**

Mr. Raghunath Allamsetty is a seasoned IT professional with over 25 years of experience, distinguished by his entrepreneurial ventures and significant contributions to technology startups in both Indian and US markets. He began his career by cofounding several technology startups in India, including Platys Communications, a pioneering fabless digital high-speed ASIC design house in Hyderabad. His technical expertise and strategic vision were crucial in the company's acquisition by Adaptec Inc., where he later expanded their operations and established a robust workforce in India, growing from a small team to over 450 engineers. His leadership extended beyond the corporate realm, earning him the recognition in the technology and business communities, including serving as Chairman of the AMCHAM Hyderabad Chapter.

In addition to his IT ventures, Raghu is the Founder and Managing Director of Beontea Brew PVT. LTD., focusing on 100% natural ready-to-consume beverages, and YREACH MEDIA PRIVATE LIMITED, a digital media company. He holds significant leadership roles in various organizations, including BRIGHTCOM GROUP Limited and INTREPID GLOBAL SECURITY SOLUTIONS Inc. Raghu's commitment to social responsibility is reflected in his active engagement with NGOs and leadership roles in Rotary initiatives.

His extensive experience and dedication to fostering entrepreneurship and innovation continue to make him a prominent figure in the IT industry and a role model for aspiring entrepreneurs worldwide.

Details of Mr. Raghunath Allamsetty as required under the SEBI Listing Regulations and SS-2 are provided as annexure of this Notice.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee considers the appointment of Mr. Raghunath Allamsetty as an Additional Director (Executive) in the interest of the Company and recommends the Special Resolution for approval of Members.

Except Mr. Raghunath Allamsetty, being the appointee, none of the Directors and Key Managerial Personnel of the Company, including their relatives, are in any way concerned or interested, financially or otherwise in the resolution set out in Item #4.

### **Item #5: Appointment of Mr. Ram Sharma (DIN # 06747944) as an Independent Director of the Company**

On the recommendation of the Nomination & Remuneration Committee (NRC), the Board of Directors at their meeting held on June 26, 2024, appointed Mr. Ram Sharma (DIN # 06747944) as an Additional Director in the capacity of an Independent Director of the Company with effect from June 26, 2024 for a term of 5 consecutive years upto June 25, 2029 subject to approval of the Members of the Company. In terms of Section 160 of the Act, the Company has received a notice in writing from a member signifying the intention to propose the candidature of Mr. Ram Sharma for the office of Director of the Company.

The Company has received the requisite consents, declarations, etc. from Mr. Ram Sharma in relation to his appointment as an Independent Director.

Mr. Ram Sharma has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company.

### **Brief Profile of Mr. Ram Sharma**

Mr. Ram Sharma is an accomplished professional with extensive global experience in various corporate fields, including entrepreneurial ventures, legal practice, information technology, and training. He has a distinguished career as a practicing lawyer in the High Court at Hyderabad and other courts across India. Mr. Sharma has handled a diverse range of cases, including writs, civil appeals, original suits, consumer cases, and criminal petitions, particularly in matters related to personal property, land acquisition, municipal corporations, banking and debt recovery, and consumer protection. His core skill set includes drafting and negotiating contracts for various companies, executing legal strategies on a project basis, regulatory compliance, and leading high-stake litigations and arbitration matters. In addition to his legal career,

Mr. Sharma has held significant positions in multiple countries, including India, the UK, Australia, the USA, and Uganda. He served as the Managing Director of IBT Holdings in London and the Director of IBT Pvt Ltd., London School of English & Computing. He is the founder and Managing Director of a group of companies under IBT Holdings, specializing in skill development, software development, and linguistic and computing areas. An ardent entrepreneur and an enthusiastic traveler, Mr. Sharma has visited 42 countries and has diverse hobbies and interests, including adventure sports, sailing, and biking.

Details of Mr. Ram Sharma as required under the SEBI Listing Regulations and SS-2 are provided as annexure of this Notice.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee considers the appointment of Mr. Ram Sharma as an Independent Director in the interest of the Company and recommends the Special Resolution for approval of the Members.

Except Mr. Ram Sharma, being the appointee, none of the Directors and Key Managerial Personnel of the Company, including their relatives, are in any way concerned or interested, financially or otherwise in the resolution set out in Item #5.

**Item #6: Appointment of Mr. Satyanarayana Yadavally (DIN # 07583181) as an Independent Director of the Company.**

On the recommendation of the Nomination & Remuneration Committee (NRC), the Board of Directors at their meeting held on August 1, 2024, appointed Mr. Satyanarayana Yadavally (**DIN # 07583181**) as an Additional Director in the capacity of an Independent Director of the Company with effect from August 1, 2024 for a term of 5 consecutive years upto July 31, 2029 subject to approval of the Members of the Company. In terms of Section 160 of the Act, the Company has received a notice in writing from a member signifying the intention to propose the candidature of Mr. Satyanarayana Yadavally for the office of the Director of the Company.

The Company has received the requisite consents, declarations, etc. from Mr. Satyanarayana Yadavally in relation to his appointment as an Independent Director.

Mr. Satyanarayana Yadavally has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company.

**Brief Profile of Mr. Satyanarayana Yadavally**

Mr. Satyanarayana Yadavally is a seasoned professional with over 43 years of industry experience. He has demonstrated exceptional leadership and strategic vision in both manufacturing and trading sectors. As Executive Director of M/s P. Fluoro Compounds Pvt Ltd for the past 8 years, he has successfully overseen daily operations, led business development initiatives, and ensured sustainable financial growth. Prior to that, his 35-year tenure in manufacturing and marketing instant geysers, significantly contributed to the brand's market presence and sales growth. His extensive expertise highlights his dedication and effectiveness in both marketing and executive management roles.

Details of Mr. Satyanarayana Yadavally as required under the SEBI Listing Regulations and SS-2 are provided as annexure of this Notice.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee considers the appointment of Mr. Satyanarayana Yadavally as an Independent Director in the interest of the Company and recommends the Special Resolution for approval of Members.

Except Mr. Satyanarayana Yadavally, being the appointee, none of the Directors and Key Managerial Personnel of the Company, including their relatives, are in any way concerned or interested, financially or otherwise in the resolution set out in Item #6.

**Item #7: Appointment of Dr. Chandrika Setu Sharma (DIN # 10753180) as an Independent Director of the Company.**

On the recommendation of the Nomination & Remuneration Committee (NRC), the Board of Directors at their meeting held on August 1, 2024, appointed Dr. Chandrika Setu Sharma (DIN # 10753180) as an Additional Director in the capacity of an Independent Director of the Company with effect from August 1, 2024 for a term of 5 consecutive years upto July 31, 2029 subject to approval of the Members of the Company. In terms of Section 160 of the Act, the Company has received a notice in writing from a member signifying the intention to propose the candidature of Dr. Chandrika Setu Sharma for the office of the Director of the Company.

The Company has received the requisite consents, declarations, etc. from Dr. Chandrika Setu Sharma in relation to his appointment as an Independent Director.

Dr. Chandrika Setu Sharma has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company.

**Brief Profile of Mr. Dr. Chandrika Setu Sharma**

Dr. Chandrika Setu Sharma, a Ph.D. in Law, is an esteemed Assistant Professor of Law at Dr. Akhilesh Das Gupta Institute of Professional Studies, affiliated with GGSIP University, New Delhi. She specializes in Constitutional Law and has earned her B.A LLB from Ideal Institute of Technology and Management and an LL.M in Corporate Banking and Insurance Law from Amity Law School, Amity University, Noida, U.P. Dr. Sharma has a prolific record of publishing articles in reputed international and national law journals. Her teaching repertoire includes subjects such as Constitutional Law, Banking and Insurance Law, Land and Real Estate Law, Property Law, Jurisprudence, Alternative Dispute Resolution, and Legal Methodology.

Details of Dr. Chandrika Setu Sharma as required under the SEBI Listing Regulations and SS-2 are provided as annexure of this Notice.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee considers the appointment of Dr. Chandrika Setu Sharma as an Independent Director in the interest of the Company and recommends the Special Resolution for approval of Members.

Except Dr. Chandrika Setu Sharma, being the appointee, none of the Directors and Key Managerial Personnel of the Company, including their relatives, are in any way concerned or interested, financially or otherwise in the resolution set out in Item #7.

**Item #8: Re-appointment of Mr. PLEO Ganeshan (DIN # 08983194) as an Independent Director of the Company, who retires and being eligible offers himself for the re-appointment.**

On the recommendation of the Nomination & Remuneration Committee (NRC), the Board of Directors at their meeting held on August 24, 2024, appointed Mr. PLEO Ganeshan (DIN # 08983194) as an Additional Director in the capacity of an Independent Director of the Company with effect from August 24, 2024 for a term of 5 consecutive years upto August 23, 2029 subject to the approval of the Members of the Company. In terms of Section 160 of the Act, the Company has received a notice in writing from a member signifying the intention to propose the candidature of Mr. PLEO Ganeshan for the office of the Director of the Company.

The Company has received the requisite consents, declarations, etc. from Mr. PLEO Ganeshan in relation to his appointment as an Independent Director.

Mr. PLEO Ganeshan has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company.

**Brief Profile of Mr. PLEO Ganeshan**

Mr. PLEO GANESAN completed his B.E Civil Engineering and MTech. Structural Engineering, he has built a reputation across renowned organization. He continues to inspire his team to perform better and achieve something remarkable. leading ENSYS Technologies, Telangana and Andhra Pradesh, he has immense expertise to execute construction and infrastructure projects in Railways and MES across India.

Details of Mr. Pleo Ganeshan as required under the SEBI Listing Regulations and SS-2 are provided as annexure of this Notice.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee considers the appointment of Mr. Pleo Ganeshan as an Independent Director in the interest of the Company and recommends the Special Resolution for approval of the Members.

Except Mr. Pleo Ganeshan, being the appointee, none of the Directors and Key Managerial Personnel of the Company, including their relatives, are in any way concerned or interested, financially or otherwise in the resolution set out in Item #8.

**(ANNEXURE TO THE NOTICE DATED OCTOBER 24, 2024)**

**Details of Directors seeking appointment/modification of remuneration pursuant to Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2)**

Name of the Director	Mr. Allam Raghunath	Mr. Ram Sharma	Mr. Satyanarayana Yadavally
Age	57 years	54 years	56 years
Qualification	B.Tech	BSCS, USA, MBA Finance LLM, Ph.D Scholar	B.Tech
Expertise	Information Technology	Information Technology, Legal and Training	Marketing
Terms & Conditions of Appointment	Appointed as a director liable to retire by rotation for a period of 5 years	Appointed for a period of 5 years	Appointed for a period of 5 years
Details of remuneration last drawn and proposed to be paid	Rs.5,00,000/- per month plus applicable benefits as per Company policy	Sitting Fees as prescribed by Companies Act, 2013	Sitting Fees as prescribed by Companies Act, 2013
Date of First Appointment	June 28, 2024	June 28, 2024	August 1, 2024
Shareholding in the Company as on March 31, 2023	NIL	NIL	NIL
Relationships between directors inter-se	None	None	None
Number of Meetings attended during the year			
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign companies)	LIL Projects Private Limited YReach Media Private Limited	None	None
Memberships/ Chairman-ships of committees held in all companies*	None	None	None
Listed companies from which the Director has resigned in past three years	None	None	None
Skills and Capabilities in case of Appointment of Independent Director	IT Professional	Information Technology, Legal and Training	Marketing

**Notice of the 24th Annual General Meeting of  
Brightcom Group Limited**

Name of the Director	Dr. Chandrika Setu Sharma	Mr. Pleo Ganeshan
Age	34 years	55 years
Qualification	Phd. In Law	M.Tech Structural Engineering
Expertise	Legal	Engineer
Terms & Conditions of Appointment	Appointed for a period of 5 years	Appointed for a period of 5 years
Details of remuneration last drawn and proposed to be paid	Sitting Fees as prescribed by Companies Act, 2013	Sitting Fees as prescribed by Companies Act, 2013
Date of First Appointment	August 1, 2024	August 24, 2024
Shareholding in the Company as on March 31, 2023	NIL	NIL
Relationships between directors inter-se	None	None
Number of Meetings attended during the year	None	None
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign companies)	None	None
Memberships/ Chairman-ships of committees held in all companies*	None	None
Listed companies from which the Director has resigned in past three years	None	None
Skills and Capabilities in case of Appointment of Independent Director	Legal	Engineer

\*Chairmanship and membership of Audit Committee and Stakeholders' Relationship/Share Allotment Committee have been considered.

**By order of the Board  
For Brightcom Group Limited**

**Sd/-  
Raghunath Allamsetty**  
Executive Director  
DIN # 00060018

Date: 24-10-2024  
Place: Hyderabad



# THE BOARD REPORT

# THE BOARD REPORT

Dear Members,

Your directors have pleasure in presenting the Twenty Fourth Annual Report of the Company along with the Company's Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended as on March 31, 2023.

## Financial Highlights

(Rs. in Lakhs)

Particulars	Consolidated FY 2022-23	Consolidated FY 2021-22	Standalone FY 2022-23	Standalone FY 2021-22
Total Revenue (including other Income)	739,030.54	501,736.35	43,744.29	36,455.01
Gross Profit before Interest, Depreciation & Tax	216,607.82	150,465.41	609.27	427.20
Less: Interest	40.98	31.43	40.47	31.27
Depreciation	26,554.87	24,623.70	6.78	18.87
Profit before Tax	190,011.97	125,810.28	1,420.00	377.06
Less: Provision for Tax	53,055.25	34,627.45	496.20	125.88
Less: Deferred Tax	(142.64)	(37.22)	(10.10)	79.61
Profit after Tax	137,099.36	91,220.05	933.90	171.57
Add: Other comprehensive income	39,550.58	12,264.41	537.07	171.20
Total comprehensive income for the period	176,649.95	103,484.46	1,470.97	342.76
Balance Brought forward from the previous year	358,130.83	267,178.48	6,699.33	7,050.70
Profit available for appropriations	494,858.25	358,651.65	7,640.36	7,220.14
Less: Dividend	6,053.77	520.82	6,053.77	520.82
Profit Carried to Balance Sheet	488,804.49	358,130.83	1,586.60	6,699.33

## State of Affairs / Company's Performance

During the year under review, your Company achieved a consolidated turnover of Rs. 739030.54 lakhs as against Rs. 501736.35 lakhs in the previous year. Your Company has earned a consolidated gross profit of Rs. 216607.82 lakhs before interest, depreciation and tax as against Rs. 150465.41 lakhs in the previous year. After deducting financial charges of Rs. 40.98 lakhs, depreciation of Rs. 26554.87 lakhs and provision for tax of Rs. 53055.25 lakhs, the operations resulted in a net profit of Rs. 137099.36 lakhs as against Rs. 91220.05 lakhs in the previous year.

## Change in the Nature of Business

As per the requirements of Rule 8 (5) (ii) of Companies (Accounts) Rules, 2014, your Board of Directors specify that, there is no significant change in the nature of business of the Company during the last financial year.

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.

## Share Capital

During the period under review the listed entity 600,000 converted warrants into equity shares on October 02, 2022 in

connection to the In-principle approvals from the Stock Exchanges on 1<sup>st</sup> April, 2021 for 33,18,45,000 (Thirty-Three Crore Eighteen Lakhs Forty-Five Thousand Only) convertible Warrants.

Out of the abovementioned 33,18,45,000 (Thirty-Three Crore Eighteen Lakhs Forty-Five Thousand Only) convertible Warrants, the Company has allotted 32,62,55,000 (Thirty-Two Crore Sixty-Two Lakhs and Fifty-Five Thousand) equity shares against the warrants as mentioned below and the same have been listed with both BSE Limited and National Stock Exchange of India Limited:

Sl. No.	Date of Allotment	No. of Shares	Effective date of Listing
1	July 01, 2021	3,42,00,000	August 11, 2021
2	July 23, 2021	5,89,30,000	August 23, 2021
3	July 28, 2021	14,55,00,000	August 25, 2021
4	July 30, 2021	8,32,00,000	August 26, 2021
5	August 12, 2021	38,25,000	August 26, 2021
6	October 02, 2022	6,00,000	Listing in Process
<b>Total Shares</b>		<b>32,62,55,000</b>	

Listing fees has been paid for the year 2022-23 to both the Exchanges.

As on the date of this report, the Company has a paid-up share capital of Rs. 403,70,43,746 divided into 201,85,21,873 Equity Shares of Rs. 2/- each.

#### Transfer to Reserves

Your Company has not proposed to transfer any amount to the general reserve.

#### Public Deposits

Your Company has not accepted any deposits falling within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the financial year.

#### Dividend

During the year under review, the Board has decided not to declare any dividend.

#### Particulars of Loans, Guarantees & Investments

The company makes investments or extends loans/guarantees to its wholly-owned subsidiaries for their business purposes. Details of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013, along with the purpose for which such loan or guarantee was proposed to be utilized by the recipient, form part of the notes to the financial statements provided in this annual report.

#### Material changes and commitments affecting the financial position of the Company:

During the year under review, there have been no such material changes and commitments that have affected the financial position of the Company.

#### Subsidiary Companies

The Company has 16 subsidiaries as of March 31, 2023. There was no material change in the nature of the business carried on by the subsidiaries.

Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the Financial Statements of the Subsidiary Companies/ Associate Companies/ Joint in "Part-A: Subsidiaries" is attached to Financial Statements of the Company which forms a part of this Annual Report, other information under form AOC-1 is mentioned as below:

- Names of the subsidiaries which are yet to commence operations: **NIL**
- Names of the subsidiaries which have been liquidated or sold during the year: **NIL**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures "Part-B: Associates and Joint Ventures" is attached to Financial Statements of the Company which forms a part of this Annual Report.

#### 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, 2023, which forms part of the Annual Report.

### **Nomination and Remuneration Policy**

The Company's remuneration Policy is market-driven and aims at attracting and retaining high performance talent. Brightcom follows a compensation mix of fixed pay, benefits and performance-based variable pay, which is paid based on the business performance and goals of the different business units/ overall company. The remunerations to the Directors & Key Managerial Personnel are determined by the Nomination and Remuneration Committee and recommended to the Board for its approval. The above remunerations shall be subject to the approval of the shareholders of the Company, wherever required by the statute.

The Nomination and Remuneration Policy has been updated on the website of the Company at <https://www.brightcomgroup.com/investors/policies/>

### **Declaration of Independence by Independent Directors**

The Company has received necessary declaration from the Independent Directors as required under Section 149(7) of the Act and LODR Regulations confirming that they meet the criteria of independence as laid down in Section 149(6) of the Act and that of LODR Regulations.

### **Management's Discussion and Analysis**

Pursuant to the provisions of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis is presented in a separate section forming part of this Annual Report. As required under the provisions of the Listing Regulations, the Audit Committee of the Company has reviewed the Management Discussion and Analysis report of the Company for the year ended March 31, 2023. A detailed report on Management Discussion & Analysis is provided as a separate disclosure in the annual report.

### **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](http://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.

None of the Directors has any pecuniary relationship or transactions with the Company, other than to the extent of their shareholding and except the payments made to them in the form of remuneration/sitting fee.

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.

The details of related party disclosures form part of the notes to the financial statements provided in this annual report.

### **Vigil Mechanism/ Whistleblower / Ombudsperson Policy**

The Company has put in place a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements), 2015 for employees and others to report concerns about unethical behaviour.

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 <https://www.brightcomgroup.com/investors/policies/>.

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 have been denied access to the Audit Committee.

### **Disclosure as required under Section 22 of Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

In order to comply with the provisions of the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the work place. All women employees permanent, temporary or contractual are covered under the above policy. Your Company has zero tolerance towards sexual harassment at the workplace and the details of sexual harassment complaints as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder are as follows:

- No. of Complaints received: Nil
- No. of Complaints disposed-off: Not Applicable

The Company has constituted an Internal Complaints Committee for redressal of complaints and is committed to provide equal opportunities without regard to their race, caste, sex, religion, colour, nationality, disability, etc. All women associate (permanent, temporary, contractual and trainees) as well as any women visiting the Company's office/ premises or women service providers are covered under this policy. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

### **Other Policies**

The Company has also adopted the following policies, as required by Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the same are available on the website of the Company at [www.brightcomgroup.com](http://www.brightcomgroup.com).

1. Code of Conduct & Ethics for Board of Directors & Senior Management;
2. Terms & Conditions of Appointment of Independent Directors
3. Corporate Social Responsibility Policy
4. Policy for related party transaction
5. Vigil Mechanism (Whistle blower policy)
6. Policy for Determining Material Subsidiaries
7. Policy for Determining of Materiality of an Event
8. Criteria for making payment for non-executive

## Directors

9. Nomination & Remuneration Policy
10. Familiarization program of Independent Director
11. Code of Regulation & Prohibition of Insider Trading
12. Code of practices and procedures for fair disclosure of UPSI
13. Document preservation policy
14. Policy for evaluation performance of the Board
15. Policy for disclosure of material information
16. Policy for sexual harassment
17. Staff advances policy
18. Policy for determination of legitimate purpose.

## 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.

## Code of conduct for prevention of Insider Trading in Brightcom Group Limited

Code of Conduct for Prevention of Insider Trading in Brightcom Securities ("BCG Code") in accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 is uploaded on the website of the Company. The objective of the PIT Code is to protect the interest of shareholders at large, to prevent misuse of any unpublished price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Designated Persons and their immediate relatives. Mr. Raghunath Allamsetty is the Compliance Officer under the PIT Code as on the date of this report.

## Committees

The following are the details of the Committees during the Financial Year 2022-23:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee;
5. Warrants & Share Allotment Committee;
6. Risk Management Committee\*

The composition of each of the above Committees, their respective roles and responsibilities are provided in detail in the Corporate Governance Report. Apart from the abovementioned Committees, the Company also has an Internal Complaints Committee for redressal of complaints and is committed to provide equal opportunities without regard to their race, caste, sex, religion, colour, nationality, disability, etc.

\* Risk Management Committee formed with effect from September 16, 2021.

## Directors and Key Managerial Personnel

In pursuance of Section 152 of the Companies Act, 2013 and the Rules framed there under Mr. Raghunath Allamsetty, Executive Director is liable to retire by rotation.

Pursuant to the provisions of regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on

General Meetings issued by ICSI, brief resume and other disclosures relating to the Directors who are proposed to be appointed/ re-appointed are given in the Annexure to the Notice of the 24<sup>th</sup> AGM.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under Section 149(6) of the Act and under Regulation 16(1)(b) of SEBI Listing Regulations. None of the directors of the company is disqualified under the provisions of the Companies Act, 2013 ('Act') or under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All Independent Directors have provided confirmations as contemplated under section 149(7) of the Act.

Mr. Kallol Sen (DIN #00671018) was appointed as an Additional (Executive) Director under the category of Whole-time (Executive) Director as per the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, on the Board of the Company with effect from February 2, 2024 for a period of five years subject to approval of the shareholders in 24<sup>th</sup> Annual General Meeting of the Company held on November 21, 2024. He resigned as director of the company on August 11, 2024.

Dr. Shambhavi Vedantam Murthy (DIN # 10614482) was appointed as an Additional Director under the category of Non-Executive & Independent Director as per the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, on the Board of the Company with effect from May 4, 2024 for a period of five years subject to the approval of the shareholders in 24<sup>th</sup> Annual General Meeting of the Company held on November 21, 2024 She resigned as director of the company on August 11, 2024.

Mr. Ravi Chandran (DIN # 07027731) was appointed as an Additional Director under the category of Non-Executive & Independent Director as per the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, on the Board of the Company with effect from May 4, 2024 for a period of five years subject to the approval of the shareholders in 24<sup>th</sup> Annual General Meeting of the Company held on November 21, 2024 He resigned as director of the company on August 11, 2024.

Mr. Raghunath Allamsetty (DIN # 00060018) was appointed as an Additional (Executive) Director under the category of Whole-time (Executive) Director as per the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, on the Board of the Company with effect from June 28, 2024 for a period of five years subject to approval of the shareholders in 24<sup>th</sup> Annual General Meeting of the Company held on November 21, 2024.

Mr. M Suresh Kumar Reddy, Chairman & Managing Director and Mr. S L Narayana Raju, Chief financial officer of the Company have resigned from their respective positions on August 27, 2023 pursuant to the SEBI Interim order issued on August 22, 2023.

Mr. Nilendu Narayan Chakraborty (DIN # 07505277) resigned as an independent Director due to personal reasons and the same is considered by the Board on October 27, 2023.

Mr. Peshwa Acharya (DIN #06558712), resigned as Non-Executive Director due to personal reasons and the same is considered by the Board on January 21, 2024.

Mr. Vijay Kancharla (DIN # 02744217), resigned as Executive Director due to personal reasons and the same is considered by the Board on January 21, 2024.

Ms. Meghana Musunuri (DIN # 10462366) resigned as an Independent Director due to personal reasons and the same is considered by the Board on March 19, 2024.

Dr. Jayalakshmi Kumari Kanukollu (DIN # 03423518) resigned as an Independent Director due to personal reasons and the same is considered by the Board on May 4, 2024.

Dr. Surabhi Sinha (DIN # 07354441) resigned as an Independent Director due to personal reasons and the same is considered by the Board on May 4, 2024.

Mr. . Radhakishore Pandrangji (DIN # 06664969) resigned as an Independent Director due to personal reasons and the same is considered by the Board on May 4, 2024.

### Board Meetings

The Company has a professional Board with an optimum combination of executive, non-executive and independent directors (including two independent women directors) who bring to the table the right mix of knowledge, skill and expertise. The Board provides strategic guidance and direction to the Company in achieving its business objectives and protecting the interest of the stakeholders.

During the year, ten (10) meetings of the Board of Directors of the Company were convened and held in accordance with the provisions of the Companies Act, 2013. The date(s) of the Board Meeting, attendance by the directors is given in the Corporate Governance Report forming part of this Annual Report. The maximum time-gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors are disqualified under Section 164(2) of the Act. Certificate on non-disqualification, as required under Regulation 34 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 is forming part of the Corporate Governance Report forming part of this Annual Report.

### Audit Committee

Audit Committee of the Company meets the requirements of section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The details of the composition of the Audit Committee as required under the provisions of Section 177(8) of the Companies Act, 2013 is given in the Corporate Governance Report furnished as part of the Annual Report. During the year under review, the Board has accepted all the recommendations of the Audit Committee.

### Independence of the Board

The Board of Directors of the Company comprises of optimum number of Independent Directors. Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of

Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Act:

All the Independent Directors have registered themselves with the Independent Director's Data Bank. The Company has received the necessary declarations from each Independent Director under Section 149 of the Act and Regulation 25 of the Listing Regulations, confirming that he / she meets the criteria of independence laid down in Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations.

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

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, a formal evaluation of the performance of the Board, its Committees, the Chairman and the individual directors was carried out for the financial year 2022-23.

Structured forms covering evaluation of Board, Committees of the Board, Chairperson, Independent Directors and Non-Independent Directors were circulated to all the Directors and Directors were requested to rate against various criteria such as composition of the Board, receipt of regular inputs and information, functioning, performance and structure of the Board Committees, skill set, knowledge and expertise of directors, preparation and contribution at Board meetings, leadership etc. The performance evaluation of the respective Committees and that of independent and non-independent directors was done by the Board excluding the director being evaluated.

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board with specific focus on the performance and effective functioning of the Board and Individual Directors and the same is taken note by the Nomination and Remuneration Cum Compensation Committee.

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, Audit Committee and Stakeholders Relationship Committee and the Board as a whole.

Further, as per the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, the following is the matrix of skills and competencies on which all Directors are evaluated:

- Governance and Board service
- Business Understanding
- Risk/Legal/Regulatory Compliance
- Information Technology/ Accounting/Financial Experience
- Industry/Sector Knowledge
- Strategy development and implementation

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.

### **Familiarisation Programme for Directors**

In addition to giving a formal appointment letter to the newly appointed Director on the Board, a detailed induction plan covering the role, function, duties, responsibilities and the details of compliance requirements expected from the director under the Companies Act, 2013 and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given and explained to a new Director.

Pursuant to Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), conducting familiarization programmes for the Directors in the Company is a continuous process, whereby Directors are informed, either through presentations at the Board or committee meetings, board notes, interactions or otherwise about industry outlook, business operations, business model, future strategies, business plans, competitors, market positions, products & new launches, internal and operational controls over financial reporting, budgets, analysis on the operations of the Company, role, rights, responsibilities of independent directors and any other relevant information. Pursuant to Regulation 46 of Listing Regulations, the details required are available on the Company's website at [www.brightcomgroup.com](http://www.brightcomgroup.com).

### **Policy on Directors' Appointment, Remuneration and other details**

The Company's policy on directors' appointment and remuneration and other matters provided in section 178(3) of the Act have been disclosed in the corporate governance report, which forms part of this annual report and is also hosted on the Company's website [www.brightcomgroup.com](http://www.brightcomgroup.com).

### **Statutory Auditors**

M/s. P. Murali & Co., Chartered Accountants, Hyderabad (Firm Registration No. 007257S) was appointed as Statutory Auditors of the Company for a period of 5 consecutive years, consent of the Members accorded in the held 23rd Annual General Meeting of the Company. 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, 2023, form part of this Annual Report and contain some qualification(s) or adverse observations. The Board has duly examined the Statutory Auditors' Report to the consolidated and standalone financial statements, the clarifications are provided in the later part of this document.

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.

M/s. P. Murali & Co., Chartered Accountants, Hyderabad (Firm Registration No. 007257S), are not eligible to be the Statutory Auditors of the Company for the financial year 2023-24 and therefore, the Statutory Auditors proposed by the members at the ensuing 24th AGM shall be appointed for the financial year 2023-24 and shall hold the office till the conclusion of the 25th AGM at such remuneration as may be determined by the shareholders of the Company.

### **Adequacy of Internal Financial Control Systems & Risk Management**

The company does not have in place adequate internal financial controls with reference to its financial statements.

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

### **Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, Regulation 24A of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and rules framed thereunder, the Board of Directors, on recommendation of the Audit Committee, appointed Saurabh Poddar & Associates, Practising Company Secretary, Hyderabad to undertake the Secretarial Audit of the Company. The Company has received a certificate from the Secretarial Auditor, inter-alia, confirming that their appointment is within the limits laid down by the Act and rules made thereunder, is as per the term provided under the Act, he is not disqualified for being appointed as Secretarial Auditor under the provisions of applicable laws and also that there are no pending proceedings against his involving matters of professional misconduct.

The Secretarial Audit Report for the Financial Year ended March 31, 2023, 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, 2023, contains qualification(s) or adverse observations.

### **Compliance with Secretarial Standards on Board and Annual General Meetings**

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**

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the annual return of the Company for the Financial Year 2022-23 can be accessed through the web link on the Company's website <https://www.brightcomgroup.com/investors/>

### **Code for Prevention of Insider Trading**

As per the SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct of Insider Trading. The Company has appointed Mr. Vijay Kancharla, Executive Director of the Company, as Compliance Officer for setting forth the procedures and implementation of the Code for trading in Company's Equity Shares. During the year under review, there has been a due compliance of the said Code.

### **Particulars of Employees and Related Disclosures**

No Salary is being paid to Directors of the Company including whole-time 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. None of the employees of the Company is receiving a salary of more than Rs. 8.50 lakhs per month.

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 Executive Director at the Registered Office of the Company.

### Share Transfer System

Pursuant to Regulation 40 of SEBI (LODR) Regulations, 2015, as amended vide Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8<sup>th</sup> June, 2018 and Press Release No: 49/2018 dated 3<sup>rd</sup> December, 2018, shareholders may please note that, with effect from 1st April, 2019, transfer of shares (except transmission and transposition of shares) will be in dematerialized form only. Therefore, the shareholders are requested to dematerialize their shares in order to have a hassle-free transfer. Members can contact the Company or Company's Registrars and Transfer Agents, Aarthi Consultants Private Limited for assistance in this regard.

### Board's Response on Auditors Qualification, Reservation or Adverse Remark or Disclaimer Made

In response to the qualifications by the Statutory Auditors in Audit report, the Company's responses are given below:

Sl. No	Auditors Qualification	Directors Reply.
1.a.	As referred in Point No. 72, the company's investment in Ybrant Media Acquisition Inc, one of the subsidiaries of the company has negative equity/net worth indicating the existence of an indicator of impairment. But the company has neither impaired nor created any provision against the value of Investments in Ybrant Media Acquisition Inc.	YMA used to own the asset, LYCOS Inc. That is currently under the receivership of the seller (Daum Corporation). The Holding Company is working with Daum Corporation to complete the acquisition and hence investment is not yet impaired.
1.b.	As referred in Point No. 177[d], "the company" has to appoint at least one independent director on its board of directors as a director on the board of directors of each of its material subsidiaries within fifteen days of the date of its order. Refer note no 59 of Consolidated financial statements.	The Company appointed independent Directors on the Board of Subsidiaries of the Company and the same was intimated to the Exchanges as on April 28, 2023. Subsequent to their resignation from the Brightcom board, the Company has appointed newly appointed Independent Directors on the Board of Subsidiaries of the Company on October 24, 2024.
1.c.	As referred in Point No. 177[e] "the company" has to disseminate the standalone financial statements of each of its subsidiaries on its website, for the period between FY 2014-15 and FY 2021-22. Refer note no 60 of consolidated financial statements "Consequent to the order the company has uploaded the financial statements/ Financial information of its subsidiaries in its website".	The Company presented the Financial statements of its subsidiaries on its website and the same intimated to the Exchange as on April 28, 2023.
1.d.	The opening balances of Investments, receivables and payables with related to subsidiaries in standalone financial statements are subject to the confirmation of peer review auditor and due to its consequent effect, the closing balances thereof are also subject to variation.	The closing balances of Investments, receivables and payables with related to subsidiaries for the previous year will be reviewed by the Audit Committee as directed by SEBI and will get the Peer review done.
1.e.	SEBI vide its letter dated 13th April 2023, has issued interim order cum show cause notice to the company seeking clarifications with respect to certain issues. The final outcome of the investigation is yet to come by the time of our Report. Refer note no 58 of Consolidated financial statements.	The Company filed its clarification and reply to the Show Cause Notice.
1.f.	The Standalone Financial Statements of the company for the previous financial year i.e., for the year ended 31.03.2022 have been audited by predecessor auditor. The figures as at 31.03.2022 are subject to variation in view of the SEBI's observations/ directions and consequent effect on the closing balances thereof as at 31.03.2023.	The previous year consolidated financial statements will be reviewed by the Audit Committee as directed by SEBI and will get the Peer review done.
2	"The company" has not made any provision for impairment of investments of Rs.16,886.81 lakhs made in M/s Vuchi Media Private Limited despite the fact that the proposed acquisition transaction was revoked by both the parties and have cancelled the definitive share purchase agreement that was entered into.	1,40,00,000 Equity shares allotted to Vuchi Media are being annulled, the legal process is in underway.



## Listing Fees

The Company affirms that the annual listing fees for the year 2022-23 has been paid to both the National Stock Exchange of India Limited (NSE) and the BSE Limited.

## 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.

## Business Responsibility Report

Regulation 34(2)(f) of the Listing Regulations mandates the inclusion of Business Responsibility Report ("BRR") as part of the Annual Report for top 500 listed companies which was thereafter amended to top 1000 listed companies with effect from December 26, 2019, based on market capitalization as on March 31 every year. In compliance with the Listing Regulations, BRR of your Company for the Financial Year 2022-23 is appended as Annexure - II to this Report.

Your Company strongly believes that sustainable and inclusive growth is possible by using the levers of environmental and social responsibility while setting aspirational targets and improving economic performance to ensure business continuity and rapid growth.

## Investor Education and Protection Fund (IEPF)

In terms of Section 123, 124 and 125 of the Companies Act, 2013, the unclaimed dividends and shares wherein the dividends that are unclaimed for a period of seven consecutive years relating to the Final Dividend will be transferred to the IEPF Fund/Suspense account respectively. Further, as per the provisions of Section 125, the share(s) wherein the dividend is unclaimed for a period of consecutive seven (07) years will be transferred to the suspense account as prescribed by the IEPF Rules, therefore the shareholders whose dividends are unclaimed for consecutive seven years from 2014-15 (list of the shareholders along with the unclaimed dividend details are available on the website of the Company [www.brightcomgroup.com](http://www.brightcomgroup.com)) are requested to claim their unclaimed dividend at the earliest.

Shareholders are requested to ensure that their dividends are encashed on time. In case of non-encashment of dividends, shareholders are advised to approach the Company or RTA to claim their unclaimed dividends.

## Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 are applicable to the Company. The Corporate Social Responsibility Committee of the Company meets the requirements of Section 135 of the Companies Act, 2013. The details of the composition of the Corporate Social Responsibility Committee as required under the provisions of Section 135 of the Companies Act, 2013 is given in the Corporate Governance Report which forms part of this Annual Report.

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Rules made thereunder, the brief outline of the Corporate Social Responsibility ("CSR") policy of the Company and the initiatives undertaken by the Company on the CSR activities during the year are given in Annexure-III to this report in the format prescribed in the Companies (Corporate Social Responsibility) Rules, 2014. The said policy is available on the Company's website at [www.brightcomgroup.com](http://www.brightcomgroup.com).

As per the provisions of Section 135 of the Companies Act, 2013, 2% of average Net Profits of the Company for the immediately preceding three financial years calculated as per Section 198 of the Companies Act, 2013 works out to Rs. 20.11 Lakhs and the Company has spent Rs. 20.11 Lakhs on CSR activities in the areas of Education and Environmental Protection.

## Significant and Material Orders

The Company has received an intimation from SEBI through its letter dated September 16, 2021, enforcing a Forensic Audit on the Company, and the same is in progress as on the date of this report. SEBI Issued 2 Interim orders dated April 13, 2023 & August 22, 2023 in connection with the ongoing investigations and a Confirmatory Order was issued on February 28, 2024 in relation to the Interim Order dated August 22, 2023. The Company has submitted appeals with SEBI Appellate Tribunal (SAT) and the proceedings are ongoing. However, 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.

#### **Directors' Responsibility Statement**

Pursuant to the requirement of Section 134(3)(c) and 134(5) of the Companies Act, 2013 and on the basis of compliance certificate received from the executives of the Company and subject to disclosures in the Annual Accounts, as also on the basis of the discussion with the Statutory Auditors of the Company from time to time, and to the best of their knowledge and information furnished, the Board of Directors state that:

- i. In preparation of the Annual Accounts for the year ended March 31, 2023, all the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India and Companies Act, 2013 have been followed and there were no material departures.
- ii. We have adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent 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 the financial year ended March 31, 2023.
- iii. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Annual Accounts for the year ended March 31, 2023, has been prepared on a going concern basis.
- v. The company does not have in place adequate internal financial controls with reference to its financial statements.
- vi. The systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### **Acknowledgment**

Your directors place on records 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 to the same in equal measure in the coming years.

**By order of the Board  
For Brightcom Group Limited**

Date: 24-10-2024  
Place: Hyderabad

**sd/-**  
**Raghunath Allamsetty**  
Executive Director  
DIN # 00060018

## Annexure(s) to the Directors' Report

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

**[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,  
**BRIGHTCOM GROUP LIMITED,**  
 CIN: L64203TG1999PLC030996  
 Floor: 5, Fairfield by Marriott Road No. 2,  
 Nanakramguda, Gachibowli,  
 Hyderabad TG 500032 IN

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.

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 our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, 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 examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Securities and Exchange Board of India Act, 1992; *The Company has received an intimation from SEBI through its letter dated September 16, 2021, enforcing a Forensic Audit on the Company, and the same is in progress as on the date of this report. SEBI Issued 2 Interim orders dated April 13, 2023 & August 22, 2023, in connection with the ongoing investigations and a Confirmatory Order was issued on February 28, 2024 in relation to the Interim Order dated August 22, 2023. The Company has submitted appeals with SEBI Appellate Tribunal (SAT) and the proceedings are ongoing. However, 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.*
- iv. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- v. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment.
- vi. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - (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, 2018;

*Two (2) Adjudication orders (AO), is passed under SEBI Act, 1992 and SEBI (Prohibition of Insider Trading) Regulations, and the same has been fulfilled as per the order and relevant submission has been informed to the Exchanges and SEBI.*

*During the period under review the listed entity 600,000 converted warrants into equity shares on October 02, 2022, in connection to the In-principle approvals from the Stock Exchanges on 1<sup>st</sup> April, 2021 for 33,18,45,000 (Thirty-Three Crore Eighteen Lakhs Forty-Five Thousand Only) convertible Warrants.*

*Out of the abovementioned 33,18,45,000 (Thirty-Three Crore Eighteen Lakhs Forty-Five Thousand Only) convertible Warrants, the Company has allotted 32,62,55,000 (Thirty-Two Crore Sixty-Two Lakhs and Fifty-*

Five Thousand) equity shares against the warrants as mentioned below and the same have been listed with both BSE Limited and National Stock Exchange of India Limited:

<b>Sl. No.</b>	<b>Date of Allotment</b>	<b>No. of Shares</b>	<b>Effective date of Listing</b>
1	July 01, 2021	3,42,00,000	August 11, 2021
2	July 23, 2021	5,89,30,000	August 23, 2021
3	July 28, 2021	14,55,00,000	August 25, 2021
4	July 30, 2021	8,32,00,000	August 26, 2021
5	August 12, 2021	38,25,000	August 26, 2021
6	October 02, 2022	6,00,000	Listing in Process
<b>Total Shares</b>		<b>32,62,55,000</b>	

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period);
- (f) 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period) and.
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vii. Other Laws applicable specifically to the Company namely: –

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

I have also examined compliance with the applicable standards/regulations of the following:

- (i) Secretarial Standards – 1 & 2 issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observation:

*The filing of listing applications for the conversion of 600,000 warrants into equity shares for both BSE Limited and National Stock Exchange of India Limited is still pending.*

#### **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 as on March 31, 2023. The changes in the composition of the Board that took place during the period under review were carried out in compliance with the provisions of the Act.

The Company has received an intimation from SEBI through its letter dated September 16, 2021 enforcing a Forensic Audit on the Company, and the same is in progress as on the date of this report. However, 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.

As per the information furnished, Adequate notice is generally given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent, 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 decisions at Board Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors. Minutes of the Material Subsidiaries were not presented for the verification nor acknowledged in the Minutes of the Company Board Meeting.

**I further report that** there are reasonable 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.

This report is to be read with our letter of even date, which is annexed as "Annexure – A" and forms an integral part of this report.

**For M/s. Saurabh Poddar & Associates  
Company Secretaries  
FIRM UIN: S2012AP177700**

**Name: Saurabh Poddar  
Membership No: FCS 9190  
COP No: 10787  
PR : 785/2020 dated 30th June 2020  
UDIN: F009190F001749280**

Place: Hyderabad  
Date: 24-10-2024

To  
The Members,  
**BRIGHTCOM GROUP LIMITED,**  
(Formerly Lycos Internet Limited)  
CIN: L64203TG1999PLC030996  
Floor: 5, Fairfield By Marriott Road No. 2,  
Nanakramguda, Gachibowli,  
Hyderabad TG 500032 IN

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of BRIGHTCOM GROUP LIMITED, (“the Company”). Our responsibility is to express an opinion on these secretarial records based on our 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. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. Wherever 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 a test basis.
6. The Secretarial Audit report 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.
7. We have relied up on the information provided by the Management with respect to related party transactions for its compliance.

**For M/s. Saurabh Poddar & Associates**  
**Company Secretaries**  
**FIRM UIN: S2012AP177700**

**Name: Saurabh Poddar**  
**Membership No: FCS 9190**  
**COP No: 10787**  
**PR : 785/2020 dated 30th June 2020**  
**UDIN: F009190F001749280**

Place: Hyderabad  
Date: 24-10-2024

**Business Responsibility Report**

As per Regulation 34(2)(f) of the Listing Regulations, 2015

**Section A: General Information about the Company**

1	Corporate Identity Number (CIN) of the Company	L64203TG1999PLC030996
2	Name of the Company	Brightcom Group Limited
3	Registered Office of the Company	Floor-5, Fairfield by Marriott, Road No.2, Nanakramguda, Gachibowli, Hyderabad, Telangana, India - 500032
4	Website	<a href="https://www.brightcomgroup.com/">https://www.brightcomgroup.com/</a>
5	E-mail id	ir@brightcomgroup.com
6	Financial Year reported	Financial year ending 31st March, 2023
7	Sectors that the company is engaged in (Industrial Activity code-wise)	Digital Marketing & Advertising Technology NIC Code: 9983
8	List three key products/services that the company manufactures/provides (as in Balance sheet)	Ad operations, Campaign management for online ads, data analytics of consumer response online, Advertising Platform support - Programmatic
9	Total number of locations where business activity is under taken by the Company	Our office in India is located in Hyderabad. Our international offices are located at San Jose, CA; Boston, US; Herzliya-Israel; Singapore; UAE; Sidney-Australia; Mexico City-Mexico; Chile, Buenos Aires -Argentina; Belgrade-Serbia; Berlin-Germany; Brasilia-Brazil; Montevideo, Paraguay; Asuncion-Paraguay, UK; France
	a) Number of International Locations (Provide details of major 5)	
	b) Number of National Locations	
10	Markets served by the Company	National & International

**SECTION B: Financial Details of the Company**

1	Paid up Capital (INR)	403,70,43,746
2	Total Turnover (INR)	739,030.54 lakhs
3	Total Profit after taxes (INR)	137,099.36 lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Rs. 20.11 lakhs 2% < as percentage of profit after tax
5	List of activities in which expenditure in 4 above has been incurred:-	Education and Environmental Protection

**Section C: Other Details**

1	Does the Company have any subsidiary Company / Companies	Yes, The Company has 2 wholly owned Indian subsidiaries and 14 foreign subsidiaries.
2	Do the Subsidiary Company/companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)	No, However Certain business responsibility initiatives in the area of ethics, transparency and accountability, sustainable use of resources, wellbeing of employees are also being followed by its subsidiaries.

3	<p>Do any other entity/entities (e.g., suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company. If yes, then indicate the percentage of such entity/entities (Less than 30%, 30-60%, more than 60%)</p>	<p>The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, it encourages them to adopt such practices while conducting their business.</p> <p>Most of the suppliers, vendors, agents, consultants, contractors and third parties (More than 60%), who have business relationships with the Company, are contractually bound to abide by the Code of Conduct, Whistle Blower Policy and performance standards. In this capacity they are involved and participate in the Business Responsibility initiatives of the Company.</p>
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## Section D: Business Responsibility Information - OTHER DETAILS

### 1. Details of Director/Directors responsible for BR<sup>1</sup>

a) Details of the Director/Director responsible for implementation of the BR policy/policies.

- i. Name : M. Suresh Kumar Reddy
- ii. Designation : Chairman & Managing Director
- iii. DIN Number : 00140515

b) Details of the BR Head

- i. Name : M. Suresh Kumar Reddy
- ii. Designation : Chairman & Managing Director
- iii. DIN Number : 00140515
- iv. Telephone Number : +91 (40) 67449910
- v. E-mail id : [ir@brightcomgroup.com](mailto:ir@brightcomgroup.com)

### 2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

Principle 1: **Ethics, Transparency & Accountability** - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2: **Product Lifecycle Sustainability** - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3: **Employee Well Being** - Businesses should promote the wellbeing of all employees.

Principle 4: **Stakeholder Engagement** - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Principle 5: **Human Rights** - Businesses should respect and promote human rights.

Principle 6: **Preservation of Environment** - Business should respect, protect, and make efforts to restore the environment.

Principle 7: **Responsible Advocacy** - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8: **Inclusive Growth & Equitable Development** - Businesses should support inclusive growth and equitable development.

Principle 9: **Customer Value** - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

<sup>1</sup> Mr. M Suresh Kumar Reddy ceased to serve as a Director in the company in accordance with the SEBI Interim order issued on August 22, 2023, and this decision was executed on August 27, 2023. As a result of the SEBI Interim order, the Board is currently responsible for overseeing the Business Review (BR), and no director has been authorized to assume this responsibility as of yet.



a) **Details of Compliances**

No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / Policies for	Y	Y	Y	Y	Y	Y	NA	Y	Y
2	Has the Policy being formulated in consultation with the relevant stakeholders	All the policies are in comparable with the best practices in the industry.								
3	Does the policy conform to any national / international standards? If yes, Specify? (50 words)	The Company is abiding by the various laws while framing the policies, the best practices are taken into account								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	The policies have been approved by the Chairman and Managing Director and certain policies are approved by the Board								
5	Does the company have a specified committee of the Board / Director /Official to oversee the implementation of the Policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6	Indicate the link for the policy to be viewed on-line?	Many of the policies are available on the website of the Company <a href="http://www.brightcomgroup.com">www.brightcomgroup.com</a> and the policies which are internal to the Company are available on the Intranet of the Company.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8	Does the company have in-house structure to implement the policy / policies	Y	Y	Y	Y	Y	Y	NA	Y	Y
9	Does the company have grievance redressal mechanism related to the Policy / Policy to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	NA	NA	Y	NA	NA	Y	NA	Y	NA

b) **If answer to the question at serial number 1 against any principle, is 'No', please explain why:**

No.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles	<b>Not Applicable</b>								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for a task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)	The Company does not have a need to frame/ incorporate the said policy into the frame work of the Company, the same will be taken up basis the requirement.								

### 3. **Governance related to Business Responsibility (BR):**

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year?

*Reviewed by the Board of Directors annually. However, Chairman & Managing Director will review the same at regular intervals with concerned stakeholders / Senior Management team.*

- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

*The Company publishes the Business Responsibility Report in accordance with SEBI guidelines and it will form part of the Annual Report.*

#### **Section E: Principle-Wise Performance:**

##### **Principle 1: Business should conduct and govern themselves with ethics, transparency and Accountability**

Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

*The Company does not have a separate policy relating to ethics, however issues regarding the same form an integral part of the Company's Codes of Conduct (Code of Conduct for Employees, Code of Conduct for Directors and designated employees). Efficient conduct of business of the company through commitment to transparency and business ethics in discharging its corporate responsibilities are hallmarks at BCG.*

*Suppliers/Contractors/others are advised to follow the Quality Policy, Whistle Blower Policy and other key policies which form a major attribute maintaining a business relationship with Company.*

How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management? If so, provide details thereof: in about 50 words or so.

*Brightcom Group Limited strongly emphasis on serving its customers with the best quality services. The Company not only believes in delivery of quality services but also believes in on-time service to all its customers. All the Customer complaints which were received have been resolved in adequate time and proposed improvements incorporated into the processes and the Company makes sure that no complaints are pending at the end of the financial year.*

##### **Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

*At Brightcom Group, we believe in improving and maintaining ecological balance by monitoring, tracking and controlling environmental impact at our workplaces by adopting sustainable practices and procedures. We shall strive continually to improve our environment, occupational health and safety performance.*

*Being a Company engaged majorly in Service sector and product development, we always encourage as to procure required limited materials from local and small-scale units, because it approachable easily and frequent monitoring can be done in respect of quality and supplies. Our packing material in terms of value is procured from local sources.*

*The Company also believes in proper and efficient waste disposal by giving due weightage to disposal of E-waste/ hazardous waste, which is disposed of in an environmentally friendly manner for preservation of the society.*

##### **Principle 3: Businesses should promote the wellbeing of all employees**

How do we respect and promote the well-being of all our employees?

*Our pro-activeness in setting up a crisis management team, robust business continuity processes, and infrastructure at Brightcom ensured uninterrupted services to our customers while maintaining health and safety of all the employees. Considering well-being of employees, we launched various initiatives where people can seek counsel to their stress, anxieties and fears.*

##### **Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

Has the Company mapped its internal and external stakeholders? Yes/No

*Yes, we have mapped our internal and external stakeholders including employees, customer's suppliers, community and regulators.*

*We have supported the local community through our Corporate Social Responsibility and social development activities.*

We have shared with our Investor & Shareholders, the AGM, Investor Presentations, Investor Calls, Investor Meetings, Investor Communications (e-Mails, Notices, paper adds and BSE & NSE web portals) and Media interviews etc.

To our Employees, we have Internal Employee Communications, HR Portal, News Letters, Employee Gatherings, Team Building Activities and other employee engagements activities.

Company believes in improved health, education, environment and accordingly has undertaken several programs and initiatives to the disadvantaged, vulnerable and marginalized population living in the local community. To achieve the same, Company has a well-formulated CSR policy. During the year the Company has taken up activities i.e., IT training to graduate freshers in various softwares including Artificial Intelligence, soft skills like communication, client management etc.

#### **Principle 5: Businesses should respect and promote human rights**

Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

BCG acknowledges and respects human rights of all its stakeholders and groups at the workplace. The Company is committed to ensuring that people are always treated with dignity and respect. We have embraced Human Rights virtues in our Human Resources policies including Code of Conduct, Whistle Blower policy, etc. to uphold human rights within our organisation and we continue to make employees aware of human rights-related issues.

Human Rights are embedded in various policies of the Company i.e., Code of Conduct, POSH Policy, Whistle Blower Policy, Human Rights Policy, which extends to the employees/resources hired from outsourced agencies and other stakeholders engaging with the Company and the Company is committed to ensuring that people are treated with dignity and respect. We continue to make our contractor, customers, suppliers, etc. aware of human rights-related issues

#### **Principle 6: Business should respect, protect, and make efforts to restore the environment**

Does the policy relate to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/Suppliers/Contractors/ NGOs/ others?

It extends only to the Company. However, the Company encourages all its stakeholders ensure the compliance with all governmental laws related to Environment and Health and Safety.

The Environmental risk assessment is being done on periodic basis.

At present the company does not have any projects of clean development mechanism.

During the FY 2022-23, the Company has not received any show cause/ legal notices from CPCB/SPCB.

#### **Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with? Yes. Company is a member of FTAPCCI

Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the board areas (drop box: Governance and administration, Economic Reforms, inclusive Development Policies, energy security, water, Food Security, sustainable Business Principles, Others): **No**

**Principle 8: Businesses should support inclusive growth and equitable development.**

*At BCG, we believe that, irrespective of whether a company is polluting or non-polluting, protection of environment should be the concern of every socially responsible organisation. Each company must take steps to make sustainable use of resources, establish a healthy and safe working environment, maintain ecological balance, take proactive steps to minimise waste generation and preserve environment.*

*During the year under review, Company has spent over the environmental protection and educational infrastructure. The programs have been undertaken by in-house teams. We review our projects on periodic basis to assess the projects against the project deliverables.*

*This information has been provided under CSR Report of the Company which forms a part of this Annual Report.*

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

*Brightcom Group Limited has standard operating procedure to acknowledge, investigate and respond to any product quality related complaints / query. Dedicated investor relations team, complaints handling teams across the group ensure that detailed investigation is performed for all complaints/queries received and appropriate action is taken wherever necessary within the stipulated time frames. We do not have any consumer cases in this financial year.*

*No cases with respect to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years are filed by any stakeholders against the Company and there are nil cases pending as on end of financial year.*

*We undertake customer satisfaction survey through consistent visit/ interaction with the customers.*

**Annual Report on Corporate Social Responsibility (CSR) activities**

(Pursuant to Section 135 of the Companies Act, 2013 and Rules made thereunder) As per Regulation 34(2)(f) of the Listing Regulations, 2015

**1. Brief outline on CSR Policy of the Company:**

To actively contribute to the social and economic development of the communities in which we operate and, in the process, build a better, sustainable way of life for the weaker sections of society and to contribute effectively towards inclusive growth and raise the country's human development index.

Our projects mainly focus on Education, Infrastructure development and Environment development. The Board of Directors have adopted a CSR Policy in line with the Section 135 of the Companies Act, 2013.

**2. Composition of CSR Committee:**

The composition of the Committee as at March 31, 2023 is as below:

Name	Position	Category
Dr. K. Jayalakshmi Kumari	Chairman	Independent & Non-Executive Director
Mr. Vijay Kancharla	Member	Executive Director
Mr. M. Suresh Kumar Reddy <sup>2</sup>	Member	Executive Director

**3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

The CSR policy of the Company is available on our website [www.brightcomgroup.com](http://www.brightcomgroup.com)

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). Not Applicable****5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Financial Year	Amount available for set-off from preceding financial	Amount required to be setoff for the financial year, if any (in Rs)
Not Applicable		

**6. Average net profit of the company as per section 135(5): Rs. 1,005.09 lacs****7. CSR Requirement:**

Sr. No.	Particulars	Amount (Rs. in Lacs)
a	Two percent of average net profit of the company as per Section 135(5)	20.09 lacs
b	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	NIL
c	Amount required to be set off for the financial year, if any	NIL
d	Total CSR obligation for the financial year (7a+7b-7c).	20.09 lacs

2 Mr. M Suresh Kumar Reddy ceased to serve as a Director in the company in accordance with the SEBI Interim order issued on August 22, 2023, and this decision was executed on August 27, 2023. As a result of the SEBI Interim order, the Board yet to reconstitute the sub-committees of the Board.

**CSR Spend:**

**a) CSR amount spent or unspent for the financial year:**

Total amount spent for the financial year 2022-23	Amount unspent (in Rs.)				
	Total amount transferred to unspent CSR account as per Section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
Rs. 20.11 lacs	Not Applicable				

**b) Details of CSR amount spent against ongoing projects for the financial year: NA**

**c) Details of CSR amount spent against other than ongoing projects for the financial year: Rs.20.11 lakhs on Educational and Environmental activities.**

**d) Amount spent in Administrative Overheads: Nil**

**e) Amount spent on Impact Assessment, if applicable: NA**

**f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 20.11 lacs**

**g) Excess amount for set off, if any: N.A.**

Sl. No.	Particulars	Amount (Rs. in lakhs)
	Two percent of average net profit of the Company as per section 135(5)	20.09
	Total amount spent for the financial year	20.11
	Excess amount spent for the financial year (i-ii)	NIL
	Surplus arising out of the CSR Projects or programs or activities of the previous financial years, if any	NIL
	Amount available for set off in succeeding financial years (iii-iv)	NIL

**8. (a) Details of unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding financial year	Amount transferred to unspent CSR Account under Section 135(6) (in Rs. lakhs)	Amount spent in the reporting financial year (in Rs lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs lakhs)
				Name of the fund	Amount in Rs lakhs	Date of transfer	
Not Applicable							

**b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial years:**

Sl. No.	Project Id	Name of the Project	Financial year in which project was commenced	Project duration	Total amount allocated for the project (in Rs)	Amount spent on the project in the reporting Financial year (in Rs.)	Cumulative amount spent at the end of reporting financial year (in Rs.)	Status of the project-completed/ongoing
Not Applicable								

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not applicable**

**11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profits as per section 135(5): Not applicable**

# REPORT ON CORPORATE GOVERNANCE

## 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 (LODR) 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 she/he 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 she/he meets the criteria of independence as required under Section 149(6) of the Act and as per Regulation 16(1)(b) of the SEBI (LODR) Regulations.

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



The Composition of the Board of Directors as on March 31, 2023, with their attendance at the Board Meetings held during the year 2022-23 and at the last Annual General Meeting are as detailed below:

Name of the Director	Category of Directorship	Number of Board meetings attended during the year 2022-23	Attendance at the last AGM held on Sept 30, 2022	Number of directorships in other public companies #		Number of committee Positions held in this & Other public companies @	
				Director	Chairman	Member	Chairman
Mr. M. Suresh Kumar Reddy DIN: 00140515	Promoter & Executive	10	Yes	NIL	NIL	2	Nil
Mr. Vijay Kancharla DIN: 02744217	Promoter & Executive	10	Yes	NIL	NIL	3	1
Mr. Peshwa Acharya DIN: 06558712	Non-Executive and Non-Independent	10	Yes	NIL	NIL	NIL	NIL
Dr. K. Jayalakshmi Kumari DIN: 03423518	Independent & Non-Executive	10	Yes	1	NIL	9	3
Dr. Surabhi Sinha DIN: 07354441	Independent & Non-Executive	10	Yes	NIL	NIL	5	2
Mr. Nilendu Narayan Chakraborty DIN: 07505277	Independent & Non-Executive	10	Yes	NIL	NIL	3	1

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

@ Committees Member column also includes Chairmanship.

Other than on the Board of the Company, which is a listed entity, the following Director is holding directorship in other listed entity as shown below:

Dr. K. Jayalakshmi Kumari - Cambridge Technology Enterprises Limited as an Independent Director.

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, 2023.

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](http://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 Ten times during the financial year 2022-23.

Sl. No.	Date of Board Meeting	Sl. No.	Date of Board Meeting
1	April 05, 2022	2	May 30, 2022
3	June 26, 2022	4	August 13, 2022
5	September 06, 2022	6	October 18, 2022
7	November 12, 2022	8	December 10, 2022
9	January 04, 2023	10	February 03, 2023

### Key Board qualifications, skills, expertise and attributes of the Board of Directors of the Company:

The Board has identified the following skills/expertise/ competencies fundamental while nominating candidates to serve on the Board.

- Expertise in Digital Ads, AI, IOT etc.
- Expertise in HR and Legal related matters.
- Sound knowledge of accounting, finance, banking, tax laws etc.
- Experience in developing and implementing good corporate governance practices.
- Quality of leadership, planning, management, risk assessment etc.

The table below summarizes the key qualifications, skills, expertise and attributes of the Board of Directors of the Company:

Name of the Director	Qualifications	Area of expertise and skills
Mr. M. Suresh Kumar Reddy	Master of Science from Iowa State University and B.Tech., from IIT, Kharagpur.	Software Industry and Business Intelligence Development
Mr. Vijay Kancharla	Master of Science from University of Louisville and B.Tech., from JNTU, Hyderabad.	Online Advertising Technology
Mr. Peshwa Acharya	PGDM (MBA) from IIM Calcutta And BTECH (Hons) in Chemical Engineering from IIT Kharagpur	Consumer Marketing Professional with special emphasis on Retail, Hospitality, Technology , Consumer Products .

Dr. K. Jayalakshmi Kumari	Ph.D. in Social Sciences, M.A. (Economics), M.A. (Political Science), M. Phil., M.Ed.,	Teaching experience in Social Sciences and conducts awareness programs for women's development, entrepreneurship, health camps, community services towards encouragement of economically weaker women
Dr. Surabhi Sinha	Ph.D., in Mathematics from IIT, Kharagpur., M.Sc., (Mathematics)	Mathematics Professor, Expertise in Non-linear Systems, Linear Programming Approaches and Integer Solutions via Goal Programming
Mr. Nilendu Narayan Chakraborty	Chartered Accountant	Financial reporting systems, Information systems, Budgetary controls and Contract negotiations.

### Independent Directors Meeting

During the year 2022-23, all the Independent Directors of the Company met separately on January 04, 2023 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 Code of Conduct for Directors and senior management personnel. The Code of Conduct is posted on the Company's website [www.brightcomgroup.com](http://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 six Board level Committees, namely Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Warrants and Share Allotment Committee and Risk Management Committee.

#### I. Audit Committee:

The terms of reference of the Audit Committee are in conformity with the requirements of SEBI (LODR) Regulations, 2015 and Section 177(4) of the Companies Act, 2013. Further, the Audit Committee has powers which are in line with the SEBI (LODR) Regulations, 2015. 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 investigates 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 (LODR) Regulations, 2015 and provisions of Section 177 of the Act.

The Audit Committee comprises of three 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.

Six meetings of the Audit Committee were held during the year viz. on April 05, 2022, May 30, 2022, June 26, 2022, August 13, 2022, November 12, 2022 and February 03, 2023 respectively.

The composition of the Audit Committee and details of their attendance at the meetings as at March 31, 2023 are as follows:

Name	Position	Category	No. of Meetings Attended
Mr. Nilendu Narayan Chakraborty*	Chairman	Independent & Non-Executive Director	3 of 3
Mr. Vijay Kancharla	Member	Executive Director	6 of 6
Dr. K. Jayalakshmi Kumari	Member	Independent & Non-Executive Director	6 of 6
Dr. Surabhi Sinha	Member	Independent & Non-Executive Director	6 of 6

\* Mr. Nilendu Narayan Chakraborty is the chairman of the Audit Committee with effect from July 25, 2022.

## 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.

For the year under review, Three meetings of the Committee were held i.e., on June 20, 2022; November 12, 2022 and January 04, 2023.

The composition of the Committee and the attendance details of the members as at March 31, 2022 are given below:

Name	Position	Category	No. of Meetings Attended
Dr. Surabhi Sinha	Chairperson	Independent & Non-Executive Director	3 of 3
Dr. K. Jayalakshmi Kumari	Member	Independent & Non-Executive Director	3 of 3
Mr. Nilendu Narayan Chakraborty	Member	Independent & Non-Executive Director	3 of 3

## Board Evaluation

Pursuant to provisions of The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, annual performance evaluation of the Directors including Chairman, Board and its Committees has been carried out. The Nomination and Remuneration Committee reviews the said Performance Evaluation on an 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 2022-23.

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 'Investor info' section of Company's website [www.brightcomgroup.com](http://www.brightcomgroup.com).

The details of remuneration covering salary and other benefits paid for the year ended March 31, 2023, 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 31.03.2023 (Rs.)	No. of Shares held as on 31.03.2023
Mr. M. Suresh Kumar Reddy	NIL	0	1,73,02,723
Mr. Vijay Kancharla	NIL	0	53,93,295
Dr. K. Jayalakshmi Kumari	NIL	2,00,000	NIL
Dr. Surabhi Sinha	NIL	2,00,000	NIL
Mr. Peshwa Acharya	NIL	0	NIL
Mr. Nilendu Narayan Chakraborty	NIL	1,20,000	NIL

### 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 Dr. Surabhi Sinha is an Independent & Non-Executive Director.

One meeting of the Stakeholders Relationship Committee was held during the year on November 12, 2022.

The composition of the Committee and the attendance details of the members as at March 31, 2023 are given below:

Name	Position	Category	No. of Meetings Attended
Dr. Surabhi Sinha	Chairperson	Independent & Non-Executive Director	1 of 1
Dr. K. Jayalakshmi Kumari	Member	Independent & Non-Executive Director	1 of 1
Mr. M. Suresh Kumar Reddy	Member	Executive Director	1 of 1

The Company has received 330 complaints during the year under review; most of the complaints are resolved and 25 complaints were pending at the close of the financial year.

To facilitate faster redressal of investors' grievances the Company has created an exclusive email-address "ir@brightcomgroup.com". Investors and shareholders may lodge their query/complaints addressed to this email id which are attended to immediately.

## SCORES:

Securities Exchange Board of India (SEBI) has initiated a platform for redressing the investor grievances through SCORES, a web-based complaints redressal system. The system processes complaints in a centralized web based mechanism. The company is in compliance with this system.

### 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](http://www.brightcomgroup.com).

The composition of the Committee as at March 31, 2023 is as below:

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

For the year under review, the CSR provisions are applicable to the Company and the detailed CSR report forms a part of Board's Report to this Annual Report.

### V. Risk Management Committee:

The Risk Management Committee was formed on September 16, 2021 and met twice during the year under review. The composition of the Committee is as below:

Name	Position	Category
Mr. Vijay Kancharla	Chairman	Executive Director
Dr. K. Jayalakshmi Kumari	Member	Independent & Non-Executive Director
Dr. Surabhi Sinha	Member	Independent & Non-Executive Director

### VI. 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
2021-22	September 30, 2022 11:00 a.m.	Video Conferencing (VC) facility/ Other Audio-Visual Means ("OAVM")	NIL

2020-21	December 31, 2021 11:00 a.m.	Video Conferencing (VC) facility/ Other Audio-Visual Means ("OAVM")	Issue of Equity Shares on a preferential basis
2019-20	December 28, 2020 11:00 a.m.	Video Conferencing (VC) facility/ Other Audio-Visual Means ("OAVM")	To re-appoint Dr. K. Jayalakshmi Kumari (DIN: 03423518) as an Independent Director Issuance of Warrants convertible into Equity Shares on Preferential basis

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

**The details of location and time of Extra-ordinary General Meeting are as detailed below:  
NIL**

**Details of resolution(s) passed through postal ballot during Financial Year 2021-22 and details of the voting pattern: NIL**

#### VII. 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](http://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](http://www.brightcomgroup.com) contains a separate dedicated section 'Investor Info' 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 SEBI (LODR) Regulations, 2015.

#### Certificate by Practicing Company Secretary

The Company has received certificate from Saurabh Poddar, Practicing Company Secretary (10787) confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs or any such authority. The certificate forms part of this Annual Report.

#### General Shareholder Information:

i.	Annual General Meeting (Day, Date, Time and Venue):	24 <sup>th</sup> Annual General Meeting of the Company is scheduled to be held on Thursday, the November 21, 2024 at 11:30 a.m.  The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated December 28, 2022 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
ii.	Financial Year:	April 01 to March 31. The results of every quarter beginning from April are declared within the time specified under the provisions of SEBI (LODR) Regulations, 2015.
iii.	Dividend Payment Date	

iv.	Date of Book Closure:	Thursday, November 14, 2024 to Thursday, November 21, 2024, (Both days inclusive).
v.	Listing on stock exchanges:	BSE Limited National Stock Exchange of India Limited  Annual listing fee has been duly paid to the Stock Exchanges.
vi.	Stock codes:	BSE – Scrip Code: 532368; Scrip Id: BCG NSE – Symbol: BCG
vii.	Company’s ISIN:	INE425B01027

### VIII. Market price data

The monthly high and low stock quotations during the reporting 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 2022	108.45	76.05	108.75	76.00
May 2022	83.8	56	83.60	56.10
June 2022	63	30.15	63.10	29.90
July 2022	57.7	33.2	57.80	32.90
August 2022	51.35	35.05	51.40	34.95
September 2022	45.15	31.4	44.45	31.45
October 2022	43.65	32.8	43.65	32.80
November 2022	41.4	32.25	41.50	32.25
December 2022	36.9	26.2	37.00	26.25
January 2023	31	23.9	31.05	23.80
February 2023	29.7	22.4	29.40	22.70
March 2023	23.49	11.98	23.50	12.00

#### i. Registrars and Transfer Agents

**AARTHI CONSULTANTS PRIVATE LIMITED**, (Unit: Brightcom Group Limited)

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

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

Email : [info@arthiconsultants.com](mailto:info@arthiconsultants.com); [arthiconsultants@gmail.com](mailto:arthiconsultants@gmail.com)

Website: [www.arthiconsultants.com](http://www.arthiconsultants.com)

#### Share transfer system

In accordance with the proviso to Regulation 40(1) of the Listing Regulations, effective from April 1, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions.

Company’s share transfer and related operations is operated through its Registrar and Share Transfer Agent M/s. Arthi Consultants Private Limited, Hyderabad.



## X. Distribution of Shareholding as on March 31, 2023

Nominal Value of Shareholding (in Rs.)	No. of Shareholders	Percentage	No. of Shares	Percentage
Upto 5000	4,14,148	90.31	15,22,09,380	7.54
5001 - 10000	20,058	4.37	7,28,87,915	3.61
10001 - 20000	11,477	2.50	8,27,24,337	4.10
20001 - 30000	4,082	0.89	5,00,80,823	2.48
30001 - 40000	2,205	0.48	3,87,77,721	1.92
40001 - 50000	1,411	0.31	3,16,02,748	1.57
50001 - 100000	2,534	0.55	8,95,89,958	4.44
100000 & Above	2,648	0.58	1,50,06,48,991	74.34
<b>TOTAL</b>	<b>4,58,563</b>	<b>100</b>	<b>2,01,85,21,873</b>	<b>100</b>

### Categories of Shareholding as on March 31, 2023:

Sl. No.	Category	No. of Shares held	% of shareholding
1	Promoter (s) / Promoter Group	37,27,82,652	18.47
2	Key Managerial Personnel	3,458	0.00
3	Mutual Funds	15,58,600	0.08
4	Foreign Portfolio Investor	31,82,17,607	15.76
5	Bodies Corporate	5,47,88,771	2.71
6	Government Companies	1,31,000	0.01
7	Non Resident Individuals	17,38,10,895	8.61
8	Trusts	2,533	0.00
9	Clearing Members	1,68,32,061	0.83
10	Foreign Depositories	1,860	0.00
11	Employees	2,75,500	0.01
12	Overseas Corporate Bodies	6,00,000	0.03
13	General Public	1,06,36,29,707	52.69
14	NBFCs Registered with RBI	1,58,69,729	0.79
15	Alternative Investment Funds	17,500	0.00
	<b>GRAND TOTAL</b>	<b>2,01,85,21,873</b>	<b>100</b>

### **XI. 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, 2023 a total of 2,01,62,86,707 equity shares which form 99.89% of the share capital stands 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.

### **XII. Outstanding GDRs/ ADRs/ Warrants/ Convertible instruments**

The Company has not issued Global Depository Receipts or American Depository Receipts or any Convertible instruments during the year under review. However, the company has issued and allotted 33,18,45,000 warrants to 54 allottees on April 15, 2021 out of which 32,62,55,000 have already been converted into equity and the balance 55,90,000 warrants are pending for conversion as on the date of this report.

### **XIII. Commodity Price Risk/ Foreign Exchange Risk and Hedging**

The Company did not engage in hedging activities.

### **XIV. 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 & Abroad and does not have any manufacturing plant.

### **XV. Address for Correspondence:**

<b>Company</b>	<b>Registrars and Transfer Agent</b>
Investor Relations Brightcom Group Limited Floor: 5, Fairfield by Marriott, Road No: 2, Nanakramguda, Gachi- bowli, Hyderabad – 500032, Telangana, India. Tel:+91 40 67449910 fax: +91 22 66459677 Email: <a href="mailto:ir@brightcomgroup.com">ir@brightcomgroup.com</a> ; Website: <a href="http://www.brightcomgroup.com">www.brightcomgroup.com</a>	Aarathi Consultants Private Limited (Unit: Brightcom Group Limited) 1-2-285, Domalguda, Hyderabad – 500 029. Phone : +91-40-27634445, 27638111, 27642217, 66611921 Fax : +91-40-27632184, Email: <a href="mailto:info@aarathiconsultants.com">info@aarathiconsultants.com</a> ; <a href="mailto:aarathiconsultants@gmail.com">aarathiconsultants@gmail.com</a>

### **Disclosures**

(i) During the financial year ended March 31, 2023, there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

(ii) 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.

(iii) The Company has framed a Material Subsidiary Policy and the same is placed on the Investors section of Company's website [www.brightcomgroup.com](http://www.brightcomgroup.com).

(iv) The company has framed Related Party Transaction Policy and is placed on the Investors section of Company's website [www.brightcomgroup.com](http://www.brightcomgroup.com).

(v) The Company has followed the treatment laid down in the Accounting Standards prescribed by the Institute of Chartered Accountants of India ('ICAI') which are notified by the Ministry of Corporate Affairs ('MCA') in the preparation of financial statements.

(vi) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the financial year ended March 31, 2023, the Company has not received any complaints pertaining to Sexual Harassment.

(vii) The Company has complied with all the applicable mandatory requirements of the Corporate Governance and 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 are audit qualifications on the Company's financial statements.

(viii) 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, 2023.

**By order of the  
Board  
For Brightcom  
Group Limited**

Date: 24-10-2024  
Place: Hyderabad

**Sd/-**  
**Raghunath Allamsetty**  
Executive Director  
DIN # 00060018

## COMPLIANCE CERTIFICATE

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

To  
The Board of Directors  
**BRIGHTCOM GROUP LIMITED**  
(formerly Lycos Internet Limited)

We, the undersigned, in our respective capacities as Executive Director of **BRIGHTCOM GROUP LIMITED** (formerly 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, 2023, 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.

**By order of the  
Board  
For Brightcom  
Group Limited**

Date: 24-10-2024  
Place: Hyderabad

**Sd/-**  
**Raghunath Allamsetty**  
Executive Director  
DIN # 00060018

# **CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To  
The Members of  
**Brightcom Group Limited**

I, Saurabh Poddar, Company Secretary in practice, have been appointed as the Secretarial Auditor vide a resolution passed at its meeting by the Board of Directors of M/s. Brightcom Group Limited (hereinafter referred to as 'the Company'), having CIN:- L64203TG1999PLC030996 and having its registered office at Floor 5, Fairfield by Marriott, Road No.2, Nanakramguda, Gachibowli, Hyderabad - 500032.

I, have examined the compliance of conditions of Corporate Governance by **Brightcom Group Limited** ("the Company"), for the year ended March 31, 2023, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

## **Management's Responsibility**

The compliance of conditions of Corporate Governance as stipulated under the Listing Regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

## **Auditors' Responsibility**

1. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
2. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended March 31, 2023.
3. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports and Guidance Note on Certification of Corporate Governance

both issued by the Institute of the Company Secretaries of India (the “ICSI”), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICSI.

### **Certification:**

4. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above-mentioned Listing Regulations, except in one case which we qualify below :-

As per Regulation 24(1) of The Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations 2015, which states that “at least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.”

*During the period under review the company has not appointed an independent Director on the Board of its material subsidiaries. Ms. Surabhi Sinha , Independent Director was appointed as Director in Dream Ad – Argentina and Online Media Solutions Limited, Israel on the 28th April 2023. Dr. Jayalakshmi Kanukollu Independent Director was appointed as Director in Frontier Data Management Inc. USA. on the 28th April 2023. The matter for appointment of independent directors to the board of the material subsidiaries have been intimated to the Stock exchange’s on that date.*

### **Assumption & Limitation of Scope and Review:**

1. Ensuring the authenticity of documents and information furnished is the responsibility of the management of the Company.
2. Our responsibility is to give a certificate based on our examination of relevant documents and information. It is neither an audit nor an investigation.
3. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with

the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For M/s. Saurabh Poddar & Associates  
Company Secretaries  
FIRM UIN: S2012AP177700**

**Name: Saurabh Poddar  
Membership No: FCS 9190  
COP No: 10787  
PR : 785/2020 dated 30th June 2020  
UDIN:F009190F001749335**

**Date: 24-10-2024  
Place: Hyderabad**

**Certificate of Non-Disqualification of Directors**  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI LODR Regulations)

To  
The Members of  
**Brightcom Group Limited**

I have examined the relevant registers, records, forms, returns and disclosures received from **Brightcom Group Limited** having **CIN: L64203TG1999PLC030996** and having registered office at Floor 5, Fairfield by Marriott, Road No.2, Nanakramguda, Gachibowli, Hyderabad - 500032 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **March 31, 2023** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>S. No.</b>	<b>Name of Director</b>	<b>DIN</b>	<b>Date of appointment in Company</b>
	Mr Muthukuru Suresh Kumar Reddy	00140515	26/06/2012
	Mr Vijay Kancharla	02744217	26/06/2012
	Mr Peshwa Acharya	06558712	15/09/2020
	Dr. Jayalakshmi Kumari Kanukollu	03423518	17/05/2016
	Dr. Surabhi Sinha	07354441	13/02/2018
	Mr Nilendu Narayan Chakraborty	07505277	09/12/2021

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M/s. Saurabh Poddar &  
Associates  
Company Secretaries  
FIRM UIN: S2012AP177700**

**Name: Saurabh Poddar  
Membership No: FCS 9190  
COP No: 10787  
PR : 785/2020 dated 30th June 2020  
UDIN:F009190F001749381**

**Date: 24-10-2024**

**Place: Hyderabad**



# STANDALONE FINANCIAL STATEMENTS

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
BRIGHTCOM GROUP LIMITED

### Report on the Standalone Ind AS Financial Statements

#### 1. Qualified Opinion

We have audited the accompanying standalone financial statements of M/s. Brightcom Group Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the Group as at March 31, 2023, its Profit including other comprehensive income, changes in Equity and its cash flows for the year then ended.

#### 2. Basis for Qualified Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

1) Considering the SEBI's Interim order cum show-cause notice dated 13th April, 2023 we have made the following observations:

- a) As referred in Point No. 72, the company's investment in Ybrant Media Acquisition Inc, one of the subsidiaries of the company has negative equity/net worth indicating the existence of an indicator of impairment. But the company has neither impaired nor created any provision against the value of Investments in Ybrant Media Acquisition Inc.
- b) As referred in Point No. 177[d], "the company" has to appoint at least one independent director on its board of directors as a director on the board of directors of each of its material subsidiaries within fifteen days of the date of its order. Refer note no 57 of standalone financial statements.
- c) As referred in Point No. 177[e] "the company" has to disseminate the standalone financial statements of each of its subsidiaries on its website, for the period between FY 2014-15 and FY 2021-22. Refer note no 58

of standalone financial statements "Consequent to the order the company has uploaded the financial statements/ Financial information of its subsidiaries in its website".

- d) The opening balances of Investments, receivables and payables with related to subsidiaries in standalone financial statements are subject to the confirmation of peer review auditor and due to its consequent effect, the closing balances thereof are also subject to variation.
- e) SEBI vide its letter dated 13th April 2023, has issued interim order cum show cause notice to the company seeking clarifications with respect to certain issues. The final outcome of the investigation is yet to come by the time of our Report. Refer note no 59 of standalone financial statements.
- f) The standalone Financial Statements of the company for the previous financial year i.e., for the year ended 31.03.2022 have been audited by predecessor auditor. The figures as at 31.03.2022 are subject to variation in view of the SEBI's observations/directions and consequent effect on the closing balances thereof as at 31.03.2023.
- 2) "The company" has not made any provision for impairment of investments of Rs.16,886.81 lakhs made in M/s Vuchi Media Private Limited despite the fact that the proposed acquisition transaction was revoked by both the parties and have cancelled the definitive share purchase agreement that was entered into.

#### 3. Emphasis of Matter Paragraph

1. With respect to Income Tax the company has certain appeals pending with the authorities, the outcome of which is not ascertained as on the date of Balance Sheet.
2. 1,40,70,000 equity shares allotted to M/s Vuchi Media Private Limited are pending for cancellation subject to the legal process completion.

Our opinion is not modified in respect of above matters.

#### 4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. Revenue from fixed price contracts using the percentage of completion method

##### Key Audit Matter Description

Revenue from fixed price contracts, including software development, and integration contracts, where the performance obligations are satisfied over time, is recognized using the percentage-of-completion method. Use of the percentage-of-completion method requires the Company to determine the project costs incurred to date as a percentage of total estimated project costs at completion. The estimation of total project costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. In addition, provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on

the total estimated project costs. We identified the revenue recognition for fixed price contracts where the percentage-of-completion method is used as a key audit matter because of the significant judgement involved in estimating the efforts to complete such contracts.

This estimate has a high inherent uncertainty and requires consideration of progress of the contract, efforts incurred to date and estimates of efforts required to complete the remaining performance obligations. This required a high degree of auditor judgment in evaluating the audit evidence supporting estimated efforts to complete and a higher extent of audit effort to evaluate the reasonableness of the total estimated efforts used to recognize revenue from fixed price contracts.

#### **How the Key Audit Matter Was Addressed in the Audit**

Our audit procedures related to estimates of efforts to complete for fixed price contracts accounted using the percentage-of-completion method included the following, among others:

- We tested the effectiveness of controls relating to recording of efforts incurred and estimation of efforts required to complete the remaining performance obligations, and access and application controls pertaining to time recording and allocation systems, which prevents unauthorised changes to recording of efforts incurred.
- We evaluated management's ability to reasonably estimate the progress towards satisfying the performance obligation by comparing actual information to estimates for performance obligations that have been fulfilled.
- We selected a sample of fixed price contracts with customers accounted using percentage-of-completion method and performed the following:
  - Read the contract and based on the terms and conditions evaluated whether recognizing revenue over time using percentage of completion method was appropriate, and the contract was included in management's calculation of revenue over time.
  - Evaluated the appropriateness of and consistency in the application of management's policies and methodologies to estimate progress towards satisfying the performance obligation.
  - Compared efforts incurred to date with Company's estimate of efforts incurred to date to identify significant variations and evaluate whether those variations have been considered appropriately in estimating the remaining efforts to complete the contract.
  - Tested the estimate for consistency with the status of delivery of milestones and customer acceptances to identify possible delays in achieving milestones, which require changes in estimated efforts to complete the remaining performance obligations.
  - Evaluated other information that supported the estimates of the progress towards satisfying the performance obligation. Information Other than the Financial Statements and Auditor's Report Thereon
- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's report, Business Responsibility and Sustainability Report and Corporate Governance Report, but does not include the Consolidated Financial

Statements, Standalone Financial Statements and our auditor's report thereon.

- Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **5. Information Other than the Standalone Financial Statements and Auditor's Report thereon**

The "Company's" Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### **6. Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also 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; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

## 7. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the

disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in: (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safe guards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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, based on our audit we report that:
  - a) We have sought and except for the matters described in the Basis for Qualified Opinion Section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the accompanying financial statements.
  - b) Except for the possible effects of the matter described in the Basis for Qualified 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) Except for the possible effects of the matter described in the Basis for Qualified Opinion, the Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account; as per Companies (Audit and Auditors) Rules, 2014 as amended.
  - d) Except for the possible effects of the matter described in the Basis for Qualified Opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the

Companies (Accounts) Rules, 2014 as amended.

e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion Section.

g) 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". Our report expresses Qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, during the year, the Company has not paid / provided remuneration.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the pending litigations which would have impact on its standalone financial position.

ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March, 2023.

iii. Based on our examination, we have identified the following non-compliances with the relevant laws and regulations:

- The Company has not transferred a portion of dividend declared during the year to a separate dividend Account.

- The Company has not transferred the unclaimed dividend amount to the Investor Education and Protection Fund even after seven years.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from

borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities

("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations in sub-clause (iv) and (v) above contain any material misstatement.

v. As per the information provided to us, the company has declared a final dividend of Rs.6053.76 Lakhs during the year F.Y 2021-22. However, out of above an amount of Rs.3375.24 Lakhs only transferred to a separate "Dividend account" and an amount of Rs. 3251.39 Lakhs is drawn by shareholders from this, unpaid amount stand at Rs.123.85 Lakhs. The company has not transferred an amount of Rs.2,678.52 Lakhs to the separate dividend account.

Total dividend of Rs.3,408.88 Lakhs is pending for payment which pertains to various financials years. Refer Note no 48 to the standalone Ind AS financial statements.

As stated in Note 49 to the standalone Ind AS financial statements, the Board of Directors of the Company have proposed final dividend for the year F.Y 2022-23 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of "the Act" to the extent it applies to declaration of dividend.

## Other Matters

The standalone financial statements of the company for the previous financial year i.e., for the year ended March 31, 2022 were audited by predecessor auditors, PCN & Associates, Chartered Accountants, who have expressed an unmodified opinion vide their audit report dated May 30, 2022.

**For P Murali & Co.,  
Chartered Accountants  
Firm Registration No: 007257S**

**A. Krishna Rao  
Partner  
Membership No. 020085  
UDIN: 23020085BGQX1W5411**

**Place: Hyderabad  
Date: 30-05-2023**

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of BRIGHTCOM GROUP LIMITED of even date.

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant & Equipment (PPE).
- (b) The company is maintaining proper records showing full particulars of intangible assets.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, PPE 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.
- (d) According to the information and explanations given to us and on the basis of examination of records, title deeds of immovable properties are held in the name of the company.
- (e) According to the information and explanations given to us and on the basis of our examination of records, the company has not revalued the Property Plant and Equipment or intangible assets during the period under review.
- (f) No proceedings have been initiated during the year or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. (a) The Company is in the business of providing software development and digital marketing services. So, the Company does not hold any physical inventory.
- (b) The company has not availed any working capital from banks/ Financial Institutions.
- iii. a. The company has not made Investments in, provided any guarantee or security to companies, firms, LLP or any other parties.
- b. During the year the Company has granted advances to wholly owned subsidiary companies. The aggregate amount granted during the year is Rs.16,507.39 Lakhs and balance outstanding as on balance sheet date is Rs.41,246.80 Lakhs with respect to such advances given to the wholly owned subsidiaries.
- In the absence of proper information, we are unable to comment whether these advances given are advances in the nature loan or regular in the course of business advance.
- iv. The company has not granted any loans to the parties covered under section 185 and 186 of the Companies Act, 2013. The Company has complied with the provisions of Section 185 and 186 of the Act in respect of Investments made by the Company and providing guarantees and securities. (Refer note number 32 to notes to financial statements). However, company has granted advances to two of its wholly owned subsidiaries in respect of which, we are unable to comment whether those advances given are advances in the nature of loan or regular in the course of business advance.
- v. As informed to us, the Company has not accepted any deposits during the year from the public within the meaning of the provisions of section 73 of "the Act" and hence directives issued by the reserve bank of India and the provisions of section 73 to 76 or any other relevant provisions of "the Act" the Rules framed there under are not applicable to the Company at present.
- vi. As informed to us, the maintenance of Cost Records have not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on 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 regular in depositing the undisputed statutory dues except Income Tax and TDS which is overdue for a period of more than six months, with the appropriate authorities in India.

(Amount Rs. in Lakhs)

Name of Statute	Nature of Dues	Outstanding Amount
Income Tax Department	Self Assessment Tax	435.08
Income Tax Department	TDS Payable	29.71

- (b) According to the information and explanations given to us and based on the records of "the Company" examined by us, there are statutory dues which have not been deposited on account of disputes as below as on March 31st 2023.

Name of the statute	Years pertain to	Forum where it is pending	Amount Involved
Service Tax	Liability for the period May 2008 to September 2011	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad	1,873.28
Service Tax	Liability for the period April 2014 to June 2017	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad	6,487.35
GST	Liability for the period July 2017 to March 2021	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad	3,287.09
Income Tax	Liability for the A.Y 2006-07 to A.Y 2009-10	CIT(Appeals) / ITAT	834.34
Income Tax	Liability for the A.Y 2010-11 to A.Y 2013-14	CIT(Appeals) / ITAT	3,231.47
Income Tax	Liability for the A.Y 2014-15 to A.Y 2020-21	CIT(Appeals) / ITAT	8,607.48

- viii. As per the information and explanation given to us, there are no instances where the company has surrendered or disclosed such transactions as income during the year ended 31st March, 2023 in the tax assessments under the income tax Act, 1961.
- ix. According to the information and explanations given to us, the company has not availed any loan from financial institutions or banks or issued debentures as at Balance Sheet date.
- x. (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year ended 31st March, 2023.  
(b) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year ended 31st March, 2023.
- xi. (a) Based on examination of books and records of the Company and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.  
(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in form ADT- 4 as prescribed under rule 13 of the companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.  
(c) In the absence of information provided by the management, we are unable to comment whether whistleblower mechanism has been established in accordance with requirements of the companies act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as to whether any whistleblower complaints have been received during the year by the company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) The company does not have internal audit system that commensurate with the size and nature of its business.  
(b) We have not received internal audit reports from the management for the year under audit i.e., FY 2022-23.
- xv. As per the information and explanation given to us and in our opinion during the year "the company" has not entered into any non-cash transactions with its directors or persons connected to its directors.
- xvi. (a) The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934.  
(b) The company has not conducted any Non-Banking Financial or Housing Finance activities.  
(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.  
(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended).
- xvii. The company has not incurred any cash losses during the current year and in the immediately preceding financial year, subject to adjustment if any, which may arise out of the SEBI Interim Order as referred to the Basis for Qualified opinion.
- xviii. There is no resignation of statutory auditor during the financial year and hence there is no issues, objections or concerns regarding the resignation.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, based on our knowledge of the Board of Directors' and management plans (Refer to Note No - 53 to the financial statement), we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date, subject to adjustment if any, which may arise out of the SEBI Interim Order as referred to the Basis for Qualified opinion.
- xx. (a) Details of Amount spent towards CSR, if any, has not been provided to us.  
(b) In the absence of information as above, we are not able to comment on unspent amount in respect of amount to be transferred in case of ongoing and other than ongoing projects.
- xxi. According to the information and explanations given to us, and based on the Audit Reports of the subsidiaries, included in the consolidated financial statements of the Company, we report the following adverse remarks:

Subsidiary Company Name	Adverse remark Paragraph Number
LIL Project Private Limited	a) Paragraph 2 of Audit Report w.r.t i) Advances taken from the Holding Company and advances to various parties. ii) Confirmations of Trade payables, Trade Receivables.  b) Clause 3 and 14 of Annexure A (CARO 2020) w.r.t i) Advances to companies, firms, LLP or any other parties. ii) Internal Audit System.
Yreach Media Private Limited	a) Paragraph 2 of Audit Report w.r.t i) Advances taken from the Holding Company and advances to various parties. ii) Confirmations of Trade payables, Trade Receivables. b) Clause 3 and 14 of Annexure A (CARO 2020) w.r.t i) The company has given advances to companies, firms, LLP or any other parties. ii) Internal Audit System.

**For P Murali & Co.,  
Chartered Accountants  
Firm Registration No: 007257S**

**A. Krishna Rao  
Partner  
Membership No. 020085  
UDIN:23020085BGQX1W5411**

**Place: Hyderabad  
Date: 30-05-2023**



## **ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 2(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of BRIGHTCOM GROUP LIMITED of even date

### **Report on the Internal Financial Controls over Financial Reporting under Clause (i) Of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of BRIGHTCOM GROUP LIMITED (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone 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 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 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 are being made only in accordance with authorization of management and directors of the Company
- 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 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.

## Qualified Opinion

In our opinion, the company does not have adequate Internal Financial Control Systems over financial reporting and such systems were not operating effectively as at March 31st, 2023, 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 Murali & Co.,**  
**Chartered Accountants**  
**Firm Registration No: 007257S**

**A. Krishna Rao**  
**Partner**  
**Membership No. 020085**  
**UDIN: 23020085BGQX1W5411**

**Place: Hyderabad**  
**Date: 30-05-2023**

<b>Brightcom Group Limited</b>			
<b>Standalone Balance Sheet as at 31st March 2023</b>			
Amount in Inr Lakhs except No. of Shares And EPS			
Particulars	Note	As at 31st March'2023	As at 31st March 2022
		Amount	Amount
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	57.94	50.66
Capital work in Progress	3		
Investment property	4	21.95	21.95
Other intangible assets	3	-	-
Intangible assets under development	3		
<b>Financial assets</b>			
- Investments	5	67775.49	67775.49
- Loans	6	19.91	10.37
- Others financial assets	7	164.45	164.45
Deferred tax assets (net)	8	-	-
Non- Current tax assets (net)	9	51.93	57.05
Other non-current assets	-	-	-
<b>Total Non-current assets</b>		<b>68091.67</b>	<b>68079.97</b>
<b>Current assets</b>			
<b>Financial assets</b>			
- Trade receivables	10	20876.40	17977.71
- Cash and cash equivalents	11	96.52	571.12
- Other bank balances	12	59.46	5.39
- Loans	13	85380.08	87884.27
- Other Financial Assets	14	57.36	61.78
Other current assets	15	5441.29	4326.17
<b>Total Current assets</b>		<b>111911.11</b>	<b>110826.44</b>
<b>Total assets</b>		<b>180002.78</b>	<b>178906.41</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	16	40370.44	40358.44
Other equity	17	117068.85	121617.44
<b>Total Equity</b>		<b>157439.29</b>	<b>161975.88</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	18	10837.79	9992.86
other long-Term Liabilities			
Provisions	19	486.81	505.59
Deferred tax liability (net)	8	56.79	66.90
<b>Total Non-current liabilities</b>		<b>11381.39</b>	<b>10565.35</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings		-	-
- Trade payables	20	3710.90	2362.48
(A) Total outstanding dues of Micro enterprises and Small Enterprises			
(B) Total outstanding dues of creditors other than micro and small enterprises.			
(iii) Other financial liabilities (other than those specified in item (c) below)			
- Other financial liabilities	21	109.37	110.73
Other current liabilities	22	4967.99	3044.04
Provisions	23	2393.85	847.94
<b>Total Current liabilities</b>		<b>11182.10</b>	<b>6365.19</b>
<b>Total equity and liabilities</b>		<b>180002.78</b>	<b>178906.41</b>
<b>Significant accounting policies</b>			
The accompanying notes from 1 to 60 form an integral part of the standalone financial statements.			
As per our report of even date attached For P Murali & Co., Chartered Accountants FRN:007257S		For and on behalf of the Board of Directors Brightcom Group Ltd	
A Krishna Rao Partner M.No.020085 UDIN:23020085BGQX1W5411	M.Suresh Kumar Reddy Chairman & Managing Director DIN: 00140515	Vijay Kancharla Executive Director DIN: 02744217	
Place : Hyderabad Date : 30-05-2023	SLN Raju Chief Financial Officer		

<b>Brightcom Group Limited</b>			
<b>Standalone Statement of Profit and Loss for the year ended 31st March 2023</b>			
Amount in Inr Lakhs except No. of Shares And EPS			
Particulars	Note	For the year ended 31st March'2023	For the year ended 31st March'2022
		Amount	Amount
<b>REVENUE</b>			
I. Revenue from operations	24	43391.27	36681.09
II. Other income	25	353.02	-226.08
<b>III. Total revenue (I+II)</b>		<b>43744.29</b>	<b>36455.01</b>
<b>IV. EXPENSES</b>			
Cost of Revenue	26	33655.07	28517.19
Employee Benefit expenses	27	4394.51	3834.47
Other Expenses	28	4227.46	3676.15
Financial costs	29	40.47	31.27
Depreciation and amortization expense	3	6.78	18.87
<b>Total expenses (IV)</b>		<b>42324.29</b>	<b>36077.95</b>
<b>V. Profit/(loss) before tax (III-IV)</b>		<b>1420.00</b>	<b>377.06</b>
<b>VI. Tax expense</b>			
Current tax		496.20	125.88
Deferred tax		-10.10	79.61
<b>VII. Profit/(loss) for the period (V-VI)</b>		<b>933.90</b>	<b>171.57</b>
<b>VIII. Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plan(net of tax)		7.14	-2.12
Exchange difference in translation of foreign operatins		529.93	173.32
<b>IX. Total comprehensive income for the period (VII)</b>		<b>1470.97</b>	<b>342.77</b>
Earnings per share			
a) Basic (in Rs.)		0.046	0.01
b) Diluted (in Rs.)		0.046	0.01
<b>Significant accounting policies</b>			
The accompanying notes from 1 to 60 form an integral part of the standalone financial statements.			
<b>AS PER OUR REPORT OF EVEN DATE</b>		<b>For and on behalf of the Board Directors</b>	
<b>P Murali &amp; Co.,</b>		<b>Brightcom Group Ltd</b>	
<b>Chartered Accountants</b>			
<b>FRN:007257S</b>			
<b>A Krishna Rao</b>		<b>M.Suresh Kumar Reddy</b>	
<b>Partner</b>		<b>Chairman &amp; Managing Director</b>	
<b>M.No.020085</b>		<b>DIN: 00140515</b>	
<b>UDIN: 23020085BGQX1W5411</b>		<b>Vijay Kancharla</b>	
		<b>Executive Director</b>	
		<b>DIN: 02744217</b>	
<b>Place : Hyderabad</b>		<b>SLN Raju</b>	
<b>Date : 30-05-2023</b>		<b>Chief Financial Officer</b>	

Statement of Changes in Equity for the period ended 31st Mar 2023

A. Equity Share Capital

	Amount in Inr Lakhs except No. of Shares And EPS	
	Balance As at 1st April 2022	Balance as at 31st March 2023
Changes in equity share capital during the year		
	40358.44	40370.44

B. Other Equity

	Reserves and Surplus					Items of Other Comprehensive Income			Total Rupees	
	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Securities premium reserve	General reserve	Surplus in statement of P&L	Foreign currency translation reserve	Actuarial Gain/(Loss)		Money received against share warrants
<b>Balance at the beginning of the reporting period as at 1st April 2022</b>			41678.12	72831.23	398.17	6698.80	10.60	0.53		121617.44
Changes in accounting policy or prior period errors										
Restated balance at the beginning of the reporting period			41678.12	72831.23	398.17	6698.80	10.60	0.53		121617.44
Total					941.04		529.93			1470.97
Comprehensive Income for the year										
Dividends(Including Dividend tax)										
Transfer to General Reserve										
Transfer to retained earnings										
add during the year			34.20							
<b>Balance at the end of the reporting period 31st March 2023</b>			41678.12	72865.43	398.17	1586.07	540.53	0.53		117068.85

B. Other Equity

	Reserves and Surplus					Items of Other Comprehensive			Amount	
	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Securities premium reserve	General reserve	Surplus in statement of P&L	Foreign currency translation reserve	Actuarial Gain/(Loss)		Money received against share warrants
<b>Balance as at 1st April 2021</b>			41,678.12	2,512.00	398.17	7,048.05	(162.72)	2.65		51,476.27
Changes in accounting policy or prior period errors										
Restated balance at the beginning of the reporting period										
Add: during the year						171.57		(2.12)		342.76
Dividends(Including Dividend tax)						520.82				520.82
Transfer to General Reserve										
Transfer to retained earnings										
premium paid on newly issued shares										
Reserves utilised for Bonus										
<b>Balance at the end of the reporting period 31st March 2022</b>			41,678.12	72,831.23	398.17	6,698.80	10.60	0.53		121,617.44

**Brightcom Group Limited**  
**Standalone Cash flow statement for the year ended 31st March'2023**

Amount in Inr Lakhs except No. of Shares And EPS

	Particulars	Year ended	Year ended
		31st March'2023	31st March 2022
		Amount	Amount
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	Profit Before Tax	1420.00	377.06
	<b>Adjustment for :</b>		
	Add:Depreciation and amortisation expense	6.78	18.87
	Interest Expense	-	-
	Allowance for doubtful trade receivables	67.28	-199.02
	Investments- written off	-	-
	Dividend from Subsidiaries	-1010.99	-
	<b>Operating Profit before Working Capital Changes</b>	<b>483.07</b>	<b>196.91</b>
	<u>Adjustment for Working Capital Changes:</u>		
	Increase/(Decrease) in Short term Borrowings	-	-
	Increase/(Decrease) in Trade Payables	1348.41	-485.60
	Increase/(Decrease) in other Current Liabilities	-183.86	-5450.79
	Increase/(Decrease) in Others financial liabilities	-1.36	-60.31
	Increase/(Decrease) in Short-Term Provisions	1206.54	-41.91
	Decrease/(Increase) in Trade Receivables	-2965.97	487.71
	Decrease/(Increase) in Short-Term Loans and Advances	2504.19	-38114.28
	(Increase)/Decrease in Other Financial Assets	4.42	-4.42
	(Increase)/Decrease in other Current Assets	-104.13	-1725.55
	<b>Cash Flow from Operating Activities</b>	<b>2291.31</b>	<b>-45198.25</b>
	Less: Taxes paid	156.83	376.94
	<b>Net Cash Flow from Operating Activities(A)</b>	<b>2134.48</b>	<b>-45575.18</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	Assets written off		
	Purchase/(Increase) of Fixed Assets	-14.06	-1.91
	Investment in Subsidiary /Joint Venture		-
	(Increase)/Decrease in Non-Current Investments	-	-
	(Increase)/Decrease in Capital Work in Progress	-	-
	(Increase)/Decrease in Intangibles under development	-	-
	<b>Net cash flow from investing activities(B)</b>	<b>-14.06</b>	<b>-1.91</b>
<b>C.</b>	<b>Cash Flows from Financing Activities</b>		
	Interest Paid		
	Dividend Paid	-3945.96	
	Increase/(Decrease) in Long Term Loans	-	-
	Increase/(Decrease) in share capital	12.00	9614.10
	Increase/(Decrease) in share premium	34.20	74023.72
	Increase/(Decrease) in Reserves	-	
	Increase/(Decrease) in Foreign Currency Fluctuation Reserve	1374.86	477.81
	Increase/(Decrease) in long term provision	-11.64	57.95
	(Increase)/Decrease in Advances	-	-38250.00
	Increase/(Decrease) in Other Long term Liabilities	-	133.22
	(Increase)/Decrease in Deffered tax Liability(Net)	-	-
	(Increase)/Decrease in Long term loans and advances	-9.54	66.90
	(Increase)/Decrease in Non current Other Financial Assets	-	9.54
	(Increase)/Decrease in Other Non - Current tax Assets(Net)	5.12	-
	(Increase)/Decrease in Other Non - Current Assets	-	-5.01
	<b>Net cash flow from financing activities C</b>	<b>-2540.96</b>	<b>46128.24</b>
	Cash and cash equivalents at beginning of year	576.51	25.37
	Net change in cash ( A+B+C)	-420.53	551.14
	Cash and cash equivalents at period ended 31st March'2023	155.98	576.51

As per our report of even date attached

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

A Krishna Rao  
Partner  
M.No.020085  
UDIN: 23020085BGQX1W5411

Place : Hyderabad  
Date : 30-05-2023

For and on behalf of the Board of Directors  
Brightcom Group Ltd

M.Suresh Kumar Reddy  
Chairman & Managing Director  
DIN: 00140515

Vijay Kancharla  
Executive Director  
DIN: 02744217

SLN Raju  
Chief Financial Officer

**Brightcom Group Limited**

Notes forming part of Standalone financial statements

**NOTE NO 3: PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS AS AT 31-03-2023**

Sl. No.	Particulars	Amount in Inr Lakhs except No. of Shares And EPS										
		Gross Block As on 1st April, 2022	Additions during the year	Sale/ Deletions during the year	As on 31st March'20 23	Depreciation/Amortization Dep. As on 1st April, 2022	Depreciation/Amortization for the year	Sale/ Deletions during the year	Adjustments to Reserves as per New Act	Total Depreciation	Net Block as on 31st March/2023	Net Block as on 31st March,2022
	<b>PROPERTY, PLANT AND EQUIPMENT</b>											
1	Electrical Equipment	240.40	-		240.40	240.40	-					
2	Office Equipment	547.80	0.10		547.90	525.97	0.85				0.00	0.00
3	Air conditioners	74.92	-		74.92	64.48	3.55				21.09	21.83
4	Computers	3600.81	10.02		3610.83	3584.89	1.73				6.89	10.44
5	Furniture	1032.28	3.94		1036.22	1029.81	0.65				24.21	15.92
6	Vehicles	10.78	-		10.78	10.78					5.75	2.47
											0.00	0.00
		5506.99	14.06	-	5521.05	5456.32	6.78	-	-	5463.10	57.94	50.66
	<b>INTANGIBLE FIXED ASSETS</b>											
1	Computer Products / Rights	23.74			23.74	23.74	0				-	0
		23.74	-	-	23.74	23.74	0	-	-	23.74	-	0
	<b>TOTAL</b>	<b>5530.73</b>	<b>14.06</b>	<b>-</b>	<b>5544.79</b>	<b>5480.07</b>	<b>6.78</b>	<b>-</b>	<b>-</b>	<b>5486.85</b>	<b>57.94</b>	<b>50.66</b>

## NOTE NO. 4 : INVESTMENT PROPERTY

Amount in Inr Lakhs except No. of Shares And EPS

S.No.	Particulars	As at 31st	As at 31st March
		March'2023	2022
		Amount	Amount
I	Land at cost	21.95	21.95
<b>Total Investment Property</b>		<b>21.95</b>	<b>21.95</b>

## NOTE NO. 5 : INVESTMENTS - NON CURRENT

S.No.	Particulars	As at 31st	As at 31st March
		March'2023	2022
		Amount	Amount
<b>Investments - Non- Current</b>			
<b>(a) Investment in Equity Instruements at cost</b>			
<b>(i) Subsidiaries (Unquoted)</b>			
I	Frontier Data Management Inc. USA	12984.77	12984.77
	International Expressions Inc. USA	10453.63	10453.63
	Online Media Solutions Limited , Israel	5178.81	5178.81
	Ybrant Media Acquisition Inc. USA	12652.40	12652.40
	Dream Ad Group	5432.40	5432.40
	Max Interactive Pty Ltd., Australia	4174.90	4174.90
	Dyomo Corporation .USA	4.67	4.67
	Ybrant Digital Services De Publicidade Ltda,Brasil	2.66	2.66
	Ybrant Digital (Brasil) Ltd., Singapore	0.00	0.00
	LGS Global FZE, UAE	2.44	2.44
	LIL Projects Private Limited	1.00	1.00
	Yreach Media Pvt.Ltd	0.99	0.99
	Vuchi Media Pvt ltd	16886.81	16886.81
<b>Total Investments Non- Current</b>		<b>67775.49</b>	<b>67775.49</b>

## NOTE NO. 6 : LOANS - NON CURRENT

S.No.	Particulars	As at 31st	As at 31st March
		March'2023	2022
		Amount	Amount
<b>Loans - Non- Current</b>			
<b>Unsecured, Considered Good</b>			
I	(a) Security deposits	19.91	10.37
<b>Total Loans - Non- Current</b>		<b>19.91</b>	<b>10.37</b>

## NOTE NO. 7 : OTHER FINANCIAL ASSETS - NON CURRENT

S.No.	Particulars	As at 31st	As at 31st March
		March'2023	2022
		Amount	Amount
<b>Other financial assets - Non- Current</b>			
<b>Unsecured Considered Good</b>			
I	Advances to related parties		
	- Ybrant Employees Welfare Trust	107.50	107.50
	- LGSL Foundation Trust	56.95	56.95
<b>Total Other financial assets - Non- Current</b>		<b>164.45</b>	<b>164.45</b>

## NOTE NO. 8 : DEFERRED TAX ASSETS (NET)

S.No.	Particulars	As at 31st	As at 31st March
		March'2023	2022
		Amount	Amount
<b>Deferred tax assets (net)</b>			
<b>Deferred tax liability</b>			
I	Allowances for bad and doubtful debts	-23.51	66.43
	Acturail gain or loss of gratuity	2.49	-
<b>Deferred tax assets</b>			
	Opening Deferred tax assets	681.97	695.15
	- Fixed Assets	-17.28	-14.47
	- Provision for gratuity and compensated absences	6.37	1.29
	Allowances for bad and doubtful debts		-
	Acturail gain or loss of gratuity		
	MAT Credit	-200.12	-200.12
<b>Deferred tax assets (net)</b>		<b>-56.79</b>	<b>-66.90</b>



NOTE NO. 9 : NON- CURRENT TAX ASSETS (NET)

S.No.	Particulars	As at 31st March'2023	As at 31st March 2022
		Amount	Amount
	Non- Current tax assets (net)		
I	-TDS Receivables	51.93	57.05
	<b>Total Non- Current tax assets (net)</b>	<b>51.93</b>	<b>57.05</b>

NOTE NO. 10 : TRADE RECEIVABLES

S.No.	Particulars	As at 31st March'2023	As at 31st March 2022
		Amount	Amount
	<b>Trade receivables</b>		
	(i) Unsecured considered good	21458.41	18492.44
	Less: Allowances for bad and doubtful debts	582.01	514.73
I	<u>Notes</u>		
	<i>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.</i>		
	<b>Total Trade receivables</b>	<b>20876.40</b>	<b>17977.71</b>

NOTE NO. 11 : CASH AND CASH EQUIVALENTS

S.No.	Particulars	As at 31st March'2023	As at 31st March 2022
		Amount	Amount
	<b>Cash and cash equivalents</b>		
	Balances with banks		
I	(i) Current accounts	96.52	571.11
	(ii) Cheques, drafts on hand	-	-
	(iii) Cash on hand	0.01	0.01
	<b>Total Cash and cash equivalents</b>	<b>96.52</b>	<b>571.12</b>

NOTE NO. 12 : OTHER BANK BALANCES - CURRENT

S.No.	Particulars	As at 31st March'2023	As at 31st March 2022
		Amount	Amount
	<b>Other bank balances - Current</b>		
	(i) Earmarked balances with Banks		
I	- Unpaid Dividend	56.52	2.45
	(ii) Balances with bank held as Margin Money	2.94	2.94
	<b>Total Other bank balances - Current</b>	<b>59.46</b>	<b>5.39</b>

## NOTE NO. 13 : LOANS - CURRENT

S.No.	Particulars	As at 31st March'2023	As at 31st March 2022
		Amount	Amount
I	<b>Loans -Current</b>		
	Unsecured Considered Good		
	(a)Advances to related parties		
	LIL Projects Private Limited	12996.92	5220.28
	Yreach Media Pvt.Ltd	28249.87	19519.12
(b) Others			
- Advances to Employees	1026.68	211.72	
- Other Advances	43106.60	62933.15	
	<b>Total Loans - Current</b>	<b>85380.08</b>	<b>87884.27</b>

## NOTE NO. 14 : OTHER FINANCIAL ASSETS - CURRENT

S.No.	Particulars	As at 31st March'2023	As at 31st March 2022
		Amount	Amount
I	<b>Other financial asset-Current</b>		
	(a) Security deposits		
	- Rental deposits	32.57	32.57
	- Other deposits	24.79	29.21
	<b>Total Other Financial Assets - Current</b>	<b>57.36</b>	<b>61.78</b>

## NOTE NO. 15 : OTHER CURRENT ASSETS

S.No.	Particulars	As at 31st March'2023	As at 31st March 2022
		Amount	Amount
I	<b>Other Current Assets</b>		
	Other Current Assets	5441.29	4326.17
	<b>Total Other Current Assets</b>	<b>5441.29</b>	<b>4326.17</b>

## Note No: 16 Equity share capital

S.No.	Particulars	As at 31st March'2023	As at 31st March 2022
		Amount	Amount
I	<b>Equity share capital</b>		
	(i) Authorized (2,250,000,000 Equity Shares of Rs.2/- each)	45000.00	45000.00
	(ii) Issued, Subscribed and Paid Up (2,018,521,873 Equity Shares Rs.2/- each)	40370.44	40358.44
	(iv) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:		
	<u>Number of Shares</u>		
	Shares outstanding at the beginning of the year	2,017,921,873	507,651,499
	Add: Issued and allotted during the year	600,000	1,510,270,374
	Shares outstanding at the end of the year	2,018,521,873	2,017,921,873
	(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			
		As at 31st March'2023	As at 31st March 2022
(a) Equity Shares			
Aradhana commosales LLP			
Number of equity shares	104,166,666	104,166,666	
% of holding	5.16%	5.16%	
SARITA COMMOALES LLP			
Number of equity shares	103,076,916	104,166,666	
% of holding	5.11%	5.16%	

<b>Details of promoters Share holding as on 31st march 2023:</b>			
<b>Promoter Name</b>	<b>No of Shares</b>	<b>% of Total Shares</b>	
ARADHANA COMMOALES LLP	104,166,666	5.16%	
SARITA COMMOALES LLP	104,166,666	5.16%	
KALPANA COMMOALES LLP	52,083,333	2.58%	
SHALINI SALES LLP	41,666,666	2.06%	
M SURESH KUMAR REDDY	17,302,723	0.86%	
VIJAY KANCHARLA	5,393,295	0.27%	
VIJAY KUMAR KANCHARLA HUF	32,234,564	1.60%	
S V RAJYALAXMI REDDY	3,195,833	0.16%	
M. GANGI REDDY	2,410,000	0.12%	
M. SUBHADRA REDDY	299,458	0.01%	
PALLE SUGUNA REDDY	4,377,416	0.22%	
K MOHAN RAO	3,750	0.00%	
VENKATESWARA RAO	1,487,421	0.07%	
MUTHUKURU SHASHIDHAR REDDY	2,793,750	0.14%	
FINGROWTH CO. LTD	1,071,945	0.05%	
PROBUS CAPITAL LIMITED	10,416	0.00%	
MUNDI ENTERPRISE LIMITED	118,750	0.01%	
<b>TOTAL</b>	<b>372,782,652</b>	<b>18.47%</b>	
<b>Note:</b>			
There was allotment of 6,00,000 (Six Lakhs only) equity shares against the warrants on preferential basis			
<b>Details of promoters Share holding as on 31st march 2022:</b>			
<b>Promoter Name</b>	<b>No of Shares</b>	<b>% of Total Shares</b>	
M SURESH KUMAR REDDY	10,381,635	0.86%	
VIJAY KANCHARLA	3,235,977	0.27%	
VIJAY KUMAR KANCHARLA HUF	19,352,934	1.60%	
S V RAJYALAXMI REDDY	1,917,500	0.16%	
M. GANGI REDDY	1,446,000	0.12%	
M. SUBHADRA REDDY	179,675	0.01%	
PALLE SUGUNA REDDY	2,626,450	0.22%	
K MOHAN RAO	2,250	0.00%	
VENKATESWARA RAO	892,453	0.07%	
MUTHUKURU SHASHIDHAR REDDY	1,676,250	0.14%	
FINGROWTH CO. LTD	643,167	0.05%	
PROBUS CAPITAL LIMITED	6,250	0.00%	
MUNDI ENTERPRISE LIMITED	71,250	0.01%	
<b>TOTAL</b>	<b>42,431,791</b>	<b>3.51%</b>	

Note No: 17 Other equity

S.No.	Particulars	As at 31st March'2023	As at 31st March 2022
		Amount	Amount
	<b>Other equity</b>		
	<b>(i) Reserves &amp; Surplus</b>		
	<b>a).Capital reserve</b>		
	<b>Opening balance</b>	41678.12	41678.12
	Add:During the year		
		<b>41678.12</b>	<b>41678.12</b>
	<b>b).Securities Premium</b>		
	<b>Opening balance</b>	72831.23	2512.00
	Add:During the year	34.20	90629.13
	Less: Bouns shares issued		20309.91
		<b>72865.43</b>	<b>72831.23</b>
	<b>c).General reserve</b>		
	<b>Opening balance</b>	398.17	398.17
	Add:During the year	-	-
		<b>398.17</b>	<b>398.17</b>
	<b>d).Surplus</b>		
	<b>Opening balance</b>	6699.33	7050.70
	Add: Profit for the year	933.90	171.57
	Add: Remeasurement of the defined benefit plan	7.14	-2.12
	Less: Dividend issued	6053.77	520.82
		<b>1586.60</b>	<b>6699.33</b>
	<b>e).Foreign currency translation reserve</b>		
	<b>Opening balance</b>	10.60	-162.72
	Add:During the year	529.93	173.32
		<b>540.53</b>	<b>10.60</b>
	<b>Total</b>	<b>117068.85</b>	<b>121617.44</b>

NOTE NO. 18 : BORROWINGS - NON CURRENT

S.No.	Particulars	As at 31st March'2023	As at 31st March 2022
		Amount	Amount
	<b>Borrowings - Non-Current</b>		
	<b>(i) From banks-Secured</b>		
	<b>(ii) From other parties-Unsecured</b>		
	<b>Loans from Related parties</b>		
I	Dream Ad, Panama - Loan	904.42	833.91
	Frontier Data Management -Loan	1069.34	985.97
	International Expressions	864.72	797.31
	Online Media - Loan	1296.61	1195.52
	Ybrant Media Inc - Loan	6702.70	6180.14
	<b>Total Long term Borrowings Non-Current</b>	<b>10837.79</b>	<b>9992.86</b>

NOTE NO. 19 : PROVISIONS - NON CURRENT

S.No.	Particulars	As at 31st March'2023	As at 31st March 2022
		Amount	Amount
	<b>Provisions- Non Current</b>		
	Provision for employee benefits	-	-
I	(a) Gratuity	53.59	52.48
	(b) Leave encashment	16.91	16.91
	Other Provisions	416.30	436.19
	<b>Total provisions Non current</b>	<b>486.81</b>	<b>505.59</b>

## NOTE NO. 20 : TRADE PAYABLES - CURRENT

S.No.	Particulars	As at 31st March'2023	As at 31st March 2022
		Amount	Amount
I	Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	0.21	0.19
	Total outstanding dues of creditors other than micro enterprises and small enterprises	3710.68	2362.29
	<b>Total Trade payables - Current</b>	<b>3710.90</b>	<b>2362.48</b>

## NOTE NO. 21 : OTHER FINANCIAL LIABILITIES - CURRENT

S.No.	Particulars	As at 31st March'2023	As at 31st March 2022
		Amount	Amount
I	Other financial liabilities - Current		
	Others	109.37	110.73
	<b>Total Other financial liabilities - Current</b>	<b>109.37</b>	<b>110.73</b>

## NOTE NO. 22 : OTHER CURRENT LIABILITIES

S.No.	Particulars	As at 31st March'2023	As at 31st March 2022
		Amount	Amount
I	Other current liabilities		
	Unpaid dividend	3408.88	1301.08
	Other Current Liabilities	1559.11	1742.97
	<b>Total Other current liabilities</b>	<b>4967.99</b>	<b>3044.05</b>

## NOTE NO. 23 : PROVISIONS - CURRENT

S.No.	Particulars	As at 31st March'2023	As at 31st March 2022
		Amount	Amount
I	Provisions - Current		
	(i) Provision for employee benefits		
	Employee benefit payable	661.72	207.38
	(ii) Others		
	(a) Provisions for expenses	10.92	8.95
	(b) Other Provisions	1225.01	505.73
	(c)Tax	496.20	125.88
	<b>Total Provisions - Current</b>	<b>2393.85</b>	<b>847.94</b>

**Brightcom Group Limited**

**NOTE NO. 24 : REVENUE FROM OPERATIONS**

Amount in Inr Lakhs except No. of Shares And EPS

S.No.	Particulars	For the year ended	For the period ended
		31st March'2023	31st March'2022
		Amount	Amount
I	Sale of Software Exports	43391.27	36681.09
<b>Total Revenue from Operations</b>		<b>43391.27</b>	<b>36681.09</b>

**NOTE NO. 25 : OTHER INCOME**

S.No.	Particulars	For the year ended	For the period ended
		31st March'2023	31st March'2022
		Amount	Amount
I	Dividend Income & Interest income	1010.99	0.08
	Net gain/loss on foreign currency translation and transaction	-657.97	-226.15
	<b>Total Other Income</b>	<b>353.02</b>	<b>-226.08</b>

**NOTE NO. 26 : COST OF REVENUE**

S.No.	Particulars	For the year ended	For the period ended
		31st March'2023	31st March'2022
		Amount	Amount
I	Software Purchase & Sub Contractors Cost	33655.07	28517.19
<b>Total Cost of Revenue</b>		<b>33655.07</b>	<b>28517.19</b>

**NOTE NO. 27 : EMPLOYEE BENEFIT EXPENSES**

S.No.	Particulars	For the year ended	For the period ended
		31st March'2023	31st March'2022
		Amount	Amount
I	Salaries,wages and allowances	4385.51	3828.98
	Contribution to provident and other fund	7.95	5.16
	Staff Welfare Expenses	1.04	0.32
<b>Total Employee Benefit Expenses</b>		<b>4394.51</b>	<b>3834.47</b>

NOTE NO. 28 : OTHER EXPENSES			
S.No.	Particulars	For the year ended	For the period ended
		31st March'2023	31st March'2022
		Amount	Amount
	Power & Fuel	5.82	3.74
	Rent	567.70	473.51
	Repairs & Maintenance	104.74	80.71
	Insurance	101.79	102.50
I	Rates & Taxes (excluding Income Tax)	1.52	20.95
	Miscellaneous Expenses	21.26	6.36
	Payment to Auditors:	-	-
	(i) As Auditor fee	15.00	2.00
	(ii) For Tax Audit fee	1.00	1.00
	(iii) For Other Audit related Services	2.00	2.00
	Ins Fee	-	-
	Discount Expense	-	-
	Telephone, Postage and Others	119.33	157.00
	Business Promotion Expenses	538.62	680.26
	Travelling and Conveyance	25.34	14.25
	Office Maintenance	167.11	204.74
	Printing & Stationery Expenses	13.53	9.26
	Security Charges	14.41	14.39
	Consultancy Charges	204.76	210.54
	Event Sponsorship & Seminar Fee	30.00	20.00
	Web Development Expenses	519.39	458.58
	Professional Charges	854.82	360.37
	Sales and Marketing Expenses	565.81	736.89
	Books & Subscriptions	28.20	26.23
	Provision for Impairment of Debtors	67.28	-199.02
	Bad Debts	-	-
	Other Expenses	237.92	280.29
	CSR Expenditure	20.12	9.59
	<b>Total Other Expenses</b>	<b>4227.46</b>	<b>3676.15</b>
NOTE NO. 29 : FINANCE COSTS			
S.No.	Particulars	For the year ended	For the period ended
		31st March'2023	31st March'2022
		Amount	Amount
	Interest on Unsecured Loan	38.00	28.66
	Loan processing Charges & Bank Charges	2.47	2.61
	<b>Total Finance Costs</b>	<b>40.47</b>	<b>31.27</b>

**30. Auditor's Remuneration:**

Particulars	(in lakhs.)	
	Year ended 31 <sup>st</sup> March,	
	2023	2022
Statutory Audit Fees	15.00	2.00
Tax Audit Fee	1.00	1.00
Other Audit related Services	2.00	2.00
<b>Total</b>	<b>18.00</b>	<b>5.00</b>

**31. 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.**

**32. Related Party Transactions:**

During the financial year 2022-23 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	Nilendu Narayan Chakraborty	Independent Director
5	Surabhi Sinha	Independent Director
6	Raghunath Allamsetty	Independent Director
7	Peshwa Acharya	Non-Independent & Non-Executive Director
8	Yreach Media Private Limited, India	99% Owned Subsidiary
9	LIL Projects Private Limited, India	Wholly Owned Subsidiary
10	Frontier Data Management Inc, USA	Wholly Owned Subsidiary
11	International Expressions Inc, USA	Wholly Owned Subsidiary
12	Online Media Solutions Limited, Israel	Wholly Owned Subsidiary
13	Ybrant Media Acquisition Inc, USA	Wholly Owned Subsidiary
14	Dyomo Corporation, USA	Wholly Owned Subsidiary
15	Max Interactive Pty, Ltd., Australia	Wholly Owned Subsidiary
16	DreamAd, Argentina	Wholly Owned Subsidiary
17	DreamAd, Chile	Wholly Owned Subsidiary
18	Get Media Mexico Sociedad Anonima De Capital Variable, Mexico	Wholly Owned Subsidiary
19	DreamAd, Panama	Wholly Owned Subsidiary
20	DreamAd, Uruguay	Wholly Owned Subsidiary
21	Ybrant Digital Servicios De Publicidade Ltda, Brasil	Wholly Owned Subsidiary
22	Ybrant Digital (Brasil) Ltd., Singapore	Wholly Owned Subsidiary
23	LGS Global FZE, UAE	Wholly Owned Subsidiary
24	Ybrant Employees welfare Trust	Directors acting as Trustees
25	LGSL Foundation Trust	Directors acting as Trustees
26	Vuchi Media Pvt Ltd	Associate company



## Brightcom Group Limited

Notes forming part of Standalone financial statements for the year ended 31st March 2023

(b) Balances with related parties at the year-end:

(i) Unsecured loans from Related Parties:

(Amount in Rs.)

Particulars	Year ended 31 <sup>st</sup> March	
	2023	2022
DreamAd, Panama	904.42	833.91
Frontier Data Management Inc, USA	1069.34	985.97
International Expressions Inc, USA	864.72	797.31
Online Media Solutions Limited, Israel	1,296.61	1,195.52
Ybrant Media Acquisition Inc, USA	6702.70	6,180.14
LIL Projects Pvt ltd	-	-
Yreach Media Pvt ltd	-	-

(ii) Investment in Subsidiaries and Associates:

Particulars	Year ended 31 <sup>st</sup> March	
	2023	2022
DreamAd Group	5,432.40	5,432.40
Frontier Data Management Inc., USA	12,984.77	12,984.77
International Expressions Inc., USA	10,453.63	10,453.63
Online Media Solutions Limited, Israel	5,178.81	5,178.81
Ybrant Media Acquisition Inc.,USA	12,652.40	12,652.40
Max Interactive Pty Ltd, Australia	4,174.90	4,174.90
Dyomo Corporation, USA	4.67	4.67
Ybrant Digital Servicos De Publicidade Ltda,Brazil	2.66	2.66
Ybrant Digital (Brasil) Ltd., Singapore	0.00	0.00
LGS Global FZE,UAE	2.44	2.44
Yreach Media Pvt Ltd.	0.99	0.99
LIL Projects private limited.	1.00	1.00
Vuchi Media Pvt ltd	16,886.81	16,886.81

**(iii) Unsecured loans to related parties:**

Particulars	year ended 31 <sup>st</sup> March	
	2023	2022
Ybrant Employees welfare Trust	107.50	107.50
LGSL Foundation Trust	56.95	56.95
LIL Projects Pvt Ltd	12,996.92	5,220.28
Yreach Media Pvt Ltd	28,249.87	19,519.12

**33. Lease:**

The company's lease asset classes primarily consist of leases for land and buildings. Effective April 1, 2019, the company adopted Ind AS 116, Leases and applied the standard to applicable lease contracts. On the adoption of the new standard resulted in the recognition of ROU asset of Rs. NIL, and a lease liabilities of Rs.NIL at a standalone level. The effect of this adoption is insignificant on the operating profit, net profit for the period and earnings per share

**34. Foreign Currency Outflows:**

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

Particulars	(Amount in Rs.) Year Ended 31 <sup>st</sup> March,	
	2023	2022
Foreign Travelling	7.10	4.05
<b>Total</b>	<b>7.10</b>	<b>4.05</b>

**35. Foreign Currency Inflows:**

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

Particulars	(in lakhs) Year Ended 31 <sup>st</sup> March,	
	2023	2022
Sales & Services	NIL	NIL
Realization from Trade Receivables out of Opening Balance	NIL	NIL
Investment in Equity	-	51,417.58
<b>Total</b>	<b>-</b>	<b>51,417.58</b>

**36. 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-23	31-Mar-22
<b>Present Value of Obligation as at beginning</b>	52.91	45.55
Current Service Cost	6.08	3.85
Interest Expense or Cost	3.68	3.00
Re-measurement (or Actuarial) (gain) / loss arising from: others		
- change in demographic assumptions		
- change in financial assumptions	-7.16	2.09
- experience variance (Actual v assumptions)		
Past Service Cost		

Effect of change in foreign exchange rates		
Benefits Paid	-1.48	-1.58
Acquisition Adjustment		
Effect of business combinations or disposals		
<b>Present Value of Obligation as at the end</b>	<b>54.02</b>	<b>52.91</b>

**b) Bifurcation of Net Liability**

Particulars	As on	
	31-Mar-23	31-Mar-22
Current Liability (Short term)	20.74	18.49
Non-Current Liability (Long term)	33.28	34.42
<b>Total Liability</b>	<b>54.02</b>	<b>52.91</b>

**c) Changes in the Fair Value of Plan Assets**

Particulars	For the period ending	
	31-Mar-23	31-Mar-22
<b>Fair Value of Plan Assets as at the beginning</b>	0.43	0.43
<b>OB difference</b>		
Investment Income	0.03	0.03
Employer's Contribution		
Expenses		
Employee's Contribution		
Benefits Paid		
Return on plan assets , excluding amount recognized in net interest expense	-0.03	-0.03
Acquisition Adjustment	-	-
<b>Fair Value of Plan Assets as at the end</b>	<b>0.43</b>	<b>0.43</b>

**d) Change in the Effect of Asset Ceiling**

Particulars	For the period ending	
	31-Mar-23	31-Mar-22
<b>Effect of Asset Ceiling at the beginning</b>	-	-
Interest Expense or Cost (to the extent not recognized in net interest expense)	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
<b>Effect of Asset Ceiling at the end</b>	<b>-</b>	<b>-</b>

**e) Expenses Recognized in the Income Statement**

Particulars	For the period ending	
	31-Mar-23	31-Mar-22
Current Service Cost	6.07	3.85
Past Service Cost		
Loss / (Gain) on settlement		
Expected return on Asset		
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	3.64	2.97
Actuarial Gain/Loss		
<b>Expenses Recognized in the Income Statement</b>	<b>9.72</b>	<b>6.82</b>

**f) Other Comprehensive Income**

Particulars	For the period ending	
	31-Mar-23	31-Mar-22
Actuarial (gains) / losses		
- change in demographic assumptions		
- change in financial assumptions	7.16	2.09
- experience variance (i.e. Actual experience vs assumptions)		
- others obd difference		
Return on plan assets, excluding amount recognized in net interest expense	(0.03)	(0.03)
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling		
<b>Components of defined benefit costs recognized in other comprehensive income</b>	<b>7.13</b>	<b>2.12</b>

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

Particulars	As on	
	31-Mar-23	31-Mar-22
Government of India securities	-	-
State Government securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Special Deposit Scheme	-	-
Funds managed by Insurer	-	-
Bank balance	-	-
Other Investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**h) Actuarial Assumptions:**

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

Particulars	As on	
	31-Mar-23	31-Mar-22
Discount rate (per annum)	7.35%	7.05%
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.

**37. Earnings Per Share:**

Particulars	( in lakhs) Year Ended 31 <sup>st</sup> March,	
	2023	2022
Profits Attributable to Equity Share Holders	933.89	171.57
Weighted Average No. of Shares Outstanding for the Year ended		
Basic	2,018,521,873	2,017,921,873
Diluted	2,018,521,873	2,017,921,873
Earnings per Share – Basic	0.046	0.009
Earnings per Share – Diluted	0.046	0.009

The EPS of Rs. 0.046 on a PAT of Rs. 933.89 lakhs for the year ended 31 March 2023 for an Equity Capital i.e. Rs.40,370.44 lakhs consisting of 2,018,521,873. Equity Shares of Rs.2/- each fully paid up and whereas the EPS of Rs. 0.009 on a PAT of Rs. 171.57 lakhs for the year ended 31 March 2022 for an Equity Capital i.e. Rs.40358.44 lakhs consisting of 2,017,921,873.

38. 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. (657.97) lakhs (net) has been recognized in statement Profit and Loss for the Year.

**39. 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.

**40. Intra branch Transactions:**

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

41. 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 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].

**42. Dues to Micro & Small Enterprises:**

There are no overdue principle amounts and interest thereon payable to Micro Enterprises and Small Enterprises, as at 31-03-2023.

**43. 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.

**44. Trade receivables ageing schedule**
**(a).Ageing as at 31 March 2023**

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	-	17,804.18	3,654.23	-	-	-	21,458.41
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Less: Expected credit loss	-	-	-	-	-	-	-582.01
<b>Total</b>		<b>17,804.18</b>	<b>3,654.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,876.40</b>

**b).Ageing as at 31 March 2022**

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good		15,268.17	3,224.26	-	-	-	18,492.44
Disputed Trade Receivables - considered good		-	-	-	-	-	-
Less: Expected credit loss		-	-	-	-	-	-514.73
<b>Total</b>		<b>15,268.17</b>	<b>3,224.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,977.71</b>

**45. Trade payables ageing schedule**
**a).Ageing as at 31 March 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	0.21	-	-	-	-	0.21
Others	3,710.68	-	-	-	-	3,710.68
<b>Total</b>	<b>3,710.89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,710.89</b>

**b).Ageing as at 31 March 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	0.19	-	-	-	-	0.19
Others	2,362.29	-	-	-	-	2,362.29
<b>Total</b>	<b>2,362.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,362.48</b>

**46. Financial risk management objectives and policies**

The Company's principal financial liabilities comprise, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and makes policies for managing each of these risks, which are summarized below.

**A. Credit Risk**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Company considers a counterparty who fails to pay according to the contractual terms or obligations as a defaulted party. This is based on considering the market and economic forces in which the entities in the company's are operating and considering the impact of COVID – 19. The Company creates provision for the amount if the credit risk of counter-party increases significantly due to its poor financial position and failure to make payment with in the due date. In calculating expected credit loss, the Group has also considered historical pattern of credit loss, the likelihood of increased credit risk and consequential default considering emerging situations due to COVID –19.

**Trade receivables as contract asset:**

The customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Before accepting any new customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis. Outstanding customer receivables are regularly monitored. The Company receivables turnover is quick and historically, there were no significant defaults. Ind AS requires an entity to recognize in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Company assesses at each date of statements of financial position whether a financial asset or a Company of financial assets is impaired.

**B. Liquidity Risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**C. Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other market changes. Financial instruments affected by market risk include loans and borrowings and deposits.

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates is negligible.

- **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company exposure to the risk of changes in foreign exchange rates relates primarily to the Company operating activities (when revenue or expense is denominated in a foreign currency).

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective entities.

**47. . Contingent Liabilities & Guarantees:**

( in lakhs.

Particulars	Name of the Bank / Party	Year ending 31st March, 2023
Disputed Service tax Liability for the period May 2008 to September 2011	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	1,460.05
Disputed Service tax Liability for the period May 2008 to September 2011	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	413.23
Disputed Service tax Liability for the period April 2014 to June 2017.	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	6,487.35
Disputed GST Liability for the period July 2017 to March 2021.	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	3,287.09
Disputed Income Tax Liability for the A.Y.2006-07 to A.Y. 2009-10.	CIT(Appeals) / ITAT	834.44
Disputed Income Tax Liability for the A.Y.2010-11 to A.Y. 2013-14.	CIT(Appeals)/ ITAT	3,231.47
Disputed Income Tax Liability for the A.Y.2014-2015 to A.Y. 2020-21.	CIT(Appeals)/ ITAT	8,607.48
Corporate Guarantee for Acquiring Lycos Inc (USD 4 Mn) *	Daum Global Holdings Corp, Republic of Korea	3,288.80

\* Assumption: 1 USD = Rs.82.22 (Closing rate as on 31<sup>st</sup> March 2023)

48. Dividend Payable is pending for various financial years amounting to Rs.3,408.88/-lakhs.

**49. Subsequent event**

Dividend declared by the Company is based on the profit available for distribution. On 30<sup>th</sup> May, 2023, the Board of Directors of the Company have proposed a final dividend of paisa 10 per share in respect of the year ended March 31, 2023 subject to the approval of shareholders at the Annual General Meeting.

**50. Recent pronouncements**

(a) Standards (including amendments) issued but not yet effective The Ministry of Corporate Affairs (“MCA”) has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023 to amend certain Ind ASs which are effective from April 01, 2023: Below is a summary of such amendments:

- I. Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose ‘significant accounting policies’ with ‘material accounting policy information’. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.
- II. Definition of Accounting Estimates – Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.
- III. Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12 Income taxes The amendment to Ind AS 12, requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is

probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

51. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.



## 52. Impact of COVID-19 (pandemic)

The client market segments we serve are faced with challenges and opportunities arising from the COVID-19 pandemic and its resulting impact on the company. We believe the investments we have made, and continue to make, in our strategy will enable us to tackle these market conditions, especially in the areas of digitization of processes, migration to cloud based technologies, workplace transformation, business model transformation, enhanced cyber security controls and cost structure optimization. Further, we have successfully enabled most of our employees worldwide to work remotely and securely – thus achieving the operational stability to deliver on client commitments and ensuring our own business continuity.

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets.

At the standalone level, based on our assessment we believe that the forecasted transactions are not impacted by COVID-19 pandemic. The company has also considered the effect of changes, if any.

## 53. Additional Regulatory Information:

Ratios					
Ratio	Numerator	Denominator	Current year	Previous year	Change in ratio
Current ratio (in times)	Total current assets	Total current liabilities	10.01	17.41	-43%
Debt-Equity ratio (in times)	Debt consists of borrowings and long term liabilities	Total equity	0.0723	0.0652	11%
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes+ Non-cash operating expenses + Interest +Other non-cash adjustments	Debt service = Interest + finance charges	40.50	14.32	183%
Return on equity ratio (in %)	Profit for the year	total equity	0.59%	0.11%	460%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	1.45	2.02	-28%
Trade payables turnover ratio (in times)	Cost of equipment and software licences	Average trade payables	6.88	10.95	-37%
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	0.43	0.59	-27%
Net profit ratio (in %)	Profit for the year	Revenue from operations	2.15%	0.47%	360%
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Long term liabilities	0.87%	0.24%	266%
Return on investment (in %)	Total Other comprehensive income	total assets	0.82%	0.19%	327%

54. The figures of previous year have been regrouped wherever necessary.
55. The Company has spent Rs. 20.11 Lakhs on CSR activities in the areas of Education and Environmental Protection . A detailed report on CSR forms part of this annual report.
56. SEBI vide its letter dated 13th April 2023, has issued interim order cum show cause notice to the company seeking clarifications with respect to certain issues. The final outcome of the investigation is yet to come by the time of our Report.
57. As referred in Point No. 177[d] of SEBI's Interim order cum show-cause notice dated 13th April 2023, "the company" has to appoint at least one independent director on its board of directors as a director on the board of directors of each of its material subsidiaries within fifteen days of the date of its order. Consequent to this order, the company vide its intimation to SEBI dated 28th April, 2023, has appointed two of its independent directors from its board as directors on the board of directors of its three unlisted material subsidiaries.
58. As referred in Point No. 177[e] of SEBI's Interim order cum show-cause notice dated 13th April 2023, "the company" has to disseminate the standalone financial statements of each of its subsidiaries on its website, for the period between FY 2014-15 and FY 2021-22. Consequent to the order the company has uploaded the financial statements/ Financial information of its subsidiaries in its website.
59. As referred in point no 177(g)(ii) of SEBI's interim order cum show cause notice dated 13th April 2023, the internal team of the company conducts and ensures the adequacy of internal audit function of the company.
60. The figures have been rounded off to the nearest lakhs and decimals thereof.

As per our report of even date  
For P Murali & Co.,  
CHARTERED ACCOUNTANTS  
FRN: 007257S

For and on behalf of the Board of  
BRIGHTCOM GROUP LIMITED

A Krishna Rao  
PARTNER  
Membership Number: 020085  
UDIN: 23020085BGQXIW5411

M.Suresh Kumar Reddy  
Chairman & Managing Director  
DIN : 00140515

Vijay Kancharla  
Executive Director  
DIN: 02744217

PLACE: HYDERABAD  
DATE:30th May, 2023

SLN Raju  
Chief Financial Officer

**1. Corporate Information:**

Brightcom Group Limited, offers digital marketing solutions to businesses, agencies and online publishers world-wide. Brightcom Group 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. Brightcom Group Limited has a global presence, with offices in over 24 countries.

Brightcom Group 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 specifically in the areas of Digital Media advertising and in the fields of AI, ML, IOT to name a few. 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. BCG 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 from time to time).

**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 recognized 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 amortized 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 re-assessment 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 recognized as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognized on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognized 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**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option

i) Cost recognition Costs and expenses are recognized 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 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 are 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 recognized 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 recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized 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 recognized using the Balance sheet approach. Deferred income tax assets and liabilities are recognized 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 recognized 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 recognized 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.

**i) 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 recognized 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 recognized 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 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 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 of 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 recognized 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, maximizing the use of relevant observable inputs and minimizing 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.

# CONSOLIDATED FINANCIAL STATEMENTS

**To The Members of  
BRIGHTCOM GROUP LIMITED  
Report on the Audit of the Consolidated Ind AS Financial  
Statements**

### 1. Qualified Opinion

We have audited the accompanying consolidated Ind AS financial statements of BRIGHTCOM GROUP LIMITED ("the Holding Company"), its subsidiaries (the Company, its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us except for the possible effects of the matters described in the Basis for Qualified opinion the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("IndAS") and other accounting principles generally accepted in India, of the consolidated state of affairs of "the Group" as at March 31, 2023, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### 2. Basis for Qualified Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of "the Consolidated Financial Statements" section of our report. We are independent of "the Group" in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of "the consolidated financial statements" under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

In case of the "Holding Company", matters as reported in the Basis for Qualified Opinion on the Standalone Ind AS Financials, are reproduced below:

1) Considering the SEBI's Interim order cum show-cause notice dated 13th April, 2023 we have made the following observations:

a) As referred in Point No. 72, the company's investment in Ybrant Media Acquisition Inc, one of the subsidiaries of the company has negative equity/net worth indicating the existence of an indicator of impairment. But the company has neither impaired nor created any provision against the value of Investments in Ybrant Media Acquisition Inc.

b) As referred in Point No. 177[d], "the company" has to appoint at least one independent director on its board of directors as a director on the board of directors of each of its material subsidiaries within fifteen days of the date of its order. Refer note no 58 of Consolidated financial statements.

c) As referred in Point No. 177[e] "the company" has to disseminate the standalone financial statements of each of its subsidiaries on its website, for the period between FY 2014-15 and FY 2021-22. Refer note no 59 of consolidated financial statements "Consequent to the order the company has uploaded the financial statements/ Financial information of its subsidiaries in its website".

d) The opening balances of Investments, receivables and payables with related to subsidiaries in standalone financial statements are subject to the confirmation of peer review auditor and due to its consequent effect, the closing balances thereof are also subject to variation.

e) SEBI vide its letter dated 13th April 2023, has issued interim order cum show cause notice to the company seeking clarifications with respect to certain issues. The final outcome of the investigation is yet to come by the time of our Report. Refer note no 57 of Consolidated financial statements.

f) The Consolidated Financial Statements of the company for the previous financial year i.e., for the year ended 31.03.2022 have been audited by predecessor auditor. The figures as at 31.03.2022 are subject to variation in view of the SEBI's observations/directions and consequent effect on the closing balances thereof as at 31.03.2023.

2) "The company" has not made any provision for impairment of investments of Rs.16,886.81 lakhs made in M/s Vuchi Media Private Limited despite the fact that the proposed acquisition transaction was revoked by both the parties and have cancelled the definitive share purchase agreement that was entered into.

#### **(a) Qualifications in case of subsidiaries mentioned below:**

1. Considering the SEBI's Interim order cum show cause notice dated 13th April 2023 we have made the following observations:

(a). As referred in Point No. 140[a] and 177(b), the order states that the company has wrongly capitalized expenditure incurred during the research phase and research-cum-development phase of the creation of intangible assets and has suggested that the expenditures may either get capitalized directly or get recognized as current assets initially and then get reclassified as Intangible assets under development or intangible asset and also SEBI has directed the company to undertake examination of its consolidated financial statements for the period 2014-15 to 2021-22 by a peer-reviewed Chartered Accountant, to ensure that the same are in compliance with all the applicable accounting standards and submit the statement of impact of all the non-compliances within three months from the date of the order. To this extent the current year's opening balances and consequent effect on the closing balances thereof are subject to the verification and confirmation by the peer review auditor.

(b). As referred in Point No. 177(f), the company has to ensure that at least eighty percent of each of the consolidated revenue, assets and profits, respectively, is subjected to audit and as referred in point no. 177(b), the subsidiaries financial statements for the FYs 2014-15 to 2021-22 are subject to the verification and certification by a peer-reviewed chartered accountant within three months from the date of order. Since the company is in the process of getting the subsidiaries financial statements certified by a peer-reviewed chartered accountant, the opening balances are subject to variation and due to its consequent effect, the closing balances as on 31.03.2023 are also subject to variation. On account of this the audited financial statements of subsidiaries are yet to be reviewed by a peer reviewed chartered accountant. In view of the same we are unable to comment upon the true and fair view of the consolidated financial statements of the group.

2. In the process of acquiring M/s Vuchi Media Private Limited BCG has paid consideration to the tune of 29.83% by allotting 1,40,70,000 equity shares at a price of Rs.120.02. But later on, the proposed acquisition transaction was revoked by both the parties and have cancelled the definitive share purchase agreement that was entered into. In view of the above cancellation of deal, the company has not considered M/s Vuchi Media Private Limited as an associate company in the consolidated financial statements.

### 3. Emphasis of Matter Paragraph

#### A. with respect to Standalone Ind AS Financial Statements:

1. With respect to Income Tax the company has certain appeals pending with the authorities, the outcome of which is not ascertained as on the date of Balance Sheet.

2. 1,40,70,000 equity shares allotted to M/s Vuchi Media Private Limited are pending for cancellation subject to the legal process completion.

#### B. with respect to Consolidated Ind AS Financial Statements:

In the case of subsidiary company Ybrant Media Acquisition Inc;

M/s. Ybrant Media Acquisition Inc has acquired M/s. Lycos Inc., and M/s. Ybrant Media Acquisition Inc has dispute in respect of consideration of USD 16 Million for acquisition of M/s. Lycos Inc., to Daum Global Holdings Corporation and the district court of New York has given judgment to handover back 56 % equity in M/s. Lycos Inc to M/s. Daum Global Holdings Corporation and the concern matter is pending as on date.

*Our opinion is not modified in respect of above emphasis of matter paragraph.*

### 4. Key Audit Matter Description

Revenue from fixed price contracts, including software development, and integration contracts, where the performance obligations are satisfied over time, is recognized using the percentage-of-completion method. Use of the percentage-of-completion method requires the Company to determine the project costs incurred to date as a percentage of total estimated project costs at completion. The estimation of total project costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest

available information. In addition, provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the total estimated project costs. We identified the revenue recognition for fixed price contracts where the percentage-of-completion method is used as a key audit matter because of the significant judgement involved in estimating the efforts to complete such contracts.

This estimate has a high inherent uncertainty and requires consideration of progress of the contract, efforts incurred to date and estimates of efforts required to complete the remaining performance obligations. This required a high degree of auditor judgment in evaluating the audit evidence supporting estimated efforts to complete and a higher extent of audit effort to evaluate the reasonableness of the total estimated efforts used to recognize revenue from fixed price contracts.

### How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to estimates of efforts to complete for fixed price contracts accounted using the percentage-of-completion method included the following, among others:

- We tested the effectiveness of controls relating to (a) recording of efforts incurred and estimation of efforts required to complete the remaining performance obligations, and (b) access and application controls pertaining to time recording and allocation systems, which prevents unauthorised changes to recording of efforts incurred.
- We evaluated management's ability to reasonably estimate the progress towards satisfying the performance obligation by comparing actual information to estimates for performance obligations that have been fulfilled.
- We selected a sample of fixed price contracts with customers accounted using percentage-of-completion method and performed the following:
  - Read the contract and based on the terms and conditions evaluated whether recognizing revenue over time using percentage of completion method was appropriate, and the contract was included in management's calculation of revenue over time.
  - Evaluated the appropriateness of and consistency in the application of management's policies and methodologies to estimate progress towards satisfying the performance obligation.
  - Compared efforts incurred to date with Company's estimate of efforts incurred to date to identify significant variations and evaluate whether those variations have been considered appropriately in estimating the remaining efforts to complete the contract.
  - Tested the estimate for consistency with the status of delivery of milestones and customer acceptances to identify possible delays in achieving milestones, which require changes in estimated efforts to complete the remaining performance obligations.
  - Evaluated other information that supported the estimates of the progress towards satisfying the performance obligation. Information Other than the Financial Statements and Auditor's Report Thereon
  - The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's report, Business Responsibility and Sustainability Report and Corporate Governance Report, but does not include the Consolidated Financial Statements, Standalone Financial

- Statements and our auditor's report thereon.
- Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **5. Information Other than the Consolidated Financial Statements and Auditor's Report Thereon:**

- The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **6. Responsibility of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated IND AS Financial Statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are 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; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and

are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated IND AS Financial Statements by the Directors of "the Holding Company", as aforesaid.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of the Group.

#### **7. Auditor's Responsibilities for the Audit of the Consolidated IND AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, includ-

ing the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.
- Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in : (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and except for the matters described in the Basis for Qualified Opinion, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) Except for the possible effects of the matter described in the Basis for Qualified Opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) Except for the possible effects of the matter described in the Basis for Qualified Opinion, the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books

of account maintained for the purpose of preparation of the consolidated financial statements.

- d) Except for the possible effects of the matter described in the Basis for Qualified Opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors of the company and its subsidiaries, none of the directors of the Indian companies included in group is disqualified as on March 31, 2023 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses Qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statement has disclosed pending litigations which would have impact on its consolidated financial position of the group.
  - ii. "The Group" did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March, 2023.
  - iii. Based on our examination, we have identified the following non-compliances with the relevant laws and regulations:
    - "The Holding Company" has not transferred a portion of dividend declared during the year to a separate dividend Account.
    - "The Holding Company" has not transferred the unclaimed dividend amount to the Investor Education and Protection Fund even after seven years.
  - iv. "The Holding company's" management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



- v. "The Holding company's" management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vi. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations in sub-clause (iv) and (v) above contain any material misstatement.
- vii. As per the information provided to us, "the Holding company" has declared a final dividend of Rs.6053.76 Lakhs during the year F.Y 2021-22. However, out of above an amount of Rs.3375.24 Lakhs only transferred to a separate "Dividend account" and an amount of Rs. 3251.39 Lakhs is distributed with shareholders from this, unpaid amount stand at Rs.123.85 Lakhs. The company has not transferred an amount of Rs.2,678.52 Lakhs to a separate dividend account.

Total dividend of Rs.3,408.88 Lakhs is pending for payment which pertains to various financials year. Refer Note no 48 to the standalone Ind AS financial statements.

As stated in Note 51 to the Consolidated Ind AS financial statements, the Board of Directors of "the Holding Company" have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of "the Act" to the extent it applies to declaration of dividend.

#### **Other Matters:**

1. The Consolidated Financial Results includes 14 foreign subsidiaries financial statements which are not audited by us, whose Financial Statements reflect Group's share of total assets of Rs. 666531.01 Lakhs before the eliminations as at 31st March 2023, Group's share of total revenue of Rs. 696130.17 Lakhs before the eliminations and Group's share of total net profit after tax of Rs. 137164.77 Lakhs for the year ended which are considered in preparation of the consolidated financial statement. These audited financial statements of subsidiaries (including the report from peer reviewed chartered accountant) are not furnished to us. The management of "the Holding company" after converting the financial information into reporting currency & consolidating as per Ind AS, submitted the consolidated financial statements to us and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such financial statements/financial information/financial results.
2. The consolidated financial statements of the company for the previous financial year i.e., for the year ended March 31, 2022 were audited by predecessor auditors, PCN & Associates, Chartered Accountants, who have expressed an unmodified opinion vide their audit report dated May 30, 2022.

**For P Murali & Co.,  
Chartered Accountants  
Firm Regn No. 007257S**

**A Krishna Rao  
Partner  
Membership No. 020085  
UDIN: 23020085BGQX1X8750**

**Place: Hyderabad  
Date: 30-05-2023**

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of BRIGHTCOM GROUP LIMITED of even date

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of BRIGHTCOM GROUP LIMITED (herein after referred to as “the Holding Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of “the Holding Company” and the respective Board of Directors of its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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. 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 respective 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 Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform 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 risks 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 on the internal financial controls system over financial reporting of the Company and its Subsidiary Companies.

#### **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 those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, 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 accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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 Limitations of Internal Financial Controls over Financial Reporting:**

Because of the inherent limitations 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.

## **Qualified Opinion**

In our opinion, "the Holding company" and its two subsidiary companies, incorporated in India, do not have adequate Internal Financial Control Systems over financial reporting and such systems were not operating effectively as at March 31st, 2023, 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 Murali & Co.,  
Chartered Accountants  
Firm Regn No. 007257S**

**A Krishna Rao  
Partner  
Membership No. 020085  
UDIN: 23020085BGQX1X8750**

**Place: Hyderabad  
Date:30-05-2023**

<b>Brightcom Group Limited</b>			
<b>Consolidated Statement of Balance Sheet as at 31st March 2023</b>			
(Amount in Inr Lakhs except No. of Shares And EPS)			
Particulars	Note	As at 31st March 2023	As at 31st March 2022
		Amount	Amount
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	3,699.06	3,660.98
Capital work in Progress	3	13,669.35	8,196.29
Investment property	4	21.95	21.95
Other intangible assets	3	81,911.93	81,311.73
Intangible assets under development	3	11,849.55	9,738.42
<b>Financial assets</b>			
- Investments	5	56,669.22	53,567.72
- Loans	6	10,911.25	10,052.60
- Others financial assets	7	1,816.49	1,668.38
Deferred tax assets (net)	8	482.75	127.57
Non- Current tax assets (net)	9	51.93	57.05
Other non-current assets	10	3,249.21	3,091.32
<b>Total Non-current assets</b>		<b>184,332.69</b>	<b>171,494.01</b>
<b>Current assets</b>			
<b>Financial assets</b>			
- Trade receivables	11	299,171.96	188,137.91
- Cash and cash equivalents	12	141,113.20	74,493.21
- Other bank balances	13	59.46	5.39
- Loans	14	145,919.48	142,399.18
- Other Financial Assets	15	57.36	61.78
Other current assets	16	18,971.77	17,454.74
<b>Total Current assets</b>		<b>605,293.23</b>	<b>422,552.21</b>
<b>Total assets</b>		<b>789,625.91</b>	<b>594,046.22</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	17	40,370.44	40,358.44
Other equity	18	659,720.97	489,090.68
<b>Total Equity</b>		<b>700,091.41</b>	<b>529,449.12</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings		-	-
Provisions	19	1,093.94	1,054.14
Deferred tax liabilities (net)	20	314.96	335.61
<b>Total Non-current liabilities</b>		<b>1,408.90</b>	<b>1,389.75</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings		-	-
- Trade payables	21	26,578.33	17,811.38
- Others financial liabilities	22	109.37	110.73
Other current liabilities	23	36,213.19	28,262.12
Provisions	24	25,224.71	17,023.11
<b>Total Current liabilities</b>		<b>88,125.60</b>	<b>63,207.34</b>
<b>Total equity and liabilities</b>		<b>789,625.91</b>	<b>594,046.22</b>

The accompanying notes form an integral part of the Consolidated Financial Statements

AS PER OUR REPORT OF EVEN DATE

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

For and on behalf of the Board  
Brightcom Group Limited

A Krishna Rao  
Partner  
M.No.020085  
UDIN: 23020085BGQX1X8750

M.Suresh Kumar Reddy  
Chairman & Managing Director  
DIN: 00140515

Vijay Kancharla  
Executive Director  
DIN: 02744217

Place : Hyderabad  
Date : 30-05-2023

SLN Raju  
Chief Financial Officer

<b>Brightcom Group Limited</b>			
<b>Consolidated Statement of Profit and Loss for the year ended 31st March 2023</b>			
(Amount in Inr Lakhs except No. of Shares And EPS)			
Particulars	Note	Year Ending	Year Ending
		31/03/2023	31/03/2022
		Amount	Amount
<b>INCOME</b>			
I. Revenue from operations	25	739,676.73	501,958.77
II. Other income	26	(646.19)	(222.42)
<b>III. Total Income (I+II)</b>		<b>739,030.54</b>	<b>501,736.35</b>
<b>IV. EXPENSES</b>			
Cost of Revenue	27	434,479.73	291,411.22
Employee Benefit expenses	28	40,012.89	27,251.15
Other Expenses	29	47,930.10	32,608.57
Financial costs	30	40.98	31.43
Depreciation and amortization expense	3	26,554.87	24,623.70
<b>Total expenses (IV)</b>		<b>549,018.57</b>	<b>375,926.07</b>
<b>V. Profit/(loss) before tax (III-IV)</b>		<b>190,011.97</b>	<b>125,810.28</b>
<b>VI. Tax expense</b>			
Current tax		53,055.25	34,627.45
Deferred tax		(142.64)	(37.22)
<b>VII. Profit/(loss) for the period (V-VI)</b>		<b>137,099.36</b>	<b>91,220.05</b>
<b>VIII. Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plan (net of tax)		(371.93)	253.12
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		39,922.52	12,011.30
		-	-
<b>IX. Total comprehensive income for the period (VII+VIII)</b>		<b>176,649.95</b>	<b>103,484.48</b>
<b>Earnings per share</b>			
(1) Basic (in Rs.)		6.79	4.52
(2) Diluted (in Rs.)		6.79	4.52

The accompanying notes form an integral part of the Consolidated Financial Statements

AS PER OUR REPORT OF EVEN DATE

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

For and on behalf of the Board  
Brightcom Group Limited

A Krishna Rao  
Partner  
M.No.020085  
UDIN: 23020085BGQX1X8750

M.Suresh Kumar Reddy  
Chairman & Managing Director  
DIN: 00140515

Vijay Kancharla  
Executive Director  
DIN: 02744217

Place : Hyderabad  
Date : 30-05-2023

SLN Raju  
Chief Financial Officer

**Consolidated Cash flow Statement for the year ended 31st March 2023**

(Amount in Inr Lakhs except No. of Shares And EPS)

	Particulars	Year ended	Year ended
		31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
		Amount	Amount
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	Profit Before Tax	190,011.97	125,810.27
	<b>Adjustment for :</b>		
	Add: Depreciation and amortisation expense	26,554.87	24,623.70
	Allowance for doubtful trade receivables	(3.06)	45.14
	Operating Profit before Working Capital Changes	<b>216,563.78</b>	<b>150,479.11</b>
	<u>Adjustment for Working Capital Changes:</u>		
	Increase/(Decrease) in Short term Borrowings	-	-
	Increase/(Decrease) in Trade Payables	8,766.95	6,154.99
	Increase/(Decrease) in other Current Liabilities	5,843.14	4,962.38
	Increase/(Decrease) in Others financial liabilities	(1.36)	(60.31)
	Increase/(Decrease) in Short-Term Provisions	504.49	(498.37)
	Decrease/(Increase) in Trade Receivables	(111,030.99)	(76,270.07)
	Decrease/(Increase) in Short-Term Loans and Advances	(3,520.30)	(31,253.67)
	(Increase)/Decrease in Other Financial Assets	4.42	(4.42)
	(Increase)/Decrease in other Current Assets	(1,517.03)	(404.61)
	<b>Cash Flow from Operating Activities</b>	<b>115,613.10</b>	<b>53,105.03</b>
	Less: Taxes paid	45,358.14	24,371.08
	<b>Net Cash Flow from Operating Activities (A)</b>	<b>70,254.96</b>	<b>28,733.95</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	Assets Written Off		
	Purchase/(Increase) of Fixed Assets	(1,060.29)	(2,638.84)
	(Increase)/Decrease in Non-Current Investments	-	(1,117.70)
	(Increase)/Decrease in Intangibles under development	(11,849.55)	(9,738.42)
	(Increase)/Decrease in Capital Work in Progress	(13,669.35)	(8,196.29)
	<b>Net cash Flow from investing activities (B)</b>	<b>(26,579.19)</b>	<b>(21,691.25)</b>
<b>C.</b>	<b>Cash Flows from Financing Activities</b>		
	Dividend Paid	(3,945.96)	-
	Increase/(Decrease) in Foreign Currency Fluctuation Reserve	28,622.48	9,131.42
	Increase/(Decrease) in Share capital	12.00	9,614.10
	Increase/(Decrease) in Share premium	34.20	74,023.72
	Increase/(Decrease) in long term provision	(332.13)	332.90
	(Increase)/Decrease in Deferred tax Asset(Net)	(212.13)	329.02
	Increase/(Decrease) in Deferred tax Liabilities(Net)	(20.64)	64.40
	(Increase)/Decrease in Long term loans and advances	(858.65)	(296.45)
	(Increase)/Decrease in advances	-	(38,250.00)
	(Increase)/Decrease in Non Current other Financial Assets	(148.11)	(218.19)
	(Increase)/Decrease in other Non- Current tax assets (net)	5.12	(5.01)
	(Increase)/Decrease in Other Non - Current Assets	(157.89)	78.17
	<b>Net cash Flow from financing activities (C)</b>	<b>22,998.29</b>	<b>54,804.08</b>
	<b>Cash and cash equivalents at beginning of year</b>	<b>74,498.60</b>	<b>12,651.79</b>
	<b>Net change in cash ( A+B+C)</b>	<b>66,674.06</b>	<b>61,846.81</b>
	<b>Cash and cash equivalents at year ended 31st Mar 2023</b>	<b>141,172.66</b>	<b>74,498.60</b>

The accompanying notes form an integral part of the Consolidated Financial Statements

AS PER OUR REPORT OF EVEN DATE

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

For and on behalf of the Board  
Brightcom Group Limited

A Krishna Rao  
Partner  
M.No.020085  
UDIN: 23020085BGQX1X8750

M.Suresh Kumar Reddy  
Chairman & Managing Director  
DIN: 00140515

Vijay Kancharla  
Executive Director  
DIN: 02744217

Place : Hyderabad  
Date : 30-05-2023

SLN Raju  
Chief Financial Officer

**Statement of Changes in Equity for the period ended 31st March 2023**

**A. Equity Share Capital**

	Changes in equity share capital during the year		Balance as at 31st March 2023	
Balance As at 1st April 2022	40,358.44	12.00	40,370.44	
Balance As at 1st April 2021	10,153.03	30,205.41	40,358.44	

**B. Other Equity**

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus			Items of Other Comprehensive			Money received against share warrants
			Capital Reserve	Securities premium reserve	General reserve	Surplus in statement of P&L	Foreign currency translation reserve	Actuarial Gain/(Loss)	
<b>Balance as at 1st April 2022</b>			<b>41,678.12</b>	<b>72,831.23</b>	<b>398.17</b>	<b>358,072.53</b>	<b>16,052.36</b>	<b>58.29</b>	-
Changes in accounting policy or prior period errors									
Restated balance at the beginning of the reporting period									
Add: during the year									
Dividends (Including Dividend tax)						137,099.36	39,922.42	(371.93)	
Transfer to General Reserve						6,053.77			
Transfer to retained earnings									
premium paid on newly issued shares						34.20			
utilised for Bonus						-			
<b>Balance at the end of the reporting period 31st March '2023</b>			<b>41,678.12</b>	<b>72,865.43</b>	<b>398.17</b>	<b>489,118.13</b>	<b>55,974.78</b>	<b>(313.64)</b>	

	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus			Items of Other Comprehensive			Money received against share warrants
			Capital Reserve	Securities premium reserve	General reserve	Surplus in statement of P&L	Foreign currency translation reserve	Actuarial Gain/(Loss)	
<b>Balance as at 1st April 2021</b>			<b>41,678.12</b>	<b>2,512.00</b>	<b>398.17</b>	<b>267,373.30</b>	<b>4,041.06</b>	<b>(194.83)</b>	
Changes in accounting policy or prior period errors									
Restated balance at the beginning of the reporting period									
Add: during the year									
Dividends (Including Dividend tax)						91,220.05	12,011.30	253.12	
Transfer to General Reserve						520.82			
Transfer to retained earnings									
premium paid on newly issued shares									
utilised for Bonus						90,629.13			
						20,309.91			
<b>Balance at the end of the reporting period 31st March '2022</b>			<b>41,678.12</b>	<b>72,831.23</b>	<b>398.17</b>	<b>358,072.53</b>	<b>16,052.36</b>	<b>58.29</b>	

## Brightcom Group Limited

(Amount in Lnr Lakhs except No. of Shares And EPS)

## The accompanying notes form an integral part of the Consolidated Financial Statements

## NOTE NO 3 : PROPERTY, PLANT AND EQUIPMENT &amp; INTANGIBLE ASSETS AS AT 31-03-2023

Sl. No.	Particulars	Gross Block						Depreciation/ Amortisation						Net Block as on 31st March, 2022
		As on April, 2022	Additions during the year	Foreign currency translation reserve	Sale / Deletions during the year	As on 31st March, 2023	Dep. As on 1st April, 2022	Depreciation/Amortisation for the year	Foreign currency translation reserve	Sale / Deletions during the year	Transferred to Retained Earnings	Total Depreciation	Net Block as on 31st March 2023	
I	<b>PROPERTY, PLANT AND EQUIPMENT</b>													
1	Electrical Equipment	243.82	-	-	-	243.82	241.72	0.32	-	-	-	242.05	1.77	2.09
2	Office Equipment	1,300.34	197.09	75.16	0.40	1,572.19	890.11	139.08	33.20	-	-	1,062.39	508.80	410.22
3	Air Conditioners	75.96	0.33	-	-	76.29	64.74	3.64	-	-	-	68.38	7.91	11.22
4	Computers	12,083.22	638.08	692.69	-	13,413.99	10,253.39	859.51	517.79	-	-	11,630.70	1,785.30	18,29.82
5	Furniture	1,977.68	4.09	79.56	-	2,061.33	1,348.69	95.95	28.86	-	-	1,473.50	587.83	628.98
6	Property & Equipment	3,677.40	220.70	226.41	-	4,124.52	2,898.77	265.27	152.01	-	-	3,316.05	808.47	778.63
7	Vehicles	10.78	-	-	-	10.78	10.78	-	-	-	-	10.78	0.00	0.00
	<b>Total</b>	<b>19,369.19</b>	<b>1,060.29</b>	<b>1,073.82</b>	<b>0.40</b>	<b>21,502.91</b>	<b>15,708.21</b>	<b>1,363.78</b>	<b>731.86</b>	<b>-</b>	<b>-</b>	<b>17,803.85</b>	<b>3,695.06</b>	<b>3,660.98</b>
II	<b>Intangible Fixed Assets</b>													
1	Intangible Assets	188,357.51	17,934.71	16,599.96	-	222,892.18	107,045.78	25,191.09	8,743.38	-	-	140,980.25	81,911.93	81,311.73
2	Computer Products / Rights	263.07	-	-	-	263.07	263.07	-	-	-	-	263.07	0.00	0.00
	<b>Total</b>	<b>188,620.58</b>	<b>17,934.71</b>	<b>16,599.96</b>	<b>-</b>	<b>223,155.25</b>	<b>107,308.85</b>	<b>25,191.09</b>	<b>8,743.38</b>	<b>-</b>	<b>-</b>	<b>141,243.32</b>	<b>81,911.93</b>	<b>81,311.73</b>
III	<b>Good Will</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
IV	<b>Capital Work In Progress</b>	<b>8,196.29</b>	<b>13,668.35</b>	-	<b>8,196.29</b>	<b>13,669.35</b>	-	-	-	-	-	-	13,669.35	8,196.29
	<b>Intangible Assets under development</b>	<b>9,738.42</b>	<b>11,849.55</b>	-	<b>9,738.42</b>	<b>11,849.55</b>	-	-	-	-	-	-	11,849.55	9,738.42
	<b>TOTAL</b>	<b>225,924.48</b>	<b>44,513.90</b>	<b>17,673.79</b>	<b>17,935.11</b>	<b>270,177.05</b>	<b>123,017.06</b>	<b>26,554.87</b>	<b>9,475.24</b>	<b>-</b>	<b>-</b>	<b>159,047.17</b>	<b>111,123.88</b>	<b>102,907.42</b>
						0								
						8,199								



**Brightcom Group Limited**

The accompanying notes form an integral part of the Consolidated Financial Statements

(Amount in Inr Lakhs except No. of Shares And EPS)

<b>NOTE NO. 4 : INVESTMENT PROPERTY</b>			
S.No.	Particulars	As at 31st March 2023	As at 31st March 2022
		Amount	Amount
I	Land at cost	21.95	21.95
	<b>Total Investment Property</b>	<b>21.95</b>	<b>21.95</b>

<b>NOTE NO. 5 : INVESTMENTS - NON CURRENT</b>			
S.No.	Particulars	As at 31st March 2023	As at 31st March 2022
		Amount	Amount
	<b>Investments - Non Current</b>		
	<b>Investment in Equity Instruments at cost</b>		
	<b>Equity Shares -Unquoted</b>		
I	Affiliates	39,782.40	36,680.91
	Frontier Data Management Inc. USA	-	-
	International Expressions Inc. USA	-	-
	Ybrant Digital U.S . Inc, USA	-	-
	Online Media Solutions Limited , Israel	-	-
	Ybrant Media Acquisition Inc. USA	-	-
	Dream Ad Companies	-	-
	Max Interactive Pty Ltd., Australia	-	-
	Dyomo Corporation, USA	-	-
	Ybrant Digital Services De Publicidade Ltda,Brazil	-	-
	Ybrant Digital (Brasil) Ltd., Singapore	-	-
	Yreach Media Pvt.Ltd	-	-
	Global IT Inc , USA	-	-
	Techorbit Inc, USA	-	-
	LGS Global FZE, UAE	-	-
	LIL Projects Private Limited	-	-
	Ybrant Digital Ltd - Investment	-	-
	Vuchi Media Pvt ltd	16,886.81	16,886.81
	<b>(ii) Joint venture</b>	-	-
	Apollo Lycos Netcommerce Ltd	-	-
	Share of profits		
	<b>Total Investments-Non - Current</b>	<b>56,669.22</b>	<b>53,567.72</b>

<b>NOTE NO. 6 : LOANS - NON CURRENT</b>				
S.No.	Particulars		As at 31st March 2023	As at 31st March 2022
			Amount	Amount
	<b>Loans - Non- Current</b>		-	-
<b>I</b>	<b>Unsecured, Considered Good</b>		-	-
	(a)	Security deposits	19.91	10.37
	(b)	Other Advances	10,891.34	10,042.23
	<b>Total Loans - Non current</b>		<b>10,911.25</b>	<b>10,052.60</b>

<b>NOTE NO. 7 : OTHER FINANCIAL ASSETS - NON CURRENT</b>				
S.No.	Particulars		As at 31st March 2023	As at 31st March 2022
			Amount	Amount
	<b>Other financial assets - Non- Current</b>			
	<b>Unsecured, Considered Good</b>			
	<b>Advances other than Capital advances</b>			
<b>I</b>	(a)	Other advances	1,652.04	1,503.93
	(b)	Advances to related parties	-	-
		- Ybrant Employees Welfare Trust	107.50	107.50
		- LGSL Foundation Trust	56.95	56.95
	(c)	Share of Joint Venture (Apollo Lycos Netcommerce)	-	-
	<b>Total Other financial assets - Non Current</b>		<b>1,816.49</b>	<b>1,668.38</b>

**NOTE NO. 8 : DEFERRED TAXES ASSET (NET)**

S.No.	Particulars		As at 31st March 2023	As at 31st March 2022
			Amount	Amount
	<b>Deferred tax assets (net)</b>			
		Deferred tax liability	516.35	449.92
		Allowances for bad and doubtful debts	2.49	
		Acturail gain or loss of gratuity	(23.51)	66.43
		<b>Deferred Tax Liability Net</b>	<b>495.34</b>	<b>516.35</b>
		Deferred tax assets	-	-
		Opening Deferred tax assets	643.92	869.29
		- Fixed Assets	(16.95)	777.11
		- Provision for gratuity and compensated absences	108.64	(14.15)
		Allowances for bad and doubtful debts	-	0.88
		Gratuity Expenses	2.91	8.11
		Foreign currency difference	239.57	(997.32)
		MAT credit	-	-
		<b>Deferred Tax Asset Net</b>	<b>978.08</b>	<b>643.92</b>
		<b>Deferred Tax Asset (Net)</b>	<b>482.75</b>	<b>127.57</b>

<b>NOTE NO. 9 : NON- CURRENT TAX ASSETS (NET)</b>				
S.No.	Particulars		As at 31st March 2023	As at 31st March 2022
			Amount	Amount
	<b>Non- Current tax assets (net)</b>			
		-Advance Income Tax	-	
I		-TDS Receivables	51.93	57.05
		-Provision for Tax	-	
		<b>Total Non- Current tax assets (net)</b>	<b>51.93</b>	<b>57.05</b>

**NOTE NO. 10 : OTHER NON CURRENT ASSETS**

S.No.	Particulars		As at 31st March 2023	As at 31st March 2022
			Amount	Amount
	<b>Other non-current assets</b>			
I		Others	3,249.21	3,091.32
		Deposits with banks with maturity beyond 12 months	-	-
		<b>Total Other Non Current Assets</b>	<b>3,249.21</b>	<b>3,091.32</b>

**NOTE NO. 11 : TRADE RECEIVABLES**

S.No.	Particulars		As at 31st March 2023	As at 31st March 2022
			Amount	Amount
	<b>Trade receivables</b>			
		(a)Unsecured Considered good	299,885.09	188,847.03
			-	-
I		Less: Allowances for bad and doubtful debts	713.13	709.12
			-	-
	Notes		-	-
	<i>In determining the allowances for doubtful trade receivables the Company</i>		-	-
		<b>Total Trade Receivables</b>	<b>299,171.96</b>	<b>188,137.91</b>
	<b>Please refer note no- 45</b>			

**NOTE NO. 12 : CASH AND CASH EQUIVALENTS**

S.No.	Particulars		As at 31st March 2023	As at 31st March 2022
			Amount	Amount
	<b>Cash and cash equivalents</b>			
	Balances with banks			
I		- Current Accounts	141,113.19	74,493.20
		- Unpaid Dividend	-	-
		- Cheques, drafts on hand	-	-
		- Cash on hand	0.01	0.01
		- Share of Joint Venture (Apollo Lycos Netcommerce)	-	-
		<b>Total Cash and cash equivalents</b>	<b>141,113.20</b>	<b>74,493.21</b>

**NOTE NO. 13 : OTHER BANK BALANCES - CURRENT**

S.No.	Particulars	As at 31st March 2023	As at 31st March 2022
		Amount	Amount
	<b>Other bank balances - Current</b>	-	-
I	(i) Earmarked balances with Banks	-	-
	- Unpaid Dividend	56.52	2.45
	(ii) Balances with bank held as Margin Money	2.94	2.94
		-	-
	<b>Total Other bank balances - Current</b>	<b>59.46</b>	<b>5.39</b>

**NOTE NO. 14 : LOANS - CURRENT**

S.No.	Particulars	As at 31st March 2023	As at 31st March 2022
		Amount	Amount
	<b>Loans - Current</b>		
I	Unsecured Considered Good		
	<b>(a) Loans and Advances to related parties</b>	-	
	<b>(b) Others</b>	-	
	Advances to Employees	1,042.68	570.46
	Other Advances	144,876.80	141,828.72
	<b>Total Loans - Current</b>	<b>145,919.48</b>	<b>142,399.18</b>

**NOTE NO. 15 : OTHER FINANCIAL ASSETS - CURRENT**

S.No.	Particulars	As at 31st March 2023	As at 31st March 2022
		Amount	Amount
	<b>Other financial asset-Current</b>		
I	(a) Security deposits		
	- Rental deposits	32.57	32.57
	- Other deposits	24.79	29.21
	Others financial assets	-	
	<b>Total Other financial assets - Current</b>	<b>57.36</b>	<b>61.78</b>

**NOTE NO. 16 : OTHER CURRENT ASSETS**

S.No.	Particulars	As at 31st March 2023	As at 31st March 2022
		Amount	Amount
	<b>Other Current Assets</b>		
I	Other current assets	18,971.77	17,454.74
	<b>Total Other Current Assets</b>	<b>18,971.77</b>	<b>17,454.74</b>

**Note No: 17 Equity share capital**

S.No.	Particulars	As at 31st March 2023	As at 31st March 2022
		Amount	Amount
	<b>Equity share capital</b>		
	<b>(i) Authorized</b>		
	2,250,000,000 Equity Shares of Rs.2/- each )	45,000.00	45,000.00
		-	-
	<b>(ii) Issued , Subscribed and Paid Up</b>		
	(2,017,921,873 Equity Shares Rs.2/- each)	40,370.44	40,358.44
		-	-
	<b>(iii) Reconciliation of the shares outstanding at the beginning and at the end of the</b>		
	<b>Number of Shares</b>		
	Shares outstanding at the beginning of the year	2,017,921,873	507,651,499
	Add: Issued and allotted during the year	600,000	1,510,270,374
	Shares outstanding at the end of the year	2,018,521,873	2,017,921,873
	<b>(iv) Rights, Preferences and restrictions attached to the equity shares:</b>		
	(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.		
	<b>(v) Shares held by holding Company</b>		
	<b>(vi) The details of shareholders holding more than 5% shares in the Company</b>		
	<b>(a) Equity Shares</b>		
	ARADHANA COMMOALES LLP		
	Number of equity shares	62,500,000.00	62,500,000.00
	% of holding	5.16%	5.16%
	SARITA COMMOALES LLP		
	Number of equity shares	62,500,000.00	62,500,000.00
	% of holding	5.16%	5.16%

<b>Details of promoters Share holding as on 31st march 2023:</b>			
<b>Promoter Name</b>	<b>No of Shares</b>	<b>% of Total Shares</b>	
ARADHANA COMMOSALES LLP	104,166,666	5.16%	
SARITA COMMOSALES LLP	104,166,666	5.16%	
KALPANA COMMOSALES LLP	52,083,333	2.58%	
SHALINI SALES LLP	41,666,666	2.06%	
M SURESH KUMAR REDDY	17,302,723	0.86%	
VIJAY KANCHARLA	5,393,295	0.27%	
VIJAY KUMAR KANCHARLA HUF	32,234,564	1.60%	
S V RAJYALAXMI REDDY	3,195,833	0.16%	
M. GANGI REDDY	2,410,000	0.12%	
M. SUBHADRA REDDY	299,458	0.01%	
PALLE SUGUNA REDDY	4,377,416	0.22%	
K MOHAN RAO	3,750	0.00%	
VENKATESWARA RAO	1,487,421	0.07%	
MUTHUKURU SHASHIDHAR REDDY	2,793,750	0.14%	
FINGROWTH CO. LTD	1,071,945	0.05%	
PROBUS CAPITAL LIMITED	10,416	0.00%	
MUNDI ENTERPRISE LIMITED	118,750	0.01%	
<b>TOTAL</b>	<b>372,782,652</b>	<b>18.47%</b>	
<b>Note:</b>			
<b>Details of promoters Share holding as on 31st march 2022:</b>			
<b>Promoter Name</b>	<b>No of Shares</b>	<b>% of Total Shares</b>	
M SURESH KUMAR REDDY	10,381,635	0.86%	
VIJAY KANCHARLA	3,235,977	0.27%	
VIJAY KUMAR KANCHARLA HUF	19,352,934	1.60%	
S V RAJYALAXMI REDDY	1,917,500	0.16%	
M. GANGI REDDY	1,446,000	0.12%	
M. SUBHADRA REDDY	179,675	0.01%	
PALLE SUGUNA REDDY	2,626,450	0.22%	
K MOHAN RAO	2,250	0.00%	
VENKATESWARA RAO	892,453	0.07%	
MUTHUKURU SHASHIDHAR REDDY	1,676,250	0.14%	
FINGROWTH CO. LTD	643,167	0.05%	
PROBUS CAPITAL LIMITED	6,250	0.00%	
MUNDI ENTERPRISE LIMITED	71,250	0.01%	
<b>TOTAL</b>	<b>42,431,791</b>	<b>3.51%</b>	

Note No: 18 Other equity

S.No.	Particulars	As at 31st March 2023	As at 31st March 2022
		Amount	Amount
	<b>Other equity consist of the following</b>		
	(a) Capital reserve		
	Opening balance	41,678.12	41,678.12
	Add: During the year	-	-
		<b>41,678.12</b>	<b>41,678.12</b>
	<b>b).Securities Premium</b>		
	Opening balance	72,831.23	2,512.00
	Add: During the year	34.20	90,629.13
	Less: Bouns shares issued	-	20,309.91
		<b>72,865.43</b>	<b>72,831.23</b>
	<b>c).General reserve</b>		
	Opening balance	398.17	398.17
	Add: During the year	-	-
		<b>398.17</b>	<b>398.17</b>
	<b>d).Surplus</b>		
	Opening balance	<b>358,130.82</b>	<b>267,178.47</b>
	Add: Profit for the year	137,099.36	91,220.05
	Add: Remeasurement of the defined benefit plan	(371.93)	253.12
	Less: Dividend issued	6,053.77	520.82
		<b>488,804.49</b>	<b>358,130.82</b>
	<b>e).Foreign currency translation reserve</b>		
	Opening balance	16,052.36	4,041.06
	Add: During the year	39,922.42	12,011.30
		<b>55,974.78</b>	<b>16,052.36</b>
	<b>Total Reserve &amp; Surplus</b>	<b>659,720.97</b>	<b>489,090.68</b>

**NOTE NO. 19 : PROVISIONS - NON CURRENT**

S.No.	Particulars	As at 31st March 2023	As at 31st March 2022
		Amount	Amount
	<b>Provisions - Non current</b>		
I	Provision for employee benefits		
	(a) Gratuity	53.59	52.48
	(b) Leave encashment	16.91	16.91
	Accrued Severance Pay	1,001.66	975.92
	Other Provisions	21.77	8.83
		-	-
	<b>Total Provisions - Non Current</b>	<b>1,093.94</b>	<b>1,054.14</b>

**NOTE NO. 20 : DEFERRED TAX LIABILITIES (NET)**

S.No.	Particulars	As at 31st March 2023	As at 31st March 2022
		Amount	Amount
	<b>DEFERRED TAX LIABILITIES (NET)</b>		
I	Opening Deferred tax liability	334.96	326.15
	ADD:	-	-
	Deferred Tax Liability for the year ( Due to SLM and WDV Difference )	-	8.81
	Deferred Tax Liability due to others	-	-
	<b>Gross Deferred tax liability</b>	<b>334.96</b>	<b>334.96</b>
	<b>Deferred tax assets</b>		
	Opening Deferred tax	(0.65)	54.95
	ADD: During th year	-	-
	Deferred Tax Asset for the year ( Due to SLM and WDV Difference )	-	-
	Provision for Gratuity and Compensated Absences	23.71	19.83
	Foreign currency difference	(3.06)	(75.42)
	<b>Gross Deferred tax Asset</b>	<b>20.00</b>	<b>(0.65)</b>
	<b>Deferred Tax Liability - Net</b>	<b>314.96</b>	<b>335.61</b>

**NOTE NO. 21: TRADE PAYABLES - CURRENT**

S.No.	Particulars	As at 31st March 2023	As at 31st March 2022
		Amount	Amount
I	Trade payables		
	Share of Joint Venture (Apollo Lycos Netcommerce)	-	
	Total outstanding dues of micro enterprises and small enterprises	0.21	3.70
	Total outstanding dues of creditors other than micro enterprises and small	26,578.12	17,807.68
	<b>Total Trade Payables - Current</b>	<b>26,578.33</b>	<b>17,811.38</b>
	<b>Please refer note no - 46</b>		



**NOTE NO. 22 : OTHER FINANCIAL LIABILITIES - CURRENT**

S.No.	Particulars	As at 31st March 2023	As at 31st March 2022
		Amount	Amount
	<b>Other financial liabilities - Current</b>		
	Others	109.37	110.73
	<b>Total Other financial liabilities - Current</b>	<b>109.37</b>	<b>110.73</b>

**NOTE NO. 23 : OTHER CURRENT LIABILITIES**

S.No.	Particulars	As at 31st March 2023	As at 31st March 2022
		Amount	Amount
	<b>Other current liabilities</b>		
I	Unpaid dividend	3,408.88	1,301.08
	Other Current Liabilities	19,649.10	10,312.51
	Acquisition Payables -Lycos Inc	13,155.20	16,648.53
	Statutory Dues	-	-
	Share of Joint Venture (Apollo Lycos Netcommerce)	-	-
	<b>Total Other current liabilities</b>	<b>36,213.19</b>	<b>28,262.12</b>

**NOTE NO. 24 : PROVISIONS - CURRENT**

S.No.	Particulars	As at 31st March 2023	As at 31st March 2022
		Amount	Amount
	<b>Provisions - Current</b>		
I	<b>(i) Provision for employee benefits</b>		
	Employee benefit payable	680.20	207.38
	<b>(ii) Others</b>	-	-
	(a) Provisions for expenses	13.22	9.41
	(b) Other Provisions	1,225.21	505.81
	(c) Tax	23,306.08	16,300.51
	<b>Total Provisions - Current</b>	<b>25,224.71</b>	<b>17,023.11</b>

## Brightcom Group Limited

The accompanying notes form an integral part of the Consolidated Financial Statements

### NOTE NO. 25 : REVENUE FROM OPERATIONS

(Amount in Inr Lakhs except No. of Shares And EPS)

S.No.	Particulars	Year Ending	Year Ending
		31/03/2023	31/03/2022
		Amount	Amount
I	(a) Sale of Services Domestic	152.93	9.23
	(b) Sale of Services Exports	696,132.53	465,268.46
	(c) Sale of Software Exports	43,391.27	36,681.09
	<b>Total Revenue from Operations</b>	<b>739,676.73</b>	<b>501,958.77</b>

### NOTE NO. 26 : OTHER INCOME

S.No.	Particulars	Year Ending	Year Ending
		31/03/2023	31/03/2022
		Amount	Amount
I	(a) Interest income	3.67	0.17
	(b) Net gain/(loss) on foreign currency translation and transaction	(649.86)	(222.59)
	Other Income	-	-
	<b>Total Other Income</b>	<b>(646.19)</b>	<b>(222.42)</b>

### NOTE NO. 27 : COST OF REVENUE

S.No.	Particulars	Year Ending	Year Ending
		31/03/2023	31/03/2022
		Amount	Amount
I	(a) Media Cost	333,048.51	218,742.34
	(b) Internet, cloud and Infrastructure	53,141.13	34,692.17
	(c) Syndication Cost	14,635.01	9,459.53
	(d) Software Purchase & Sub Contractors Cost	33,655.07	28,517.19
	<b>Total Cost of Revenue</b>	<b>434,479.73</b>	<b>291,411.22</b>

### NOTE NO. 28 : EMPLOYEE BENEFIT EXPENSES

S.No.	Particulars	Year Ending	Year Ending
		31/03/2023	31/03/2022
		Amount	Amount
I	(a) Salaries, wages and allowances	39,986.98	27,238.75
	(b) Contribution to provident and other fund	22.53	11.37
	(c) Staff Welfare Expenses	3.38	1.03
	<b>Total Employee Benefit Expenses</b>	<b>40,012.89</b>	<b>27,251.15</b>

**NOTE NO. 29 : OTHER EXPENSES**

S.No.	Particulars	Year Ending	Year Ending
		31/03/2023	31/03/2022
		Amount	Amount
I	Power & Fuel	718.32	516.30
	Rent	5,539.72	3,790.28
	Repairs & Maintenance	1,180.92	803.52
	Insurance	787.60	559.10
	Rates & Taxes (excluding Income Tax)	1,091.22	736.96
	Miscellaneous Expenses	825.61	542.09
	Payment to Auditors:	-	-
	(i) As Auditor fee	507.57	324.67
	(ii) For Tax Audit fee	12.34	8.45
	(iii) For Other Audit related Services	49.64	33.70
	Ins Fee	-	35.48
	Telephone, Postage and Others	919.61	698.51
	Business Promotion Expenses	15,624.16	10,591.40
	Travelling and Conveyance	500.45	332.49
	Office Maintenance	2,296.61	1,628.04
	Printing & Stationery Expenses	67.85	44.79
	Security Charges	117.72	89.02
	Consultancy Charges	2,285.53	1,578.42
	Event Sponsorship & Seminar Fee	30.00	20.00
	Web Development Expenses	2,718.51	1,891.54
	Professional Charges	4,601.13	2,716.58
	Sales and Marketing Expenses	5,707.32	4,102.73
	Books & Subscriptions	33.55	29.82
	Provision for Impairment of Debtors	(3.06)	(153.62)
	(w)Bad debts written off	-	-
Other Expenses	2,297.62	1,678.70	
CSR Expenditure	20.12	9.59	
	<b>Total Other Expenses</b>	<b>47,930.10</b>	<b>32,608.57</b>

**NOTE NO. 30 : FINANCE COSTS**

S.No.	Particulars	Year Ending	Year Ending
		31/03/2023	31/03/2022
		Amount	Amount
I I	(a) Interest on Working capital Loans	-	-
	Interest on Term Loan	-	-
		-	-
	Loan processing Charges & Bank Charges	40.98	31.43
	<b>Total Finance Costs</b>	<b>40.98</b>	<b>31.43</b>

**31. Auditor's Remuneration:**

Particulars	(Amount in ₹ Lakhs.)	
	Year ended 31 <sup>st</sup> March,	
	2023	2022
Statutory Audit Fees	507.57	324.67
Tax Audit Fee	12.34	8.45
Other Audit related Services	49.64	33.70
<b>Total</b>	<b>569.55</b>	<b>366.83</b>

**32. 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.**

**33. Related Party Transactions:**

During the financial year 2022-23 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	Nilendu Chakraborty	Independent Director
5	Surabhi Sinha	Independent Director
6	Raghunath Allamsetty	Independent Director
7	Peshwa Acharya	Non-Independent & Non-Executive Director
8	Yreach Media Private Limited, India	99% Owned Subsidiary
9	LIL Projects Private Limited, India	Wholly Owned Subsidiary
10	Frontier Data Management Inc, USA	Wholly Owned Subsidiary
11	International Expressions Inc, USA	Wholly Owned Subsidiary
12	Online Media Solutions Limited, Israel	Wholly Owned Subsidiary
13	Ybrant Media Acquisition Inc, USA	Wholly Owned Subsidiary
14	Dyomo Corporation, USA	Wholly Owned Subsidiary
15	Max Interactive Pty, Ltd., Australia	Wholly Owned Subsidiary
16	DreamAd, Argentina	Wholly Owned Subsidiary
17	DreamAd, Chile	Wholly Owned Subsidiary
18	Get Media Mexico Sociedad Anonima De Capital Variable, Mexico	Wholly Owned Subsidiary
19	DreamAd, Panama	Wholly Owned Subsidiary
20	DreamAd, Uruguay	Wholly Owned Subsidiary
21	Ybrant Digital Servicos De Publicidade Ltda, Brasil	Wholly Owned Subsidiary

22	Ybrant Digital (Brasil) Ltd., Singapore	Wholly Owned Subsidiary
23	LGS Global FZE, UAE	Wholly Owned Subsidiary
24	Ybrant Employees welfare Trust	Directors acting as Trustees
25	LGSL Foundation Trust	Directors acting as Trustees
26	Vuchi Media Pvt Ltd	Associate company

**Balances with related parties at the year-end:****(i) Unsecured loans from Related Parties: (Amount in ₹ Lakhs.)**

Particulars	Year ended 31 <sup>st</sup> March	
	2023	2022
DreamAd, Panama	904.42	833.91
Frontier Data Management Inc, USA	1069.34	985.97
International Expressions Inc, USA	864.72	797.31
Online Media Solutions Limited, Israel	1,296.61	1,195.52
Ybrant Media Acquisition Inc, USA	6702.70	6,180.14
LIL Projects Pvt Ltd	-	-
Yreach Media Pvt Ltd	-	-

**(ii) Investment in Subsidiaries and Associates:**

Particulars	Year ended 31 <sup>st</sup> March	
	2023	2022
DreamAd Group	5,432.40	5,432.40
Frontier Data Management Inc., USA	12,984.77	12,984.77
International Expressions Inc., USA	10,453.63	10,453.63
Online Media Solutions Limited, Israel	5,178.81	5,178.81
Ybrant Media Acquisition Inc., USA	12,652.40	12,652.40
Max Interactive Pty Ltd, Australia	4,174.90	4,174.90
Dyomo Corporation, USA	4.67	4.67
Ybrant Digital Servicos De Publicidade Ltda, Brasil	2.66	2.66
Ybrant Digital (Brasil) Ltd., Singapore	0.00	0.00
LGS Global FZE, UAE	2.44	2.44
Yreach Media Pvt Ltd.	0.99	0.99
LIL Projects private limited.	1.00	1.00
Vuchi Media Pvt Ltd	16,886.81	16,886.81

**(iii) Unsecured loans to related parties:**

Particulars	year ended 31 <sup>st</sup> March	
	2023	2022
Ybrant Employees welfare Trust	107.50	107.50
LGSL Foundation Trust	56.95	56.95
LIL Projects Pvt Ltd	12,996.92	5,220.28
Yreach Media Pvt Ltd	28,249.87	19,519.12

**34. Lease:**

The company's lease asset classes primarily consist of leases for land and buildings. Effective April 1, 2019, the company adopted Ind AS 116, Leases and applied the standard to applicable lease contracts. On the adoption of the new standard resulted in the recognition of ROU asset of Rs. NIL, and a lease liabilities of Rs. NIL at a standalone level. The effect of this adoption is insignificant on the operating profit, net profit for the period and earnings per share .

**35. Foreign Currency Outflows:**

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

Particulars	(Amount in ₹ Lakhs.)	
	Year Ended 31 <sup>st</sup> March,	
	2023	2022
Foreign Travelling	7.10	4.05
<b>Total</b>	<b>7.10</b>	<b>4.05</b>

**36. Foreign Currency Inflows:**

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

Particulars	(in lakhs)	
	Year Ended 31 <sup>st</sup> March,	
	2023	2022
Sales & Services	NIL	NIL
Realization from Trade Receivables out of Opening Balance	NIL	NIL
Investment in Equity	-	51,417.58
<b>Total</b>	<b>-</b>	<b>51,417.58</b>

**37. 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-23	31-Mar-22
<b>Present Value of Obligation as at beginning</b>	52.91	45.55
Current Service Cost	6.08	3.85
Interest Expense or Cost	3.68	3.00
Re-measurement (or Actuarial) (gain) / loss arising from: others		
- change in demographic assumptions		
- change in financial assumptions	-7.16	2.09
- experience variance (Actual v assumptions)		
Past Service Cost		
Effect of change in foreign exchange rates		
Benefits Paid	-1.48	-1.58
Acquisition Adjustment		
Effect of business combinations or disposals		
<b>Present Value of Obligation as at the end</b>	<b>54.02</b>	<b>52.91</b>

## b) Bifurcation of Net Liability

Particulars	As on	
	31-Mar-23	31-Mar-22
Current Liability (Short term)	20.74	18.49
Non-Current Liability (Long term)	33.28	34.42
<b>Total Liability</b>	<b>54.02</b>	<b>52.91</b>

## c) Changes in the Fair Value of Plan Assets

Particulars	For the period ending	
	31-Mar-23	31-Mar-22
<b>Fair Value of Plan Assets as at the beginning</b>	0.43	0.43
<b>OB difference</b>		
Investment Income	0.03	0.03
Employer's Contribution		
Expenses		
Employee's Contribution		
Benefits Paid		
Return on plan assets, excluding amount recognized in net interest expense	-0.03	-0.03
Acquisition Adjustment	-	-
<b>Fair Value of Plan Assets as at the end</b>	<b>0.43</b>	<b>0.43</b>

## d) Change in the Effect of Asset Ceiling

Particulars	For the period ending	
	31-Mar-23	31-Mar-22
<b>Effect of Asset Ceiling at the beginning</b>	-	-
Interest Expense or Cost (to the extent not recognized in net interest expense)	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
<b>Effect of Asset Ceiling at the end</b>	<b>-</b>	<b>-</b>

## e) Expenses Recognized in the Income Statement

Particulars	For the period ending	
	31-Mar-23	31-Mar-22
Current Service Cost	6.07	3.85
Past Service Cost		
Loss / (Gain) on settlement		
Expected return on Asset		
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	3.64	2.97
Actuarial Gain/Loss		
<b>Expenses Recognized in the Income Statement</b>	<b>9.72</b>	<b>6.82</b>

## f) Other Comprehensive Income

Particulars	For the period ending	
	31-Mar-23	31-Mar-22
Actuarial (gains) / losses		
- change in demographic assumptions		
- change in financial assumptions	7.16	2.09
- experience variance (i.e. Actual experience vs assumptions)		
- others - obd difference		
Return on plan assets, excluding amount recognized in net interest expense	( 0.03)	( 0.03)
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling		
<b>Components of defined benefit costs recognized in other comprehensive income</b>	<b>7.13</b>	<b>2.12</b>

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

Particulars	As on	
	31-Mar-23	31-Mar-22
Government of India securities	-	-
State Government securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Special Deposit Scheme	-	-
Funds managed by Insurer	-	-
Bank balance	-	-
Other Investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## h) Actuarial Assumptions:

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

Particulars	As on	
	31-Mar-23	31-Mar-22
Discount rate (per annum)	<b>7.35%</b>	<b>7.05%</b>
Salary growth rate (per annum)	<b>6.00%</b>	<b>6.00%</b>

## (ii) Leave Encashment

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



**38. Earnings Per Share:**

Particulars	(Amount in Rs.)	
	Year Ended 31 <sup>st</sup> March 2023	Year Ended 31 <sup>st</sup> March, 2022
Profits Attributable to Equity Share Holders	137,099.35	91,220.05
Weighted Average No. of Shares Outstanding for the Year ended		
Basic	2018,521,873	2,017,921,873
Diluted	2018,521,873	2,017,921,873
Earnings per Share – Basic	6.79	4.52
Earnings per Share – Diluted	6.79	4.52

The EPS of Rs.6.79 on a PAT of Rs. 137,099.35 lakhs for the year ended 31 March 2023 for an Equity Capital i.e. Rs. 40,370.44 lakhs consisting of 2018,521,873 Equity Shares of Rs.2/- each fully paid up and whereas the EPS of Rs. 4.52 on a PAT of Rs. 91,220.05 lakhs for the year ended 31 March 2022 for an Equity Capital i.e. Rs. 40358.44 lakhs consisting of of 2,017,921,873.

- 39.** 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. (649.86) lakhs (net) has been recognized in statement Profit and Loss for the Year.

**40. 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.

**41. Intra branch Transactions:**

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

- 42.** 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 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].

**43. Dues to Micro & Small Enterprises:**

There are no overdue principle amounts and interest thereon payable to Micro Enterprises and Small Enterprises, as at 31-03-2022.

**44. 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.

## 45. Trade receivables ageing schedule

Ageing as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	2,25,472.34	74,414.25	-	-	-	2,99,886.59
Disputed Trade Receivables – considered good						
<b>Less: Expected credit loss</b>		(714.62)				(714.62)
<b>Total</b>	<b>2,25,472.34</b>	<b>73699.63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,99,171.96</b>

Ageing as at 31 March 2022:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	1,20,321.60	68,525.44	-	-	-	1,88,847.03
Disputed Trade Receivables – considered good						
<b>Less: Expected credit loss</b>		(709.12)				(709.12)
<b>Total</b>	<b>1,20,321.60</b>	<b>67,816.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,88,137.91</b>

## 46. Trade payables ageing schedule:

Ageing as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	0.21	-	-	-	-	0.21
Others	26,568.95	9.17	-	-	-	26,578.12
<b>Total</b>	<b>26,569.16</b>	<b>9.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,578.33</b>

Ageing as at 31 March 2022:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	3.70	-	-	-	-	3.70
Others	17,798.71	8.97	-	-	-	17,807.68
<b>Total</b>	<b>17,802.41</b>	<b>8.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,811.38</b>

#### 47. Capital work-in-progress

Ageing for capital work-in-progress as at March 31, 2023 is as follows:

Capital work-in-progress	Amount in Capital work-in-progress of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	13,669.35				13,669.35
<b>Total</b>	<b>13,669.35</b>	-	-	-	<b>13,669.35</b>

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

Capital work-in-progress	Amount in Capital work-in-progress of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	8,196.29				8,196.29
<b>Total</b>	<b>8,196.29</b>	-	-	-	<b>8,196.29</b>

#### 48. Intangible assets under development:

Ageing for intangible assets under development as at March 31, 2023 is as follows:

Intangible assets under development	Amount in Intangible assets under development of					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Project in progress	11,849.55				11,849.55	
<b>Total</b>	<b>11,849.55</b>	-	-	-	<b>11,849.55</b>	

Ageing for intangible assets under development as at March 31, 2022 is as follows:

Intangible assets under development	Amount in Intangible assets under development of					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Project in progress	9,738.42				9,738.42	
<b>Total</b>	<b>9,738.42</b>	-	-	-	<b>9,738.42</b>	

#### 49. Financial risk management objectives and policies

The Group's principal financial liabilities comprise, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks. The Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and makes policies for managing each of these risks, which are summarized below.

**A Credit Risk**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group considers a counterparty who fails to pay according to the contractual terms or obligations as a defaulted party. This is based on considering the market and economic forces in which the entities in the Group are operating and considering the impact of COVID – 19. The Group creates provision for the amount if the credit risk of counter-party increases significantly due to its poor financial position and failure to make payment within the due date. In calculating expected credit loss, the Group has also considered historical pattern of credit loss, the likelihood of increased credit risk and consequential default considering emerging situations due to COVID –19.

**Trade receivables as contract asset:**

The customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis. Outstanding customer receivables are regularly monitored. The Group's receivables turnover is quick and historically, there were no significant defaults. Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired.

**B. Liquidity Risk**

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**C. Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other market changes. Financial instruments affected by market risk include loans and borrowings and deposits.

**- Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Group's exposure to the risk of changes in market interest rates is negligible.

**- Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective entities.

**50. Contingent Liabilities & Guarantees:**

Particulars	Name of the Bank / Party	(in lakhs.)
		Year ending 31st March, 2023
Disputed Service tax Liability for the period May 2008 to September 2011	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	1,460.05
Disputed Service tax Liability for the period May 2008 to September 2011	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	413.23
Disputed Service tax Liability for the period April 2014 to June 2017.	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	6,487.35
Disputed GST Liability for the period July 2017 to March 2021.	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	3,287.09
Disputed Income Tax Liability for the A.Y.2006-07 to A.Y. 2009-10.	CIT(Appeals) / ITAT	834.44

Disputed Income Tax Liability for the A.Y.2010-11 to A.Y. 2013-14.	CIT(Appeals)/ ITAT	3,231.47
Disputed Income Tax Liability for the A.Y.2014-2015 to A.Y. 2020-21.	CIT(Appeals)/ ITAT	8,607.48
Corporate Guarantee for Acquiring Lycos Inc (USD 4 Mn) *	Daum Global Holdings Corp, Republic of Korea	3,288.80

\* Assumption: 1 USD = Rs.82.22 (Closing rate as on 31<sup>st</sup> March 2023)

51. Dividend Payable is pending for various financial years amounting to Rs.3,408.88/-lakhs.

#### 52. Subsequent event

Dividend declared by the Company is based on the profit available for distribution. On 30th May, 2022, the Board of Directors of the Company have proposed a final dividend of paisa 30 per share in respect of the year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting.

#### 53. Recent pronouncements

(a) Standards (including amendments) issued but not yet effective The Ministry of Corporate Affairs (“MCA”) has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023 to amend certain Ind ASs which are effective from April 01, 2023: Below is a summary of such amendments:

- I. Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose ‘significant accounting policies’ with ‘material accounting policy information’. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.
- II. Definition of Accounting Estimates – Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.
- III. Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12 Income taxes The amendment to Ind AS 12, requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

54. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

#### 55. Impact of COVID-19 (pandemic)

The client market segments we serve are faced with challenges and opportunities arising from the COVID-19 pandemic and its resulting impact on the company. We believe the investments we have made, and continue to make, in our strategy will enable us to tackle these market conditions, especially in the areas of digitization of processes, migration to cloud based technologies, workplace transformation, business model transformation, enhanced cyber security controls and cost structure optimization. Further, we have successfully enabled most of our employees worldwide to work remotely and securely – thus achieving the operational stability to deliver on client commitments and ensuring our own business continuity.

The Group has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these Consolidated financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets.

At the group level, based on our assessment we believe that the forecasted transactions are not impacted by COVID-19 pandemic. The group has also considered the effect of changes, if any.

## 56. Additional Regulatory Information

Ratios					
Ratio	Numerator	Denominator	Current year	Previous year	Change in ratio
<b>Current ratio (in times)</b>	Total current assets	Total current liabilities	6.87	6.69	3%
<b>Debt-Equity ratio (in times)</b>	Debt consists of borrowings and long term liabilities	Total equity	0.0020	0.0026	-23%
<b>Debt service coverage ratio (in times)</b>	Earning for Debt Service = Net Profit after taxes+ Non-cash operating expenses + Interest +Other non-cash adjustments	Debt service = Interest + finance charges	3,978.66	3,679.36	8%
<b>Return on equity ratio (in %)</b>	Profit for the year	total equity	19.58%	17.23%	14%
<b>Trade receivables turnover ratio (in times)</b>	Revenue from operations	Average trade receivables	3.04	3.35	-9%
<b>Trade payables turnover ratio (in times)</b>	Cost of equipment and software licences	Average trade payables	19.58	19.78	-1%
<b>Net capital turnover ratio (in times)</b>	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	1.43	1.40	2%
<b>Net profit ratio (in %)</b>	Profit for the year	Revenue from operations	18.54%	18.17%	2%
<b>Return on capital employed (in %)</b>	Profit before tax and finance costs	Capital employed = Net worth + Long term liabilities	27.09%	23.71%	17%
<b>Return on investment (in %)</b>	Total Comprehensive Income	Total Assets	22.37%	17.42%	28%

### Note:

**Current Ratio:** In line with the improvement in sales, the quantum of media purchased and other current assets has also increased, whilst media and current assets held being maintained at the higher level and thus resulting in the improvement in current ratio.

**Debt-Equity ratio :** The long term liabilities are negligible .

**Debt service coverage ratio :** The interest and finance charges increased from Rs. 31.43 lakhs in FY2021-22 to Rs.40.98lakhs in FY 2022-23. The PAT is increased from Rs.912.20crs in FY 2021-22 to Rs. 1370.99 crs in FY2022-23. The finances charges are increased by Rs.9.55 lakhs whereas profit is increased by Rs.458.79 crs. The increase in interest amount is negligible compared to than that of PAT.

**Trade payables turnover ratio:** In line with the improvement in sales, the quantum of media purchased and other expenses incurred has also increased, whilst the payables balance held being maintained lower as compared to previous year owing to timely payment of dues to vendor due to significant cash being realized from the operations, the resulting impact on ratio is noted.

**Return on capital employed:** Improvement in ratio was led by increased sales volumes resulting in significantly higher profits for the year.

**Return on investment:** Improvement in ratio was led by increased sales volumes resulting in significantly higher profits for the year.

57. The Company has spent Rs. 20.11 Lakhs on CSR activities in the areas of Education and Environmental Protection. A detailed report on CSR forms part of this annual report.
58. SEBI vide its letter dated 13th April 2023, has issued interim order cum show cause notice to the company seeking clarifications with respect to certain issues. The final outcome of the investigation is yet to come by the time of our Report.
59. As referred in Point No. 177[d] of SEBI's Interim order cum show-cause notice dated 13th April 2023, "the company" has to appoint at least one independent director on its board of directors as a director on the board of directors of each of its material subsidiaries within fifteen days of the date of its order. Consequent to this order, the company vide its Intimation to SEBI dated 28th April, 2023, has appointed two of its independent directors from its board as directors on the board of directors of its three unlisted material subsidiaries.
60. As referred in Point No. 177[e] of SEBI's Interim order cum show-cause notice dated 13th April 2023, "the company" has to disseminate the standalone financial statements of each of its subsidiaries on its website, for the period between FY 2014-15 and FY 2021-22. Consequent to the order the company has uploaded the financial statements/ Financial information of its subsidiaries in its website.
61. As referred in point no 177(g)(ii) of SEBI's interim order cum show cause notice dated 13th April 2023, the internal team of the company conducts and ensures the adequacy of internal audit function of the company.
62. The figures of previous year have been regrouped wherever necessary.
63. The figures have been rounded off to the nearest lakhs and decimals thereof.
64. 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 Murali & Co.,  
CHARTERED ACCOUNTANTS  
FRN: 007257S

For and on behalf of the Board of  
BRIGHTCOM GROUP LIMITED

A Krishna Rao  
PARTNER  
Membership Number: 020085  
UDIN: 23020085BGQX1X8750

M.Suresh Kumar Reddy  
Chairman & Managing Director  
DIN : 00140515

Vijay Kancharla  
Executive Director  
DIN: 02744217

S.L.N.RAJU  
Chief Financial Officer

**Accounting Policies-Consolidated****1. Corporate Information:**

Brightcom Group Limited, offers digital marketing solutions to businesses, agencies and online publishers world-wide. Brightcom Group 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. Brightcom Group Limited has a global presence, with offices in over 24 countries.

Brightcom Group 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 specifically in the areas of Digital Media advertising and in the fields of AI, ML, IOT to name a few. 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. BCG 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 from time to time).

**b) Company information**

The consolidated financial statements of the Company includes subsidiaries listed in the table below:

Name of Investee	Principal activities	Country of incorporation	Percentage of ownership/ voting rights	
			31/Mar/22	31/Mar/21
Ybrant Media Acquisition Inc	Digital Marketing	USA	100	100
Online Media Solutions Limited	Digital Marketing	Israel	100	100
International Expressions Inc	Digital Marketing	USA	100	100
Dream AD SA Panama	Digital Marketing	Panama	100	100
Ybrant Digital Servicos De Publicidade Ltd	Digital Marketing	Brazil	100	100
LGS Global FZE	Digital Marketing	UAE	100	100
Ybrant Digital (Brasil) Limited	Digital Marketing	Singapore	100	100
Frontier Data Management Inc	Digital Marketing	USA	100	100
Dream AD SA Argentina	Digital Marketing	Argentina	100	100
Dyomo Corporation	Digital Marketing	USA	100	100
Get Media Mexico Sociedad Anonima De Capital Variable, Mexico	Digital Marketing	Mexico	100	100
Dream AD SA Chile	Digital Marketing	Chile	100	100
Max Interactive Pty Ltd	Digital Marketing	Australia	100	100
LIL Projects Private Limited	Digital Marketing/ Software Development	India	99	99
YReach Media Private Limited	Digital Marketing/ Software Development	India	100	100



**c) 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.

**d) 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 recognized directly in equity and attributed to owners of the Company.

**e) Business Combinations**

The Company accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognized 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 recognized 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 recognized 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.

**f) 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 recognized 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 amortized 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.

**g) 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.

**h) Dividends**

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

**i) 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

**j) Dividend income is recorded when the right to receive payment is established.  
Interest income is recorded using the effective interest method.****k) Leases**

The Group as a lessee The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether :

- (i) the contract involves the use of an identified asset;
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease, and

(iii) the Group has the right to direct the use of the asset.

**l) 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 are an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment etc.

**m) 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 recognized 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 recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively.

**V. Group companies**

On consolidation, the assets and liabilities of foreign operations are translated into Indian rupees at the rate of exchange prevailing at the reporting date and their Statements of Profit and Loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in the Statement of Profit and Loss.

**n) 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 recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized 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 recognized using the Balance sheet approach. Deferred income tax assets and liabilities are recognized 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 recognized 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 recognized 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.

### **o) 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.

**p) 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.

**q) 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.

**r) 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.

**s) Investment in subsidiaries**

Investment in subsidiaries are measured at cost less impairment.

**t) 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

#### u) 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.

#### v) 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.

#### w) 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.

**x) 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.

**y) 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.

**z) 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.

**aa) 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.

**bb) 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.

**cc) 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.

BRIGHTCOM GROUP LIMITED FY 2022-23  
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		% of shareholding	Country
	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		
<b>Parent</b>	22.49%	1,57,439.28	0.68%	933.90	1.36%	537.07	0.83%	1,470.97		India
<b>Parent Subsidiaries</b>										
<b>Indian</b>										
Yreach Media Pvt Ltd	0.00%	2.37	0.00%	1.10	0.00%	-	0.00%	1.10	100%	India
LLI Projects PVT LTD	0.00%	0.31	0.01%	7.02	-0.02%	(7.36)	0.00%	(0.34)	100%	India
<b>Foreign</b>										
Dream Ad- Argentina	6.55%	45,867.52	9.07%	12,433.10	7.40%	2,925.02	8.69%	15,358.11	100%	Argentina
Dream Ad- Chile	3.10%	21,708.02	4.16%	5,709.32	3.52%	1,391.65	4.02%	7,100.98	100%	Chile
Dream Ad- Mexico	1.72%	12,057.16	2.67%	3,655.13	1.88%	742.97	2.49%	4,398.10	100%	Mexico
Dream Ad- Panama	2.32%	16,251.43	3.44%	4,714.04	2.55%	1,008.20	3.24%	5,722.24	100%	Panama
Dream Ad- Uruguay	0.26%	1,836.70	0.53%	721.03	0.26%	101.01	0.47%	822.04	100%	Uruguay
Dyomo Corporation, USA	8.39%	58,766.23	9.84%	13,495.48	9.77%	3,864.97	9.83%	17,360.45	100%	USA
Frontier Data Management Inc. USA	16.54%	1,15,822.56	16.06%	22,015.04	20.00%	7,908.65	16.94%	29,923.69	100%	USA
International Expressions Inc. USA	8.02%	56,124.07	5.72%	7,848.57	10.02%	3,961.08	6.69%	11,809.65	100%	USA
Max Interactive Pty Ltd, Australia	2.51%	17,557.40	3.96%	5,424.52	2.74%	1,082.42	3.68%	6,506.94	100%	Australia
Online Media Solutions Limited, Israel	34.54%	2,41,782.84	40.86%	56,012.37	40.06%	15,844.48	40.68%	71,856.85	100%	Israel
Ybrant Digital (Brasil) Ltd, Singapore	0.00%	-	0.00%	-	0.00%	-	0.00%	-	100%	Singapore
Ybrant Digital Services De Publicidade Ltd, Brasil	2.44%	17,115.27	3.75%	5,136.17	2.72%	1,075.57	3.52%	6,211.73	100%	Brasil
Ybrant Media Acquisition Inc. USA	-1.62%	(11,353.53)	0.00%	-	-2.24%	(885.14)	-0.50%	(885.14)	100%	USA
LGS Global FZE, UAE	0.00%	2.44	0.00%	-	0.00%	-	0.00%	-	100%	Dubai
<b>Total</b>	<b>107.27%</b>	<b>7,50,980.08</b>	<b>100.73%</b>	<b>1,38,106.78</b>	<b>100.00%</b>	<b>39,550.58</b>	<b>100.57%</b>	<b>1,77,657.36</b>		
<b>Less:</b>										
<b>Adjustments arising on account of consolidation</b>	7.27%	50,888.68	-0.73%	(1,007.42)	0.00%	-	-0.57%	(1,007.42)		
<b>Total</b>	<b>100.00%</b>	<b>7,00,091.41</b>	<b>100.00%</b>	<b>1,37,099.36</b>	<b>100.00%</b>	<b>39,550.59</b>	<b>100.00%</b>	<b>1,76,649.94</b>		

<b>Dream Ad- Argentina</b>			
Sl.No	Description	Amount In	Amount In
		USD	INR
a)	Share Capital	1.70	85.59
b)	Reserves & Surplus	556.52	45,781.93
c)	Total Assets	616.72	50,677.28
d)	Total Liabilities	616.72	50,677.28
e)	Details of Investments	14.62	1,202.34
f)	Turnover	815.33	65,642.19
g)	Profit before tax	225.61	18,163.73
h)	Provision for tax	69.70	5,730.63
i)	Profit after tax	155.91	12,433.10
	Other comprehensive income	(0.50)	2,925.02
	Total comprehensive income for	155.41	15,358.11
j)	Proposed Dividend	NIL	NIL
k)	% of Share holding	100%	

<b>Dream Ad- Mexico</b>			
Sl.No	Description	Amount In	Amount In
		USD	INR
a)	Share Capital	0.30	15.18
b)	Reserves & Surplus	146.52	12,041.98
c)	Total Assets	163.25	13,407.64
d)	Total Liabilities	163.25	13,407.64
e)	Details of Investments	-	-
f)	Turnover	188.30	15,159.90
g)	Profit before tax	65.33	5,259.48
h)	Provision for tax	19.51	1,604.36
i)	Profit after tax	45.81	3,655.13
	Other comprehensive income	(0.20)	742.97
	Total comprehensive income for	45.62	4,398.10
j)	Proposed Dividend	-	-
k)	% of Share holding	100%	

<b>Dream Ad- Uruguay</b>			
Sl.No	Description	Amount In	Amount In
		USD	INR
a)	Share Capital	0.33	16.74
b)	Reserves & Surplus	22.06	1,819.95
c)	Total Assets	29.49	2,419.60
d)	Total Liabilities	29.49	2,419.60
e)	Details of Investments	-	-
f)	Turnover	91.46	7,363.79
g)	Profit before tax	12.00	965.86
h)	Provision for tax	2.98	244.83
i)	Profit after tax	9.02	721.03
	Other comprehensive income	(0.06)	101.01
	Total comprehensive income for	8.95	822.04
j)	Proposed Dividend	-	-
k)	% of Share holding	100%	

<b>Dream Ad- Chile</b>			
Sl.No	Description	Amount In	Amount In
		USD	INR
a)	Share Capital	0.03	1.42
b)	Reserves & Surplus	264.10	21,706.60
c)	Total Assets	292.42	24,033.88
d)	Total Liabilities	292.42	24,033.88
e)	Details of Investments	-	-
f)	Turnover	326.10	26,253.99
g)	Profit before tax	97.84	7,877.25
h)	Provision for tax	26.37	2,167.92
i)	Profit after tax	71.47	5,709.32
	Other comprehensive income	(0.14)	1,391.65
	Total comprehensive income for	71.34	7,100.98
j)	Proposed Dividend	NIL	NIL
k)	% of Share holding	100%	

<b>Dream Ad- Panama</b>			
Sl.No	Description	Amount In	Amount In
		USD	INR
a)	Share Capital	2.50	125.75
b)	Reserves & Surplus	195.36	16,125.68
c)	Total Assets	219.19	18,005.14
d)	Total Liabilities	219.19	18,005.14
e)	Details of Investments	-	-
f)	Turnover	232.61	18,727.52
g)	Profit before tax	78.53	6,322.26
h)	Provision for tax	19.56	1,608.22
i)	Profit after tax	58.97	4,714.04
	Other comprehensive income	(0.22)	1,008.20
	Total comprehensive income for	58.75	5,722.24
j)	Proposed Dividend	NIL	NIL
k)	% of Share holding	100%	

<b>Dyomo Corporation, USA</b>			
S.No	Description	Amount In	Amount In
		USD	INR
a)	Share Capital	0.10	4.67
b)	Reserves and Surplus	715.23	58,761.56
c)	Total Assets	781.18	64,180.06
d)	Total Liabilities	781.18	64,180.06
e)	Details of Investments	38.82	3,192.03
f)	Turnover	790.12	63,612.86
g)	Profit before tax	240.11	19,331.38
h)	Provision for tax	70.98	5,835.90
i)	Profit After Tax	169.13	13,495.48
	Other comprehensive income for the period	(0.72)	3,864.97
	Total comprehensive income for the period	168.41	17,360.45
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Frontier Data Management Inc., USA

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	289.19	12,980.71
b)	Reserves and Surplus	1,119.97	1,02,841.85
c)	Total Assets	1,506.57	1,23,830.93
d)	Total Liabilities	1,506.57	1,23,830.93
e)	Details of Investments	100.49	8,262.53
f)	Turnover	1,196.92	96,364.07
g)	Profit before tax	392.09	31,566.93
h)	Provision for tax	116.17	9,551.89
i)	Profit After Tax	275.91	22,015.04
	Other comprehensive income for the period	(0.60)	7,908.65
	Total comprehensive income for the period	275.31	29,923.69
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

International Expressions Inc. USA

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	201.87	10,648.18
b)	Reserves and Surplus	481.01	45,475.89
c)	Total Assets	724.47	59,543.47
d)	Total Liabilities	724.47	59,543.47
e)	Details of Investments	78.90	6,487.03
f)	Turnover	475.87	38,312.53
g)	Profit before tax	139.90	11,263.10
h)	Provision for tax	41.53	3,414.53
i)	Profit After Tax	98.37	7,848.57
	Other comprehensive income for the period	(0.44)	3,961.08
	Total comprehensive income for the period	97.93	11,809.65
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Max Interactive Pty Ltd., Australia

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	0.00	0.00
b)	Reserves and Surplus	213.70	17,557.40
c)	Total Assets	242.31	19,909.67
d)	Total Liabilities	242.31	19,909.67
e)	Details of Investments	-	-
f)	Turnover	325.11	26,174.62
g)	Profit before tax	97.00	7,809.50
h)	Provision for tax	29.01	2,384.98
i)	Profit After Tax	67.99	5,424.52
	Other comprehensive income for the period	(0.22)	1,082.42
	Total comprehensive income for the period	67.78	6,506.94
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Online Media Solutions Ltd, Israel

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	63.69	2,874.97
b)	Reserves and Surplus	2,877.93	2,38,907.87
c)	Total Assets	3,219.93	2,64,665.43
d)	Total Liabilities	3,219.93	2,64,665.43
e)	Details of Investments	251.02	20,638.47
f)	Turnover	3,931.23	3,16,503.32
g)	Profit before tax	908.92	73,176.80
h)	Provision for tax	208.76	17,164.43
i)	Profit After Tax	700.15	56,012.37
	Other comprehensive income for the period	(1.36)	15,844.48
	Total comprehensive income for the period	698.79	71,856.85
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Ybrant Digital Servicos De Publicidade Ltda, Brasil

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	0.06	2.94
b)	Reserves and Surplus	208.22	17,112.33
c)	Total Assets	233.07	19,152.78
d)	Total Liabilities	233.07	19,152.78
e)	Details of Investments	-	-
f)	Turnover	273.45	22,015.37
g)	Profit before tax	97.60	7,857.70
h)	Provision for tax	33.10	2,721.53
i)	Profit After Tax	64.50	5,136.17
	Other comprehensive income for the period	(0.16)	1,075.57
	Total comprehensive income for the period	64.34	6,211.73
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Ybrant Digital (Brasil) Limited, Singapore

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	0.00001	0.00045
b)	Reserves and Surplus	-	-
c)	Total Assets	0.00001	0.00045
d)	Total Liabilities	0.00001	0.00045
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%

Ybrant Media Acquisition Inc USA

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	270.00	12,190.40
b)	Reserves and Surplus	(408.09)	(23,543.93)
c)	Total Assets	81.52	6,702.69
d)	Total Liabilities	81.52	6,702.69
e)	Details of Investments	-	-
f)	Turnover	-	-
g)	Profit before tax	-	-
h)	Provision for tax	-	-
i)	Profit After Tax	-	-
	Other comprehensive income for the period	-	(885.14)
	Total comprehensive income for the period	-	(885.14)
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

LGS Global FZE, UAE

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	0.05	2.44
b)	Reserves and Surplus	-	-
c)	Total Assets	0.05	2.44
d)	Total Liabilities	0.05	2.44
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%

LIL projects PVT LTD, Hyderabad, India

S.No	Description	Amount In	
		INR	
a)	Share Capital	1.00	
b)	Reserves and Surplus	(0.69)	
c)	Total Assets	27,029.45	
d)	Total Liabilities	27,029.45	
e)	Details of Investments	-	
f)	Turnover	155.29	
g)	Profit before tax	5.28	
h)	Provision for tax	(1.74)	
i)	Profit After Tax	7.02	
	Other comprehensive income for the period	(7.36)	
	Total comprehensive income for the period	(0.34)	
j)	Proposed Dividend	NIL	
k)	% of Share Holding	100%	

Yreach Media Pvt Ltd, Hyderabad, India

S.No	Description	Amount In	
		INR	
a)	Share Capital	1.00	
b)	Reserves and Surplus	1.37	
c)	Total Assets	29,133.56	
d)	Total Liabilities	29,133.56	
e)	Details of Investments	-	
f)	Turnover	52.69	
g)	Profit before tax	0.13	
h)	Provision for tax	0.96	
i)	Profit After Tax	1.10	
	Other comprehensive income for the period	-	
	Total comprehensive income for the period	1.10	
j)	Proposed Dividend	NIL	
k)	% of Share Holding	100%	

# **MANAGEMENT DISCUSSION & ANALYSIS**

## MANAGEMENT DISCUSSION AND ANALYSIS

The company reported a strong year, with consolidated revenues of Rs.7396.77 crores and PAT of Rs.1370.99 crores for FY2022-23.

Consolidated revenues increased 47.36% YOY and PAT rising 50.30% YOY.

The EBITDA also rose by 43.96% YOY.

Company's Return on Equity (ROE), on an annualized basis has reached nearly 19.58%

We would also like to highlight that this ROE is unleveraged, because the group has zero debt on standalone and consolidated basis. We continue to focus on improving this key ratio.

In addition, we achieved operating free cash flow of approximately Rs. 436.76 crores.

### **The main drivers of revenue were:**

1. Client relationship fostered over the years
2. Improved client satisfaction leading to new client acquisitions
3. Presence in new geographic locations
4. Digitalization is going up
5. The AdTech Industry is growing
6. Adding new products to get higher wallet share of new clients

Additionally, during the year, we have added about:

### **260 Global Agency Relationships**

#### **15 New Advertising Agencies**

#### **630 Direct Advertisers**

#### **650+ large Publishers**

#### **50,000+ long-tail Publishers**

The above development in turn led to better eCPMs for Brightcom. Blocal Exchange and Brightcom Video player, both New Product Technology Introductions, have started contributing significantly to the overall business growth.

The above factors, combined with the overall Growth in "Digital advertising media" and client focus by all our operating teams across the geographies helped deliver the Robust Growth.

### **Inorganic Growth: M&A and Strategic Alliances Strategy**

On the inorganic growth front, we have been working out the most effective structure to enable faster & ROE focused growth for our company.

We are extremely focused on being highly capital efficient and are calibrating our inorganic growth strategy to get most bang for our buck.

Appropriate announcements shall be made when inorganic transactions are consummated.

## Updates:

The team participated at the “**d3con Advertisers day**” event in Hamburg.

We also took part the “**AdMonsters OPS**” event in NYC in June 2022.

In May 2022, Brightcom attended the “**Advertising Week Europe – Creative Capital**” event.

Ezequiel Moschovich Vice President of Business Development was at the **DIGIDAY Summit** in Miami, Florida in September 2022.

Etai Eitany, CEO of Israel office, along with Roni Gelman and Daria Oshry of Berlin office were in Cologne, Germany to be at the event **DMEXCO** in September 2022

Sabrina Delas, Team Lead, Publishers’ Development, attended the **CES 2023** Event at Vegas in January 2023

Our Brightcom team attended **MWC Barcelona 2023** in February 2023

Etai Eitany and Sabrina Delas have attended **Digiday Publishing Summit** in March 2023 in Vail, Colorado, USA

## Risk management

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

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

**Obsolescence risk:** A technology-driven company always faces the risk of an innovation or product development that can make one or more propositions redundant. The Company remains alert with technological developments to overcome this risk.

**Financial and tax risks:** 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.

**Competition risk:** Enhanced competition in the US market may reduce price and revenue margin. The Company is expanding globally and penetrating potential markets like Brazil and China. In the future, it would focus more.

**Consolidation risk:** Consolidation of service providers may affect the Company. The Company has also ventured into strategic acquisitions and tie-ups to capitalise on current market opportunities.

**Regulatory risk:** Businesses can be affected by privacy legislation and other regulations. The Company discloses all its collection statements and dissemination practices in a published privacy statement on its website.



## **Human resource**

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

### **Our journey till now and Road Ahead:**

As we reflect on the journey that began in 1998 with the founding of the Company in California Bay Area as USA Greetings.com, it is astounding to witness the remarkable evolution of the digital landscape. From a mere 300 million users tethered to desktop computers, the online realm now encompasses over 3 billion users across the globe, accessing information, entertainment, and education through a myriad of devices.

Today, we stand at the precipice of another transformative era, characterized by the rapid integration of Artificial Intelligence (AI) into every facet of our lives. While Brightcom Group has only begun to explore the vast potential of AI, we recognize its influence in revolutionizing communication, problem-solving, and even reshaping big brands. The journey has just commenced, and we anticipate a magical transformation over the next two decades.

In the ever-changing landscape of online engagement, we've witnessed screens transition from desktops to wrists, mobiles, and even car screens. Yet, we maintain that the form factor is secondary; it's the consumer behind the screen that matters. The imminent shift to an AI-first world reinforces our conviction that the device will eventually fade away, giving rise to smart internet systems that understand users while prioritizing privacy and security.

Looking ahead, our focus remains on driving effective monetization for publishers, enhancing ad effectiveness for clients, and embracing emerging technologies like AI/ML, IoT, and Quantum computing. Our strategic pursuits will be marked by efficiency and sustainability, ensuring our continued growth.

# CORPORATE INFORMATION

## REGISTERED OFFICE

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## AUDITORS

P MURALI&. CO  
CHARTERED ACCOUNTANTS  
6-3-655/2/3,  
SOMAJIGUDA,  
Hyderabad - 500082

## BOARD OF DIRECTORS

Mr. Raghunath Allamsetty  
Mr. Ram Sharma  
Mr. Satyanarayana Yadavally  
Dr. Chandrika Setu Sharma,  
Mr. PLEO GANESAN

## BANKERS

Axis Bank Limited  
ICICI Bank Limited  
REGISTRAR AND SHARE TRANSFER AGENT  
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## SUBSIDIARIES

### Online Media Solutions Limited (Oridian)

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### 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 Mariano 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

### LIL Projects Private Limited

Road No 2, Nanakramguda, Gachibowli, Hyderabad,  
Telangana, India - 500032.

### Yreach Media Private Limited

Road No 2, Nanakramguda, Gachibowli,  
Hyderabad, Telangana, India - 500032.

### 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.

### LGS Global FZE

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

### International Expressions Inc. (VoloMP)

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

### Get Media Mexico S.A. DE CV

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

### Ybrant Digital (Brasil) Limited

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### Max Interactive Pty. Ltd.

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