

## Brightcom Group Limited

Notes forming part of Standalone financial statements for the year ended 31<sup>st</sup> March 2019

### 1. Corporate Information:

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

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a) Statement of compliance

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

#### b) Basis of preparation

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

#### c) Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities,

disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

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

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

#### Impairment of investments

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

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

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

#### Valuation of deferred tax assets

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

#### Contingencies

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

#### Defined Benefit Plans

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

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

## **Fair Value measurement of financial instruments**

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

## **Intangibles**

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

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

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

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

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

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

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

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

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

### **e) Dividends**

Annual dividend distribution to the shareholders is recognized as a liability in the period in which the dividend is approved by the shareholders. Any interim dividend paid is recognized on approval by Board of

### **f) Revenue recognition**

#### **1) Digital Marketing Services:**

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

#### **2) Software Development:**

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

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

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

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

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

Interest income is recorded using the effective interest method.

## **h) Leases**

### **Operating Lease:**

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

### **Finance Lease:**

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

## **i) Cost recognition**

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

The costs of the Company are broadly categorized in employee benefit expenses, depreciation and amortization and other operating expenses. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other operating expenses mainly include fees to external consultants, cost of running its facilities, travel expenses, cost of equipment and software licenses, communication costs, allowances for delinquent

receivables and advances and other expenses. Other expenses are an aggregation of costs which are individually not material such as commission and brokerage, recruitment and training, entertainment etc.

## **j) Foreign currency transactions**

### **i. Functional and Presentation Currency:**

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

### **ii. Initial Recognition:**

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

### **iii. Conversion on reporting date:**

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

### **iv. Exchange Differences:**

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

## **k) Income taxes**

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

### **Current income taxes**

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

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

income tax liability of the Company's worldwide income.

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

### **Deferred income taxes**

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

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

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

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

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

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

### **I) Financial instruments**

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

## **1. Financial Assets.**

### **i) Initial recognition and measurement:**

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

### **ii) Subsequent measurement:**

#### **Financial assets at amortized cost**

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

#### **Financial assets at fair value through other comprehensive income**

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

#### **Financial assets at fair value through profit or loss**

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

### **iii. Derecognition:**

A financial asset or where applicable, a part of a financial asset is primarily derecognised when: a. The rights to receive cash flows from the asset have expired, or b. The Company has transferred its rights to receive cash flows from the asset or

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

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

#### **iv. Impairment of financial assets:**

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

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

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

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

## **2. Financial liabilities**

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

### **Equity instruments**

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

### **i) Initial recognition and measurement:**

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

### **ii) Subsequent measurement:**

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

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

#### **b. Financial liabilities at amortized cost:**

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

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

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

### **iii. Derecognition:**

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

### **m) Cash and cash equivalents**

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

### **n) Financial Guarantee Contracts:**

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



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

Subsequently these contracts are measured at the higher of:

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

**o) Fair Value Measurement:**

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

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

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

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

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

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

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

**p) Investment in subsidiaries**

Investment in subsidiaries are measured at cost less impairment.

**q) Property, plant and equipment**

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

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

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

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

The estimated useful lives are as mentioned below:

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

## **r) Intangible assets**

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

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

## **s) Impairment of Non-financial assets**

- i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- ii. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset are no longer existing or have decreased.

## **t) Employee benefits**

### **i. Defined benefit plans**

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

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

### **ii. Defined contribution plans**

Employer's contribution to provident fund/employee state insurance which is in the nature of defined contribution scheme is expensed off when the contributions to the respective funds

are due. There are no other obligations other than the contribution payable to the fund.

## **iii. Compensated absences**

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

## **u) Earnings per share**

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

## **v) Borrowing Costs:**

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

## **w) Segment Reporting:**

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

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

## **x) Provisions:**

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

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a

separate asset. However, this asset may not exceed the amount of the related provision.

**y) Contingencies:**

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

**z) Prior period items:**

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



**Notes forming part of Standalone financial statements**

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

Amount in Rupees

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

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

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

NOTE NO. 6 : INVESTMENTS - NON CURRENT

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

NOTE NO. 7 : LOANS - NON CURRENT

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

NOTE NO. 8 : OTHER FINANCIAL ASSETS - NON CURRENT

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

**NOTE NO. 9 : DEFERRED TAX ASSETS (NET)**

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

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

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

**NOTE NO. 11 : OTHER NON CURRENT ASSETS**

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

**NOTE NO. 12 : TRADE RECEIVABLES**

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
<b>Trade receivables</b>			
	(i) Unsecured considered good	2,35,06,91,048	2,39,52,08,549
	Less: Allowances for bad and doubtful debts	7,43,14,141	11,14,81,624
I	<u>Notes</u>		
	<i>In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates</i>		
	<b>Total Trade receivables</b>	<b>2,27,63,76,907</b>	<b>2,28,37,26,925</b>

**NOTE NO. 13 : CASH AND CASH EQUIVALENTS**

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

**NOTE NO. 14 : OTHER BANK BALANCES - CURRENT**

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

**NOTE NO. 15 : LOANS - CURRENT**

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

**NOTE NO. 16 : OTHER FINANCIAL ASSETS - CURRENT**

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

**NOTE NO. 17 : OTHER CURRENT ASSETS**

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

**Note No: 18 Equity share capital**

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

**Note No: 19 Other equity**

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

**NOTE NO. 20 : BORROWINGS - NON CURRENT**

S.No.	Particulars	As at 31st March 2019	As at 31st March 2018
		Rupees	Rupees
<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	7,60,87,000	7,15,44,000
	Frontier Data Management Inc	8,99,61,464	8,45,90,049
	International Expressions Inc	7,27,47,196	6,84,03,609
	Online Media Solutions Limited	10,90,81,090	10,25,68,080
	Ybrant Media Acquisition Inc	56,38,83,956	53,02,15,593
	<b>Total Long term Borrowings Non-Current</b>	<b>91,17,60,706</b>	<b>85,73,21,331</b>

**NOTE NO. 21 : PROVISIONS - NON CURRENT**

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



**NOTE NO. 22 : BORROWINGS - CURRENT**

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

**NOTE NO. 23 : TRADE PAYABLES - CURRENT**

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

**NOTE NO. 24 : OTHER FINANCIAL LIABILITIES - CURRENT**

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

**NOTE NO. 25 : OTHER CURRENT LIABILITIES**

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

**NOTE NO. 26 : PROVISIONS - CURRENT**

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

**NOTE NO. 27 : REVENUE FROM OPERATIONS**

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

**NOTE NO. 28 : OTHER INCOME**

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

**NOTE NO. 29 : PURCHASE/COST OF REVENUE**

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

**NOTE NO. 30 : EMPLOYEE BENEFIT EXPENSES**

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

**NOTE NO. 31 : OTHER OPERATING EXPENSES**

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

**NOTE NO. 32 : FINANCE COSTS**

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

### 33. Auditor's Remuneration:

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

### 34. Quantitative Details:

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

### 35. Related Party Transactions:

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

#### (a) Related Parties:

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

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

**Balances with related parties at the year-end:**

**(i) Unsecured loans from Related Parties:**

**(Amount in Rs)**

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

**(ii) Investment in Subsidiaries and Joint Ventures:**

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

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

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

**(iv)Account receivables**

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

**36. Operating Lease:**

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



### 37. Foreign Currency Outflows:

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

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

### 38. Foreign Currency Inflows:

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

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

### 39. Employee Benefits ( Gratuity)

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

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

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

**b) Bifurcation of Net Liability**

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

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

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

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

Particulars	For the period ending	
	31-Mar-19	31-Mar-18
Effect of Asset Ceiling at the beginning	-	-
Interest Expense or Cost (to the extent not recognized in net interest expense)	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Effect of Asset Ceiling at the end	-	-

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

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

**f) Other Comprehensive Income**

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

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

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

## h) Actuarial Assumptions:

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

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

## (ii) Leave Encashment

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

## 40. Earnings Per Share:

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

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

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

## 42. Segment Reporting:

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

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

## 43. Intra branch Transactions:

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

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

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

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

**46. Confirmation of Closing Balances:**

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

**47. Contingent Liabilities & Guarantees:**

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

\* Assumption: 1 USD = Rs.69.17 (Closing rate as on 31<sup>st</sup> March 2019)

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

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

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

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

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

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

**For and on behalf of the Board of**  
**BRIGHTCOM GROUP LIMITED**

**CHANDRA BABU M**  
**PARTNER**  
**Membership Number: 227849**

**M.Suresh Kumar Reddy**  
**Chairman & Managing Director**

**Vijay Kancharla**  
**Executive Director**

**PLACE: HYDERABAD**  
**DATE: 27th May, 2019**

**Y.Srinivasa Rao**  
**Chief Financial Officer**

**V.Srilakshmi**  
**Company Secretary**