



May 16, 2025

To

BSE Limited

P. J. Towers, 25th Floor, Dalal Street,

Mumbai - 400001.

BSE Scrip Code: 532368

Sub: Upload of Documents

Dear Shareholders,

Pursuant to the suggestions made by BSE Team, we are uploading the following document:

1. Statement of Impact of Audit Qualifications of standalone financials for the financial year ending March 31, 2024.

Request you to take the same on record and oblige.

Thanking you,

Yours faithfully,

for BRIGHTCOM GROUP LIMITED

Raghunath Allamsetty

Executive Director

Encl.: A/a



Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Standalone Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.

(Rs. in Lacs)

#	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Turnover/Total Income	47,015.46	47,015.46
2	Total Expenditure	46,915.28	46,915.28
3	Net Profit / (loss)	114.71	114.71
4	Earnings per share	0.01	0.01
5	Total Assets	1,82,798.21	1,82,798.21
6	Total Liabilities	25,205.35	25,205.35
7	Net Worth	1,57,592.86	1,57,592.86
8	Any other financial item(s) (as felt appropriate by the management)		

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

Following qualifications have been made by the Statutory Auditors in their audit report on Standalone Financial Statements of the Company:

- 1) The company's revenue is predominantly derived from its foreign branch in the USA, which represents a significant part of its financial performance. To ensure this accuracy we have relied on the financial statements of the foreign branch in the USA which have been confirmed by their Certified Public Accountant (CPA).
- 2) Considering the SEBI's Interim order cum show clause Notice Dated 13th April 2023, they have made the following observations.

2.a. As referred in Point No. 72, the company's investment in Ybrant Media Acquisition Inc, one of the subsidiaries of the company has negative equity/net worth indicating the existence of an indicator of

impairment. But the company has neither impaired nor created any provision against the value of Investments in Ybrant Media Acquisition Inc.

2.b. As referred in Point No. 177[d], "the company" has to appoint at least one independent director on its board of directors as a director on the board of directors of each of its material subsidiaries within fifteen days of the date of its order. Refer Note No. 8 of the standalone financial results.

2.c. As referred in Point No. 177[e] "the company" has to disseminate the standalone financial statements of each of its subsidiaries on its website within 15 days from the date of this order for the period between FY 2014-15 and FY 2021-22. Refer Note No. 9 of the standalone financial results.

2.d. The opening balances of Investments, receivables and payables with related to subsidiaries in standalone financial statements are subject to the confirmation of peer review auditor and due to its consequent effect, the closing balances thereof are also subject to variation.

2.e. SEBI vide its letter dated 13th April 2023, has issued interim order cum show cause notice to the company seeking clarifications with respect to certain issues. The final outcome of the investigation is yet to come by the time of our Report.

2.f. The promoters' shareholding is based on available information and may change, as the company has appealed against SEBI's interim order dated 22nd August 2023 and subsequent confirmatory order dated 28th February 2024. The proceedings are ongoing.

2.g. We cannot confirm the opening and closing balances as they are subject to change. SEBI vide its letter dated 13.04.2023 has ordered company to undertake examination of its financial statements for the period 2014-15 to 2021-22 by a peer-reviewed Chartered Accountant, to ensure that the same are in compliance with all the applicable accounting standards and submit the statement of impact of all the non-compliances. To this extent the current year's opening balances and consequent effect on the closing balances thereof are subject to the verification and confirmation by the peer review auditor.

2.h. The standalone Financial Statements of the company for the previous financial year i.e., for the year ended 31.03.2023 have been audited by predecessor auditor. The figures as at 31.03.2023 are subject to variation in view of the SEBI's observations/directions and consequent effect on the closing balances thereof as at 31.03.2024.

- 3) "The company" has not made any provision for impairment of investments of Rs.16,886.81 lakhs made in M/s Vuchi Media Private Limited despite the fact that the proposed acquisition transaction was revoked by both the parties and have cancelled the definitive share purchase agreement that was entered into.

- b. **Type of Audit Qualification:** Qualified Opinion
- c. **Frequency of qualification:** Continuing from the previous financial year.
- d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

Impact is not quantified by auditors, the impact is not ascertainable

- e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

- (i) **Management's estimation on the impact of audit qualification:**

- 1. We agree with Auditor's qualification and hence, there is no impact on the financials.

- (ii) **If management is unable to estimate the impact, reasons for the same:**

In response to the qualifications by the Statutory Auditors in Audit report, the Company's responses are given below:

2.a. YMA used to own the asset, LYCOS Inc. That is currently under the receivership of the seller (Daum). The Company is in process of settling and hence investment is not yet impaired.

2.b. The Company appointed independent Directors on the Board of Subsidiaries of the Company and the same was intimated to the Exchanges as on April 28, 2023. However, the independent directors have resigned on May 4, 2024. The Company has now appointed independent Directors on the Board of Subsidiaries of the Company on January 16, 2025.

2.c. The Company presented the Financial statements of its subsidiaries in the company websites and the same intimated to the Exchange as on April 28, 2023.

2.d. The Company has filed an Appeal before the Securities Appellate Tribunal, bearing No. 941 / 2023 and the proceedings are ongoing.

2.e. The Company filed its clarification and reply to the Show Cause Notice. The company has also filed an Appeal before the Securities Appellate Tribunal, bearing No. 941 / 2023, and the proceedings are ongoing.

2.f. The Company has filed an Appeal before the Securities Appellate Tribunal, bearing No. 941 / 2023 and the proceedings are ongoing.

3. 1,40,00,000 Equity shares allotted to Vuchi Media are being annulled, the legal process is in underway.

(iii) **Auditors' Comments on (i) or (ii) above:**

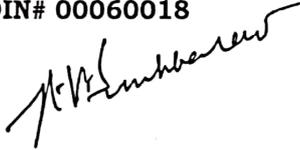
Included in the Standalone Auditors' report

III. Signatories:

For Brightcom Group Limited



**Raghunath Allamsetty
Executive Director
DIN# 00060018**



**Paladugu Venkata Subba Rao
ID/Audit Committee Chairman
DIN# 10844145)**

Statutory Auditor of the Company:

**For P R Chandra & Co.,
Chartered Accountants
FRN# 0189855**



**CA Bandi Poorna Sai Kumar
Partner
Membership # 244881**

**Place: Hyderabad
Date: 16.01.2025**