



brightcom group

TEL : +91 (40) 67449910

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Date: August 24, 2024

To  
**BSE Limited**  
P. J. Towers, 25th Floor,  
Dalal Street, Mumbai - 400001.  
BSE Scrip Code: 532368

To  
**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051.  
NSE Symbol: BCG

**Sub: Outcome of the Board Meeting Held on August 24, 2024 -  
Standalone and Consolidated Financial Results for the Quarter and  
Nine months Ended December 31, 2023, And Appointment of  
additional Director.**

Dear Sir/Madam,

We wish to inform you that the Board of Directors of Brightcom Group Limited, at its meeting held on August 24, 2024, reviewed and approved the Unaudited Standalone and Consolidated Financial Results for the third quarter ended December 31, 2023. The Limited Review Reports, issued by the qualified Chartered Accountants, are attached herewith.

**Key Financial Highlights:**

Consolidated Financial Performance:

Top-line Performance (Revenue):

The Company reported a consolidated revenue of Rs 3957.64 Cr for Nine months ended 31st December 2023, compared to Rs. 6,028.84 Cr of the corresponding period of the previous year

The Company reported a consolidated revenue of Rs. 453.18 Cr for Q3 FY2023-24, compared to Rs. 1,814 Cr of the immediate preceding quarter.

Bottom-line Performance (Profit After Tax):

The Consolidated Profit After Tax (PAT) of Rs. 649.45 Cr, for nine months ended 31st December 2023, compared to Rs. 1,141.84 Cr of the corresponding period of the previous year.

The Consolidated Profit After Tax (PAT) for Q3 FY2023-24 registered a loss of Rs. 24.20 Cr , compared to a profit of Rs. 352.17 Cr of the immediate preceding quarter.

brightcom group limited (Formerly Lycos Internet Limited)

FLOOR: 5, FAIRFIELD BY MARRIOTT, ROAD NO: 2, NANAKRAMGUDA, GACHIBOWLI, HYDERABAD - 500032, TELANGANA, INDIA.

EMAIL : IR@BRIGHTCOMGROUP.COM

WEB : WWW.BRIGHTCOMGROUP.COM

CIN : L64203TG1999PLC030996





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The December 2023 quarter witnessed a significant decline in business, attributed to various factors. Notably, the resignations of the Chief Executive Officer and Chief Financial Officer, following the SEBI order, had a material impact on our operations. Additionally, the looming conflict in Israel, where an important subsidiary of Brightcom is located, further contributed to the downturn.

Despite these challenges, the Board remains committed to addressing these issues and is actively working on strategies to stabilize and strengthen the company's operations moving forward.

- The Board also discussed the appointment of Mr. Pleo Ganeshan as an Additional Director(independent) to the company.

This information is being submitted in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We request you to take the above on record and acknowledge the receipt.

Thank you.

Yours faithfully,

**For Brightcom Group Limited**



**Raghunath A**  
Executive Director  
DIN #00060018

brightcom group limited (Formerly Lycos Internet Limited)

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**BRIGHTCOM GROUP LIMITED (NSE & BSE - BGC)**

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

CIN: L64203TG1999PLC030096

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**Statement of Unaudited Standalone Consolidated Financial Results for the Quarter and Nine Months Ended 31st December 2023**

All amounts in Indian Rupees Lakhs, except share data

Sl.No.	Particulars <small>[Refer Notes below]</small>	Standalone									Consolidated								
		31-Dec-2023 <small>(Unaudited)</small>	30-Sep-2023 <small>(Unaudited)</small>	31-Dec-2022 <small>(Unaudited)</small>	31-Dec-2023 <small>(Unaudited)</small>	31-Dec-2022 <small>(Unaudited)</small>	31-Mar-2023 <small>(Audited)</small>	31-Dec-2023 <small>(Unaudited)</small>	30-Sep-2023 <small>(Unaudited)</small>	31-Dec-2022 <small>(Unaudited)</small>	31-Dec-2023 <small>(Unaudited)</small>	31-Dec-2022 <small>(Unaudited)</small>	31-Mar-2023 <small>(Audited)</small>						
1	a) Income from operations	10,481.68	11,212.18	11,856.51	36,947.75	32,711.36	43,391.27	45,317.86	1,81,414.00	2,86,516.90	3,95,764.10	6,02,884.35	7,39,676.73						
	b) Other Income	8.92	(86.59)	374.63	350.72	(211.24)	353.02	9.08	(85.64)	(125.49)	(60.54)	(704.08)	(646.19)						
	b (ii) Net gain/loss on foreign currency translation and transaction	8.92	(86.59)	(127.01)	350.72	(712.88)	(657.97)	9.08	(85.64)	(125.49)	(60.54)	(704.08)	(646.19)						
	b (iii) Dividend from subsidiaries			501.64		501.64		1,010.99	43,744.29	1,010.99	45,326.94	43,744.29	1,010.99						
	Total Income	10,490.60	11,125.29	12,231.14	37,298.47	32,500.12	43,744.29	45,326.94	1,81,328.36	2,86,391.41	3,95,703.56	6,02,180.27	7,39,030.54						
2	Expenses																		
	a) Cost of sales/services	8,259.16	8,478.76	9,250.54	27,963.26	25,013.64	33,655.07	27,326.49	1,05,948.75	1,74,827.21	2,29,395.88	3,57,840.21	4,34,479.73						
	b) Changes in inventories of finished goods, work-in-progress and stock-in-trade																		
	c) Employee benefits expense	1,111.13	1,197.03	1,244.85	3,926.98	3,431.16	4,394.51	7,491.00	9,713.79	12,618.50	26,690.71	29,651.09	40,012.89						
	d) Depreciation and amortization expense	2.79	2.84	1.65	8.19	4.60	6.78	7,063.87	6,651.95	6,821.99	20,942.45	19,631.40	26,554.87						
	e) Finance costs	6.60	6.60	10.53	22.70	30.96	40.47	6.65	6.67	10.56	22.93	31.08	40.98						
	f) Other expenses	1,105.33	1,432.85	1,126.48	3,699.78	3,224.60	4,227.46	6,462.66	10,676.80	17,497.65	28,762.47	37,276.10	47,990.10						
	Total expenses	10,485.01	11,118.08	11,634.05	35,820.91	31,704.96	42,324.29	48,350.67	1,32,997.56	2,11,775.91	3,05,814.44	4,44,429.88	5,49,018.57						
3	Profit/(loss) before exceptional items (1-2)	5.59	7.21	597.09	1,477.56	795.16	1,420.00	(3,023.73)	48,330.40	74,615.50	89,889.12	1,57,750.39	1,90,011.97						
4	Exceptional items																		
5	Profit/(loss) before tax (3+4)	5.59	7.21	597.09	1,477.56	795.16	1,420.00	(3,023.73)	48,330.40	74,615.50	89,889.12	1,57,750.39	1,90,011.97						
6	Tax Expenses																		
	a) Current Tax	1.95	2.51	199.33	516.32	265.45	496.20	(474.07)	13,215.86	20,331.68	25,192.46	43,629.06	53,055.25						
	b) Deferred tax	2.43	(58.66)	3.90	(33.81)	20.42	(101.30)	(129.82)	(102.62)	(108.92)	(248.40)	(63.12)	(142.64)						
	Total Tax Expenses	4.38	(56.15)	203.23	482.51	285.87	484.90	(603.89)	13,113.24	20,222.76	24,944.06	43,565.94	52,912.61						
7	Net profit/(loss) after tax (5-6)	1.21	63.36	393.86	995.05	509.29	935.10	(2,419.84)	35,217.16	54,392.74	64,940.06	1,14,184.45	1,37,099.36						
8	Other comprehensive income/(loss) (net of tax)	3.31	118.22	107.92	104.57	593.21	537.07	562.90	8,312.32	7,732.56	7,732.56	43,065.88	39,550.59						
9	Total comprehensive income for the period (7+8)	4.52	181.58	501.78	1,099.62	1,102.50	1,472.97	(1,856.94)	43,417.09	62,125.06	72,672.62	1,57,250.33	1,76,649.95						
10	Paid-up equity share capital (face value of Rs.2/- each)	40,370.44	40,370.44	40,370.44	40,370.44	40,370.44	40,370.44	40,370.44	40,370.44	40,370.44	40,370.44	40,370.44	40,370.44						
11	Reserves excluding Revaluation Reserves as per balance																		
	Earnings per share																		
	a) Basic (in Rs.)	0.000	0.003	0.020	0.049	0.025	0.046	(0.12)	1.74	2.69	3.22	5.66	6.79						
	b) Diluted (in Rs.)	0.000	0.003	0.020	0.049	0.025	0.046	(0.12)	1.74	2.69	3.22	5.66	6.79						

**Notes:**

- The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 24th August, 2024.
- The above interim financial results have been prepared from the interim financial statements, which are prepared in accordance with Ind AS notified under the companies (Indian accounting standards) rules, 2015.
- The Company operates in two segments i.e. Digital Marketing and Software Development.
- The figures for the previous period/year have been regrouped/reclassified, wherever necessary.

BRIGHTCOM GROUP LIMITED  
Ragunathan A

Executive Director  
DIN: 00060018



Place : HYDERABAD  
Date : August 24, 2024

**BRIGHTCOM GROUP LIMITED (NSE & BSE - BCG)**

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

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**REPORTING OF SEGMENT WISE REVENUE, RESULTS, SEGMENT ASSETS & SEGMENT LIABILITIES (CONSOLIDATED)**

All amounts in Indian Rupees Lakhs

Sl.No.	Particulars	Consolidated					
		Quarter Ended			Nine Months Ended		Year Ended
		31-Dec-2023 (Unaudited)	30-Sep-2023 (Unaudited)	31-Dec-2022 (Unaudited)	31-Dec-2023 (Unaudited)	31-Dec-2022 (Unaudited)	31-Mar-2023 (audited)
1	Segment Revenue						
	(a) Digital Marketing Segment	34,923.74	1,70,359.85	2,74,786.26	3,64,632.68	5,70,534.07	6,96,756.69
		10,394.12	11,054.15	11,730.64	31,131.42	32,350.28	42,920.04
	<b>Total Sales/ Income from Operations</b>	<b>45,317.86</b>	<b>1,81,414.00</b>	<b>2,86,516.90</b>	<b>3,95,764.10</b>	<b>6,02,884.35</b>	<b>7,39,676.73</b>
	Less: Inter Segment Revenue						
	<b>Net Sales/ Income from Operations</b>	<b>45,317.86</b>	<b>1,81,414.00</b>	<b>2,86,516.90</b>	<b>3,95,764.10</b>	<b>6,02,884.35</b>	<b>7,39,676.73</b>
2	Segment Results - Profit (+) / Loss (-) before tax and interest						
	(a) Digital Marketing Segment	(3,023.62)	48,323.62	74,520.56	89,849.22	1,57,458.02	1,89,721.16
	(b) Software Development Segment	6.54	13.45	105.50	62.83	323.45	331.79
	<b>Total</b>	<b>(3,017.08)</b>	<b>48,337.07</b>	<b>74,626.06</b>	<b>89,912.05</b>	<b>1,57,781.47</b>	<b>1,90,052.95</b>
	Less: Interest	6.65	6.67	10.56	22.93	31.08	40.98
	<b>Total Profit (+) / Loss (-) before tax</b>	<b>(3,023.73)</b>	<b>48,330.40</b>	<b>74,615.50</b>	<b>89,889.12</b>	<b>1,57,750.39</b>	<b>1,90,011.97</b>
3	Segment Assets						
	(a) Digital Marketing Segment	8,31,748.75	8,37,546.59	7,63,423.43	8,31,748.75	7,63,423.43	7,57,359.61
	(b) Software Development Segment	32,440.25	32,497.12	31,354.06	32,440.25	31,354.06	32,266.30
	<b>Total Segment assets</b>	<b>8,64,189.00</b>	<b>8,70,043.71</b>	<b>7,94,777.49</b>	<b>8,64,189.00</b>	<b>7,94,777.49</b>	<b>7,89,625.91</b>
	Segment liabilities						
	(a) Digital Marketing Segment	78,965.14	82,914.14	1,03,116.01	78,965.14	1,03,116.01	77,330.60
	(b) Software Development Segment	12,455.13	12,503.58	10,969.69	12,455.13	10,969.69	12,203.90
	<b>Total segment liabilities</b>	<b>91,420.27</b>	<b>95,417.72</b>	<b>1,14,085.70</b>	<b>91,420.27</b>	<b>1,14,085.70</b>	<b>89,534.50</b>

For BRIGHTCOM GROUP LIMITED  
Raghurath A

Executive Director

DIN: 00060018



Place : HYDERABAD  
Date : August 24, 2024

**BRIGHTCOM GROUP LIMITED (NSE & BSE - BCG)**

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 Statement of Unaudited Consolidated Financial Results for the Quarter and Nine Months Ended 31st December 2023

All amounts in Indian Rupees Lakhs, except share data

Sl.No.	Particulars  (Refer Notes below)	Standalone										Consolidated				
		Quarter ended 31-Dec-2023	Quarter ended 30-Sep-2023	Quarter ended 31-Dec-2022	31-Dec-2023	31-Dec-2022	31-Mar-2023	31-Dec-2023	Quarter ended 30-Sep-2023	31-Dec-2022	31-Dec-2023	31-Dec-2022	31-Mar-2023	Year ended 31-Mar-2023		
1	Total Income from Operations	10,490.60	11,125.29	12,231.14	37,298.47	32,500.12	43,744.29	45,326.94	1,81,328.36	2,86,591.41	3,95,703.56	6,02,180.27	7,39,030.54			
2	Net Profit / (loss) for the period (before Tax, Exceptional and / or Extraordinary Items )	5.59	7.21	597.09	1,477.56	795.16	1,420.00	(3,023.73)	48,330.40	74,615.50	89,889.12	1,57,750.39	1,90,011.97			
3	Net Profit / (loss) for the period before Tax, (after Exceptional and / or Extraordinary Items)	5.59	7.21	597.09	1,477.56	795.16	1,420.00	(3,023.73)	48,330.40	74,615.50	89,889.12	1,57,750.39	1,90,011.97			
4	Net Profit / (loss) for the period after Tax, after Exceptional and / or Extraordinary Items	1.21	63.36	393.86	995.05	509.29	933.90	(2,419.84)	35,217.16	54,392.74	64,945.06	1,14,184.45	1,37,099.36			
5	Total Comprehensive Income for the period (Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax))	4.52	181.58	501.78	1,099.62	1,102.50	1,470.97	(1,856.94)	43,417.09	62,705.06	72,677.62	1,57,250.33	1,76,649.95			
6	Paid up Equity Share Capital	40,370.44	40,370.44	40,370.44	40,370.44	40,370.44	40,370.44	40,370.44	40,370.44	40,370.44	40,370.44	40,370.44	40,370.44			
7	Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of the previous year						1,17,068.85						6,59,720.97			
8	Securities Premium Account	70,353.43	70,353.43	72,865.43	70,353.43	72,865.43	70,353.43	70,353.43	70,353.43	72,865.43	70,353.43	72,865.43	70,353.43			
9	Network	1,58,538.90	1,58,534.39	1,57,070.10	1,58,538.90	1,57,070.10	1,57,439.29	7,72,768.73	7,74,625.99	6,80,691.78	7,72,768.73	6,80,691.78	7,00,091.41			
10	Paid up Debt Capital/Outstanding Debt	-	-	-	-	-	-	-	-	-	-	-	-			
11	Outstanding Redeemable Preference Shares	-	-	-	-	-	-	-	-	-	-	-	-			
12	Debt Equity Ratio	-	-	-	-	-	-	-	-	-	-	-	-			
13	Earning per share (for continued and discontinued operations) (Face Value of Rs.2/-each)(not annualised)	0.000	0.003	0.020	0.049	0.025	0.046	(0.12)	1.74	2.69	3.22	5.66	6.79			
	2) Diluted	0.000	0.003	0.020	0.049	0.025	0.046	(0.12)	1.74	2.69	3.22	5.66	6.79			


14	Capital Redemption Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Debiture Redemption Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Debt Service Coverage Ratio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Interest Service Coverage Ratio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Notes:**

The above is an extract of the detailed format of the financial results filed with the stock exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of Unaudited financials results are available on the Stock Exchange websites (URL of the filings: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)) and on the company's website ([www.brightcomgroup.com](http://www.brightcomgroup.com) )

1. The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 24th August 2024.
3. The above Interim financial results have been prepared from the Interim financial statements, which are prepared in accordance with Ind AS notified under the companies(Indian accounting standards) rules, 2015.
4. The Company operates in two segments i.e, Digital Marketing and Software Development.
5. The figures for the previous period/year have been regrouped/reclassified, wherever necessary.

Place : HYDERABAD  
Date : August 24, 2024

For BRIGHTCOM GROUP LIMITED  
Raghunath A  
  
Executive Director  
DIN: 00060018





D S P Reddy & Co  
Chartered Accountants  
+91-9848050805  
dspreddyca@gmail.com

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**Independent Auditor's Review Report On consolidated unaudited quarterly and year to date financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To

The Board of Directors,  
Brightcom Group Limited,  
Hyderabad.

Sir.

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Brightcom Group Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter ended 31-12-2023 and for the period from 01-04-2023 to 31-12-2023 ("the Statement"), being submitted by the Parent, pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 31-12-2022 and the corresponding period from 01-04-2022 to 31-12-2022, as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.
3. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India.

4. Our responsibility is to express a conclusion on the Statement based on our review. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

5. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

6. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

7. The Statement includes the results of the following entities:

- a). Ybrant Media Acquisition Inc, USA
- b). International Expressions Inc, USA
- c). Frontier Date Management Inc, USA
- d). Dyomo Corporation, USA
- e). Online Media Solutions Limited, Israel
- f). Dream AD Sa Panama, Panama
- g). Ybrant Digital Services De Publicidade Ltd, Brazil
- h). LGS Global FZE, UAE
- i). Ybrant Digital (Brasil) Limited, Singapore
- j). Dream AD SA Argentina, Argentina
- k). Get Media Mexico  
Socidadanonima DE Capital Variable, Mexico
- l). Dream AD SA Chile, Chile
- m). Dream AD SA Uruguay, Uruguay
- n). Max Interactive Pty Ltd, Australia



o). LIL Projects Private Limited, India

p). YReach Media Private Limited, India

8. Based on our review conducted and procedures performed as stated in paragraph 4 and 5 above we report that the accounts and records of the subsidiaries are not made available for verification and the statements pertaining to the subsidiaries are provided by the management for consolidation. We did not review the interim financial statements /financial information/ financial results of foreign branches and subsidiaries included in the standalone unaudited/ interim financial statements/ financial information/ financial results of the entities included in the Group. whose results reflect total assets of Rs. 6,68,161 Lakhs as at 31.12.2023 and total revenues of Rs. 45,263 Lakhs and Rs. 3,95,612 Lakhs, total net profit / (loss) after tax of Rs. (2,421) Lakhs and Rs.64,942 Lakhs and total comprehensive income/ loss of Rs. (1,858) Lakhs and Rs. 72,674 Lakhs for the quarter ended 31.12.2023 and for the period from 01.04.2023 to 31.12.2023 respectively, and cash flows (net) of Rs. (7,527) Lakhs for the period from 01.04.2023 to 31.12.2023 , as considered in the respective standalone unaudited interim financial statements/ financial information/ financial results of the entities included in the Group. The reviewed interim financial statements/ financial information / financial results of these branches and subsidiaries by the branch auditors and other auditors have not been furnished to us and we did not review these interim financial statements / financial information / financial results, our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches and subsidiaries, is based solely on the report of Management. Our conclusion on the Statement is not modified in respect of the above matters.

9. We also report that we have not traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and nonencumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreement and the particulars relating to investor complaints, for want of information from the e-voting agency and share registrar and transfer agent.



10. SEBI has issued a show-cause notice and an interim order dated 13-04-2023, observing certain irregularities, followed by interim order dated 22-08-2023 and confirmatory order dated 28-02-2024. The company preferred appeals against the show-cause notice dated 13-04-2023 and interim order dated 22-08-2023, vide appeal nos 941/2023, 942/2023 and 474/2024 respectively before the Hon'ble Securities Appellate Tribunal and the same are pending adjudication. We are not able to express an opinion on the issues covered by the said show-cause notice and interim orders, due to lis-pendency.

11. The legal process to impair the investment of Rs. 16,886.81 lakhs in Vuchi Media Private Limited and cancellation of allotment of 1,40,70,000/- equity shares to the said company, consequent to cancellation and revocation of the said agreement and the same is pending.

12. The consolidated financial statements for the year ending 31-03-2023 are audited and are to be adopted by the Shareholders in the General body Meeting, which is yet to be conducted. The statements covered by this report are subject to the outcome of the pending legal cases and the adoption of accounts in the ensuing General Body Meeting.

In view of the above pending Legal and Other Regulatory Requirements and the observations made in the report we are not able to express a comprehensive, conclusive opinion.

For D.S.P.Reddy & Co.

Chartered Accountants



(D.S.P.Reddy)

Chartered Accountant

M.No.23160

UDIN: 24023160BKSPVV8697

Place : Hyderabad

Date : 24-08-2024

# Explanatory Note on the Impacted Business Performance and Recovery Efforts in FY 2023-24

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## **Background:**

Brightcom Group operates in the highly dynamic and competitive field of digital marketing on a global scale. The nature of this business requires meticulous coordination and monitoring across all subsidiaries, which are spread across various regions worldwide. The effectiveness of these operations is heavily reliant on strong leadership with a deep understanding of the intricacies of both technical and operational aspects and a cohesive strategy guided by the head office.

## **Challenges Faced in Q3 FY 2023-24 and Subsequent Quarters:**

The December quarter of 2023 marked the beginning of a particularly challenging period for Brightcom Group, and the effects of these challenges persisted over the following quarters due to several key disruptions:

### **Change in Senior Management:**

The unexpected exits of the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), as per SEBI order, led temporary disturbance in continuity of the strategic vision and in effect the intended goals could not be achieved, which was a transitory event, but the current management is in control of the situation and is working overtime to meet various deadlines, goals and statutory obligations.

### **Challenges Faced by the Board:**

The company experienced a series of appointments and resignations from its Board of Directors during Q2 and Q3 of 2023, creating additional instability. Although new directors were brought in to fill these vacancies, the transition period contributed to delays in decision-making and the execution of key initiatives during this crucial quarter. Historically, Q3 has always been a major revenue contributor, and the lack of timely decision-making has severely impacted the business.

### **Impact of the War in Israel:**

The outbreak of war in Israel, where one of Brightcom Group's key operating hubs is located, further exacerbated the situation. The conflict led to significant disruptions in the company's operations in the region, affecting both personnel safety and business continuity. The resulting instability in the region forced a slowdown in critical operations, contributing to the overall low turnover.

**Tarnished Image Due to Negative Publicity:**

During this challenging period, the company's image was further tarnished by widespread negative publicity. Media coverage focused on governance issues and regulatory challenges, leading to a loss of confidence among stakeholders. This adverse publicity compounded the operational difficulties, making it even harder to maintain business as usual and attract new clients.

**Continued Disarray in Managing the Crisis:**

The challenges that began in Q3 FY 2023-24 continued to affect the company's operations. The ongoing disarray in managing the crisis led to disruptions in the company's ability to maintain smooth operations and effectively manage its subsidiaries.

**Recovery and Strategic Realignment:**

Despite the challenges faced over the past few quarters, Brightcom Group remains fundamentally strong and well-positioned for recovery and future growth. Several key aspects of our business continue to provide a solid foundation for our turnaround efforts:

**Strong Relationships on the Demand Side:**

Brightcom Group has cultivated and maintained robust relationships with over 200 advertising agencies, including partnerships with prominent players like Ogilvy, Havas Media, Mediacom, Mindshare, and Zenith Optimedia. Additionally, we have serviced some of the world's leading brands, such as Visa, Samsung, Coca-Cola, Microsoft, Amazon, and BBC. These longstanding partnerships and client relationships are a testament to our trusted position in the digital marketing ecosystem and continue to be critical assets in driving demand for our services.

**Deep Reach in Media and Digital Channels:**

Our deep and extensive reach across various media channels allows us to effectively connect with digital traffic through renowned publishers globally. We deliver ads to about 50,000 publishers through channels that include key platforms such as Twitter Advertising, Google Ads, Facebook, Google Display Network, YouTube Ads, Instagram, TikTok, and Taboola. Additionally, we have a well-renowned track record of making publisher disbursements every month on the dot and on time, with the least friction, further solidifying our reputation as a reliable partner. This network of relationships ensures that we can deliver high-quality digital marketing solutions to our clients, even during periods of operational challenges.

**Proven Track Record, Industry Presence, and Global Footprint:**

With a strong track record spanning over 25 years, Brightcom Group has established itself as a key player in the digital media industry. Our presence at some of the most prominent digital media marketplaces, including SpotX, Rubicon, Freewheel, Mobfox, and Verizon, underscores our influence and capacity to drive impactful campaigns for our clients. Furthermore, with feet on the ground in over 25 countries across Latin America, Europe,

and Asia, including key markets such as Brazil, Argentina, Mexico, Germany, the UK, India, and Australia, we have the global reach and local expertise to effectively manage operations and provide tailored solutions to our clients worldwide.

**Strategic Realignment and Leadership Reorganization:**

To address the recent challenges, the Board initiated a strategic realignment, including on-ground interventions by executives to take control of the situation at key subsidiaries. Certain directors have transitioned into roles focused on managing specific subsidiaries, while others remain focused on parent-level functions such as compliance, implementing stronger controls, rebuilding the company's image, and strengthening investor relations.

**Leadership Renewal:**

The appointment of new executives, including Kallol Sen and Raghunath Allamsetty, has been instrumental in steering the company back on track. Their leadership is guiding Brightcom Group towards stabilizing operations and positioning the company for future growth.

**Outlook:**

With these fundamental strengths and the strategic measures being implemented, Brightcom Group is not only poised to return to a stable state but also to achieve growth beyond previous levels. The combination of our strong industry relationships, deep media reach, proven track record, global presence, and renewed leadership provides a solid foundation for our comeback. We are confident that these efforts will restore stability and propel us into the next phase of growth.