



September 08, 2022

**BSE Limited**

P. J. Towers, 25<sup>th</sup> Floor,  
Dalal Street, Mumbai - 400001.  
Scrip Code: **532368**

**National Stock Exchange of India Limited**

Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai - 400051.  
Symbol: **BCG**

Dear Madam/Sir,

**Sub: Notice of the 23<sup>rd</sup> AGM and the Annual Report for Financial Year 2021-22**

This is to inform you that the 23<sup>rd</sup> Annual General Meeting ("AGM") of the shareholders of the Company is going to be held on September 30, 2022 at 11:00 A.M. (IST) through video conference (VC) Other Audio-Visual Means (OVAM).

Pursuant to Regulation 34(1) of SEBI (LODR) Regulations, 2015 find attached a copy of Annual Report for the Financial Year 2021-22 along with notice of the 23<sup>rd</sup> AGM for your information and records. The Notice and the Annual Report will also be made available on the Company's website at [www.brightcomgroup.com](http://www.brightcomgroup.com).

Request you to take the same on record and oblige.

Thanking you.

Yours faithfully,

**for BRIGHTCOM GROUP LIMITED**

**Authorised Signatory**

*Encl.: Copy of Annual Report 2021-22*





**INTERNET AND TECH PLATFORMS  
FOR THE NEXT GENERATION!**

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			STANDALONE CONSOLIDATED

## FORWARD LOOKING 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.



## FINANCIAL HIGHLIGHTS 2021-22



### REVENUE

Rs. **5019** crores

### PAT

Rs. **912.2** crores

**increased by 75.8%**

**increased by 88.86%**

### EBITDA

rose to 69.78%



### ROE

stands at 17.23



## Internet and Tech Platforms for the Next Generation

Brightcom group's renowned global presence, including in the US, Israel, Latin America, Middle East, Western Europe and Asia Pacific regions, positions us at the forefront of the Adtech digital landscape, enabling us to support partners in their efforts to leverage and benefit from current global trends. We have the technological platform and human knowledge to do so.

# Internet and Tech Platforms for the Next Generation



Amid the massive disruption that the COVID-19 pandemic has caused, a new global media landscape is emerging—and it's the internet and tech platforms for the next generation. The pandemic is far from over, and we will feel its effects for years to come, but the resilient tech and digital space has bounced back in a big way.

The latest generation of internet, tech platforms, applications and services is powered by innovative technology; the most common being the blockchain, advanced robotics, AI, ML, the Internet of Things and 3-D printing. They are already influencing global trade, and their impact will grow in the years ahead.

The key lesson is we're entering an era of continual and rapid evolution where multiple tech trends combine and feed into each other to deliver massive changes. For businesses, this means the days of incremental tech upgrades are gone forever. Continual change is the way of the future with platforms that cater to the next generation.

# Internet and Tech Platforms for the Next Generation



This paradigm towards the next generation tech, will have a huge economic potential, and this will facilitate the creation of new services and business models, with special attention paid to the role of the AdTech ecosystem.

Within the next 5 years, 75% or more of the data processing and analytics will run at the edge of the next generation tech. Brightcom with its technology expertise, global footprints and futuristic know-how is well positioned to meet the challenges of the next generation.

# Letter from the Chairman



## DEAR SHAREHOLDERS

With great pride and joy, I present the annual report for the Brightcom Group. It was an unprecedented year of exceptional growth - 75.8% Business increase - bringing in Rs. 5019 crores, the fastest growth in the Company's history thus far.

The fiscal was also remarkable for the Global Digital Advertising and Marketing space at about \$500 billion, slated to grow to \$800 billion in the next three years, with a high growth clip. All this is fuelled by the growing global Internet users (5.1 billion), Smart Phone users (6.7 billion), E-Commerce economy size

( \$20 trillion, CAGR 25%), and the overall macro trend of Digitization, Digitalization & Digital Transformation of businesses.

### Performance & Operations

Your Company has delivered a stellar operational & financial performance, Consolidated Revenues of Rs.5019 Crores (75.8% YOY growth), PAT of Rs. 912.2 Crores (88.86% growth), and EBITDA of Rs. 1504 Crores (69.78% growth). We continue to track two critical parameters of performance: Return on Equity(ROE), which stands at 17.23%; Operating Free Cash Flow (FCF) reached Rs.287 Crores by the end of the fiscal year 2022 and continues to grow. The team has delivered high growth across all our geographies, including North America, Latin America, Asia & Europe. I am incredibly pleased to announce that we have about 250 Global Agency Relationships, 600 Direct Advertisers, 650 odd large publishers and more than 48,000 long-tail publishers. I am proud to note that we have crossed serving 90 billion impressions per month during the year. To top it all, Brightcom continues to remain a debt-free company.

### Key Highlights:

#### Product, People, Events

To be a significant player in the AdTech space, we strongly believe in building effective tech platforms like Brightcom Programmatic, Compass, VoloMP, Proxy-tool, and Pangea. I am also happy to put on record that our relaunched COMPASS has been helping in optimizing Brand / Client advertisements across media formats, thus leading to better eCPMs for all. This has led to higher client satisfaction, thus driving a higher share of ad pie to us. Also, our new platforms, B-local Exchange & Bright Video player, have started contributing to our overall business. It is also crucial for me to state that we have opened our latest office in Berlin, which has developed to be one of the hubs of technology, creativity & marketing. In line with our focus on getting Experts

"Regarding sunrise areas, we would like to invest in cutting-edge areas like AI/ML, IoT and Quantum computing. While we would like to take advantage of appropriate inorganic opportunities that fit our strategic purpose, the cornerstone would be our focus on being highly Capital efficient to get there."



with Stellar track records into our team, we have the following Senior leaders who joined us: Mr. Satish Cheeti as President & Head of Digital Audio Division, Mr. Peshwa Acharya as President of Group Strategy, Mr. Nilendu Chakraborty as Independent Director & Chairman Audit Committee, Mr. Narayan Raju as Chief Financial Officer.

During the year, our local teams participated in various Ad Tech events globally to ensure the salience of Brightcom Group & our platforms in the domain: ATS London 2022, d3con Advertiser day, Advertising Week Europe, AdMonsters, and OPS NYC, to name a few.

## Operational Strategy

We remain focussed on domains that will experience robust growth driven by long-term trends in digital marketing & technology like Video as a key Digital medium, Connected TV, Omni channel play and Digital Audio. Thus our strategy is built around driving effective monetization of our publishers, driving Ad effectiveness of our clients, and using Tech Platforms to the hilt, thus creating a virtuous AdTech ecosystem. We will continue with new product introductions, and enter new

areas of growth, both organically & Inorganically, as deemed appropriate. We strongly believe that Digital Audio would be a significant growth area for digital Advertisements. Regarding sunrise areas, we would like to invest in cutting-edge areas like AI/ML, IoT and Quantum computing. While we would like to take advantage of appropriate inorganic opportunities that fit our strategic purpose, the cornerstone would be our focus on being highly Capital efficient to get there.

## Looking Ahead

It is a privilege to pursue our passion for creating a better world by integrating technology, science and principles of Physics into various walks of life and business. To achieve long-term business growth, we will invest in strengthening our competitive advantages, be disciplined in capital allocation and stay diligent in our pursuit of efficiencies.

Artificial Intelligence will remain the core driver of all our platforms. AI is being applied across everything we do in the Company. I believe AI will profoundly transform pretty much every sector. One can see the potential in industries like Healthcare, Communication, Energy and Manufacturing, to mention a few. This evolution will continue for another ten years to fully play out, but we see great potential. The question remains on how do you make sure we develop AI so that it does not harm the human race and its intelligence. Humanity has been very good with every technology in harnessing it to benefit the larger society. I am optimistic the same will be the outcome with AI. Other areas that continue to fascinate us are IoT and Quantum Computing.

We firmly believe that when our employees, customers, communities, and shareholders win, we win with them. I take this opportunity to extend my gratitude to our team, staff and business associates across the globe for their commitment and contribution to the Brightcom Group. I take this opportunity also to record my appreciation for my fellow directors in guiding the Company. Last but not least, on behalf of the entire Board of Directors and the management team, I would like to thank you, the Brightcom family, for your continued trust, guidance and support.

Yours Sincerely,  
**Suresh Reddy**



# Market Overview

Our company operates in a complex, diversified and growing Digital Advertising Industry (DA) also known as Adtech. Industry experts predict that the DA market has a continuous growth for the next few years. A few key highlights on the DA market.

Digital Advertising overtook Traditional Advertising in 2018 and has been growing ever since. The shift in people's behavior from offline to online has triggered this movement. The Pandemic further accelerated the digital adoption, and the effect is almost permanent. This will lead to robust growth of the Digital Advertising in years to come.

The digital advertisement spend has crossed the \$500 BN mark for the first time in 2022. If that's not impressive enough, the digital advertising market is forecast to continue growing and reach \$681.39 billion in 2023 and rise further to \$756.47 billion in 2024 and \$820.24 billion in 2025.

Projected growth rates:

2023 – 13.1%

2024 – 11.0%

2025 – 8.4%

2026 – 6.8%



# Digital Advertising Structure



## The DA industry is categorized into three distinctive operators

**Advertisers** - companies/ad agencies associated with brands, who spend money for marketing and branding their products and services

**Publishers** - focus in digital marketing, include companies which provide content to websites in addition to companies which attract traffic due to the content provided by them

**Intermediaries** - specialized marketing companies who connect advertisers and publishers, through their creative marketing campaigns and use of technology for delivering, monitoring and optimizing the ads

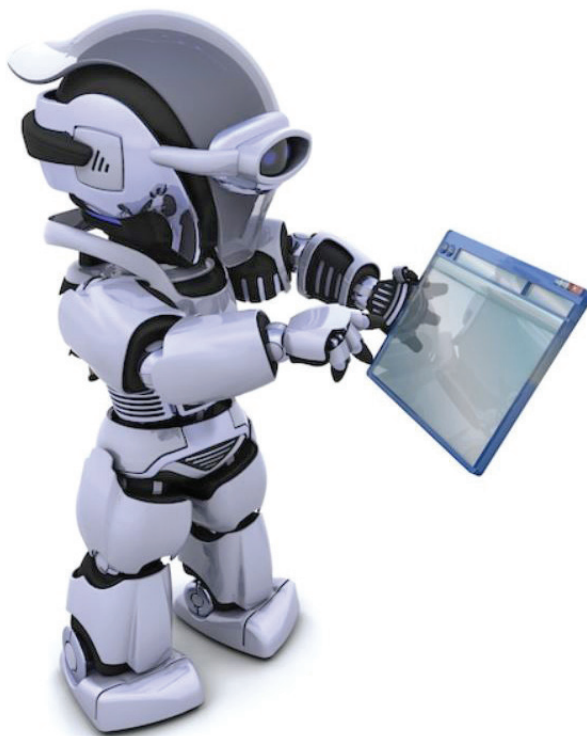
## Intermediaries are further classified into

**Marketing Intermediaries** - use technology for delivering, managing and optimizing the digital campaigns of advertisers

**Technology Intermediaries** - provide technology, services and tools based on the domain inputs of the marketing companies Brightcom Group started as a technology intermediary and developed into a formidable force in marketing intermediary category. The Company utilizes its internally developed technology products, which include OneTag, Pangea, COREG, ProxyTool, and the Brightcom platform to provide digital marketing services to its clients across the globe.

**Data Intermediaries** - combine location data with business, consumer and contextual information to ensure relevant ad content reaches the right audience at the right time. They specialize in augmenting mobile data, turn a coordinate into a richer context of place, enrich audience profiles, combine location and demographics information with consumer and social data identify lookalike customers.

# Digital Advertising Channels



The Digital Advertising industry utilizes several channels to execute advertising campaigns for brands. Some of these media formats include:

**Display Ads:** Display ads include strategies/techniques/tools for optimally displaying the graphic and/or visual advertisement in various formats

**Video Advertising:** Advertising within existing video content and running video ads on a static page form the core of this format of advertising. Video on desktop, tablets and mobile are device dependent parts of this channel

**Search Marketing:** Search marketing includes: (i) pay per click (PPC or CPC) on a search engine, (ii) paid inclusion, (iii) search engine optimization ("SEO")

**Email Marketing:** Email marketing includes, banner ads, links or advertiser sponsorships that appear in email newsletters, email marketing campaigns and other commercial email communications

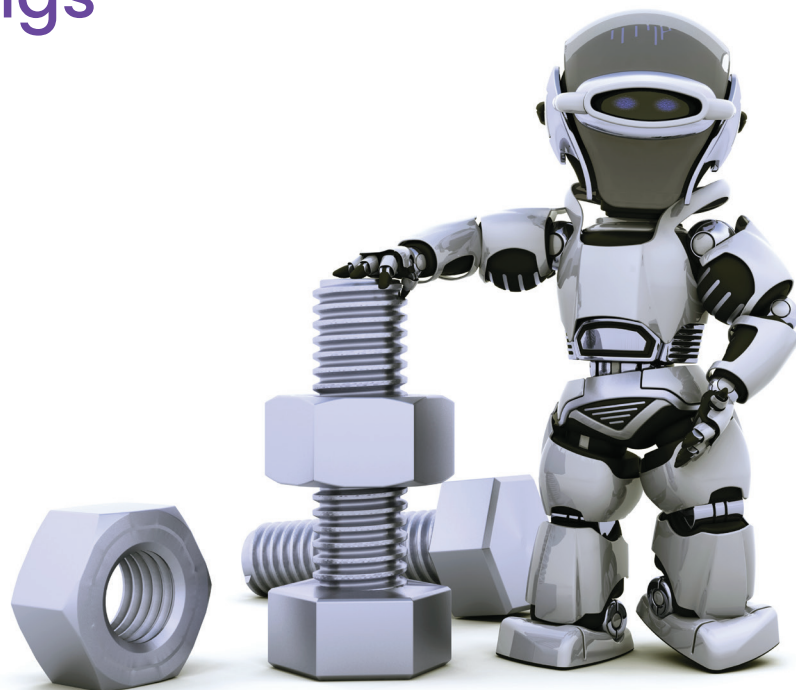
**Lead Generation:** Lead generation includes advertisers paying fees to internet advertising companies that refer qualified purchase inquiries or provide consumer information (demographic, contact, and behavioral), where the consumer opts for being contacted by a marketer (email, postal, telephone, and or fax). These processes are priced on a performance basis (e.g. cost-per-action, -lead or inquiry), and can include user applications, surveys, contests or registrations

**Classifieds and Auctions:** Classified and auctions include advertisers paying fees to internet companies to list specific products or services (e.g. online job boards).

**Social Media:** This medium of advertising helps in delivering highly relevant content to the users based on their preferences and interactions within a specific platform. It is considered to be more cost effective, user friendly and with high conversion rate. It also improves brand loyalty.

**Digital Out of Home:** This medium of advertising helps brands or agencies to render their ads on screens placed at several points like airports, residential / commercial complexes

# Our Offerings



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

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

**COMPASS:** Brightcom's proprietary technology platform, Compass enables publishers to maximize yield by monetizing their media across all their devices utilizing solutions like real-time bidding, tag integration, header bidding, and other hybrid solutions.

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

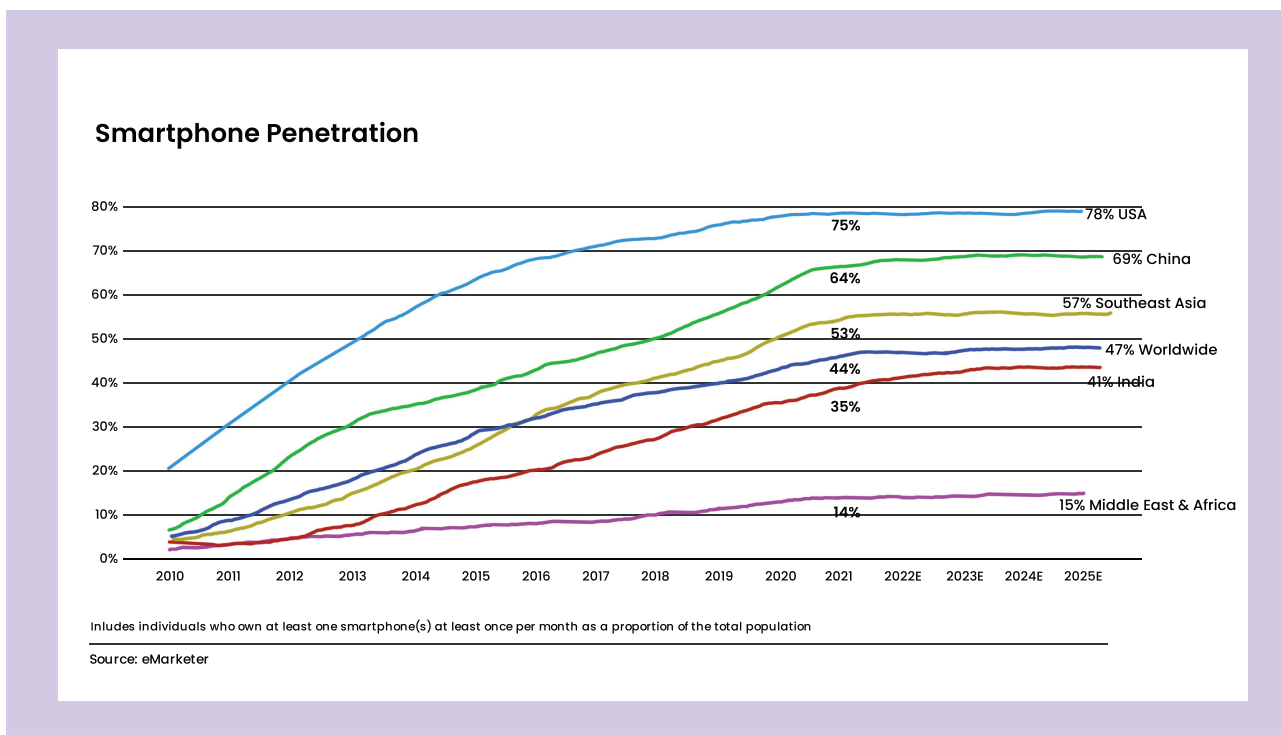
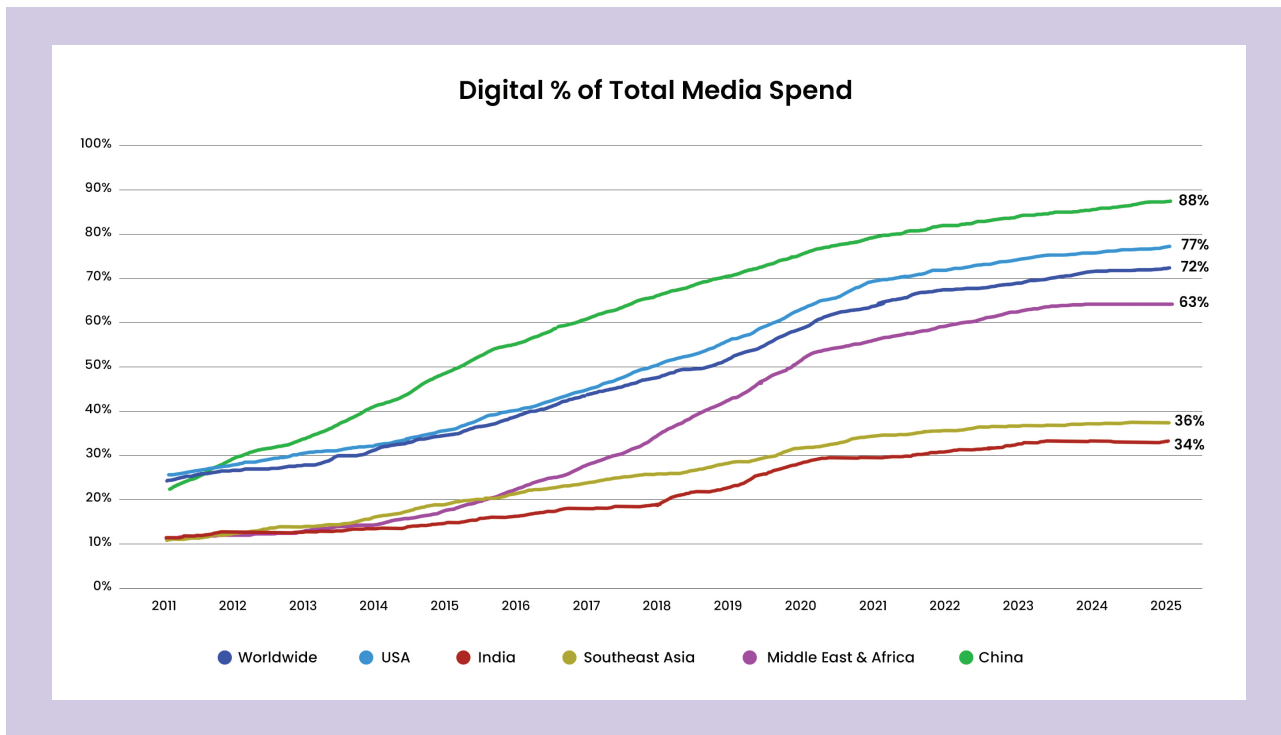
**PANGEA:** It is a proprietary optimization approach which enables quality conversions with a full user funnel tracking system—please check if this is right to achieve optimum results.

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

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

With Brightcom's unparalleled 25-year industry experience, and an award-winning AI platform at its heart, B-Local offers advertisers an alternative to the programmatic "faceless masses" approach. B-Local does so by incorporating brands into a local, familiar community that viewers can recognize and trust.

# The Global Digital Spend



# Integrating Digital Ecosystems

**Levelling the playing field by capitalizing on digital marketplaces for exponential capabilities and speed. This includes locations close to specific ecosystem concentrations—driving gravity, density and value.**

Relevance	Strategy	Benchmark
<p><b>Composable Infrastructure</b></p> <p>Composable infrastructure, including Technology as a Service, PaaS and Managed Services, provides building blocks for modern infrastructure.</p> <p><b>Research and Collaboration</b></p> <p>Communities of interest, data sets and research analytics provide exponential levels and growth of knowledge.</p> <p><b>Electronic Marketplaces</b></p> <p>Algorithmic business transactions, smart contracts and bidding/ payments are common electronic marketplaces.</p>	<p><b>Ecosystem Infrastructure</b></p> <p>Organizations distribute ecosystem infrastructure into markets with a digital presence or just a high concentration of the necessary participants.</p> <p><b>Localized Data</b></p> <p>Data, processing and interfaces (gateways) are placed in geographic proximity, and interconnection (and the local internet) is leveraged to publish and integrate with services.</p> <p><b>Systems and Bandwidth</b></p> <p>Systems and bandwidth for the data/transaction/ traffic volumes across hundreds (or thousands) of participants are sized appropriately.</p>	<p><b>Colocation Density</b></p> <p>Composable service flows have compounding latencies, hence the drive for colocation density.</p> <p><b>Ecosystem Concentrations</b></p> <p>Almost a third of all global interconnection locations have high concentrations of specific industry and ecosystem clusters colocated.</p> <p><b>Service Providers</b></p> <p>Globally, Service Providers interconnect on average with over 100 discrete partners.</p>

# About Brightcom Group

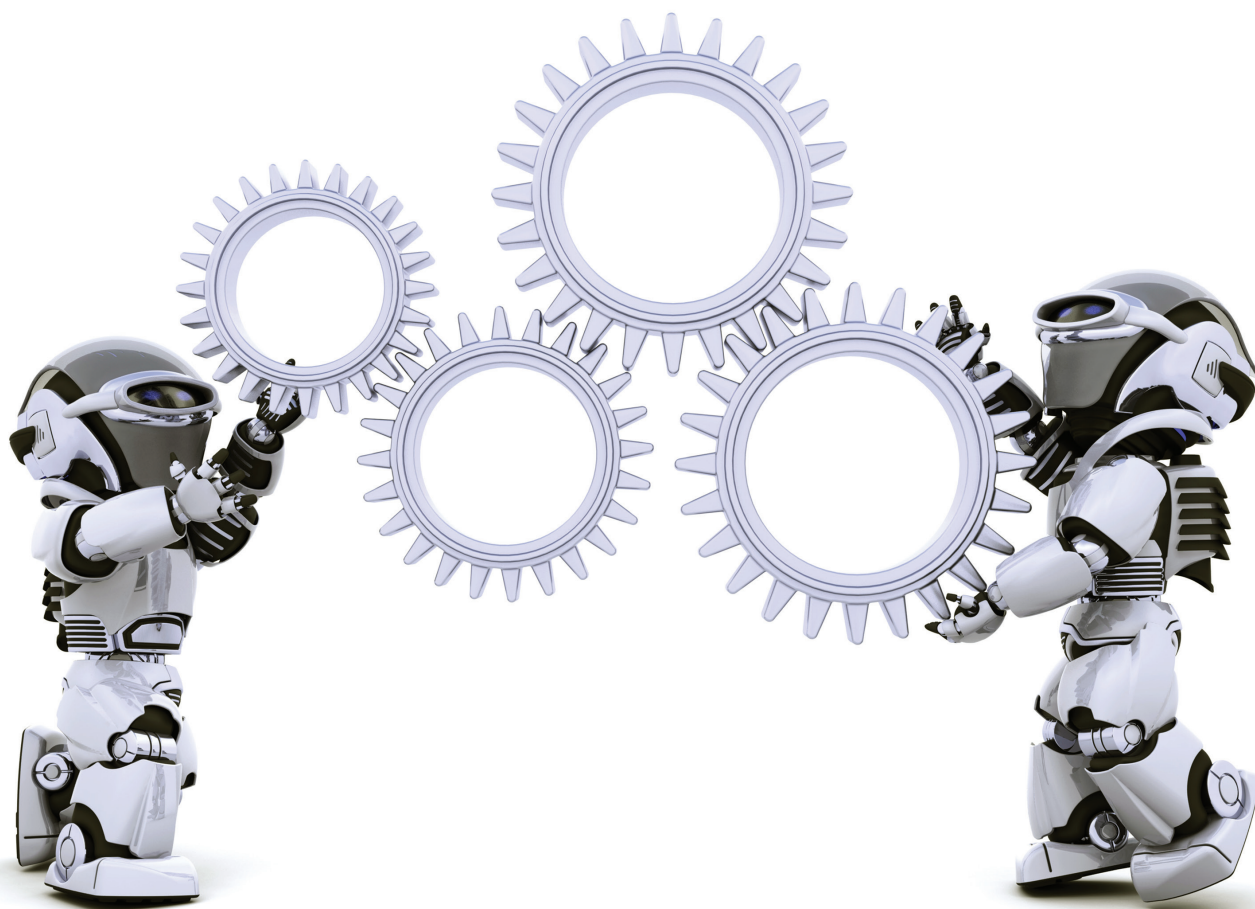
At Brightcom, we believe that innovation is the key in solving the challenges facing the next generation of Internet and Tech platforms, and we are continuously working towards fulfilling it. Coming off as a greeting card company in 1998, Brightcom today has come a long way in representing the latest generation of internet, internet applications, services and tech platforms powered by the changing next generation environment.

In a decentralized web, we cater to the world at large with presence in 25 locations. We have 14 operating technology companies, which provide services that successfully deal with the complexity, interactivity and dynamic nature of the internet and deliver technology solutions to our clients in digital advertising. Over the years, we have well balanced ourselves in creating the right partnerships and convene the largest ecosystem to enrich with offerings, monetizing & building new tech platforms that is the need of the day.

Brightcom is well poised toward the next generation internet and tech platforms typically converging analytics, Advertisers and Publishers data management, tools for application development and extension, integration, and intelligent technologies such as artificial intelligence (AI), machine learning (ML), and the Internet of Things (IoT).



# Our Distinguished Clients





# Subsidiaries

## Online Media Solutions Limited (Oridian) Sapir 3

Herzlia 46733, PO Box 12637, Israel.

## Ybrant Media Acquisition Inc.

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

## Dream ad S.A , Argentina

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

## Dream ad S.A , Chile

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

## Dream ad S.A, Uruguay

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

## Dream ad S.A, Panama

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

## Ybrant Digital (Brasil) Limited

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

## LIL Projects Private Limited

Floor 5, Fairfield by Marriott  
Road No 2, Nanakramguda, Gachibowli, Hyderabad,  
Telangana, India - 500032.

## Max Interactive Pty Ltd.

5 Kings Lane, Darlinghurst, NSW 2010, Australia.

## International Expressions Inc. (VoloMP)

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

## LGS Global FZE

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

## Dyomo Corporation

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

## Ybrant Digital Servicos De Publicidade LTDA

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

## Frontier Data Management Inc (MediosOne)

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

## Get Media Mexico S.A. DE CV

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

## YReach Media Private Limited

Floor 5, Fairfield by Marriott  
Road No 2, Nanakramguda, Gachibowli,  
Hyderabad, Telangana, India - 500032.



# Internet and Tech Platforms for the Next Generation



It's become a trendy business acronym: VUCA, short for volatility, uncertainty, complexity, and ambiguity, and a catchall phrase for "Hey, it's crazy out there!", but the surprise is we are prepared for a VUCA world.

We are steadily recruiting and investing in upskilling our resources, so that they are well prepared to face the challenges of the bright new world.

# Our Portfolio of Services

We offer a wide variety of services to our clients worldwide, which are categorised into three primary divisions:

Online Media Solutions Ltd.  
Brightcom Group Ltd. (Digital)  
International Expression Inc.  
Frontier Data Management Inc.  
Dyomo Corporation

Dream AD, SA  
Max Interactive Pty Ltd.  
Yreach Media Pvt Ltd.  
Ybrant Digital Brasil

**DIGITAL  
ADVERTISING**

**SOFTWARE  
DEVELOPMENT**

LIL Projects Private Ltd. (Software)  
Brightcom Group Ltd. (Software)  
YReach Media Private Ltd.

LIL Projects Private Ltd. (Software)  
Brightcom Group Ltd. (Software)  
YReach Media Private Ltd.

**FUTURE  
TECHNOLOGIES**

## Division-wise Services Offered

<b>SUBSIDIARY</b>	<b>BRANDS USED BY SUBSIDIARY</b>	<b>PRODUCTS USED BY SUBSIDIARY</b>
<b>Online Media Solutions</b>	<b>Oridian</b>	<b>Onetag, Pangea, Brightcom</b>
<b>Dyomo</b>		
<b>DreamAD</b>	<b>DreamAD</b>	<b>Onetag, Pangea</b>
<b>International Expressions, Inc</b>		<b>VoloMP</b>
<b>Frontier Data Management</b>	<b>MediosOne</b>	<b>Onetag, Pangea, COREG, ProxyTool</b>
<b>Max Interactive Pty Ltd.</b>	<b>Max Interactive</b>	<b>Onetag, Pangea</b>
<b>Ybrant Brazil</b>		<b>Onetag, Pangea</b>

# Our Global Footprint

Our presence spans a large number of geographies across cultures, addressing diverse requirements of marquee clients and finding the right audience for them.





**SCANDINAVIA**

**(SWEDEN, FINLAND, ICELAND,  
GREENLAND, NORWAY)**

**BERLIN**

**NETHERLANDS**

**BELGIUM** **UKRAINE**

**ITALY** **ROMANIA**

**SERBIA**

**GREECE**

**ISREAL**

**INDIA**

**PHILIPPINES**

**AUSTRALIA**

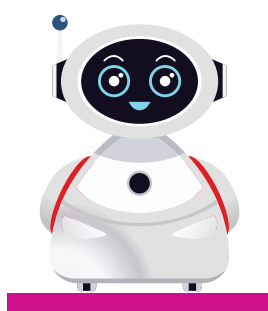
# The Brightcom Evolution



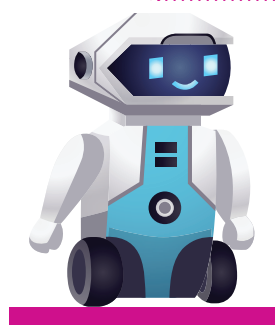
In 1998, the founders, Suresh Reddy and Vijay Kancharia, formed USA Greetings in USA and renamed it Ybrant Technologies in 2000.

In 2004 changed name to Ybrant Digital and started offering tools and services to digital ad networks.

Acquired email marketing platform, VoloMP in 2005.



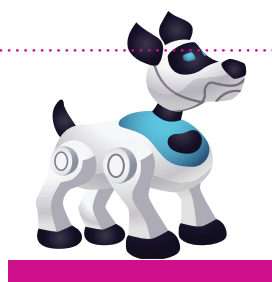
In 2006 acquired MediosOne in US for US\$ 4.5 million, thereby entering into the front-end digital marketing space.



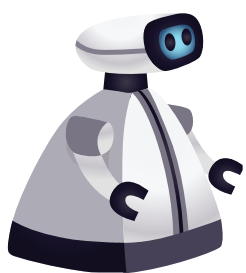
Raised US\$ 30 million from a few private equity firms. Acquired AdDynamix in US for US\$ 10 million in 2007.

In 2008 acquired Online Media Solutions in Israel for US\$ 13 million giving a foothold in European digital markets.

In 2009 raised US\$ 20 million from Everest Capital. Acquired Dream ad based in Argentina for US\$ 11.5 million. Acquired Max Interactive based in Australia for US\$ 8.3 million.



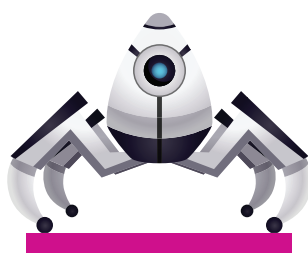
In 2010 raised US\$ 18 million from Oak India and Batterymarch. Acquired LYCOS from Daum Communications for US\$ 36 million.



In 2011 Ybrant Digital and LGS Global propose to merge.  
Acquire stake in Web 3.0.  
Facebook chooses Ybrant Digital as an official marketing API partner.

In 2014 changed name to Lycos Internet Limited. Agrees to acquire minority stake in Jobookit Holdings Ltd.  
Lycos TV adds Cool New Content to its Entertainment Channel.

LYCOS Gets Listed on the National Stock Exchange of India. Announces Lycos Life Division in 2015.



In 2016 Brightcom. Lycos LIFE fitness band launched. Ranked #4 in Video Seller Trust Index. Chosen as Top Alternative Ad Network in MonetizeMore's 2016 roundup.

In 2017, was listed as #1 in the world by Pixelate's Video Trust Index (International).  
Launched Israeli Ad-Tech Map  
Ranked #345 in Business World Real 500 List.

Compass platform nominated as finalist for Best Ad Tech Tool at Cynopsis Model D Awards 2016.

LYCOS Life band features in '10 best fitness bands in India - 2016'.

Lycos Internet Limited Changed to Brightcom Group Limited in 2018.



Recognized as the "Biggest Value Gainer" across India by Burgundy Private Hurun India 500 List, 2021.

Featured among Fortune India 500 for the year 2019

Expanded offerings in Artificial Intelligence and Machine Learning.

Included in MSCI (Morgan Stanley Capital International)  
Included in S&P BSE 500  
Ranked # 235 in NSE 500  
Looking to acquire a high margin audio advertising company in the USA.



# Our Scorecard for the Year

## REVENUE (Rs. In Lakhs)

75.77% ↑

FY 2021-22	5,01,958.77
FY 2020-21	2,85,579.82
FY 2019-20	2,69,231.84
FY 2018-19	2,58,024.09
FY 2017-18	2,42,074.31

## EBITDA (Rs. In Lakhs)

69.78% ↑

FY 2021-22	1,50,465.41
FY 2020-21	88,620.35
FY 2019-20	80,297.06
FY 2018-19	75,683.00
FY 2017-18	71,329.30

## PROFIT BEFORE TAX (Rs. In Lakhs)

90.62% ↑

FY 2021-22	1,25,810.27
FY 2020-21	66,000.50
FY 2019-20	61,714.26
FY 2018-19	60,855.11
FY 2017-18	59,034.75

## PROFIT AFTER TAX (Rs. In Lakhs)

88.86% ↑

FY 2021-22	91,220.05
FY 2020-21	48,300.81
FY 2019-20	44,010.47
FY 2018-19	43,397.61
FY 2017-18	40,700.63

**EARNINGS PER SHARE (EPS)<sub>(Rs)</sub>****-(52.49%)↓**

*FY 2021-22	4.52
FY 2020-21	9.51
FY 2019-20	9.24
FY 2018-19	9.32
FY 2017-18	8.55

**NET WORTH (Rs. In Lakhs)****62.43%↑**

FY 2021-22	5,29,449.15
FY 2020-21	3,25,960.88
FY 2019-20	2,82,646.14
FY 2018-19	3,00,375.65
FY 2017-18	2,82,520.78

(\* EPS is calculated based on enhanced capital-shares 201.79 crores against previous year 50.76 crores.)

**RETURN ON CAPITAL EMPLOYED (%)**

FY 2021-22	23.71%
FY 2020-21	20.17%
FY 2019-20	21.96%
FY 2018-19	20.62%
FY 2017-18	21.33%

**EBITDA PERCENTAGE ON SALES (%)**

FY 2021-22	29.98%
FY 2020-21	31.03%
FY 2019-20	29.82%
FY 2018-19	29.33%
FY 2017-18	29.47

**SURESH REDDY**

## The Board

Suresh is the Chairman & CEO of Brightcom Group. An entrepreneur with the vision and commitment to building high-value businesses, he is responsible for promoting the success of the group and its worldwide functions and sustainability. He founded two successful companies USAGreetings and Ybrant Technologies.

He completed and integrated 10 major acquisitions for Ybrant Digital, coupled with fund raising. Steered by his leadership, we have raised US\$ 100 million in equity and debt over a period of 7 years. Prior to this, 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 has vast experience in building innovative solutions for the online market and steers our worldwide technology enhancements and innovation team. Prior to co-founding USAGreetings and Ybrant Technologies, he worked with a few Fortune 500 companies, such as Hewlett Packard and coupled with fund raising. Steered by his leadership, we have raised US\$ 100 million in equity and debt over a period of 7 years. Prior to this, 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. His corporate journey includes working at P&G, Reckitt, Pepsi, Dabur, Reliance Retail, Globacom (Africa) and Sterling Holidays (A Fairfax company ). Some of the brands launched/relaunched and built by him are Reliance Digital, Hutch, Ariel, Dettol, Promise, Harpic, Mortein, Babool, Apps Daily, Housing.com. Later in 2015, he was handpicked as the first CEO of IIT Bombay Research & Innovation Park (ASPIRE). He has also founded two entrepreneurial ventures: Think as Consumer and Leven Healthcare. Pacific Bell. He holds an M. S. in Computer Science from the University of Louisville and a B. Tech. from the Jawaharlal Nehru Technological University, Hyderabad, India.

**VIJAY KANCHARLA**



**PESHWACHARYA**

Peshwa possesses deep and diverse consumer marketing expertise. He brings on board close to three decades of experience across FMCG, retail, telecom, technology, e-commerce and hospitality domains. An alumnus of IIM Calcutta and IIT Kharagpur, he has worked in various cities of India and also many other countries of Asia and Africa. He was also the Chief Marketing Officer at the Ampersand Group. His corporate journey includes working at P&G, Reckitt, Pepsi, Dabur, Reliance Retail, Globacom (Africa) and Sterling Holidays (A Fairfax company). Some of the brands launched/relaunched and built by him are Reliance Digital, Hutch, Ariel, Dettol, Promise, Harpic, Mortein, Babool, Apps Daily, Housing.com. Later in 2015, he was handpicked as the first CEO of IIT Bombay Research & Innovation Park (ASPIRE). He has also founded two entrepreneurial ventures: Think as Consumer and Leven Healthcare.

Nilendu is a qualified Chartered Accountant currently working as a Group Financial Controller at Abu Hani Establishment LLC, Muscat, Oman. He has vast experience of over two decades in the financial sector.

He is a results-driven and detail-oriented Group Financial Controller with 12+ years of leadership experience overseeing (1000+) employees in cross-functional departments in multi-industry private businesses. He has streamlined business efficiencies in large corporates by enhancing risk controls, financial reporting systems, information systems and budgetary controls.

He is renowned for conceptualizing, developing and executing new business lines. He does all that through excellent client relationships and good contract negotiations with international suppliers, financing institutions, distributors and related external parties.



**NILENDU NARAYAN CHAKRABORTY**



**DR. SURABHI SINHA**

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 of Scientific & Industrial Research, India, in 1992. She served as project associate in the Department of Mathematics – IIT, Kharagpur for 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 through goal programming. Dr. Surabhi also holds an M.Sc in Mathematics from IIT – Kharagpur, B.Sc (Honours) in Mathematics from IIT Kharagpur, and a Diploma in Information Technology from the National Institute of Information Technology, Delhi.



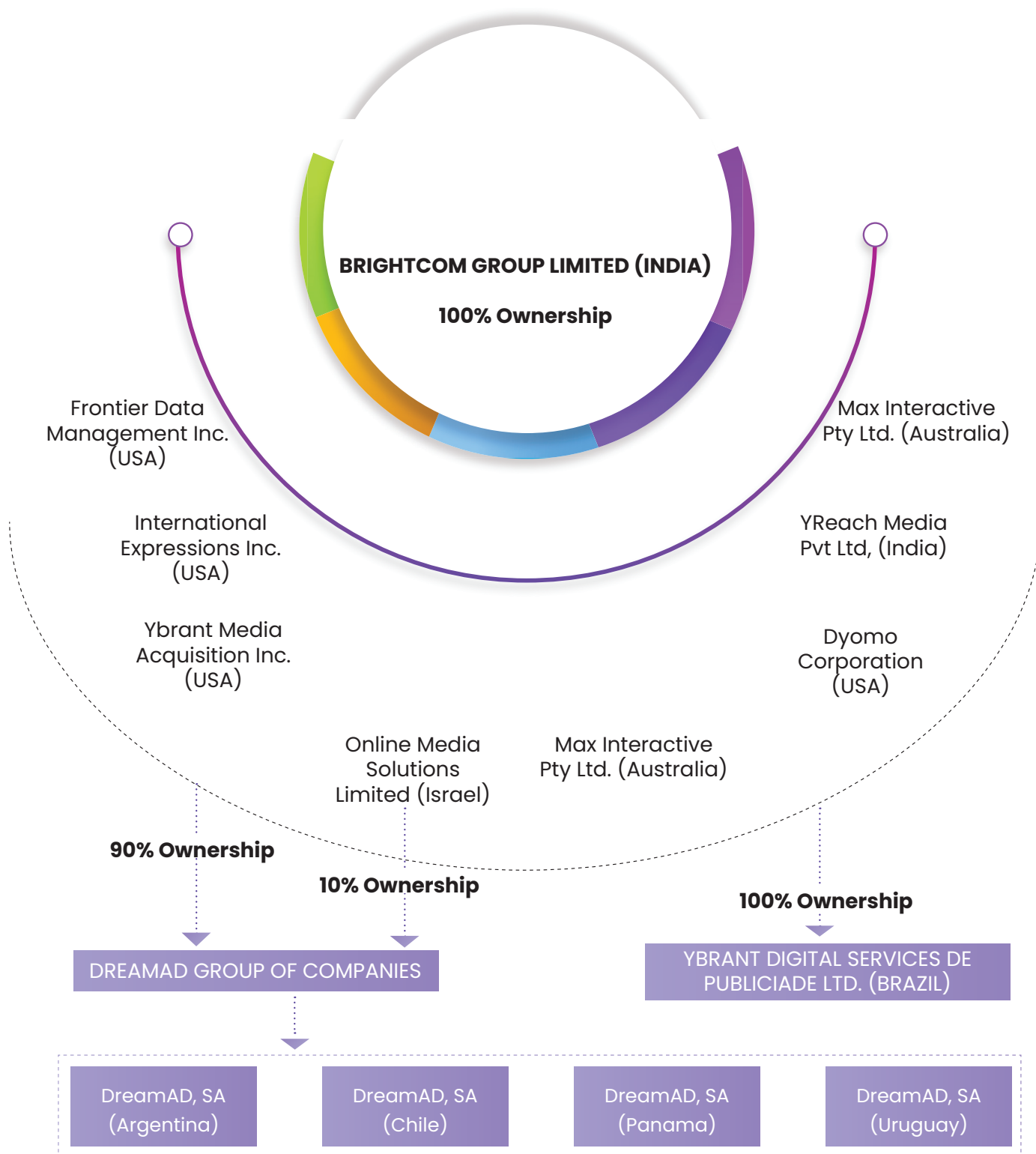
**DR. JAYALAKSHMI KUMARI**

Dr. Jayalakshmi Kumari has a Ph.D. in social sciences, an M.A in Economics, M.A in Political Science, M.Phil and M.Ed., and possesses 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 organisations. 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.

She works with the Nalanda Educational Society as a faculty in the field of social sciences. She also regularly conducts awareness programmes for women empowerment, entrepreneurship, health camps, and is involved in community services towards economically weaker women. She is also an Independent Director in the listed company M/s Cambridge Technology Enterprises Ltd., Hyderabad.

# Our Corporate Architecture

Our corporate structure is decentralised and helps in swift decision-making and execution. The focus is on creating sustainable value for all stakeholders in an era of major change.



## Notice of 23<sup>rd</sup> Annual General Meeting

Notice is hereby given that the 23<sup>rd</sup> Annual General Meeting ("AGM") of the members of Brightcom Group Limited (CIN: L64203TG1999PLC030996) (the **Company**) will be held on **Friday, the 30th day of September 2022, at 11.00a.m.** through Video Conferencing (VC) facility/ Other Audio Visual Means ("OAVM") and deemed venue of AGM is at the registered office of the Company situated at Floor-5, Fairfield by Marriott, Road No.2, Nanakramguda, Gachibowli, Hyderabad, Telangana, India - 500032 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt:

(a) the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 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, 2022 together with the report of the Auditors thereon.

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

**"RESOLVED THAT** the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022, together with the reports of the Board of Directors and of the Auditors thereon be and are hereby received, considered and adopted"

2. To declare the final dividend on equity shares of the Company for the financial year ended March 31, 2022.

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

**"RESOLVED THAT** a final dividend for the year ended March 31, 2022 at the rate of Rs. 0.30/- per equity share of Rs.2/- each fully paid-up be and is hereby declared and paid to the Members whose names appear in the Register of Members as on Friday, September 23, 2022."

3. To re-appoint Mr. Vijay Kancharla (DIN: 02744217), who retires by rotation, and being eligible offers himself for the re-appointment.

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

**"RESOLVED THAT,** pursuant to provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr Vijay Kancharla (DIN: 02744217) as Director, to the extent that he is required to retire by rotation and continue as Executive Director of the Company as per the approval accorded by the Members at the 20th Annual General Meeting of the Company held on September 27, 2019 and as revised/amended from time to time."

4. To appoint the Statutory Auditors:

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

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013 ("Act") read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. P. Murali & Co., Chartered Accountants, Hyderabad (Firm Registration No. 007257S), be and are hereby appointed as the Statutory Auditors of the Company for a term of 5 (Five) consecutive years commencing from the conclusion of the 23rd Annual General Meeting upto the conclusion of the 28th Annual General Meeting of the Company, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors".

**For and on behalf of the Board of Directors**

Place: Hyderabad

Date: September 06, 2022

### Registered Office:

Floor-5, Fairfield by Marriott, 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

Sd/-

**M. Suresh Kumar Reddy**

Chairman & Managing Director

DIN: 00140515

### Notes to AGM Notice:

- Pursuant to the General Circulars 2/2022 dated May 05, 2022 and 19/2021 dated January 13, 2022 and other circulars issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC. The deemed venue for the AGM shall be the Registered Office of the Company.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) read with Circular dated May 13, 2022 and MCA Circulars dated January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an

- agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. Thereby facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
  5. Pursuant to MCA Circular No. 14/2020 dated April 8, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
  6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 02/2022 dated May 5, 2022 reading with Circular No. 20/2020 dated May 5, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.brightcomgroup.com](http://www.brightcomgroup.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and evoting system during the AGM) i.e., [www.evotingindia.com](http://www.evotingindia.com).
  7. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member. In terms of MCA Circulars, since physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, facility of appointment of proxies by Members under Section 105 of the Act, will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
  8. The Register of members and transfer books of the company will remain closed from **Saturday, September 24, 2022 to Friday, September 30, 2022** (both days inclusive).
  9. Members, who hold shares in electronic / Demat form are requested to furnish the change of address, details of their bank accounts, viz, name of the bank, full address of the branch, account no. etc., to their respective Depository Participants and who hold shares in physical form to the Company's Registrars and Transfer Agents Aarthy Consultants Private Limited, 1-2-285, Domalguda, Hyderabad - 500029 (Phone: 040-27638111/27642217/27634445 Email: [info@aarthyconsultants.com](mailto:info@aarthyconsultants.com)) so as to enable the Company to incorporate the bank details on the dividend warrants.
  10. Pursuant to Section 72 of the Companies Act, 2013 and the Rules made there under the Members holding shares in single name may, at any time, nominate in form SH-13, any person as his/her nominee to whom the securities shall vest in the event of his/ her death. Nomination would help the nominees to get the shares transmitted in their favor without hassles. Members desirous of making any cancellation/variation in the said nomination can do so in SH-14.
  11. Members holding shares in identical order of names in more than one folio are requested to write to the company's Registrars & Transfer Agents enclosing their share certificates to enable consolidation of their shareholdings in one folio. As per the amended Provisions based on the PAN, all different folios of the same PAN will be treated as one folio.
  12. Members are requested to refer to the Corporate Governance Report for information in connection with the unpaid / unclaimed dividend along with underlying shares thereto liable to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government. Members are requested to refer the web site of the Company [www.brightcomgroup.com](http://www.brightcomgroup.com) for the details made available by the Company pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017.
- As per Section 124(6) of the Act read with the IEPF Rules as amended from time to time, all the shares in respect of which dividend has remained unpaid/ unclaimed for seven consecutive years or more are required to be transferred to an IEPF Demat Account. In case the dividends are not claimed by the respective shareholders. Company had transferred unpaid/ unclaimed dividend till the financial year 2012-13 along with underlying shares to IEPF authorities. Company will initiate the necessary steps on due dates to transfer shares held by the members to IEPF along with dividend remaining unpaid/unclaimed thereon.
- Members may please note that in the event of transfer of such shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF authorities by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF- 5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Registrars and Transfer Agents of Company.
  14. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.
- Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
- In order to increase the efficiency of the voting process,



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

15. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the members with facility to exercise their right to vote at the 23rd Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-voting Services provided by Central Depository Services (India) Limited (CDSL).

The e-voting period commences on **Tuesday, September 27, 2022 at 9.00 a.m. and ends on Thursday, September 29, 2022 at 5.00 p.m.** During this period shareholders of the Company, holding shares as on cut-off date **Friday, September 23, 2022** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company. A member who has cast his/ her vote by electronic means are entitle to attend the AGM but not entitled to vote again at the AGM.

Dr. CS A. Sridhar, Company Secretary in Practice (C.P. No. 12011), has been appointed as the scrutinizer to scrutinize the remote e-voting process. The Scrutinizer shall,

immediately after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and he will submit his report within the period not exceeding three working days from the conclusion of e-voting. The Chairman will declare the results on or after the AGM of the Company accordingly and will also be placed at the company website and also forward the same to the stock exchanges where the shares has been listed.

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

a) The voting period begins on **Tuesday, September 27, 2022 at 9.00 a.m.** and ends on **Thursday, September 29, 2022 at 5.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Friday, September 23, 2022** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

c) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat accounts in order to access e-Voting facility. Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in Demat mode with CDSL</b>	<p>a) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>b) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>c) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>d) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
<b>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:**

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- d) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

Mode	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
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. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- e) After entering these details appropriately, click on "SUBMIT" tab.
- f) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- g) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- h) Click on the EVSN for the relevant "Brightcom Group Limited" on which you choose to vote.
- i) 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.
- j) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- k) 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.
  - l) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - m) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
  - n) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- ♦ The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- ♦ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- ♦ Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; ir@brightcomgroup.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**17. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/ EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

- a) The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
- b) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- c) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
- d) Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
- e) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

18. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.brightcomgroup.com and on the website of CDSL i.e., www.cdslindia.com within two days of the passing of the Notice Resolutions at the 23rd AGM of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

- f) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- g) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
- h) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- i) Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
- j) If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Members who could not vote thru Remote e-voting may avail the e-voting system on the date of AGM i.e., Friday, September 30, 2022 which will commence from 11:00 A.M. and will end after the conclusion of the AGM. The e-voting module shall be disabled by CDSL for voting thereafter. The voting rights of the members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on Friday, September 23, 2022 i.e., cut-off date.

**CONTACT DETAILS:**

<b>Company</b>	<b>Brightcom Group Limited</b> Phone: +91 (40) 67449910, E-mail: ir@brightcomgroup.com, Floor-5, Fairfield by Marriott, Road No.2, Nanakramguda, Gachibowli, Hyderabad, Telangana, India - 500032
Registrar and Transfer Agent:	Aarthi Consultants Private Limited Phone: 040-27638111/ 27642217 / 27634445   Email: info@arthiconsultants.com
e-Voting Agency	Central Depository Services (India) Limited E-mail: helpdesk.evoting@cdslindia.com   Phone: +91-22-22723333/8588
Scrutinizer	Dr. CS A. Sridhar Practicing Company Secretary, Phone: 99893 94290   E-mail: asridharcs@gmail.com

**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 Vijay Kancharla
Director Identification Number	02744217
Date of Birth	10.05.1967
Date of first Appointment	26.06.2012
Qualification	Master of Science from University of Louisville B.Tech., from JNTU, Hyderabad
Category	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 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. Vijay Kancharla and other Directors & KMPs.
*Directorships held in other Companies and Bodies Corporate as on March 31, 2022.	NIL
Chairman / Member of the Committee of the Board of Directors of the Company	Member of the Audit Committee and Corporate Social Responsibility Committee
No. of Board Meetings attended during the year	Please refer to Corporate Governance Report which forms a part of this Annual Report.
Chairman/Member of the Committee of the Board of Directors in other Companies as on March 31, 2022	NIL
No. of Equity Shares of Rs.2/- held in the Company as on 31.03.2022	32,35,977

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



# BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty Second Annual Report of the Company along with Company's Audited Financial Statements (Standalone and Consolidated) for the Financial Year ended on March 31, 2022.

## Financial Highlights

(INR Lacs)

Particulars	Consolidated FY 2021-22	Consolidated FY 2020-21	Standalone FY 2021-22	Standalone FY 2020-21
Total income (including other Income)	501,736.35	287,661.68	36,455.01	38,692.26
Gross Profit before Interest, Depreciation & Tax	150,465.41	88,620.35	427.20	1,250.89
Less: Interest	31.43	10.61	31.27	9.54
Depreciation	24,623.70	22,609.24	18.87	23.15
Profit before Tax	125,810.28	66,000.50	377.06	1,218.20
Less: Provision for Tax	34,627.45	17,754.19	125.88	406.68
Less: Deferred Tax	(37.22)	(54.49)	79.61	(10.80)
Profit after Tax	91,220.05	48,300.80	171.57	822.31
Add: Other comprehensive income	12,264.41	(7,872.25)	171.20	(160.07)
Total comprehensive income for the period	103,484.46	40,428.57	342.76	662.25
Balance Brought forward from the previous year	267,178.48	219,326.33	7,050.70	6,479.56
Profit available for appropriations	358,651.65	267,432.31	7,220.14	7,304.52
Less: Dividend	520.82	253.83	520.82	253.83
Profit Carried to Balance Sheet	358,130.83	267,178.48	6,699.33	7,050.70

## State of Affairs / Company's performance

During the year under review, your Company achieved a consolidated turnover of Rs.501,736.35 lakhs as against Rs.287,661.68 lakhs in the previous year. Your Company has earned a consolidated gross profit of Rs.150,465.41 lakhs before interest, depreciation and tax as against Rs. 88,620.35 lakhs in the previous year. After deducting financial charges of Rs.31.43 lakhs, depreciation of Rs.24,623.70 lakhs and provision for tax of Rs.34,590.23 lakhs, the operations resulted in a net profit of Rs.91,220.05 lakhs as against Rs.48,300.80 lakhs in the previous year.

## Change In Nature of Business

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

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

## COVID-19

The Financial year 2021-22 being the second year of the COVID-19 pandemic wherein the first three months of the said financial year was struck by the Second wave of novel coronavirus, the leadership team at Brightcom and all employees have done a commendable job in

navigating through the crisis. Work from home was provided wherever possible to maintain lean staff in the work area. Your Company is committed to support the society at large to extend its helping hand in the fight against COVID-19 pandemic. Our pro-activeness in setting up a crisis management team, robust business continuity processes, and infrastructure at Brightcom ensured uninterrupted services to our customers while maintaining health and safety of all the employees. We have received multiple customer accolades for the smooth and seamless business continuity. Our customers were delighted with the way Brightcom teams managed the current pandemic situation to ensure business continuity keeping health and safety of the employees as well as customers. Considering well-being of employees, we launched various initiatives where people can seek counsel to their stress, anxieties and fears.

## Share Capital

During the period under review the listed entity has received In-principle approvals from the Stock Exchanges on 1st April, 2021 for 33,18,45,000 (Thirty-Three Crore Eighteen Lakhs Forty-Five Thousand Only) convertible Warrants.

Out of the abovementioned 33,18,45,000 (Thirty Three Crore Eighteen Lakhs Forty-Five Thousand Only) convertible Warrants, the Company has allotted 32,56,55,000 (Thirty-Two Crore Fifty-Six Lakh and Fifty-Five Thousand) equity shares against the warrants as mentioned below and the same have been listed with both BSE Limited and National Stock Exchange of India Limited:

Sl. No.	Date of Allotment	No. of Shares	Effective date of Listing
1	July 01, 2021	3,42,00,000	August 11, 2021
2	July 23, 2021	5,89,30,000	August 23, 2021
3	July 28, 2021	14,55,00,000	August 25, 2021
4	July 30, 2021	8,32,00,000	August 26, 2021
5	August 12, 2021	38,25,000	August 26, 2021
<b>Total Shares</b>		<b>32,56,55,000</b>	

During the period under review the Board in its meeting held on June 28, 2021 has declared Bonus issue in the ratio of 1:4 and has allotted 20,83,26,625 (Twenty Crore Eighty-Three Lakh Twenty-Six Thousand Six Hundred and Twenty-Five) equity shares.

During the period under review the Board, in its meeting held on September 16, 2021 has proposed to issue & allot 14,01,50,000 equity shares to 29 non-promoters and 1,50,00,000 convertible warrants to Mr. Shankar Sharma

at Rs. 37.77/- (Rupees Thirty-Seven and Seventy-Seven Paise only) each through Preferential Issue as per the provisions of Chapter V of SEBI (ICDR) Regulations, 2018 by Postal Ballot, which was approved by the Shareholders on October 20, 2021 through requisite majority. However, the Company has received in-principle approvals from the Exchanges for 14,00,50,000 equity shares to 28 non-promoters and 1,50,00,000 convertible warrants to Mr. Shankar Sharma and has allotted the same as mentioned below.

Sl. No.	Date of Allotment	No. of Shares	Effective date of Listing
1	January 23, 2022	80,50,000	April 01, 2022
2	January 25, 2022	13,20,00,000	April 01, 2022
<b>Total Shares</b>		<b>14,00,50,000</b>	

The Warrants & Share Allotment Committee has on 9th March 2022 allotted 1,50,00,000 Equity Shares by converting warrants into equity and the same were listed on both the Exchanges with effect from April 19, 2022.

During the period under review the Board, in its meeting held on December 09, 2021 has proposed to issue & allot 1,40,70,000 equity shares at Rs. 120.02 (Rupees One Hundred & Twenty and Two paise only) each to 4 non-promoters for part consideration of other than cash i.e., against the takeover of Vuchi Media Private Limited, through Preferential Issue as per the provisions of Chapter V of SEBI (ICDR) Regulations, 2018 and the same were listed on both the Exchanges with effect from April 13, 2022.

During the period under review the Board in its meeting held on January 25, 2022 has declared Bonus issue in the ratio of 2:3 and has allotted 80,71,68,749 (Eighty Crore Seventy-One Lakh Sixty-Eight Thousand Seven Hundred and Forty-Nine only) equity shares on March 22, 2022 and the same are listed on both the Exchanges with effect from May 30, 2022.

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

As on the date of this report, the Company has a paid-up share capital of Rs. 403,58,43,747 divided into 201,79,21,873 Equity Shares of Rs. 2/- each.

## Transfer to Reserves

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

## Public Deposits

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

## Dividend

During the year under review, the Board has decided to payout a significant amount of Rs. 60.54 crores as dividend, to reward its shareholders. This represents a dividend payout ratio of around 7%, which compares extremely favorably with global tech companies.

The said Dividend as recommended by the Board of Directors, will be subject to the shareholders approval at the ensuing Annual General Meeting of the Company. The Dividend shall be paid within 30 days after the conclusion of the Annual General Meeting, subject to the approval of the shareholders of the Company.

## Particulars of Loans, Guarantees & Investments

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

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

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

## Subsidiary Companies

The Company has 16 subsidiaries as of March 31, 2022. There was no material change in the nature of the

business carried on by the subsidiaries. During the year under review the Company has allotted 1,40,70,000 equity shares at Rs. 120.02/- each to Vuchi Media Private Limited against part consideration of acquisition, however, the Company has not floated any new subsidiary Company during the year under review.

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

1. Names of subsidiaries which are yet to commence operations: **Not Applicable**

2. Names of subsidiaries which have been liquidated or sold during the year: **Not Applicable**

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

## Consolidated Financial Statements

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with the provisions of Section 129(3) and other applicable provisions of the Companies Act, 2013 and the Indian Accounting Standards Ind AS-110 and other applicable Accounting Standards, your Directors have pleasure in attaching the consolidated financial statements for the financial year ended March 31, 2022, which forms part of the Annual Report.

## Nomination and Remuneration Policy

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

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

## Declaration of Independence by Independent Directors

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

## Management's Discussion and Analysis

Pursuant to the provisions of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis is presented in a separate section forming part of this Annual Report. As required under the provisions of the Listing Regulations, the Audit Committee of the Company has reviewed the Management Discussion and Analysis report of the

Company for the year ended 31st March, 2022. A detailed report on Management Discussion & Analysis is provided as a separate disclosure in the annual report.

## Related Party Transactions

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

The policy on related party transactions as approved by the Audit Committee and the Board of Directors is hosted on the website of the Company [www.brightcomgroup.com](http://www.brightcomgroup.com). Prior omnibus approvals from the Audit Committee are obtained for transactions which are repetitive and also normal in nature. Further, disclosures are made to the Committee and the Board on a quarterly basis.

None of the Directors 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.

## Vigil Mechanism/ Whistleblower / Ombudsperson Policy

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

The Company has a vigil mechanism policy to deal with instances of fraud and mismanagement, if any. The vigil mechanism policy is uploaded on the website of the Company [www.brightcomgroup.com](http://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 have been denied access to the Audit Committee.

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

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

complaints as per the provisions of the Sexual Harassment



of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder are as follows:

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

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

## Other Policies

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

1. Code of Business Conduct & Ethics for Other Stakeholders
2. Code of Regulation & Prohibition of Insider Trading
3. Code of Conduct for Board & Senior Management
4. Criteria for making payment for non-executive Directors
5. Corporate Social Responsibility Policy
6. Document preservation policy
7. Familiarization program of Independent Director
8. Policy for evaluation performance of the Board
9. Policy for related party transaction
10. Policy for disclosure of material information
11. Policy for sexual harassment
12. Staff advances policy
13. Vigil Mechanism (Whistle blower policy)
14. Policy for determination of legitimate purpose

## Corporate Governance

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

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

Code of Conduct for Prevention of Insider Trading in Brightcom Securities ("BCG Code") in accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 is uploaded on the website of the Company. The objective of the PIT Code is to protect the interest of shareholders at large, to prevent misuse of any unpublished price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its

Designated Persons and their immediate relatives. Mr. S L N Raju is the Compliance Officer under the PIT Code as on the date of this report.

## Committees

The following are the details of the Committees during the Financial Year 2021-22:

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

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

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

## Directors and Key Managerial Personnel

In pursuance of Section 152 of the Companies Act, 2013 and the Rules framed there under Mr. Vijay Kancharla (DIN: 02744217), Executive 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, the Members of the Company at the 20th Annual General Meeting held on Friday, September 27, 2019 have 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 23rd 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.

Mr Peshwa Acharya (DIN: 06558712) was redesignated from Non-Executive Independent Director to Non-Executive and Non-Independent Director with effect from September 21, 2021.

Mr Nilendu Narayan Chakraborty (DIN: 07505277) was appointed as an Additional Director under the category of Non-Executive & Independent Director as per the provisions of Section 149 of the Act read with the

Companies (Appointment and Qualification of Directors) Rules, 2014, on the Board of the Company with effect from December 09, 2021 for a period of five years and the same was approved by the shareholders in 22nd Annual General Meeting of the Company held on December 31, 2021.

Mr Allam Raghunath (DIN: 00060018) an Independent Director of the Company has completed the second term of office on December 26, 2021 thereby completing two terms as an Independent Director and consequently he also ceased to be a Director of the Company with effect from close of business hours of December 26, 2021.

## Board Meetings

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

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

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

## Audit Committee

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

## Independence of the Board

The Board of Directors of the Company comprises of optimum number of Independent Directors. Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Act:

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

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

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, a formal evaluation of the performance of the Board, its Committees, the Chairman and the individual directors was carried out for the financial year 2021-22.

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

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

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

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

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

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

## Familiarisation Programme for Directors

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

Pursuant to Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), conducting familiarization programmes for the Directors in the Company is a continuous process, whereby Directors are informed, either through

presentations at the Board or committee meetings, board notes, interactions or otherwise about industry outlook, business operations, business model, future strategies, business plans, competitors, market positions, products & new launches, internal and operational controls over financial reporting, budgets, analysis on the operations of the Company, role, rights, responsibilities of independent directors and any other relevant information. Pursuant to Regulation 46 of Listing Regulations, the details required are available on the Company's website at [www.brightcomgroup.com](http://www.brightcomgroup.com).

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

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

## Statutory auditors

M/s. P.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, have conducted the Statutory Audit for the FY-2021-22. 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, 2022 form part of this Annual Report and do not contain any qualification(s) or adverse observations. The Board has duly examined the Statutory Auditors' Report to the financial statements, which is self-explanatory and required no further clarifications.

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.

The existing Statutory Auditors M/s. P.C.N & Associates (Firm Registration No.016016S) of the Company will complete their term as they have been appointed for a period of 5 year until the conclusion of 23rd AGM to be held in 2022 and therefore, the Board of Directors of your Company, on the recommendation of the Audit Committee, have recommended to the members for appointment of M/s. P. Murali & Co., Chartered Accountants, Hyderabad (Firm Registration No. 007257S) as Statutory Auditors of the Company for a period of 5 consecutive years, subject to the approval of shareholders in the ensuing 23rd Annual General Meeting of the Company to be held in 2022.

## 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

Pursuant to the provisions of Section 204 of the Companies Act, 2013, Regulation 24A of the SEBI (Listing

Obligation and Disclosure Requirements) Regulations, 2015 and rules framed thereunder, the Board of Directors, on recommendation of the Audit Committee, appointed Ms. Sudhanya Sengupta, Practicing Company Secretary (Membership No. F7057 & C P No. 7756) to undertake the Secretarial Audit of the Company. The Company has received a certificate from the Secretarial Auditor, inter-alia, confirming that their appointment is within the limits laid down by the Act and rules made thereunder, is as per the term provided under the Act, she is not disqualified for being appointed as Secretarial Auditor under the provisions of applicable laws and also that there are no pending proceedings against her involving matters of professional misconduct.

The Secretarial Audit Report for the Financial Year ended March 31, 2022 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, 2022 does not contain any qualification(s) or adverse observations.

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

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

## Extract of Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the annual return of the Company for the Financial Year 2021-22 can be accessed through the web link on the Company's website <https://www.brightcomgroup.com/investors/>

## Code for prevention of Insider Trading

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

## Particulars of employees and related disclosures

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

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

## Share Transfer System

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

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

There are no qualifications, reservations or adverse remarks made by the Statutory Auditor, Secretarial Auditors in their reports.

## Listing Fees

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

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

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

### A. Details of Conservation of Energy

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

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

### B. Technology Absorption

The Information Technology (IT) and Information Technology Enabled Services (ITES) Industry are subject to high rate of technological obsolescence. The Company's business is Digital Marketing and Software Development. The change in the industry paradigm is dynamic. The Company is continuously updating these changes and constantly evaluating these developments to improve its capabilities towards the industry. Accordingly, research and development of new services, display advertising, platforms and methodologies, continue to be of importance to us. This allows us to enhance quality, productivity and customer satisfaction through continuous improvements and innovations. As part of the continuous thrust on R&D, the company is also focused on Solutions Research and Vertical Focus Research. These would identify new ideas which would enable business process improvement for customers and would be aligned with the business strategy and growth opportunities of the organization. Our R & D activities are

not capital intensive and we do not specifically provide for the same in our books.

### C. Foreign Exchange Earnings and outgo

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

## Business Responsibility Report

Regulation 34(2)(f) of the Listing Regulations mandates the inclusion of Business Responsibility Report ("BRR") as part of the Annual Report for top 500 listed companies which was thereafter amended to top 1000 listed companies with effect from December 26, 2019, based on market capitalization as on March 31 every year. In compliance with the Listing Regulations, BRR of your Company for the Financial Year 2021-22 is appended as Annexure - III to this Report.

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

## Investor Education and Protection Fund (IEPF)

In terms of Section 123, 124 and 125 of the Companies Act, 2013, the unclaimed dividends and shares wherein the dividends that are unclaimed for a period of seven consecutive years relating to the Final Dividend will be transferred to the IEPF Fund/Suspense account respectively. Further, as per the provisions of Section 125, the share(s) wherein the dividend is unclaimed for a period of consecutive seven (07) years will be transferred to the suspense account as prescribed by the IEPF Rules, therefore the shareholders whose dividends are unclaimed for consecutive seven years from 2013-14 (list of the shareholders along with the unclaimed dividend details are available on the website of the Company [www.brightcomgroup.com](http://www.brightcomgroup.com) are requested to claim their unclaimed dividend at the earliest.

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

## Corporate Social Responsibility

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

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

As per the provisions of Section 135 of the Companies Act,

2013, 2% of average Net Profits of the Company for the immediately preceding three financial years calculated as per Section 198 of the Companies Act, 2013 works out to **Rs. 9.59 Lakhs** and the Company has spent **Rs. 9.59 Lakhs** on CSR activities in the areas of **Education and Environmental Protection**.

### Significant and Material Orders

The Company has received an intimation from SEBI through its letter dated September 16, 2021 enforcing a Forensic Audit on the Company, and the same is in progress as on the date of this report. However, there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

### Directors' Responsibility Statement

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

i. In preparation of the Annual Accounts for the year

ended March 31, 2022 all the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India and Companies Act, 2013 have been followed and there were no material departures.

- ii. We have adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year ended March 31, 2022.
- iii. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Annual Accounts for the year ended March 31, 2022 has been prepared on a going concern basis.
- v. Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi. The systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### Acknowledgment

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

**For and on behalf of the Board of Directors**

Sd/-

M. Suresh Kumar Reddy

Chairman and Managing Director

DIN: 00140515

Place: Hyderabad

Date: September 06, 2022

# Annexure(s) to the Directors' Report

## Annexure - I

### Form No. MR - 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment.

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, 2018;

*During the period under review the listed entity has received In-principle approvals from the Stock Exchanges on 1st April, 2021 for 33,18,45,000 (Thirty-Three Crore Eighteen Lakhs Forty-Five Thousand Only) convertible Warrants.*

*Out of the abovementioned 33,18,45,000 (Thirty-Three Crore Eighteen Lakhs Forty-Five Thousand Only) convertible Warrants, the Company has allotted 32,56,55,000 (Thirty-Two Crore Fifty-Six Lakh and Fifty-Five Thousand) equity shares against the warrants as mentioned below and the same have been listed with both BSE Limited and National Stock Exchange of India Limited:*

Sl. No.	Date of Allotment	No. of Shares	Effective date of Listing
1	July 01, 2021	3,42,00,000	August 11, 2021
2	July 23, 2021	5,89,30,000	August 23, 2021
3	July 28, 2021	14,55,00,000	August 25, 2021
4	July 30, 2021	8,32,00,000	August 26, 2021
5	August 12, 2021	38,25,000	August 26, 2021
<b>Total Shares</b>		<b>32,56,55,000</b>	

During the period under review the Board in its meeting held on June 28, 2021 has declared Bonus issue in the ratio of 1:4 and has allotted 20,83,26,625 (Twenty Crore Eighty-Three Lakh Twenty-Six Thousand Six Hundred and Twenty-Five) equity shares.

During the period under review the Board, in its meeting held on September 16, 2021 has proposed to issue & allot 14,01,50,000 equity shares to 29 non-promoters and 1,50,00,000 convertible warrants to Mr. Shankar Sharma

at Rs. 37.77/- (Rupees Thirty-Seven and Seventy-Seven Paise only) each through Preferential Issue as per the provisions of Chapter V of SEBI (ICDR) Regulations, 2018 by Postal Ballot, which was approved by the Shareholders on October 20, 2021 through requisite majority. However, the Company has received in-principle approvals from the Exchanges for 14,00,50,000 equity shares to 28 non-promoters and 1,50,00,000 convertible warrants to Mr. Shankar Sharma and has allotted the same as mentioned below.

Sl. No.	Date of Allotment	No. of Shares	Effective date of Listing
1	January 23, 2022	80,50,000	April 01, 2022
2	January 25, 2022	13,20,00,000	April 01, 2022
<b>Total Shares</b>		<b>14,00,50,000</b>	

The Warrants & Share Allotment Committee has on 9th March 2022 allotted 1,50,00,000 Equity Shares by converting warrants into equity and the same were listed on both the Exchanges with effect from April 19, 2022.

During the period under review the Board, in its meeting held on December 09, 2021 has proposed to issue & allot 1,40,70,000 equity shares at Rs. 120.02 (Rupees One Hundred & Twenty and Two paise only) each to 4 non-promoters for part consideration of other than cash i.e., against the takeover of Vuchi Media Private Limited, through Preferential Issue as per the provisions of Chapter V of SEBI (ICDR) Regulations, 2018 and the same were listed on both the Exchanges with effect from April 13, 2022.

During the period under review the Board in its meeting held on January 25, 2022 has declared Bonus issue in the ratio of 2:3 and has allotted 80,71,68,749 (Eighty Crore Seventy-One Lakh Sixty-Eight Thousand Seven Hundred and Forty-Nine only) equity shares on March 22, 2022 and the same are listed on both the Exchanges with effect from May 30, 2022.

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

During the review period, the Company has through postal ballot taken the shareholders' approval to float Employee Stock Option Scheme 2021 to grant Employee Stock Options to the employees of the Company & its Subsidiaries. And have created Brightcom Group Employee Welfare and ESOP Benefit Trust for Secondary acquisition as per the provisions of SEBI (SBEB) Regulations, 2014.

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period);**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)** and.

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

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 standards/regulations of the following:

i. Secretarial Standards - 1 & 2 issued by The Institute of Company Secretaries of India;

ii. The Listing Agreements entered into by the Company with Stock Exchanges;

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

However, there has been delay in filing the listing applications for the Preferential Issues for which the Company has paid the requisite penalties to both BSE Limited and National Stock Exchange of India Limited.

As per the provisions of Chapter XI of SEBI (ICDR) Regulations, 2018, there was a delay in completion of Bonus Issue, as declared by the Company Board on June 28, 2021 by 3 days for which the Company has paid the requisite penalties to both BSE Limited and National Stock Exchange of India Limited under Regulation 295(1) of SEBI (ICDR) Regulations, 2018.

As per the provisions of Chapter XI of SEBI (ICDR) Regulations, 2018, there was a delay in completion of Bonus Issue, as declared by the Company Board on January 25, 2022 by 67 days for which the Company has paid the requisite penalties to both BSE Limited and National Stock Exchange of India Limited under Regulation 295(1) of SEBI (ICDR) Regulations, 2018.

The Chief Financial Officer of the Company retired under superannuation with effect from March 25, 2022 and the Company Secretary resigned during the year, Mr S L N Raju was appointed as the CFO & Compliance Officer with effect from July 25, 2022.

During the review period, Mr. Raghunath Allam (DIN: 00060018), Independent Director has completed his second tenure as Independent Director on December 26, 2021 and in order to comply with the SEBI (LODR) Regulations, 2015, the Company has appointed Mr. Nilendu Chakraborty (DIN: 07505277) as Independent Director with effect from December 09, 2021.

**I further report that;**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors as on 31st March

2022. The changes in the composition of the Board that took place during the period under review were carried out in compliance with the provisions of the Act.

The Company has received an intimation from SEBI through its letter dated September 16, 2021 enforcing a Forensic Audit on the Company, and the same is in progress as on the date of this report. However, there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

As per the information furnished, Adequate notice is generally given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes of the decisions at Board Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

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

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

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

Sd/-

SUDHANYA SENGUPTA  
Practicing Company Secretary  
FCS No: F7057  
C P No: 7756  
Peer Reviewer Code: 747  
UDIN: F007057D000912478

Place: Kolkata

Date: 05/09/2022

"Annexure – A"

To

The Members,

**BRIGHTCOM GROUP LIMITED,**  
(Formerly Lycos Internet Limited)

CIN: L64203TG1999PLC030996

Floor: 5, Fairfield By Marriott Road No. 2,

Nanakramguda, Gachibowli,

Hyderabad TG 500032 IN

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

1. Maintenance of secretarial records is the responsibility of the management of BRIGHTCOM GROUP LIMITED, ("the Company"). Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of 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 the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. I have relied up on the information provided by the Management with respect to related party transactions for its compliance.

Sd/-

SUDHANYA SEN GUPTA  
Practicing Company Secretary  
FCS No: F7057  
C P No: 7756  
Peer Reviewer Code: 747  
UDIN: F007057D000912478

Place: Kolkata

Date: 05/09/2022



## Annexure – II

## ANNUAL SECRETARIAL COMPLIANCE REPORT OF BRIGHTCOM GROUP LIMITED FOR THE YEAR ENDED 31st MARCH, 2022

- I, Sudhanya Sengupta, Company Secretary in Practice, have examined:
- (a) all the documents and records made available to us and explanation provided by M/s. **BRIGHTCOM GROUP LIMITED** (CIN : L64203TG1999PLC030996) having its registered office at Floor : 5, Fairfield By Marriott Road, No. 2, Nanakramguda, Gachibowli, Hyderabad TG 500032 IN, ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, For the year ended 31st March, 2022 ("Review Period") in respect of compliance with the provisions of:
- (a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");
- The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-
- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- o During the period under review the listed entity has received In-principle approvals from the Stock Exchanges on 1st April, 2021 for 33,18,45,000 (Thirty-Three Crore Eighteen Lakhs Forty-Five Thousand Only) convertible Warrants.
- o Out of the abovementioned 33,18,45,000 (Thirty-Three Crore Eighteen Lakhs Forty-Five Thousand Only) convertible Warrants, the Company has allotted 32,56,55,000 (Thirty-Two Crore Fifty-Six Lakh and Fifty-Five Thousand) equity shares against the warrants as mentioned below and the same have been listed with both BSE Limited and National Stock Exchange of India Limited:

Sl. No.	Date of Allotment	No. of Shares	Effective date of Listing
1	July 01, 2021	3,42,00,000	August 11, 2021
2	July 23, 2021	5,89,30,000	August 23, 2021
3	July 28, 2021	14,55,00,000	August 25, 2021
4	July 30, 2021	8,32,00,000	August 26, 2021
5	August 12, 2021	38,25,000	August 26, 2021
<b>Total Shares</b>		<b>32,56,55,000</b>	

- o During the period under review the Board in its meeting held on June 28, 2021 has declared Bonus issue in the ratio of 1:4 and has allotted 20,83,26,625 (Twenty Crore Eighty-Three Lakh Twenty-Six Thousand Six Hundred and Twenty-Five) equity shares.
- o During the period under review the Board, in its meeting held on September 16, 2021 has proposed to issue & allot 14,01,50,000 equity shares to 29 non-promoters and 1,50,00,000 convertible warrants to Mr. Shankar Sharma at Rs. 37.77/- (Rupees Thirty-Seven and Seventy-Seven Paise only) each through Preferential Issue as per the provisions of Chapter V of SEBI (ICDR) Regulations, 2018 by Postal Ballot, which was approved by the Shareholders on October 20, 2021 through requisite majority. However, the Company has received in-principle approvals from the Exchanges for 14,00,50,000 equity shares to 28 non-promoters and 1,50,00,000 convertible warrants to Mr. Shankar Sharma and has allotted the same as mentioned below.

Sl. No.	Date of Allotment	No. of Shares	Effective date of Listing
1	January 23, 2022	80,50,000	April 01, 2022
2	January 25, 2022	13,20,00,000	April 01, 2022
<b>Total Shares</b>		<b>14,00,50,000</b>	

The Warrants & Share Allotment Committee has on 9th March 2022 allotted 1,50,00,000 Equity Shares by converting warrants into equity and the same were listed on both the Exchanges with effect from April 19, 2022.

- o During the period under review the Board, in its

meeting held on December 09, 2021 has proposed to issue & allot 1,40,70,000 equity shares at Rs. 120.02 (Rupees One Hundred & Twenty and Two paise only) each to 4 non-promoters for part consideration of other than cash i.e., against the takeover of Vuchi Media Private Limited, through

- Preferential Issue as per the provisions of Chapter V of SEBI (ICDR) Regulations, 2018 and the same were listed on both the Exchanges with effect from April 13, 2022.*
- o *During the period under review the Board in its meeting held on January 25, 2022 has declared Bonus issue in the ratio of 2:3 and has allotted 80,71,68,749 (Eighty Crore Seventy-One Lakh Sixty-Eight Thousand Seven Hundred and Forty-Nine only) equity shares on March 22, 2022 and the same are listed on both the Exchanges with effect from May 30, 2022.*
  - (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - (e) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; NA for the Review Period;
  - (f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;  
*During the review period, the Company has through postal ballot taken the shareholders' approval to float Employee Stock Option Scheme 2021 to grant Employee Stock Options to the employees of the Company & its Subsidiaries. And have created Brightcom Group Employee Welfare and ESOP Benefit Trust for Secondary acquisition as per the provisions of SEBI (SBEB) Regulations, 2014.*
  - (g) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - NA for the Review Period;
  - (h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - NA for the Review Period;
  - (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;  
and based on the above examination, we hereby report that, during the Review Period:
  - (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines

issued thereunder,

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.
- (c) During the Review Period, no actions has been taken against the its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

*However, there has been delay in filing the listing applications for the Preferential Issues for which the Company has paid the requisite penalties to both BSE Limited and National Stock Exchange of India Limited.*

*As per the provisions of Chapter XI of SEBI (ICDR) Regulations, 2018, there was a delay in completion of Bonus Issue, as declared by the Company Board on June 28, 2021 by 3 days for which the Company has paid the requisite penalties to both BSE Limited and National Stock Exchange of India Limited under Regulation 295(1) of SEBI (ICDR) Regulations, 2018.*

*As per the provisions of Chapter XI of SEBI (ICDR) Regulations, 2018, there was a delay in completion of Bonus Issue, as declared by the Company Board on January 25, 2022 by 67 days for which the Company has paid the requisite penalties to both BSE Limited and National Stock Exchange of India Limited under Regulation 295(1) of SEBI (ICDR) Regulations, 2018.*

*The Chief Financial Officer of the Company retired under superannuation with effect from March 25, 2022 and the Company Secretary resigned during the year, both the positions are yet to be filled as on the date of this report.*

*During the review period, Mr. Raghunath Allam (DIN: 00060018), Independent Director has completed his second tenure as Independent Director on December 26, 2021 and in order to comply with the SEBI (LODR) Regulations, 2015, the Company has appointed Mr. Nilendu Chakraborty (DIN: 07505277) as Independent Director with effect from December 09, 2021.*

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the previous year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity.
There are no observations and accordingly no actions were taken			

Place: Kolkata  
Date: 30/05/2022

Sd/-  
SUDHANYA SENGUPTA  
Practicing Company Secretary  
FCS No: F7057 | C P No: 7756  
Peer Reviewer Code: 747  
UDIN: F007057D000435078

## Business Responsibility Report

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

### Section A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company	L64203TG1999PLC030996
2	Name of the Company	Brightcom Group Limited
3	Registered Office of the Company	Floor-5, Fairfield by Marriott, Road No.2, Nanakramguda, Gachibowli, Hyderabad, Telangana, India - 500032
4	Website	<a href="https://www.brightcomgroup.com/">https://www.brightcomgroup.com/</a>
5	E-mail id	ir@brightcomgroup.com
6	Financial Year reported	Financial year ending 31st March, 2022
7	Sectors that the company is engaged in (Industrial Activity code-wise)	Digital Marketing & Advertising Technology NIC Code: 9983
8	List three key products/services that the company manufactures/provides (as in Balance sheet)	Ad operations, Campaign management for online ads, data analytics of consumer response online, Advertising Platform support - Programmatic
9	Total number of locations where business activity is under taken by the Company	Our office in India is located in Hyderabad. Our international offices are located at San Jose, CA; Boston, US; Herzliya-Israel; Singapore; UAE; Sidney-Australia; Mexico City-Mexico; Chile, Buenos Aires -Argentina; Belgrade-Serbia; Berlin-Germany; Brasilia-Brazil; Montevideo, Paraguay; Asuncion-Paraguay, UK; France
	a) Number of International Locations (Provide details of major 5)	
	b) Number of National Locations	
10	Markets served by the Company	National & International

### Section B: Financial Details of the Company

1	Paid up Capital (INR)	403,58,43,746
2	Total Turnover (INR)	36,681.09 lakhs
3	Total Profit after taxes (INR)	171.57 lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	<b>Rs. 9.59 lakhs</b> 2% < as percentage of profit after tax
5	List of activities in which expenditure in 4 above has been incurred:-	Education and Environmental Protection

### Section C: Other Details

1	Does the Company have any subsidiary Company / Companies	Yes, The Company has 2 wholly owned Indian subsidiaries and 14 foreign subsidiaries.
2	Do the Subsidiary Company/companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)	No, However Certain business responsibility initiatives in the area of ethics, transparency and accountability, sustainable use of resources, wellbeing of employees are also being followed by its subsidiaries.
3	Do any other entity/entities (e.g., suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company. If yes, then indicate the percentage of such entity/entities (Less than 30%, 30-60%, more than 60%)	The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, it encourages them to adopt such practices while conducting their business.  Most of the suppliers, vendors, agents, consultants, contractors and third parties (More than 60%), who have business relationships with the Company, are contractually bound to abide by the Code of Conduct, Whistle Blower Policy and performance standards. In this capacity they are involved and participate in the Business Responsibility initiatives of the Company.

## Section D: Business Responsibility Information – OTHER DETAILS

### 1. Details of Director/Directors responsible for BR

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

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

b) Details of the BR Head

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

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

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

briefly are as under:

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

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

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

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

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

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

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

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

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

### a) Details of Compliances

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*Brightcom Group Limited strongly emphasis on serving its customers with the best quality services. The Company not only believes in delivery of quality services but also believes in on-time service to all of its customers. All the Customer complaints which were received have been resolved in adequate time and proposed improvements incorporated into the*

*processes and the Company makes sure that no complaints are pending at the end of the financial year*

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

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

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

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

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

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

*During the current COVID-19 pandemic situation, your company supported employees and their families, society and Government bodies during these tough times. A thorough thermal scanning and sanitization protocol was introduced at all the offices. The leadership team at Brightcom and all employees have done a commendable job in navigating through the crisis. Work from home was provided wherever possible to maintain lean staff in the work area. Our pro-activeness in setting up a crisis management team, robust business continuity processes, and infrastructure at Brightcom ensured uninterrupted services to our customers while maintaining health and safety of all the employees. Considering well-being of employees, we launched various initiatives where people can seek counsel to their stress, anxieties and fears.*

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

Has the Company mapped its internal and external

stakeholders? Yes/No

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

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

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

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

Company believes in improved health, education, environment and accordingly has undertaken several programs and initiatives to the disadvantaged, vulnerable and marginalized population living in the local community. To achieve the same, Company has a well-formulated CSR policy. During the year the Company has taken up activities i.e., providing sanitizers, maintain hygiene facilities, free food and other Covid Relief support in view of the ongoing pandemic.

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

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

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

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

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

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

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

The Environmental risk assessment is being done on periodic basis

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

During the FY 2021-22, the Company has not received any show cause/ legal notices from CPCB/ SPCB.

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

Is your Company a member of any trade and chamber or association? If Yes, Name only those

major ones that your business deals with? Yes. Company is a member of FTAPCCI

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

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

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

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

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

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

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

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

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

## Annexure – IV

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

(Pursuant to Section 135 of the Companies Act, 2013 and Rules made thereunder)

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

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

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

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

**2. Composition of CSR Committee:**

The composition of the Committee as at March 31, 2022 is as below:

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

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

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

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**

Not Applicable

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

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

**6. Average net profit of the company as per section 135(5): Rs. 9.59 Lacs****7. CSR Requirement:**

Sr. No.	Particulars	Amount (Rs. in Lacs)
a	Two percent of average net profit of the company as per Section 135(5)	Rs. 9.59 Lacs
b	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	NIL
c	Amount required to be set off for the financial year, if any	NIL
d	Total CSR obligation for the financial year (7a+7b-7c).	Rs. 9.59 Lacs

**8. CSR Spend:**

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

Total amount spent for the financial year 2021-22	Amount unspent (in Rs.)				
	Total amount transferred to unspent CSR account as per Section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
Rs. 9.59 Lacs	Not Applicable				

b) Details of CSR amount spent against ongoing projects for the financial year: **NA**c) Details of CSR amount spent against other than ongoing projects for the financial year: **Rs. 9.59 Lacs on Educational & Environmental activities.**d) Amount spent in Administrative Overheads: **Nil**e) Amount spent on Impact Assessment, if applicable: **NA**f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs. 9.59 Lacs**g) Excess amount for set off, if any: **NA**

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

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

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

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

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

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

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



# REPORT ON CORPORATE GOVERNANCE

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

## Company's Philosophy on Corporate Governance

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

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

## BOARD OF DIRECTORS

### Composition of the Board

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

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

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

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

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

The Composition of the Board of Directors as on March 31, 2022 with their attendance at the Board Meetings held during the year 2021-22 and at the last Annual General Meeting are as detailed below:

Name of the Director	Category of Directorship	Number of Board meetings attended during the year 2021-22	Attendance at the last AGM held on December 31, 2021	Number of directorships in other public companies #		Number of committee Positions held in this & Other public companies @	
				Director	Chairman	Member	Chairman
Mr. M. Suresh Kumar Reddy DIN: 00140515	Promoter & Executive	10	Yes	NIL	NIL	2	Nil
Mr. Vijay Kancharla DIN: 02744217	Promoter & Executive	1	Yes	NIL	NIL	3	1
Mr. Allam Raghunath* DIN: 00060018	Independent & Non-Executive	8	N.A.	NIL	NIL	N.A.	N.A.
Mr. Peshwa Acharya DIN: 06558712	Non-Executive and Non-Independent	9	Yes	NIL	NIL	NIL	NIL
Dr. K. Jayalakshmi Kumari DIN: 03423518	Independent & Non-Executive	10	Yes	1	NIL	9	3
Dr. Surabhi Sinha DIN: 07354441	Independent & Non-Executive	10	Yes	NIL	NIL	5	2
Mr. Nilendu Narayan Chakraborty \$ DIN: 07505277	Independent & Non-Executive	0	Yes	NIL	NIL	3	1

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

@ Committees Member column also includes Chairmanship.

\* Mr. Allam Raghunath has completed his tenure as an Independent Director of the Company with effect from close of business hours of December 26, 2021.

\$ Mr. Nilendu Narayan Chakraborty has appointed as an Independent Director of the Company with effect from December 09, 2021.

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

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

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

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

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

There were no shares held by Non-Executive Directors (comprising of only independent directors) as on March 31, 2022.

The Company conducts Familiarization Programme for the Board Members and particularly for Independent

Directors to enable them to be familiarized with the company, its management and its operations to gain a clear understanding of their roles, rights and responsibilities for enabling their contribution to the Company. Details of the familiarization programmes are hosted on [www.brightcomgroup.com](http://www.brightcomgroup.com).

Mr Peshwa Acharya (DIN: 06558712) was redesignated from Non-Executive Independent Director to Non-Executive and Non-Independent Director with effect from September 21, 2021.

Mr Nilendu Narayan Chakraborty (DIN: 07505277) was appointed as an Additional Director under the category of Non-Executive & Independent Director as per the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, on the Board of the Company with effect from December 09, 2021 for a period of five years and the same was approved by the shareholders in 22nd Annual General Meeting of the Company held on December 31, 2021.

Mr Allam Raghunath (DIN: 00060018) an Independent Director of the Company has completed the second term of office on December 26, 2021 thereby completing two terms as an Independent Director and consequently he also ceased to be a Director of the Company with effect from close of business hours of December 26, 2021.

## Board Meetings

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

### The Board of Directors met ten times during the financial year 2021-22.

Sl. No.	Date of Board Meeting	Sl. No.	Date of Board Meeting
1	April 02, 2021	2	June 09, 2021
3	June 28, 2021	4	July 13, 2021
5	August 13, 2021	6	September 16, 2021
7	November 13, 2021	8	December 09, 2021
9	January 06, 2022	10	January 25, 2022

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

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

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

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

Name of the Director	Qualifications	Area of expertise and skills
Mr. M. Suresh Kumar Reddy	Master of Science from Iowa State University and B.Tech., from IIT, Kharagpur.	Software Industry and Business Intelligence Development
Mr. Vijay Kancharla	Master of Science from University of Louisville and B.Tech., from JNTU, Hyderabad.	Online Advertising Technology
Mr. Peshwa Acharya	PGDM (MBA) from IIM Calcutta and BTECH ( Hons ) in Chemical Engineering from IIT Kharagpur	Consumer Marketing Professional with special emphasis on Retail , Hospitality , Technology , Consumer Products .
Dr. K. Jayalakshmi Kumari	Ph.D. in Social Sciences, M.A. (Economics), M.A. (Political Science), M. Phil., M.Ed.,	Teaching experience in Social Sciences and conducts awareness programs for women's development, entrepreneurship, health camps, community services towards encouragement of economically weaker women
Dr. Surabhi Sinha	Ph.D., in Mathematics from IIT, Kharagpur., M.Sc., (Mathematics)	Mathematics Professor, Expertise in Non-linear Systems, Linear Programming Approaches and Integer Solutions via Goal Programming
Mr. Nilendu Narayan Chakraborty	Chartered Accountant	Financial reporting systems, Information systems, Budgetary controls and Contract negotiations.

## Independent Directors Meeting

During the year 2021-22, all the Independent Directors of the Company met separately on November 13, 2021 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](http://www.brightcomgroup.com). All Directors and designated personnel in the senior management affirmed compliance with the Code for the year under review. The declaration to this effect furnished by Mr. M. Suresh Kumar Reddy, Chairman & Managing Director is annexed to this report.

## BOARD COMMITTEES:

The Company has six Board level Committees, namely Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Warrants and Share Allotment Committee and Risk Management Committee.

### I. Audit Committee:

The terms of reference of the Audit Committee are in conformity with the requirements of SEBI (LODR) Regulations, 2015 and Section 177(4) of the Companies

Act, 2013. Further, the Audit Committee has powers which are in line with the SEBI (LODR) Regulations, 2015. The responsibilities of the Committee include review of the quarterly and annual financial statements before submission to Board, review and approval of related party transactions, review of compliance of internal control system, overseeing the financial reporting process to ensure transparency, sufficiency, fairness and credibility of financial statements, statement of deviations, if any, etc. The Committee also reviews the functioning of whistle blower & Vigil mechanism.

The Audit Committee 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 (LODR) Regulations, 2015 and provisions of Section 177 of the Act.

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

Four meetings of the Audit Committee were held during the year viz. on June 28, 2021; August 13, 2021; November 13, 2021 and January 25, 2022 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, 2022 are as follows:

Name	Position	Category	No. of Meetings Attended
Mr. Allam Raghunath*	Chairman	Independent & Non-Executive Director	3 of 3
Mr. Vijay Kancharla	Member	Executive Director	Nil
Dr. K. Jayalakshmi Kumari	Member	Independent & Non-Executive Director	4 of 4
Dr. Surabhi Sinha	Member	Independent & Non-Executive Director	1 of 1

\* Mr. Allam Raghunath has completed his tenure as an Independent Director of the Company with effect from close of business hours of December 26, 2021.

Note: Mr. Nilendu Narayan Chakraborty is the chairman of the audit committee with effect from July 25, 2022.

## II. Nomination and Remuneration Committee:

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

delegated by the Board, from time to time.

For the year under review, four meetings of the Committee were held i.e., on June 09, 2021; September 13, 2021; October 28, 2021 and December 09, 2021.

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

Name	Position	Category	No. of Meetings Attended
Mr. Allam Raghunath *	Chairman	Independent & Non-Executive Director	4 of 4
Dr. Surabhi Sinha	Chairperson	Independent & Non-Executive Director	4 of 4
Dr. K. Jayalakshmi Kumari	Member	Independent & Non-Executive Director	4 of 4
Mr. Nilendu Narayan Chakraborty	Member	Independent & Non-Executive Director	-

\* Mr. Allam Raghunath has completed his tenure as an Independent Director of the Company with effect from close of business hours of December 26, 2021.

Note: Mr. Nilendu Narayan Chakraborty has been inducted as a member with effect from December 09, 2021.

## Board Evaluation

Pursuant to provisions of The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, annual performance evaluation of the Directors including Chairman, Board and its Committees has been carried out. The Nomination and Remuneration Committee reviews the said Performance Evaluation on 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 2021-2022.

The role of Non-Executive/Independent Directors of the

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

Payment criteria of Non-Executive directors are given in the Nomination and Remuneration Policy. The same is displayed in the 'Investor info' section of Company's [website www.brightcomgroup.com](http://www.brightcomgroup.com)

The details of remuneration covering salary and other benefits paid for the year ended March 31, 2022 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 31.03.2022 (Rs.)	No. of Shares held as on 31.03.2022
Mr. M. Suresh Kumar Reddy	NIL	0	173,02,725
Mr. Vijay Kancharla	NIL	0	53,93,295
Mr. Allam Raghunath	NIL	250,000	NIL
Dr. K. Jayalakshmi Kumari	NIL	340,000	NIL
Dr. Surabhi Sinha	NIL	320,000	NIL
Mr. Peshwa Acharya	NIL	70,000	NIL
Mr. Nilendu Narayan Chakraborty	NIL	30,000	NIL

### III. Stakeholders Relationship Committee:

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

The Chairperson of the Committee Dr. Surabhi Sinha is an Independent & Non-Executive Director.

One meeting of the Stakeholders Relationship Committee was held during the year on March 26, 2022.

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

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

The Company has received 30 complaints during the year under review; resolved all the complaints and no complaints were pending at the close of the financial year.

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

### SCORES:

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

### IV. Corporate Social Responsibility Committee:

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

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

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

The composition of the Committee as at March 31, 2022 is as below:

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

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

## V. Risk Management Committee:

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

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

## VI. General Body Meetings

### Location and time of last three Annual General Meetings

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

Financial Year	Date & Time	Location	Special Resolution Passed
2020-21	December 31, 2021 11:00 a.m.	Video Conferencing (VC) facility/ Other Audio Visual Means ("OAVM")	1. Issue of Equity Shares on a preferential basis
2019-20	December 28, 2020 11:00 a.m.	Video Conferencing (VC) facility/ Other Audio Visual Means ("OAVM")	1. To re-appoint Dr. K. Jayalakshmi Kumari (DIN: 03423518) as an Independent Director 2. Issuance of Warrants convertible into Equity Shares on Preferential basis
2018-19	September 27, 2019 10:00 a.m.	Ellaa Hotels, Hill Ridge Springs, Gachibowli, Hyderabad – 500032.	1. Reappointment of Mr. M. Suresh Kumar Reddy as the Chairman & Managing Director 2. Reappointment of Mr. Vijay Kancharla as Executive Director

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

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

Extraordinary General Meeting (EGM) of the Members of Brightcom Group Limited ("Company") was held on Thursday, 5th August, 2021 at 11.00 a.m. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

Mr. Sravan Korukonda (COP: 21828 & M. No. 43935) to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the EGM, in a fair and transparent manner.

Resolution	No. of Votes Polled	No. of Votes Cast in Favour	No. of Votes Cast Against	% of Votes Cast in Favour on Votes Polled	% of Votes Cast Against on Votes Polled
Increase in Authorized Share Capital of the Company	139194919	134914748	4280171	96.9251	3.0749
Alteration in the Capital Clause of Memorandum of Association	139192024	134427970	4764054	96.5774	3.4226
To Capitalize Reserves of the Company and to issue Bonus Shares	139195024	139133180	61844	99.9556	0.0444
To approve raising of funds and issuance of securities by the Company	139189024	138459911	729113	99.4762	0.5238
Issue of Equity Shares on a preferential basis to Non-Promoters	139187724	135948506	3239218	97.6728	2.3272

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

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

The company has sought the approval of shareholders by way of ordinary / special resolution(s) through notice of postal ballot notice dated June 09, 2021; September 16, 2021 and January 25, 2022.

### 1. Postal Ballot notice dated June 09, 2021:

Mr. A. Sridhar (FCS No. 9736 & C.P. No: 12011), Practicing Company Secretary was appointed as the scrutinizer for conducting the postal ballot process through remote e-voting in a fair and transparent manner.

Resolution	No. of Votes Polled	No. of Votes Cast in Favour	No. of Votes Cast Against	% of Votes Cast in Favour on Votes Polled	% of Votes Cast Against on Votes Polled
Approval of the Employee Stock Option Scheme 2021 of the Company and Grant of Employee Stock Options to the employees of the Company thereunder	88943027	88774900	168127	99.811	0.189
Approval of the Employee Stock Option Scheme 2021 and grant of Employee Stock Options to the employees of the Company's subsidiaries under the Scheme	88943027	88886469	56558	99.9364	0.0636
Authorization to the 'Brightcom Group Employee Welfare and ESOP Benefit Trust' for Secondary Acquisition	88943027	88868829	74198	99.9166	0.0834
Provision of interest free loan by the Company for purchase of its own shares by the Trust/Trustees for the benefit of Employees of the Company and Employees of Subsidiaries under the Brightcom Group Employees Stock Option Scheme 2021	88942977	88813289	129688	99.8542	0.1458
Disclosure of the pre-preferential holding to resolution no.6 of the AGM Notice dated December 04, 2020	88937775	85707856	3229919	96.3683	3.6317

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

### 2. Postal Ballot notice dated September 16, 2021:

Mr. Sravan Korukonda (ACS No. 43935 & C.P. No: 21828) Practicing Company Secretary was appointed as the scrutinizer for conducting the postal ballot process through remote e-voting in a fair and transparent manner.

Resolution	No. of Votes Polled	No. of Votes Cast in Favour	No. of Votes Cast Against	% of Votes Cast in Favour on Votes Polled	% of Votes Cast Against on Votes Polled
Issue of Equity Shares on a preferential basis to Non-Promoters	175048753	174096340	952413	99.4559	0.5441
Issuance of Warrants convertible into Equity Shares on Preferential basis to Non-Promoters	175136248	174143845	992403	99.4334	0.5666

### 3. Postal Ballot notice dated January 25, 2022:

Mr. Sravan Korukonda (ACS No. 43935 & C.P. No: 21828) Practicing Company Secretary was appointed as the scrutinizer for conducting the postal ballot process through remote e-voting in a fair and transparent manner.

Resolution	No. of Votes Polled	No. of Votes Cast in Favour	No. of Votes Cast Against	% of Votes Cast in Favour on Votes Polled	% of Votes Cast Against on Votes Polled
Increase in Authorized Share Capital of the Company	109409003	108605469	803534	99.2656	0.7344
Alteration in the Capital Clause of Memorandum of Association	109403114	101979311	7423803	93.2143	6.7857
To Capitalize Reserves of the Company and to issue Bonus Shares	109416028	102138460	7277568	93.3487	6.6513

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

## VII. Means of Communication

The quarterly, half-yearly and annual financial results are sent to the Stock Exchanges immediately after the Board approves the same. These results are published in English newspaper and vernacular newspaper shortly after its submission to the Stock Exchanges. The results

along with presentations made by the Company to Analysts are also posted on the website of the Company viz. [www.brightcomgroup.com](http://www.brightcomgroup.com). The Company's website also displays all official news releases from time to time. The Company organizes investor conference calls to discuss its financial results every quarter where investor queries are answered by the Management of the Company.

The Company's website [www.brightcomgroup.com](http://www.brightcomgroup.com) contains a separate dedicated section 'Investor Info' where shareholders information is available. Full text of Annual Report is also available on the website in a user friendly and downloadable format as per the requirement of the SEBI (LODR) Regulations, 2015.

### Certificate by Practicing Company Secretary

The Company has received certificate from Ms. Sudhanya Sengupta, Practicing Company Secretary (CP No.: 7756) 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):	23rd Annual General Meeting of the Company is scheduled to be held on Friday, the 30th day of September 2022 at 11:00 a.m. The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
ii.	Financial Year:	April 01 to March 31. The results of every quarter beginning from April are declared within the time specified under the provisions of SEBI (LODR) Regulations, 2015.
iii.	Dividend Payment Date	On or before Friday, October 28, 2022
iv.	Date of Book Closure:	Saturday, September 24, 2022 to Friday, September 30, 2022 (Both days inclusive).
v.	Listing on stock exchanges:	BSE Limited National Stock Exchange of India Limited Annual listing fee has been duly paid to the Stock Exchanges.
vi.	Stock codes:	BSE – Scrip Code: 532368; Scrip Id: BCG NSE – Symbol: BCG
vii.	Company's ISIN:	INE425B01027



## viii. Market price data

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

Month	BSE Limited		National Stock Exchange of India Ltd	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April 2021	8.55	7.5	8.55	7.5
May 2021	8.96	7.28	8.95	7.25
June 2021	22.74	8.49	22.35	8.55
July 2021	56.45	23.85	55.7	23.45
August 2021	48.5	27.25	47.8	27.85
September 2021	58.5	34.2	58.25	34.2
October 2021	90.55	58.5	90.1	59.75
November 2021	140.9	71.45	140.5	70.65
December 2021	204.8	118.3	204.8	118.75
January 2022	194	147.15	192.5	146.9
February 2022	183	112.35	182.9	112.15
March 2022	113.1	63.75	113.85	64.3

## ix. Registrars and Transfer Agents

AARTHI CONSULTANTS PRIVATE LIMITED  
(Unit: Brightcom Group Limited)

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

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

Email :info@arthiconsultants.com;  
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 Agent M/s. Arthi Consultants Private Limited, Hyderabad.

## x. Distribution of Shareholding as on March 31, 2022

Nominal Value of Shareholding (in Rs.)	No. of Shareholders	Percentage	No. of Shares	Percentage
Upto 5000	2,52,064	94.08	10,30,97,798	5.11
5001 - 10000	6,455	2.41	3,87,97,103	1.92
10001 - 20000	4,057	1.51	4,81,57,837	2.39
20001 - 30000	1,614	0.6	3,33,34,867	1.65
30001 - 40000	752	0.28	2,21,17,758	1.1
40001 - 50000	519	0.19	1,96,74,242	0.97
50001 - 100000	1,092	0.41	6,40,98,685	3.18
100000 & Above	1,365	0.51	1,68,86,43,583	83.68
<b>TOTAL</b>	<b>2,67,918</b>	<b>100</b>	<b>2,01,79,21,873</b>	<b>100</b>

**Categories of Shareholding as on March 31, 2022:**

Sl. No.	Category	No. of Shares held	% of shareholding
1	Promoter (s) / Promoter Group	37,28,02,980	18.47
2	Mutual Funds	3,605	0.00
3	Foreign Portfolio Investor	24,51,98,367	12.15
4	Bodies Corporate	25,73,17,077	12.75
5	Non Resident Individuals	17,29,60,738	8.57
6	Trusts	39,23,020	0.19
7	Employees	2,65,833	0.01
8	Overseas Corporate Bodies	4,94,16,667	2.45
9	General Public	90,99,83,937	45.10
10	NBFCs Registered with RBI	41,500	0.00
11	Clearing Members	60,08,150	0.30
<b>GRAND TOTAL</b>		<b>2,01,79,21,873</b>	<b>100.00</b>

**xi. Dematerialization of shares:**

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

As on March 31, 2022 a total of 196,78,02,158 equity shares which form 97.52% of the share capital stands dematerialized.

Your Company confirms that the entire Promoter's holdings are in electronic form and the same is in line with the directions issued by SEBI. The equity shares of the Company are regularly traded in BSE and NSE and hence have good liquidity.

**xii. Outstanding GDRs/ ADRs/ Warrants/ Convertible instruments**

The Company has not issued Global Depository Receipts or American Depository Receipts or any

Convertible instruments during the year under review. However, the company has issued and allotted 33,18,45,000 warrants to 54 allottees on April 15, 2021 out of which 32,56,55,000 have already been converted into equity and the balance 61,90,000 warrants are pending for conversion as on the date of this report.

**xiii. Commodity Price Risk/ Foreign Exchange Risk and Hedging**

The Company did not engage in hedging activities.

**xiv. Plant Location :**

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

**xv. Address for Correspondence:**

Company	Registrars and Transfer Agent
Investor Relations Brightcom Group Limited Floor: 5, Fairfield by Marriott, 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) 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 March 31, 2022 there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- (ii) The Company has formulated and adopted formal Whistle Blower Policy/vigil mechanism and the same is hosted on the Company's Web site and no concerned person has been denied access to the Audit Committee.
- (iii) The Company has framed a Material Subsidiary Policy and the same is placed on the Investors section of Company's website [www.brightcomgroup.com](http://www.brightcomgroup.com).
- (iv) The company has framed Related Party Transaction Policy and is placed on the Investors section of Company's website [www.brightcomgroup.com](http://www.brightcomgroup.com).
- (v) The Company has followed the treatment laid down in the Accounting Standards prescribed by the Institute of Chartered Accountants of India ('ICAI') which are notified by the Ministry of Corporate Affairs ('MCA') in the preparation of financial statements.
- (vi) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013  
During the financial year ended March 31, 2022, the Company has not received any complaints pertaining to Sexual Harassment.
- (vii) The Company has complied with all the applicable mandatory requirements of the Corporate Governance and 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.
- (viii) The Company has complied with all the mandatory clauses of corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of the regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the date of its applicability.

## Declaration of compliance with the Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended March 31, 2022.

**For and on behalf of the Board of Directors**

Place: Hyderabad  
Date: September 06, 2022

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

## 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 Executive Director of **BRIGHTCOM GROUP LIMITED** (formerly Lycos Internet Limited) ("the Company"), to the best of our knowledge and belief certify that:

- (A) We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2022 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**

Sd/-

**VIJAY KANCHARLA**

EXECUTIVE DIRECTOR

DIN: 02744217

For **BRIGHTCOM GROUP LIMITED**

Sd/-

**M. SURESH KUMAR REDDY**

CHAIRMAN & MANAGING DIRECTOR

DIN: 00140515

Place: Hyderabad

Date: September 06, 2022

## 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) CIN: L64203TG1999PLC030996 and having registered office at Floor 5, Fairfield byMarriott, Road No.2, Nanakramguda, Gachibowli, Hyderabad - 500032 (hereinafter referred to as '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, 2022. 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, 2022.

Sd/-

CS SUDHANYA SEN GUPTA  
Practicing Company Secretary  
FCS: F7057; C P No.: 7756  
UDIN: F007057D000915580

Place: Kolkata

Date: September 05, 2022

## Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI LODR Regulations)

To  
The Members of  
**Brightcom Group Limited**  
(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, Fairfield by Marriott, Road No.2, Nanakramguda, Gachibowli, Hyderabad - 500032 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://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, 2022 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 Kancharla	02744217	26/06/2012
3	Mr. Peshwa Acharya	06558712	15/09/2020
4	Dr. Jayalakshmi Kumari Kanukollu	03423518	17/05/2016
5	Dr. Surabhi Sinha	07354441	13/02/2018
6	Mr. Nilendu Narayan Chakraborty	07505277	09/12/2021

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

Sd/-

CS SUDHANYA SEN GUPTA

Practicing Company Secretary

FCS: F7057; C P No.: 7756

UDIN: F007057D000915635

Place: Kolkata

Date: September 05, 2022

# **STANDALONE FINANCIALS STATEMENTS**

**INDEPENDENT AUDITOR'S REPORT****To the Members of  
BRIGHTCOM GROUP LIMITED****Opinion**

We have audited the accompanying standalone financial statements of **M/s. Brightcom Group Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we

have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Emphasis of Matter Paragraph**

1. The Company has branch operations at USA having total asset of Rs.350,36,21,175/- and total turnover of Rs.334,72,71,593/- for the financial year 2021-2022.
2. With respect to income tax the company has certain appeals pending with the appropriate authorities. (Refer Note 48 to the Standalone Ind AS Financial statements).
3. SEBI ordered Forensic Audit vide Ref No - SEBI/HO/CFID/CFID\_4/P/OW/2021/24343/1 dated 16/09/2021 as per the provisions and Regulation 5 of SEBI (PFUTP) Regulations 2003 read with section 11C of SEBI Act, 1992 and Deloitte Touche Tohmatsu India LLP has been appointed as forensic auditor w.r.t the financial statements for the Financial years FY 2014-15 to FY 2019-20. The said Forensic Audit is under progress and the final outcome of the investigation is yet to come by the time of certification.  
Our opinion is not modified in respect of above matters



### **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 a significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a

manner that achieves fair presentation.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" and

“Annexure B” a statement on the matters Specified in paragraphs 3 and 4 of the Order.

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

- a) We have sought and 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 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure-B”. 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, during the year, the Company has not paid / provided remuneration.

- 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 and its subsidiary companies.
  - iv.
    - (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123

of the Act to the extent it applies to payment of dividend.

As stated in Note 50 to the standalone Ind AS financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

For P C N & Associates  
Chartered Accountants

FRN: 016016S

K Gopala Krishna Partner  
M.No:203605  
UDIN: 22203605A0NXXI1809

Place: Hyderabad

Date: 30/05/2022

## ANNEXURE 'A' 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. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant & Equipment (PPE).
- (b) The company is maintaining proper records showing full particulars of intangible assets.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, PPE have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (d) According to the information and explanations given to us and on the basis of examination of records, title deeds of immovable properties are held in the name of the company.
- (e) According to the information and explanations given to us and on the basis of our examination of records, the company has not revalued the Property Plant and Equipment or intangible assets during the period under review.
- (f) No proceedings have been initiated during the year or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. (a) The Company is in the business of providing software development and digital marketing services . So the Company does not hold any physical inventory.
- (b) The company has not availed any working capital from banks/ Financial Institutions.
- iii. a. During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- b. During the year the investments made by the Company is not prejudicial to the Company's interest. The Company has not provided guarantees or security and has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties and hence not commented upon.
- c. The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) to 3(iii)(f) of the Order is not applicable to the Company and hence not commented upon.
- 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 32 to notes to financial statements)
- v. The Company has not accepted any deposits during the year from the public within the meaning of the provisions of section 73 of "the Act" and hence directives issued by the reserve bank of India and the provisions of section

73 to 76 or any other relevant provisions of "the Act" the Rules framed there under are not applicable to the Company at present.

vi. As informed to us, the maintenance of Cost Records have not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

vii. (a) 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 ESI and other material statutory dues in arrears as at 31st March 2022, except statutory dues amounting to Rs. 5,24,78,575/- for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no material statutory dues of Provident Fund, Employee State Insurance which have not been deposited with the appropriate authorities on account of any dispute. However, according to the information and explanation given to us, the following dues of the Income-Tax, Service Tax, have not been deposited by the Company on account of disputes.

<b>Name of the statute</b>	<b>Years pertain to</b>	<b>Forum where it is pending</b>	<b>Amount Involved</b>
Service Tax	Liability for the period May 2008 to September 2011	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad	Rs.18,73,28,280
Service Tax	Liability for the period April 2014 to June 2017	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad	Rs.64,87,35,188
GST	Liability for the period July 2017 to March 2021	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad	Rs.32,87,08,861
Income Tax	Liability for the A.Y 2006-07 to A.Y 2009-10	CIT(Appeals) / ITAT	Rs.3,50,69,637
Income Tax	Liability for the A.Y 2010-11 to A.Y 2013-14	CIT(Appeals) / ITAT	Rs.23,58,62,757
Income Tax	Liability for the A.Y 2014-15 to A.Y 2018-19	CIT(Appeals) / ITAT	Rs.57,30,06,265

viii. As per the information and explanation given to us, there are no instances where the company has surrendered or disclosed such transactions as income during the period ended 31<sup>st</sup> March, 2022 in the tax assessments under the income tax Act, 1961.

ix. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not availed any loans from financial institutions or banks or issued debentures as at balance sheet date.

x. (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the period ended 31<sup>st</sup> March, 2022.

(b) According to the information and explanations given by the management, the company has made preferential allotment during the year. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 42 of the Companies Act 2013 in respect of preferential allotment of shares. Details of Preferential Allotment are given below:

Preferential allotment - I				
Date of Allotment	Name of the Allottee	Class of instrument	No of Shares	Amount Received (Rs.)
July 01, 2021	PANKTI COMMOALES LLP	Equity Shares	1,00,00,000	7,70,00,000
July 01, 2021	ANKIT KUMAR ALYA	Equity Shares	40,00,000	3,08,00,000
July 01, 2021	GAUTAM GOPIKISHAN MAKHARIA	Equity Shares	25,00,000	1,92,50,000
July 01, 2021	PUNEET GOPIKISHAN MAKHARIA	Equity Shares	25,00,000	1,92,50,000
July 01, 2021	SANJIB HIRENDRA CHAKRABORTY	Equity Shares	25,00,000	1,92,50,000
July 01, 2021	RUSHIDA RAHUL MEHTA	Equity Shares	15,00,000	1,15,50,000
July 01, 2021	POOJA RAJENDRA PRASAD PODDAR	Equity Shares	10,00,000	77,00,000
July 01, 2021	RAJENDRA PRASAD PODDAR	Equity Shares	10,00,000	77,00,000
July 01, 2021	SUSHILA DEVI PODDAR	Equity Shares	10,00,000	77,00,000
July 01, 2021	ASIF ISMAIL ATHANIYA	Equity Shares	10,00,000	77,00,000
July 01, 2021	SIDDHARTH DUBEY	Equity Shares	7,50,000	57,75,000
July 01, 2021	LORIYA MOHSIN RAFIK	Equity Shares	5,00,000	38,50,000
July 01, 2021	MEGHNA KAUSTUBH KULKARNI	Equity Shares	5,00,000	38,50,000
July 01, 2021	KAUSTUBH BALCHANDRA KULKARNI	Equity Shares	5,00,000	38,50,000
July 01, 2021	PONNA BHUVANESWARI	Equity Shares	4,50,000	34,65,000
July 01, 2021	SHIVKRISHNA HARAKCHAND DAMANI	Equity Shares	10,00,000	77,00,000
July 01, 2021	MANJU SHIVKRISHNA DAMANI	Equity Shares	10,00,000	77,00,000
July 01, 2021	VARUN SHIVKRISHNA DAMANI	Equity Shares	10,00,000	77,00,000
July 01, 2021	PRERNA VARUN DAMANI	Equity Shares	10,00,000	77,00,000
July 01, 2021	MOHAMED MAJID M SIDDIQUI	Equity Shares	5,00,000	38,50,000
July 23, 2021	MANGAL COMPUSOLUTION PVT LTD	Equity Shares	4,00,00,000	30,80,00,000
July 23, 2021	TALISMAN SECURITIES PVT LTD	Equity Shares	50,00,000	3,85,00,000
July 23, 2021	PALACE HEIGHTS AVENUES LLP	Equity Shares	45,00,000	3,46,50,000
July 23, 2021	Y SURYANARAYANA RAJU	Equity Shares	35,00,000	2,69,50,000
July 23, 2021	CHERUKURU SRINIVASA RAO	Equity Shares	15,00,000	1,15,50,000
July 23, 2021	AYAZ AMIR MANJEE	Equity Shares	10,00,000	77,00,000
July 23, 2021	PATLOLLA PRASHANTH REDDY	Equity Shares	5,00,000	38,50,000
July 23, 2021	KANEEZ ZAINAB	Equity Shares	5,00,000	38,50,000
July 23, 2021	ZAINAB HAJEEBHAI MANJEE	Equity Shares	5,00,000	38,50,000
July 23, 2021	SHABANA AYAZ MANJEE	Equity Shares	5,00,000	38,50,000
July 23, 2021	ASHISH CHHOTUBHAI HAMID	Equity Shares	5,00,000	38,50,000
July 23, 2021	P SOUMYA	Equity Shares	1,40,000	10,78,000
July 23, 2021	ADAPA SRINIVAS	Equity Shares	1,00,000	7,70,000
July 23, 2021	HIMAKUMAR KONDIPARTHI	Equity Shares	40,000	3,08,000
July 23, 2021	MLS SUDHEER	Equity Shares	6,00,000	46,20,000
July 23, 2021	P SIVA RAMA RAJU	Equity Shares	50,000	3,85,000
July 28, 2021	SARITA COMMOALES LLP	Equity Shares	5,00,00,000	38,50,00,000
July 28, 2021	KALPANA COMMOALES LLP	Equity Shares	2,50,00,000	19,25,00,000
July 28, 2021	SAHITAY COMMOALES LLP	Equity Shares	2,50,00,000	19,25,00,000
July 28, 2021	HANSRAJ COMMOALES LLP	Equity Shares	2,40,00,000	18,48,00,000
July 28, 2021	SHALINI SALES LLP	Equity Shares	2,00,00,000	15,40,00,000
July 28, 2021	HANIF AMIR MANJEE	Equity Shares	5,00,000	38,50,000
July 28, 2021	SAIRA HANIF MANJEE	Equity Shares	5,00,000	38,50,000
July 28, 2021	ZEESHAN HANIF MANJEE	Equity Shares	5,00,000	38,50,000
July 30, 2021	ARADHANA COMMOALES LLP	Equity Shares	5,00,00,000	38,50,00,000
July 30, 2021	SUBRATO SAHA	Equity Shares	2,20,00,000	16,94,00,000
July 30, 2021	PARUL PARIMAL MEHTA	Equity Shares	1,00,00,000	7,70,00,000
July 30, 2021	RAGHUNATH NAIDU KODIDINI	Equity Shares	8,00,000	61,60,000
July 30, 2021	SAYEEDA YASEEN	Equity Shares	4,00,000	30,80,000
August 12, 2021	VINITA JAIN	Equity Shares	38,25,000	2,94,52,500
			<b>32,56,55,000</b>	<b>2,50,75,43,500</b>



Preferential allotment - II				
Date of Allotment	Name of the Allottee	Class of instrument	No of Shares	Amount Received (Rs.)
Jan 23, 2022	Shikha Samit Bhartia	Equity Shares	20,00,000	7,55,40,000
Jan 23, 2022	Shilpi Dixit	Equity Shares	10,00,000	3,77,70,000
Jan 23, 2022	Vikas Dixit	Equity Shares	10,00,000	3,77,70,000
Jan 23, 2022	VAISHNAVA PRIYA VEERAMISTI	Equity Shares	5,00,000	1,88,85,000
Jan 23, 2022	NIKHIL TYAGI	Equity Shares	4,50,000	1,69,96,500
Jan 23, 2022	Arunangshu Ghosh	Equity Shares	4,00,000	1,51,08,000
Jan 23, 2022	Dipankar Bonnerjee	Equity Shares	4,00,000	1,51,08,000
Jan 23, 2022	Parul Moondhra	Equity Shares	3,00,000	1,13,31,000
Jan 23, 2022	Maninder SINGH SAHNI	Equity Shares	3,00,000	1,13,31,000
Jan 23, 2022	SUMITA ACHARYA	Equity Shares	2,50,000	94,42,500
Jan 23, 2022	AASHIKA GLOBAL FINANCE PVT LTD	Equity Shares	2,00,000	75,54,000
Jan 23, 2022	Parul Sunil Chawda	Equity Shares	1,60,000	60,43,200
Jan 23, 2022	Manoj Sunil Chawda	Equity Shares	1,60,000	60,43,200
Jan 23, 2022	Aakanksha M Chawda	Equity Shares	1,60,000	60,43,200
Jan 23, 2022	Hardik Sunil Chawda	Equity Shares	1,60,000	60,43,200
Jan 23, 2022	RITIKA RANJAN	Equity Shares	1,50,000	56,65,500
Jan 23, 2022	GOONJAN DHAR	Equity Shares	1,00,000	37,77,000
Jan 23, 2022	SONA KUMAR SAMPAT	Equity Shares	1,00,000	37,77,000
Jan 23, 2022	RAGHAV MALLIK	Equity Shares	1,00,000	37,77,000
Jan 23, 2022	RAJEEV KUMAR	Equity Shares	1,00,000	37,77,000
Jan 23, 2022	TARUN BHANDARI	Equity Shares	60,000	22,66,200
Jan 25, 2022	Citrus Global Arbitrage Fund	Equity Shares	2,00,00,000	75,54,00,000
Jan 25, 2022	Calypso Global Investment Fund	Equity Shares	2,70,00,000	1,01,97,90,000
Jan 25, 2022	Navigator Emerging Market Fund	Equity Shares	3,00,00,000	1,13,31,00,000
Jan 25, 2022	Connecor Investment Enterprises Ltd	Equity Shares	1,00,00,000	37,77,00,000
Jan 25, 2022	LGO Global opportunities Ltd	Equity Shares	3,00,00,000	1,13,31,00,000
Jan 25, 2022	Kamala Bai	Equity Shares	1,00,00,000	37,77,00,000
Jan 25, 2022	TIRUMALA STOCK BROKING PVT. LTD.	Equity Shares	50,00,000	18,88,50,000
			<b>14,00,50,000</b>	<b>5,28,96,88,500</b>

Preferential allotment - III				
Date of Allotment	Name of the Allottee	Class of instrument	No of Shares	Amount Received (Rs.)
March 09, 2022	Shankar Sharma	Equity Shares	<b>1,50,00,000</b>	<b>56,65,50,000</b>

Preferential allotment - IV				
Date of Allotment	Name of the Allottee	Class of instrument	No of Shares	Amount Received (Rs.)
Feb 03, 2022	Adithya Vuchi	Equity Shares	55,87,724	67,06,38,634
Feb 03, 2022	Neelima Marupuru	Equity Shares	55,87,724	67,06,38,634
Feb 03, 2022	Sunil Kumar Varma Potturi	Equity Shares	5,41,990	6,50,49,640
Feb 03, 2022	Vuchi Media Employee Welfare Trust	Equity Shares	23,52,562	28,23,54,491
			<b>1,40,70,000</b>	<b>1,68,86,81,400</b>

- xi. (a) Based on examination of books and records of the Company and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in form ADT- 4 as prescribed under rule 13 of the companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. 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.
- xvii. The company has not incurred any cash losses during the current year and in the immediate preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the Year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, based on our knowledge of the Board of Directors' and management plans (Refer to Note No – 54 to the financial statement), we are of the opinion that no material uncertainty exists as on the date of the audit report and company is capable of meeting its liabilities existing at the date of balance sheet.
- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub- section (5) of section 135 of the said Act. Accordingly, clause 3(xx) (a) of the order is not applicable for the year.
- (b) There are no amounts remaining unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project has been transferred to special account in compliance with provision of sub section (6) of section 135 of the said Act.

For P C N & Associates

Chartered Accountants

FRN: 016016S

K Gopala Krishna

Partner

M.No:203605

UDIN: 22203605AONXKI1809

Place: Hyderabad

Date: 30/05/2022

**ANNEXURE “B” 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, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditor’s Responsibility**

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

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

Judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that

- 1) Pertain to the maintenance of records that, in reasonable detailed, accurately and fairly reflect the transactions and dispositions of the assets of the company
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted principles, and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitation of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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

K Gopala Krishna  
Partner  
M.No:203605  
UDIN: 22203605AONXKI1809

Place: Hyderabad  
Date: 30-05-2022

Particulars	Note	As at 31st March '2022	As at 31st March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	50.66	67.10
Investment property	4	21.95	21.95
Other intangible assets	3	-	0.52
<b>Financial assets</b>			
- Investments	5	67,775.49	50,888.68
- Loans	6	10.37	19.91
- Others financial assets	7	164.45	164.45
Deferred tax assets (net)	8	-	212.84
Non- Current tax assets (net)	9	57.05	52.04
<b>Total Non-current assets</b>		<b>68,079.97</b>	<b>51,427.49</b>
<b>Current assets</b>			
<b>Financial assets</b>			
- Trade receivables	10	17,977.71	18,266.39
- Cash and cash equivalents	11	571.12	19.80
- Other bank balances	12	5.39	5.56
- Loans	13	87,884.27	11,519.99
- Other Financial Assets	14	61.78	57.36
Other current assets	15	4,326.17	2,600.62
<b>Total Current assets</b>		<b>1,10,826.44</b>	<b>32,469.73</b>
<b>Total assets</b>		<b>1,78,906.41</b>	<b>83,897.22</b>
<b>Equity</b>			
Equity Share capital	16	40,358.44	10,153.03
Other equity	17	1,21,617.44	51,476.27
<b>Total Equity</b>		<b>1,61,975.88</b>	<b>61,629.30</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	18	9,992.86	9,688.36
Provisions	19	505.59	445.51
Deferred tax liability (net)	8	66.90	-
<b>Total Non-current liabilities</b>		<b>10,565.35</b>	<b>10,133.87</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Trade payables	20	2,362.48	2,848.08
- Others financial liabilities	21	110.73	171.04
Other current liabilities	22	3,044.04	7,974.02
Provisions	23	847.94	1,140.91
<b>Total Current liabilities</b>		<b>6,365.19</b>	<b>12,134.05</b>
<b>Total equity and liabilities</b>		<b>1,78,906.41</b>	<b>83,897.22</b>

**AS PER OUR REPORT OF EVEN DATE**

For PCN &amp; Associates

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

CHARTERED ACCOUNTANTS

FRN:0160165

Sd/-

K.GOPALA KRISHNA

PARTNER

M.No.203605

For and on behalf of the Board

Brightcom Group Ltd

Sd/-

M.Suresh Kumar Reddy

Chairman &amp; Managing Director

Sd/-

Vijay Kancharia

Executive Director

Place : Hyderabad

Date : 30-05-2022

**Statement of Profit and Loss for the year ended 31st March'2022**

(Amount INR in Lakh)

Particulars	Note	For the period ended	For the year
		31st March'2022	31st March'2021
<b>Income</b>			
I. Revenue from operations	24	36,681.09	36,598.06
II. Other income	25	(226.08)	2,094.20
<b>III. Total income (I+II)</b>		<b>36,455.01</b>	<b>38,692.26</b>
<b>IV. EXPENSES</b>			
Purchase / Cost of Revenue	26	28,517.19	29,929.08
Employee Benefit expenses	27	3,834.47	3,859.31
Other Operating Expenses	28	3,676.15	3,652.98
Financial costs	29	31.27	9.54
Depreciation and amortization expense	3	18.87	23.15
<b>Total expenses (IV)</b>		<b>36,077.95</b>	<b>37,474.06</b>
<b>V. Profit/(loss) before tax (III-IV)</b>		<b>377.06</b>	<b>1,218.20</b>
<b>VI. Tax expense</b>			
Current tax		125.88	406.68
Deferred tax		79.61	(10.80)
<b>VII. Profit/(loss) for the period (V-VI)</b>		<b>171.57</b>	<b>822.31</b>
<b>VIII. Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plan(net of tax)		(2.12)	2.65
Income tax relating to items that will not be reclassified to profit or loss			
		-	
Exchange difference in translation of foreign operatins		173.32	(162.72)
<b>IX. Total comprehensive income for the period (VII+VIII)</b>		<b>342.76</b>	<b>662.25</b>
Earnings per share			
a) Basic (in Rs.)		0.009	0.16
b) Diluted (in Rs.)		0.009	0.16

**AS PER OUR REPORT OF EVEN DATE****For PCN & Associates****(Formerly Known as Chandra Babu Naidu & Co.,)****CHARTERED ACCOUNTANTS****FRN:0160165****Sd/-****K.GOPALA KRISHNA****PARTNER****M.No.203605****For and on behalf of the Board****Brightcom Group Ltd****Sd/-****Sd/-****M.Suresh Kumar Reddy****Vijay Kancharla****Chairman & Managing Director****Executive Director****Place : Hyderabad****Date : 30-05-2022**

**Cash flow statement for the year ended 31st March'2022**

Particulars	(Amount INR in Lakh)	
	Year ended	Year ended
	31st March'2022	31st March 2021
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax	377.06	1,218.19
<b>Adjustment for :</b>		
Add: Depreciation and amortisation expense	18.87	23.15
Interest Expense/(Income)		
Allowance for doubtful trade receivables	(199.02)	74.44
<b>Operating Profit before Working Capital Changes</b>	<b>196.91</b>	<b>1,315.78</b>
<b>Adjustment for Working Capital Changes:</b>		
Increase/(Decrease) in Short term Borrowings	-	(3,602.05)
Increase/(Decrease) in Trade Payables	(485.60)	(800.97)
Increase/(Decrease) in other Current Liabilities	(5,450.79)	152.59
Increase/(Decrease) in Others financial liabilities	(60.31)	(719.65)
Increase/(Decrease) in Short-Term Provisions	(41.91)	389.05
Decrease/(Increase) in Trade Receivables	487.71	3,263.24
Decrease/(Increase) in Short-Term Loans and Advances	(38,114.28)	(966.19)
(Increase)/Decrease in Other Financial Assets	(4.42)	(24.79)
(Increase)/Decrease in other Current Assets	(1,725.55)	(1,260.17)
<b>Cash Flow from Operating Activities</b>	<b>(45,198.25)</b>	<b>(2,253.16)</b>
Taxes paid	376.94	72.17
<b>Net Cash Flow from Operating Activities(A)</b>	<b>(45,575.19)</b>	<b>(2,325.33)</b>
<b>B Cash Flow from Investing Activities</b>		
Sale of Fixed assets		
Purchase/(Increase) of Fixed Assets	(1.91)	(2.27)
Investment in Subsidiary / Joint Venture	-	-
(Increase)/Decrease in Non-Current Investments	-	-
<b>Net cash flow from investing activities(B)</b>	<b>(1.91)</b>	<b>(2.27)</b>
<b>C. Cash Flows from Financing Activities</b>		
Increase/(Decrease) in Long Term Loans	-	-
Increase/(Decrease) in share capital	9,614.10	628.00
Increase/(Decrease) in share premium	74,023.72	2,512.00
Increase / (Decrease) in Foreign Currency Fluctuation Reserve	477.81	(411.85)
Increase/(Decrease) in long term provision	57.95	(10.65)
(Increase)/Decrease in loans and advances	(38,250.00)	-
(Increase)/Decrease in Deferred tax Asset(Net)	133.22	1.33
Increase/(Decrease) in Deferred tax Liability(Net)	66.90	-
(Increase)/Decrease in Long term loans and advances	9.54	0.75
(Increase)/Decrease in Non current Other Financial Assets	-	-
(Increase)/Decrease in Other Non - Current tax Assets(Net)	(5.01)	(390.36)
(Increase)/Decrease in Other Non - Current Assets	-	-
<b>Net cash flow from financing activities C</b>	<b>46,128.24</b>	<b>2,329.22</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>25.37</b>	<b>23.75</b>
<b>Net change in cash ( A+B+C)</b>	<b>551.14</b>	<b>1.62</b>
<b>Cash and cash equivalents at period ended 31st March'2022</b>	<b>576.51</b>	<b>25.37</b>



**Statement of Changes in Equity for the period ended 31st March 2022**

<b>A. Equity Share Capital</b>		(Amount INR in Lakh)					
Balance As at 1st April 2021	Changes in equity share	Balance as at 31st March 2022					
	10,153.03	30,205.41	40,358.44				
Balance As at 1st April 2020	Changes in equity share	Balance as at 31st March 2021					
	9,525.03	628.00	10,153.03				
<b>B. Other Equity</b>							
	<b>Reserves and Surplus</b>			<b>Items of Other</b>	Total		
	Capital Reserve	Securities premium reserve	General reserve	Surplus in statement of P&L	Foreign currency translation reserve	Actuarial Gain/(Loss)	Rupees
<b>Balance as at 1st April 2021</b>	<b>41,678.12</b>	<b>2,512.00</b>	<b>398.17</b>	<b>7,048.05</b>	<b>(162.72)</b>	<b>2.65</b>	<b>51,476.27</b>
Changes in accounting policy or prior period errors							
Restated balance at the beginning of the reporting period							
Add: during the year				<b>171.57</b>	<b>173.32</b>	<b>(2.12)</b>	<b>342.76</b>
Dividends(Including Dividend tax)				<b>520.82</b>			<b>520.82</b>
Transfer to General Reserve							-
Transfer to retained earnings							-
premium paid on newly issued shares		<b>90,629.13</b>					<b>90,629.13</b>
Reserves utilised for Bonus		<b>20,309.91</b>					<b>20,309.91</b>
<b>Balance at the end of the reporting period 31st March '2022</b>	<b>41,678.12</b>	<b>72,831.23</b>	<b>398.17</b>	<b>6,698.80</b>	<b>10.60</b>	<b>0.53</b>	<b>1,21,617.44</b>
	<b>Reserves and Surplus</b>			<b>Items of Other Comprehensive</b>		Total	
	Capital Reserve	Securities premium reserve	General reserve	Surplus in statement of P&L	Foreign currency translation reserve	Actuarial Gain/(Loss)	Rupees
<b>Balance as at 1st April 2020</b>	<b>41,678.12</b>		<b>398.17</b>	<b>6,479.56</b>			<b>48,555.85</b>
Changes in accounting policy or prior period errors							
Restated balance at the beginning of the reporting period							
Add: during the year		<b>2,512.00</b>		<b>822.31</b>	<b>(162.72)</b>	<b>2.65</b>	<b>3,174.24</b>
Dividends(Including Dividend tax)				<b>253.83</b>			<b>253.83</b>
Reserves utilised for Bonus							
<b>Balance at the end of the reporting period 31st March '2021</b>	<b>41,678.12</b>	<b>2,512.00</b>	<b>398.17</b>	<b>7,048.05</b>	<b>(162.72)</b>	<b>2.65</b>	<b>51,476.27</b>

## Brightcom Group Limited

Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup> March 2022

### 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 specifically in the areas of Digital Media advertising and in the fields of AI, ML, IOT to name a few. Our business knowledge in key verticals helps us provide solutions that are customized to address the specific needs while focusing on maximizing value of Information Technology investments such that clients can achieve their business objectives. We believe in fostering long-term relationships, and partner with our clients in their success. BCG Provides End-to-end Enterprise Solution Offerings and Specializing in ERP Solutions, Microsoft and Open Source Systems development.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a) Statement of compliance

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

#### b) Basis of preparation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and

services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### c) Use of estimates and judgements

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

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

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

#### Impairment of investments

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

#### Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This 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.

## Brightcom Group Limited

### Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup> March 2022

#### Contingencies

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

#### Defined Benefit Plans

The present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, rate of increment in salaries and mortality rates. Due to complexities involved in the valuation and

its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All the assumptions are reviewed at each reporting date.

#### Fair Value measurement of financial instruments

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

#### Intangibles

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

#### d) Current Vs Non-current classifications

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

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

- i. Expected to be 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 Directors. Dividend payable and corresponding tax on dividend distribution is recognized directly in equity.

#### f) Revenue recognition

##### 1) Digital Marketing Services:

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

**Brightcom Group Limited****Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup> March 2022**

- iv) Revenue from product sale and licensing arrangements are recognized on delivery and installation.
- v) Revenue is reported net of discounts, indirect and service taxes.

**2) Software Development:**

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

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

Interest income is recorded using the effective interest method.

**h) Leases**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a

**Brightcom Group Limited****Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup> March 2022**

corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option

**i) Cost recognition**

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

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

**j) . Foreign currency transactions****i. Functional and Presentation Currency:**

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

**ii. Initial Recognition:**

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

**iii. Conversion on reporting date:**

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

**iv. Exchange Differences:**

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

**k) Income taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or

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

**Current income taxes**

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

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

Advance taxes and provisions for current income taxes are presented in the Balance sheet after 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

## Brightcom Group Limited

### Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup> March 2022

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 recognise the transferred asset to the extent of the Company's continuing involvement.

## Brightcom Group Limited

### Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup> March 2022

#### iv. Impairment of financial assets:

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

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

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

Expected credit loss allowance or reversal 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 of directly attributable transaction costs.

##### ii) Subsequent measurement:

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial

recognition as at fair value through profit or loss. Gain or losses on liabilities held for trading are 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 recognised in profit or loss as other income or finance costs.

##### m) Cash and cash equivalents

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

##### n) Financial Guarantee Contracts:

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

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

Subsequently these contracts are measured at the higher of:

- a. the amount of the loss allowance determined as per impairment requirements of Ind AS 109, and
- b. the amount initially recognized, less where appropriate, cumulative amount of income

**Brightcom Group Limited****Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup> March 2022**

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 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
<b>Computer equipment</b>	Straight line	3 years
<b>Office equipment's</b>	Straight line	5 years
<b>Furniture and fixtures</b>	Straight line	10 years
<b>Electrical installations</b>	Straight line	10 years
<b>Vehicles</b>	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 licences which are



**Brightcom Group Limited****Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup> March 2022**

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 do no longer exist 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 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.

**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.

**Brightcom Group Limited****Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup> March 2022**

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 3 : PROPERTY, PLANT AND EQUIPMENT &amp; INTANGIBLE ASSETS AS AT 31-03-2022

(Amount INR in Lakh)

Sl. No.	Particulars	As on 1st April, 2021	Additions during the year	Sale / Deletions during the year	As on 31st March'2022	Dep. As on 1st April, 2021	Depreciation/Amo rtization for the year	Sale / Deletions during the year	Adjustments to Reserves as per New Act	Total Depreciation	Net Block as on 31st March,2022	Net Block as on 31st March,2022
<b>PROPERTY, PLANT AND EQUIPMENT</b>												
1	Electrical Equipment	240.40			240.40	240.40	-			240.40	(0.00)	(0.00)
2	Office Equipment	545.89	1.91		547.80	523.77	2.20			525.97	21.83	22.11
3	Air conditioners	74.92			74.92	59.98	4.50			64.48	10.44	14.94
4	Computers	3,600.81			3,600.81	3,584.12	0.77			3,584.89	15.92	16.69
5	Furniture	1,032.28			1,032.28	1,018.92	10.89			1,029.81	2.47	13.36
6	Vehicles	10.78			10.78	10.78	-			10.78	(0.00)	0.00
		5,505	1.91	-	5,506.99	5,437.97	18.35	-	-	5,456.32	50.66	67.10
<b>INTANGIBLE FIXED ASSETS</b>												
1	Computer Products / Rights	23.74			23.74	23.22	0.52			23.74	0.00	0.52
		<b>23.74</b>	<b>-</b>	<b>-</b>	<b>23.74</b>	<b>23.22</b>	<b>0.52</b>	<b>-</b>	<b>-</b>	<b>23.74</b>	<b>0.00</b>	<b>0.52</b>
	<b>TOTAL</b>	<b>5,529.00</b>	<b>1.91</b>	<b>-</b>	<b>5,530.73</b>	<b>5,461.19</b>	<b>18.87</b>	<b>-</b>	<b>-</b>	<b>5,480.07</b>	<b>50.66</b>	<b>67.62</b>

## Notes forming part of Standalone Financial Statements

## NOTE NO. 4 : INVESTMENT PROPERTY

S.No.	Particulars	As at 31st March'2022	As at 31st March 2021
I	Land at cost	21.95	21.95
	<b>Total Investment Property</b>	<b>21.95</b>	<b>21.95</b>

## NOTE NO. 5 : INVESTMENTS – NON CURRENT

S.No.	Particulars	As at 31st March'2022	As at 31st March 2021
	<b>Investments – Non- Current</b>		
	<b>(a) Investment in Equity Instruments at cost</b>		
I	<b>(i) Subsidiaries (Unquoted)</b>		
	Frontier Data Management Inc. USA	12,984.77	12,984.77
	International Expressions Inc. USA	10,453.63	10,453.63
	Online Media Solutions Limited , Israel	5,178.81	5,178.81
	Ybrant Media Acquisition Inc. USA	12,652.40	12,652.40
	Dream Ad Group	5,432.40	5,432.40
	Max Interactive Pty Ltd., Australia	4,174.90	4,174.90
	Dyomo Corporation .USA	4.67	4.67
	Ybrant Digital Services De Publicidade Ltda,Brazil	2.66	2.66
	Ybrant Digital (Brasil) Ltd., Singapore	0.00	0.00
	LGS Global FZE, UAE	2.44	2.44
	LIL Projects Private Limited	1.00	1.00
	Yreach Media Pvt.Ltd	0.99	0.99
	Vuchi Media Pvt Ltd	16,886.81	-
	<b>Total Investments Non- Current</b>	<b>67,775.49</b>	<b>50,888.68</b>

## NOTE NO. 6 : LOANS – NON CURRENT

S.No.	Particulars	As at 31st March'2022	As at 31st March 2021
	<b>Loans – Non- Current</b>		
I	<b>Unsecured, Considered Good</b>		
	(a) Security deposits	10.37	19.91
	<b>Total Loans – Non- Current</b>	<b>10.37</b>	<b>19.91</b>

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

S.No.	Particulars	As at 31st March'2022	As at 31st March 2021
	<b>Other financial assets – Non- Current</b>		
	<b>Unsecured Considered Good</b>		
I	Advances to related parties		
	- Ybrant Employees Welfare Trust	107.50	107.50
	- LGSL Foundation Trust	56.95	56.95
	<b>Total Other financial assets – Non- Current</b>	<b>164.45</b>	<b>164.45</b>

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

S.No.	Particulars	As at 31st March'2022	As at 31st March 2021
	<b>Deferred tax assets (net)</b>		
	<b>Deferred tax liability</b>	482.31	505.83
I	Allowances for bad and doubtful debts	66.43	(24.85)
	Acturail gain or loss of gratuity		1.32
	<b>Deferred tax assets</b>		
	Opening Deferred tax assets	695.15	709.20
	- Fixed Assets	(14.47)	(16.36)
	- Provision for gratuity and compensated absences	1.29	2.31
	Allowances for bad and doubtful debts	-	-
	Acturail gain or loss of gratuity	-	-
	MAT Credit	(200.12)	-
	<b>Deferred tax assets (net)</b>	<b>(66.90)</b>	<b>212.84</b>

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

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Non- Current tax assets (net)</b>			
I	-TDS Receivables	57.05	52.04
<b>Total Non- Current tax assets (net)</b>		<b>57.05</b>	<b>52.04</b>

**NOTE NO. 10 : TRADE RECEIVABLES**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Trade receivables</b>			
	(i) Unsecured considered good	18,492.44	18,980.15
	Less: Allowances for bad and doubtful debts	514.73	713.75
I	<u>Notes</u>		

*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.*

<b>Total Trade receivables</b>		<b>17,977.71</b>	<b>18,266.39</b>
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Please refer note no.44

**NOTE NO. 11 : CASH AND CASH EQUIVALENTS**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Cash and cash equivalents</b>			
Balances with banks			
I	(i) Current accounts	571.11	19.76
	(ii) Cheques, drafts on hand		
	(iii) Cash on hand	0.01	0.04
<b>Total Cash and cash equivalents</b>		<b>571.12</b>	<b>19.80</b>

**NOTE NO. 12 : OTHER BANK BALANCES - CURRENT**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Other bank balances - Current</b>			
(i) Earmarked balances with Banks			
I	- Unpaid Dividend	2.45	2.62
	(ii) Balances with bank held as Margin Money	2.94	2.94
<b>Total Other bank balances - Current</b>		<b>5.39</b>	<b>5.56</b>

**NOTE NO. 13 : LOANS - CURRENT**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Loans -Current</b>			
Unsecured Considered Good			
I	<b>(a) Loans to related parties</b>		
	LIL Projects Private Limited	5,220.28	-
	Yreach Media Pvt.Ltd	19,519.12	-
	- Advances to Employees	211.72	1,018.59
	(b) Other Advances	62,933.15	10,501.40
<b>Total Loans - Current</b>		<b>87,884.27</b>	<b>11,519.99</b>

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

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Other financial asset-Current</b>			
<b>(a) Security deposits</b>			
I	- Rental deposits	32.57	32.57
	- Other deposits	29.21	24.79
<b>Total Other Financial Assets - Current</b>		<b>61.78</b>	<b>57.36</b>

**NOTE NO. 15 : OTHER CURRENT ASSETS**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Other Current Assets</b>			
I	Other Current Assets	4,326.17	2,600.62
<b>Total Other Current Assets</b>		<b>4,326.17</b>	<b>2,600.62</b>

**Note No: 16 Equity share capital**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Equity share capital</b>			
<b>(i) Authorized</b>			
I	(2,250,000,000 Equity Shares of Rs.2/- each )	45,000.00	19,500.00
<b>(ii) Issued, Subscribed and Paid Up</b>			
	(2,017,921,873 Equity Shares Rs.2/- each)	40,358.44	10,153.03
<b>(iv) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:</b>			
<b>Number of Shares</b>			
	Shares outstanding at the beginning of the year	50,76,51,499	47,62,51,499
	Add: Issued and allotted during the year	1,51,02,70,374	3,14,00,000
	Shares outstanding at the end of the year	2,01,79,21,873	50,76,51,499
<b>(v) Rights, Preferences and restrictions attached to the equity shares:</b>			
	(a) The Company has only one class of equity shares having par value of ₹2 each. Each shareholder is eligible for one vote per share held.		
	(b) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by equity shareholders.		
(vi)	Shares held by holding Company		
(vii)	The details of shareholders holding more than 5% shares in the Company		
<b>(a) Equity Shares</b>			
	M. Suresh Kumar Reddy		
	Number of equity shares		7,50,84,653
	% of holding		14.83%
	Vijay Kumar Kancharia (HUF)		
	Number of equity shares		6,20,44,564
	% of holding		12.22%
	ARADHANA COMMOSALES LLP		
	Number of equity shares	10,41,66,666	
	% of holding	5.16%	
	SARITA COMMOSALES LLP		
	Number of equity shares	10,41,66,666	
	% of holding	5.16%	
<b>The details of shareholding of promoters as at 31st March 2022</b>			
	<b>Promoter Name</b>	<b>No of Shares</b>	<b>% of Total Shares</b>
	ARADHANA COMMOSALES LLP	10,41,66,666	5.16%
	SARITA COMMOSALES LLP	10,41,66,666	5.16%
	KALPANA COMMOSALES LLP	5,20,83,333	2.58%
	SHALINI SALES LLP	4,16,66,666	2.06%
	M SURESH KUMAR REDDY	1,73,02,725	0.86%
	VIJAY KANCHARLA	53,93,295	0.27%
	VIJAY KUMAR KANCHARLA HUF	3,22,54,890	1.60%
	S V RAJYALAXMI REDDY	31,95,833	0.16%
	M. GANGI REDDY	24,10,000	0.12%
	M. SUBHADRA REDDY	2,99,458	0.01%
	PALLE SUGUNA REDDY	43,77,416	0.22%
	K MOHAN RAO	3,750	0.00%
	VENKATESWARA RAO	14,87,421	0.07%
	MUTHUKURU SHASHIDHAR REDDY	27,93,750	0.14%
	FINGROWTH CO. LTD	10,71,945	0.05%
	PROBUS CAPITAL LIMITED	10,416	0.00%
	MUNDI ENTERPRISE LIMITED	1,18,750	0.01%
	<b>TOTAL</b>	<b>37,28,02,980</b>	<b>18.47%</b>
<b>*Note:</b>			
<b>% Change During the year*</b> between FY 2020-21 & FY 2021-22 is not shown for the current year as there were many corporate actions in the form of Preferential Issue of Warrants convertible in to equity shares, Preferential Issue of Equity Shares, two-time Bonus Issues which resulted in dilution of share capital of the Company.			

There was allotment of 32,56,55,000 (Thirty-Two Crore Fifty-Six Lakh and Fifty-Five Thousand) equity shares against the warrants on preferential basis, Bonus issue in the ratio of 1:4 with allotment of 20,83,26,625 (Twenty Crore Eighty-Three Lakh Twenty-Six Thousand Six Hundred and Twenty-Five) equity shares, allotment of 14,00,50,000 equity shares and 1,50,00,000 equity shares against the warrants on preferential basis, allotment of 1,40,70,000 equity shares against the proposed acquisition and Bonus issue in the ratio of 2:3 with allotment of 80,71,68,749 (Eighty Crore Seventy-One Lakh Sixty-Eight Thousand Seven Hundred and Forty-Nine only) equity shares.

Promoter Name	No of Shares	% of Total Shares	% of Change in shares
M SURESH KUMAR REDDY	7,52,84,653	14.83%	-
VIJAY KANCHARLA	38,20,946	0.75%	-
VIJAY KUMAR KANCHARLA HUF	6,20,44,564	12.22%	-
S V RAJYALAXMI REDDY	65,34,000	1.29%	-
M. GANGI REDDY	11,56,800	0.23%	-
M. SUBHADRA REDDY	1,41,500	0.03%	-
PALLE SUGUNA REDDY	21,01,160	0.41%	-
K MOHAN RAO	1,800	0.00%	-
VENKATESWARA RAO	7,13,963	0.14%	-
MUTHUKURU SHASHIDHAR REDDY	13,41,000	0.26%	-
FINGROWTH CO. LTD	14,14,534	0.28%	-
PROBUS CAPITAL LIMITED	6,05,000	0.12%	-
MUNDI ENTERPRISE LIMITED	1,66,953	0.03%	-
GEETHA KANCHARLA	65,34,000	1.29%	-
REDMOND INVESTMENTS LTD	2,47,66,812	4.88%	-
<b>TOTAL</b>	<b>18,66,27,685</b>	<b>36.76%</b>	<b>-</b>

**Note No: 17 Other equity**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
	<b>Other equity</b>		
	<b>(i) Reserves &amp; Surplus</b>		
	<b>a).Capital reserve</b>		
	Opening balance	41,678.12	41,678.12
	Add:During the year	-	-
		<b>41,678.12</b>	<b>41,678.12</b>
	<b>b).Securities Premium</b>		
	Opening balance	2,512.00	-
	Add:During the year	90,629.13	2,512.00
	Less: Bouns shares issued	20,309.91	-
		<b>72,831.23</b>	<b>2,512.00</b>
	<b>c).General reserve</b>		
	Opening balance	398.17	398.17
	Add:During the year	-	-
		<b>398.17</b>	<b>398.17</b>
	<b>d).Surplus</b>		
	Opening balance	7,050.70	6,479.56
	Add: Profit for the year	171.57	822.31
	Add: Remeasurement of the defined benefit plan	(2.12)	2.65
	Less: Dividend issued	520.82	253.83
		<b>6,699.33</b>	<b>7,050.70</b>
	<b>e).Foreign currency translation reserve</b>		
	Opening balance	(162.72)	-
	Add:During the year	173.32	(162.72)
		10.60	(162.72)
	<b>Total</b>	<b>1,21,617.44</b>	<b>51,476.27</b>

**NOTE NO. 18 : BORROWINGS – NON CURRENT**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Borrowings – Non-Current</b>			
<b>(i) From banks-Secured</b>			
<b>(ii) From other parties-Unsecured</b>			
<b>Loans from Related parties</b>			
I	Dream Ad, Panama – Loan	833.91	808.50
	Frontier Data Management –Loan	985.97	955.93
	International Expressions	797.31	773.01
	Online Media – Loan	1,195.52	1,159.10
	Ybrant Media Inc – Loan	6,180.14	5,991.83
<b>Total Long term Borrowings Non-Current</b>		<b>9,982.86</b>	<b>9,688.36</b>

**NOTE NO. 19 : PROVISIONS – NON CURRENT**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Provisions- Non Current</b>			
	Provision for employee benefits		-
I	(a) Gratuity	52.48	45.12
	(b) Leave encashment	16.91	16.91
	Other Provisions	436.19	383.47
<b>Total provisions Non current</b>		<b>505.59</b>	<b>445.51</b>

**NOTE NO. 20 : TRADE PAYABLES – CURRENT**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Trade payables</b>			
I	Total outstanding dues of micro enterprises and small enterprises	0.19	0.29
	Total outstanding dues of creditors other than micro enterprises and small enterprises	2,362.29	2,847.79
<b>Total Trade payables – Current</b>		<b>2,362.48</b>	<b>2,848.08</b>
Please refer note no.45			

**NOTE NO. 21 : OTHER FINANCIAL LIABILITIES – CURRENT**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Other financial liabilities – Current</b>			
I	Others	110.73	171.04
<b>Total Other financial liabilities – Current</b>		<b>110.73</b>	<b>171.04</b>

**NOTE NO. 22 : OTHER CURRENT LIABILITIES**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Other current liabilities</b>			
I	Unpaid dividend	1,301.08	1,220.78
	Other Current Liabilities	1,742.97	6,753.24
<b>Total Other current liabilities</b>		<b>3,044.04</b>	<b>7,974.02</b>

**NOTE NO. 23 : PROVISIONS – CURRENT**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Provisions – Current</b>			
<b>(i) Provision for employee benefits</b>			
I	Employee benefit payable	207.38	185.98
<b>(ii) Others</b>			
	(a) Provisions for expenses	8.95	10.17
	(b) Other Provisions	505.73	538.08
	(c) Tax	125.88	406.68
<b>Total Provisions – Current</b>		<b>847.94</b>	<b>1,140.91</b>



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

S.No.	Particulars	For the period	For the period
		31st March'2022	31st March'2021
I	Sale of Software Exports	36,681.09	36,598.06
	<b>Total Revenue from Operations</b>	<b>36,681.09</b>	<b>36,598.06</b>

**NOTE NO. 25 : OTHER INCOME**

S.No.	Particulars	For the period	For the period
		31st March'2022	31st March'2021
	Interest income	0.08	-
I	Net gain/loss on foreign currency translation and transaction	(226.15)	160.72
	Other Income		1,933.48
	<b>Total Other Income</b>	<b>(226.08)</b>	<b>2,094.20</b>

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

S.No.	Particulars	For the period	For the period
		31st March'2022	31st March'2021
I	Software Purchase & Sub Contractors Cost	28,517.19	29,929.08
	<b>Total Purchase/Cost of Revenue</b>	<b>28,517.19</b>	<b>29,929.08</b>

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

S.No.	Particulars	For the period	For the period
		31st March'2022	31st March'2021
	Salaries,wages and allowances	3,828.98	3,854.86
I	Contribution to provident and other fund	5.16	4.28
	Staff Welfare Expenses	0.32	0.17
	<b>Total Employee Benefit Expenses</b>	<b>3,834.47</b>	<b>3,859.31</b>

**NOTE NO. 28 : OTHER OPERATING EXPENSES**

S.No.	Particulars	For the period	For the period
		31st March'2022	31st March'2021
	Power & Fuel	3.74	4.30
	Rent	473.51	491.73
	Repairs & Maintenance	80.71	89.99
	Insurance	102.50	73.17
I	Rates & Taxes (excluding Income Tax)	20.95	1.75
	Miscellaneous Expenses	6.36	12.08
	Payment to Auditors:	-	-
	(i) As Auditor fee	2.00	2.00
	(ii) For Tax Audit fee	1.00	1.00
	(iii) For Other Audit related Services	2.00	2.00
	Ins Fee	-	25.40
	Discount Expense	-	-
	Telephone, Postage and Others	157.00	146.23
	Business Promotion Expenses	680.26	681.51
	Travelling and Conveyance	14.25	9.70
	Office Maintenance	204.74	164.02
	Printing & Stationery Expenses	9.26	8.70
	Security Charges	14.39	10.22
	Consultancy Charges	210.54	191.76
	Event Sponsorship & Seminar Fee	20.00	-
	Web Development Expenses	458.58	517.35
	Professional Charges	360.37	204.86
	Sales and Marketing Expenses	736.89	721.18
	Books & Subscriptions	26.23	23.23
	Provision for Impairment of Debtors	(199.02)	74.44
	Other Expenses	280.29	196.35
	CSR Expenditure	9.59	-
	<b>Total Other Operating Expenses</b>	<b>3,676.15</b>	<b>3,652.98</b>

**NOTE NO. 29 : FINANCE COSTS**

S.No.	Particulars	For the period	For the period
		31st March'2022	31st March'2021
I	Interest on Term Loan		9.23
	Loan processing Charges & Bank Charges	31.27	0.31
	<b>Total Finance Costs</b>	<b>31.27</b>	<b>9.54</b>

## Brightcom Group Limited

Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup> March 2022**30. Auditor's Remuneration:**

Particulars	(in INR lakhs.)	
	2022	Year ended 31 <sup>st</sup> March, 2021
<b>Statutory Audit Fees</b>	2.00	2.00
<b>Tax Audit Fee</b>	1.00	1.00
<b>Other Audit related Services</b>	2.00	2.00
<b>Total</b>	<b>5.00</b>	<b>5.00</b>

**31. Quantitative Details:**

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

**32. Related Party Transactions:**

During the financial year 2021-22 the Company has entered into some transactions, which can be deemed as related party transactions. All these matters have been approved by the Board, wherever necessary.

**(a) Related Parties:**

S.No.	Particulars	Nature of Relationship
1	M. Suresh Kumar Reddy	Chairman and Managing Director
2	Vijay Kancharla	Executive Director
3	K. Jaya Lakshmi kumari	Independent Director
4	Nilendu Narayan Chakraborty	Independent Director
5	Surabhi Sinha	Independent Director
6	Raghunath Allamsetty	Independent Director
7	Peshwa Acharya	Independent Director
8	Yreach Media Private Limited, India	99% Owned Subsidiary
9	LIL Projects Private Limited, India	Wholly Owned Subsidiary
10	Frontier Data Management Inc, USA	Wholly Owned Subsidiary
11	International Expressions Inc, USA	Wholly Owned Subsidiary
12	Online Media Solutions Limited, Israel	Wholly Owned Subsidiary
13	Ybrant Media Acquisition Inc, USA	Wholly Owned Subsidiary
14	Dyomo Corporation, USA	Wholly Owned Subsidiary
15	Max Interactive Pty, Ltd., Australia	Wholly Owned Subsidiary
16	DreamAd, Argentina	Wholly Owned Subsidiary
17	DreamAd, Chile	Wholly Owned Subsidiary
18	Get Media Mexico Sociedad Anonima De Capital Variable, Mexico	Wholly Owned Subsidiary
19	DreamAd, Panama	Wholly Owned Subsidiary
20	DreamAd, Uruguay	Wholly Owned Subsidiary

## Brightcom Group Limited

Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup> March 2022

21	Ybrant Digital Servicos De Publiciade Ltda, Brasil	Wholly Owned Subsidiary
22	Ybrant Digital (Brasil) Ltd., Singapore	Wholly Owned Subsidiary
23	LGS Global FZE, UAE	Wholly Owned Subsidiary
24	Ybrant Employees welfare Trust	Directors acting as Trustees
25	LGS Foundation Trust	Directors acting as Trustees
26	Vuchi Media Pvt Ltd	Associate company

**(b) Balances with related parties at the year-end:****(i) Unsecured loans from Related Parties:****(Amount in Rs.)**

Particulars	Year ended 31 <sup>st</sup> March	
	2022	2021
DreamAd, Panama	833.91	808.50
Frontier Data Management Inc, USA	985.97	955.93
International Expressions Inc, USA	797.31	773.01
Online Media Solutions Limited, Israel	1,195.52	1,159.10
Ybrant Media Acquisition Inc, USA	6,180.14	5,991.83
LIL Projects Pvt Ltd	-	5,057.26
Yreach Media Pvt Ltd	-	112.47

**(ii) Investment in Subsidiaries and Associates:**

Particulars	Year ended 31 <sup>st</sup> March	
	2022	2021
DreamAd Group	5,432.40	5,432.40
Frontier Data Management Inc., USA	12,984.77	12,984.77
International Expressions Inc., USA	10,453.63	10,453.63
Online Media Solutions Limited, Israel	5,178.81	5,178.81
Ybrant Media Acquisition Inc.,USA	12,652.40	12,652.40
Max Interactive Pty Ltd, Australia	4,174.90	4,174.90
Dyomo Corporation, USA	4.67	4.67
Ybrant Digital Servicos De Publiciade Ltda,Brasil	2.66	2.66
Ybrant Digital (Brasil) Ltd., Singapore	0.00	0.00
LGS Global FZE,UAE	2.44	2.44
Yreach Media Pvt Ltd.	0.99	0.99
LIL Projects private limited.	1.00	1.00
Vuchi Media Pvt Ltd	16,886.81	

## Brightcom Group Limited

Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup> March 2022**(iii) Unsecured loans to related parties:**

Particulars	year ended 31 <sup>st</sup> March	
	2022	2021
Ybrant Employees welfare Trust	107.50	107.50
LGSL Foundation Trust	56.95	56.95
LIL Projects Pvt Ltd	5,220.28	-
Yreach Media Pvt Ltd	19,519.12	-

**33. Lease:**

The company's lease asset classes primarily consist of leases for land and buildings. Effective April 1, 2019, the company adopted Ind AS 116, Leases and applied the standard to applicable lease contracts. On the adoption of the new standard resulted in the recognition of ROU asset of Rs. 33.44 lakhs, and a lease liabilities of Rs. 28.79 lakhs at a standalone level. The effect of this adoption is insignificant on the operating profit, net profit for the period and earnings per share

**34. Foreign Currency Outflows:**

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

Particulars	(Amount in Rs.) Year Ended 31 <sup>st</sup> March,	
	2022	2021
Foreign Travelling	4.05	-
<b>Total</b>	<b>4.05</b>	<b>NIL</b>

**35. Foreign Currency Inflows:**

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

Particulars	(in lakhs) Year Ended 31 <sup>st</sup> March,	
	2022	2021
Sales & Services	NIL	NIL
Realization from Trade Receivables out of Opening Balance	NIL	NIL
Investment in Equity	51,417.58	NIL
<b>Total</b>	<b>51,417.58</b>	<b>NIL/-</b>

**36. Employee Benefits (Gratuity)**

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

**a) Changes in the Present Value of Obligation**

Particulars	For the period ending	
	31-Mar-22	31-Mar-21
<b>Present Value of Obligation as at beginning</b>	45.55	48.99
Current Service Cost	3.85	3.62
Interest Expense or Cost	3.00	3.33
Re-measurement (or Actuarial) (gain) / loss arising from: others		
- change in demographic assumptions		
- change in financial assumptions	2.09	-4.01

## Brightcom Group Limited

Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup>March 2022

- experience variance (Actual v assumptions)		
Past Service Cost		
Effect of change in foreign exchange rates		
Benefits Paid	-1.58	-6.38
Acquisition Adjustment		
Effect of business combinations or disposals		
<b>Present Value of Obligation as at the end</b>	<b>52.91</b>	<b>45.55</b>

## b) Bifurcation of Net Liability

Particulars	As on	
	31-Mar-22	31-Mar-21
Current Liability (Short term)	18.49	2.39
Non-Current Liability (Long term)	34.42	43.17
<b>Total Liability</b>	<b>52.91</b>	<b>45.55</b>

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

Particulars	For the period ending	
	31-Mar-22	31-Mar-21
<b>Fair Value of Plan Assets as at the beginning</b>	0.43	0.43
<b>OB difference</b>		
Investment Income	0.03	0.03
Employer's Contribution		
Expenses		
Employee's Contribution		
Benefits Paid		
Return on plan assets , excluding amount recognized in net interest expense	-0.03	-0.03
Acquisition Adjustment	-	-
<b>Fair Value of Plan Assets as at the end</b>	<b>0.43</b>	<b>0.43</b>

## d) Change in the Effect of Asset Ceiling

Particulars	For the period ending	
	31-Mar-22	31-Mar-21
<b>Effect of Asset Ceiling at the beginning</b>	-	-
Interest Expense or Cost (to the extent not recognized in net interest expense)	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
<b>Effect of Asset Ceiling at the end</b>	<b>-</b>	<b>-</b>

## Brightcom Group Limited

Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup>March 2022

## e) Expenses Recognized in the Income Statement

Particulars	For the period ending	
	31-Mar-22	31-Mar-21
Current Service Cost	3.85	3.62
Past Service Cost		
Loss / (Gain) on settlement		
Expected return on Asset		
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	2.97	3.30
Actuarial Gain/Loss		
<b>Expenses Recognized in the Income Statement</b>	<b>6.82</b>	<b>6.92</b>

## f) Other Comprehensive Income

Particulars	For the period ending	
	31-Mar-22	31-Mar-21
Actuarial (gains) / losses		
- change in demographic assumptions		
- change in financial assumptions	2.09	-4.01
- experience variance (i.e. Actual experience vs assumptions)		
- others obd difference		
Return on plan assets, excluding amount recognized in net interest expense	0.03	0.03
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling		
<b>Components of defined benefit costs recognized in other comprehensive income</b>	<b>2.12</b>	<b>-3.98</b>

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

Particulars	As on	
	31-Mar-22	31-Mar-21
Government of India securities	-	-
State Government securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Special Deposit Scheme	-	-
Funds managed by Insurer	-	-
Bank balance	-	-
Other Investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Brightcom Group Limited**Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup> March 2022**h) Actuarial Assumptions:**

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

Particulars	As on	
	31-Mar-22	31-Mar-21
Discount rate (per annum)	7.05%	6.70%
Salary growth rate (per annum)	6.00%	6.00%

**(ii) Leave Encashment**

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

**37. Earnings Per Share:**

Particulars	(in lakhs)	
	Year Ended 31 <sup>st</sup> March,	
	2022	2021
Profits Attributable to Equity Share Holders	171.57	822.31
Weighted Average No. of Shares Outstanding for the Year ended		
Basic	2,017,921,873	507,651,499
Diluted	2,017,921,873	507,651,499
Earnings per Share – Basic	0.009	0.16
Earnings per Share – Diluted	0.009	0.16

The EPS of Rs. 0.009 on a PAT of Rs. 171.57 lakhs for the year ended 31 March 2022 for an Equity Capital i.e. Rs.40,358.44 lakhs consisting of 2,017,921,873. Equity Shares of Rs.2/- each fully paid up and whereas the EPS of Rs. 0.16 on a PAT of Rs. 822.31 lakhs for the year ended 31 March 2021 for an Equity Capital i.e. Rs.10,153.03 lakhs consisting of 507,651,499.

**38.** As per Ind AS 21, the Foreign exchange fluctuation gain / ( loss) on monetary items is recognized in statement of P & L a/c. The receivables have been considered at the actual rate at which the amount is realized, and on unrealized amount the rate prevailing at the reporting date. Accordingly gain/ (Loss) from Foreign Exchange fluctuation amount of Rs. (22.62)lakhs (net) has been recognized in statement Profit and Loss for the Year.

**39. Segment Reporting:**

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

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

**40. Intra branch Transactions:**

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

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

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

There are no overdue principle amounts and interest thereon payable to Micro Enterprises and Small Enterprises, as at 31-03-2022.



## Brightcom Group Limited

Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup> March 2022**43. Confirmation of Closing Balances:**

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

**44. Trade receivables ageing schedule****(a). Ageing as at 31 March 2022**

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	-	15,268.17	3,224.26	-	-	-	18,492.44
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Less: Expected credit loss	-	-	-	-	-	-	-514.73
<b>Total</b>		<b>15,268.17</b>	<b>3,224.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,977.71</b>

**b). Ageing as at 31 March 2021**

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good		13,312.99	5,667.16	-	-	-	18,980.15
Disputed Trade Receivables - considered good		-	-	-	-	-	-
Less: Expected credit loss		-	-	-	-	-	-713.75
<b>Total</b>		<b>13,312.99</b>	<b>5,667.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,266.39</b>

**45. Trade payables ageing schedule****a). Ageing as at 31 March 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	0.19	-	-	-	-	0.19
Others	2,362.29	-	-	-	-	2,362.29
<b>Total</b>	<b>2,362.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,362.48</b>

**b). Ageing as at 31 March 2021**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	0.29	-	-	-	-	0.29
Others	2,847.79	-	-	-	-	2,847.79

**Brightcom Group Limited****Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup> March 2022**

	-	-	-	-	-
<b>Total</b>	<b>2,848.08</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,848.08</b>

**46.** During the period under review the listed entity has received In-principle approvals from the Stock Exchanges on 1st April, 2021 for 33,18,45,000 (Thirty-Three Crore Eighteen Lakhs Forty-Five Thousand Only) convertible Warrants. Out of the abovementioned 33,18,45,000 (Thirty-Three Crore Eighteen Lakhs Forty-Five Thousand Only) convertible Warrants, the Company has allotted 32,56,55,000 (Thirty-Two Crore Fifty-Six Lakh and Fifty-Five Thousand) equity shares against the warrants as mentioned below and the same have been listed with both BSE Limited and National Stock Exchange of India Limited:

Sl. No.	Date of Allotment	No. of Shares	Effective date of Listing
1	July 01, 2021	3,42,00,000	August 11, 2021
2	July 23, 2021	5,89,30,000	August 23, 2021
3	July 28, 2021	14,55,00,000	August 25, 2021
4	July 30, 2021	8,32,00,000	August 26, 2021
5	August 12, 2021	38,25,000	August 26, 2021
<b>Total Shares</b>		<b>32,56,55,000</b>	

During the period under review the Board in its meeting held on June 28, 2021 has declared Bonus issue in the ratio of 1:4 and has allotted 20,83,26,625 (Twenty Crore Eighty-Three Lakh Twenty-Six Thousand Six Hundred and Twenty-Five) equity shares.

During the period under review the Board, in its meeting held on September 16, 2021 has proposed to issue & allot 14,01,50,000 equity shares to 29 non-promoters and 1,50,00,000 convertible warrants to Mr. Shankar Sharma at Rs. 37.77/- (Rupees Thirty-Seven and Seventy-Seven Paise only) each through Preferential Issue as per the provisions of Chapter V of SEBI (ICDR) Regulations, 2018 by Postal Ballot, which was approved by the Shareholders on October 20, 2021 through requisite majority. However, the Company has received in-principle approvals from the Exchanges for 14,00,50,000 equity shares to 28 non-promoters and 1,50,00,000 convertible warrants to Mr. Shankar Sharma and has allotted the same as mentioned below.

Sl. No.	Date of Allotment	No. of Shares	Effective date of Listing
1	January 23, 2022	80,50,000	April 01, 2022
2	January 25, 2022	13,20,00,000	April 01, 2022
<b>Total Shares</b>		<b>14,00,50,000</b>	

The Warrants & Share Allotment Committee has on 9th March 2022 allotted 1,50,00,000 Equity Shares by converting warrants into equity and the same were listed on both the Exchanges with effect from April 19, 2022.

During the period under review the Board, in its meeting held on December 09, 2021 has proposed to issue & allot 1,40,70,000 equity shares at Rs. 120.02 (Rupees One Hundred & Twenty and Two paise only) each to 4 non-promoters for part consideration of other than cash i.e., against the takeover of Vuchi Media Private Limited, through Preferential Issue as per the provisions of Chapter V of SEBI (ICDR) Regulations, 2018 and the same were listed on both the Exchanges with effect from April 13, 2022.

**Brightcom Group Limited****Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup> March 2022**

During the period under review the Board in its meeting held on January 25, 2022 has declared Bonus issue in the ratio of 2:3 and has allotted 80,71,68,749 (Eighty Crore Seventy-One Lakh Sixty-Eight Thousand Seven Hundred and Forty-Nine only) equity shares on March 22, 2022 and the same are listed on both the Exchanges with effect from May 30, 2022.

As on the date of this report, the Company has a paid-up share capital of Rs. 40,358.44 lakhs divided into 201,79,21,873 Equity Shares of Rs. 2/- each.

**47. Financial risk management objectives and policies**

The Company's principal financial liabilities comprise, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and makes policies for managing each of these risks, which are summarized below.

**A. Credit Risk**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Company considers a counterparty who fails to pay according to the contractual terms or obligations as a defaulted party. This is based on considering the market and economic forces in which the entities in the company's are operating and considering the impact of COVID - 19. The Company creates provision for the amount if the credit risk of counter-party increases significantly due to its poor financial position and failure to make payment with in the due date. In calculating expected credit loss, the Group has also considered historical pattern of credit loss, the likelihood of increased credit risk and consequential default considering emerging situations due to COVID -19.

**Trade receivables as contract asset:**

The customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Before accepting any new customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis. Outstanding customer receivables are regularly monitored. The Company receivables turnover is quick and historically, there were no significant defaults. Ind AS requires an entity to recognize in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Company assesses at each date of statements of financial position whether a financial asset or a Company of financial assets is impaired.

**B. Liquidity Risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**C. Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other market changes. Financial instruments affected by market risk include loans and borrowings and deposits.

**- Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates is negligible.

**Brightcom Group Limited**Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup> March 2022**- Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company exposure to the risk of changes in foreign exchange rates relates primarily to the Company operating activities (when revenue or expense is denominated in a foreign currency).

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective entities.

**48.. Contingent Liabilities & Guarantees:**

Particulars	Name of the Bank / Party	( in lakhs.)
		Year ending 31st March, 2022
Disputed Service tax Liability for the period May 2008 to September 2011	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	1,460.05
Disputed Service tax Liability for the period May 2008 to September 2011	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	413.23
Disputed Service tax Liability for the period April 2014 to June 2017.	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	6,487.35
Disputed GST Liability for the period July 2017 to March 2021.	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	3,287.09
Disputed Income Tax Liability for the A.Y.2006-07 to A.Y. 2009-10.	CIT(Appeals) / ITAT	350.70
Disputed Income Tax Liability for the A.Y.2010-11 to A.Y. 2013-14.	CIT(Appeals)/ ITAT	2,358.63
Disputed Income Tax Liability for the A.Y.2014-2015 to A.Y. 2018-19.	CIT(Appeals)/ ITAT	5,730.06
Corporate Guarantee for Acquiring Lycos Inc (USD 4 Mn) *	Daum Global Holdings Corp, Republic of Korea	3,032.40
	SE Investments	
	Mumbai	
SE Investments Loan	(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).	62.23

\* Assumption: 1 USD = Rs.75.81 (Closing rate as on 31<sup>st</sup> March 2022)

**49.** Dividend Payable is pending for various financial years amounting to Rs.1,301.08/-.

**50. Subsequent event**

Dividend declared by the Company is based on the profit available for distribution. On 30th May, 2022, the Board of Directors of the Company have proposed a final dividend of paisa 30 per share in respect of the year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting.

## Brightcom Group Limited

Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup> March 2022

### 51. Recent pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

#### **Ind AS 103 – Reference to Conceptual Framework:**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements

#### **Ind AS 37 – Onerous Contracts – Costs of Fulfilling a Contract**

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 116 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

**52.** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

### **53. Impact of COVID-19 (pandemic)**

The client market segments we serve are faced with challenges and opportunities arising from the COVID-19 pandemic and its resulting impact on the company. We believe the investments we have made, and continue to make, in our strategy will enable us to tackle these market conditions, especially in the areas of digitization of processes, migration to cloud based technologies, workplace transformation, business model transformation, enhanced cyber security controls and cost structure optimization. Further, we have successfully enabled most of our employees worldwide to work remotely and securely – thus achieving the operational stability to deliver on client commitments and ensuring our own business continuity.

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets.

At the standalone level, based on our assessment we believe that the forecasted transactions are not impacted by COVID-19 pandemic. The company has also considered the effect of changes, if any.

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

## Brightcom Group Limited

Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup> March 2022

## 54. Additional Regulatory Information

## Ratios

Ratio	Numerator	Denominator	Current year	Previous year	Change in ratio
Current ratio (in times)	Total current assets	Total current liabilities	17.41	2.68	551%
Debt-Equity ratio (in times)	Debt consists of borrowings and long term liabilities	Total equity	0.0652	0.1644	-60%
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes+ Non-cash operating expenses + Interest +Other non-cash adjustments	Debt service = Interest + finance charges	14.32	72.78	-80%
Return on equity ratio (in %)	Profit for the year	total equity	0.11%	1.33%	-92%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	2.02	1.84	10%
Trade payables turnover ratio (in times)	Cost of equipment and software licences	Average trade payables	10.95	9.21	19%
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	0.59	1.96	-70%
Net profit ratio (in %)	Profit for the year	Revenue from operations	0.47%	2.25%	-79%
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Long term liabilities	0.24%	1.71%	-86%
Return on investment (in %)	Total Other comprehensive income	total assets	0.19%	0.79%	-76%

## Note

During the Financial year 2020-21 we had higher amount of other income compared to than that of in the financial year 2021-22. Otherwise the business operations and margins remains at same level. Due to this , the percentage of variances appear at higher level.

**Current Ratio:** The media and current assets being maintained at the higher level and thus resulting in the improvement in current ratio.

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

56. The Company has spent Rs. 9.59 Lakhs on CSR activities in the areas of Education and Environmental Protection . A detailed report on CSR forms part of this annual report.

**Brightcom Group Limited**Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup> March 2022

57. 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**

Sd/-

**K.Gopala Krishna****PARTNER****Membership Number: 203605**

Sd/-

**M.Suresh Kumar Reddy****Chairman & Managing  
Director**

Sd/-

**Vijay Kancharla****Executive Director****PLACE: HYDERABAD****DATE: 30<sup>th</sup> May, 2022**

# **CONSOLIDATED FINANCIALS STATEMENTS**



## 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, 2022, 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, 2022, 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 Holding 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 up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, 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:**

The Financial statements of the 14 subsidiaries which are not audited by us, whose Financial Statements reflect Group's share of total assets of Rs.47,39,39,86,436/- before the eliminations as at 31st March 2022, Group's share of total revenue of Rs. 46,68,54,61,959/- before the eliminations and Group's share of total net profit after tax of Rs.910,46,93,373/- for the year then ended which are considered in preparation of the consolidated financial Statement. These financial statements and other financial information have been received from the respective subsidiaries. The management of the company has

converted them into reporting currency and consolidated as per the Ind AS and furnished to us, and our opinion on the year to date results, to the extent they have been derived from such financial statements is based solely on them.

**Emphasis of Matter paragraphs:**

- a) The Company has branch operations at USA having total asset of Rs.350,36,21,175/- and total turnover of Rs.334,72,71,593/- for the financial year 2021-2022.
- b) With respect to income tax the company has certain appeals pending with the appropriate authorities (Refer Note 52 to the Consolidated Ind AS Financial Statements).
- c) SEBI ordered Forensic Audit vide Ref No - SEBI/HO/CFID/CFID\_4/P/OW/2021/24343/1 dated 16/09/2021 as per the provisions and Regulation 5 of SEBI (PFUTP) Regulations 2003 read with sections 11C of SEBI Act, 1992 and Deloitte Touche Tohmatsu India LLP has been appointed as forensic auditor w.r.t the financial statements for the Financial years FY 2014-15 to FY 2019-20. The said Forensic Audit is under progress and the final outcome of the investigation is yet to come by the time of certification.
- d) The subsidiary company M/s. Ybrant Media Acquisition Inc has acquired M/s. Lycos Inc., M/s. Ybrant Media Acquisition Inc has dispute in respect of consideration of USD 16 Million for acquisition of M/s. Lycos Inc., to Daum Global Holdings Corporation and the district court of New York has given judgment to handover back 56 % equity in M/s. Lycos Inc to M/s. Daum Global Holdings Corporation and the concern matter is pending as on date.

**Our opinion is not modified in respect of above matters.**

**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 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, 2022 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, 2022 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.
- 2. 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.
  - i. 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.

- ii. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- iii. The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- iv. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations in sub-clause (iv) and (v) above contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.  
The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

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

K Gopala Krishna  
Partner  
M.No:203605

UDIN: 22203605AONXKII809  
Place: Hyderabad  
Date: 30/05/2022

**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, 2022, 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, 2022, 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

**K Gopala Krishna**

Partner

M.No:203605

UDIN: 22203605AONXKI1809

Place: Hyderabad

Date: 30/05/2022

## Consolidated Balance Sheet as at 31st March 2022

Particulars	Note	INR in Lakhs	
		As at 31st March 2022 Rupees	As at 31st March 2021 Rupees
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	3	3,660.98	1,923.11
Capital work in Progress	3	8,196.29	17,530.88
Investment property	4	21.95	21.95
Other intangible assets	3	81,311.73	69,966.39
Intangible assets under development	3	9,738.42	14,657.33
Financial assets			
- Investments	5	53,567.72	35,563.21
- Loans	6	10,052.60	9,756.15
- Others financial assets	7	1,668.38	1,450.19
Deferred tax assets (net)	8	127.57	419.37
Non- Current tax assets (net)	9	57.05	52.04
Other non-current assets	10	3,091.32	3,169.50
<b>Total Non-current assets</b>		<b>1,71,494.01</b>	<b>1,54,510.12</b>
Current assets			
Financial assets			
- Trade receivables	11	1,88,137.91	1,11,912.99
- Cash and cash equivalents	12	74,493.21	12,646.22
- Other bank balances	13	5.39	5.56
- Loans	14	1,42,399.18	72,895.51
- Other Financial Assets	15	61.78	57.36
Other current assets	16	17,454.74	17,050.13
<b>Total Current assets</b>		<b>4,22,552.21</b>	<b>2,14,567.77</b>
<b>Total assets</b>		<b>5,94,046.22</b>	<b>3,69,077.89</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	17	40,358.44	10,153.03
Other equity	18	4,89,090.68	3,15,807.84
<b>Total Equity</b>		<b>5,29,449.12</b>	<b>3,25,960.87</b>
<b>Liabilities</b>			
Non-current liabilities			
Financial liabilities			
- Borrowings		-	-
Provisions	19	1,054.14	974.36
Deferred tax liabilities (net)	20	335.61	271.20
<b>Total Non-current liabilities</b>		<b>1,389.75</b>	<b>1,245.56</b>
Current liabilities			
Financial liabilities			
- Borrowings	21	-	-
- Trade payables	22	17,811.38	11,656.39
- Others financial liabilities	23	110.73	171.04
Other current liabilities	24	28,262.12	22,778.92
Provisions	25	17,023.11	7,265.10
<b>Total Current liabilities</b>		<b>63,207.34</b>	<b>41,871.45</b>
<b>Total equity and liabilities</b>		<b>5,94,046.22</b>	<b>3,69,077.89</b>

## AS PER OUR REPORT OF EVEN DATE

For PCN &amp; Associates

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

CHARTERED ACCOUNTANTS

FRN:0160165

Sd/-

K.GOPALA KRISHNA

PARTNER

M.No.203605

For and on behalf of the Board

Brightcom Group Ltd

Sd/-

M.Suresh Kumar Reddy

Chairman &amp; Managing Director

Sd/-

Vijay Kancharla

Executive Director

Place : Hyderabad

Date : 30-05-2022

**Statement of Consolidated Profit and Loss for the year ended 31st March 2022**

Particulars	Note	Year Ending	
		31-03-2022	31-03-2021
		Rupees	Rupees
<b>INCOME</b>			
<b>I. Revenue from operations</b>	26	5,01,958.77	2,85,579.82
II. Other income	27	(222.42)	2,081.86
<b>III. Total Income (I+II)</b>		<b>5,01,736.35</b>	<b>2,87,661.68</b>
<b>IV. EXPENSES</b>			
Purchase / Cost of Revenue	28	2,91,411.22	1,60,683.89
Employee Benefit expenses	29	27,251.15	16,573.62
Other Operating Expenses	30	32,608.57	21,783.82
Financial costs	31	31.43	10.61
Depreciation and amortization expense	3	24,623.70	22,609.24
<b>Total expenses (IV)</b>		<b>3,75,926.07</b>	<b>2,21,661.18</b>
<b>V. Profit/(loss) before tax (III-IV)</b>		<b>1,25,810.28</b>	<b>66,000.50</b>
<b>VI. Tax expense</b>			
Current tax		34,627.45	17,754.19
Deferred tax		(37.22)	(54.49)
<b>VII. Profit/(loss) for the period (V-VI)</b>		<b>91,220.05</b>	<b>48,300.80</b>
<b>VIII. Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plan (net of tax)		253.12	(194.83)
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		12,011.30	(7,677.42)
<b>IX. Total comprehensive income for the period (VII+VIII)</b>		<b>1,03,484.47</b>	<b>40,428.56</b>
Earnings per share			
(1) Basic (in Rs.)		4.52	9.51
(2) Diluted (in Rs.)		4.52	9.51

**AS PER OUR REPORT OF EVEN DATE**

For PCN &amp; Associates

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

CHARTERED ACCOUNTANTS

FRN:0160165

Sd/-

K.GOPALA KRISHNA

PARTNER

M.No.203605

For and on behalf of the Board

Brightcom Group Ltd

Sd/-

M.Suresh Kumar Reddy

Chairman &amp; Managing Director

Sd/-

Vijay Kancharla

Executive Director

Place : Hyderabad

Date : 30-05-2022



**Brightcom Group Limited**  
**Consolidated Cash flow Statement for the year ended 31st March 2022**

Particulars	Year ended	Year ended
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
	Rupees	Rupees
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax	1,25,810.28	66,000.50
<b>Adjustment for :</b>		
Add: Depreciation and amortisation expense	24,623.70	22,609.24
Allowance for doubtful trade receivables	(153.62)	(34.65)
<b>Operating Profit before Working Capital Changes</b>	<b>1,50,280.36</b>	<b>88,575.09</b>
Adjustment for Working Capital Changes:		
Increase/(Decrease) in Short term Borrowings	-	(3,602.05)
Increase/(Decrease) in Trade Payables	6,154.99	1,502.35
Increase/(Decrease) in other Current Liabilities	4,962.38	(250.47)
Increase/(Decrease) in Others financial liabilities	(60.31)	(719.65)
Increase/(Decrease) in Short-Term Provisions	(797.15)	733.98
Decrease/(Increase) in Trade Receivables	(76,071.30)	(14,407.19)
Decrease/(Increase) in Short-Term Loans and Advances	(31,253.67)	(7,633.48)
(Increase)/Decrease in Other Financial Assets	(4.42)	(24.79)
(Increase)/Decrease in other Current Assets	(404.61)	(1,311.76)
<b>Cash Flow from Operating Activities</b>	<b>52,806.27</b>	<b>62,862.03</b>
Less: Taxes paid	24,072.29	16,865.90
<b>Net Cash Flow from Operating Activities (A)</b>	<b>28,733.98</b>	<b>45,996.13</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase/(Increase) of Fixed Assets	(2,638.84)	(443.22)
(Increase)/Decrease in Non-Current Investments	(1,117.70)	(10,448.56)
(Increase)/Decrease in Intangibles under development	(9,738.42)	(14,657.33)
(Increase)/Decrease in Capital Work in Progress	(8,196.29)	(17,530.88)
<b>Net cash Flow from investing activities (B)</b>	<b>(21,691.25)</b>	<b>(43,079.99)</b>
<b>C. Cash Flows from Financing Activities</b>		
Increase / (Decrease) in Foreign Currency Fluctuation Reserve	9,131.43	(5,466.22)
Increase / (Decrease) in Share capital	9,614.10	628.00
Increase/(Decrease) in Share premium	74,023.72	2,512.00
Increase/(Decrease) in long term provision	332.90	(218.49)
(Increase)/Decrease in Deferred tax Asset(Net)	329.02	18.28
Increase/(Decrease) in Deferred tax Liabilities(Net)	64.41	(19.75)
(Increase)/Decrease in Long term loans and advances	(296.45)	251.11
(Increase)/Decrease in advances	(38,250.00)	-
(Increase)/Decrease in other financial assets	(218.19)	209.86
(Increase)/Decrease in Non- Current tax assets (net)	(5.01)	16.32
(Increase)/Decrease in Other Non - Current Assets	78.18	(95.30)
<b>Net cash Flow from financing activities (C)</b>	<b>54,804.11</b>	<b>(2,164.18)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>12,651.79</b>	<b>11,899.84</b>
<b>Net change in cash ( A+B+C)</b>	<b>61,846.84</b>	<b>751.95</b>
<b>Cash and cash equivalents at year ended 31st Mar 2022</b>	<b>74,498.63</b>	<b>12,651.79</b>

AS PER OUR REPORT OF EVEN DATE

For PCN &amp; Associates

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

CHARTERED ACCOUNTANTS

FRN:0160165

sd/-

K.GOPALA KRISHNA

PARTNER

M.No.203605

For and on behalf of the Board

Brightcom Group Ltd

sd/-

M.Suresh Kumar Reddy

Chairman &amp; Managing Director

sd/-

Vijay Kancharla

Executive Director

Place : Hyderabad

Date : 30-05-2022

**Statement of Changes in Equity for the period ended 31st March 2022****A. Equity Share Capital**

Balance As at 1st April 2021	Changes in equity share capital during the year	Balance as at 31st March 2022
10,153.03	30,205.41	40,358.44
Balance As at 1st April 2020	Changes in equity share capital during the year	Balance as at 31st March 2021
9,525.03	628.00	10,153.03

**B. Other Equity**

	Reserves and Surplus					Items of Other			Total	
	Share application money	Equity component of compound financial	Capital Reserve	Securities premium reserve	General reserve	Surplus in statement of P&L	Foreign currency translation	Actuarial Gain/(Loss)	Money received against share	Rupees
<b>Balance as at 1st April 2021</b>			<b>41,678.12</b>	<b>2,512.00</b>	<b>398.17</b>	<b>2,67,373.30</b>	<b>4,041.06</b>	<b>(194.83)</b>		<b>3,15,807.84</b>
Changes in accounting policy or prior period errors										
Restated balance at the beginning of the reporting										
Add: during the year						91,220.05	12,011.30	253.12		<b>1,03,484.47</b>
Dividends(Including Dividend tax)						520.82				<b>520.82</b>
Transfer to General Reserve										-
Transfer to retained earnings										-
premium paid on newly issued shares				90,629.13						<b>90,629.13</b>
utilised for Bonus				20,309.91						<b>20,309.91</b>
<b>Balance at the end of the reporting period 31st March '2022</b>			<b>41,678.12</b>	<b>72,831.23</b>	<b>398.17</b>	<b>3,58,072.53</b>	<b>16,052.36</b>	<b>58.29</b>		<b>4,89,090.68</b>

	Reserves and Surplus					Items of Other			Total	
	Share application money	Equity component of compound financial	Capital Reserve	Securities premium reserve	General reserve	Surplus in statement of P&L	Foreign currency translation	Actuarial Gain/(Loss)	Money received against share	Rupees
<b>Balance as at 1st April 2020</b>			<b>41,678.12</b>	-	<b>398.17</b>	<b>2,19,326.33</b>	<b>11,718.48</b>			<b>2,73,121.10</b>
Changes in accounting policy or prior period errors										-
Restated balance at the beginning of the reporting										
Add: during the year				2,512.00		48,300.80	(7,677.42)	(194.83)		<b>42,940.55</b>
Dividends(Including Dividend tax)						253.83				<b>253.83</b>
Transfer to General Reserve										-
Transfer to retained earnings										-
premium paid on newly issued shares				-						-
Reserves utilised for Bonus				-						-
<b>Balance at the end of the reporting period 31st March '2021</b>			<b>41,678.12</b>	<b>2,512.00</b>	<b>398.17</b>	<b>2,67,373.30</b>	<b>4,041.06</b>	<b>(194.83)</b>		<b>3,15,807.84</b>

## Brightcom Group Limited

Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

### 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 specifically in the areas of Digital Media advertising and in the fields of AI, ML, IOT to name a few. Our business knowledge in key verticals helps us provide solutions that are customized to address the specific needs while focusing on maximizing value of Information Technology investments such that clients can achieve their business objectives. We believe in fostering long-term relationships, and partner with our clients in their success. BCG Provides End-to-end Enterprise Solution Offerings and Specializing in ERP Solutions, Microsoft and Open Source Systems development.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a) Statement of compliance

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

**Brightcom Group Limited**Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup> March 2022**b) Company information**

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

Name of Investee	Principal activities	Country of incorporation	Percentage of ownership/ voting rights	
			31/Mar/22	31/Mar/21
Ybrant Media Acquisition Inc	Digital Marketing	USA	100	100
Online Media Solutions Limited	Digital Marketing	Israel	100	100
International Expressions Inc	Digital Marketing	USA	100	100
Dream AD SA Panama	Digital Marketing	Panama	100	100
Ybrant Digital Servicos De Publicidade Ltd	Digital Marketing	Brazil	100	100
LGS Global FZE	Digital Marketing	UAE	100	100
Ybrant Digital (Brasil) Limited	Digital Marketing	Singapore	100	100
Frontier Data Management Inc	Digital Marketing	USA	100	100
Dream AD SA Argentina	Digital Marketing	Argentina	100	100
Dyomo Corporation	Digital Marketing	USA	100	100
Get Media Mexico 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.

## Brightcom Group Limited

### Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

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

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

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

#### **e) Business Combinations**

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

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

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

Business combinations arising from transfers of interests in entities that are under the common control are accounted at historical cost. The difference between any consideration given and

the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

#### **f) Use of estimates and judgments**

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

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

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

#### **Impairment of Goodwill**

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

#### **Impairment of investments**

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

**Brightcom Group Limited**Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup> March 2022**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 judgment 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.

## Brightcom Group Limited

Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup> March 2022**i) Revenue recognition****1) Digital Marketing Services:**

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

**2) Software Development:**

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

recognized as related services are performed.

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

**k) Leases**

The Group as a lessee The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset; (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease, and (iii) the Group has the right to direct the use of the asset. At the date of commencement of the lease, the Group

## Brightcom Group Limited

### Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low-value leases. For these short-term and low-value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

#### **i) Cost recognition**

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

The costs of the 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



**Brightcom Group Limited****Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup> March 2022**

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

## Brightcom Group Limited

### Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

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

**Brightcom Group Limited****Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup> March 2022**

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 recognised by the Group are recognised at the proceeds received net off direct issue cost.

**i) Initial recognition and measurement:**

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

**ii) Subsequent measurement:****a. Financial liabilities at fair value through profit or loss:**

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

**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.

**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 recognized 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

**Brightcom Group Limited****Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup> March 2022**

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 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
<b>Computer equipment</b>	Straight line	3 years
<b>Office equipment's</b>	Straight line	5 years
<b>Furniture and fixtures</b>	Straight line	10 years
<b>Electrical installations</b>	Straight line	10 years
<b>Vehicles</b>	Straight line	8 years

**Brightcom Group Limited****Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup> March 2022****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.

- a) 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 licences 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

**Brightcom Group Limited**Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

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.

## NOTE NO 3 : PROPERTY, PLANT AND EQUIPMENT &amp; INTANGIBLE ASSETS AS AT 31-03-2022

Sl. No.	Particulars	Gross Block				Depreciation/ Amortisation						Net Block as on 31st March 2022	Net Block as on 31st March, 2021	
		As on 1st April, 2021	Additions during the year	Foreign currency transalaton reserve	Sale / Deletions during the year	As on 31st March, 2022	Dep. As on 1st April, 2021	Depreciation/A mortisation for the year	Foreign currency transalaton reserve	Sale / Deletions during the year	Transferred to Retained Earnings			Total Depreciation
<b>I PROPERTY, PLANT AND EQUIPMENT</b>														
1	Electrical Equipment	259.89	-	-	-	259.89	242.92	0.32	-	-	-	243.24	16.65	16.97
2	Office Equipment	983.18	292.52	18.51	-	1,294.20	774.16	101.27	9.61	-	-	885.04	409.17	209.02
3	Air Conditioners	75.34	-	-	-	75.34	64.55	4.56	-	-	-	69.11	6.22	10.79
4	Computers	10,270.12	1,607.80	199.61	-	12,077.53	9,514.07	575.69	162.96	-	-	10,252.71	1,824.82	756.06
5	Furniture	1,638.14	311.45	24.45	-	1,974.04	1,251.88	88.04	8.63	-	-	1,348.55	625.49	386.26
6	Property & Equipment	3,180.06	427.07	70.27	-	3,677.40	2,636.05	212.85	49.86	-	-	2,898.77	778.63	544.02
7	Vehicles	10.78	-	-	-	10.78	10.78	-	-	-	-	10.78	-	-
	<b>Total</b>	<b>16,417.52</b>	<b>2,638.84</b>	<b>312.84</b>	<b>-</b>	<b>19,369.19</b>	<b>14,494.41</b>	<b>982.74</b>	<b>231.06</b>	<b>-</b>	<b>-</b>	<b>15,708.21</b>	<b>3,660.98</b>	<b>1,923.11</b>
<b>II Intangibe Fixed Assets</b>														
1	Intangible Assets	1,50,733.58	32,188.22	5,435.72	-	1,88,357.51	80,767.71	23,640.44	2,637.62	-	-	1,07,045.78	81,311.73	69,965.87
2	Computer Products / Rights	263.07	-	-	-	263.07	262.55	0.52	-	-	-	263.07	-	0.52
	<b>Total</b>	<b>1,50,996.65</b>	<b>32,188.22</b>	<b>5,435.72</b>	<b>-</b>	<b>1,88,620.58</b>	<b>81,030.26</b>	<b>23,640.96</b>	<b>2,637.62</b>	<b>-</b>	<b>-</b>	<b>1,07,308.85</b>	<b>81,311.73</b>	<b>69,966.39</b>
<b>III Good Will On Consolidation</b>														
		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IV Capital Work In Progress ( note no-48)</b>														
		17,530.88	8,196.29	-	17,530.88	8,196.29	-	-	-	-	-	-	8,196.29	17,530.88
<b>Intangible Assets under development ( note no- 49)</b>														
		14,657.33	9,738.42	-	14,657.33	9,738.42	-	-	-	-	-	-	9,738.42	14,657.33
	<b>TOTAL</b>	<b>1,99,602.38</b>	<b>52,761.76</b>	<b>5,748.55</b>	<b>32,188.22</b>	<b>2,25,924.48</b>	<b>95,524.67</b>	<b>24,623.70</b>	<b>2,868.68</b>	<b>-</b>	<b>-</b>	<b>1,23,017.06</b>	<b>1,02,907.42</b>	<b>1,04,077.71</b>

## Notes forming part of consolidated financial statements

**NOTE NO. 4 : INVESTMENT PROPERTY**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
I	Land at cost	21.95	21.95
	<b>Total Investment Property</b>	<b>21.95</b>	<b>21.95</b>

**NOTE NO. 5 : INVESTMENTS - NON CURRENT**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
	<b>Investments - Non Current</b>		
	<b>Investment in Equity Instruments at cost</b>		
	<b>Equity Shares - Unquoted</b>		
	Affiliates	36,680.91	35,563.21
	Vuchi Media Pvt Ltd	16,886.81	-
	<b>Total Investments-Non - Current</b>	<b>53,567.72</b>	<b>35,563.21</b>

**NOTE NO. 6 : LOANS - NON CURRENT**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
	<b>Loans - Non- Current</b>	-	-
	<b>Unsecured, Considered Good</b>	-	-
	(a) Security deposits	10.37	19.91
	(b) Other Advances	10,042.23	9,736.24
	<b>Total Loans - Non current</b>	<b>10,052.60</b>	<b>9,756.15</b>

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

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
	<b>Other financial assets - Non- Current</b>		
	<b>Unsecured, Considered Good</b>		
	<b>Advances other than Capital advances</b>		
	(a) Other advances	1,503.93	1,285.74
	(b) Advances to related parties	-	-
	- Ybrant Employees Welfare Trust	107.50	107.50
	- LGSL Foundation Trust	56.95	56.95
	<b>Total Other financial assets - Non Current</b>	<b>1,668.38</b>	<b>1,450.19</b>

**NOTE NO. 8 : DEFERRED TAXES ASSET (NET)**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
	<b>Deferred tax assets (net)</b>		
	Deferred tax liability	449.92	473.44
	Allowances for bad and doubtful debts	-	(24.85)
	Acturail gain or loss of gratuity	66.43	1.33
	<b>Deferred Tax Liability Net</b>	<b>516.35</b>	<b>449.92</b>
	Deferred tax assets	-	-
	Opening Deferred tax assets	869.29	856.59
	- Fixed Assets	777.11	14.22
	- Provision for gratuity and compensated absences	(14.15)	2.88
	Allowances for bad and doubtful debts	8.11	-
	Gratuity Expenses	0.88	0.09
	Foreign currency difference	(997.32)	(4.49)
	Lycos share of deferred tax	-	-
	<b>Deferred Tax Asset Net</b>	<b>643.92</b>	<b>869.29</b>
	<b>Deferred Tax Asset( Net)</b>	<b>127.57</b>	<b>419.37</b>

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

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
	<b>Non- Current tax assets (net)</b>		
I	-TDS Receivables	57.05	52.04
	<b>Total Non- Current tax assets (net)</b>	<b>57.05</b>	<b>52.04</b>



<b>NOTE NO. 10 : OTHER NON CURRENT ASSETS</b>			
<b>S.No.</b>	<b>Particulars</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
<b>Other non-current assets</b>			
I	Others	3,091.32	3,169.50
<b>Total Other Non Current Assets</b>		<b>3,091.32</b>	<b>3,169.50</b>

<b>NOTE NO. 11 : TRADE RECEIVABLES</b>			
<b>S.No.</b>	<b>Particulars</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
<b>Trade receivables</b>			
	(a)Unsecured Considered good	1,88,847.03	1,12,781.30
I	Less: Allowances for bad and doubtful debts	709.12	868.31
	<u>Notes</u>	-	-
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.		-	-
<b>Total Trade Receivables</b>		<b>1,88,137.91</b>	<b>1,11,912.99</b>
<b>Please refer note no- 46</b>			

<b>NOTE NO. 12 : CASH AND CASH EQUIVALENTS</b>			
<b>S.No.</b>	<b>Particulars</b>	<b>As at 31st March 2022</b>	<b>As at 31st March 2021</b>
<b>Cash and cash equivalents</b>			
Balances with banks			
	- Current Accounts	74,493.20	12,646.15
I	- Unpaid Dividend	-	-
	- Cheques, drafts on hand	-	-
	- Cash on hand	0.01	0.07
<b>Total Cash and cash equivalents</b>		<b>74,493.21</b>	<b>12,646.22</b>

**NOTE NO. 13 : OTHER BANK BALANCES - CURRENT**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Other bank balances - Current</b>			
	(i) Earmarked balances with Banks	-	-
I	- Unpaid Dividend	2.45	2.62
	(ii) Balances with bank held as Margin Money	2.94	2.94
<b>Total Other bank balances - Current</b>		<b>5.39</b>	<b>5.56</b>

**NOTE NO. 14 : LOANS - CURRENT**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Loans - Current</b>			
	Unsecured Considered Good		
	<b>(a) Loans to related parties</b>		
	<b>(b) Others</b>		
	Advances to Employees	570.46	1,018.59
I	Other Advances	1,41,828.72	71,876.92
<b>Total Loans - Current</b>		<b>1,42,399.18</b>	<b>72,895.51</b>

**NOTE NO. 15 : OTHER FINANCIAL ASSETS - CURRENT**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Other financial asset - Current</b>			
	(a) Security deposits		
I	- Rental deposits	32.57	32.57
	- Other deposits	29.21	24.79
<b>Total Other financial assets - Current</b>		<b>61.78</b>	<b>57.36</b>

**NOTE NO. 16 : OTHER CURRENT ASSETS**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Other Current Assets</b>			
I	Other current assets	17,454.74	17,050.13
<b>Total Other Current Assets</b>		<b>17,454.74</b>	<b>17,050.13</b>

## Note No: 17 Equity share capital

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Equity share capital</b>			
<b>(i) Authorized</b>			
	2,250,000,000 Equity Shares of Rs.2/- each )	45,000.00	19,500.00
<b>(ii) Issued, Subscribed and Paid Up</b>			
	(2,017,921,873 Equity Shares Rs.2/- each)	40,358.44	10,153.03
<b>(iii) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:</b>			
<b>Number of Shares</b>			
	Shares outstanding at the beginning of the year	50,76,51,499	47,62,51,499
	Add: Issued and allotted during the year	1,51,02,70,374	3,14,00,000
	Shares outstanding at the end of the year	2,01,79,21,873	50,76,51,499
<b>(iv) Rights, Preferences and restrictions attached to the equity shares:</b>			
	(a) The Company has only one class of equity shares having par value of ` 2 each. Each shareholder is eligible for one vote per share held.		
	(b) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by equity shareholders.		
(v)	Shares held by holding Company		
(vi)	The details of shareholders holding more than 5% shares in the Company		
	<b>(a) Equity Shares</b>		
	M. Suresh Kumar Reddy		
	Number of equity shares	-	7,52,84,653
	% of holding	0.00%	14.83%
	Vijay Kumar Kancharla (HUF)		
	Number of equity shares	-	6,20,44,564
	% of holding	0.00%	12.22%
	Vijay Kancharla		
	Number of equity shares		
	% of holding		
	ARADHANA COMMOSALES LLP		
	Number of equity shares	10,41,66,666	-
	% of holding	5.16%	
	SARITA COMMOSALES LLP		
	Number of equity shares	10,41,66,666	
	% of holding	5.16%	
<b>Details of promoters Share holding as on 31st march 2022:</b>			
	<b>Promoter Name</b>	<b>No of Shares</b>	<b>% of Total Shares</b>
	ARADHANA COMMOSALES LLP	10,41,66,666	5.16%
	SARITA COMMOSALES LLP	10,41,66,666	5.16%
	KALPANA COMMOSALES LLP	5,20,83,333	2.58%
	SHALINI SALES LLP	4,16,66,666	2.06%
	M SURESH KUMAR REDDY	1,73,02,725	0.86%
	VIJAY KANCHARLA	53,93,295	0.27%
	VIJAY KUMAR KANCHARLA HUF	3,22,54,890	1.60%
	S V RAJYALAXMI REDDY	31,95,833	0.16%
	M. GANGI REDDY	24,10,000	0.12%
	M. SUBHADRA REDDY	2,99,458	0.01%
	PALLE SUGUNA REDDY	43,77,416	0.22%
	K MOHAN RAO	3,750	0.00%
	VENKATESWARA RAO	14,87,421	0.07%
	MUTHUKURU SHASHIDHAR REDDY	27,93,750	0.14%
	FINGROWTH CO. LTD	10,71,945	0.05%
	PROBUS CAPITAL LIMITED	10,416	0.00%
	MUNDI ENTERPRISE LIMITED	1,18,750	0.01%
	<b>TOTAL</b>	<b>37,28,02,980</b>	<b>18.47%</b>
<b>Note:</b>			
	% Change During the year* between FY 2020-21 & FY 2021-22 is not shown for the current year as there were many corporate actions in the form of Preferential issue of Warrants convertible in to equity shares, Preferential issue of Equity Shares, two-time Bonus issues which resulted in dilution of share capital of the Company.		
	There was allotment of 32,56,55,000 (Thirty-Two Crore Fifty-Six Lakh and Fifty-Five Thousand) equity shares against the warrants on preferential basis, Bonus issue in the ratio of 1:4 with allotment of 20,83,26,625 (Twenty Crore Eighty-Three Lakh Twenty-Six Thousand Six Hundred and Twenty-Five) equity shares, allotment of 14,00,50,000 equity shares against the warrants on preferential basis, allotment of 1,40,70,000 equity shares against the proposed acquisition and Bonus issue in the ratio of 2:3 with allotment of 80,71,68,749 (Eighty Crore Seventy-One Lakh Sixty-Eight Thousand Seven Hundred and Forty-Nine only) equity shares.		
<b>Details of promoters Share holding as on 31st march 2021:</b>			
	<b>Promoter Name</b>	<b>No of Shares</b>	<b>% of Total Shares</b>
	M SURESH KUMAR REDDY	7,52,84,653	14.83%
	VIJAY KANCHARLA	38,20,946	0.75%
	VIJAY KUMAR KANCHARLA HUF	6,20,44,564	12.22%
	S V RAJYALAXMI REDDY	65,34,000	1.29%
	M. GANGI REDDY	11,56,800	0.23%
	M. SUBHADRA REDDY	1,41,500	0.03%
	PALLE SUGUNA REDDY	21,01,160	0.41%
	K MOHAN RAO	1,800	0.00%
	VENKATESWARA RAO	7,13,963	0.14%
	MUTHUKURU SHASHIDHAR REDDY	13,41,000	0.26%
	FINGROWTH CO. LTD	14,14,534	0.28%
	PROBUS CAPITAL LIMITED	6,05,000	0.12%
	MUNDI ENTERPRISE LIMITED	1,66,953	0.03%
	GEETHA KANCHARLA	65,34,000	1.29%
	REDMOND INVESTMENTS LTD	2,47,66,812	4.88%
	<b>TOTAL</b>	<b>18,66,27,685</b>	<b>36.76%</b>

**Note No: 18 Other equity**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Other equity consist of the following</b>			
	(a) Capital reserve		
	Opening balance	41,678.12	41,678.12
	Add: During the year	-	-
		<b>41,678.12</b>	<b>41,678.12</b>
	<b>b).Securities Premium</b>		
	Opening balance	2,512.00	-
	Add: During the year	90,629.13	2,512.00
	Less: Bouns shares issued	20,309.91	-
		<b>72,831.23</b>	<b>2,512.00</b>
	<b>c).General reserve</b>		
	Opening balance	398.17	398.17
	Add: During the year	<b>398.17</b>	<b>398.17</b>
	<b>d).Surplus</b>		
	Opening balance	<b>2,67,178.47</b>	2,19,326.33
	Add: Profit for the year	91,220.05	48,300.80
	Add: Remeasurement of the defined benefit plan	253.12	(194.83)
	Less: Dividend issued	520.82	253.83
		<b>3,58,130.82</b>	<b>2,67,178.47</b>
	<b>e).Foreign currency translation reserve</b>		
	Opening balance	4,041.06	11,718.48
	Add: During the year	12,011.30	(7,677.42)
		<b>16,052.36</b>	<b>4,041.06</b>
	<b>Total Reserve &amp; Surplus</b>	<b>4,89,090.68</b>	<b>3,15,807.84</b>

**NOTE NO. 19 : PROVISIONS - NON CURRENT**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Provisions - Non current</b>			
	Provision for employee benefits		
I	(a) Gratuity	52.48	45.12
	(b) Leave encashment	16.91	16.91
	Accrued Severance Pay	975.92	906.76
	Other Provisions	8.83	5.57
	<b>Total Provisions - Non Current</b>	<b>1,054.14</b>	<b>974.36</b>

**NOTE NO. 20 : DEFERRED TAX LIABILITIES (NET)**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>DEFERRED TAX LIABILITIES (NET)</b>			
	Opening Deferred tax liability	326.15	326.15
	ADD:	-	-
	Deferred Tax Liability for the year ( Due to SLM and WDV Difference )	8.81	-
	Deferred Tax Liability due to others	-	-
<b>I</b>	<b>Gross Deferred tax liability</b>	<b>334.96</b>	<b>326.15</b>
	<b>Deferred tax assets</b>	<b>-</b>	<b>-</b>
	Opening Deferred tax	54.95	97.37
	ADD: During th year	-	-
	Deferred Tax Asset for the year ( Due to SLM and WDV Difference )	-	-
	Provision for Gratuity and Compensated Absences	19.83	80.73
	Foreign currency difference	(75.42)	(123.15)
	<b>Gross Deferred tax Asset</b>	<b>(0.65)</b>	<b>54.95</b>
	<b>Deferred Tax Liability - Net</b>	<b>335.61</b>	<b>271.20</b>

**NOTE NO. 21 : BORROWINGS - CURRENT - SECURED**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
<b>Borrowings - Current-Secured</b>			
<b>Cash Credits and Working Capital from Banks</b>			
<b>I</b>	Secured Loans	-	-
		-	-
	<b>Total borrowings - current</b>	<b>-</b>	<b>-</b>

**NOTE NO. 22 : TRADE PAYABLES – CURRENT**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
	Trade payables		
I	Total outstanding dues of micro enterprises and small enterprises	3.70	4.70
	Total outstanding dues of creditors other than micro enterprises and small enterprises	17,807.68	11,651.69
	<b>Total Trade Payables – Current</b>	<b>17,811.38</b>	<b>11,656.39</b>
	<b>Please refer note no - 47</b>		

**NOTE NO. 23 : OTHER FINANCIAL LIABILITIES – CURRENT**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
	<b>Other financial liabilities – Current</b>		
	Others	110.73	171.04
	<b>Total Other financial liabilities – Current</b>	<b>110.73</b>	<b>171.04</b>

**NOTE NO. 24 : OTHER CURRENT LIABILITIES**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
	<b>Other current liabilities</b>		
I	Unpaid dividend	1,301.08	1,220.78
	Other Current Liabilities	10,312.51	5,416.91
	Acquisition Payables -Lycos Inc	16,648.53	16,141.23
	<b>Total Other current liabilities</b>	<b>28,262.12</b>	<b>22,778.92</b>

**NOTE NO. 25 : PROVISIONS – CURRENT**

S.No.	Particulars	As at 31st March 2022	As at 31st March 2021
	<b>Provisions – Current</b>		
	<b>(i) Provision for employee benefits</b>		
	Employee benefit payable	207.38	185.98
	<b>(ii) Others</b>	-	-
I	(a) Provisions for expenses	9.41	795.61
	(b) Other Provisions	505.81	538.16
	(c)Tax	16,300.51	5,745.35
	<b>Total Provisions – Current</b>	<b>17,023.11</b>	<b>7,265.10</b>

**Notes forming part of consolidated financial statements****NOTE NO. 26 : REVENUE FROM OPERATIONS**

S.No.	Particulars	Year Ending	Year Ending
		31-03-2022	31-03-2021
	(a) Sale of Services Domestic	9.23	3.54
I	(b) Sale of Services Exports	4,65,268.46	2,48,978.23
	(c) Sale of Software Exports	36,681.09	36,598.06
	<b>Total Revenue from Operations</b>	<b>5,01,958.77</b>	<b>2,85,579.82</b>

**NOTE NO. 27 : OTHER INCOME**

S.No.	Particulars	Year Ending	Year Ending
		31-03-2022	31-03-2021
	(a) Interest income	0.17	0.10
I	(b) Net gain/(loss) on foreign currency translation and transaction	(222.59)	148.28
	Other Income	-	1,933.48
	<b>Total Other Income</b>	<b>(222.42)</b>	<b>2,081.86</b>

**NOTE NO. 28 : PURCHASE/COST OF REVENUE**

S.No.	Particulars	Year Ending	Year Ending
		31-03-2022	31-03-2021
	(a) Media Cost	2,18,742.34	1,10,465.85
I	(b) Internet, cloud and Infrastructure	34,692.17	16,107.75
	(c) Syndication Cost	9,459.53	4,181.21
	(d) Software Purchase & Sub Contractors Cost	28,517.19	29,929.08
	<b>Total Purchase/Cost of Revenue</b>	<b>2,91,411.22</b>	<b>1,60,683.89</b>

**NOTE NO. 29 : EMPLOYEE BENEFIT EXPENSES**

S.No.	Particulars	Year Ending	Year Ending
		31-03-2022	31-03-2021
	(a) Salaries, wages and allowances	27,238.75	16,560.50
I	(b) Contribution to provident and other fund	11.37	12.74
	(c) Staff Welfare Expenses	1.03	0.38
	<b>Total Employee Benefit Expenses</b>	<b>27,251.15</b>	<b>16,573.62</b>

<b>NOTE NO. 30 : OTHER OPERATING EXPENSES</b>			
<b>S.No.</b>	<b>Particulars</b>	<b>Year Ending</b>	<b>Year Ending</b>
		<b>31-03-2022</b>	<b>31-03-2021</b>
	Power & Fuel	516.30	211.54
	Rent	3,790.28	3,215.10
	Repairs & Maintenance	803.52	496.80
	Insurance	559.10	441.20
	Rates & Taxes (excluding Income Tax)	736.96	536.45
<b>I</b>	Miscellaneous Expenses	542.09	275.85
	Payment to Auditors:	-	-
	(i) As Auditor fee	324.67	132.97
	(ii) For Tax Audit fee	8.45	6.49
	(iii) For Other Audit related Services	33.70	23.65
	Ins Fee	35.48	25.40
	Telephone, Postage and Others	698.51	479.03
	Business Promotion Expenses	10,591.40	8,463.34
	Travelling and Conveyance	332.49	128.90
	Office Maintenance	1,628.04	1,077.54
	Printing & Stationery Expenses	44.79	102.87
	Security Charges	89.02	24.14
	Consultancy Charges	1,578.42	659.75
	Event Sponsorship & Seminar Fee	20.00	23.73
	Web Development Expenses	1,891.54	736.51
	Professional Charges	2,716.58	925.11
	Sales and Marketing Expenses	4,102.73	2,295.93
	Books & Subscriptions	29.82	45.79
	Provision for Impairment of Debtors	(153.62)	(34.65)
	Other Expenses	1,678.70	1,490.37
	CSR Expenditure	9.59	-
	<b>Total Other Operating Expenses</b>	<b>32,608.57</b>	<b>21,783.82</b>

<b>NOTE NO. 31 : FINANCE COSTS</b>			
<b>S.No.</b>	<b>Particulars</b>	<b>Year Ending</b>	<b>Year Ending</b>
		<b>31-03-2022</b>	<b>31-03-2021</b>
<b>I</b>	Interest on Term Loan	-	9.23
	Loan processing Charges & Bank Charges	31.43	1.38
	<b>Total Finance Costs</b>	<b>31.43</b>	<b>10.61</b>



Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup> March 2022**32. Auditor's Remuneration:**

Particulars	(Amount in Rs.)	
	Year ended 31 <sup>st</sup> March,	
	2022	2021
Statutory Audit Fees	324.67	132.97
Tax Audit Fee	8.45	6.49
Other Audit related Services	33.70	23.65
<b>Total</b>	<b>366.83</b>	<b>163.12</b>

**33. 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.**

**34. Related Party Transactions:**

During the financial year 2021-22 the Company has entered into some transactions, which can be deemed as related party transactions. All these matters have been approved by the Board, wherever necessary.

**(a) Related Parties:**

S.No.	Particulars	Nature of Relationship
1	M.Suresh Kumar Reddy	Chairman and Managing Director
2	Vijay Kancharla	Executive Director
3	K.Jaya Lakshmi kumari	Independent Director
4	Nilendu Chakraborty	Independent Director
5	Surabhi Sinha	Independent Director
6	Raghunath Allamsetty	Independent Director
7	Peshwa Acharya	Independent Director
8	Yreach Media Private Limited, India	99% Owned Subsidiary
9	LIL Projects Private Limited, India	Wholly Owned Subsidiary
10	Frontier Data Management Inc, USA	Wholly Owned Subsidiary
11	International Expressions Inc, USA	Wholly Owned Subsidiary
12	Online Media Solutions Limited, Israel	Wholly Owned Subsidiary
13	Ybrant Media Acquisition Inc, USA	Wholly Owned Subsidiary
14	Dyomo Corporation, USA	Wholly Owned Subsidiary
15	Max Interactive Pty, Ltd., Australia	Wholly Owned Subsidiary
16	DreamAd, Argentina	Wholly Owned Subsidiary
17	DreamAd, Chile	Wholly Owned Subsidiary
18	Get Media Mexico Sociedad Anonima De Capital Variable, Mexico	Wholly Owned Subsidiary
19	DreamAd, Panama	Wholly Owned Subsidiary
20	DreamAd, Uruguay	Wholly Owned Subsidiary
21	Ybrant Digital Servicios De Publiciade Ltda, Brasil	Wholly Owned Subsidiary

## Brightcom Group Limited

Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

22	Ybrant Digital (Brasil) Ltd., Singapore	Wholly Owned Subsidiary
23	LGS Global FZE, UAE	Wholly Owned Subsidiary
24	Ybrant Employees welfare Trust	Directors acting as Trustees
25	LGSL Foundation Trust	Directors acting as Trustees
26	Vuchi Media Pvt Ltd	Associate company

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

Particulars	( in lakhs.)	
	Year ended 31 <sup>st</sup> March	
	2022	2021
DreamAd, Panama	833.91	808.50
Frontier Data Management Inc, USA	985.97	955.93
International Expressions Inc, USA	797.31	773.01
Online Media Solutions Limited, Israel	1,195.52	1,159.10
Ybrant Media Acquisition Inc, USA	6,180.14	5,991.83
LIL Projects Pvt Ltd	-	5,057.26
Yreach Media Pvt Ltd	-	112.47

**(ii) Investment in Subsidiaries and Associates:**

Particulars	Year ended 31 <sup>st</sup> March	
	2022	2021
DreamAd Group	5,432.40	5,432.40
Frontier Data Management Inc., USA	12,984.77	12,984.77
International Expressions Inc., USA	10,453.63	10,453.63
Online Media Solutions Limited, Israel	5,178.81	5,178.81
Ybrant Media Acquisition Inc.,USA	12,652.40	12,652.40
Max Interactive Pty Ltd, Australia	4,174.90	4,174.90
Dyomo Corporation, USA	4.67	4.67
Ybrant Digital Servicos De Publicidade Ltda,Brasil	2.66	2.66
Ybrant Digital (Brasil) Ltd., Singapore	0.00	0.00
LGS Global FZE,UAE	2.44	2.44
Yreach Media Pvt Ltd.	0.99	0.99
LIL Projects private limited.	1.00	1.00
Vuchi Media Pvt Ltd	16,886.81	

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

Particulars	year ended 31 <sup>st</sup> March	
	2022	2021
Ybrant Employees welfare Trust	107.50	107.50
LGSL Foundation Trust	56.95	56.95
LIL Projects Pvt Ltd	5,220.28	-
Yreach Media Pvt Ltd	19,519.12	-

**35. Lease:**

The company's lease asset classes primarily consist of leases for land and buildings. Effective April 1, 2019, the company adopted Ind AS 116, Leases and applied the standard to applicable lease contracts. On the adoption of the new standard resulted in the recognition of ROU asset of Rs. 33.44 lakhs, and a lease liabilities of Rs. 28.79 lakhs at a standalone level. The effect of this adoption is insignificant on the operating profit, net profit for the period and earnings per share .

**36. Foreign Currency Outflows:**

Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

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

Particulars	(Amount in Rs lakhs.)	
	Year Ended 31 <sup>st</sup> March,	
	2022	2021
Foreign Travelling	4.05	-
<b>Total</b>	<b>4.05</b>	<b>NIL</b>

**37. Foreign Currency Inflows:**

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

(in lakhs)

Particulars	Year Ended 31 <sup>st</sup> March,	
	2022	2021
Sales & Services	NIL	NIL
Realization from Trade Receivables out of Opening Balance	NIL	NIL
Investment in Equity	51,417.58	NIL
<b>Total</b>	<b>51,417.58</b>	<b>NIL/-</b>

**38. Employee Benefits (Gratuity)**

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

**a) Changes in the Present Value of Obligation**

Particulars	For the period ending	
	31-Mar-22	31-Mar-21
<b>Present Value of Obligation as at beginning</b>	45.55	48.99
Current Service Cost	3.85	3.62
Interest Expense or Cost	3.00	3.33
Re-measurement (or Actuarial) (gain) / loss arising from: others		
- change in demographic assumptions		
- change in financial assumptions	2.09	-4.01
- experience variance (Actual v assumptions)		
Past Service Cost		
Effect of change in foreign exchange rates		
Benefits Paid	-1.58	-6.38
Acquisition Adjustment		
Effect of business combinations or disposals		
<b>Present Value of Obligation as at the end</b>	<b>52.91</b>	<b>45.55</b>

**b) Bifurcation of Net Liability**

## Brightcom Group Limited

Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup>March 2022

Particulars	As on	
	31-Mar-22	31-Mar-21
Current Liability (Short term)	18.49	2.39
Non-Current Liability (Long term)	34.42	43.17
<b>Total Liability</b>	<b>52.91</b>	<b>45.55</b>

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

Particulars	For the period ending	
	31-Mar-22	31-Mar-21
<b>Fair Value of Plan Assets as at the beginning</b>	0.43	0.43
<b>OB difference</b>		
Investment Income	0.03	0.03
Employer's Contribution		
Expenses		
Employee's Contribution		
Benefits Paid		
Return on plan assets, excluding amount recognized in net interest expense	-0.03	-0.03
Acquisition Adjustment	-	-
<b>Fair Value of Plan Assets as at the end</b>	<b>0.43</b>	<b>0.43</b>

## d) Change in the Effect of Asset Ceiling

Particulars	For the period ending	
	31-Mar-22	31-Mar-21
<b>Effect of Asset Ceiling at the beginning</b>	-	-
Interest Expense or Cost (to the extent not recognised in net interest expense)	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
<b>Effect of Asset Ceiling at the end</b>	-	-

## e) Expenses Recognized in the Income Statement

Particulars	For the period ending	
	31-Mar-22	31-Mar-21
Current Service Cost	3.85	3.62
Past Service Cost		
Loss / (Gain) on settlement		
Expected return on Asset		
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	2.97	3.30
Actuarial Gain/Loss		
<b>Expenses recognized in the Income Statement</b>	<b>6.82</b>	<b>6.92</b>

## Brightcom Group Limited

Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

## f) Other Comprehensive Income

Particulars	For the period ending	
	31-Mar-22	31-Mar-21
Actuarial (gains) / losses		
- change in demographic assumptions		
- change in financial assumptions	2.09	-4.01
- experience variance (i.e. Actual experience vs assumptions)		
- others obd difference		
Return on plan assets, excluding amount recognized in net interest expense	0.03	0.03
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling		
<b>Components of defined benefit costs recognized in other comprehensive income</b>	<b>2.12</b>	<b>-3.98</b>

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

Particulars	As on	
	31-Mar-22	31-Mar-21
Government of India securities	-	-
State Government securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Special Deposit Scheme	-	-
Funds managed by Insurer	-	-
Bank balance	-	-
Other Investments	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## h) Actuarial Assumptions:

Particulars	As on	
	31-Mar-22	31-Mar-21
Discount rate (per annum)	7.05%	6.70%
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.

## 39. Earnings Per Share:

Particulars	(Amount in Rs.)	
	Year Ended 31 <sup>st</sup> March	Year Ended 31 <sup>st</sup> March,

## Brightcom Group Limited

Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup>March 2022

	<b>2022</b>	<b>2021</b>
Profits Attributable to Equity Share Holders	91,220.05	48,300.80
Weighted Average No. of Shares Outstanding for the Year ended		
Basic	2,017,921,873	507,651,499
Diluted	2,017,921,873	507,651,499
Earnings per Share – Basic	4.52	9.51
Earnings per Share – Diluted	4.52	9.51

The EPS of Rs.4.52 on a PAT of Rs. 91,220.05 lakhs for the year ended 31 March 2022 for an Equity Capital i.e. Rs. 40,358.44 lakhs consisting of 2,017,921,873 Equity Shares of Rs.2/- each fully paid up and whereas the EPS of Rs. 9.51 on a PAT of Rs. 48,300.80 lakhs for the year ended 31 March 2021 for an Equity Capital i.e. Rs. 10,153.03 lakhs consisting of of 50,76,51,499.

**40.** 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. (22.26) lakhs (net) has been recognized in statement Profit and Loss for the Year.

**41. 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.

**42. Intra branch Transactions:**

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

**43.** 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].

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

There are no overdue principle amounts and interest thereon payable to Micro Enterprises and Small Enterprises, as at 31-03-2022.

**45. 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.

**46. Trade receivables ageing schedule****Ageing as at 31 March 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	1,20,321.60	68,525.44	-	-	-	1,88,847.03
Disputed Trade Receivables – considered good						
<b>Less: Expected credit loss</b>		(709.12)				(709.12)
<b>Total</b>	<b>1,20,321.60</b>	<b>67,816.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,88,137.91</b>

## Brightcom Group Limited

Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup> March 2022**Ageing as at 31 March 2021:**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	67,838.38	44,942.92	-	-	-	1,12,781.30
Disputed Trade Receivables – considered good						-
<b>Less: Expected credit loss</b>		(868.31)				(868.31)
<b>Total</b>	<b>67,838.38</b>	<b>44,074.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,11,912.99</b>

**47. Trade payables ageing schedule:****Ageing as at 31 March 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	3.70	-	-	-	-	3.70
Others	17,798.71	8.97	-	-	-	17,807.68
<b>Total</b>	<b>17,802.41</b>	<b>8.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,811.38</b>

**Ageing as at 31 March 2021:**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Micro and Small Enterprises	4.70	-	-	-	-	4.70
Others	11,643.94	7.76	-	-	-	11,651.69
<b>Total</b>	<b>11,648.63</b>	<b>7.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,656.39</b>

**48. Capital work-in-progress**

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

Capital work-in-progress	Amount in Capital work-in-progress of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	8,196.29				8,196.29
<b>Total</b>	<b>8,196.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,196.29</b>

Ageing for capital work-in-progress as at March 31, 2021 is as follows:

Capital work-in-progress	Amount in Capital work-in-progress of			
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## Brightcom Group Limited

Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	17,530.88				17,530.88
<b>Total</b>	<b>17,530.88</b>	-	-	-	<b>17,530.88</b>

**49. Intangible assets under development:**

Ageing for Intangible assets under development as at March 31, 2022 is as follows:

Intangible assets under development	Amount in Intangible assets under development of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	9,738.42				9,738.42
<b>Total</b>	<b>9,738.42</b>	-	-	-	<b>9,738.42</b>

Ageing for Intangible assets under development as at March 31, 2021 is as follows:

Intangible assets under development	Amount in Intangible assets under development of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	14,657.33				14,657.33
<b>Total</b>	<b>14,657.33</b>	-	-	-	<b>14,657.33</b>

**50.** During the period under review the listed entity has received In-principle approvals from the Stock Exchanges on 1st April, 2021 for 33,18,45,000 (Thirty-Three Crore Eighteen Lakhs Forty-Five Thousand Only) convertible Warrants.

Out of the abovementioned 33,18,45,000 (Thirty-Three Crore Eighteen Lakhs Forty-Five Thousand Only) convertible Warrants, the Company has allotted 32,56,55,000 (Thirty-Two Crore Fifty-Six Lakh and Fifty-Five Thousand) equity shares against the warrants as mentioned below and the same have been listed with both BSE Limited and National Stock Exchange of India Limited:

Sl. No.	Date of Allotment	No. of Shares	Effective date of Listing
1	July 01, 2021	3,42,00,000	August 11, 2021
2	July 23, 2021	5,89,30,000	August 23, 2021
3	July 28, 2021	14,55,00,000	August 25, 2021
4	July 30, 2021	8,32,00,000	August 26, 2021
5	August 12, 2021	38,25,000	August 26, 2021
<b>Total Shares</b>		<b>32,56,55,000</b>	

During the period under review the Board in its meeting held on June 28, 2021 has declared Bonus issue in the ratio of 1:4 and has allotted 20,83,26,625 (Twenty Crore Eighty-Three Lakh Twenty-Six Thousand Six Hundred and Twenty-Five) equity shares.

During the period under review the Board, in its meeting held on September 16, 2021 has proposed to issue & allot 14,01,50,000 equity shares to 29 non-promoters and 1,50,00,000 convertible warrants to Mr. Shankar Sharma at Rs. 37.77/- (Rupees Thirty-Seven and Seventy-Seven Paise only) each through Preferential Issue as per the provisions of Chapter V of SEBI (ICDR) Regulations, 2018 by Postal Ballot, which was approved by the Shareholders on October 20, 2021 through requisite majority. However, the Company has received in-principle approvals from the Exchanges for 14,00,50,000 equity shares to 28 non-promoters and 1,50,00,000 convertible warrants to Mr. Shankar Sharma and has allotted the same as mentioned below.



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Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

Sl. No.	Date of Allotment	No. of Shares	Effective date of Listing
1	January 23, 2022	80,50,000	April 01, 2022
2	January 25, 2022	13,20,00,000	April 01, 2022
<b>Total Shares</b>		<b>14,00,50,000</b>	

The Warrants & Share Allotment Committee has on 9th March 2022 allotted 1,50,00,000 Equity Shares by converting warrants into equity and the same were listed on both the Exchanges with effect from April 19, 2022.

During the period under review the Board, in its meeting held on December 09, 2021 has proposed to issue & allot 1,40,70,000 equity shares at Rs. 120.02 (Rupees One Hundred & Twenty and Two paise only) each to 4 non-promoters for part consideration of other than cash i.e., against the takeover of Vuchi Media Private Limited, through Preferential Issue as per the provisions of Chapter V of SEBI (ICDR) Regulations, 2018 and the same were listed on both the Exchanges with effect from April 13, 2022.

During the period under review the Board in its meeting held on January 25, 2022 has declared Bonus issue in the ratio of 2:3 and has allotted 80,71,68,749 (Eighty Crore Seventy-One Lakh Sixty-Eight Thousand Seven Hundred and Forty-Nine only) equity shares on March 22, 2022 and the same are listed on both the Exchanges with effect from May 30, 2022.

As on the date of this report, the Company has a paid-up share capital of Rs. 403,58,43,746 divided into 201,79,21,873 Equity Shares of Rs. 2/- each.

## 51. Financial risk management objectives and policies

The Group's principal financial liabilities comprise, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks. The Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and makes policies for managing each of these risks, which are summarized below.

### A Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group considers a counterparty who fails to pay according to the contractual terms or obligations as a defaulted party. This is based on considering the market and economic forces in which the entities in the Group are operating and considering the impact of COVID - 19. The Group creates provision for the amount if the credit risk of counter-party increases significantly due to its poor financial position and failure to make payment within the due date. In calculating expected credit loss, the Group has also considered historical pattern of credit loss, the likelihood of increased credit risk and consequential default considering emerging situations due to COVID -19.

#### Trade receivables as contract asset:

The customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis. Outstanding customer receivables are regularly monitored. The Group's receivables turnover is quick and historically, there were no significant defaults. Ind AS requires an entity to recognise in profit or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Group assesses at each date of statements of financial position whether a financial asset or a group of financial assets is impaired.

**B. Liquidity Risk**

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**C. Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other market changes. Financial instruments affected by market risk include loans and borrowings and deposits.

**- Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Group's exposure to the risk of changes in market interest rates is negligible.

**- Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective entities.

**52. Contingent Liabilities & Guarantees:**

Particulars	Name of the Bank / Party	(in lakhs.)
		Year ending 31st March, 2022
Disputed Service tax Liability for the period May 2008 to September 2011	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	1,460.05
Disputed Service tax Liability for the period May 2008 to September 2011	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	413.23
Disputed Service tax Liability for the period April 2014 to June 2017.	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	6,487.35
Disputed GST Liability for the period July 2017 to March 2021.	Appeal made to Central Excise & Service Tax Appellate Tribunal, Hyderabad.	3,287.09
Disputed Income Tax Liability for the A.Y.2006-07 to A.Y. 2009-10.	CIT(Appeals) / ITAT	350.70
Disputed Income Tax Liability for the A.Y.2010-11 to A.Y. 2013-14.	CIT(Appeals)/ ITAT	2,358.63
Disputed Income Tax Liability for the A.Y.2014-2015 to A.Y. 2018-19.	CIT(Appeals)/ ITAT	5,730.06
Corporate Guarantee for Acquiring Lycos Inc (USD 4 Mn) *	Daum Global Holdings Corp, Republic of Korea	3,032.40
	SE Investments	
	Mumbai	
SE Investments Loan	(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).	62.23

\* Assumption: 1 USD = Rs.75.81 (Closing rate as on 31<sup>st</sup> March 2022)

53. Dividend Payable is pending for various financial years amounting to Rs. 1,301.08 lakhs.

**54. Subsequent event**

Dividend declared by the Company is based on the profit available for distribution. On 30th May, 2022, the Board of Directors of the Company have proposed a final dividend of paisa 30 per share in respect of the year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting.

**55. Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

**Ind AS 103 – Reference to Conceptual Framework:**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements

**Ind AS 37 – Onerous Contracts – Costs of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 116 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

56. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**57. Impact of COVID-19 (pandemic)**

The client market segments we serve are faced with challenges and opportunities arising from the COVID-19 pandemic and its resulting impact on the company. We believe the investments we have made, and continue to make, in our strategy will enable us to tackle these market conditions, especially in the areas of digitization of processes, migration to cloud based technologies, workplace transformation, business model transformation, enhanced cyber security controls and cost structure optimization. Further, we have successfully enabled most of our employees worldwide to work remotely and securely – thus achieving the operational stability to deliver on client commitments and ensuring our own business continuity.

## Brightcom Group Limited

Notes forming part of Consolidated financial statements for the year ended 31<sup>st</sup> March 2022

The Group has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these Consolidated financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets.

At the group level, based on our assessment we believe that the forecasted transactions are not impacted by COVID-19 pandemic. The group has also considered the effect of changes, if any.

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

**58. Additional Regulatory Information**

<b>Ratios</b>					
<b>Ratio</b>	<b>Numerator</b>	<b>Denominator</b>	<b>Current year</b>	<b>Previous year</b>	<b>Change in ratio</b>
<b>Current ratio (in times)</b>	Total current assets	Total current liabilities	6.69	5.12	30%
<b>Debt-Equity ratio (in times)</b>	Debt consists of borrowings and long term liabilities	Total equity	0.0026	0.0038	-31%
<b>Debt service coverage ratio (in times)</b>	Earning for Debt Service = Net Profit after taxes+ Non-cash operating expenses + Interest +Other non-cash adjustments	Debt service = Interest + finance charges	3,679.36	6,699.83	-45%
<b>Return on equity ratio (in %)</b>	Profit for the year	total equity	17.23%	14.82%	16%
<b>Trade receivables turnover ratio (in times)</b>	Revenue from operations	Average trade receivables	3.35	2.73	23%
<b>Trade payables turnover ratio (in times)</b>	Cost of equipment and software licences	Average trade payables	19.78	27.57	-28%
<b>Net capital turnover ratio (in times)</b>	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	1.40	1.65	-16%
<b>Net profit ratio (in %)</b>	Profit for the year	Revenue from operations	18.17%	16.91%	7%
<b>Return on capital employed (in %)</b>	Profit before tax and finance costs	Capital employed = Net worth + Long term liabilities	23.71%	20.17%	18%
<b>Return on investment (in %)</b>	Total Comprehensive Income	Total Assets	17.42%	10.95%	59%

**Note:**

**Current Ratio:** In line with the improvement in sales, the quantum of media purchased and other current assets has also increased, whilst media and current assets held being maintained at the higher level and thus resulting in the improvement in current ratio.

**Debt-Equity ratio :** The long term liabilities are negligible .

**Debt service coverage ratio :** The interest and finance charges increased from Rs. 10.60 lakhs in FY2020-21 to Rs.31.43lakhs in FY 2021-22. The PAT is increased from Rs.483.00crs in FY 2020-21 to Rs. 912.20 crs in FY2021-22. The finances charges are increased by Rs.20.8 lakhs whereas profit is increased by Rs.429 crs. Though the increase in interest amount is negligible compared to than that of PAT , as a numerical calculation it is shown as negative number.

**Trade payables turnover ratio:** In line with the improvement in sales, the quantum of media purchased and other expenses incurred has also increased, whilst the payables balance held being maintained lower as compared to previous year owing to timely payment of dues to vendor due to significant cash being realized from the operations, the resulting impact on ratio is noted.

**Return on investment:** Improvement in ratio was led by increased sales volumes resulting in significantly higher profits for the year.

59. The Company has spent Rs. 9.59 Lakhs on CSR activities in the areas of Education and Environmental Protection. A detailed report on CSR forms part of this annual report.
60. The figures of previous year have been regrouped wherever necessary.
61. The figures have been rounded off to the nearest rupee.
62. Statement of Net assets and profit or loss attributable to Owners and Minority Interest is attached in Annexure B.

**As per our report of even date**

**For P C N & ASSOCIATES**

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

**CHARTERED ACCOUNTANTS**

**FRN: 016016S**

**For and on behalf of the Board of**

**BRIGHTCOM GROUP LIMITED**

Sd/-

**K. Gopala Krishna**

**PARTNER**

**Membership Number: 203605**

Sd/-

**M.Suresh Kumar Reddy**

**Chairman & Managing**

**Director**

Sd/-

**Vijay Kancharla**

**Executive Director**

**PLACE: HYDERABAD**

**DATE: 30<sup>th</sup> May, 2022**

<b>Annexure - A</b>			
<b>REPORTING OF SEGMENT WISE REVENUE, RESULTS , SEGMENT ASSETS &amp; SEGMENT LIABILITIES(CONSOLIDATED)</b>			
All amounts in Indian Rupees Lakhs			
Sl.No.	Particulars	Year Ended	
		31-Mar-2022	31-Mar-2021
		(audited)	(audited)
<b>1</b>	<b>Segment Revenue</b>		
	(a) Digital Marketing Segment	4,65,713.17	2,49,484.18
	(b) Software Development Segment	36,245.60	36,095.64
	<b>Total Sales/ Income from Operations</b>	<b>5,01,958.77</b>	<b>2,85,579.82</b>
	Less: Inter Segment Revenue		
	<b>Net Sales/ Income from Operations</b>	<b>5,01,958.77</b>	<b>2,85,579.82</b>
<b>2</b>	<b>Segment Results - Profit (+) / Loss (-) before tax and interest</b>		
	(a) Digital Marketing Segment	1,25,373.31	64,843.25
	(b) Software Development Segment	468.40	1,167.86
	<b>Total</b>	<b>1,25,841.71</b>	<b>66,011.11</b>
	Less: Interest	31.43	10.61
	<b>Total Profit (+) / Loss (-) before tax</b>	<b>1,25,810.28</b>	<b>66,000.50</b>
<b>3</b>	<b>Segment Assets</b>		
	(a) Digital Marketing Segment	5,63,767.58	3,40,445.34
	(b) Software Development Segment	30,278.64	28,632.55
	<b>Total segment assets</b>	<b>5,94,046.22</b>	<b>3,69,077.89</b>
	<b>Segment liabilities</b>		
	(a) Digital Marketing Segment	54,193.69	27,741.06
	(b) Software Development Segment	10,403.54	15,375.96
	<b>Total segment liabilities</b>	<b>64,597.22</b>	<b>43,117.01</b>

## Annexure B

Name of the entity in the Group	Net Assets, i.e., total assets		Share in profit or loss		Share in other comprehensive income		Share in total		% of Shareholding	Country
	minus total liabilities						comprehensive income			
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount		
<b>Parent</b>	30.59%	1,61,975.88	0.19%	171.57	1.40%	171.19	0.33%	342.76		India
<b>Parent Subsidiaries</b>										
<b>Indian</b>										
Yreach Media Pvt Ltd	0.00%	1.28	0.00%	0.40	0.00%	-	0.00%	0.40	100%	India
LIL Projects PVT LTD	0.00%	0.65	0.00%	1.14	-0.02%	(2.02)	0.00%	(0.88)	100%	India
<b>Foreign</b>										
Dream Ad- Argentina	5.76%	30,521.29	9.97%	9,097.93	7.15%	877.29	9.64%	9,975.21	100%	Argentina
Dream Ad-Chile	2.76%	14,611.47	4.37%	3,990.55	3.40%	416.63	4.26%	4,407.18	100%	Chile
Dream Ad- Mexico	1.45%	7,659.06	2.85%	2,599.42	1.77%	217.32	2.72%	2,816.74	100%	Mexico
Dream Ad-Panama	1.99%	10,545.44	3.44%	3,137.72	2.42%	296.79	3.32%	3,434.50	100%	Panama
Dream Ad-Uruguay	0.19%	1,014.77	0.48%	438.79	0.22%	27.47	0.45%	466.26	100%	Uruguay
Dyomo Corporation, USA	7.85%	41,557.89	9.18%	8,376.48	9.90%	1,213.65	9.27%	9,590.12	100%	USA
Frontier Data Management Inc. USA	16.28%	86,188.96	13.62%	12,425.51	20.78%	2,548.25	14.47%	14,973.76	100%	USA
International Expressions Inc. USA	8.39%	44,443.89	4.89%	4,464.91	10.81%	1,326.09	5.60%	5,791.00	100%	USA
Max Interactive Pty Ltd., Australia	2.09%	11,050.46	4.13%	3,768.02	2.56%	313.52	3.94%	4,081.53	100%	Australia
Online Media Solutions Limited , Israel	32.17%	1,70,329.21	42.80%	39,044.10	39.64%	4,862.17	42.43%	43,906.27	100%	Israel
Ybrant Digital Services De Publicidade Ltda,Brasil	2.06%	10,903.53	4.06%	3,703.51	2.57%	315.06	3.88%	4,018.56	100%	Brazil
Ybrant Digital (Brasil) Ltd., Singapore	0.00%	0.00045	0.00%	-	0.00%	-	0.00%	-	100%	Singapore
Ybrant Media Acquisition Inc. USA	-1.98%	(10,468.39)	0.00%	-	-2.60%	(318.98)	-0.31%	(318.98)	100%	USA
LGS Global FZE, UAE	0.00%	2.44	0.00%	-	0.00%	-	0.00%	-	100%	Dubai
<b>Total</b>	<b>109.61%</b>	<b>5,80,337.83</b>	<b>100.00%</b>	<b>91,220.05</b>	<b>100.00%</b>	<b>12,264.41</b>	<b>100.00%</b>	<b>1,03,484</b>		
<b>Less:</b>										
<b>Adjustments arising on account of Consolidation</b>	<b>9.61%</b>	<b>50,888.68</b>	<b>0.00%</b>		<b>0.00%</b>		<b>0.00%</b>			
<b>Total</b>	<b>100.00%</b>	<b>5,29,449.15</b>	<b>100.00%</b>	<b>91,220.05</b>	<b>100.00%</b>	<b>12,264.41</b>	<b>100.00%</b>	<b>1,03,484.46</b>		

**Dream Ad-Argentina**

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	1.70	85.59
b)	Reserves and Surplus	401.25	30,435.71
c)	Total Assets	460.12	34,854.65
d)	Total Liabilities	460.12	34,854.65
e)	Details of Investments	14.62	1,108.60
f)	Turnover	616.83	45,960.03
g)	Profit before tax	178.12	13,271.50
h)	Provision for tax	55.05	4,173.57
i)	Profit After Tax	123.06	9,097.93
	Other comprehensive income	0.35	877.29
	Total comprehensive income for	123.42	9,975.21
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

**Get Media, Mexico Sociedad Anonima de Capital Variable, Mexico**

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	0.30	15.18
b)	Reserves and Surplus	-	7,643.88
c)	Total Assets	118.46	8,967.28
d)	Total Liabilities	118.46	8,967.28
e)	Details of Investments	-	-
f)	Turnover	141.51	10,543.78
g)	Profit before tax	50.10	3,733.13
h)	Provision for tax	14.95	1,133.71
i)	Profit After Tax	35.15	2,599.42
	Other comprehensive income	0.18	217.32
	Total comprehensive income for	35.33	2,816.74
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

**Dream Ad-Panama**

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	2.50	125.75
b)	Reserves and Surplus	136.81	10,419.69
c)	Total Assets	157.95	11,958.57
d)	Total Liabilities	157.95	11,958.57
e)	Details of Investments	-	-
f)	Turnover	176.26	13,132.98
g)	Profit before tax	56.38	4,201.17
h)	Provision for tax	14.03	1,063.46
i)	Profit After Tax	42.36	3,137.72
	Other comprehensive income	0.20	296.79
	Total comprehensive income for	42.56	3,434.50
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

**Dream Ad-Chile**

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	0.028	1.42
b)	Reserves and Surplus	192.82	14,610.05
c)	Total Assets	217.40	16,473.33
d)	Total Liabilities	217.40	16,473.33
e)	Details of Investments	-	-
f)	Turnover	249.87	18,618.14
g)	Profit before tax	73.79	5,497.91
h)	Provision for tax	19.88	1,507.36
i)	Profit After Tax	53.90	3,990.55
	Other comprehensive income	0.11	416.63
	Total comprehensive income for	54.01	4,407.18
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

**Dyomo Corporation, USA**

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	0.10	4.67
b)	Reserves and Surplus	548.67	41,553.21
c)	Total Assets	594.77	45,044.74
d)	Total Liabilities	594.77	45,044.74
e)	Details of Investments	38.82	2,943.17
f)	Turnover	557.51	41,540.27
g)	Profit before tax	160.73	11,975.87
h)	Provision for tax	47.48	3,599.40
i)	Profit After Tax	113.25	8,376.48
	Other comprehensive income	0.59	1,213.65
	Total comprehensive income for	113.84	9,590.12
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

**Dream Ad.-Uruguay**

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	0.33	16.74
b)	Reserves and Surplus	13.11	997.91
c)	Total Assets	19.68	1,487.31
d)	Total Liabilities	19.68	1,487.31
e)	Details of Investments	-	-
f)	Turnover	64.06	4,773.20
g)	Profit before tax	7.87	586.48
h)	Provision for tax	1.95	147.69
i)	Profit After Tax	5.92	438.79
	Other comprehensive income	0.06	27.47
	Total comprehensive income for	5.98	466.26
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	



**Frontier Data Management Inc., USA**

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	289.19	12,980.71
b)	Reserves and Surplus	848.19	73,208.25
c)	Total Assets	1,211.19	91,784.69
d)	Total Liabilities	1,211.19	91,784.69
e)	Details of Investments	100.49	7,618.37
f)	Turnover	836.17	62,303.12
g)	Profit before tax	238.51	17,771.16
h)	Provision for tax	70.51	5,345.64
i)	Profit After Tax	167.99	12,425.51
	Other comprehensive income	0.47	2,548.25
	Total comprehensive income for	168.47	14,973.77
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

**Max Interactive Pty Ltd., Australia**

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	0.00	0.00
b)	Reserves and Surplus	145.93	11,050.46
c)	Total Assets	169.29	12,821.59
d)	Total Liabilities	169.29	12,821.59
e)	Details of Investments	-	-
f)	Turnover	242.49	18,067.74
g)	Profit before tax	72.69	5,415.87
h)	Provision for tax	21.74	1,647.86
i)	Profit After Tax	50.95	3,768.02
	Other comprehensive income	0.16	313.52
	Total comprehensive income for	51.11	4,081.53
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

**Online Media Solutions Ltd, Israel**

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	63.69	2,874.97
b)	Reserves and Surplus	2,184.04	1,67,454.24
c)	Total Assets	2,444.70	1,85,261.48
d)	Total Liabilities	2,444.70	1,85,261.48
e)	Details of Investments	251.02	19,029.46
f)	Turnover	2,838.46	2,11,493.56
g)	Profit before tax	683.75	50,946.39
h)	Provision for tax	157.00	11,902.28
i)	Profit After Tax	526.75	39,044.10
	Other comprehensive income	0.94	4,862.17
	Total comprehensive income for	527.69	43,906.27
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

**International Expressions Inc. USA**

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	201.87	10,648.18
b)	Reserves and Surplus	384.66	33,795.71
c)	Total Assets	611.84	46,362.89
d)	Total Liabilities	611.84	46,362.89
e)	Details of Investments	78.90	5,981.30
f)	Turnover	335.47	24,995.80
g)	Profit before tax	85.61	6,378.53
h)	Provision for tax	25.24	1,913.62
i)	Profit After Tax	60.36	4,464.91
	Other comprehensive income	0.27	1,326.09
	Total comprehensive income for	60.64	5,791.00
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

**Ybrant Media Acquisition Inc USA**

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	270.00	12,190.40
b)	Reserves and Surplus	(408.09)	(22,658.79)
c)	Total Assets	81.52	6,180.14
d)	Total Liabilities	81.52	6,180.14
e)	Details of Investments	-	-
f)	Turnover	-	-
g)	Profit before tax	-	-
h)	Provision for tax	-	-
i)	Profit After Tax	-	-
	Other comprehensive income	-	(318.98)
	Total comprehensive income for	-	(318.98)
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

**Ybrant Digital Servicos De Publicidade Ltda, Brasil**

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	0.06	2.94
b)	Reserves and Surplus	143.88	10,900.59
c)	Total Assets	168.18	12,740.77
d)	Total Liabilities	168.18	12,740.77
e)	Details of Investments	-	-
f)	Turnover	207.03	15,426.01
g)	Profit before tax	75.90	5,655.09
h)	Provision for tax	25.74	1,951.58
i)	Profit After Tax	50.15	3,703.51
	Other comprehensive income	0.12	315.06
	Total comprehensive income for	50.27	4,018.56
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding	100%	

**Ybrant Digital (Brasil) Limited, Singapore**

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	0.00001	0.00045
b)	Reserves and Surplus	-	-
c)	Total Assets	0.00001	0.00045
d)	Total Liabilities	0.00001	0.00045
e)	Details of Investments	NIL	NIL
f)	Turnover	-	-
g)	Profit before tax	-	-
h)	Provision for tax	-	-
i)	Profit After Tax	-	-
	Other comprehensive income		
	Total comprehensive income for		
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding		100%

**LIL projects PVT LTD, Hyderabad, India**

S.No	Description	Amount In
		INR
a)	Share Capital	1.00
b)	Reserves and Surplus	(0.35)
c)	Total Assets	18,423.28
d)	Total Liabilities	18,423.28
e)	Details of Investments	-
f)	Turnover	123.36
g)	Profit before tax	0.05
h)	Provision for tax	(1.10)
i)	Profit After Tax	1.14
	Other comprehensive income	(2.02)
	Total comprehensive income for	(0.88)
j)	Proposed Dividend	NIL
k)	% of Share Holding	99%

**LGS Global FZE, UAE**

S.No	Description	Amount In	
		USD	INR
a)	Share Capital	0.05	2.44
b)	Reserves and Surplus	-	-
c)	Total Assets	0.05	2.44
d)	Total Liabilities	0.05	2.44
e)	Details of Investments	NIL	NIL
f)	Turnover	-	-
g)	Profit before tax	-	-
h)	Provision for tax	-	-
i)	Profit After Tax	-	-
	Other comprehensive income		
	Total comprehensive income for		
j)	Proposed Dividend	NIL	NIL
k)	% of Share Holding		100%

**Yreach Media Pvt Ltd, Hyderabad, India**

S.No	Description	Amount In
		INR
a)	Share Capital	1.00
b)	Reserves and Surplus	0.28
c)	Total Assets	19,628.79
d)	Total Liabilities	19,628.79
e)	Details of Investments	-
f)	Turnover	26.76
g)	Profit before tax	0.06
h)	Provision for tax	(0.34)
i)	Profit After Tax	0.40
	Other comprehensive income	-
	Total comprehensive income for	0.40
j)	Proposed Dividend	NIL
k)	% of Share Holding	99%

## **Management Discussion and Analysis**

- The company reported a strong quarter, with consolidated revenues of Rs. 5019 crores and PAT of Rs. 912.2 crores for FY2021-22.
- Consolidated revenues increased 75.8% YOY and PAT rising 88.86% YOY. Notably, EBITDA also rose by 69.78% YOY.
- Company's Return on Equity (ROE), on an annualized basis has reached nearly 17.23%.
- We would also like to highlight that this ROE is unleveraged, because the group has zero debt on standalone and consolidated basis.
- We continue to focus on improving this key ratio.
- In addition, as guided earlier, we achieved operating free cash flow of approximately Rs. 287 crores.

### **The main drivers of revenue were:**

We have added about:

- 250 Global Agency Relationships
- 600 Direct Advertisers
- 650+ large Publishers
- 48,000 long-tail Publishers

The relaunched Compass has been optimizing client's Ad spend across media formats.

Our new Berlin office is getting well into the rhythm of the overall organization's working and core principles.

The above development in turn led to better eCPMs for Brightcom.

Blocal Exchange and Brightcom Video player, both New Product Technology Introductions, have started contributing significantly to the overall business growth.

The above factors, combined with the overall Growth in "Digital advertising media" and client focus by all our operating teams across the geographies helped deliver the Robust Growth.

## **Inorganic Growth: M&A and Strategic Alliances Strategy**

On the inorganic growth front, we have been working out the most effective structure to enable faster & ROE focused growth for our company.

We are extremely focused on being highly capital efficient and are calibrating our inorganic growth strategy to get most bang for our buck

Appropriate announcements shall be made when inorganic transactions are consummated.

### **Updates:**

Brightcom has been working on hiring new Tech talent at our Indian, Israeli and Argentinian offices.

The team participated at the “**d3con Advertisers day**” event in Hamburg.

We also took part the “**AdMonsters OPS**” event in NYC in June, this year.

In May, Brightcom attended the “**Advertising Week Europe - Creative Capital**” event.

### **Risk management**

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

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

**Obsolescence risk:** A technology-driven company always faces the risk of an innovation or product development that can make one or more propositions redundant. The Company remains alert with technological developments to overcome this risk.

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

**Competition risk:** Enhanced competition in the US market may reduce price and revenue margin. The Company is expanding globally and penetrating potential markets like Brazil and China. In the future, it would focus more.

**Consolidation risk:** Consolidation of service providers may affect the Company. The Company has also ventured into strategic acquisitions and tie-ups to capitalise on current market opportunities.

**Regulatory risk:** Businesses can be affected by privacy legislation and other regulations. The Company discloses all its collection statements and dissemination practices in a published privacy statement on its website.

### **Human resource**

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

### **Internal control systems and adequacy**

BCG has an adequate internal control system to ensure authorised business transactions. The internal audit function is an independent function, which internal auditors carry out 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-organisational effectiveness and recommends improvements whenever required. The internal control system also formulates well-documented policies, guidelines, authorisations and approval procedures and ensures compliance with applicable policies and statutes.

# Corporate Information

## REGISTERED OFFICE

Floor 5, Fairfield by Marriott  
Road No 2, Nanakramguda, Gachibowli, Hyderabad,  
Telangana, India - 500032. Phone: + 91 40 6744 9910  
CIN: L64203TG1999PLC030996  
Email: ir@brightcomgroup.com  
www.brightcomgroup.com

## CHIEF FINANCIAL OFFICER & COMPLIANCE OFFICER

Mr. S L N Raju\*

## AUDITORS

### P C N & ASSOCIATES

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

## BOARD OF DIRECTORS

Mr. M Suresh Kumar Reddy  
Mr. Vijay Kancharla  
Dr. K. Jayalakshmi Kumari  
Dr. Surabhi Sinha  
Mr. Peshwa Acharya  
Mr. Nilendu Narayan Chakraborty

## BANKERS

Axis Bank Limited  
ICICI Bank Limited

## REGISTRAR AND SHARE TRANSFER AGENT

Aarhi 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@aarhiconsultants.com Fax:+91 (40)  
2763 2184

# SUBSIDIARIES

### Online Media Solutions Limited (Oridian)

Sapir 3 Herzlia 46733, PO Box 12637, Israel.

### Ybrant Media Acquisition Inc

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

### Dream ad S.A , Argentina

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

### Dream ad S.A , Chile

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

### Dream ad S.A, Uruguay

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

### Dream ad S.A, Panama

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

### LIL Projects Private Limited

Road No 2, Nanakramguda, Gachibowli, Hyderabad,  
Telangana, India - 500032.

### Yreach Media Private Limited

Road No 2, Nanakramguda, Gachibowli, Hyderabad,  
Telangana, India - 500032.

### Dyomo Corporation

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

### Ybrant Digital Servicos De Publicidade LTDA

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

### LGS Global FZE

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

### International Expressions Inc (VolOMP)

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

### Get Media Mexico S.A. DE CV

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

### Ybrant Digital (Brasil) Limited

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

### Max Interactive Pty Ltd

5 Kings Lane, Darlinghurst, NSW 2010,  
Australia

### Frontier Data Management Inc (MediosOne)

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

\*Mr S L N Raju was appointed as the CFO & Compliance Officer with effect from July 25, 2022



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