



SIMPLIFY YOUR
DIGITAL LIFE

20th ANNUAL
REPORT
FINANCIAL YEAR 2018 - 19

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FORWARDLOOKING STATEMENT

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

REGISTERED OFFICE

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CIN: L64203TG1999PLC030996
Email: ir@brightcomgroup.com
www.brightcomgroup.com

BOARD OF DIRECTORS

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

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

Sapir 3 Herzlia 46733, PO Box 12637, Israel.

Ybrant Media Acquisition LLC

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

Dream ad S.A , Argentina

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

Dream ad S.A , Chile

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

Dream ad S.A, Uruguay

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

Dream ad S.A, Panama

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

Ybrant Digital (Brasil) Limited

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

LIL Projects Pvt Limited

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

Max Interactive Pty Ltd

5 Kings Lane, Darlinghurst, NSW 2010, Australia

International Expressions Inc (VoloMP)

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

LGS Global FZE

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

Dyomo Corporation

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

Ybrant Digital Servicos De Publicidade ILTDA

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

Frontier Data Management Inc (MediosOne)

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

Get Media Mexico S.A. DE CV

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

Yreach Media Pvt Ltd

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

BANKERS

Axis Bank Limited Canara Bank
ICICI Bank Limited

CHIEF FINANCIAL OFFICER

CA Y. Srinivasa Rao

COMPANY SECRETARY

CS M. Manohar

AUDITORS

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

REGISTRAR AND SHARE TRANSFER AGENT

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



Chairman's Speech

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

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

Financial Consolidation

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

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



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

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

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

Moving Forward

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

AI

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

Programmatic advertising

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

Voice Search

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

Influencer marketing

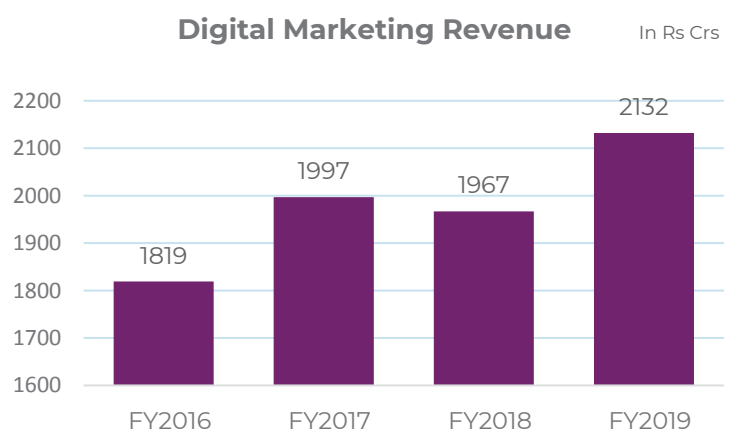
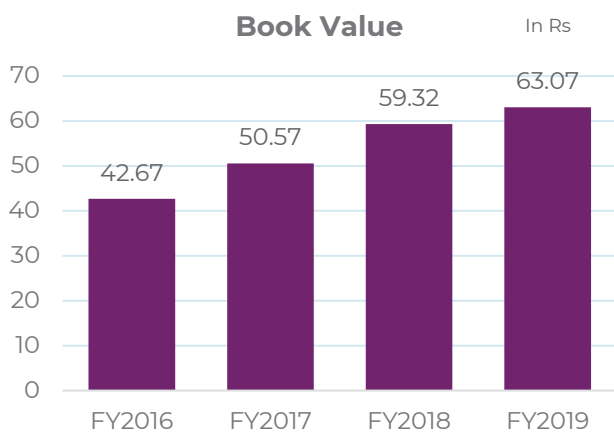
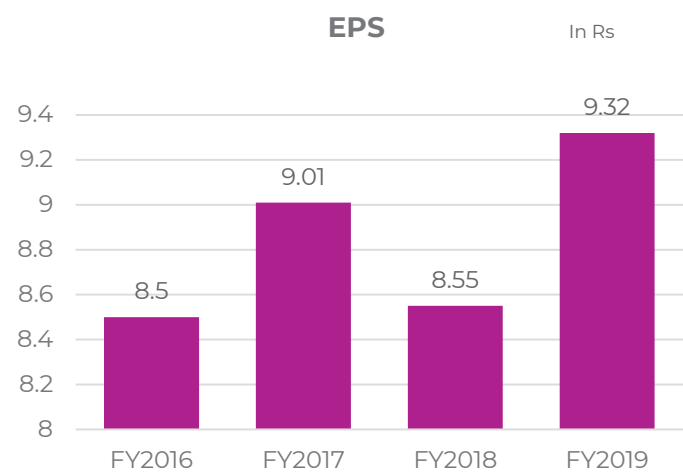
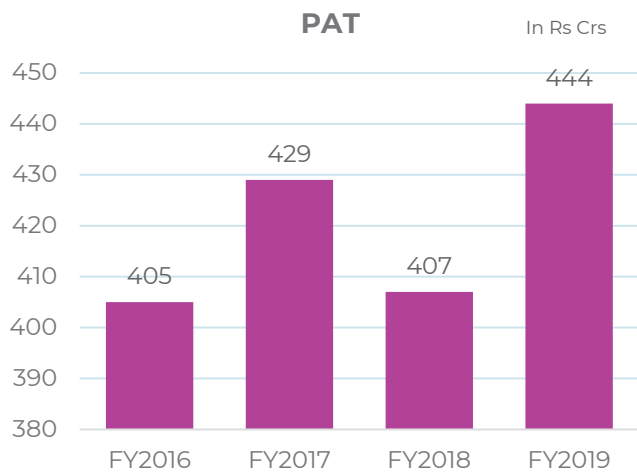
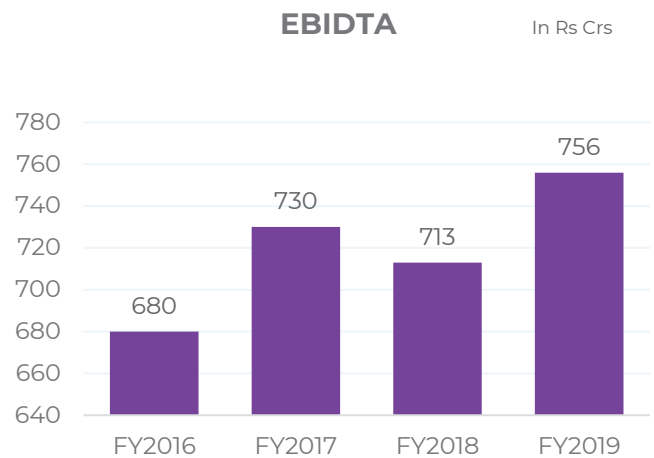
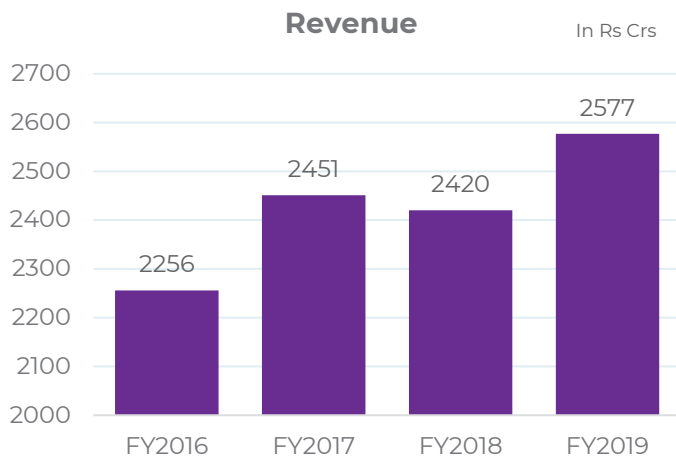
Influencer marketing has become the equivalent of word-of-mouth marketing today. Consumers of today are known to trust people more than product brands. This trend has kept the Influencer marketing buzzing through 2018 and 2019.

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

M Suresh Kumar Reddy

Chairman and Managing Director

Key Metrics





Suresh Reddy

Chairman & Managing Director

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

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

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

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



Vijay Kancharla

Executive Director & Chief Innovation Officer

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

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

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



Raghunath Allamsetty
Independent Director

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

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

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



Dr. Surabhi Sinha
Independent Director

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

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

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



Dr. K. JayalakshmiKumari
Independent Director

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

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

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

Notice of 20th Annual General Meeting

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

ORDINARY BUSINESS:

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

- 1) Clubs: Payment of one time membership fee and monthly fee of clubs subject to maximum of three clubs.
- 2) Medical expenses: All medical expenses incurred by him for self and family shall be reimbursed.
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