



September 13, 2019

BSE Limited
P. J. Towers, Dalal Street,
MUMBAI – 400 001.
Scrip Code: **532368**

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

Dear Madam/Sir,

Sub: 20th Annual Report of Brightcom Group Limited.

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find enclosed herewith the 20th Annual Report of Brightcom Group Limited (the “Company”) for the financial year 2018-19 (the “Annual Report”). The Notice convening the Annual General Meeting of the Company along with the Attendance Slip, Proxy Form and route map for AGM venue is part of this Annual Report.

The Annual Report is also available on Company’s website at www.brightcomgroup.com.

Request you to take the same on record and oblige.

Yours faithfully,

for **BRIGHTCOM GROUP LIMITED**
(formerly Lycos Internet Limited)



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





brightcom group



SIMPLIFY YOUR
DIGITAL LIFE

20th ANNUAL
REPORT
FINANCIAL YEAR 2018 - 19

[INDEX]

CORPORATE INFORMATION	1	
LETTER FROM CHAIRMAN'S DESK	2	
KEY METRICS	5	
BOARD OF DIRECTORS	6	
NOTICE	8	
BOARD' REPORT	15	
	29	MANAGEMENT DISCUSSION & ANALYSIS
	33	REPORT ON CORPORATE GOVERNANCE
	44	STANDALONE FINANCIAL STATEMENTS
	80	CONSOLIDATED FINANCIAL STATEMENTS



FORWARDLOOKING STATEMENT

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

REGISTERED OFFICE

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

BOARD OF DIRECTORS

Mr. M Suresh Kumar Reddy
Mr. Vijay Kancharla
Mr. Allam Raghunath
Dr. K. JayalakshmiKumari
Dr. Surabhi Sinha

SUBSIDIARIES**Online Media Solutions Limited (Oridian)**

Sapir 3 Herzlia 46733, PO Box 12637, Israel.

Ybrant Media Acquisition LLC

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

Dream ad S.A , Argentina

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

Dream ad S.A , Chile

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

Dream ad S.A, Uruguay

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

Dream ad S.A, Panama

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

Ybrant Digital (Brasil) Limited

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

LIL Projects Pvt Limited

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

Max Interactive Pty Ltd

5 Kings Lane, Darlinghurst, NSW 2010, Australia

International Expressions Inc (VoloMP)

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

LGS Global FZE

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

Dyomo Corporation

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

Ybrant Digital Servicos De Publicidade ILTDA

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

Frontier Data Management Inc (MediosOne)

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

Get Media Mexico S.A. DE CV

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

Yreach Media Pvt Ltd

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

BANKERS

Axis Bank Limited Canara Bank
ICICI Bank Limited

CHIEF FINANCIAL OFFICER

CA Y. Srinivasa Rao

COMPANY SECRETARY

CS M. Manohar

AUDITORS

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

REGISTRAR AND SHARE TRANSFER AGENT

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



Chairman's Speech

It gives me pleasure to update you on your company's progress for the year 2018-19. We had a great year, and I am delighted with the overall performance of the company.

The consolidated revenue for the financial year was Rs. 2577 crores compared to Rs. 2420 crores in the previous year with a profit of Rs 444 crores compares to 407 crores last year. The topline revenue and the bottom line remained consistent with the previous year in spite of us excluding Lycos Inc., numbers in consolidation.

Financial Consolidation

We will put effort to consolidate pending financial areas in the coming year. Three areas distinctly stand out to us are:

- a. Elimination of standalone bank debt in India
- b. Work out solutions to outstanding acquisition liabilities and litigations.
- c. Put a global line of credit in place to improve cash flow and scale the business.



Mr. Suresh Reddy awarded Indian Affairs Innovative Dynamic Entrepreneur of the year 2019 at India Leadership Conclave 2019

Video and mobile video continue to dominate in contributions to our advertising and media division. We did have some surprise jump in the display advertising during the December quarter. While most of the industry was concentrating on the video business, our teams saw this gap coming up and planned well in capitalizing it. Another initiative which gave us great mileage was our focus on traffic quality and the partnerships around that. We are part of the TAG (Trust and Accountability Group) alongside Pixelate and other reputed traffic quality players in the business. This initiative helped your company in winning some marquee deals and assisted in further growing the business.

Another important thing is that the team attended a good number of conferences, which we do every year. That is our bread and butter, which is how we develop our clientele and build our vendors. For instance, we were present in Denver at the Digiday Conference, and the Mobile World Conference Congress in Barcelona as well. In terms of new products and new technologies built this year. We have brought in header bidding to give us access to more extensive traffic base, which eventually translates to more revenue. We have started a new group focussed on artificial intelligence and machine learning. The Dyomo subsidiary came up with this new growth area. We have put together a team of 100 people working on various aspects of artificial intelligence and machine learning. We see significant traction on the Agri AI and the healthcare AI.

Moving Forward

From banners to big data/AI, digital marketing has continuously adapted to meet the needs of customers and brands alike. Today, with better technologies and robust digital infrastructure, changes are happening very quickly. Areas that we need to watch closely in the coming months/years are:

AI

Artificial intelligence has been a hot topic around town for a few years, but the hype isn't dwindling anytime soon. AI offers that which the best of the humans cannot. Take for instance One of the implemented forms of AI, chatbots. With the help of these simulated human interactions, consumers can find solutions no matter where they are or what device they're on. By the year 2023, the use of automation and AI will rapidly increase. The applications of AI in uncharted areas of business are fascinating; be it surveillance and security or advertising or medical tech or even Agriculture. AI is changing how we think about productivity or quality.

Programmatic advertising

With an estimated \$46 billion going towards programmatic advertising in 2018, The expectation is that programs will buy 86% of all digital display ads by 2020. This shift towards automation provides a more seamless, efficient, and accurate approach to paid media while simultaneously lowering customer acquisition costs.

Voice Search

With the introduction of Siri, Alexa, Cortana, and Google assistant, the users speak directly to their device instead of typing a request. As consumers adopt and begin to use voice assistants more and more, text-based search optimization of websites will have to be redone to recognize voice searches.

Influencer marketing

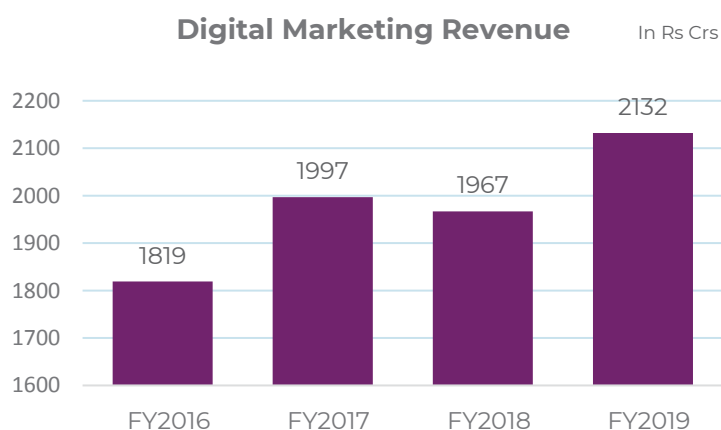
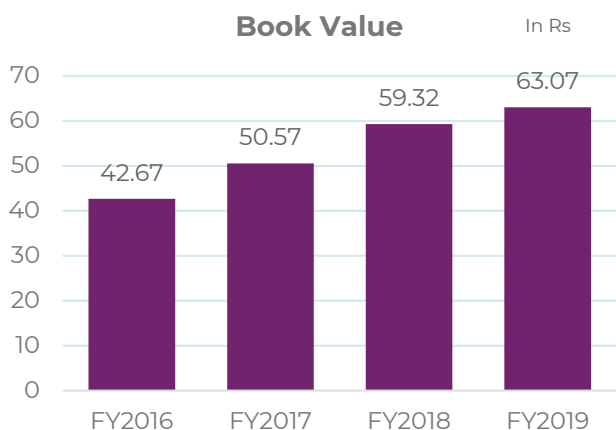
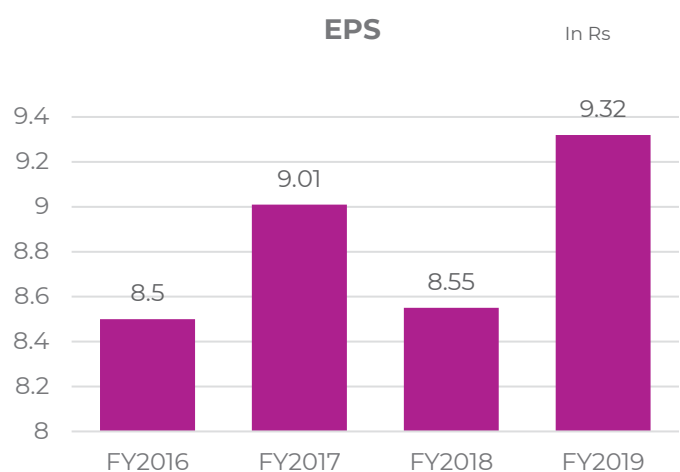
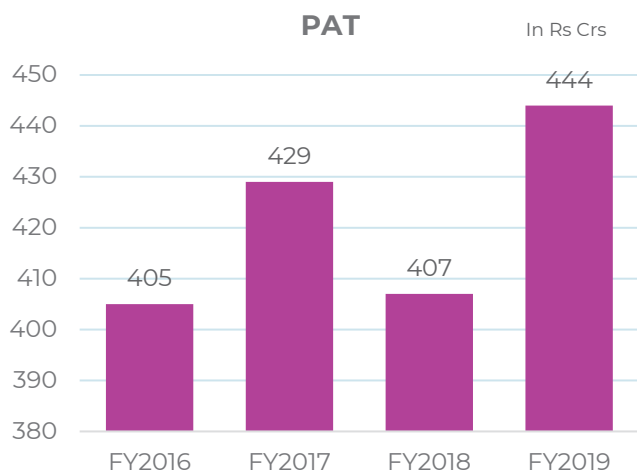
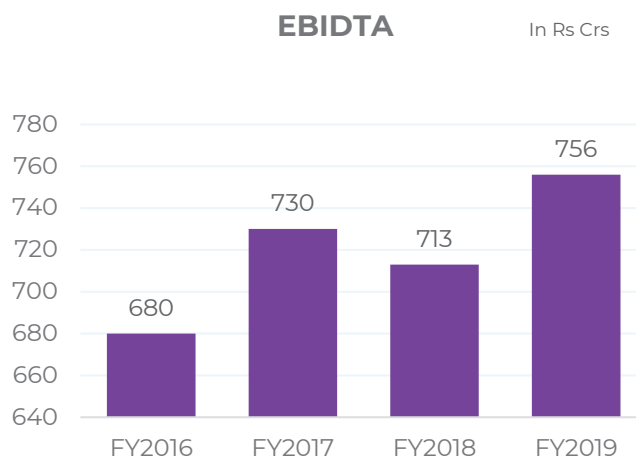
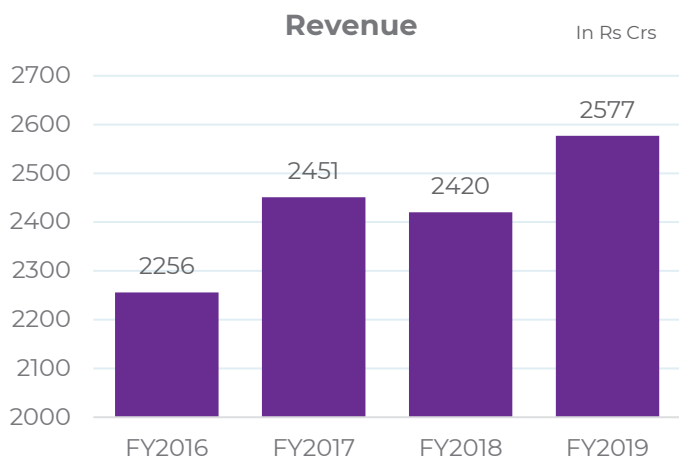
Influencer marketing has become the equivalent of word-of-mouth marketing today. Consumers of today are known to trust people more than product brands. This trend has kept the Influencer marketing buzzing through 2018 and 2019.

In essence, we will focus on staying course with digital media and marketing, which continues to be the mainstay of the company's business. We will consolidate long-standing debt and acquisition-related issues this year. Artificial Intelligence and new technology areas can open up lucrative opportunities for the company to scale further.

M Suresh Kumar Reddy

Chairman and Managing Director

Key Metrics





Suresh Reddy

Chairman & Managing Director

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

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

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

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



Vijay Kancharla

Executive Director & Chief Innovation Officer

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

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

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



Raghunath Allamsetty
Independent Director

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

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

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



Dr. Surabhi Sinha
Independent Director

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

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

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



Dr. K. JayalakshmiKumari
Independent Director

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

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

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

Notice of 20th Annual General Meeting

Notice is hereby given that the Twentieth (20th) Annual General Meeting of **Brightcom Group Limited** (formerly Lycos Internet Limited) will be held on Friday, September 27, 2019 at 10:00 a.m. at Ellaa Hotels, Hill Ridge Springs, Gachibowli, Hyderabad – 500032, Telangana to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - (a) the audited standalone financial statements of the company for the financial year ended March 31, 2019 together with the reports of the Board of Directors and the Auditors thereon; and
 - (b) the audited consolidated financial statements of the company for the financial year ended March 31, 2019 together with the report of the Auditors thereon.
2. To reappoint Mr. M. Suresh Kumar Reddy (DIN: 00140515), who retires by rotation, and being eligible offers himself for the reappointment.

SPECIAL BUSINESS:

3. Reappointment of Mr. M. Suresh Kumar Reddy (DIN: 00140515) as the Chairman & Managing Director.

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

“RESOLVED THAT in pursuance of the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule V to the said Act and subject to such other approvals, consents as may be required, the consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. M. Suresh Kumar Reddy (DIN:00140515) as Chairman & Managing Director of the Company for a further period of 5 (five) years with effect from April 01, 2019, on the terms & conditions of remuneration as set out below with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination & Remuneration Committee constituted by the Board) to alter and vary the terms & conditions of the said appointment and / or the remuneration, subject to the same not exceeding the limits specified in Schedule V to the said Act including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto”.

- 1) Clubs: Payment of one time membership fee and monthly fee of clubs subject to maximum of three clubs.

- 2) Medical expenses: All medical expenses incurred by him for self and family shall be reimbursed.
- 3) Insurance: Medical and Accident insurance premium as per company rules.

“Family” for the above purpose means wife, dependent children and dependent parents of CMD.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable including making of an application to the Central Government or such other regulatory authorities, if required, to give effect to this resolution”.

4. Reappointment of Mr. Vijay Kancharla (DIN: 02744217) as Executive Director:

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

“RESOLVED THAT in pursuance of the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule V to the said Act and subject to such other approvals, consents as may be required, the consent of the Members of the Company be and is hereby accorded for the reappointment of Mr. Vijay Kancharla (DIN: 02744217), as Executive Director of the Company for a further period of 5 (five) years with effect from April 01, 2019, on the terms & conditions of remuneration as set out below with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination & Remuneration Committee constituted by the Board) to alter and vary the terms & conditions of the said appointment and / or the remuneration, subject to the same not exceeding the limits specified in Schedule V to the said Act, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto”.

- 1) Clubs: Payment of one time membership fee and monthly fee of clubs subject to maximum of three clubs.
- 2) Medical expenses: All medical expenses incurred by him for self and family shall be reimbursed.
- 3) Insurance: Medical and Accident insurance premium as per company rules.

“Family” for the above purpose means wife, dependent children and dependent parents of ED.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, proper or desirable including making of an application to the Central Government or such other regulatory authorities, if required, to give effect to this resolution”.

For and on behalf of the Board of Directors

Place: Hyderabad
Date: August 30, 2019

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

Registered Office:

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

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy, in order to be effective, should reach the registered office of the Company at least 48 hours before the time of the meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. *The holder of proxy shall prove his identity at the time of attending the Meeting.*
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the special business to be transacted at the Annual General Meeting is annexed hereto.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. The Register of Members and Share Transfer books of the Company will remain closed from Saturday, September 21, 2019 to Friday, September 27, 2019 (both days inclusive).
5. Shareholders are requested to bring their folio number/demat account number/DPID-Client ID and are requested to sign at the place provided on the attendance slip and hand it over at the entrance to the venue of the Annual General Meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be titled to vote.
7. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
8. Members who hold shares in the dematerialized form and want to change/correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company will not entertain any direct request from such members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of Dividend, Registrar is obliged to use only the data provided by the Depositories, in case of such demat shares.
9. Members holding shares in physical form are advised to submit particulars of their PAN, Bank Account details viz. name and address of the branch of the bank, MICR code of the branch, type of account and account number to our Registrar and Share Transfer Agent, M/s Aarthi Consultants Private Limited, Unit: Brightcom Group Limited (formerly Lycos Internet Limited), 1-2-285, Domalguda, Hyderabad - 500 029.
10. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant provisions of Companies (Management and Administration) Rules, 2014, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company are requested to submit

their request with their valid e-mail address to M/s. Aarthi Consultants Private Limited. Members holding shares in demat form are requested to register/update their e-mail address with their Depository Participant(s) directly. Members of the Company, who have registered their email address, are entitled to receive such communication in physical form upon request.

appointed in the Annual General Meeting, held on September 27, 2017.

INSTRUCTIONS ON E-VOTING FACILITY:

The instructions for shareholders voting electronically are as under:

11. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m. upto the date of the 20th Annual General Meeting.
 12. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to Members to exercise their right to vote by electronic means. The complete instructions on e-voting facility provided by the Company are annexed to this notice. Such remote e-voting facility is in addition to voting that may take place at the meeting venue on September 27, 2019.
 13. The facility for voting through polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 14. The Company has appointed Mr. A Sridhar, Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.
 15. Pursuant to Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS 2) issued by the Institute of Company Secretaries of India, the relevant details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting of the Company are provided in "Annexure to Notice". The Company has received the consents / declarations for their appointments / re-appointments under the Companies Act, 2013 and the rules there under.
 16. The requirement to place the matter relating to appointment of the Statutory Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of the Statutory Auditors, who were
- (i) The voting period begins on Tuesday, September 24, 2019 at 09:00 a.m. and ends on Thursday, September 26, 2019 at 05:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, September 20, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.
 - (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:	(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
For Members holding shares in Demat Form and Physical Form	
<p>PAN Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. 	<p>(xi) Click on the EVSN for the relevant <BRIGHTCOM GROUP LIMITED> on which you choose to vote.</p> <p>(xii) 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.</p> <p>(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.</p> <p>(xiv) 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.</p> <p>(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.</p>
<p>Dividend Bank Details OR Date of Birth (DOB) 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"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). 	<p>(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.</p> <p>(xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.</p>
(viii) After entering these details appropriately, click on "SUBMIT" tab.	
(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.	<p>(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.</p> <p>(xix) Note for Non – Individual Shareholders and Custodians</p> <ul style="list-style-type: none"> • Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and Password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

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

Annexure to Notice

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

Name of Director	Mr. M. Suresh Kumar Reddy	Mr. Vijay Kancharla
Director Identification Number	00140515	02744217
Date of Birth	25.10.1966	10.05.1967
Date of first Appointment	26.06.2012	26.06.2012
Qualification	Master of Science from Iowa State University and B.Tech from IIT, Kharagpur	Master of Science from University of Louisville & B.Tech., from JNTU, Hyderabad
Category	Chairman & Managing Director	Executive Director
Terms & Conditions of Re-Appointment along with Remuneration sought to be paid	Being reappointed as a Director liable to retire by rotation. No remuneration is being paid. Reappointment as the Chairman and Managing Director of the Company for a period of 5 (five) years w.e.f. April 1, 2019.	Reappointment as Executive Director of the Company for a period of 5 (five) years w.e.f. April 1, 2019.
	The Directors have been appointed in terms of the provisions of Companies Act, 2013 and are responsible to undertake the roles and responsibilities prescribed under the provisions of the Companies Act, 2013 and other laws for the time being in force. In addition, the Directors are also responsible to undertake the roles and responsibilities assigned by the Board from time to time.	
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	There is no inter-se relationship between Mr. M. Suresh Kumar Reddy and other directors.	There is no inter-se relationship between Mr. Vijay Kancharla and other directors.
*Directorships held in other Companies and Bodies Corporate as on March 31, 2019	NIL	NIL
Chairman / Member of the Committee of the Board of Directors of the Company	Member of Stakeholders Relationship Committee and Corporate Social Responsibility Committee	Member of the Audit Committee and Corporate Social Responsibility Committee
No. of Board Meetings attended during the year	Please refer to Corporate Governance Report	Please refer to Corporate Governance Report
Chairman/Member of the Committee of the Board of Directors in other Companies as on March 31, 2019	NIL	NIL
No. of Equity Shares of Rs.2/- held in the Company as on 31.03.2019	7,50,84,653	38,20,946

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

Brief Profile and Area of Expertise

Mr. M. Suresh Kumar Reddy:

Mr. M. Suresh Kumar Reddy (DIN: 00140515) is one of the main Promoters and has been associated with the Company as Chairman & Managing Director.

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

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

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

Mr. Vijay Kancharla

Mr. Vijay Kancharla (DIN: 02744217) is one of the main Promoters and has been associated with the Company as an Executive Director.

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

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

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item no. 3 & 4:

The Board of Directors of the Company ("the Board") at its meeting held on March 28, 2019 on the recommendation of the Nomination & Remuneration Committee and subject to the approval of the members, accorded their approval for re-appointment of Mr. M. Suresh Kumar Reddy as the Chairman & Managing Director and Mr. Vijay Kancharla as Executive Director for a further period of 5 (five) years with effect from April 01, 2019 at a remuneration/perquisites as specified in the resolution(s) of the accompanying Notice, subject to provisions of Companies Act, 2013 and the Rules framed thereunder, as amended from time to time and Articles of Association of the Company.

Mr. M. Suresh Kumar Reddy is the Chairman and Promoter Director of the Company and Mr. Vijay Kancharla is a Promoter Director of the Company. Particulars of qualifications, brief resume, area of expertise and other details are annexed to this Notice.

None of the other Directors, Key Managerial Personnel of the Company and their Relatives is interested or concerned whether financially or otherwise in the Resolution set out at Item Nos. 3 and 4 of the Notice convening the meeting except Mr. M. Suresh Kumar Reddy and his relatives and Mr. Vijay Kancharla and his relatives.

The Board of Directors recommends the resolutions set out at item Nos. 3 and 4 of the Notice for the consideration and approval of the Members of the Company.

For and on behalf of the Board of Directors

Place: Hyderabad
Date: August 30, 2019

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

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Twentieth Annual Report of the Company along with Company's Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended on March 31, 2019.

Financial Highlights

(Rs. in Lakhs)

Particulars	Consolidated FY 2018-19	Consolidated 2017-18	Standalone	Standalone
			FY 2018-19	2017-18
Total Revenue	257,772.74	242,028.43	45,672.41	45,482.82
Gross Profit before Interest, Depreciation & Tax	75,683.00	71,329.30	1,204.80	1,224.90
Less: Interest	1,317.70	1,479.57	1,317.42	1478.75
Depreciation	13,510.19	10,814.98	100.41	107.92
Profit before Tax	60,855.11	59,034.75	(213.03)	(361.77)
Less: Provision for Tax	16,402.62	18,455.01	-	-
Less: Deferred Tax	54.87	(120.89)	107.57	(67.70)
Profit after Tax	44,397.61	40,700.63	(320.60)	(294.07)
Add: Other comprehensive income	(26,542.31)	964.83	322.07	68.53
Total comprehensive income for the period	17,855.31	41,665.46	1.48	(225.54)
Balance Brought forward from the previous year	219,200.54	177,535.08	6,699.09	6,924.63
Profit available for appropriations	237,055.85	219,200.54	6700.56	6,699.09
Less: Dividend	-	-	-	-
Less: Tax on Dividends	-	-	-	-
Less: Amount transferred to retained earnings as per Schedule II of Companies Act, 2013	-	-	-	-
Less: Transferred to General Reserve	-	-	-	-
Profit Carried to Balance Sheet	237,055.85	219,200.54	6700.56	6,699.09

State of Affairs / Company's performance

During the year under review, your Company achieved a consolidated turnover of Rs. 257,772.74 lakhs as against Rs. 242,028.43 lakhs in the previous year. Your Company has earned a consolidated gross profit of Rs. 75,683.00 lakhs before interest, depreciation and tax as against Rs. 71,329.30 lakhs in the previous year. After deducting financial charges of Rs. 1,317.70 lakhs, depreciation of Rs. 13,510.19 lakhs and provision for tax of Rs. 16,457.49 lakhs, the operations resulted in a net profit of Rs. 44,397.61 lakhs as against Rs. 40,700.63 lakhs in the previous year.

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

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

Transfer to Reserves:

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

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:

The Company has not declared dividend for the financial year ended March 31, 2019.

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.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year, there was no change in the nature of business of the company or any of its subsidiaries.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no such changes.

Subsidiary Companies:

The Company has 16 subsidiaries as of March 31, 2019. There was no material change in the nature of the business carried on by the subsidiaries. During the year under review the Company has not floated any new subsidiary Company.

Section 129(3) of the Companies Act, 2013 states that where the company has one or more subsidiaries, it shall, in addition to its financial statements, prepare a consolidated financial statement of the company and of all subsidiaries in the same form and manner as that of its own and also attach along with its financial statement. A statement containing the brief details of performance and financials of the Subsidiary Companies for the financial year ended March 31, 2019 is attached to Financial Statements of the Company.

Consolidated financial statements:

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with the provisions of Section 129(3) and other applicable provisions of the Companies Act, 2013 and the Indian Accounting Standards Ind AS-110 and other applicable Accounting Standards, your Directors have pleasure in attaching the consolidated financial statements for the financial year ended March 31, 2019, which forms part of the Annual Report.

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, 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. 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 had 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.

Corporate Governance:

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

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

Your Company during the year under review transferred the Unclaimed Dividend pertaining to the Financial Year 2010-11 to the Investor Education and Protection Fund in compliance with the provisions of Section 125 of the Companies Act, 2013.

Directors and key Managerial Personnel:

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

The Board of Directors on the recommendation of Nomination and Remuneration Committee in their meeting held on March 28, 2019 subject to the approval of the Members of the Company at the ensuing Annual General Meeting considered and approved the reappointment of Mr. M. Suresh Kumar Reddy as the Chairman & Managing Director and Mr. Vijay Kancharla as Executive Director of the Company for a further period of Five (5) Years commencing from 01.04.2019 to 31.03.2024 and remuneration payable to them.

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 20th AGM.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with 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.

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

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

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

Policy on Directors' Appointment and remuneration and other Details:

The Company's policy on directors' appointment and remuneration and other matters provided in section 178(3) of the 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.

Meetings of Board of Directors:

During the Financial Year Eight (8) meetings of the Board of Directors were held. The details of the meetings of the Board are given under the Section Corporate Governance Report which forms part of this Report.

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

Audit Committee:

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.

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

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

A. Details of Conservation of Energy

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

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

B. Technology Absorption

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

C. Foreign Exchange Earnings and outgo

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

Statutory Auditors:

M/s. P C N & Associates (formerly known as Chandra Babu Naidu & Co.,) (Firm Registration No.016016S), Chartered Accountants were appointed as Statutory Auditors of the Company for a term of Five years from the conclusion of the 18th Annual General Meeting till conclusion of 23rd Annual General Meeting conducted the Statutory Audit for the FY-2018-19. The Independent Auditors' Report(s) to the Members of the Company in respect of the Standalone Financial Statements and the Consolidated Financial Statements for the Financial Year ended March 31, 2019 form part of this Annual Report and do not contain any qualification(s) or adverse observations.

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

Adequacy of Internal Financial Control Systems & Risk Management:

The company has in place adequate internal financial controls with reference to its financial statements. These controls ensure the accuracy and completeness of the accounting records and the preparation of reliable financial statements.

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

Secretarial Auditors:

In compliance with the provisions of Section 204(1) of the Companies Act, 2013, the Company has appointed Mr. A. Sridhar, Practicing Company Secretary to conduct Secretarial Audit of the records and documents of the Company for the Financial Year 2018-19. The Secretarial Audit Report for the Financial Year ended March 31, 2019 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, 2019 does not contain any qualification(s) or adverse observations.

Compliance with Secretarial Standards:

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

Extract of Annual Return:

The extract of the Annual Return of the Company in Form MGT-9 for the Financial Year ended March 31, 2019 is given in Annexure- B and forms part of the Boards' Report.

Vigil Mechanism/ Whistleblower / Ombudsperson Policy:

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

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

Particulars of Employees and related disclosures:

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

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

Corporate Social Responsibility:

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

Significant and material orders:

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

Information required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has formulated a policy on Prevention of Sexual Harassment of Women at Workplace and also complied with provisions relating to the constitution of Internal Complaints Committee in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year ended 31st March, 2019, the Company has not received any complaints pertaining to Sexual Harassment.

Directors' Responsibility Statement:

Pursuant to the requirement under Section 134(5) of the Act, with respect to Directors' Responsibility Statement, your Directors, to the best of their knowledge and ability, hereby confirm that:

- (a) in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit and loss of the Company for the year ended on that date;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts for financial year ended March 31, 2019 on a going concern basis;
- (e) the Directors have laid down internal financial controls based on internal controls framework established by the Company, which in all material respects were adequate and operating effectively.
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgment:

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

For and on behalf of the Board of Directors

Place: Hyderabad
Date: August 30, 2019

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

Form No. MR - 3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2019
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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 my opinion, the Company has, during the financial year ended on March 31, 2019 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/2018 (Not applicable to the Company during the Audit Period);
 - (d) 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);

(i) The Securities and Exchange Board of India ((Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) 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 clauses of the following: (i) Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India; (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited..

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

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

I further report that

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

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

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

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

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

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

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

Place: Hyderabad

Date: 25.05.2019

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

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

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

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

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

**Place: Hyderabad
Date: 25.05.2019**

Annexure-B

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]**

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	67340627	0	67340627	14.14	67500787	0	67500787	14.17	0.03
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	67340627	0	67340627	14.14	67500787	0	67500787	14.17	0.03
2) Foreign									
a) NRIs-Individuals	91973599	0	91973599	19.31	91973599	0	91973599	19.31	0
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	2186487	0	2186487	0.46	2186487	0	2186487	0.46	0
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Overseas corporate bodies	24766812	0	24766812	5.2	24766812	0	24766812	5.2	0
Sub-total(A)(2):-	118926898	0	118926898	24.97	118926898	0	118926898	24.97	0
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	186267525	0	186267525	39.11	186427685	0	186427685	39.14	0.03
B. Public Shareholding									
1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Portfolio Investors	2725080	0	2725080	0.57	1145290	0	1145290	0.24	-0.33
h) Foreign Venture Capital Funds	71807732	0	71807732	15.08	33368913	0	33368913	7.01	-8.07
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	74532812	0	74532812	15.65	34514203	0	34514203	7.25	-8.4
2. Non Institutions									
a) Bodies Corp.	40656285	25500	40681785	8.54	38034773	25500	38060273	7.99	-0.55
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	65737986	280135	66018121	13.86	65011728	279785	65291513	13.71	-0.15
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	71505894	0	71505894	15.01	102085344	0	102085344	21.44	6.43
c) Others (Specify)									
NBFCs Registered with RBI	106650	0	106650	0.02	36100	0	36100	0.01	-0.01
Non Resident Individuals	30139808	509400	30649208	6.44	43541154	509400	44050554	9.25	2.81
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Trusts	1481000	0	1481000	0.31	1481000	0	1481000	0.31	0
Employees	0	357000	357000	0.07	0	213000	213000	0.04	-0.03
Clearing Members	4651504	0	4651504	0.98	4091827	0	4091827	0.86	-0.12
Foreign Nationals									
Sub-total(B)(2)	214279127	1172035	215451162	45.24	254281926	1027685	255309611	53.61	8.37
Total Public Shareholding (B)=(B)(1)+ (B)(2)	288811939	1172035	289983974	60.89	288796129	1027685	289823814	60.86	-0.03
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	475079464	1172035	476251499	100	475223814	1027685	476251499	100	0

(ii) Shareholding of Promoters/Promoters Group

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	% change in shareholding during the year
1.	M. Suresh Kumar Reddy	75084653	15.77	7.87	75084653	15.77	8.73	0
2.	Vijay Kancharla	3820946	0.8	0.8	3820946	0.8	0.8	0
3.	Redmond Investments Ltd.	24766812	5.2	5.2	24766812	5.2	5.2	0
4.	Geetha Kancharla	6534000	1.37	0	6534000	1.37	0	0
5.	S.V. Rajyalaxmi Reddy	6534000	1.37	0	6534000	1.37	0	0
6.	Fingrowth Co. Ltd.	1414534	0.30	0.19	1414534	0.30	0.19	0
7.	Palle Suguna Reddy	1941000	0.41	0	2101160	0.44	0	0.03
8.	Probus Capital Ltd.	605000	0.13	0.12	605000	0.13	0.12	0
9.	M. Shashidhar Reddy	1341000	0.28	0	1341000	0.28	0	0
10.	M. Gangi Reddy	1156800	0.24	0	1156800	0.24	0	0
11.	Mundi Enterprise Ltd.	166953	0.04	0.02	166953	0.04	0.02	0
12.	Vijay Kumar Kancharla HUF	62044564	13.03	7.15	62044564	13.03	7.37	0
13.	Kadiyala Venkateswara Rao	713963	0.15	0	713963	0.15	0	0
14.	M. Subhadra Reddy	141500	0.03	0	141500	0.03	0	0
15.	K. Mohan Rao	1800	0	0	1800	0	0	0
	Total	186267525	39.11	21.36	186427685	39.14	22.44	0.03

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Change in Shareholding		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	Increase	Decrease	No. of Shares	% of total shares of the company
1.	M. Suresh Kumar Reddy	75084653	15.77	0	0	75084653	15.77
2.	Vijay Kancharla	3820946	0.8	0	0	3820946	0.8
3.	Redmond Investments Ltd.	24766812	5.2	0	0	24766812	5.2
4.	Geetha Kancharla	6534000	1.37	0	0	6534000	1.37
5.	S.V. Rajyalaxmi Reddy	6534000	1.37	0	0	6534000	1.37
6.	Fingrowth Co. Ltd.	1414534	0.30	0	0	1414534	0.30
7.	Palle Suguna Reddy	1941000	0.41	160160	0	2101160	0.44
8.	Probus Capital Ltd.	605000	0.13	0	0	605000	0.13
9.	M. Shashidhar Reddy	1341000	0.28	0	0	1341000	0.28
10.	M. Gangi Reddy	1156800	0.24	0	0	1156800	0.24
11.	Mundi Enterprise Ltd.	166953	0.04	0	0	166953	0.04
12.	Vijay Kumar Kancharla HUF	62044564	13.03	0	0	62044564	13.03
13.	Kadiyala Venkateswara Rao	713963	0.15	0	0	713963	0.15
14.	M. Subhadra Reddy	141500	0.03	0	0	141500	0.03
15.	K. Mohan Rao	1800	0	0	0	1800	0

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Change in Shareholding		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Increase	Decrease	No. of Shares	% of total shares of the Company
1.	Oak India Investments	33368913	7.01	0	0	33368913	7.01
2.	Priya Prakash	15530820	3.26	2406290	0	17937110	3.77
3.	UNO Metals Ltd	16000000	3.36	0	2215000	13785000	2.89
4.	AKG Finvest Ltd	11000000	2.31	1000000	0	12000000	2.52
5.	Rajesh Goenka	4500000	0.94	5000000	0	9500000	1.99
6.	Ashok Kumar Goenka	4500000	0.94	3500000	0	8000000	1.68
7.	Shruti Goenka	4500000	0.94	3500000	0	8000000	1.68
8.	Ganpati Dealcom Private Ltd	4500000	0.94	1315000	0	5815000	1.22
9.	Goenka Securities Pvt Ltd	4500000	0.94	0	0	4500000	0.94
10.	Krishni Devi Goenka	6000000	1.26	0	1500000	4500000	0.94

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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

(Rs. in Crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	76.77	85.73		162.50
ii) Interest due but not paid	9.31	0.00		9.31
iii) Interest accrued but not due	0.00	0.00		0.00
Total(i+ii+iii)	86.08	85.73		171.81
Change in Indebtedness during the financial year				
- Addition	0.00	5.45		5.45
- Reduction	14.53	0.00		14.53
Net Change	0.00	0.00		9.08
Indebtedness at the end of the financial year				
i) Principal Amount	67.02	91.18		158.20
ii) Interest due but not paid	4.53	0.00		4.53
iii) Interest accrued but not due	0.00	0.00		0.00
Total(i+ii+iii)	71.55	91.18		162.73

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(Amount in Rs.)

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

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

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors			Total Amount (Rs.)
	Mr. Allam Raghunath (Rs.)	Dr. K. Jayalakshmi Kumari (Rs.)	Dr. Surabhi Sinha (Rs.)	
<i>Independent Directors</i>				
Fee for attending board and committee meetings	1,00,000	1,00,000	60,000	
Commission	-	-	-	-
Others, please specify	-	-	-	-
Total (1)	1,00,000	1,00,000	60,000	2,60,000
<i>Other Non-Executive Directors</i>				
Fee for attending board and committee meetings	-	-	-	-
Commission	-	-	-	-
Others, please specify	-	-	-	-
Total (2)	-	-	-	-
Total (B) = (1+2)	1,00,000	1,00,000	60,000	2,60,000
Total Managerial Remuneration	1,00,000	1,00,000	60,000	2,60,000
Overall Ceiling as per the Act	-	-	-	-

Remuneration to Key Managerial Personnel other than MD / Manager / WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	6,81,660/-	19,43,267/-	26,24,927/-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- As % of profit	-	-	-	-
	- Others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	6,81,660/-	19,43,267/-	26,24,927/-

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no material penalties/punishment/compounding of offences for the year ended March 31, 2019.

For and on behalf of the Board of Directors

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

Place: Hyderabad
Date: August 30, 2019

Management Discussion & Analysis

Global Economy

On its face, the global economy appears to be healthy and growing. However, it would be equally apt to use the words the OECD chose in its May 2019 report characterizing conditions as “fragile,” warning that, “Trade and policy uncertainties could significantly damage the world economy and further contribute to the growing divide between people.” Escalating trade tensions — especially between the United States and China, but also among the US and other parts of the world, and disruptions in Europe depending on how Brexit plays out — along with broader and sometimes overlapping geopolitical disputes have weakened the foundations of a global economy built on trade. Other factors supporting growth may also be temporary, such as increases in consumer and corporate spending associated with changes in tax policies if those policies do not lead to an improvement in long-term economic efficiency. At the same time, narrow distributions of economic gains within societies represent additional potential sources of long-term risk, at least relative to something broader in its nature.

We can see the global advertising industry in a similar light, with emerging signs of deceleration. While global advertising trends reported on a headline basis are forecast to grow by +3.4% in 2019 (down from +6.9% in 2018), this result is heavily skewed by US political advertising, which by itself accounted for 1.5% of the world’s advertising total last year and will represent more with every passing election cycle. If we removed our estimates for this category in the US alone (the only market where the category meaningfully distorts growth rates), our reported 6.9% growth rate for 2018 would look more like +5.6%. 2019 would be +4.6% excluding US political advertising rather than the +3.4% headline figure. Notably, all of these growth figures would be lower than if a broader definition of media were used (including direct mail and directories, for example).

At a country level, outside of the US, China, Japan, India, the UK and Brazil collectively account for well over half of global growth in each of 2019 and 2020, and so deserve some focus here. China, which represents one-sixth of global advertising, is also notable among the faster-growing countries because its absolute gain is once again so large. Growth in 2020 is expected to be +5.6% vs. 2019 which should be more like +5.2% — a slowdown from pre-2018 levels, but still rapid vs. most other global markets. Brazil, now neck-and-neck with Germany for its standing as the world’s fifth-largest advertising market, stands out the most for its reversal from a -0.9% decline in 2019 to a +6.1% gain in 2020, in part aided by a rebound on easy comparable, given conservative expectations this year and mid-single-digit inflation, despite mixed conditions for its overall economy. India is not forecast to be bothered by global challenges, although as with elsewhere, downside risks remain. Still, the country should still see double-digit growth in 2019 (+14%) and 2020 (+13%), allowing it to surpass Australia and Canada in size by next year as the world’s eighth-largest ad market.

By medium, it should be unsurprising that internet related activity now accounts for the largest share of activity tracked here, capturing 50% of the world’s total in 2020, up from 25% only in 2014. Rather than benefitting exclusively from shifts of spending among advertisers — and some have occurred since then, to be sure — in any given year growth is generally driven by expanding numbers of distinct advertisers whose spending is skewed toward digital advertising. For example, newly established small businesses are more likely to operate nationally and internationally than on a purely local basis as may have been the case in prior decades. Further, the emergence of internet-endemic app developers and related services as advertisers — several of which now spend more than \$1bn annually on advertising, skewed toward digital media — has served as a meaningful source of growth as well. While we are skeptical that significant amounts of ad spending will shift into media from non-media sources (such as trade promotion budgets directed to e-commerce platforms), given the silos that necessarily exist within large marketers, new sources of spending could still emerge. For example,

we can estimate that the “China Export Market” (marketers based in China who advertise outside of their home country, and then sell and ship their products abroad) could spend \$10bn on Facebook in countries outside of China this year. Twitter and Snap have also indicated that this source of revenue is meaningful for them, and the same will likely be true for Google, too.

Double-digit* Growth for Digital Continues.

For 2019 and 2020, we forecast growth of +13% in each year as digital advertising expands from \$241bn in 2018 to \$308bn in 2020. However, as digital media continues to mature, its share of spending will eventually plateau. Necessarily, growth will then slow with each passing year to eventually converge with global averages.

*eMarketer Report

Alternative scenarios seem unrealistic, unless relatively drastic measures are taken (for example, if today’s digital-focused media owners invest more aggressively in content to more directly replace content presently distributed by traditional media owners, eroding the margins of the digital-media owners). Other media still realizes significant usage and generally broad reach, if less than in the past, and continues to offer marketers high levels of effectiveness, and so is unlikely to be eliminated any time soon.

Indian Economy

Recent downward revisions notwithstanding, India is expected to grow 7.1% – 7.5% in FY 2020–2021 (Fitch/IMF), with an investment cycle revival and sustained consumption being the key drivers. Downside risks remain: rising protectionism, a possible slowdown in global economy, and bad debt on bank balance sheets continue to hamper domestic investment. Inflation and deficits will, we think, remain largely under control, as public investment will grow only modestly.

Indian Digital Market

The digital advertising market size is expected to reach at Rs 24,920 crore (\$3.52 billion) by 2021 at an estimated CAGR of 31.96%, said a Dentsu Aegis Network report. Currently, the digital advertising market is around Rs 10,819 crore (\$1.3 billion).

As of 2018, the Indian advertising market stands at Rs. 61,878 crore (\$8.76 billion) and is estimated to grow with a CAGR of 10.62% till 2021 to reach a market size of Rs. 85,250 crore (\$12.06 billion).

The report highlighted that television and print take the largest share of media spends at 70% aggregated followed by digital media at 17%. Digital transformation is being adopted at a substantial scale, which in turn, is increasing the adoption of digital media at a rapid pace.

Currently, BFSI is the biggest spender on digital media with a contribution of 38% of all their marketing budgets. This is followed by consumer durables (36%), e-commerce (34%) and telecom (31%). FMCG spends heavily on the television (63%) and the retail sector spends largely on print (54%) medium of advertising.

The advertising expenditure on the digital advertising formats is led by social media (29%) followed by search (25%), display (21%) and video (20%). The BFSI vertical spends the largest share of its digital media budget on search (38%), while FMCG spends the largest share of its digital media budget on video (33%).

Currently, 18% of all digital media is bought programmatically and has grown from 15% last year. The major reason for the growth are technological advancements, improvements in data science & analytics, implementation of algorithm to automate various procedures, better ad fraud detection and improved data policies & regulations. The rapid increase in the penetration of mobile devices and internet has led to 47% of digital media spends on mobile devices and is expected to grow at CAGR of 49% to reach spends share of 67% by 2021.

Business Review

During the year under review, your Company achieved a consolidated turnover of Rs. 2,577.72 Crores as against Rs. 2,420.28 Crores in the previous year. Your Company has earned a consolidated gross profit of Rs. 756.83 Crores before interest, depreciation and tax as against Rs. 713.29 Crores in the previous year. After deducting financial charges of Rs. 13.17 Crores, depreciation of Rs. 13.51 Crores and provision for tax of Rs. 164.57 Crores, the operations resulted in a net profit of Rs. 443.97 Crores as against Rs. 407.00 Crores in the previous year.

Operational Review

- P.S. S Prasad joins Brightcom Group as President – Corporate Strategy.
- Brightcom Group ventured into new area of Artificial Intelligence and Machine learning.
- Company maintaining the revenue levels without including LYCOS Inc. revenues for the year.
- Strengthened our partnership and positioning with our top Demand Partners on the Video and Display side with a special focus on Traffic quality KPI and automated tools.
- Open RTB (Server to server) buying – Started to buy in Header Bidding – it enables us to buy in much more sophisticated way and at a higher scale.
- Our team attended the conferences, DigiDay Denver, MWC conference in Barcelona, NYC Clients Road Show.
- Brightcom is part of Trustworthy Accountability Group, known as the TAG.
- Dyomo has successfully started to provide Artificial Intelligence and. Machine Learning services and allocated. a workforce of about 100 people. This is expected to grow in terms of workforce proportion in the coming quarters. We are servicing areas of Farm Tech, Architecture, Digital Marketing and Ecommerce.
- Partnership with Confident is working very well.
- Brightcom had significant participation at Google partner conference in Ireland.

- Brightcom participated at Mobile world conference (MWC) between February 25th and 28th, 2019 in Barcelona.

Technology Review

- Header bidding (selling) auction was introduced within our SSP “Compass” - sell traffic in a more efficient way with lesser overload to the users and improved yield.
- Header Bidder- Buying: our bidder was implemented in several publishers, allows us to reach and compete for new traffic sources.
- BrightCom’s Prebid JS adapter – Officially approved as a partner of Prebid.JS initiative and we’re now one of the Prebid official partners in the market.
- Traffic quality automation focus - Pixelate “Prebid” was officially implemented on 100% of our inventory, allowing us to guarantee control & a high level of traffic quality.
- Investment in Automation “trends” reporting – indicates spikes, preventing non-habitual cases, reduces risk of budget overspending and giving the team a better control around the clock.

Risks

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

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

Obsolescence: Being a technology driven company, it always faces the risk of an innovation or product

development that can make one or more of Brightcom Group Limited's propositions redundant. The Company remains alert with technology developments to overcome this risk.

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

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

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

Consolidation of service providers may affect the Company

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

Business can be affected by privacy legislations and other regulations.

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

The new tie-ups may create problems of integration.

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

Human Resources:

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

Internal Control Systems:

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

REPORT ON CORPORATE GOVERNANCE

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

Company's Philosophy on Corporate Governance:

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

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

Board of Directors

Composition of the Board

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

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

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

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

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

The Composition of the Board of Directors as on March 31, 2019 with their attendance at the Eight Board Meetings held during the year 2018-19 and at the last Annual General Meeting are as detailed below:

Name of the Director	Category	Number of Board meetings attended during the year 2018-19	Attendance at the last AGM held on November 28, 2018	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	Promoter & Executive	8	Yes	NIL	NIL	2	NIL
Mr. Vijay Kancharla	Promoter & Executive	1	No	NIL	NIL	2	NIL
Mr. Allam Raghunath	Independent Non-Executive	8	Yes	NIL	NIL	NIL	3
Dr. K. Jayalakshmi Kumari	Independent Non-Executive	8	Yes	1	NIL	4	3
Dr. Surabhi Sinha	Independent Non-Executive	8	Yes	NIL	NIL	2	NIL

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

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, 2019.

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

Board Meetings

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

The Board of Directors met Eight times during the financial year 2018-19.

May 10, 2018	October 16, 2018
May 29, 2018	November 14, 2018
July 31, 2018	February 12, 2019
August 11, 2018	March 28, 2019

Independent Directors Meeting

During the year 2018-19, independent Directors of the Company met separately on November 14, 2018 without the presence of other Directors or Management representatives, to review the performance of the Non-Independent Directors, the Board and the Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the Management and the Board.

Code of Conduct

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

BOARD COMMITTEES:

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

I. Audit Committee:

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

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

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

Four meetings of the Audit Committee were held during the year viz. on May 29, 2018; August 11, 2018; November 14, 2018 and February 12, 2019 respectively. The Company Secretary acts as the Secretary to the Audit Committee.

The composition of the Audit Committee and details of their attendance at the meetings as at March 31, 2019 are as follows:

Name	Position	Category	No of Meetings Attended
Mr. Allam Raghunath	Chairman	Independent Non-Executive Director	4 of 4
Mr. Vijay Kancharla	Member	Executive Director	1 of 4
Dr. K. Jayalakshmi Kumari	Member	Independent Non-Executive Director	4 of 4

II. Nomination and Remuneration Committee:

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

During the year two meeting of the Committee was held on October 16, 2018 and March 28, 2019.

The composition of the Committee and the attendance details of the members as at March 31, 2019 are given below:

Name	Status	Category	No of Meetings Attended
Mr. Allam Raghunath	Chairman	Independent Non-Executive	2 of 2
Dr. K. Jayalakshmi Kumari	Member	Independent Non-Executive	2 of 2
Dr. Surabhi Sinha	Member	Independent Non-Executive	2 of 2

Board Evaluation

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

Remuneration of Directors

There was no pecuniary relationship or transaction between the Non-Executive Directors and the company during the financial year 2018-2019.

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.

The details of remuneration covering salary and other benefits paid for the year ended March 31, 2019 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 31.03.2019 (Rs.)	No. of Shares held as on 31.03.2019
Mr. M. Suresh Kumar Reddy	NIL	NIL	75084653
Mr. Vijay Kancharla	NIL	NIL	3820946
Mr. Allam Raghunath	NIL	1,00,000	NIL
Dr. K. Jayalakshmi Kumari	NIL	1,00,000	NIL
Dr. Surabhi Sinha	NIL	60,000	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 Mr. Allam Raghunath is an Independent Non-Executive Director and the Company Secretary is the Secretary of the Committee. Ms. V. Sri Lakshmi, Company Secretary was designated as the Compliance Officer.

One meeting of the Stakeholders Relationship Committee was held during the year on February 12, 2019.

The composition of the Committee and the attendance details of the members as at March 31, 2019 are given below:

Name	Status	Category	No of Meetings Attended
Mr. Allam Raghunath	Chairman	Independent Non-Executive Director	1 of 1
Mr. M. Suresh Kumar Reddy	Member	Executive Director	1 of 1
Dr. Surabhi Sinha	Member	Independent Non-Executive Director	1 of 1

During the year under review no shareholders' complaints of general nature were received by the RTA/ Company. Nil complaints were pending at the close of the financial year.

* Ms. V. Sri Lakshmi resigned w.e.f. July 15, 2019

* Mr. Manohar Mollama joined as Company Secretary & Compliance Officer w.e.f. August 14, 2019

IV. Corporate Social Responsibility Committee:

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

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

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

The composition of the Committee as at March 31, 2019 is as below:

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

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

General Body Meetings:

Location and time of last three Annual General Meetings

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

Financial Year	Date & Time	Location	Special Resolution Passed
2017-18	November 28, 2018 10.00 a.m.	Ellaa Hotels, Hill Ridge Springs, Gachibowli, Hyderabad – 500032.	Increase in limit of NRI investment in the Company
2016-17	September 27, 2017 11:30 A.M.	Same location as above	To Re-appoint Mr. Raghunath Allamsetty as an Independent Director
2015-16	December 27, 2016 10:00 A.M.	Same location as above	Service of documents to members

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

Details of resolution(s) passed through postal ballot during Financial Year 2018-19 and details of the voting pattern

The Company sought the approval of shareholders by way of special resolution through notice of postal ballot dated August 1, 2018 to change the name of the Company from Lycos Internet Limited to "BRIGHTCOM GROUP LIMITED" and the results of which were announced on September 10, 2018. Mr. A. Sridhar, Practicing Company Secretary was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

Resolution	No. of Votes Polled	No. of Votes Cast in Favor	No. of Votes Cast Against	% of Votes Cast in Favor on Votes Polled	% of Votes Cast Against on Votes Polled
To consider change in name of the company	100062418	100055505	6913	99.99%	0.01%

None of the business proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

Means of Communication:

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

The Company's website www.brightcomgroup.com contains a separate dedicated section '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 Listing Regulations.

Certificate by Practicing Company Secretary

The Company has received certificate from Mr. A. Sridhar, Practicing Company Secretary, 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 of 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):	20 th Annual General Meeting of the Company is scheduled to be held on Friday, September 27, 2019 at 10:00 a.m. at Ellaa Hotels, Hill Ridge Springs, Gachibowli, Hyderabad – 500032.
ii.	Financial Year:	April 1 to March 31. The results of every quarter beginning from April are declared within the time specified under the provisions of Listing Regulations.
iii.	Date of Book Closure:	Saturday, September 21, 2019 to Friday, September 27, 2019 (Both days inclusive).
iv.	Listing on stock exchanges:	BSE Limited (Bombay Stock Exchange). National Stock Exchange of India Limited. Annual listing fee has been duly paid to the Stock Exchanges.
v.	Stock codes:	BSE – Scrip Code: 532368; Scrip Id: BCG NSE – Symbol: BCG
vi.	Company's ISIN:	INE425B01027

vii. Market price data

The monthly high and low stock quotations during the 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 2018	5.9	4.3	5.75	4.25
May 2018	5.98	4.2	5.9	4.15
June 2018	4.97	3.78	4.8	3.8
July 2018	4.58	3.38	4.5	3.4
August 2018	4.99	3.65	4.9	3.65
September 2018	4.1	3.12	4.1	3.1
October 2018	4.51	3.02	4.75	3
November 2018	3.9	2.25	3.9	2.3
December 2018	3.15	2.6	3.15	2.6
January 2019	3.5	2.51	3.5	2.6
February 2019	3.4	2.41	3.5	2.75
March 2019	4.09	2.83	4.05	2.85

viii. Registrars and Transfer Agents

AARTHI CONSULTANTS PRIVATE LIMITED, (Unit: Brightcom Group Limited)(formerly Lycos Internet Limited);
1-2-285, Domalguda, Hyderabad - 500 029.
Phone : +91-40-27634445, 27638111, 27642217, 66611921; Fax : +91-40-27632184,
Email : info@arthiconsultants.com; arthiconsultants@gmail.com
Website: www.arthiconsultants.com

Share transfer system

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 Agents M/s. Arthi Consultants Private Limited, Hyderabad.

ix. Distribution of Shareholding as on March 31, 2019

Nominal Value of Shareholding (in Rs.)	No. of Shareholders	Percentage	No. of Shares	Percentage
Upto 5000	24413	76.04	16434030	3.45
5001 - 10000	3067	9.55	11873238	2.49
10001 - 20000	1843	5.74	14432203	3.03
20001 - 30000	690	2.15	8653933	1.82
30001 - 40000	446	1.39	8124353	1.71
40001 - 50000	257	0.8	5925473	1.24
50001 - 100000	606	1.89	21895339	4.6
100000 & Above	782	2.44	388912930	81.66
TOTAL	32104	100	476251499	100

Categories of Shareholding as on March 31, 2019:

	Category	No. of Shares held	% of Shareholding
1	Promoter / Promoter Group	186427685	39.14
2	Foreign Venture Capital Investors	33368913	7.01
3	Foreign Portfolio Investor	1145290	0.24
4	Bodies Corporate	38060273	7.99
5	Non Resident Individuals	44050554	9.25
6	Trusts	1481000	0.31
7	Employees – Trusts	213000	0.04
8	General Public	167376857	35.15
9	NBFCs Registered with RBI	36100	0.01
10	Clearing Members	4091827	0.86
	TOTAL	476251499	100.00

x. Dematerialization of shares:

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

As on March 31, 2019, a total of 475,223,814 equity shares which form 99.78% of the share capital stand dematerialized.

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

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

xi. Outstanding GDRs/ ADRs/ Warrants/ Convertible instruments

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

xii. Commodity Price Risk/ Foreign Exchange Risk and Hedging

The Company did not engage in hedging activities.

xiii. Plant Location :

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

xiv. Address for Correspondence:

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

Disclosures

(i) During the financial year ended 31st March, 2019 there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.

(ii) There were no occasions of non-compliance by the Company and no penalties or strictures were imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to Capital markets, during the last three years.

(iii) The Company has formulated and adopted formal Whistle Blower Policy/vigil mechanism and the same is hosted on the Company's Web site and no concerned person has been denied access to the Audit Committee.

(iv) The Company has framed a Material Subsidiary Policy and the same is placed on the Investors section of Company's website www.brightcomgroup.com.

(v) The company has framed Related Party Transaction Policy and is placed on the Investors section of Company's website www.brightcomgroup.com.

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

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

During the financial year ended 31st March, 2019, the Company has not received any complaints pertaining to Sexual Harassment.

(viii) The Company has complied with all the applicable mandatory requirements of the Corporate Governance and also has complied with the following non-mandatory requirements as prescribed in the listing regulations:

- Since the Company does not have a Non-Executive Chairman, it does not maintain such office.
- During the year under review, there is no audit qualification in the Company's financial statements.

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

Declaration of compliance with the Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended March 31, 2019.

Place: Hyderabad
Date: August 30, 2019

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

Corporate Governance Compliance Certificate

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

I have examined all the relevant records of Brightcom Group Limited (formerly Lycos Internet Limited) ("the Company") for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2019. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

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

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

In my opinion and to the best of my information and according to the explanations and information furnished to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations as applicable for the year ended March 31, 2019.

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

Place: Hyderabad
Date: August 30, 2019

Certificate of Non-Disqualification of Directors

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

I have examined the relevant registers, records, forms, returns and disclosures received from Brightcom Group Limited (formerly Lycos Internet Limited) having CIN L64203TG1999PLC030996 and having registered office at Floor 5, Holiday Inn Express & Suites, 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, 2019 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.

S. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Muthukuru Suresh Kumar Reddy	00140515	26/06/2012
2.	Mr. Vijay Kumar Kancharla	02744217	26/06/2012
3.	Mr. Allam Raghunath	00060018	27/12/2016
4.	Dr. Jayalakshmi KumarI Kanukollu	03423518	17/05/2016
5.	Dr. Surabhi Sinha	07354441	13/02/2018

Ensuring the eligibility of 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.

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

Place: Hyderabad
Date: August 30, 2019

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 Chairman & Managing Director and Chief Financial Officer 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, 2019 and based on our knowledge and belief, we state that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (C) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - (i) significant changes, if any, in the internal control over financial reporting during the year;
 - (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For BRIGHTCOM GROUP LIMITED

Y. SRINIVASA RAO
CHIEF FINANCIAL OFFICER

M. SURESH KUMAR REDDY
CHAIRMAN & MANAGING DIRECTOR
DIN: 00140515

Place : Hyderabad
Date : 27.05.2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRIGHTCOM GROUP LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of BRIGHTCOM GROUP LIMITED ("the Company"), which comprises the Standalone Balance Sheet as at March 31, 2019, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 the 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 state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for 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 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 standalone financial statements.

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.

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.

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 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 safeguards.

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.

Emphasis of Matter paragraphs:

- a) The Company has defaulted in repayment of dues to Axis Bank and Canara bank as at 31st March, 2019 amounting to Rs. 71.55 crores and the loans were become Nonperforming Assets.
- b) The company is having branch operations at USA and branch is having total Assets of Rs. 352,33,39,564/- and total turnover of Rs.404,13,28,276/- For the financial year 2018-2019.
- c) The Company has outstanding undisputed statutory liabilities towards income tax to the extent an amount of Rs. 6,72,07,539/ -
- d) The Company has made investment an amount of Rs. 14,70,000/- into joint venture namely M/s. Apollo Lycos Netcommerces Limited and as at 1st April 2018 the net worth of M/s. Apollo Lycos Netcommerces Limited has been eroded 100%. This investment has written off in the books of M/s. Brightcom Group Limited in the financial year 2018-2019 since book value of Apollo Lycos Netcommerces Limited has been eroded.

e) The Company has got one time settlement with State Bank of India in the financial year 2018-2019. As per books of accounts the outstanding balance as at 1st April 2018 is 9,15,89,088/- which includes interest due and the current financial year interest an amount of Rs. 1,47,68,009/- has been booked. The total outstanding dues to State Bank of India as per books amounting to Rs. 10,32,40,544/- before OTS. The onetime settlement has been given for an amount of Rs. 7,15,00,000/- and the balance an amount of Rs. 1,47,68,009/- has reversed towards interest outstanding and Rs. 1,69,72,535/- has booked as other income.

Our opinion is not modified in respect of above emphasis of matter paragraphs.

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 obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the IndAS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified 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 Company has disclosed the pending litigations which would have impact on its standalone financial position.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For P C N & Associates.
Chartered Accountants
FRN : 016016S

Chandra Babu M
Partner
M.No:227849

Place: Hyderabad
Date: 27-05-2019

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”)

We have audited the internal financial controls over financial reporting of BRIGHTCOM GROUP LIMITED (“the Company”) as of March 31, 2019 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 Board of Directors of the Company 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. 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 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.

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.

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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P C N & Associates.
Chartered Accountants
FRN: 016016S

Chandra Babu M
Partner
M.No:227849

Place: Hyderabad

Date: 27-05-2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

- i. In respect of the Company's fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the title deeds of immovable properties, they are held in the name of the company.
- ii. The Company is in the business of providing software services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, reporting under clause 3 (iii) of the Order is not applicable to the Company.
- 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. (please refer note number 47 to notes to financial statements)
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(l) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company is not regular in depositing undisputed statutory dues including TDS and Income Tax as applicable to it with the appropriate authorities.
- (b) There was no undisputed amounts payable in respect of Employees State Insurance and other material statutory dues in arrears as at 31st March, 2019, except statutory dues amounting to Rs. 6,72,07,539/- for a period of more than 6 months from the date they became payable.

- (c) According to the information and explanation given to us and based on the records of the company examined by us, there are no dues of Income Tax, Goods and Service Tax and Customs Duty which have not been deposited as at March 31, 2019 on account of any dispute except which are given below:

Name of the statute	Year Pertains to	Forum where dispute is pending	Amount Involved
Income Tax	Various Assessment years	CIT/ITAT	Rs. 67,30,59,258/-
Service Tax	FY 2007-08 to FY 2012-13	CESTAT, Hyderabad	Rs. 18,73,28,280/-

- viii. In our opinion and according to the information and explanations given to us, The Company has defaulted in repayment of dues to Axis Bank and Canara bank as at 31st March, 2019 amounting to Rs. 71.55 crores and the loans were become Nonperforming Assets. The Company has not issued any debentures.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not paid/provided managerial remuneration during the current financial year. Hence this clause is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the order is not applicable to the Company.
- 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. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

- xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For P C N & Associates.
Chartered Accountants
FRN:016016S

Chandra Babu M
Partner
M.No:227849

Place: Hyderabad
Date: 27-05-2019

Balance Sheet as at 31st March 2019

Particulars	Note	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,69,45,404	2,63,99,403
Investment property	5	21,95,210	21,95,210
Other intangible assets	4	6,60,576	11,31,536
Financial assets			
- Investments	6	5,08,88,67,585	5,09,03,37,585
- Loans	7	28,54,473	19,58,242
- Others financial assets	8	1,64,44,873	1,64,44,873
Deferred tax assets (net)	9	2,34,43,199	3,45,52,737
Non- Current tax assets (net)	10	62,69,388	73,26,228
Other non-current assets	11	-	10,00,000
Total Non-current assets		5,15,76,80,708	5,18,13,45,814
Current assets			
Financial assets			
- Trade receivables	12	2,27,63,76,907	2,28,37,26,925
- Cash and cash equivalents	13	9,90,198	7,27,535
- Other bank balances	14	5,56,659	4,18,989
- Loans	15	1,18,52,35,438	1,14,64,47,464
- Other Financial Assets	16	42,43,808	42,67,944
Other current assets	17	14,82,54,755	15,30,25,696
Total Current assets		3,61,56,57,765	3,58,86,14,553
Total assets		8,77,33,38,473	8,76,99,60,367
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	18	95,25,02,998	95,25,02,998
Other equity	19	4,87,76,85,454	4,87,75,37,828
Total Equity		5,83,01,88,452	5,83,00,40,826
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	20	91,17,60,706	85,73,21,331
Provisions	21	4,03,91,599	3,88,60,086
Total Non-current liabilities		95,21,52,305	89,61,81,417
Current liabilities			
Financial liabilities			
- Borrowings	22	67,02,34,809	68,31,01,383
- Trade payables	23	33,70,98,077	32,21,36,195
- Others financial liabilities	24	5,80,97,233	19,18,63,785
Other current liabilities	25	85,48,11,977	77,55,11,772
Provisions	26	7,07,55,620	7,11,24,988
Total Current liabilities		1,99,09,97,716	2,04,37,38,124
Total equity and liabilities		8,77,33,38,473	8,76,99,60,367

Notes forming part of Standalone financial statements

AS PER OUR REPORT OF EVEN DATE

For P C N & ASSOCIATES

(Formerly Known as Chandra Babu Naidu & Co.,)

CHARTERED ACCOUNTANTS

FRN: 016016S

CHANDRA BABU M

PARTNER

Membership Number: 227849

Place : Hyderabad

Date : 27-05-2019

For and on behalf of the Board

Brightcom Group Limited

M.Suresh Kumar Reddy
Chairman & Managing Director

Vijay Kancharla
Executive Director

Y.Srinivasa Rao
Chief Financial Officer

V.Sri Lakshmi
Company Secretary

Statement of Profit and Loss for the year 31st March, 2019

Particulars	Note	Year Ending	Year Ending
		31st March 2019	31st March 2018
		Rupees	Rupees
REVENUE			
I. Revenue from operations	27	4,58,56,95,061	4,55,20,45,808
II. Other income	28	(1,84,53,600)	(37,63,730)
III. Total revenue (I+II)		4,56,72,41,461	4,54,82,82,078
IV. EXPENSES			
Purchase / Cost of Revenue	29	3,51,44,17,093	3,50,14,46,023
Employee Benefit expenses	30	49,62,84,554	49,21,63,666
Other Operating Expenses	31	43,60,59,591	43,21,82,659
Financial costs	32	13,17,42,075	14,78,75,129
Depreciation and amortization expense	4	1,00,41,044	1,07,91,850
Total expenses (IV)		4,58,85,44,358	4,58,44,59,327
V. Profit/(loss) before tax (III-IV)		(2,13,02,897)	(3,61,77,249)
VI. Tax expense			
Current tax		-	-
Deferred tax		1,07,56,617	(67,70,346)
VII. Profit/(loss) for the period (V-VI)		(3,20,59,514)	(2,94,06,903)
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plan(net of tax)		7,78,236	52,88,835
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		3,14,28,904	15,64,015
IX. Total comprehensive income for the period (VII+VIII)		1,47,626	(2,25,54,053)
Earnings per share			
a) Basic (in Rs.)		(0.07)	(0.06)
b) Diluted (in Rs.)		(0.07)	(0.06)

Notes forming part of Standalone financial statements

AS PER OUR REPORT OF EVEN DATE

For P C N & ASSOCIATES

(Formerly Known as Chandra Babu Naidu & Co.,)

CHARTERED ACCOUNTANTS

FRN: 016016S

CHANDRA BABU M

PARTNER

Membership Number: 227849

For and on behalf of the Board

Brightcom Group Limited

M.Suresh Kumar Reddy
Chairman & Managing Director

Vijay Kancharla
Executive Director

Y.Srinivasa Rao
Chief Financial Officer

V.Sri Lakshmi
Company Secretary

Place : Hyderabad

Date : 27-05-2019

Statement of Changes in Equity for the period ended 31st March 2019 and 2018

A. Equity Share Capital

Balance as at 1st April 2018	Changes in equity share capital during the year	Balance as at 31st March 2019
95,25,02,998	-	95,25,02,998

B. Other Equity

	Reserves and Surplus				Rupees
	Capital Reserve	General reserve	Surplus in statement of P&L	Retained Earnings	
Balance at the beginning of the reporting period As at 1st April 2017	4,16,78,11,992	3,98,17,160		69,24,62,729	4,90,00,91,881
Changes in accounting policy or prior period errors					-
Restated balance at the beginning of the reporting period	4,16,78,11,992	3,98,17,160	-	69,24,62,729	4,90,00,91,881
Total Comprehensive Income for the year			(2,25,54,053)		(2,25,54,053)
Dividends(Including Dividend tax)					-
Transfer to General Reserve		-			-
Transfer to retained earnings			2,25,54,053	(2,25,54,053)	-
Any other change (to be specified)					-
Balance at the end of the reporting period 31st March 2018	4,16,78,11,992	3,98,17,160	-	66,99,08,676	4,87,75,37,828
Balance at the beginning of the reporting period as at 1st April 2018	4,16,78,11,992	3,98,17,160		66,99,08,676	4,87,75,37,828
Changes in accounting policy or prior period errors					
Restated balance at the beginning of the reporting period	4,16,78,11,992	3,98,17,160	-	66,99,08,676	4,87,75,37,828
Total Comprehensive Income for the year			1,47,626		1,47,626
Dividends(Including Dividend tax)					-
Transfer to General Reserve		-			-
Transfer to retained earnings			(1,47,626)	1,47,626	-
Any other change (to be specified)					-
Balance at the end of the reporting period 31st March 2019	4,16,78,11,992	3,98,17,160	-	67,00,56,302	4,87,76,85,454

Cash flow statement for the year ended 31st March,2019

Particulars	Year ended	Year ended
	31 st March 2019	31 st March 2018
	Rupees	Rupees
A Cash Flow from Operating Activities		
Profit Before Tax	(2,13,02,897)	(3,61,77,249)
Adjustment for :		
Add: Depreciation and amortization expense	1,00,41,044	1,07,91,850
Interest Expense	-	1,58,48,662
Allowance for doubtful trade receivables	(3,71,67,483)	(1,26,36,639)
Forex Gain/Loss	5,44,39,375	26,36,287
Investments-written off	14,70,000	
Operating Profit before Working Capital Changes	74,80,039	(1,95,37,089)
Adjustment for Working Capital Changes:		
Increase/(Decrease) in Short term Borrowings	(1,28,66,574)	-
Increase/(Decrease) in Trade Payables	1,49,61,882	1,13,61,824
Increase/(Decrease) in other Current Liabilities	7,93,00,205	14,61,74,564
Increase/(Decrease) in Others financial liabilities	(13,37,66,552)	(5,34,87,085)
Increase/(Decrease) in Short-Term Provisions	4,08,868	(2,53,745)
Decrease/(Increase) in Trade Receivables	4,45,17,501	(8,71,28,354)
Decrease/(Increase) in Short-Term Loans and Advances	(3,87,87,974)	3,55,80,204
(Increase)/Decrease in Other Financial Assets	24,136	3,26,364
(Increase)/Decrease in other Current Assets	47,70,941	(1,30,38,184)
Cash Flow from Operating Activities	(3,39,57,528)	1,99,98,499
Taxes paid	-	-
Net Cash Flow from Operating Activities(A)	(3,39,57,528)	1,99,98,499
B Cash Flow from Investing Activities		
Sale of Fixed assets		
Purchase/(Increase) of Fixed Assets	(1,16,085)	(18,72,076)
Investment in Subsidiary /Joint Venture	-	-
(Increase)/Decrease in Non-Current Investments	-	(4,90,000)
Net cash flow from investing activities(B)	(1,16,085)	(23,62,076)
C Cash Flows from Financing Activities		
Interest Paid	-	(1,58,48,662)
Increase/(Decrease) in Long Term Loans	-	-
Increase/(Decrease) in share capital	-	-
Increase/(Decrease) in Reserves	-	-
Increase / (Decrease) in Foreign Currency Fluctuation Reserve	3,14,28,904	-
Dividend Paid (Inclusive of Dividend tax)	-	-
Increase/(Decrease) in long term provision	15,31,513	(37,00,003)
(Increase)/Decrease in Deffered tax Asset(Net)	3,52,921	23,65,050
(Increase)/Decrease in Long term loans and advances	(8,96,231)	86,332
(Increase)/Decrease in Noncurrent Other Financial Assets	-	-
(Increase)/Decrease in Other Non - Current tax Assets(Net)	10,56,840	(7,38,226)
Net cash flow from financing activities C	3,44,73,947	(1,78,35,509)
Cash and cash equivalents at beginning of year	11,46,524	13,45,609
Net change in cash (A+B+C)	4,00,334	(1,99,086)
Cash and cash equivalents at period ended 31st March, 2019	15,46,857	11,46,524

Notes forming part of Standalone financial statements

AS PER OUR REPORT OF EVEN DATE

For P C N & ASSOCIATES

(Formerly Known as Chandra Babu Naidu & Co.,)

CHARTERED ACCOUNTANTS

FRN: 016016S

CHANDRA BABU M

PARTNER

Membership Number: 227849

Place : Hyderabad

Date : 27-05-2019

For and on behalf of the Board

Brightcom Group Limited

M.Suresh Kumar Reddy
Chairman & Managing Director

Y.Srinivasa Rao
Chief Financial Officer

Vijay Kancharla
Executive Director

V.Sri Lakshmi
Company Secretary

Brightcom Group Limited

Notes forming part of Standalone financial statements for the year ended 31st March 2019

1. Corporate Information:

Brightcom Group Limited, offers digital marketing solutions to businesses, agencies and online publishers worldwide. 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. 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).

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 reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

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

Contingencies

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

Defined Benefit Plans

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

Directors. Dividend payable and corresponding tax on dividend distribution is recognized directly in equity.

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 realized or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized 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 realization 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

f) Revenue recognition

1) Digital Marketing Services:

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

2) Software Development:

- i) Income from software development is accounted for on the basis of Software developed and billed to clients on acceptance and/or on the basis of man days/man hours as per the terms of contract.
- ii) Revenue from professional services consist primarily of revenue earned from services performed on a 'time and material' basis. The related revenue is recognized as and when the services are performed and related costs are incurred.
- iii) Revenue from software development services includes revenue from time and material and fixed price contracts are recognized as related services are performed.
- iv) Revenue from fixed price contracts is recognized according to the milestones achieved as specified in the contracts on the proportionate-completion method based on the work completed. Any anticipated losses expected upon the contract

completion are recognized immediately. Changes in job performance, conditions and estimated profitability may result in revisions and corresponding revenues and costs are recognized in the period in which such changes are identified. Deferred revenue represents amounts billed in excess of revenue earned for which related services are expected to be performed in the next operating cycle.

v) Revenue is not recognized on the grounds of prudence, until realized in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

vi) Revenue is reported net of discounts, indirect and service taxes.

g) Dividend income is recorded when the right to receive payment is established.

Interest income is recorded using the effective interest method.

h) Leases

Operating Lease:

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

Finance Lease:

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

i) Cost recognition

Costs and expenses are 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 offsetting 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 utilized.

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 utilized.

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 realized.

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 amortized cost

Financial assets are subsequently measured at amortized 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 amortized 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 recognized 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 recognize 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 amortized 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 recognized during the period is recognized 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 amortized 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 recognized by the Company are recognized at the proceeds received net off direct issue cost.

i) Initial recognition and measurement:

At initial recognition, all financial liabilities are recognized at fair value and in the case of loans, borrowings and payables, net off 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 recognized in the profit or loss.

b. Financial liabilities at amortized cost:

Amortized 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 amortization 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 recognized 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 recognized, 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 recognizes 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 recognized 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 equipment's	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 amortization and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licenses which are amortized 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 recognized in prior years is recorded when there is an indication that the impairment losses recognized 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 recognized in full in the other comprehensive income for the period in which they occur. Past service cost both vested and unvested is recognized 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 recognized 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 recognized 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 capitalized 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 recognized 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 recognized 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 recognized 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 recognized in the statement of balance sheet and is disclosed as a contingent asset or contingent liability. Possible outcomes on obligations / rights, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities.

z) Prior period items:

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

Notes forming part of Standalone financial statements

NOTE NO 4 : PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS AS AT 31-03-2019

Amount in Rupees

Sl. No.	Particulars	Gross Block						Depreciation/Amortization			Net Block as on 31st Mar 2019	Net Block as on 31st March, 2018
		As on 1st April, 2018	Additions during the year	Sale / Deletions during the year	As on 31st Mar 2019	Dep. As on 1st April, 2018	Depreciation/Amortization for the year	Sale / Deletions during the year	Adjustments to Reserves as per New Act	Total Depreciation		
PROPERTY, PLANT AND EQUIPMENT												
1	Electrical Equipment	2,40,39,615	-	-	2,40,39,615	2,18,10,145	3,04,967	-	-	2,21,15,112	19,24,503	22,29,471
2	Office Equipment	5,45,16,635	60,600	-	5,45,77,235	5,05,43,817	11,96,210	-	-	5,17,40,027	28,37,208	39,72,818
3	Air conditioners	74,91,714	-	-	74,91,714	46,68,864	4,88,729	-	-	51,57,592	23,34,122	28,22,850
4	Computers	35,98,10,233	55,485	-	35,98,65,718	35,36,91,557	43,04,778	-	-	35,79,96,335	18,69,383	61,18,676
5	Furniture	10,32,27,814	-	-	10,32,27,814	9,20,54,222	32,20,400	-	-	9,52,74,622	79,53,192	1,11,73,592
6	Vehicles	10,78,482	-	-	10,78,482	9,96,484	54,999	-	-	10,51,484	26,998	81,997
		55,01,64,493	1,16,085	-	55,02,80,578	52,37,65,089	95,70,084	-	-	53,33,35,172	1,69,45,404	2,63,99,403
INTANGIBLE FIXED ASSETS												
1	Computer Products / Rights	23,74,274	-	-	23,74,274	12,42,738	4,70,960	-	-	17,13,698	6,60,576	11,31,536
	TOTAL	55,25,38,767	1,16,085	-	55,26,54,852	52,50,07,827	1,00,41,044	-	-	53,50,48,870	1,76,05,980	2,75,30,939

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

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
I	Land at cost	21,95,210	21,95,210
	Total Investment Property	21,95,210	21,95,210

NOTE NO. 6 : INVESTMENTS - NON CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
	Investments - Non- Current		
	(a) Investment in Equity Instruments at cost		
I	(i) Subsidiaries (Unquoted)		
	Frontier Data Management Inc. USA	1,29,84,77,349	1,29,84,77,349
	International Expressions Inc. USA	1,04,53,63,208	1,04,53,63,208
	Online Media Solutions Limited , Israel	51,78,81,121	51,78,81,121
	Ybrant Media Acquisition Inc. USA	1,26,52,40,000	1,26,52,40,000
	Dream Ad Group	54,32,40,000	54,32,40,000
	Max Interactive Pty Ltd., Australia	41,74,90,000	41,74,90,000
	Dyomo Corporation .USA	4,67,300	4,67,300
	Ybrant Digital Services De Publicidade Ltda,Brasil	2,65,932	2,65,932
	Ybrant Digital (Brasil) Ltd., Singapore	45	45
	LGS Global FZE, UAE	2,43,650	2,43,650
	LIL Projects Private Limited	99,980	99,980
	Yreach Media Pvt.Ltd	99,000	99,000
	(ii) Joint venture (Unquoted)	-	-
	Apollo Lycos Netcommerce Ltd	-	14,70,000
	Total Investments Non- Current	5,08,88,67,585	5,09,03,37,585

NOTE NO. 7 : LOANS - NON CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
	Loans - Non- Current		
I	Unsecured, Considered Good		
	(a) Security deposits	28,54,473	19,58,242
	Total Loans - Non- Current	28,54,473	19,58,242

NOTE NO. 8 : OTHER FINANCIAL ASSETS - NON CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
	Other financial assets - Non- Current		
	Unsecured Considered Good		
I	Advances to related parties		
	- Ybrant Employees Welfare Trust	1,07,50,000	1,07,50,000
	- LGSL Foundation Trust	56,94,873	56,94,873
	Total Other financial assets - Non- Current	1,64,44,873	1,64,44,873

NOTE NO. 9 : DEFERRED TAX ASSETS (NET)

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Deferred tax assets (net)			
I	Deferred tax liability	4,71,54,913	4,71,54,913
	Allowances for bad and doubtful debts	1,15,96,255	
	Deferred tax assets		
	Opening Deferred tax assets	2,54,19,300	2,10,14,004
	- Fixed Assets	1,24,612	-
	- Provision for gratuity and compensated absences	3,62,105	44,05,296
	MAT Credit	5,62,88,350	5,62,88,350
	Deferred tax assets (net)	2,34,43,199	3,45,52,737

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

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Non- Current tax assets (net)			
I	-TDS Receivables	62,69,388	73,26,228
	Total Non- Current tax assets (net)	62,69,388	73,26,228

NOTE NO. 11 : OTHER NON CURRENT ASSETS

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Other non-current assets			
	Others		
I	- Deposits with banks with maturity beyond 12 months	-	10,00,000
	Total Other non-current assets	-	10,00,000

NOTE NO. 12 : TRADE RECEIVABLES

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Trade receivables			
	(i) Unsecured considered good	2,35,06,91,048	2,39,52,08,549
	Less: Allowances for bad and doubtful debts	7,43,14,141	11,14,81,624
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</i>		
	Total Trade receivables	2,27,63,76,907	2,28,37,26,925

NOTE NO. 13 : CASH AND CASH EQUIVALENTS

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Cash and cash equivalents			
	Balances with banks		
I	(i) Current accounts	9,81,397	7,22,949
	(ii) Cheques, drafts on hand	-	-
	(iii) Cash on hand	8,801	4,586
	Total Cash and cash equivalents	9,90,198	7,27,535

NOTE NO. 14 : OTHER BANK BALANCES - CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Other bank balances - Current			
	(i) Earmarked balances with Banks		
I	- Unpaid Dividend	2,62,659	1,24,989
	(ii) Balances with bank held as Margin Money	2,94,000	2,94,000
	Total Other bank balances - Current	5,56,659	4,18,989

NOTE NO. 15 : LOANS - CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Loans -Current			
	Unsecured Considered Good		
I	(a) Loans to related parties		
	(b) Others		
	- Advances to Employees	21,99,073	21,90,073
	- Other Advances	1,18,30,36,365	1,14,42,57,391
	Total Loans - Current	1,18,52,35,438	1,14,64,47,464

NOTE NO. 16 : OTHER FINANCIAL ASSETS - CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Other financial asset-Current			
	(a) Security deposits		
I	- Rental deposits	42,43,808	42,67,944
	Total Other Financial Assets - Current	42,43,808	42,67,944

NOTE NO. 17 : OTHER CURRENT ASSETS

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Other Current Assets			
I	Others.	14,82,54,755	15,30,25,696
	Total Other Current Assets	14,82,54,755	15,30,25,696

Note No: 18 Equity share capital

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Equity share capital			
(i) Authorized			
I	(975,000,000 Equity Shares of Rs.2/- each)	1,95,00,00,000	1,95,00,00,000
(ii) Issued , Subscribed and Paid Up			
	(476,251,499 Equity Shares of Rs.2/- each)	95,25,02,998	95,25,02,998
(iii) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:			
Number of Shares			
	Shares outstanding at the beginning of the year	47,62,51,499	47,62,51,499
	Add: Issued and allotted during the year	-	-
	Shares outstanding at the end of the year	47,62,51,499	47,62,51,499
(iv) Rights, Preferences and restrictions attached to the equity shares:			
(a) The Company has only one class of equity shares having par value of Rs. 2 each. Each shareholder is eligible for one vote per share held.			
(b) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by equity shareholders.			
(v) Shares held by holding Company			
(vi) The details of shareholders holding more than 5% shares in the Company			
(a) Equity Shares			
M. Suresh Kumar Reddy			
	Number of equity shares	7,50,84,653	7,50,84,653
	% of holding	15.77%	15.77%
Vijay Kumar Kancharla (HUF)			
	Number of equity shares	6,20,44,564	6,20,44,564
	% of holding	13.03%	13.03%
Everest Capital (M) Ltd			
	Number of equity shares	-	3,84,38,819
	% of holding		8.07%
Oak India Investments			
	Number of equity shares	3,33,68,913	3,33,68,913
	% of holding	7.01%	7.01%
Redmond Investments Ltd			
	Number of equity shares	2,47,66,812	2,47,66,812
	% of holding	5.20%	5.20%

Note No: 19 Other equity

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Other equity			
(i) Reserves & Surplus			
	(a) Capital reserve	4,16,78,11,992	4,16,78,11,992
	(b) Retained earnings:		
I	Opening balance	66,99,08,676	69,24,62,729
	Add: Total Other Comprehensive income for the period	1,47,626	(2,25,54,053)
	Less: Transfer to general reserve		
	Less: Dividend	-	-
	Less: Dividend distribution tax	-	-
	Closing Balance	67,00,56,302	66,99,08,676
	(c) Other reserves		
	- General reserve		
	Opening balance.	3,98,17,160	3,98,17,160
	Add: Additions during the year	-	-
	Closing Balance	3,98,17,160	3,98,17,160
	- Foreign currency translation reserve		
	Total Reserves and Surplus	4,87,76,85,454	4,87,75,37,828

NOTE NO. 20 : BORROWINGS - NON CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Borrowings - Non-Current			
(i) From banks-Secured			
(ii) From other parties-Unsecured			
Loans from Related parties			
I	Dream Ad, Panama	7,60,87,000	7,15,44,000
	Frontier Data Management Inc	8,99,61,464	8,45,90,049
	International Expressions Inc	7,27,47,196	6,84,03,609
	Online Media Solutions Limited	10,90,81,090	10,25,68,080
	Ybrant Media Acquisition Inc	56,38,83,956	53,02,15,593
	Total Long term Borrowings Non-Current	91,17,60,706	85,73,21,331

NOTE NO. 21 : PROVISIONS - NON CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Provisions- Non Current			
	Provision for employee benefits	-	-
I	(a) Gratuity	49,72,807	58,51,580
	(b) Leave encashment	16,91,467	18,06,672
	Other Provisions	3,37,27,325	3,12,01,834
	Total provisions Non current	4,03,91,599	3,88,60,086

NOTE NO. 22 : BORROWINGS - CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Borrowings - Current-Secured			
Cash Credits and Working Capital from Banks			
	(a) Axis Bank Ltd - Cash Credit Facility	36,02,05,069	36,02,05,069
I	(b) Canara Bank - OD Facility	31,00,29,740	32,28,96,315
Notes:			
Note No 22(a): Working Capital of Rs 4500 lakhs and Bank Guarantee /LC of Rs 400 Lakhs, term loan of Rs 500 lakhs and Rs.200 Lakhs Loan Equivalent Risk(LER) from Axis Bank Ltd are secured by charge on current assets, Fixed Assets, Pledge of promoters shares,immovable property and personal Guarantee of Promoter Directors.			
Note No 22(b):Working Capital of Rs 3500 lakhs and Bank Guarantee of Rs 1000 Lakhs and term loan of 450 lakhs from Canara Bank are secured by charge on current assets, Fixed Assets, Pledge of promoters shares,immovable property and personal Guarantee of Promoter Directors.			
Total Borrowings Current		67,02,34,809	68,31,01,383

NOTE NO. 23 : TRADE PAYABLES - CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
	Trade payables	33,70,98,077	32,21,36,195
Total Trade payables - Current		33,70,98,077	32,21,36,195

NOTE NO. 24 : OTHER FINANCIAL LIABILITIES - CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Other financial liabilities - Current			
I	Current maturities of long term debt	-	8,45,48,957
	Interest accrued and due on borrowings	4,52,76,614	9,31,23,065
	Others	1,28,20,619	1,41,91,763
Note : Term Loan of Rs. 400 lakhs from State Bank of India are secured by current assets, Fixed Assets, Pledge of Promoters shares and personal guarantee of Promoter Directors			
Note : Working Capital Term Loan of Rs 3450 Lakhs, and Bank Guarantee of Rs 1000 lakhs from State Bank of India are secured by current assets, Fixed Assets, Pledge of Promoters shares and personal guarantee of Promoter Directors			
Total Other financial liabilities - Current		5,80,97,233	19,18,63,785

NOTE NO. 25 : OTHER CURRENT LIABILITIES

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Other current liabilities			
I	Unpaid dividend	10,46,67,390	10,45,28,269
	Other Current Liabilities	33,57,75,918	47,78,20,834
	To related parties		
	LIL Projects Pvt Limited	40,74,49,402	18,69,48,669
	Yreach media Pvt Limited	69,19,267	62,14,000
	Total Other current liabilities	85,48,11,977	77,55,11,772

NOTE NO. 26 : PROVISIONS - CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Provisions - Current			
(i) Provision for employee benefits			
I	Employee benefit payable	1,72,43,929	1,44,07,237
(ii) Others			
	(a) Provisions for expenses	5,34,916	8,75,466
	(b) Other Provisions	5,29,76,778	5,58,42,285
	Total Provisions - Current	7,07,55,623	7,11,24,988

NOTE NO. 27 : REVENUE FROM OPERATIONS

S.No.	Particulars	Year Ending	Year Ending
		31st Mar 2019	31st March 2018
		Rupees	Rupees
	Sale of Services Domestic	-	66,58,775
I	Sale of Services Exports	10,39,40,000	1,48,48,633
	Sale of Software Exports	4,48,17,55,061	4,53,05,38,400
	Total Revenue from Operations	4,58,56,95,061	4,55,20,45,808

NOTE NO. 28 : OTHER INCOME

S.No.	Particulars	Year Ending	Year Ending
		31st Mar 2019	31st March 2018
		Rupees	Rupees
	Interest income	1,37,070	1,15,494
I	Net gain/loss on foreign currency translation and transactio	(3,55,63,206)	(38,79,224)
	Other Income	1,69,72,536	
	Total Other Income	(1,84,53,600)	(37,63,730)

NOTE NO. 29 : PURCHASE/COST OF REVENUE

S.No.	Particulars	Year Ending	Year Ending
		31st Mar 2019	31st March 2018
		Rupees	Rupees
I	Software Purchase & Sub Contractors Cost	3,51,44,17,093	3,50,14,46,023
	Total Purchase/Cost of Revenue	3,51,44,17,093	3,50,14,46,023

NOTE NO. 30 : EMPLOYEE BENEFIT EXPENSES

S.No.	Particulars	Year Ending	Year Ending
		31st Mar 2019	31st March 2018
		Rupees	Rupees
	Salaries,wages and allowances	49,47,50,024	49,02,20,407
I	Contribution to provident and other fund	7,84,073	12,40,250
	Staff Welfare Expenses	7,50,457	7,03,009
	Total Employee Benefit Expenses	49,62,84,554	49,21,63,666

NOTE NO. 31 : OTHER OPERATING EXPENSES

S.No.	Particulars	Year Ending	Year Ending
		31st Mar 2019	31st March 2018
		Rupees	Rupees
	Power & Fuel	20,69,275	21,85,138
	Rent	4,62,79,024	4,33,43,184
	Repairs & Maintenance	61,15,338	62,26,013
	Insurance	59,99,145	64,89,341
I	Rates & Taxes (excluding Income Tax)	60,400	70,376
	Miscellaneous Expenses	15,71,031	15,01,868
	Payment to Auditors:	-	-
	(i) As Auditor fee	2,00,000	2,00,000
	(ii) For Tax Audit fee	1,00,000	1,00,000
	(iii) For Other Audit related Services	2,00,000	2,00,000
	Ins Fee	33,07,423	31,26,255
	Telephone, Postage and Others	1,82,13,788	1,76,41,106
	Business Promotion Expenses	8,12,32,597	7,91,86,928
	Travelling and Conveyance	2,38,59,162	2,12,34,264
	Office Maintenance	2,28,16,236	2,10,30,582
	Printing & Stationery Expenses	61,66,237	57,39,092
	Security Charges	13,26,137	10,27,100
	Consultancy Charges	2,50,05,247	2,18,80,338
	Event Sponsorship & Seminar Fee	1,66,10,216	1,56,61,659
	Web Development Expenses	6,66,21,406	6,40,89,370
	Professional Charges	1,47,57,077	1,31,18,103
	Sales and Marketing Expenses	10,21,64,686	9,79,18,810
	Books & Subscriptions	30,36,158	24,78,680
	Provision for Impairment of Debtors	(3,71,67,483)	(1,26,36,639)
	Other Expenses	2,40,46,491	2,03,71,091
	Investments-written off	14,70,000	-
	Total Other Operating Expenses	43,60,59,591	43,21,82,659

NOTE NO. 32 : FINANCE COSTS

S.No.	Particulars	Year Ending	Year Ending
		31st Mar 2019	31st March 2018
		Rupees	Rupees
	Interest on Working capital Loans	12,92,18,869	12,85,74,502
I	Interest on Term Loan	-	1,58,48,662
	Interest on Unsecured Loan	21,84,948	28,58,068
	Loan processing Charges & Bank Charges	3,38,258	5,93,897
	Total Finance Costs	13,17,42,075	14,78,75,129

33. Auditor's Remuneration:

Particulars	(Amount in Rs.)	
	Year ended 31 st March,	
	2019	2018
Statutory Audit Fees	2,00,000	2,00,000
Tax Audit Fee	1,00,000	1,00,000
Other Audit related Services	2,00,000	2,00,000
Total	5,00,000	5,00,000

34. Quantitative Details:

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

35. Related Party Transactions:

During the financial year 2018-19 the Company has entered into some transactions, which can be deemed as related party transactions. All these matters have been approved by the Board, wherever necessary.

(a) Related Parties:

S.No.	Particulars	Nature of Relationship
1	M.Suresh Kumar Reddy	Chairman and Managing Director
2	Vijay Kancharla	Executive Director
3	K.Jaya Lakshmi kumari	Independent Director
4	Raghunath Allamsetty	Independent Director
5	Surabhi Sinha	Independent Director
6	Yreach Media Private Limited, India	99% Owned Subsidiary
7	LIL Projects Private Limited, India	Wholly Owned Subsidiary
8	Frontier Data Management Inc, USA	Wholly Owned Subsidiary
9	International Expressions Inc, USA	Wholly Owned Subsidiary
10	Online Media Solutions Limited, Israel	Wholly Owned Subsidiary
11	Ybrant Media Acquisition Inc, USA	Wholly Owned Subsidiary

12	Dyomo Corporation, USA	Wholly Owned Subsidiary
13	Max Interactive Pty, Ltd., Australia	Wholly Owned Subsidiary
14	DreamAd, Argentina	Wholly Owned Subsidiary
15	DreamAd, Chile	Wholly Owned Subsidiary
16	Get Media Mexico Sociedad Anonima De Capital Variable, Mexico	Wholly Owned Subsidiary
17	DreamAd, Panama	Wholly Owned Subsidiary
18	DreamAd, Uruguay	Wholly Owned Subsidiary
19	Ybrant Digital Servicios De Publiciade Ltda, Brasil	Wholly Owned Subsidiary
20	Ybrant Digital (Brasil) Ltd., Singapore	Wholly Owned Subsidiary
21	LGS Global FZE, UAE	Wholly Owned Subsidiary
22	Ybrant Employees welfare Trust	Directors acting as Trustees
23	LGSL Foundation Trust	Directors acting as Trustees

Balances with related parties at the year-end:

(i) Unsecured loans from Related Parties:

(Amount in Rs)

Particulars	Year ended 31 st March	
	2019	2018
DreamAd, Panama	7,60,87,000	7,15,44,000
Frontier Data Management Inc, USA	8,99,61,464	8,45,90,049
International Expressions Inc, USA	7,27,47,196	6,84,03,609
Online Media Solutions Limited, Israel	10,90,81,090	10,25,68,080
Ybrant Media Acquisition Inc, USA	56,38,83,956	53,02,15,593
LIL Projects Pvt Ltd	40,74,49,402	18,69,48,669
Yreach media Pvt Ltd	69,19,267	62,14,000

(ii) Investment in Subsidiaries and Joint Ventures:

Particulars	Year ended 31 st March	
	2019	2018
DreamAd Group	54,32,40,000	54,32,40,000
Frontier Data Management Inc., USA	1,29,84,77,349	1,29,84,77,349
International Expressions Inc., USA	1,04,53,63,208	1,04,53,63,208
Online Media Solutions Limited, Israel	51,78,81,121	51,78,81,121
Ybrant Media Acquisition Inc.,USA	1,26,52,40,000	1,26,52,40,000
Max Interactive Pty Ltd,Australia	41,74,90,000	41,74,90,000
Dyomo Corporation,USA	4,67,300	4,67,300
Ybrant Digital Servicos De Publiciade Ltda,Brasil	2,65,932	2,65,932
Ybrant Digital (Brasil) Ltd., Singapore	45	45
LGS Global FZE,UAE	2,43,650	2,43,650
Yreach Media Pvt Ltd.	99,000	99,000
LIL Projects private limited.	99,980	99,980
Apollo Lycos Net commerce Ltd	-	14,70,000

(iii) Unsecured loans to related parties:

Particulars	year ended 31 st March	
	2019	2018
Ybrant Employees welfare Trust	1,07,50,000	1,07,50,000
LGSL Foundation Trust	5,694,873	5,694,873

(iv)Account receivables

Particulars	Year Ended 31 st March	
	2019	2018
Online Media Solutions Limited, Israel	-	2,06,08,001

36. Operating Lease:

The company has taken its office premises on lease under operating lease agreement that is renewable on a periodic basis at the option of the both the lessor and the lessee. Rental expenses under those leases were Rs.4, 62, 79,024/- and for the previous year Rs. 4, 33, 43,184/-

37. 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 st March,	
	2019	2018
Foreign Travelling	-	47,440
Total	NIL	47,440

38. Foreign Currency Inflows:

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

Particulars	(Amount in Rs.)	
	Year Ended 31 st March,	
	2019	2018
Sales & Services	NIL	1,48,48,633
Realization from Trade Receivables out of Opening Balance	NIL	NIL
Total		1,48,48,633

39. Employee Benefits (Gratuity)

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

a) Changes in the Present Value of Obligation

Particulars	(Amount in Rs.)	
	For the period ending	
	31-Mar-19	31-Mar-18
Present Value of Obligation as at beginning	58,51,580	1,21,67,583
Current Service Cost	7,11,700	11,52,392
Interest Expense or Cost	4,51,742	9,18,653
Re-measurement (or Actuarial) (gain) / loss arising from: others	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	(11,31,109)	(76,74,692)
- experience variance (Actual v assumptions)	-	-
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(8,71,303)	(7,12,356)
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
Present Value of Obligation as at the end	50,12,610	58,51,580

b) Bifurcation of Net Liability

Particulars	As on	
	31-Mar-19	31-Mar-18
Current Liability (Short term)	18,29,303	5,73,213
Non-Current Liability (Long term)	31,83,307	52,78,367
Total Liability	50,12,610	58,51,580

c) Changes in the Fair Value of Plan Assets

Particulars	For the period ending	
	31-Mar-19	31-Mar-18
Fair Value of Plan Assets as at the beginning	36,906	7,16,010
OB difference	-	-
Investment Income	2,849	54,059
Employer's Contribution	-	0
Expenses	-	-
Employee's Contribution	-	-
Benefits Paid	-	(7,12,356)
Return on plan assets , excluding amount recognized in net interest expense	48	(20,807)
Acquisition Adjustment	-	-
Fair Value of Plan Assets as at the end	39,803	36,906

d) Change in the Effect of Asset Ceiling

Particulars	For the period ending	
	31-Mar-19	31-Mar-18
Effect of Asset Ceiling at the beginning	-	-
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	-	-
Effect of Asset Ceiling at the end	-	-

e) Expenses Recognized in the Income Statement

Particulars	For the period ending	
	31-Mar-19	31-Mar-18
Current Service Cost	7,11,700	11,52,392
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Expected return on Asset	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	4,48,893	8,64,594
Actuarial Gain/Loss	-	-
Expenses Recognized in the Income Statement	11,60,593	20,16,986

f) Other Comprehensive Income

Particulars	For the period ending	
	31-Mar-19	31-Mar-18
Actuarial (gains) / losses	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	(11,31,109)	(76,74,692)
- experience variance (i.e. Actual experience vs assumptions)	-	-
- others obd difference	-	-
Return on plan assets, excluding amount recognized in net interest expense	(48)	20,807
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognized in other comprehensive income	(11,31,157)	(76,53,885)

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

Particulars	As on	
	31-Mar-19	31-Mar-18
Government of India securities	-	-
State Government securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Special Deposit Scheme	-	-
Funds managed by Insurer	100%	100%
Bank balance	-	-
Other Investments	-	-
Total	100%	100%

h) Actuarial Assumptions:

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

Particulars	As on	
	31-Mar-19	31-Mar-18
Discount rate (per annum)	7.65%	7.72%
Salary growth rate (per annum)	6.00%	6.00%

(ii) Leave Encashment

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

40. Earnings Per Share:

Particulars	(Amount in Rs.)	
	Year Ended 31 st March,	
	2019	2018
Profits Attributable to Equity Share Holders	(32,059,514)	(2,94,06,903)
Weighted Average No. of Shares Outstanding for the Year ended		
Basic	47,62,51,499	47,62,51,499
Diluted	47,62,51,499	47,62,51,499
Earnings per Share – Basic	(0.07)	(0.06)
Earnings per Share – Diluted	(0.07)	(0.06)

The EPS of Rs. (0.07) on a PAT(Loss) of Rs. (32,059,514/-) for the year ended 31 March 2019 for an Equity Capital i.e. Rs. 95,25,02,998 /- consisting of 47,62,51,499 Equity Shares of Rs.2/- each fully paid up and whereas the EPS of Rs.(0.06) on a PAT(Loss) of Rs. (2,94,06,903)/- for the year ended 31 March 2018.

41. As per Ind AS 21, the Foreign exchange fluctuation gain /(loss) on monetary items is recognized in statement of P & L a/c. The receivables have been considered at the actual rate at which the amount is realized, and on unrealized amount the rate prevailing at the reporting date. Accordingly gain/ (Loss) from Foreign Exchange fluctuation amount of Rs. (35,563,206)/- (net) has been recognized in statement Profit and Loss for the Year.

42. Segment Reporting:

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

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

43. Intra branch Transactions:

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

44. The subsidiary (Ybrant Media Acquisition Inc., USA) has failed to pay part consideration due to Daum Global Holding Corporation in respect of acquisition of Lycos Inc., considering which 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].

45. Dues to Micro & Small Enterprises:

There are no overdue principle amounts and interest thereon payable to Micro Enterprises and Small Enterprises, as at 31-03-2019.

46. Confirmation of Closing Balances:

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

47. Contingent Liabilities & Guarantees:

			(Amount in Rs.)
Particulars	Name of the Bank / Party	Year ending 31st March, 2019	
Disputed Service tax Liability for the period May 2008 to September 2011	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	14,60,05,131	
Disputed Service tax Liability for the period May 2008 to September 2011	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	4,13,23,149	
Disputed Income Tax Liability for the A.Y.2006-07 to A.Y. 2009-10.	CIT(Appeals) / ITAT	3,68,22,557	
Disputed Income Tax Liability for the A.Y.2010-11 to A.Y. 2013-14.	CIT(Appeals)/ ITAT	23,83,15,499	
Disputed Income Tax Liability for the A.Y.2014-2015 and A.Y. 2016-17.	CIT(Appeals)/ ITAT	39,79,21,202	
Corporate Guarantee for Acquiring Lycos Inc (USD 4 Mn) *	Daum Global Holdings Corp, Republic of Korea	27,66,80,000	
SE Investments Loan	SE Investments Mumbai (Principal loan amount was repaid. SE Investments has issued notice to pay the penalty & delay charges. Negotiations are in process to reduce and settle the account).	1,01,23,233	

* Assumption: 1 USD = Rs.69.17 (Closing rate as on 31st March 2019)

48. The Dividend related 2010-11 Rs.96,613/- has been transferred to Investors education and protection fund.

49. Dividend Payable is pending for various financial years amounting to Rs.10,46,67,389/-

Financial Year	Amount Due
2011-12	7,85,48,581
2015-16	2,61,18,808
Total	10,46,67,389

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

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

As per our report of even date
For P C N &ASSOCIATES
(Formerly Known as Chandra Babu Naidu & Co.,)
CHARTERED ACCOUNTANTS
FRN: 016016S

For and on behalf of the Board of
BRIGHTCOM GROUP LIMITED

CHANDRA BABU M
PARTNER
Membership Number: 227849

M.Suresh Kumar Reddy
Chairman & Managing Director

Vijay Kancharla
Executive Director

PLACE: HYDERABAD
DATE: 27th May, 2019

Y.Srinivasa Rao
Chief Financial Officer

V.Srilakshmi
Company Secretary

Independent Auditor's Report To The Members of BRIGHTCOM GROUP LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of BRIGHTCOM GROUP LIMITED ("the Company"), its subsidiaries (the Company, its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, 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, 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, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for 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.

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.

Management's Responsibility for the Consolidated 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 consolidated 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 IndAS 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

Auditor's Responsibilities for the Audit of the Consolidated 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 upto 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, including 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.

Other Matters:

We did not audit the financial statements of the 14 subsidiaries whose financial statements/consolidated financial statements reflect total assets before elimination of Rs. 32,23,39,61,345/- as at 31.03.2019 and the total revenue of Rs. 21,32,59,06,216/- for the year then ended which are considered in preparation of the consolidated financial Statement. These financial statements of subsidiary Companies which are located outside India whose financial statements and other financial information have been prepared by management in accordance with accounting principles generally accepted in their respective countries. The company management has converted the financial statements of such subsidiaries located outside India and our opinion on the year to date financial results, to the extent they have been derived from such unaudited financial statements is based solely on the reports of the Management.

Emphasis of Matter paragraphs:

a) The Company has defaulted in repayment of dues to Axis Bank and Canara bank as at 31st March, 2019 amounting to Rs. 71.55 crores and the loans were become Nonperforming Assets.

b) The company is having branch operations at USA and branch is having total Assets of Rs. 352,33,39,564/- and total turnover of Rs.404,13,28,276/- For the financial year 2018-2019.

c) The Company has outstanding undisputed statutory liabilities towards income tax to the extent an amount of Rs. 6,72,07,539/-

d) The Company has made investment an amount of Rs. 14,70,000/- into joint venture namely M/s. Apollo Lycos Netcommerces Limited and as at 1st April 2018 the networth of M/s. Apollo Lycos Netcommerces Limited has been eroded 100%. This investment has written off in the books of M/s. Brightcom Group Limited in the financial year 2018-2019 since book value of Apollo Lycos Netcommerces Limited has been eroded.

e) The Company has got one time settlement with State Bank of India in the financial year 2018-2019. As per books of accounts the outstanding balance as at 1st April 2018 is 9,15,89,088/- which includes interest due and the current financial year interest an amount of Rs. 1,47,68,009/- has been booked. The total outstanding dues to State Bank of India as per books amounting to Rs. 10,32,40,544/- before OTS. The onetime settlement has been given for an amount of Rs. 7,15,00,000/- and the balance an amount of Rs. 1,47,68,009/- has reversed towards interest outstanding and Rs. 1,69,72,535/- has booked as other income.

f) The Subsidiary company M/s. Ybrant Media Acquisition Inc has acquired M/s. Lycos Inc.

M/s. Ybrant Media Acquisition Inc has failed to pay part 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. In the current financial year M/s. Ybrant Media Acquisition Inc has written off its investment in M/s. Lycos Inc., an amount of USD 38 Million in the statement of profit & loss under the head other comprehensive income and the outstanding liability of USD 16 Million is continuing in the financials as the dispute still going on. Also the Reserves which are in existence as at 1st April 2018 in respect of previous financial year consolidation of Lycos Inc., into Ybrant Media Acquisition Inc has been written off in the current financial year 2018-2019 amounting to Rs. 244.06 crores.

Report on Other Legal and Regulatory Requirements

I. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our 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) 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) In our 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.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors of the company and its subsidiaries, none of the directors of the group companies is disqualified as on March 31, 2019 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" which is based on the Auditor's reports of the Company and its subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for reasons stated therein.

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) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies.

**For P C N & Associates.,
Chartered Accountants**
FRN:016016S

Chandra Babu M
Partner
M.No:227849

Place: Hyderabad
Date: 27-05-2019

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, 2019, we have audited the internal financial controls over financial reporting of BRIGHTCOM GROUP LIMITED (herein after referred to as “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 Company and 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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

For P C N & Associates.
Chartered Accountants
FRN: 016016S

Chandra Babu M
Partner
M.No:227849

Place: Hyderabad

Date: 27-05-2019

Consolidated Balance Sheet as at 31st March 2019

Particulars	Note	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	4	24,31,13,410	23,80,11,375
Capital work in Progress	4	1,47,78,38,147	1,24,99,01,121
Investment property	5	21,95,210	21,95,210
Goodwill on consolidation	4	-	1,49,46,95,340
Other intangible assets	4	4,99,84,88,399	3,68,80,32,298
Intangible assets under development	4	1,36,83,17,482	1,76,30,54,285
Financial assets			
- Investments	6	2,25,45,82,790	1,06,48,81,192
- Loans	7	1,65,12,51,125	1,55,19,47,031
- Others financial assets	8	13,74,44,396	13,02,19,761
Deferred tax assets (net)	9	3,50,68,888	4,27,85,377
Non- Current tax assets (net)	10	62,69,388	73,26,228
Other non-current assets	11	29,82,77,651	28,14,68,099
Total Non-current assets		12,47,28,46,886	11,51,45,17,317
Current assets			
Financial assets			
- Trade receivables	12	8,89,77,68,596	8,75,12,59,652
- Cash and cash equivalents	13	1,02,57,90,311	89,36,37,947
- Other bank balances	14	5,56,659	4,18,989
- Loans	15	6,83,60,29,959	5,95,69,12,105
- Other Financial Assets	16	42,43,808	42,67,944
Other current assets	17	5,40,57,82,643	5,50,47,56,471
Total Current assets		22,17,01,71,976	21,11,12,53,108
Total assets		34,64,30,18,862	32,62,57,70,425
Equity And Liabilities			
Equity			
Equity Share capital	18	95,25,02,998	95,25,02,998
Other equity	19	29,08,50,62,077	27,29,95,74,513
Total Equity		30,03,75,65,075	28,25,20,77,511
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings		-	-
Provisions	20	8,97,77,608	8,52,77,763
Deferred tax liabilities (net)	21	2,92,72,085	2,90,54,348
Total Non-current liabilities		11,90,49,693	11,43,32,111
Current liabilities			
Financial liabilities			
- Borrowings	22	67,02,34,809	68,31,01,383
- Trade payables	23	84,41,13,457	77,21,23,794
- Others financial liabilities	24	5,80,97,233	19,18,63,785
Other current liabilities	25	2,19,85,64,918	1,85,88,88,940
Provisions	26	71,53,93,677	75,33,82,901
Total Current liabilities		4,48,64,04,094	4,25,93,60,803
Total equity and liabilities		34,64,30,18,862	32,62,57,70,425

Notes forming part of Consolidated financial statements

AS PER OUR REPORT OF EVEN DATE

For P C N & ASSOCIATES

(Formerly Known as Chandra Babu Naidu & Co.,)

CHARTERED ACCOUNTANTS

FRN: 016016S

CHANDRA BABU M

PARTNER

Membership Number: 227849

Place : Hyderabad

Date : 27-05-2019

For and on behalf of the Board

Brightcom Group Limited

M.Suresh Kumar Reddy
Chairman & Managing Director

Vijay Kancharla
Executive Director

Y.Srinivasa Rao
Chief Financial Officer

V.Sri Lakshmi
Company Secretary

Statement of Consolidated Profit and Loss for the year ended 31st March, 2019

Particulars	Note	Year Ending	Year Ending
		31/03/2019	31/03/2018
		Rupees	Rupees
REVENUE			
I. Revenue from operations	27	25,80,24,09,484	24,20,74,30,562
II. Other income	28	(2,51,35,722)	(45,87,905)
III. Total revenue (I+II)		25,77,72,73,762	24,20,28,42,657
IV. EXPENSES			
Purchase / Cost of Revenue	29	14,54,30,37,135	13,66,32,51,799
Employee Benefit expenses	30	1,58,51,37,746	1,47,41,87,981
Other Operating Expenses	31	2,08,07,98,977	1,93,24,73,146
Financial costs	32	13,17,69,787	14,79,57,375
Depreciation and amortization expense	4	1,35,10,19,468	1,08,14,97,629
Total expenses (IV)		19,69,17,63,113	18,29,93,67,930
V. Profit/(loss) before tax (III-IV)		6,08,55,10,649	5,90,34,74,727
VI. Tax expense			
Current tax		1,64,02,62,179	1,84,55,01,228
Deferred tax		54,87,422	(1,20,89,350)
VII. Profit/(loss) for the period (V-VI)		4,43,97,61,048	4,07,00,62,849
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plan (net of tax)		(1,07,22,656)	(1,06,63,386)
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		1,47,41,53,637	10,79,61,238
Loss on Investment written off		4,11,76,61,490	
Share of profit from Joint venture		-	(8,15,100)
IX. Total comprehensive income for the period (VII+VIII)		1,78,55,30,539	4,16,65,45,601
Earnings per share			
(1) Basic (in Rs.)		9.32	8.55
(2) Diluted (in Rs.)		9.32	8.55

Notes forming part of Consolidated financial statements

AS PER OUR REPORT OF EVEN DATE

For P C N & ASSOCIATES

(Formerly Known as Chandra Babu Naidu & Co.,)

CHARTERED ACCOUNTANTS

FRN: 016016S

CHANDRA BABU M

PARTNER

Membership Number: 227849

For and on behalf of the Board

Brightcom Group Limited

M.Suresh Kumar Reddy
Chairman & Managing Director

Y.Srinivasa Rao
Chief Financial Officer

Vijay Kancharla
Executive Director

V.Sri Lakshmi
Company Secretary

Place : Hyderabad

Date : 27-05-2019

Statement of Changes in Equity for the period ended 31st March 2019 and 2018

A. Equity Share Capital	Balance As at 1st April 2018		Changes in equity share capital during the year		Balance As of 31 st march 2019	
	95,25,02,998	-	-	95,25,02,998		
B. Other Equity			Reserves and Surplus		Exchange differences on translating the financial statements of a foreign operation	Total
	Capital Reserve	General reserve	Surplus in statement of P&L	Retained Earnings		Rupees
Balance at the beginning of the reporting period As at 1st April 2018	4,16,78,11,992	3,98,17,160	21,92,00,54,021	1,17,18,91,340	27,29,95,74,513	
Changes in accounting policy or prior period errors						-
Restated balance at the beginning of the reporting period	4,16,78,11,992	3,98,17,160	-	21,92,00,54,021	1,17,18,91,340	27,29,95,74,513
Total			1,78,55,30,539			1,78,55,30,539
Comprehensive Income for the year						
Dividends (Including Tax on Dividends)						
Transfer to General Reserve						
Transfer to retained earnings			(1,78,55,30,539)	1,78,55,30,539	(42,975)	(42,975)
Any other change (to be specified) - FCTR						
Balance at the end of the reporting period 31st March 2019	4,16,78,11,992	3,98,17,160	-	23,70,55,84,559	1,17,18,48,365	29,08,50,62,077

Consolidated Cash flow Statement for the year ended 31st March, 2019

Particulars	Year ended	Year ended
	31 st March 2019	31 st March 2018
	Rupees	Rupees
A. Cash Flow from Operating Activities		
Profit Before Tax	6,08,55,10,649	5,90,34,74,727
Adjustment for :		
Add: Depreciation and amortization expense	1,35,10,19,468	1,08,14,97,629
Interest Expense	-	1,58,48,662
Allowance for doubtful trade receivables	(3,19,97,013)	(76,30,042)
Investments Write off	14,70,000	-
Operating Profit before Working Capital Changes	7,40,60,03,104	6,99,31,90,975
<u>Adjustment for Working Capital Changes:</u>		
Increase/(Decrease) in Short term Borrowings	(1,28,66,574)	-
Increase/(Decrease) in Trade Payables	7,19,89,663	(9,79,61,048)
Increase/(Decrease) in other Current Liabilities	33,96,75,978	6,23,34,134
Increase/(Decrease) in Others financial liabilities	(13,37,66,552)	(5,34,87,085)
Increase/(Decrease) in Short-Term Provisions	69,67,910	(24,68,902)
Decrease/(Increase) in Trade Receivables	(11,45,11,931)	(97,58,99,026)
Decrease/(Increase) in Short-Term Loans and Advances	(87,91,17,854)	(23,79,04,191)
(Increase)/Decrease in Other Financial Assets	24,136	3,26,364
(Increase)/Decrease in other Current Assets	9,89,73,828	(72,57,74,232)
Cash Flow from Operating Activities	6,78,33,71,709	4,96,23,56,990
Taxes paid	1,68,52,19,313	1,81,43,95,104
Net Cash Flow from Operating Activities (A)	5,09,81,52,396	3,14,79,61,886
B Cash Flow from Investing Activities		
Assets written off	26,68,34,754	-
Purchase/(Increase) of Fixed Assets	(10,46,44,635)	(11,67,31,580)
(Increase)/Decrease in Non-Current Investments	(1,18,93,72,652)	(4,90,000)
(Increase)/Decrease in Intangibles under development	(1,36,83,17,482)	(1,76,30,54,285)
(Increase)/Decrease in Capital Work in Progress	(1,47,78,38,147)	(1,24,99,01,121)
Net cash Flow from investing activities (B)	(3,87,33,38,162)	(3,13,01,76,986)
C. Cash Flows from Financing Activities		
Interest Paid	-	(1,58,48,662)
Increase/(Decrease) in Long Term Loans	-	-
Increase/(Decrease) in Foreign Currency Fluctuation Reserve	1,47,41,53,637	10,79,61,238
Increase/(Decrease) in Reserves	(2,44,06,20,391)	-
Increase/(Decrease) in long term provision	(62,22,811)	(1,41,08,550)
(Increase)/Decrease in Deffered tax Asset(Net)	22,29,067	41,42,220
Increase/(Decrease) in Deffered tax Liabilities(Net)	2,17,737	(16,96,786)
(Increase)/Decrease in Long term loans and advances	(9,93,04,094)	(46,79,184)
(Increase)/Decrease in other financial assets	(72,24,635)	(33,12,691)
(Increase)/Decrease in Non- Current tax assets (net)	10,56,840	(7,38,228)
(Increase)/Decrease in Other Non - Current Assets	(1,68,09,552)	(8,62,448)
Net cash Flow from financing activities (C)	(1,09,25,24,202)	7,08,56,909
Cash and cash equivalents at beginning of year	89,40,56,936	80,54,15,128
Net change in cash (A+B+C)	13,22,90,034	8,86,41,808
Cash and cash equivalents at period ended 31st March, 2019	1,02,63,46,970	89,40,56,936

Notes forming part of Consolidated financial statements

AS PER OUR REPORT OF EVEN DATE

For P C N & ASSOCIATES

(Formerly Known as Chandra Babu Naidu & Co.,)

CHARTERED ACCOUNTANTS

FRN: 016016S

CHANDRA BABU M

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For and on behalf of the Board

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Chief Financial Officer

V.Sri Lakshmi
Company Secretary

Place : Hyderabad

Date : 27-05-2019

Brightcom Group Limited

Notes forming part of Consolidated financial statements for the year ended 31st March 2019

1. Corporate Information:

Brightcom Group Limited, offers digital marketing solutions to businesses, agencies and online publishers worldwide. 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. 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).

b) Company information

The consolidated financial statements of the Company includes subsidiaries listed in the table below:

Name of Investee	Principle activities	Country of incorporation	Percentage of ownership/ voting rights	
			31/Mar/19	31/Mar/18
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 Socidadanonima De Capital Variable, Mexico	Digital Marketing	Mexico	100	100
Dream AD SA Chile	Digital Marketing	Chile	100	100
Dream AD SA Uruguay	Digital Marketing	Uruguay	100	100
Max Interactive Pty Ltd	Digital Marketing	Australia	100	100
LIL Projects Private Limited	Digital Marketing/ Software Development	India	100	100
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 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.

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.

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 realized or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized 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 realization 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

Operating Lease:

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

Finance Lease:

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

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 utilized.

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 utilized.

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 realized.

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 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 Group commits to purchase or sell the asset.

ii) Subsequent measurement:

Financial assets at amortized cost

Financial assets are subsequently measured at amortized 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 amortized 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 recognized 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 recognize 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 amortized 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 recognized during the period is recognized 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 amortized 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 recognized by the Group are recognized at the proceeds received net off direct issue cost.

i) Initial recognition and measurement:

At initial recognition, all financial liabilities are recognized at fair value and in the case of loans, borrowings and payables, net off 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 recognized in the profit or loss.

b. Financial liabilities at amortized cost:

Amortized 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 amortization 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 recognized 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 recognized, 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, 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.

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 recognizes 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 recognized 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 recognized 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 amortization and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licenses which are amortized 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 recognized in prior years is recorded when there is an indication that the impairment losses recognized 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 recognized in full in the other comprehensive income for the period in which they occur. Past service cost both vested and unvested is recognized as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognizes related restructuring costs or termination benefits. The retirement benefit obligations recognized 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 recognized 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 capitalized 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 recognized 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 recognized 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 recognized 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 recognized 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.

Notes forming part of Consolidated financial statements

NOTE NO 4 : PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS AS AT 31-03-2019

Sl. No.	Particulars	Gross Block				Depreciation/ Amortization				Amount in Rupees			
		As on 1st April, 2018	Additions during the year	Foreign currency translation reserve	Sale / Deletions during the year	As on 31st March, 2019	Dep. As on 1st April, 2018	Depreciation/ Amortization for the year	Foreign currency translation reserve	Sale / Deletions during the year	Total Depreciation	Net Block as on 31st March, 2019	Net Block as on March, 2018
I	PROPERTY, PLANT AND EQUIPMENT												
1	Electrical Equipment	2,44,12,152	15,76,933	-	-	2,59,89,085	2,18,16,518	4,85,876	-	-	2,23,02,394	36,86,691	25,95,633
2	Office Equipment	7,53,48,907	91,88,616	14,83,270	-	8,60,20,793	5,68,85,910	56,97,821	5,40,334	-	6,31,24,065	2,28,96,728	1,84,62,998
3	Air Conditioners	74,91,714	-	-	-	74,91,714	51,12,786	4,88,729	-	-	56,01,515	18,90,199	23,78,929
4	Computers	76,88,29,942	3,93,33,279	16,83,38,442	14,27,92,635	86,57,09,028	66,00,89,919	4,31,61,781	16,67,75,728	10,73,96,458	76,26,30,970	10,30,78,058	10,87,40,023
5	Furniture	13,39,04,679	1,67,88,531	11,52,814	-	15,18,46,024	9,80,55,263	82,27,246	2,47,248	-	10,65,29,757	4,53,16,267	3,58,49,415
6	Property & Equipment	25,83,70,272	3,77,57,276	1,13,09,106	-	27,54,36,654	18,84,67,900	95,23,842	1,12,26,450	-	20,92,18,192	6,62,18,462	6,99,02,373
7	Vehicles	10,78,482	-	-	-	10,78,482	9,96,485	54,999	-	-	10,51,484	27,005	82,004
	Total	1,26,94,36,148	10,46,44,635	18,22,83,632	14,27,92,635	1,41,35,71,780	1,03,14,24,781	6,76,40,294	17,87,89,760	10,73,96,458	1,17,04,58,377	24,31,13,410	23,80,11,375
II	Intangible Fixed Assets												
1	Intangible Assets	6,47,43,22,234	3,01,29,55,405	73,69,23,280	1,64,06,97,817	8,58,35,03,102	2,78,74,21,472	1,28,29,08,214	27,22,02,279	75,68,56,687	3,58,56,75,278	4,99,78,27,823	3,68,69,00,762
2	Computer Products / Rights	2,63,07,044	-	-	-	2,63,07,044	2,51,75,508	4,70,960	-	-	2,56,46,468	6,60,576	11,31,536
	Total	6,50,06,29,278	3,01,29,55,405	73,69,23,280	1,64,06,97,817	8,60,98,10,146	2,81,25,96,980	1,28,33,79,174	27,22,02,279	75,68,56,687	3,61,13,21,746	4,99,84,88,399	3,68,80,32,298
III	Good Will On Consolidation	1,49,46,95,340	-	-	-	1,49,46,95,340	-	-	-	-	-	-	1,49,46,95,340
IV	Capital Work In Progress	1,24,99,01,121	1,47,78,38,147	-	1,24,99,01,121	1,47,78,38,147	-	-	-	-	-	1,47,78,38,147	1,24,99,01,121
	Intangible Assets under development	1,76,30,54,285	1,36,83,17,482	-	1,76,30,54,285	1,36,83,17,482	-	-	-	-	-	1,36,83,17,482	1,76,30,54,285
	TOTAL	12,27,77,16,172	5,96,37,55,669	91,92,06,912	6,29,11,41,198	12,86,95,37,555	3,84,40,21,761	1,35,10,19,468	45,09,92,039	86,42,53,145	4,78,17,80,123	8,08,77,57,438	8,43,36,94,418

NOTE NO. 5 : INVESTMENT PROPERTY

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
I	Land at cost	21,95,210	21,95,210
	Total Investment Property	21,95,210	21,95,210

NOTE NO. 6 : INVESTMENTS - NON CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
	Investments - Non Current		
	Investment in Equity Instruments at cost		
	Equity Shares -Unquoted		
I	Affiliates	2,25,45,82,790	1,06,52,10,138
	(ii) Joint venture	-	-
	Apollo Lycos Netcommerce Ltd	-	14,70,000
	Share of profits	-	(17,98,947)
	Net Investments	-	(3,28,947)
	Total Investments-Non - Current	2,25,45,82,790	1,06,48,81,192

NOTE NO. 7 : LOANS - NON CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
	Loans - Non- Current		
I	Unsecured, Considered Good		
	(a) Security deposits	5,90,44,999	5,47,93,746
	(b) Other Advances	1,59,22,06,126	1,49,71,53,285
	Total Loans - Non current	1,65,12,51,125	1,55,19,47,031

NOTE NO. 8 : OTHER FINANCIAL ASSETS - NON CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
	Other financial assets - Non- Current		
	Unsecured, Considered Good		
	Advances other than Capital advances		
I	(a) Other advances	12,09,99,523	11,37,74,888
	(b) Advances to related parties		
	- Ybrant Employees Welfare Trust	1,07,50,000	1,07,50,000
	- LGSL Foundation Trust	56,94,873	56,94,873
	Total Other financial assets - Non Current	13,74,44,396	13,02,19,761

NOTE NO. 9 : DEFERRED TAXES ASSET (NET)

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
	Deferred tax assets (net)		
	Deferred tax liability	4,71,54,913	4,71,54,913
	Deferred tax assets		
I	Opening Deferred tax assets	3,36,51,940	2,57,19,278
	- Fixed Assets	12,00,282	-
	- Provision for gratuity and compensated absences	29,28,402	79,32,661
	Allowances for bad and doubtful debts	(1,15,96,255)	
	MAT Credit	5,62,88,350	5,62,88,350
	Foreign currency difference	4,31,847	-
	Lycos share of deferred tax	(6,80,765)	
	Deferred Tax Asset Net	8,22,23,801	8,99,40,290
	Deferred Tax Asset(Net)	3,50,68,888	4,27,85,377

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

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Non- Current tax assets (net)			
I	-TDS Receivables	62,69,388	73,26,228
Total Non- Current tax assets (net)		62,69,388	73,26,228

NOTE NO. 11 : OTHER NON CURRENT ASSETS

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Other non-current assets			
	Others	29,82,77,651	28,04,68,099
I	Deposits with banks with maturity beyond 12 months	-	10,00,000
Total Other Non Current Assets		29,82,77,651	28,14,68,099

NOTE NO. 12 : TRADE RECEIVABLES

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Trade receivables			
	(a)Unsecured Considered good	8,98,51,56,531	8,87,27,40,127
I	Less: Allowances for bad and doubtful debts	8,73,87,935	12,14,80,475
<i>Notes</i>			
<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>			
Total Trade Receivables		8,89,77,68,596	8,75,12,59,652

NOTE NO. 13 : CASH AND CASH EQUIVALENTS

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Cash and cash equivalents			
Balances with banks			
	- Current Accounts	1,02,57,70,729	89,36,22,807
	- Cash on hand	19,582	15,140
Total Cash and cash equivalents		1,02,57,90,311	89,36,37,947

NOTE NO. 14 : OTHER BANK BALANCES - CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Other bank balances - Current			
	(i) Earmarked balances with Banks		
I	- Unpaid Dividend	2,62,659	1,24,989
	(ii) Balances with bank held as Margin Money	2,94,000	2,94,000
	Total Other bank balances - Current	5,56,659	4,18,989

NOTE NO. 15 : LOANS - CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Loans -Current			
	Unsecured Considered Good		
I	(a) Loans to related parties		
	(b) Others		
	Advances to Employees	30,09,134	27,90,912
	Other Advances	6,83,30,20,825	5,95,41,21,193
	Total Loans - Current	6,83,60,29,959	5,95,69,12,105

NOTE NO. 16 : OTHER FINANCIAL ASSETS - CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Other financial asset-Current			
	(a) Security deposits		
I	- Rental deposits	42,43,808	42,67,944
	Total Other financial assets - Current	42,43,808	42,67,944

NOTE NO. 17 : OTHER CURRENT ASSETS

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Other Current Assets			
I	Other receivable	5,32,67,36,320	5,13,01,84,451
	Prepaid expenses	7,90,46,323	37,45,72,020
	Total Other Current Assets	5,40,57,82,643	5,50,47,56,471

Note No: 18 Equity share capital

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Equity share capital			
(i) Authorized			
	(975,000,000 Equity Shares of Rs.2/- each)	1,95,00,00,000	1,95,00,00,000
(ii) Issued , Subscribed and Paid Up			
	(476,251,499 Equity Shares of Rs.2/- each)	95,25,02,998	95,25,02,998
(iii) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:			
	Number of Shares	47,62,51,499	47,62,51,499
	Shares outstanding at the beginning of the year	-	-
	Add: Issued and allotted during the year	47,62,51,499	47,62,51,499
	Shares outstanding at the end of the year	-	-
(iv) 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.		
(v)	Shares held by holding Company		
(vi)	The details of shareholders holding more than 5% shares in the Company		
	(a) Equity Shares		
	M. Suresh Kumar Reddy		
	Number of equity shares	7,50,84,653	7,50,84,653
	% of holding	15.77%	15.77%
	Vijay Kumar Kancharla (HUF)		
	Number of equity shares	6,20,44,564	6,20,44,564
	% of holding	13.03%	13.03%
	Everest Capital (M) Ltd		
	Number of equity shares	-	3,84,38,819
	% of holding	-	8.07%
	Oak India Investments		
	Number of equity shares	3,33,68,913	3,33,68,913
	% of holding	7.01%	7.01%
	Redmond Investments Ltd		
	Number of equity shares	2,47,66,812	2,47,66,812
	% of holding	5.20%	5.20%

Note No: 19 Other equity

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Other equity			
(i) Reserves & Surplus			
	(a) Capital reserve	4,16,78,11,992	4,16,78,11,992
	(b) Retained earnings:		
	Opening balance	21,92,00,54,021	17,75,35,08,420
	Add: Total Other Comprehensive income for the period	1,78,55,30,539	4,16,65,45,601
	Less: Transfer to general reserve		
	Less: Dividend	-	-
	Less: Dividend distribution tax	-	-
	Closing Balance	23,70,55,84,559	21,92,00,54,021
	(c) Other reserves		
	- General reserve		
	Opening balance	3,98,17,160	3,98,17,160
	Add: Additions during the year		
	Closing Balance	3,98,17,160	3,98,17,160
	- Foreign currency translation reserve	1,17,18,48,365	1,17,18,91,340
	Total Reserve & Surplus	29,08,50,62,077	27,29,95,74,513

NOTE NO. 20 : PROVISIONS - NON CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Provisions - Non current			
	Provision for employee benefits		
I	(a) Gratuity	49,72,807	58,51,580
	(b) Leave encashment	16,91,467	18,06,672
	Accrued Severance Pay	4,92,45,582	4,63,05,228
	Other Provisions	3,38,67,752	3,13,14,283
	Total Provisions - Non Current	8,97,77,608	8,52,77,763

NOTE NO. 21 : DEFERRED TAX LIABILITIES (NET)

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
DEFERRED TAX LIABILITIES (NET)			
	Opening Deferred tax liability	3,26,15,284	3,26,15,284
	ADD:		
	Deferred Tax Liability for the year (Due to SLM and WDV Difference)	-	-
	Deferred Tax Liability due to others	-	-
I	Gross Deferred tax liability	3,26,15,284	3,26,15,284
	Deferred tax assets		
	Opening Deferred tax	35,60,936	17,69,298
	ADD: During th year		
	Deferred Tax Asset for the year (Due to SLM and WDV Difference)	-	-
	Provision for Gratuity and Compensated Absences	16,20,526	17,91,638
	Foreign currency difference	(18,38,264)	-
	Gross Deferred tax Asset	33,43,198	35,60,936
	Deferred Tax Liability - Net	2,92,72,085	2,90,54,348

NOTE NO. 22 : BORROWINGS - CURRENT - SECURED

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Borrowings - Current-Secured			
I	Cash Credits and Working Capital from Banks		
	(a) Axis Bank Ltd - Cash Credit Facility	36,02,05,069	36,02,05,068
	(b) Canara Bank - OD Facility	31,00,29,740	32,28,96,315
Notes:			
Note No 22(a): Working Capital of Rs 4500 lakhs and Bank Guarantee /LC of Rs 400 Lakhs, term loan of Rs 500 lakhs and Rs.200 Lakhs Loan Equivalent Risk(LER) from Axis Bank Ltd are secured by charge on current assets, Fixed Assets, Pledge of promoters shares,immovable property and personal Guarantee of Promoter Directors.			
Note No 22(b):Working Capital of Rs 3500 lakhs and Bank Guarantee of Rs 1000 Lakhs and trem loan of 450 lakhs from Canara Bank are secured by charge on current assets, Fixed Assets, Pledge of promoters shares,immovable property and personal Guarantee of Promoter Directors.			
Total borrowings - current		67,02,34,809	68,31,01,383

NOTE NO. 23 : TRADE PAYABLES - CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
I	Trade payables	84,41,13,457	77,21,23,794
Total Trade Payables - Current		84,41,13,457	77,21,23,794

NOTE NO. 24 : OTHER FINANCIAL LIABILITIES - CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Other financial liabilities - Current			
I	Current maturities of long term debt	-	8,45,48,958
	Interest accrued and due on borrowings	4,52,76,614	9,31,23,065
	Others	1,28,20,619	1,41,91,763
Note : Term Loan of Rs. 400 lakhs from State Bank of India are secured by current assets, Fixed Assets, Pledge of Promoters shares and personal guarantee of Promoter			
Note : Working Capital Term Loan of Rs 3450 Lakhs, and Bank Guarantee of Rs 1000 lakhs from State Bank of India are secured by current assets, Fixed Assets, Pledge of Promoters shares and personal guarantee of Promoter Directors			
Total Other financial liabilities - Current		5,80,97,233	19,18,63,785

NOTE NO. 25 : OTHER CURRENT LIABILITIES

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Other current liabilities			
	Unpaid dividend	10,46,67,390	10,45,28,269
I	Other Current Liabilities	98,71,77,528	71,37,20,671
	Acquisition Payables -Lycos Inc	1,10,67,20,000	1,04,06,40,000
Total Other current liabilities		2,19,85,64,918	1,85,88,88,940

NOTE NO. 26 : PROVISIONS - CURRENT

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
Provisions - Current			
I	(i) Provision for employee benefits		
	Employee benefit payable	2,29,85,524	2,10,22,395
	(ii) Others		
	(a) Provisions for expenses	2,28,60,103	1,83,76,685
	(b) Other Provisions	5,63,75,488	5,58,54,125
	(c)Tax	61,31,72,562	65,81,29,695
Total Provisions - Current		71,53,93,677	75,33,82,901

NOTE NO. 27 : REVENUE FROM OPERATIONS

S.No.	Particulars	Year Ending	Year Ending
		31st March 2019	31st March 2018
		Rupees	Rupees
I	(a) Sale of Services Domestic	-	66,58,775
	(b) Sale of Services Exports	21,32,06,54,423	19,67,02,33,387
	(c) Sale of Software Exports	4,48,17,55,061	4,53,05,38,400
	Total Revenue from Operations	25,80,24,09,484	24,20,74,30,562

NOTE NO. 28 : OTHER INCOME

S.No.	Particulars	Year Ending	Year Ending
		31st March 2019	31st March 2018
		Rupees	Rupees
I	(a) Interest income	1,55,064	1,23,025
	(b) Net gain/loss on foreign currency translation and transaction	(4,22,63,322)	(47,10,930)
	Other Income	1,69,72,536	
	Total Other Income	(2,51,35,722)	(45,87,905)

NOTE NO. 29 : PURCHASE/COST OF REVENUE

S.No.	Particulars	Year Ending	Year Ending
		31st March 2019	31st March 2018
		Rupees	Rupees
	(a) Media Cost	9,32,93,24,849	8,60,42,33,375
I	(b) Internet, cloud and Infrastructure	1,41,12,63,679	1,39,41,45,449
	(c) Syndication Cost	28,80,31,514	26,53,44,673
	(d) Software Purchase & Sub Contractors Cost	3,51,44,17,093	3,39,95,28,302
	Total Purchase/Cost of Revenue	14,54,30,37,135	13,66,32,51,799

NOTE NO. 30 : EMPLOYEE BENEFIT EXPENSES

S.No.	Particulars	Year Ending	Year Ending
		31st March 2019	31st March 2018
		Rupees	Rupees
I	(a) Salaries, wages and allowances	1,56,19,25,753	1,44,86,10,801
	(b) Contribution to provident and other fund	2,22,27,949	2,47,07,722
	(c) Staff Welfare Expenses	9,84,044	8,69,458
	Total Employee Benefit Expenses	1,58,51,37,746	1,47,41,87,981

NOTE NO. 31 : OTHER OPERATING EXPENSES

S.No.	Particulars	Year Ending	Year Ending
		31st March 2019	31st March 2018
		Rupees	Rupees
	(a) Power & Fuel	2,14,36,749	1,86,68,589
	(b) Rent	31,18,54,970	29,54,16,837
	(c) Repairs & Maintenance	4,33,93,364	4,06,44,592
	(d) Insurance	3,71,24,114	3,47,36,718
	(e) Rates & Taxes (excluding Income Tax)	4,27,83,284	3,71,20,950
I	(f) Miscellaneous Expenses	2,79,24,434	2,81,24,640
	(g) Payment to Auditors:		
	(i) As Auditor fee	57,09,733	50,26,493
	(ii) For Tax Audit fee	3,94,805	3,53,372
	(iii) For Other Audit related Services	33,36,106	26,76,642
	(h) Ins Fee	70,70,570	57,62,775
	(i) Telephone, Postage and Others	4,99,91,572	5,22,76,966
	(j) Business Promotion Expenses	74,11,04,662	66,67,14,835
	(k) Travelling and Conveyance	12,65,96,259	11,36,55,862
	(l) Office Maintenance	10,63,99,249	9,81,16,328
	(m) Printing & Stationery Expenses	1,41,95,653	1,28,76,491
	(n) Security Charges	25,12,541	20,32,595
	(o) Consultancy Charges	6,58,08,221	5,88,52,139
	(p) Event Sponsorship & Seminar Fee	1,86,31,478	1,73,98,844
	(q) Web Development Expenses	8,68,87,249	7,95,24,166
	(r) Professional Charges	7,25,93,674	6,67,71,965
	(s) Sales and Marketing Expenses	18,83,79,609	17,84,62,545
	(t) Books & Subscriptions	48,66,264	41,25,828
	(u) Provision for Impairment of Debtors	(3,19,97,013)	(76,30,042)
	(v) Other Expenses	13,23,31,430	12,07,63,016
	(w) Investments Write off	14,70,000	-
	Total Other Operating Expenses	2,08,07,98,977	1,93,24,73,146

NOTE NO. 32 : FINANCE COSTS

S.No.	Particulars	Year Ending	Year Ending
		31st March 2019	31st March 2018
		Rupees	Rupees
	(a) Interest on Working capital Loans	12,92,18,869	12,85,74,502
I	(b) Interest on Term Loan	-	1,58,48,662
	(c) Interest on Unsecured Loan	21,84,948	28,58,068
	(d) Loan processing Charges & Bank Charges	3,65,970	6,76,143
	Total Finance Costs	13,17,69,787	14,79,57,375

33. Auditor's Remuneration:

Particulars	(Amount in Rs.)	
	Year ended 31 st March,	
	2019	2018
Statutory Audit Fees	57,09,733	50,26,493
Tax Audit Fee	3,94,805	3,53,372
Other Audit related Services	33,36,106	26,76,642
Total	94,40,644	80,56,507

34. Quantitative Details:

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

35. Related Party Transactions:

During the financial year 2018-19 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	Surabhi Sinha	Independent Director
4	K.Jaya Lakshmi kumari	Independent Director
5	Raghunath Allamsetty	Independent Director
6	Yreach Media Private Limited, India	99% Owned Subsidiary
7	LIL Projects Private Limited, India	Wholly Owned Subsidiary
8	Frontier Data Management Inc, USA	Wholly Owned Subsidiary
9	International Expressions Inc, USA	Wholly Owned Subsidiary
10	Online Media Solutions Limited, Israel	Wholly Owned Subsidiary
11	Ybrant Media Acquisition Inc, USA	Wholly Owned Subsidiary
12	Dyomo Corporation, USA	Wholly Owned Subsidiary
13	Max Interactive Pty, Ltd., Australia	Wholly Owned Subsidiary
14	DreamAd, Argentina	Wholly Owned Subsidiary
15	DreamAd, Chile	Wholly Owned Subsidiary

16	Get Media Mexico Sociedad Anonima De Capital Variable, Mexico	Wholly Owned Subsidiary
17	DreamAd, Panama	Wholly Owned Subsidiary
18	DreamAd, Uruguay	Wholly Owned Subsidiary
19	Ybrant Digital Servicios De Publiciade Ltda, Brasil	Wholly Owned Subsidiary
20	Ybrant Digital (Brasil) Ltd., Singapore	Wholly Owned Subsidiary
21	LGS Global FZE, UAE	Wholly Owned Subsidiary
22	Ybrant Employees welfare Trust	Directors acting as Trustees
23	LGSL Foundation Trust	Directors acting as Trustees

B) Balances with related parties at the yearend:

(i) Unsecured loans from Related Parties:

(Amount in Rs.)

Particulars	Year ended 31 st March	
	2019	2018
<i>DreamAd, Panama</i>	7,60,87,000	7,15,44,000
<i>Frontier Data Management Inc, USA</i>	8,99,61,464	8,45,90,049
<i>International Expressions Inc, USA</i>	7,27,47,196	6,84,03,609
<i>Online Media Solutions Limited, Israel</i>	10,90,81,090	10,25,68,080
<i>Ybrant Media Acquisition Inc, USA</i>	56,38,83,956	53,02,15,593
<i>LIL Projects Pvt ltd</i>	40,74,49,402	18,69,48,669
<i>Yreach media Pvt ltd</i>	69,19,267	62,14,000

(ii) Investment in Subsidiaries and Joint Ventures:

(Amount in Rs.)

Particulars	Year 31 st March	
	2019	2018
DreamAd Group	54,32,40,000	54,32,40,000
Frontier Data Management Inc., USA	1,29,84,77,349	1,29,84,77,349
International Expressions Inc., USA	1,04,53,63,208	1,04,53,63,208
Online Media Solutions Limited, Israel	51,78,81,121	51,78,81,121
Ybrant Media Acquisition Inc.,USA	1,26,52,40,000	1,26,52,40,000
Max Interactive Pty Ltd,Australia	41,74,90,000	41,74,90,000
Dyomo Corporation,USA	4,67,300	4,67,300
Ybrant Digital Servicios De Publiciade Ltda, Brasil	2,65,932	2,65,932
Ybrant Digital (Brasil) Ltd., Singapore	45	45
LGS Global FZE,UAE	2,43,650	2,43,650

Yreach Media Pvt Ltd,	99,000	99,000
LIL Projects private limited.	99,980	99,980
Apollo Lycos Net commerce Ltd	-	14,70,000

(iii) Unsecured loans to related parties: (Amount in Rs.)

Particulars	Year Ended 31 st March	
	2019	2018
Ybrant Employees welfare Trust	1,07,50,000	1,07,50,000
LGSL Foundation Trust	5,694,873	5,694,873

(iv) Account receivables (Amount in Rs.)

Particulars	Year Ended 31 st March	
	2019	2018
Online Media Solutions Limited, Israel	-	2,06,08,001

36. Operating Lease:

The Group has taken its office premises on lease under operating lease agreement those are renewable on a periodic basis at the option of the both the lessor and the lessee. Rental expenses under those leases were Rs.31, 18, 54,970/- and for the previous year Rs. 29, 54, 16,837/-.

37. Foreign Currency Outflows:

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

Particulars	Year Ended 31 st March, (Amount in Rs.)	
	2019	2018
Foreign Travelling	-	47,440
Total	NIL	47,440

38. Foreign Currency Inflows:

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

Particulars	Year Ended 31 st March, (Amount in Rs.)	
	2019	2018
Sales & Services	NIL	1,48,48,633
Realization from Trade Receivables out of Opening Balance	NIL	NIL
Total	NIL	1,48,48,633

39. Employee Benefits:

(i). Gratuity:

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

a) Changes in the Present Value of Obligation

(Amount in Rs.)

Particulars	For the period ending	
	31-Mar-19	31-Mar-18
Present Value of Obligation as at beginning	58,51,580	1,21,67,583
Current Service Cost	7,11,700	11,52,392
Interest Expense or Cost	4,51,742	9,18,653
Re-measurement (or Actuarial) (gain) / loss arising from: others	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	(11,31,109)	(76,74,692)
- experience variance (Actual v assumptions)	-	-
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(8,71,303)	(7,12,356)
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
Present Value of Obligation as at the end	50,12,610	58,51,580

b) Bifurcation of Net Liability

(Amount in Rs.)

Particulars	As on	
	31-Mar-19	31-Mar-18
Current Liability (Short term)	18,29,303	5,73,213
Non-Current Liability (Long term)	31,83,307	52,78,367
Total Liability	50,12,610	58,51,580

c) Changes in the Fair Value of Plan Assets

(Amount in Rs.)

Particulars	For the period ending	
	31-Mar-19	31-Mar-18
Fair Value of Plan Assets as at the beginning	36,906	7,16,010
OB difference	-	-
Investment Income	2,849	54,059
Employer's Contribution	-	-
Expenses	-	-
Employee's Contribution	-	-
Benefits Paid	-	(7,12,356)
Return on plan assets, excluding amount recognized in net interest expense	48	(20,807)
Acquisition Adjustment	-	-
Fair Value of Plan Assets as at the end	39,803	36,906

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

Particulars	For the period ending	
	31-Mar-19	31-Mar-18
Effect of Asset Ceiling at the beginning	-	-
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	-	-
Effect of Asset Ceiling at the end	-	-

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

(Amount in Rs.)

Particulars	For the period ending	
	31-Mar-19	31-Mar-18
Current Service Cost	7,11,700	11,52,392
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Expected return on Asset	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	4,48,893	8,64,594
Actuarial Gain/Loss	-	-
Expenses Recognized in the Income Statement	11,60,593	20,16,986

f) **Other Comprehensive Income**

(Amount in Rs.)

Particulars	For the period ending	
	31-Mar-19	31-Mar-18
Actuarial (gains) / losses		-
- change in demographic assumptions		-
- change in financial assumptions	(11,31,109)	(76,74,692)
- experience variance (i.e. Actual experience vs assumptions)		-
- others odd difference		
Return on plan assets, excluding amount recognized in net interest expense	(48)	20,807
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling		-
Components of defined benefit costs recognized in other comprehensive income	(11,31,157)	(76,53,885)

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

Particulars	As on	
	31-Mar-19	31-Mar-18
Government of India securities	-	-
State Government securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Special Deposit Scheme	-	-
Funds managed by Insurer	100%	100%
Bank balance	-	-
Other Investments	-	-
Total	100%	100%

h) Actuarial Assumptions:

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

Particulars	As on	
	31-Mar-19	31-Mar-18
Discount rate (per annum)	7.65%	7.72%
Salary growth rate (per annum)	6.00%	6.00%

(ii) Leave Encashment

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

40. Earnings Per Share:

Particulars	(Amount in Rs.)	
	Year Ended 31 st March, 2019	Year Ended 31 st March, 2018
Profits Attributable to Equity Share Holders	4,43,97,61,048	4,07,00,62,849
Weighted Average No. of Shares Outstanding for the Year ended		
Basic	47,62,51,499	47,62,51,499
Diluted	47,62,51,499	47,62,51,499
Earnings per Share – Basic	9.32	8.55
Earnings per Share – Diluted	9.32	8.55

The EPS of Rs.9.32 on a PAT of Rs. 4,43,97,61,048/- for the year ended 31 March 2019 for an Equity Capital i.e. Rs.95,25,02,998 /- consisting of 47,62,51,499 Equity Shares of Rs.2/- each fully paid up and whereas the EPS of Rs. 8.55 on a PAT of Rs. 4,07,00,62,849 /- for the year ended 31 March 2018

- 41.** As per Ind AS 21, the Foreign exchange fluctuation gain / (loss) on monetary items is recognized in statement of P & L a/c. The receivables have been considered at the actual rate at which the amount is realized, and on unrealized amount the rate prevailing at the reporting date. Accordingly gain/ (Loss) from Foreign Exchange fluctuation amount of Rs. Rs. (42,263,322)/- (net) has been recognized in statement Profit and Loss for the Year.

42. Segment Reporting:

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

The segment report is given in Annexure A.

43. Intra branch Transactions:

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

44. The subsidiary (Ybrant Media Acquisition Inc.,USA) has failed to pay part consideration due to Daum Global Holding Corporation in respect of acquisition of Lycos Inc., considering which 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].

45. Dues to Micro & Small Enterprises:

There are no overdue principle amounts and interest thereon payable to Micro Enterprises and Small Enterprises, as at 31-03-2019.

46. Confirmation of Closing Balances:

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

47. Contingent Liabilities & Guarantees:

(Amount in Rs.)

Particulars	Name of the Bank / Party	Year ending 31th March, 2019
Disputed Service tax Liability for the period May 2008 to September 2011	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	14,60,05,131
Disputed Service tax Liability for the period May 2008 to September 2011	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	4,13,23,149
Disputed Income Tax Liability for the A.Y.2006-07 to A.Y. 2009-10.	CIT(Appeals) / ITAT	3,68,22,557
Disputed Income Tax Liability for the A.Y.2010-11 to A.Y. 2013-14.	CIT(Appeals)/ ITAT	23,83,15,499
Disputed Income Tax Liability for the A.Y.2014-2015 and A.Y. 2016-17.	CIT(Appeals)/ ITAT	39,79,21,202
Corporate Guarantee for Acquiring Lycos Inc (USD 4 Mn) *	Daum Global Holdings Corp, Republic of Korea	27,66,80,000
SE Investments Loan	SE Investments Mumbai (Principal loan amount was repaid. SE Investments has issued notice to pay the penalty & delay charges. Negotiations are in process to reduce and settle the account).	1,01,23,233

* Assumption: 1 USD = Rs.69.17 (Closing rate as on 31st March 2019)

48. The Dividend related 2010-11 Rs.96,613/- has been transferred to Investors education and protection fund.

49. Dividend Payable is pending for various financial years amounting to Rs.10,46,67,389/-

Financial Year	Amount Due
2011-12	7,85,48,581
2015-16	2,61,18,808
Total	10,46,67,389

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

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

52. Statement of Net assets and profit or loss attributable to Owners and Minority Interest is attached in Annexure B.

As per our report of even date
For P C N & ASSOCIATES
(Formerly Known as Chandra Babu Naidu & Co.,)
CHARTERED ACCOUNTANTS
FRN: 016016S

CHANDRA BABU M
PARTNER
Membership Number: 227849

PLACE: HYDERABAD
DATE: 27th May, 2019

For and on behalf of the Board of
BRIGHTCOM GROUP LIMITED

M.Suresh Kumar Reddy
Chairman & Managing Director

Y.Srinivasa Rao
Chief Financial Officer

Vijay Kancharla
Executive Director

V.Srilakshmi
Company Secretary

Annexure A

Sl.No.	Particulars	Consolidated (in Lakhs)	
		12 Months ended 31st March, 2019	12 Months ended 31st March, 2018
		Audited	Audited
1	Segment Revenue		
	(a) Digital Marketing Segment	2,13,206.54	1,96,768.93
	(b) Software Development Segment	44,817.55	45,305.38
	Total Sales/ Income from Operations	2,58,024.09	2,42,074.31
	Less: Inter Segment Revenue	-	-
	Net Sales/ Income from Operations	2,58,024.09	2,42,074.31
2	Segment Results - Profit (+) / Loss (-) before tax and interest		
	(a) Digital Marketing Segment	61,294.67	59,589.60
	(b) Software Development Segment	878.13	924.72
	Total	62,172.80	60,514.32
	Less: Interest	1,317.70	1,479.57
	Total Profit (+) / Loss (-) before tax	60,855.10	59,034.75
3	Segment Assets		
	(a) Digital Marketing Segment	3,12,593.93	2,90,133.21
	(b) Software Development Segment	33,836.25	36,124.47
	Total segment assets	3,46,430.18	3,26,257.68
	Segment liabilities		
	(a) Digital Marketing Segment	29,821.51	22,886.47
	(b) Software Development Segment	16,233.02	20,850.43
	Total segment liabilities	46,054.53	43,736.90

Annexure B

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount in Rs	As % of consolidated profit or loss	Amount in Rs	As % of consolidated other comprehensive income	Amount in Rs	As % of total comprehensive income	Amount in Rs
Parent	19.41%	5,83,01,88,452	-0.72%	(3,20,59,514)	-1.21%	3,22,07,140	0.01%	1,47,626
Parent Subsidiaries								
Indian								
Yreach Media Pvt Ltd	0.00%	29,609	0.00%	51,725	0.00%	-	0.00%	51,725
LIL Projects PVT LTD	0.00%	1,92,695	0.00%	27,001	0.00%	64,231	0.01%	91,232
Foreign								
Dream Ad-Argentina	6.11%	1,83,53,38,914	9.64%	42,81,56,051	-2.97%	7,87,29,909	28.39%	50,68,85,960
Dream Ad-Chile	3.95%	1,18,73,98,420	4.27%	18,97,55,707	-2.14%	5,69,01,049	13.81%	24,66,56,756
Dream Ad- Mexico	1.91%	57,40,74,329	2.47%	10,95,06,724	-0.97%	2,58,23,020	7.58%	13,53,29,744
Dream Ad-Panama	2.62%	78,73,81,169	3.53%	15,65,77,141	-1.31%	3,47,50,630	10.72%	19,13,27,770
Dream Ad-Uruguay	0.14%	4,15,40,632	0.11%	48,94,334	-0.07%	19,37,646	0.38%	68,31,980
Dyomo Corporation, USA	9.07%	2,72,43,89,938	10.84%	48,13,40,972	-4.99%	13,24,74,724	34.38%	61,38,15,696
Frontier Data Management Inc. USA	22.79%	6,84,47,63,334	15.74%	69,90,24,158	-16.32%	43,32,86,026	63.42%	1,13,23,10,184
International Expressions Inc. USA	13.32%	3,99,98,94,083	3.71%	16,47,17,439	-8.54%	22,66,34,292	21.92%	39,13,51,730
Max Interactive Pty Ltd., Australia	2.91%	87,28,62,230	3.70%	16,44,06,897	-1.49%	3,95,35,482	11.42%	20,39,42,379
Online Media Solutions Limited , Israel	33.61%	10,09,52,26,331	42.76%	1,89,86,63,061	-14.87%	39,45,84,269	128.44%	2,29,32,47,330
Ybrant Digital Services De Publicidade Ltda,Brasil	4.29%	1,28,80,57,615	3.93%	17,46,99,353	-2.39%	6,35,32,554	13.34%	23,82,31,908
Ybrant Digital (Brasil) Ltd., Singapore	0.00%	45	0.00%	-	0.00%	-	0.00%	-
Ybrant Media Acquisition Inc. USA	-3.18%	(95,51,48,787)	0.00%	-	157.35%	(4,17,64,90,428)	-233.91%	(4,17,64,90,428)
LGS Global FZE, UAE	0.00%	2,43,650	0.00%	-	0.00%	-	0.00%	-
Joint Ventures(Investment as per the equity method)								
Indian								
Apollo Lycos Netcommerce Ltd	0.00%	-	0.00%	-	-0.07%	17,98,947	0.10%	17,98,947
Total	116.94%	35,12,64,32,660	100.00%	4,43,97,61,048	100.00%	(2,65,42,30,509)	100.00%	1,78,55,30,539
Less:								
Adjustments arising on account of Consolidation	16.94%	5,08,88,67,585	0.00%		0.00%		0.00%	
Total	100.00%	30,03,75,65,075	100.00%	4,43,97,61,048	100.00%	(2,65,42,30,509)	100.00%	1,78,55,30,539

Dream Ad-Argentina

S.No	Description	Amount In	Amount In
		INR	USD
a)	Share Capital	85,58,897	1,70,157
b)	Reserves and Surplus	1,82,67,80,017	2,63,63,586
c)	Total Assets	1,95,05,12,779	2,81,98,826
d)	Total Liabilities	1,95,05,12,779	2,81,98,826
e)	Details of Investments	NIL	NIL
f)	Turnover	2,08,45,01,628	2,98,25,463
g)	Profit before tax	61,63,93,366	88,19,478
h)	Provision for tax	18,82,37,321	27,21,372
i)	Profit After Tax	42,81,56,051	60,98,106
	Other comprehensive income	7,87,29,909	(16,724)
	Total comprehensive income for the period	50,68,85,960	60,81,382
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Dream Ad-Chile

S.No	Description	Amount In	Amount In
		INR	USD
a)	Share Capital	1,42,349	2,830
b)	Reserves and Surplus	1,18,72,56,071	1,71,63,549
c)	Total Assets	1,23,83,63,449	1,79,03,187
d)	Total Liabilities	1,23,83,63,449	1,79,03,187
e)	Details of Investments	NIL	NIL
f)	Turnover	83,39,18,754	1,19,31,875
g)	Profit before tax	25,87,45,426	37,02,181
h)	Provision for tax	6,89,89,719	9,97,394
i)	Profit After Tax	18,97,55,707	27,04,787
	Other comprehensive income	5,69,01,049	(5,935)
	Total comprehensive income for the period	24,66,56,756	26,98,852
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Get Media, Mexico Sociedad Anonima de Capital Variable, Mexico

S.No	Description	Amount In	Amount In
		INR	USD
a)	Share Capital	15,17,652	30,172
b)	Reserves and Surplus	57,25,56,677	82,69,298
c)	Total Assets	61,18,98,597	88,46,300
d)	Total Liabilities	61,18,98,597	88,46,300
e)	Details of Investments	NIL	NIL
f)	Turnover	44,05,69,655	63,03,758
g)	Profit before tax	15,54,18,115	22,23,753
h)	Provision for tax	4,59,11,391	6,63,747
i)	Profit After Tax	10,95,06,724	15,60,006
	Other comprehensive income	2,58,23,020	(7,884)
	Total comprehensive income for the period	13,53,29,744	15,52,122
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Dream Ad.-Uruguay

S.No	Description	Amount In	Amount In
		INR	USD
a)	Share Capital	16,74,437	33,289
b)	Reserves and Surplus	3,98,66,195	5,67,270
c)	Total Assets	6,57,28,654	9,50,248
d)	Total Liabilities	6,57,28,654	9,50,248
e)	Details of Investments	NIL	NIL
f)	Turnover	20,93,03,007	29,94,749
g)	Profit before tax	64,14,752	91,784
h)	Provision for tax	15,20,418	21,981
i)	Profit After Tax	48,94,334	69,803
	Other comprehensive income for the period	19,37,646	(2,894)
	Total comprehensive income for the period	68,31,980	66,908
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Dream Ad-Panama

S.No	Description	Amount In	Amount In
		INR	USD
a)	Share Capital	1,25,75,000	2,50,000
b)	Reserves and Surplus	77,48,06,169	1,11,33,276
c)	Total Assets	82,32,45,579	1,19,01,772
d)	Total Liabilities	82,32,45,579	1,19,01,772
e)	Details of Investments	NIL	NIL
f)	Turnover	57,78,54,105	82,68,051
g)	Profit before tax	20,76,26,107	29,70,750
h)	Provision for tax	5,10,48,967	7,38,022
i)	Profit After Tax	15,65,77,141	22,32,728
	Other comprehensive income for the period	3,47,50,630	(13,997)
	Total comprehensive income for the period	19,13,27,770	22,18,731
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Dyomo Corporation, USA

S.No	Description	Amount In	Amount In
		INR	USD
a)	Share Capital	4,67,300	10,000
b)	Reserves and Surplus	2,72,39,22,638	3,93,76,872
c)	Total Assets	2,89,50,55,962	4,18,54,214
d)	Total Liabilities	2,89,50,55,962	4,18,54,214
e)	Details of Investments	NIL	NIL
f)	Turnover	1,87,66,50,046	2,68,51,482
g)	Profit before tax	68,08,49,643	97,41,731
h)	Provision for tax	19,95,08,671	28,84,324
i)	Profit After Tax	48,13,40,972	68,57,407
	Other comprehensive income for the period	13,24,74,724	(20,755)
	Total comprehensive income for the period	61,38,15,696	68,36,652
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Frontier Data Management Inc., USA

S.No	Description	Amount In	Amount In
		INR	USD
a)	Share Capital	1,29,80,71,206	2,89,19,389
b)	Reserves and Surplus	5,54,66,92,128	7,00,36,276
c)	Total Assets	7,07,26,52,661	10,22,50,292
d)	Total Liabilities	7,07,26,52,661	10,22,50,292
e)	Details of Investments	NIL	NIL
f)	Turnover	2,84,70,28,625	4,07,35,851
g)	Profit before tax	98,87,30,623	1,26,95,968
h)	Provision for tax	28,97,06,465	37,54,309
i)	Profit After Tax	69,90,24,158	89,41,658
	Other comprehensive income for the period	43,32,86,026	(21,539)
	Total comprehensive income for the period	1,13,23,10,184	89,20,119
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

International Expressions Inc. USA

S.No	Description	Amount In	Amount In
		INR	USD
a)	Share Capital	1,06,48,18,187	2,01,87,000
b)	Reserves and Surplus	2,93,50,75,896	3,76,40,007
c)	Total Assets	4,07,54,05,572	5,89,18,687
d)	Total Liabilities	4,07,54,05,572	5,89,18,687
e)	Details of Investments	NIL	NIL
f)	Turnover	1,10,82,23,295	1,58,56,679
g)	Profit before tax	23,98,97,591	42,42,357
h)	Provision for tax	7,51,80,152	12,58,429
i)	Profit After Tax	16,47,17,439	29,83,928
	Other comprehensive income for the period	22,66,34,292	(8,278)
	Total comprehensive income for the period	39,13,51,730	29,75,650
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Online Media Solutions Ltd, Israel

S.No	Description	Amount In	Amount In
		INR	USD
a)	Share Capital	28,74,96,660	63,69,000
b)	Reserves and Surplus	9,80,77,29,671	14,02,97,208
c)	Total Assets	10,67,39,31,322	15,50,32,624
d)	Total Liabilities	10,67,39,31,322	15,50,32,624
e)	Details of Investments	NIL	NIL
f)	Turnover	9,87,24,36,743	14,12,56,786
g)	Profit before tax	2,45,61,24,975	3,51,42,724
h)	Provision for tax	55,74,61,914	80,59,302
i)	Profit After Tax	1,89,86,63,061	2,70,83,422
	Other comprehensive income for the period	39,45,84,269	(52,442)
	Total comprehensive income for the period	2,29,32,47,330	2,70,30,980
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Ybrant Digital Servicos De Publicidade Ltda, Brasil

S.No	Description	Amount In	Amount In
		INR	USD
a)	Share Capital	2,93,925	6,426
b)	Reserves and Surplus	1,28,77,63,690	1,86,15,196
c)	Total Assets	1,34,01,12,704	1,93,74,192
d)	Total Liabilities	1,34,01,12,704	1,93,74,192
e)	Details of Investments	NIL	NIL
f)	Turnover	68,40,35,313	97,87,313
g)	Profit before tax	26,29,71,307	37,62,646
h)	Provision for tax	8,82,71,954	12,76,160
i)	Profit After Tax	17,46,99,353	24,86,486
	Other comprehensive income for the period	6,35,32,554	(6,095)
	Total comprehensive income for the period	23,82,31,908	24,80,391
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Ybrant Digital (Brasil) Limited, Singapore

S.No	Description	Amount In	Amount In
		INR	USD
a)	Share Capital	45	1
b)	Reserves and Surplus	-	-
c)	Total Assets	45	1
d)	Total Liabilities	45	1
e)	Details of Investments	NIL	NIL
f)	Turnover	-	-
g)	Profit before tax	-	-
h)	Provision for tax	-	-
i)	Profit After Tax	-	-
	Other comprehensive income for the period		
	Total comprehensive income for the period		
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Max Interactive Pty Ltd., Australia

S.No	Description	Amount In	Amount In
		INR	USD
a)	Share Capital	139	2
b)	Reserves and Surplus	87,28,62,091	1,26,19,085
c)	Total Assets	92,29,54,788	1,33,43,282
d)	Total Liabilities	92,29,54,788	1,33,43,282
e)	Details of Investments	NIL	NIL
f)	Turnover	79,13,85,047	1,13,23,294
g)	Profit before tax	23,34,96,785	33,40,918
h)	Provision for tax	6,90,89,888	9,98,842
i)	Profit After Tax	16,44,06,897	23,42,077
	Other comprehensive income for the period	3,95,35,482	(8,012)
	Total comprehensive income for the period	20,39,42,379	23,34,065
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

Ybrant Media Acquisition Inc USA

S.No	Description	Amount In	
		INR	USD
a)	Share Capital	1,21,90,40,000	2,70,00,000
b)	Reserves and Surplus	(2,17,41,88,787)	(4,08,08,715)
c)	Total Assets	56,38,83,958	81,52,146
d)	Total Liabilities	56,38,83,958	81,52,146
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	(4,17,64,90,428)	7,40,91,033
	Total comprehensive income for the period	(4,17,64,90,428)	(7,40,91,033)
j)	Proposed Dividend	NIL	NIL

LGS Global FZE, UAE

S.No	Description	Amount In	
		INR	USD
a)	Share Capital	2,43,650	5,000
b)	Reserves and Surplus	-	-
c)	Total Assets	2,43,650	5,000
d)	Total Liabilities	2,43,650	5,000
e)	Details of Investments	NIL	NIL
f)	Turnover	-	-
g)	Profit before tax	-	-
h)	Provision for tax	-	-
i)	Profit After Tax	-	-
	Other comprehensive income for the period		
	Total comprehensive income for the period		
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

LIL projects PVT LTD,Hyderabad, India

S.No	Description	Amount In
		INR
a)	Share Capital	1,00,000
b)	Reserves and Surplus	92,695
c)	Total Assets	55,84,10,613
d)	Total Liabilities	55,84,10,613
e)	Details of Investments	NIL
f)	Turnover	41,43,25,301
g)	Profit before tax	74,965
h)	Provision for tax	47,965
i)	Profit After Tax	27,001
	Other comprehensive income for the period	64,231
	Total comprehensive income for the period	91,232
j)	Proposed Dividend	NIL
k)	% of Share Holding	100%

Yreach Media Pvt Ltd, Hyderabad, India

S.No	Description	Amount In
		INR
a)	Share Capital	1,00,000
b)	Reserves and Surplus	(70,391)
c)	Total Assets	86,63,001
d)	Total Liabilities	86,63,001
e)	Details of Investments	NIL
f)	Turnover	27,69,927
g)	Profit before tax	69,898
h)	Provision for tax	18,174
i)	Profit After Tax	51,725
	Other comprehensive income for the period	
	Total comprehensive income for the period	51,725
j)	Proposed Dividend	NIL
k)	% of Share Holding	99%

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

ATTENDANCE SLIP**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.**

Joint shareholders may obtain additional slip at the venue of the meeting.

I/We hereby record my/our presence at the 20th Annual General Meeting of the Company at Ellaa Hotels, Hill Ridge Springs, Gachibowli, Hyderabad - 500032 on Friday, September 27, 2019 at 10:00 a.m.

For Physical Holding	For Electronic Form (Demat) NSDL / CDSL		No. of shares
LF No.	DP ID	CLIENT ID	

Name of the Member: _____ Signature: _____

Name of the Proxyholder: _____ Signature: _____

Only Member / Proxyholder can attend the meeting.

BRIGHTCOM GROUP LIMITED

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

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) Registered Address	Email ID Folio No./ *Client ID *DP ID

I/We, being the member(s) of _____ shares of the Brightcom Group Limited, hereby appoint:

1) Name: _____ email id: _____
Address: _____

Signature: _____

or failing him

2) Name: _____ email id: _____
Address: _____

Signature: _____

or failing him

3) Name: _____ email id: _____
Address: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held Friday, September 27, 2019 at 10:00 a.m. at Ellaa Hotels, Hill Ridge Springs, Gachibowli, Hyderabad – 500032 and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution No.	Resolution
Ordinary Business	
1.	Adoption of the Audited Financial Statements (Standalone & Consolidated) together with the reports of the Board of Directors' and Auditors' thereon.
2.	To reappoint Mr. M. Suresh Kumar Reddy (DIN: 00140515), who retires by rotation, and being eligible offers himself for the reappointment
Special Business	
3.	Reappointment of Mr. M. Suresh Kumar Reddy (DIN: 00140515) as the Chairman & Managing Director
4.	Reappointment of Mr. Vijay Kancharla (DIN: 02744217) as Executive Director

Signed _____ this day _____ of 2019

Signature of member _____ : Signature of proxy holder: _____

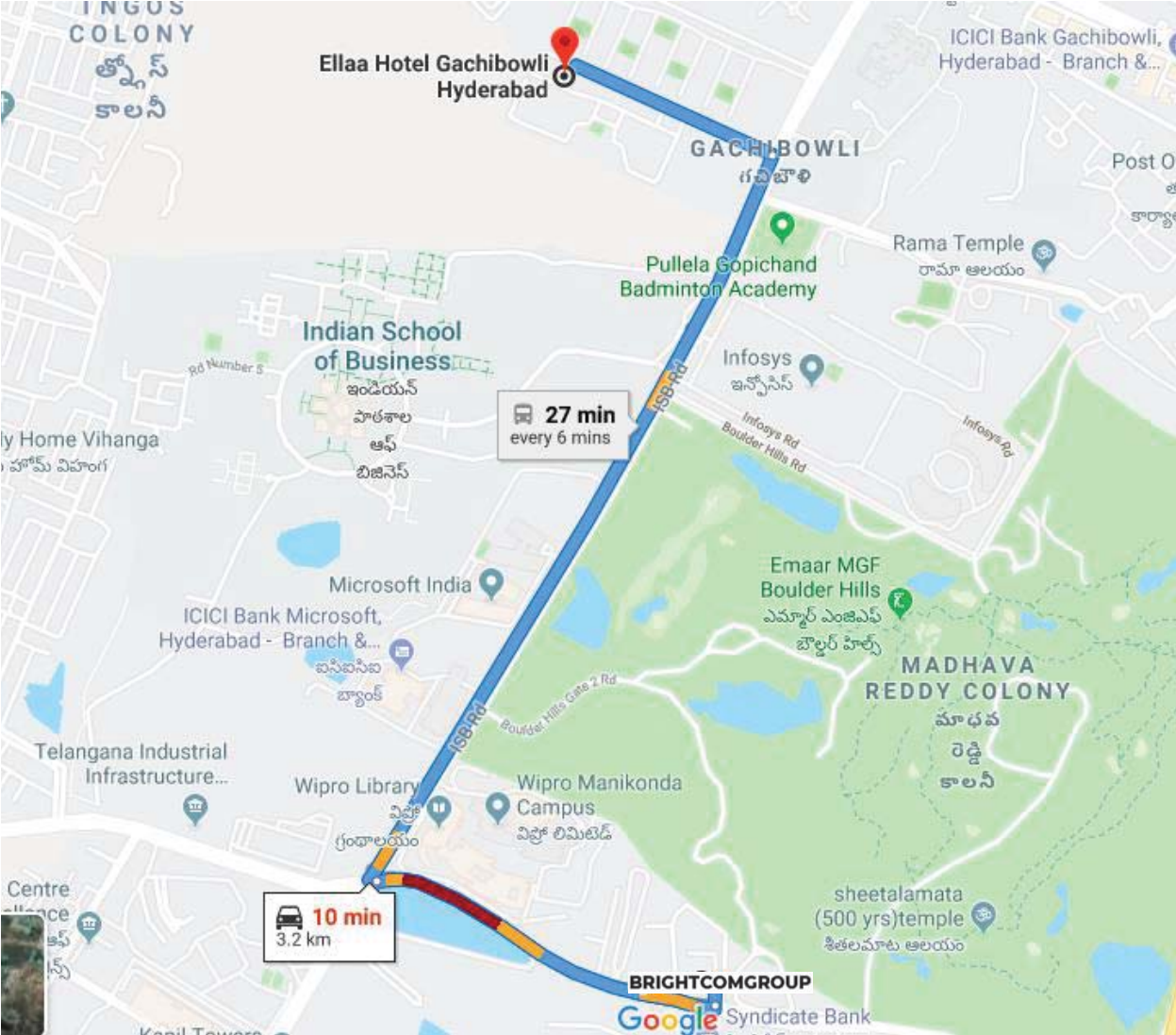
Affix Re.1/- Revenue Stamp

Note: 1 The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

2. The Proxy need not be a member of the Company.

* Applicable for investors holding shares in Electronic Form.

In terms of the requirements of the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, route map for the location of the venue of the 20th Annual General Meeting is as under:





brightcom group limited

FLOOR : 5, HOLIDAY INN EXPRESS & SUITES, ROAD NO : 2,
NANAKRAMGUDA, GACHIBOWLI, HYDERABAD - 500032, TELANGANA

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