



ANNUAL REPORT

2018-2019

Discover & Employ Tools, Technologies & Data Points
to Automate Buying & Selling of Digital Media



VERTOZ ADVERTISING LIMITED

VERTOZ ADVERTISING LIMITED

ANNUAL REPORT

2018 – 19

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DISCLAIMER:

In this annual report, we have disclosed certain forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make certain 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 'anticipates', 'estimates', '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 our assumptions. The achievement of results is 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 bear 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.

ABOUT US:

We believe in solving every digital advertiser's biggest problem- reaching quality prospects to achieve great ROI and brand recall. To facilitate this, we provide highly advanced and easy to use to digital advertising platform. Our highly scalable, Artificial Intelligent (AI) fuelled, smart platform connects advertisers to a quality audience of leading publishers and digital platform, worldwide. Indeed, it connects advertisers to the right customers, at the right time. We have created a transparent and brand safe advertising environment supported by real-time campaign updates. Vertoz's Ingenious Plex is one of the leading media buying platform. We hold the honour of being India's first Public Listed Programmatic Company.



Vertoz | Vertex In Ad-Tech

Vertoz is an ad tech company which focuses on providing transparent and state-of-art yet simple digital advertising solutions.

Our Vision - To be a global leader in the ad tech ecosystem.

Our Mission - Discover and employ tools, technologies & data points to automate buying and selling of digital media.



Business Mix

Branding Solutions (80.23% of Revenue) - Our branding solutions help direct advertisers and agencies' advertisers to reach new and interactive audiences suitable for their brands.

Performance Solutions (19.77% of Revenue) - Our advanced performance marketing solutions and premium partners aid advertisers to achieve their performance and advertising goals with better ROIs.



Global Advertising Partner

We are predominantly active in Western continent.

Our Markets – North America, Europe, APAC



Financial Summary (FY 2018-19)

Revenue	₹ 462.32 MN
EBITDA	₹ 110.49 MN
PAT	₹ 73.38 MN

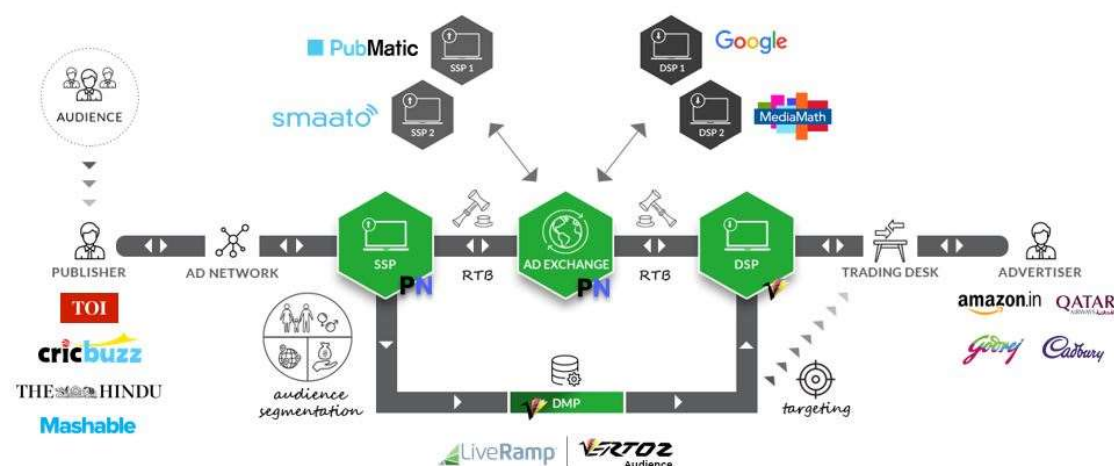
We make it easier for brands to reach the right customers over the internet. We offer media buying and programmatic advertising solutions to help brands reach their prospects, at the right time, and help advertisers increase their ROAS (Return on Ad Spends). Our media buying platform – Ingenious Plex, is infused with cutting-edge technologies like Artificial Intelligence and Machine Learning (AI & ML). Our intelligent algorithms empower advertisers with precise targeting capabilities. With our self-serve platform, advertisers get the complete control of their campaigns. We provide detailed and real-time campaign reports.

BUSINESS METHODOLOGY:

Our Ingenious Plex incorporates proprietary algorithms, sophisticated big-data storage and processing systems, detailed real-time analytics capability and a geographically distributed infrastructure. We analyse hundreds of data points in real time and execute over 10,00,000 (10 Lakh /1 Million) queries per second.

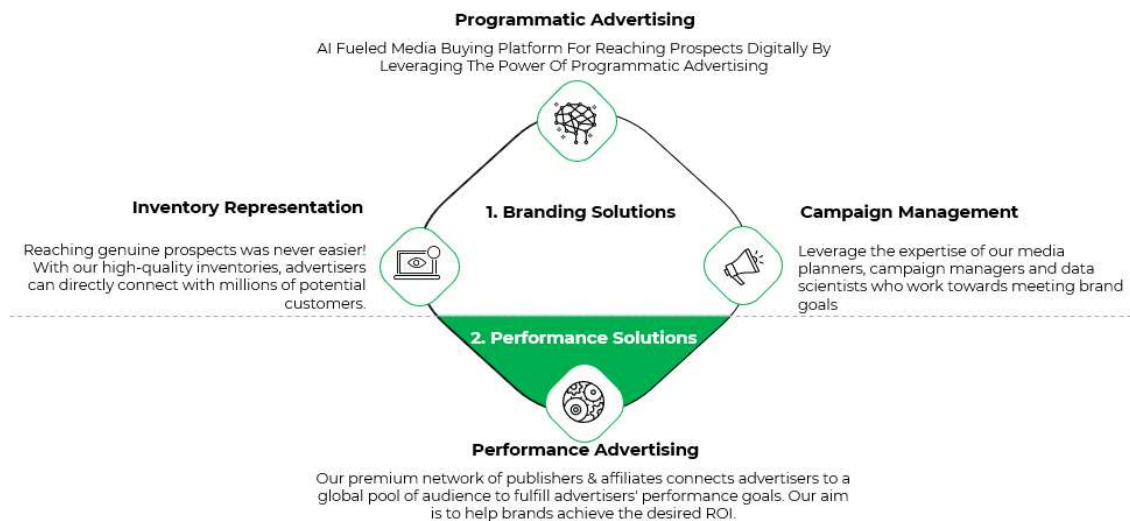
Our intelligent data-driven low latency system has transformed the complicated process of buying and selling digital advertising into a seamless automated process that optimizes results for both advertisers and publishers. Our advertisers can run advertisement on publisher webpages across multiple devices like desktop, mobile and tablets. This helps both advertisers and publishers to achieve their respective goals.

VERTOZ ROLE IN PROGRAMMATIC ECO-SYSTEM:

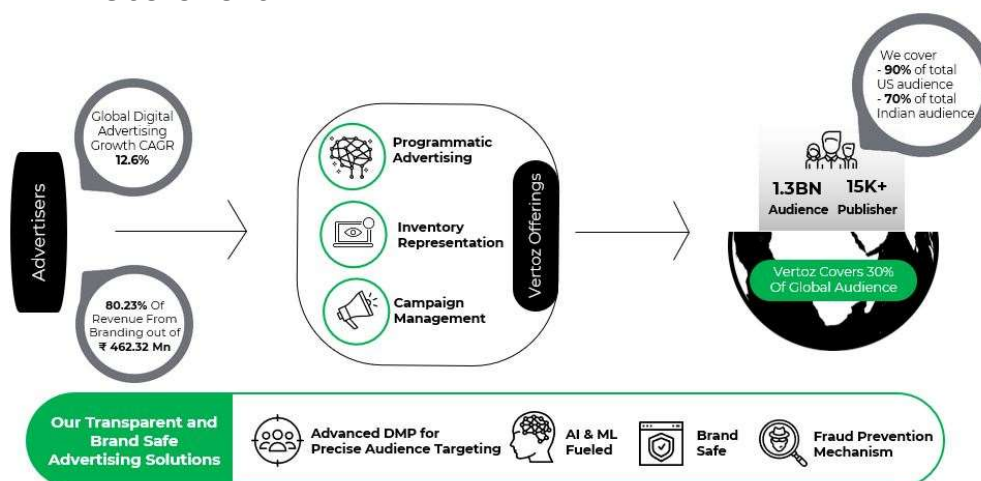


Our Ingenious Plex features applications for digital advertising sellers, including websites, mobile applications and other digital media properties, to sell their advertising inventory; applications for buyers, including demand side platforms (DSPs), agency trading desks (ATDs), ad networks and advertising agencies, to buy advertising inventory; and an exchange over which such transactions are executed. Together, these features power and optimize a comprehensive, transparent, independent advertising marketplace that brings advertisers and publishers together and facilitates intelligent decision-making and automated transaction execution for the advertising inventory we manage on our platform. We believe we help increase the volume and effectiveness of advertising, increasing revenue for publishers and improving return on advertising spends for advertisers.

BUSINESS OFFERINGS:



1. BRANDING SOLUTIONS:



2. PERFORMANCE SOLUTIONS:



CORPORATE INFORMATION:

Name of the Company	:	VERTOZ ADVERTISING LIMITED (Formerly known as Vertoz Media Limited & Vertoz Media Private Limited)
CIN	:	L74120MH2012PLC226823
Registered and Corporate Office	:	602, Avior, Nirmal Galaxy, L.B.S. Marg, Opp. Johnson & Johnson, Mulund (West), Mumbai – 400 080, Maharashtra State, India.
Email	:	compliance@vertoz.com
Website	:	www.vertoz.com
Contact No	:	022 – 6142 6030
ISIN	:	INE188Y01015

Board of Directors:

Name of Director	Nature of Directorship
Hirenkumar Rasiklal Shah	Chairman & Whole-time Director
Ashish Rasiklal Shah	Whole-time Director
Rasiklal Hathichand Shah	Non-Executive Director
Harshad Uttamchand Shah	Non-Executive Director
Harshal Ishwar Patel	Non-Executive Independent Director
Rohit Keshavlal Vaghadia	Non-Executive Independent Director
Nilam Samir Doshi	Non-Executive Independent Director

Company Secretary & Compliance Officer:

Zill Shah

Chief Financial Officer:

Akshay Sonar (Parolkar)

Statutory Auditors:

M/s. Mittal & Associates,
Chartered Accountant
FRN: - 106456W

Secretarial Auditors:

M/s. U. Hegde & Associates
Practicing Company Secretaries

Bankers of the Company:

The Federal Bank Limited
HDFC Bank Limited
Corporation Bank
Axis Bank Limited
State Bank of India

Registrar and Share Transfer Agent:

Karvy Fintech Private Limited
Karvy Selenium Tower B, Plot No 31 & 32
Gachibowli, Financial District,
Nanakramguda, Serilingampally
Hyderabad – 500 032
Phone: - 040 6716 1776
Email: - info@karvy.com
Website: - www.karvy.com

COMMITTEES OF THE BOARD:

1. Audit Committee:

Name of Director	Status in Committee	Nature of Directorship
Harshal Patel	Chairman	Non-Executive Independent Director
Nilam Doshi	Member	Non-Executive Independent Director
Hirenkumar Shah	Member	Whole-time Director

2. Stakeholders' Relationship Committee:

Name of Director	Status in Committee	Nature of Directorship
Nilam Doshi	Chairperson	Non-Executive Independent Director
Harshal Patel	Member	Non-Executive Independent Director
Harshad Shah	Member	Non-Executive Director
Hirenkumar Shah	Member	Whole-time Director

3. Nomination & Remuneration Committee:

Name of Director	Status in Committee	Nature of Directorship
Harshal Patel	Chairman	Non-Executive Independent Director
Nilam Doshi	Member	Non-Executive Independent Director
Harshad Shah	Member	Non-Executive Non-Independent Director
Hirenkumar Shah	Member	Whole-time Director

CHAIRMAN'S LETTER

Dear Shareholders,

I am pleased to report that this has been a great year for Vertoz.

As digital advertising has become omnipresent in today's digital age the audience getting bombarded with hundreds and thousands of ads each day, their effectiveness tends to attenuate. To make things trickier, brands only have a few seconds to grab their customers' attention and make a lasting impression. As every advertiser aims to impact the customers at the time of purchase by creating a strong brand recall, a big question that arises is how to effectively leverage the power of digital advertising to accomplish this goal?

We, at Vertoz, firmly believe that creativity and innovation are the answer to this question. The more creative and innovative the ad campaigns get, the better is the brand awareness and brand recall, which in turn reflect positively on the sales numbers. In this endeavor, we have been working with brands to help them effectively reach out to their prospects – digitally.

Our Company has received ABP Brand Excellence Award 2018, MOBEXX 2018, DIGIXX 2018, Brands of India Awards 2019 and DIGIXX 2019 Awards.

Finally, I am thankful to all our Stakeholders, our Bankers, our Investors, our Vendors and most importantly our customers for their trust and faith. I must acknowledge huge contribution from entire team of Vertoz Advertising Limited who push its boundaries, rise above challenges and leave no stone unturned to achieve consumer satisfaction.

It is an honor to serve as the Chairman & Whole-time Director of Vertoz and I am enthusiastic about Vertoz's prospects and confident that this team has the passion and commitment to keep Vertoz on a winning path well into the future.

With Warm Regards,

Hirenkumar Shah
Chairman & Whole-time Director

WHOLE-TIME DIRECTOR'S SPEECH

Dear Shareholders,

This year has been amazing for VertoZ with respect to its growth, enhancing its products & services and spotting & leveraging new business avenues. Digital advertising continues to be one of the fastest-growing sectors in the Indian economy. The overall growth outlook for the Indian Digital Advertising industry has been promising. The digital advertising industry is growing at a CAGR of 12.6% globally. However, the Indian markets are growing at CAGR of 32%, significantly higher than the global growth rate. Currently, India has 627 million Internet users out of which 500 MN are smartphone users. Moreover, 10MN new users are added every month. VertoZ is close to this growth trajectory and expects a 30%-35% YOY growth. This shows the huge growth potential that the industry holds.

This year, VertoZ has made a foray into Digital Out Of Home (DOOH) advertising. This is digital media like digital billboards, outdoor signage, and networks of screens that appear in environments like malls, restaurants, airports and so on, accessible to the public. Understanding the market potential and needs, we are introducing Programmatic Digital Out Of Home (PDOOH), which allows DOOH inventories to be bought and sold programmatically. VertoZ has also introduced its own Data Management Platform (DMP), which our clients can leverage to get optimized results. VertoZ has also successfully reduced its operating costs as a percent of its overall revenue, thereby increasing its profit margins.

In conclusion, I would like to thank all our Stakeholders, our Bankers, our Investors, our Vendors and most importantly our customers for their trust and faith. And, last but not least, I acknowledge the hard work and the immense contribution from the entire team of VertoZ Advertising Limited who push its boundaries, rises above challenges and leaves no stone unturned to achieve consumer satisfaction. VertoZ is marching ahead on its path of growth and success. It is our privilege to have you with us in this journey.

With warm Regards,

Ashish Shah
Whole-time Director

DIRECTOR'S REPORT

Dear Members of **Vertoz Advertising Limited**,

Your Directors have pleasure in presenting this 8th Annual report on the affairs of the Company together with the Audited Statement of Accounts for the year ended on 31st March 2019.

1. FINANCIAL SUMMARY AND/OR HIGHLIGHTS:

(₹ in Lakhs)

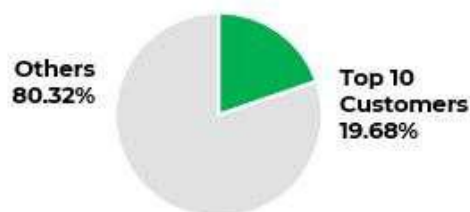
Particulars	Standalone Figures		Consolidated Figures	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Gross Income	2194.67	1582.79	4688.58	3746.89
Profit/(Loss) Before Interest and Depreciation	479.34	370.39	1104.92	860.75
(-) Finance Charges	(34.63)	(32.41)	(37.68)	(50.97)
Gross Profit/(Loss)	444.71	337.98	1067.24	809.78
(-) Provision for Depreciation	(59.41)	(89.53)	(187.96)	(136.65)
Net Profit Before Tax	385.30	248.45	879.28	673.13
(-) Provision for Tax	(122.69)	(75.97)	(158.19)	(107.92)
(-) Deferred Tax	12.71	8.53	12.71	8.53
Net Profit After Tax	275.33	181.01	733.80	573.74
Balance of Profit/(Loss) brought forward	275.33	181.01	733.80	573.74
(-) Consolidation Revaluation Gain/(Loss)	0.00	0.00	0.00	0.00
Balance available for appropriation	275.33	181.01	733.80	573.74
(-) Proposed Dividend on Equity Shares	0.00	0.00	0.00	0.00
(-) Tax on proposed Dividend	0.00	0.00	0.00	0.00
(-) Transfer to General Reserve	0.00	0.00	0.00	0.00
Surplus/(Deficit) carried to Balance Sheet	275.33	181.01	733.80	573.74

2. OPERATIONS AND AFFAIRS OF THE COMPANY:

The Company has reported total standalone income of ₹ **2,194.67 Lakhs** for the current year as compared to ₹ **1,582.79 Lakhs** in the previous year. The Net Profit after tax for the year under review amounted to ₹ **275.33 Lakhs** in the current year as compared to Net Profit after tax of ₹ **181.01 Lakhs** in the previous year.

The Company has reported total consolidated income of ₹ **4,688.58 Lakhs** for the current year as compared to ₹ **3,746.89 Lakhs** in the previous year. The Net Profit after tax for the year under review amounted to ₹ **733.80 Lakhs** in the current year as compared to Net Profit after tax of ₹ **573.74 Lakhs** in the previous year.

Revenue contribution from top 10 customers as % of FY 2019 on consolidated basis



Revenue growth from top 10 customers

On consolidated basis - Rs. (MN)



Financial Summary



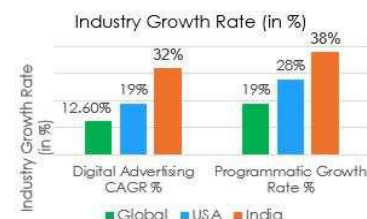
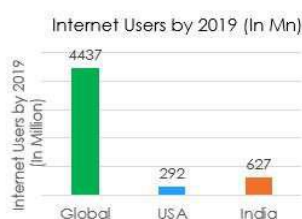
Key Ratios	FY 2018-19
Return on Equity	122.61%
Return on Cap Employed	24.58%
Return on Asset	15.70%
Debt Equity	14.10%

PERIOD	Revenue (Mn)	Operating Expenses (Mn)	Operating Expenses %	EBITDA(Mn)	EBITDA%	PAT(Mn)	PAT%
2018-19	₹ 462.32	₹ 358.37	77.51%	₹ 110.49	23.90%	₹ 73.38	15.87%
2017-18	₹ 368.39	₹ 288.61	78.34%	₹ 86.08	23.36%	₹ 57.37	15.57%
2016-17	₹ 203.03	₹ 152.30	75.01%	₹ 52.54	25.88%	₹ 30.59	15.07%
2015-16	₹ 118.64	₹ 112.33	94.68%	₹ 7.23	6.10%	₹ 3.74	3.15%

Global Market Analysis

TRENDS
Internet Users
Digital Advertising Spends 2019
Digital Advertising 2019 CAGR%
Programmatic Growth Rate 2019

GLOBAL	USA	INDIA
4437 Million by 2019	292 Million by 2019	627 Million by 2019
₹ 23328 BN	₹ 7380.8 BN	₹ 144.1 BN
12.6%	19%	32%
19%	28%	38%



*References : eMarketer, Statista

3. CHANGE IN NATURE OF BUSINESS, IF ANY:

There was no change in nature of the business of the Company, during the year under review.

4. DEPOSITS:

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

5. PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

All transactions/contracts/arrangements entered into by the Company with related party (ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review were in ordinary course of business and on an arm's length basis. Further, none of these contracts / arrangements / transactions with related parties could be considered material in nature as per the thresholds given in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and hence no disclosure is required to be given in this regard.

Accordingly, the disclosure of Related Party Transactions as required under section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**A. *Conservation of Energy:***

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy have not been furnished considering the nature of activities undertaken by the company during the year under review.

B. *Technology Absorption:*

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review.

C. *Foreign Exchange Earnings and Outgo:*

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Particulars	FY 2018-19
Foreign Exchange Inflow	₹ 7,14,24,561
Foreign Exchange Outflow	₹ 7,68,469

7. TRANSFER TO RESERVES:

The Company has closing balance of ₹ 18,97,78,816/- as Reserves and Surplus.

The Closing Balance of Reserve and Surplus is bifurcated as follows:

Sr. No.	Particulars	As at 31 st March, 2019
1.	Surplus from Profit & Loss Account	
	Opening Balance	1,32,29,114
	Add: Profit/(Loss) for the period	2,75,32,762
	Less: Issue of Bonus Shares	-
2.	Securities Premium (n/off preliminary expenses)	149,016,940
	Total Value in INR	18,97,78,816

8. PARTICULARS OF INVESTMENTS, LOANS, GUARANTEES AND SECURITIES:

The Company has not made any loans, guarantees, investments or securities covered under provision of Section 186 of Companies Act, 2013.

9. FINAL DIVIDEND:

Keeping in view the continued good performance, future fund requirements of the Company and policy of the Company for rewarding Members, your Directors are pleased to recommend a final dividend at the rate of 1% i.e. ₹ 0.10 per Equity Share having Face Value of ₹ 10/- on 16,13,926 Equity Shares (excluding the Equity Share upon which the members have waived/forgone his/their right to receive the dividend by him/them for financial year 2018-19) for the financial year 2018-19 and “**Record Date**” for the same is Monday, 23rd September, 2019. The dividend, if approved by the Members of the Company in the 8th AGM, shall be subject to Dividend Distribution Tax to be paid by your Company but will be tax-free in the hands of the Members. The Final Dividend amount, if declared, shall be ₹ 1,61,392.60 plus applicable Dividend Distribution Tax thereon.

Promoter & Promoter Group Members of your Company have waived their right to receive dividend for the Financial Year 2018-19 and hence the Dividend, if any, approved by the Members at the ensuing Annual General Meeting shall be only for open Public upon 16,13,926 Equity Shares.

10. UNPAID DIVIDEND & IEPF:

The Company is not required to transfer any amount to the Investor Education & Protection Fund (IEPF) and does not have unclaimed dividend which remains to be transferred to Investor Education & Protection Fund (IEPF).

11. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

The brief details of legal structure of the Company and its subsidiary and step-down subsidiary as follows:



VERTOZ INC (US):

This subsidiary deals with Online Advertising Solutions and media inventory buying and selling across the world. This is fully operational profit-making unit situated at California, USA having its one operational branch at New York, USA and five (5) step-down subsidiaries holding 100% stake in it located at USA in the name of Adnet Holdings Inc, PubNX Inc, Zkraft Inc, AdZurite Inc and AdMozart Inc. The consolidated operation activities brief as follows:

Financial Year	Total Assets (₹)	Total Revenue (₹)	Share of Net Profit/(Loss) (₹)	Net Cash Flows (₹)
2017-18	19,17,81,965	27,70,64,262	27,51,167	86,28,588
2018-19	31,53,12,266	30,79,76,895	66,35,577	(80,70,687)

VERTOZ LTD (UK):

This subsidiary deals with Online Advertising Solutions and media inventory buying and selling across the world. This is fully operational profit-making unit situated at London, UK having its one operational step-down subsidiary holding 100% stake in it located at UAE in the name of Vertoz Advertising FZ-LLC which is also operational in nature. The consolidated operation activities brief as follows:

Financial Year	Total Assets (₹)	Total Revenue (₹)	Share of Net Profit/(Loss) (₹)	Net Cash Flows (₹)
2017-18	6,17,24,928	4,56,65,634	3,65,22,222	7,13,258
2018-19	11,90,29,065	7,25,08,041	3,92,12,117	(1,07,583)

12. During the year under review, the Board of Directors have reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, your Company has prepared Consolidated Financial Statements of the Company and all its subsidiaries in compliance with the applicable accounting standards, which forms part of this Annual Report. Pursuant to the provisions of sub section (3) of section 129 of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, the salient features of the financial statement of each of our subsidiaries are set out in the prescribed format AOC-1 which forms part of the Financial Statements section of this Annual Report.

During the year, Adzurite Solutions Private Limited, having CIN: U74999MH2019PTC321699 had been incorporated as the Wholly owned Subsidiary of our Company and is located in India.

13. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the Financial Year ended 31st March, 2019 made under the provisions of Section 92 (3) of the Act is attached as “Annexure - 1” which forms part of this Report.

The extract of Annual Return shall also be placed on the website of the Company at: <https://www.vertoz.com>

14. DISCLOSURES UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013:

There were no material changes and commitments which could affect the Company's financial position and which has occurred between the end of the Financial Year of the Company and date of this report. But there are few events that happened between the end of the Financial Year of the Company and date of this report.

- a) The Company received clean order dated 10th May 2019, condoning the delay under section 460 of the Companies Act, 2013 in relation to the filing of e-form MGT-14 with regards to Special Resolution passed on 22nd May 2017 for adoption of New Set of Articles of Association.
- b) The Company received clean order dated 10th May 2019, condoning the delay under section 460 of the Companies Act, 2013 in relation to the filing of in e-form MGT-14 with regards to Special Resolution passed on 14th June 2017 for adoption of New Set of Articles of Association.
- c) **CHANGE IN KEY MANAGERIAL PERSONNEL:**
 - i. Mr. Sumitkumar R. Sharma has tendered his resignation from the post of Company Secretary & Compliance officer of the company w.e.f. 3rd May 2019
 - ii. Ms. Zill Shah was appointed as Company Secretary and Compliance officer of the company w.e.f. 30th May 2019.

15. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:

The Internal Financial Controls with reference to Financial Statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Statutory Auditors of the Company for inefficiency or inadequacy of such controls.

The internal audit is carried out by Mr. Kashish Shah, Internal Audit department which was set up, for the Financial Year 2018-19 under review. The periodical audit reports, including significant audit observations and corrective actions there-on, are presented to the Chairman of the Audit Committee for deliberation, discussion and implementation.

16. MATTERS RELATING TO BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL OF THE COMPANY:

a) DETAILS OF BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.	Name of Directors & Key Managerial Personnel	DIN/PAN	Category cum Designation	Members of Audit Committee	No. of Shares Held as on 31 st March, 2019
1	Hirenkumar Rasiklal Shah	00092739	Whole-Time Director (Chairman)	Yes	20,35,912
2	Ashish Rasiklal Shah	00092787	Whole-Time Director	No	20,35,912
3	Rasiklal Hathichand Shah	00091585	Additional Director	No	59,850
4	Harshad Uttamchand Shah	07849186	Non-Executive Director	No	29,926

Sr. No.	Name of Directors & Key Managerial Personnel	DIN/PAN	Category cum Designation	Members of Audit Committee	No. of Shares Held as on 31 st March, 2019
5	Harshal Ishwar Patel	07842251	Independent Director	Chairman of Audit Committee	NIL
6	Rohit Keshavlal Vaghadia	07946771	Independent Director	No	NIL
7	Nilam Samir Doshi	07848294	Independent Director	Yes	NIL
8	Akshay Ashok Sonar (Parolkar)	BBCPS6255B	Chief Financial Officer	No	NIL
9	*Sumit R. Sharma [*Resigned w.e.f. 3 rd May 2019]	COHPS0112N	Company Secretary & Compliance Officer	No	NIL

b) CHANGES IN COMPOSITION OF BOARD OF DIRECTORS:

During the year under review, there was no change in composition of Board of Directors of the Company.

c) RETIREMENT BY ROTATION:

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Rasiklal Hathichand Shah (DIN:00091585), is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The said Director is not disqualified from being re-appointed as a Director of a Company as per the disclosure received from him pursuant to Section 164(2) of the Companies Act, 2013. Therefore Board recommends his appointment and the necessary resolution for re-appointment of Mr. Rasiklal Hathichand Shah is given in Notice of 8th Annual General Meeting of the Company.

d) ANNUAL EVALUATION OF BOARD OF DIRECTORS AND ITS COMMITTEES:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its all Committees. The Board's functioning was evaluated on various aspects, including inter-alia the Structure of the Board, Meetings of the Board, Functions of the Board, Degree of fulfilment of key responsibilities, Establishment and delineation of responsibilities to various Committees, Effectiveness of Board Processes, information and functioning. The Committees of the Board were assessed on the degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings. The Directors were evaluated on aspects such as attendance, contribution at Board/Committee Meetings and guidance/support to the Management outside Board/Committee Meetings. The performance assessment of Non-Independent Directors, Board as a whole and the Chairman were evaluated in a separate meeting of Independent Directors. The same was also discussed in the meetings of NRC and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

e) DECLARATION BY INDEPENDENT DIRECTORS:

During the Financial Year under review, declarations were received from all Independent Directors of the Company that they satisfy the “criteria of Independence” as defined under Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of Section 149(6) of the Companies Act, 2013, the Schedules and Rules framed there under.

17. MATTERS RELATING TO MEETING OF BOARD OF DIRECTORS AND COMMITTEES OF BOARD:

a) NUMBER OF BOARD MEETINGS:

The Board of Directors met 4 (Four) times during the Financial Year ended 31st March 2019 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The Company has complied with the applicable Secretarial Standards in respect of all the above-Board Meetings. Also, the intervening gap between any two Meetings was within the period prescribed by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Sl. No.	Date of Meeting	Board Strength	No. of Directors Present
1	30 th May, 2018	7	7
2	20 th July, 2018	7	6
3	12 th November, 2018	7	6
4	5 th February, 2019	7	6

b) AUDIT COMMITTEE:

1. PREAMBLE:

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013 (“the Act”). The Composition of the Audit Committee is in conformity with the provisions of the said section.

2. TERMS OF REFERENCE OF AUDIT COMMITTEE:

The scope and terms of reference of the Audit Committee have been framed in accordance with the Act.

3. COMPOSITION OF AUDIT COMMITTEE:

Name of Director	Status in Committee	Nature of Directorship
Harshal Patel	Chairman	Non-Executive Independent Director
Nilam Doshi	Member	Non-Executive Independent Director
Hirenkumar Shah	Member	Whole-time Director

4. ATTENDANCE RECORD:

Dates on which Meetings were held	Attendance of Members		
	Harshal Patel	Nilam Doshi	Hirenkumar Shah
28 th April, 2018	Present	Present	Present
29 th May, 2018	Present	Present	Present
20 th July 2018	Present	Present	Present
31 st October 2018	Present	Present	Present
12 th November 2018	Present	Present	Present

c) NOMINATION AND REMUNERATION COMMITTEE:

1. PREAMBLE:

The Nomination and Remuneration Committee of Directors as constituted by the Board of Directors of the Company in accordance with the requirements of Section 178 of the Act.

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

2. TERMS OF REFERENCE OF NOMINATION & REMUNERATION COMMITTEE:

The scope and terms of reference of the Nomination & Remuneration Committee have been framed in accordance with the Act.

3. COMPOSITION OF NOMINATION & REMUNERATION COMMITTEE:

Nomination & Remuneration Committee consists of following members:

Name of Director	Status in Committee	Nature of Directorship
Harshal Patel	Chairman	Non-Executive Independent Director
Nilam Doshi	Member	Non-Executive Independent Director
Harshad Shah	Member	Non-Executive Non-Independent Director
Hirenkumar Shah	Member	Whole-time Director

There was no change in the composition of the Nomination & Remuneration Committee during the financial year 2018-19.

4. ATTENDANCE RECORD:

Dates on which Meetings were held	Attendance of Members			
	Harshal Patel	Nilam Doshi	Harshad Shah	Hirenkumar Shah
28 th April, 2018	Present	Present	Absent	Present
29 th May, 2018	Present	Present	Absent	Present

d) STAKEHOLDERS RELATIONSHIP COMMITTEE:

1. PREAMBLE:

Pursuant to Section 178 (5) of the Companies Act, 2013, the Board of Directors of the Company has constituted the Stakeholder's Relationship Committee.

2. TERMS OF REFERENCE OF STAKEHOLDER'S RELATIONSHIP COMMITTEE:

The scope and terms of reference of the Stakeholder's Relationship Committee have been framed in accordance with the Act.

3. COMPOSITION OF STAKEHOLDER'S RELATIONSHIP COMMITTEE:

Stakeholders Relationship Committee consists of following members:

Name of Director	Status in Committee	Nature of Directorship
Nilam Doshi	Chairperson	Non-Executive Independent Director
Harshal Patel	Member	Non-Executive Independent Director
Harshad Shah	Member	Non-Executive Non-Independent Director
Hirenkumar Shah	Member	Whole-time Director

There was no change in the composition of the Stakeholders Relationship Committee during the Financial Year 2018-19.

There was no Meeting conducted during the year.

18. VIGIL MECHANISM / WHISTLE BLOWER:

The Board of Directors of the Company has, pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Vigil Mechanism Policy" for Directors and Employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Board of Directors. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

19. MANAGEMENT POLICY:

The Board of Directors of the Company has designed Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews.

20. AUDITORS:

a) APPOINTMENT:

M/s. Mittal & Associates, Chartered Accountants (FRN: 106456W), were appointed as Statutory Auditors of the Company at the Seventh Annual General Meeting (AGM) held on 28th August, 2018 to hold office for a period of 5 (five) years from the conclusion of the Seventh AGM until the conclusion of the Twelfth AGM of the Company.

The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

b) AUDITORS REPORT:

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory and needs no further explanation. The Auditors have given clean unmodified opinion in their report for the financial year 2018-19.

c) REPORTING OF FRAUDS BY STATUTORY AUDITORS UNDER SECTION 143 (12):

There were no incidences of reporting of frauds by Statutory Auditors of the Company under Section 143 (12) of the Act read with Companies (Accounts) Rules, 2014.

d) MAINTENANCE OF COST RECORDS:

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is not required to maintain Cost Records under said Rules.

e) SECRETARIAL AUDIT FOR THE YEAR ENDED 31ST MARCH 2019:

Provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, mandates to obtain Secretarial Audit Report from Practicing Company Secretary. M/s. U. Hedge & Associates, Practicing Company Secretaries had been appointed to issue Secretarial Audit Report for the Financial Year 2018-19.

Secretarial Audit Report issued by M/s. U. Hedge & Associates, Practicing Company Secretaries in Form MR-3 for the Financial Year 2018-19 forms part to this report as an “Annexure – 4”. The said report does not contain any observations or qualifications.

21. CORPORATE GOVERNANCE AND NON APPLICABILITY OF CSR PROVISIONS:

During the year under review, the Paid-up Share Capital and Net Worth of the Company were less than ₹ 10 Crores and ₹ 25 Crores respectively as on 31st March, 2019, therefore Corporate Governance provisions as specified in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, and Clause (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of the Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.

The Company shall comply with the same as and when the Regulation becomes applicable to the Company. Also the Company does not meet the limits fixed under Section 135(1) of the Companies Act, 2013 with respect to Corporate Social Responsibility, therefore the same is not applicable.

22. PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The said code of conduct is in line with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code requires pre-clearance for dealing in the Company's Shares and prohibits the purchase or sale of Company Shares by the Directors and the Designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All the Directors and the Designated employees have complied with the Code.

23. INFORMATION ABOUT AOC-1 & MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis report is annexed hereto and marked as “Annexure - 2” and AOC-1 is attached as “Annexure – 3”.

24. OTHER DISCLOSURES:**a) DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:**

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

b) DISCLOSURE OF INTIMATION FOR CONDUCTING SERVICE TAX AUDIT:

The Company has received intimation for conducting Service Tax Audit from February 2012 to June 2017 under the provisions of Rule 5A of the Service Tax Rules, 1994 r/w Section 174(2)(e) of the CGST Act, 2017.

c) DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134 (5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31st March 2019, the Board of Directors hereby confirms that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit/loss of the Company for that year;
- c) proper and enough care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts of the Company have been prepared on a going concern basis;
- e) had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant Board Committees, including Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial year 2018-19.

d) DISCLOSURE UNDER SECTION 43(A)(II) OF THE COMPANIES ACT, 2013:

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a) (ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

e) DISCLOSURE UNDER SECTION 54(1)(D) OF THE COMPANIES ACT, 2013:

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

f) DISCLOSURE UNDER SECTION 62 (1) (B) OF THE COMPANIES ACT, 2013:

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62 (1) (b) of the Act read with Rule 12 (9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

g) DISCLOSURE UNDER SECTION 67 (3) OF THE COMPANIES ACT, 2013:

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67 (3) of the Act read with Rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

h) POLICY ON SEXUAL HARASSMENT AT WORKPLACE:

Your Company is an equal opportunity employer and is committed to ensuring that the work environment at all its locations is conducive to fair, safe and harmonious relations exists between employees. It strongly believes in upholding the dignity of all its employees, irrespective of their gender or seniority. Discrimination and harassment of any type are strictly prohibited.

The Company has in place an appropriate Policy in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to prevent sexual harassment of its employees.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this Policy. The Company ensures that no employee is disadvantaged by way of gender discrimination.

During the year 2018-19, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder **No Complaints** were registered.

25. DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:

The disclosures as per Rule 5 of Companies (Appointment & Remuneration) Rules, 2014 have been marked as “Annexure – 5”.

26. APPRECIATION:

The Board wishes to place on record their appreciation for the sincere efforts of the Directors, employees and the co-operation extended by Bankers, Shareholders, Clients, Associates and Central and State Governments for their continuous support towards the conduct of the Company.

**For & on behalf of Vertoz Advertising Ltd.
and its Board of Directors**

Sd/-

Hirenkumar Shah

Chairman & Whole-time Director

DIN: 00092739

Place: Mumbai

Date: 30.08.2019

ANNEXURE: 1

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019
of

VERTOZ ADVERTISING LIMITED

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L74120MH2012PTC226823
ii)	Registration Date	13/02/2012
iii)	Name of the Company	Vertoz Advertising Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares / Non-govt company
v)	Address of the Registered Office and contact details	602, Avior, Nirmal Galaxy, L.B.S. Marg, Opp. Johnson & Johnson, Mulund, Mumbai – 400 080. Tel. No. +91 22 61426030 Fax No. +91 22 61426061
vi)	Whether listed company (Yes/ No)	Yes
vii)	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	Karvy Fintech Private Limited Karvy Selenium Plot No 31 & 32 Financial District Nanakramguda Gachibowli, Hyderabad - 500 032. Telangana, India. Tel. No. +91 40 67162222 / 33211000

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated: -

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to Total Turnover of the Company
1	Advertising and Market Research	73100	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	AdZurite Solutions Pvt Ltd	U74999MH2019PTC321699	Wholly Owned Subsidiary	100%	2(87)
2.	Vertoz INC., USA	N.A	Subsidiary	100%	2(87)
3.	Vertoz Ltd., UK	N.A	Subsidiary	100%	2(87)
4.	Vertoz Advertising FZ-LLC, UAE	N.A	Step-Down Subsidiary	100%	2(87)
5.	AdNet Holdings INC, USA	N.A	Step-Down Subsidiary	100%	2(87)
6.	PubNX Inc, USA	N.A	Step-Down Subsidiary	100%	2(87)

7.	Zkraft Inc, USA	N.A	Step-Down Subsidiary	100%	2(87)
8.	AdZurite Inc, USA	N.A	Step-Down Subsidiary	100%	2(87)
9.	AdMozart Inc, USA	N.A	Step-Down Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN:

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoter									
Indian									
Individual/ HUF	4371074	0	4371074	73.03	4371074	0	4371074	73.03	0.00
Central Govt	0	0	0	0	0	0	0	0.00	0.00
State Govt(s)	0	0	0	0	0	0	0	0.00	0.00
Bodies Corp	0	0	0	0	0	0	0	0.00	0.00
Banks / FI	0	0	0	0	0	0	0	0.00	0.00
Any Other	0	0	0	0	0	0	0	0.00	0.00
Sub-total A(1):-	4371074	0	4371074	73.03	4371074	0	4371074	73.03	0.00
Foreign									
NRIs-Individuals	0	0	0	0	0	0	0	0.00	0.00
Other-Individuals	0	0	0	0	0	0	0	0.00	0.00
Bodies Corp.	0	0	0	0	0	0	0	0.00	0.00
Banks / FI	0	0	0	0	0	0	0	0.00	0.00
Any Other....	0	0	0	0	0	0	0	0.00	0.00
Sub-total A(2):-	0	0	0	0	0	0	0	0.00	0.00
Total A = A(1) + A(2)	4371074	0	4371074	73.03	4371074	0	4371074	73.03	0.00
Public Shareholding									
Institutions									
Mutual Funds	0	0	0	0	0	0	0	0.00	0.00
Banks / FI	0	0	0	0	0	0	0	0.00	0.00
Central Govt	0	0	0	0	0	0	0	0.00	0.00
State Govt(s)	0	0	0	0	0	0	0	0.00	0.00
Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00
Insurance Companies	0	0	0	0	0	0	0	0.00	0.00
FIs	0	0	0	0	0	0	0	0.00	0.00
Foreign Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00
Others (specify)	0	0	0	0	0	0	0	0.00	0.00
Sub-total (B)(1)	0	0	0	0	0	0	0	0.00	0.00
Non-Institutions									
Bodies Corp. Indian Overseas	237773	0	237773	3.97	217719	0	217719	3.64	(0.34)
Individuals									
A. Individual shareholders holding nominal share capital up to ₹ 1 lakh	632227	0	632227	10.56	663081	0	663081	11.08	0.52
B. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	691200	29926	721126	12.05	711526	0	711526	11.89	(0.16)
Others									
Clearing Members	8400	0	8400	0.14	4800	0	4800	0.08	(0.06)
NRI	12000	0	12000	0.20	13200	0	13200	0.22	0.02
NRI-NR	2400	0	2400	0.04	3600	0	3600	0.08	0.02
Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0.00
Sub-total (B)(2)	1584000	29926	1613926	26.97	1613926	0	1613926	26.97	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	1584000	29926	1613926	26.97	1613926	0	1613926	26.97	0.00
Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0.00	0.00
Grand Total (A+B+C)	5955074	29926	5985000	100.00	5985000	0	5985000	100.00	0.00

ii) Shareholding of Promoters:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Hirenkumar Shah	2035912	34.015	0.000	2035912	34.015	0.000	0.000
2.	Ashish Shah	2035912	34.015	0.000	2035912	34.015	0.000	0.000
3.	Rasiklal Shah	59850	1.000	0.000	59850	1.000	0.000	0.000
4.	Ranjanben Shah	59850	1.000	0.000	59850	1.000	0.000	0.000
5.	Archana Shah	59850	1.000	0.000	59850	1.000	0.000	0.000
6.	Shital Shah	59850	1.000	0.000	59850	1.000	0.000	0.000
7.	Arpana Vejani	59850	1.000	0.000	59850	1.000	0.000	0.000
	Grand Total	4371074	73.030	0.000	4371074	73.030	0.000	0.000

iii) Change in Promoters' Shareholding:

There is no change in Promoters' Shareholding during the year.

iv) Shareholding Pattern of Top Ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shared	% of total Shares of the Company	No. of Shared	% of total Shares of the Company
1.	GUINNESS SECURITIES LIMITED				
	At the beginning of the year	154800	2.59	154800	2.59
	Change during the year				
	Transfer on 06/04/2018	4800		159600	2.67
	Transfer on 13/04/2018	1200		160800	2.69
	Transfer on 20/04/2018	-8400		152400	2.55
	Transfer on 27/04/2018	-3600		148800	2.49
	Transfer on 04/05/2018	1200		150000	2.51
	Transfer on 11/05/2018	15600		165600	2.77
	Transfer on 18/05/2018	-18000		147600	2.47
	Transfer on 25/05/2018	30000		177600	2.97
	Transfer on 01/06/2018	16800		194400	3.25
	Transfer on 08/06/2018	19200		213600	3.57
	Transfer on 15/06/2018	9600		223200	3.73
	Transfer on 22/06/2018	1200		224400	3.75
	Transfer on 29/06/2018	1200		225600	3.77
	Transfer on 06/07/2018	4800		230400	3.85
	Transfer on 13/07/2018	2400		232800	3.89
	Transfer on 20/07/2018	-30800		202000	3.38
	Transfer on 27/07/2018	-1200		200800	3.36
	Transfer on 03/08/2018	-3600		197200	3.29
	Transfer on 17/08/2018	1200		198400	3.31
	Transfer on 24/08/2018	-400		198000	3.31
	Transfer on 07/09/2018	-1200		196800	3.29
	Transfer on 14/09/2018	-8400		188400	3.15
	Transfer on 05/10/2018	6000		194400	3.25

	Transfer on 09/11/2018	41200		235600	3.94
	Transfer on 09/11/2018	-157600		78000	1.30
	Transfer on 21/12/2018	-74800		3200	0.05
	At the end of the year			3200	0.05
2.	WAYS VINIMAY PRIVATE LIMITED				
	At the beginning of the year	0	0.00	0	0.00
	Transfer on 28/12/2018	74800		74800	1.25
	At the end of the year			74800	1.25
3.	NNM SECURITIES				
	At the beginning of the year	0	0.00	0	0.00
	Transfer on 11/01/2019	78000		78000	1.30
	Transfer on 29/03/2019	-3600		74400	1.24
	At the end of the year			74400	1.24
4.	CHANDER MOHAN BHATIA				
	At the beginning of the year	63600	1.06	63600	1.06
	Transfer on 06/04/2018	-10800		52800	0.88
	Transfer on 13/04/2018	1200		54000	0.90
	Transfer on 20/04/2018	8400		62400	1.04
	Transfer on 27/04/2018	2400		64800	1.08
	Transfer on 15/06/2018	-22800		42000	0.70
	Transfer on 29/06/2018	-10800		31200	0.52
	Transfer on 06/07/2018	-22800		8400	0.14
	Transfer on 13/07/2018	-8400		52800	0.88
	At the end of the year			0	0.00
5.	KOKILA GUPTA				
	At the beginning of the year	61200	1.02	61200	1.02
	Transfer on 04/05/2018	2400		63600	1.06
	Transfer on 22/06/2018	-4800		58800	0.98
	Transfer on 29/06/2018	-9600		49200	0.82
	Transfer on 06/07/2018	-24000		25200	0.42
	Transfer on 13/07/2018	-25200		0	0.00
	At the end of the year			0	0.00
6.	HEMAL DHAVAL SHAH				
	At the beginning of the year	61200	1.02	61200	1.02
	Transfer on 28/12/2018	-20400		40800	0.68
	Transfer on 18/01/2019	-3600		37200	0.62
	At the end of the year			37200	0.62
7.	BHAVESH PRAVINCHANDRA SHAH				
	At the beginning of the year	52800	0.88	52800	0.88
	Transfer on 13/07/2018	4255		57055	0.95
	Transfer on 20/07/2018	14938		71993	1.20
	Transfer on 03/08/2018	1		71994	1.20
	Transfer on 10/08/2018	6		72000	1.20
	At the end of the year			72000	1.20
8.	MITESH PRAVINCHANDRA SHAH				
	At the beginning of the year	52800	0.88	52800	0.88
	Transfer on 05/10/2018	6000		58800	0.98
	At the end of the year			58800	0.98

9.	MANJULA PRAVINCHANDRA SHAH				
	At the beginning of the year	52800	0.88	52800	0.88
	At the end of the year	52800	0.88	52800	0.88
10.	SHITAL BHAVESHKUMAR SHAH				
	At the beginning of the year	52800	0.88	52800	0.88
	Transfer on 13/07/2018	12000		64800	1.08
	Transfer on 20/07/2018	4800		69600	1.16
	At the end of the year			69600	1.16

v) Shareholding of Directors and Key Managerial Personnel:

SN	Name of the Director	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Hirenkumar Shah	At the beginning of the year	2035912	34.015	2035912	34.015
		At the end of the year	2035912	34.015	2035912	34.015
2.	Ashish Shah	At the beginning of the year	2035912	34.02	2035912	34.02
		At the end of the year	2035912	34.02	2035912	34.02
3.	Rasiklal Shah	At the beginning of the year	59850	1.00	59850	1.00
		At the end of the year	59850	1.00	59850	1.00
4.	Harshad Shah	At the beginning of the year	29926	0.50	29926	0.5
		At the end of the year	29926	0.50	29926	0.5
5.	Nilam Doshi	At the beginning of the year	0	0.00	0	0.00
		At the end of the year	0	0.00	0	0.00
6.	Harshal Patel	At the beginning of the year	0	0.00	0	0.00
		At the end of the year	0	0.00	0	0.00
7.	Rohit Vaghadia	At the beginning of the year	0	0.00	0	0.00
		At the end of the year	0	0.00	0	0.00
8.	Akshay Sonar (Parolkar)	At the beginning of the year	0	0.00	0	0.00
		At the end of the year	0	0.00	0	0.00
9.	*Sumitkumar Sharma [*resigned w.e.f. 3 rd May 2019]	At the beginning of the year	0	0.00	0	0.00
		At the end of the year	0	0.00	0	0.00

V. INDEBTEDNESS:

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,19,86,176	84,594	NIL	3,20,70,769
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	3,19,86,176	84,594	NIL	3,20,70,769

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
• Addition	4,79,65,125	2,48,15,944	NIL	7,27,81,069
• Reduction	(3,72,46,305)	(1,83,37,499)	NIL	(5,55,83,804)
Net Change	1,07,18,820	64,78,445	NIL	1,71,97,266
Indebtedness at the end of the financial year				
i) Principal Amount	4,27,04,996	65,63,039	NIL	4,92,68,035
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	4,27,04,996	65,63,039	NIL	4,92,68,035

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr No	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Hirenkumar Shah	Ashish Shah	
1	Gross Salary			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 47,88,715	₹ 52,48,228	₹ 1,00,36,943
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	c. Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify	0	0	0
5	Others, please specify	0	0	0
	Total (A)	₹ 47,88,715	₹ 52,48,228	₹ 1,00,36,943
	Ceiling as per the Act (as per Sch V)	₹ 84,00,000	₹ 84,00,000	₹ 1,68,00,000

B. Remuneration to other directors:

SN	Particulars of Remuneration	Name of Directors	Total Amount
1	Executive Directors	Not Applicable	
	• Fee for attending board committee meetings		
	• Commission		
	• Others, please specify • Salary Paid (India Company) • Salary Paid (US Company)		
	Total (1)		

2	Independent Directors	Nilam Doshi DIN:07848294	Harshal Patel DIN:07842251	Rohit Vaghadia DIN:07946771	Total Amount
	• Fee for attending Board Meeting Fee	80,000	80,000	80,000	2,40,000
	• Fee for attending Audit Committee Meetings	1,00,000	1,00,000	0	2,00,000
	• Fee for attending NRC Meeting	10,000	10,000	0	20,000
	• Commission	0	0	0	0
	• Others, please specify	0	0	0	0
	Total (2)	1,90,000	1,90,000	80,000	4,60,000
3	Other Non-Executive Directors	Harshad Shah DIN:07849186	Rasiklal Shah DIN:00091585		Total Amount
	• Fee for attending Board Meetings	80,000	80,000		1,60,000
	• Fee for attending NRC Meeting	0	0		0
	• Commission	0	0		0
	• Others, please specify	0	0		0
	Total (3)	80,000	80,000		1,60,000
	Total (B) = (1+2+3)	2,70,000	2,70,000		6,20,000

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary Sumitkumar Sharma	CFO Akshay Sonar (Parolkar)	Total
1	Gross salary a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b. Value of perquisites u/s 17(2) Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	₹ 3,77,678	₹ 16,73,782	₹ 20,51,460
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others, specify...	0	0	0
5	Others, please specify	0	0	0
	Total	₹ 3,77,678	₹ 16,73,782	₹ 20,51,460

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NONE		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					

**For & on behalf of Vertoz Advertising Ltd.
and its Board of Directors**

Place: Mumbai
Date: 30.08.2019

Sd/-
Hirenkumar Shah
Chairman & Whole-Time Director
DIN: 00092739

ANNEXURE -2

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(a) Industry structure and developments:

Programmatic advertising is a highly automated form of digital advertising, whereby advertising space is bought, and advertisements are placed through an auction across campaigns from a large number of advertising platforms, and where bids are calculated in real time per individual advertisement placement, using a set of advanced algorithms, historic data, and a number of parameters. It dramatically reduces the margin of human error and the labour-intensive process of media buying and replaces them with technology-based techniques that target the right customer with the right advertisement at the right time.

The key advantages of programmatic buying include: (i) Liquidity, which optimizes pricing, benefiting both publishers and advertisers, (ii) Automation, which allows marketers to streamline the process by using a technology platform to purchase impressions in an automated way, typically on an exchange, and (iii) Impression-by-impression targeting, which enables buyers to bid on specific impressions and target users believed to be most receptive to the advertising. While programmatic buying was initially focused on display advertising, they have since expanded to mobile, video, native and social.

(b) Opportunities and Threats:

Our Real Time Bidding technology (RTB) evaluates at peak 10,00,000 (10 Lakh/ 1 Million) ad opportunities per seconds. Our core bidding architecture is easily adaptable to a variety of ad formats, allowing our technology to communicate with a variety of inventory sources.

In today's dynamic business environment which is filled with rapid change of technology, government policies, mounting competitive threats and constant new entrants into market, makes it challenging to sustain and handle the intricacies and provide competitive solutions to its clients. We face competition from domestic and international Companies. We foresee this competition to continue to grow as the demand for advertising and monetizing solutions increases. Further we believe that our competition also depends on several factors which include currency fluctuations, changing business framework, information technology policies, difficult to retain skilled staff etc. We currently operate globally from our offices in four countries. We believe we can extend our marketplace platform through international expansion to help automate and improve advertising for buyers and sellers globally. We intend to grow our market share in our existing international markets. We also plan to expand our business operations into new territories including Asia, Eastern Europe and Latin America by organic and inorganic ways.

(c) Segment-wise or product-wise performance:

The has only one Segment i.e. Programmatic Advertising Business.

(d) Outlook:

Our technology is a key factor affecting our performance. We plan to continue to make substantial investments in our technology and research and development to enhance the effectiveness of our solution. We sell our solution to advertisers and publishers through our global direct sales team, which operates from our locations in the India, US, UK and UAE. This team leverages its market knowledge and expertise to demonstrate the benefits to advertisers and publishers of advertising automation and our solution. We are focused on managing our brand and increasing market awareness to do so, we often present at global industry conferences/exhibitions, create custom events and invest in public relations.

(e) Risks and concerns:

The digital advertising market is relatively new, and our solution may not achieve or sustain high levels of demand and market acceptance. While display advertising has been used successfully for many years, marketing via new digital advertising channels, such as mobile and social media and digital video advertising, is not as well established. The future growth of our business could be constrained by the level of acceptance and expansion of emerging digital advertising channels, as well as the continued use and growth of existing channels, such as digital display advertising, in which our capabilities are more established. It is difficult to predict the future growth rate and size of the digital advertising solutions market or the entry of competitive solutions. Any expansion of the market for digital advertising solutions depends on a number of factors, including the growth of the digital advertising market, the growth of social, mobile and video as advertising channels and the cost, performance and perceived value associated with digital advertising solutions. If demand for digital display advertising and adoption of automation does not continue to grow, or if digital advertising solutions or advertising automation do not achieve widespread adoption, or there is a reduction in demand for digital advertising caused by weakening economic conditions, decreases in corporate spending or otherwise, our competitive position will be weakened, and our revenue and results of operations could be harmed.

(f) Internal control systems and their adequacy:

Internal Control system is adequate in our Company our Company has appointed Mr. Kashish Shah as an Internal Auditor of the company to look after the issues like discovering fraud, managing internal control system.

(g) Discussion on financial performance with respect to operational performance:

Company's Financial is quite satisfactory and further company ensure compliance with all applicable laws and rules made thereunder. The Company's revenue from operations was ₹ 4,623.20 lakhs during year 2018-19.

(h) Material developments in Human Resources front, including number of people employed:

There have been no changes in Human Resource Policy of our Company. We provide stress free and healthy environment to our employees. There are almost 118 employees working in our company.

(i) Disclosure of Accounting Treatment:

Company has adhered all accounting policies applicable to it as per the securities law and applicable provisions of Companies Act, 2013 and rule made thereunder.

(j) Cautionary Statement:

Statements in the Management Discussion & Analysis Report describing the Company's expectations, opinion, and predictions may please be considered as "forward looking statements" only. Actual results could differ from those expressed or implied. Company's operations should be viewed in light of changes in market conditions, prices of raw materials, economic developments in the country and such other factors.

**For & on behalf of Vertoz Advertising Ltd
and its Board of Directors**

Sd/-

Date: 30.08.2019

Place: Mumbai

**Hirenkumar Shah
Chairman & Whole-Time Director
DIN: 00092739**

ANNEXURE 3

Form AOC – 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A – Subsidiaries

(Consolidated Information in respect of each subsidiary to be presented with amounts in ₹)

1	Sl. No.	1	2
2	Name of the Subsidiary	Vertoz INC.	Vertoz Ltd.
3	The date since when subsidiary was acquired	13.10.2015	05.10.2015
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	01.04.2018 31.03.2019	01.04.2018 31.03.2019
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD (\$) (\$ 1 = ₹ 69.1713)	GBP (£) (£ 1 = ₹ 90.4576)
6	Share Capital	₹ 22,13,37,369	₹ 2,20,42,964
7	Reserves and Surplus	₹ 1,54,64,467	₹ 9,63,22,892
8	Total Assets	₹ 31,53,12,266	₹ 11,90,29,065
9	Total Liabilities	₹ 7,85,10,429	₹ 6,63,209
10	Investments	₹ -	₹ -
11	Turnover	₹ 30,79,76,895	₹ 7,25,08,041
12	Profit before Taxation	₹ 91,69,655	₹ 4,02,27,832
13	Provision for Taxation	₹ 25,34,078	₹ 10,15,715
14	Profit after Taxation	₹ 66,35,577	₹ 3,92,12,117
15	Proposed Dividend	₹ -	₹ -
16	Extent of shareholding (in percentage)	100%	100%

For and on behalf of Vertoz Advertising Limited

Sd/-

Hirenkumar Shah

Chairman & Whole-time Director

DIN: 00092739

Sd/-

Ashish Shah

Whole-time Director

DIN: 00092787

Sd/-

Akshay Sonar (Parolkar)

Chief Financial Officer

PAN: BBCPS6255B

Sd/-

Zill Shah

Company Secretary

PAN: EZOPS6680B

Place: Mumbai

Date: 30.05.2019

Part B – Associates and Joint Ventures

(Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

Name of Associates or Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date	N.A.		
2. Date on which the Associate or Joint Venture was associated or acquired			
3. Shares of Associate or Joint Ventures held by the company on the year end			
a) No.			
b) Amount of Investment in Associates or Joint Venture			
c) Extent of Holding (in percentage)			
4. Description of how there is significant influence			
5. Reason why the associate/joint venture is not consolidated			
6. Net worth attributable to shareholding as per latest audited Balance Sheet			
7. Profit or Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

For and on behalf of Vertoz Advertising Limited

Sd/-

Hirenkumar Shah

Chairman & Whole-time Director

DIN: 00092739

Sd/-

Ashish Shah

Whole-time Director

DIN: 00092787

Sd/-

Akshay Sonar (Parolkar)

Chief Financial Officer

PAN: BBCPS6255B

Sd/-

Zill Shah

Company Secretary

PAN: EZOPS6680B

Place: Mumbai

Date: 30.05.2019

ANNEXURE - 4

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE PERIOD 01-04-2018 TO 31-03-2019

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

To

The Members

Vertoz Advertising Limited

602, Avior, Nirmal Galaxy, L.B.S Marg,

Opp. Johnson & Johnson, Mulund (W),

Mumbai – 400 080.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vertoz Advertising Limited CIN L74120MH2012PLC226823 (hereinafter called the “Company”) for the financial year ended 31st March, 2019 Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of books, papers, Minutes Books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the Audit period covering 1st April, 2018 to 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, Minutes Books, forms and returns filed and other records maintained by the Company for the Audit period 1st April 2018 to 31st March 2019 according to the provisions of:

- (i) The Companies Act, 2013 (“the Act”) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Benefits) Regulations, 2014 - **Not applicable**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the companies act and dealing with client – **Not applicable**
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable**
 - h. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 - **Not applicable**

Based on the compliance mechanism prevailing in the Company and representations, information and explanations received from the Officers of the Company, I am of the opinion that the Company has generally complied with the applicable laws, regulations, rules and guidelines. Further, I have been informed by the management that there are no laws which are specifically applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India;
- Securities and Exchange Board of India (Listing Obligation & Disclosure Requirement) Regulations, 2015. (to the extent applicable to Company listed on SME Segment of the Stock Exchange)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Other Statutes, Acts, Laws, Rules, Regulations, Guidelines and Standards etc., as applicable to the Company are given below:

1. The Industrial Dispute Act, 1947
2. Labour Laws and other Incidental Laws related to employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, Provident Fund, ESIC, compensation;
3. Acts as prescribed under the Direct Tax and Indirect Tax;
4. Stamp Acts and Registration Acts and
5. Such other Local Laws as may be applicable.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in the compliance with the provision of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, and the same was sent at least seven days in advance, Agenda and detailed notes on agenda were sent at least 7 days before the date of Meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

As per the Minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were unanimous, and no dissenting views have been recorded.

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

Further following reportable event or actions having major effect on the operations of the Company took place during the financial year ended March 31, 2019;

- a) Approval of Members sought under Section 180(1)(a) of the Companies Act, 2013 for selling, leasing or otherwise disposing of the whole or substantially the whole of the undertaking of the Company up to Rs. 100 Crores.
- b) Approval of Members under Section 180(1)(c) of the Companies Act, 2013 for borrowing money, where the money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its Paid-up Share Capital and Free Reserves up to Rs. 100 Crores.
- c) Approval of Members sought under Section 186 of the Companies Act, 2013 for Inter Corporate Loans and Investments up to Rs. 100 Crores.

- d) Approval of Members sought for increase in remuneration payable to Mr. Ashish Shah and Mr. Hirenkumar Shah as Whole-time Directors of the Company.
- e) Application to the Central Government in Form CG-1 for condoning the delay in filing of Form MGT-14 in the previous of financial year based on qualifications in the Secretarial Audit Report for the previous financial year 2017-18.

FOR U. HEGDE & ASSOCIATES

Company Secretaries

Sd/-

Umashankar K Hegde

(Proprietor)

ACS NO. 22133# C.P.NO. 11161

Place: Mumbai

Date: 30/05/2019

ANNEXURE –A

To,
The Members,
Vertoz Advertising Limited
602, Avior, Nirmal Galaxy, L.B.S Marg,
Opp. Johnson & Johnson, Mulund (W)
Mumbai – 400 080

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my Audit.
2. I have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management's representation about the compliance of applicable Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of the other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

FOR U. HEGDE & ASSOCIATES
Company Secretaries

Sd/-
Umashankar K Hegde
(Proprietor)
ACS NO. 22133# C.P.NO. 11161

Place: Mumbai
Date: 30/05/2019

ANNEXURE – 5

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

A) Percentage increase in Remuneration of Each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year 2018-19 and ratio of remuneration of each Key Managerial Personnel (KMP) against the performance are as under: -

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for the Financial year 2018-19 (In ₹)	Percentage Increase In Remuneration for the Financial Year 2018-19	Ratio of Remuneration of each Director to the Median Remuneration of Employees
1	Mr. Hirenkumar Rasiklal Shah (Whole-Time Director)	₹ 47,88,715/-	33.02%	19.12x
2	Mr. Ashish Rasiklal Shah (Whole-Time Director)	₹ 52,48,228/-	0.39%*	20.96x
3	Mr. Akshay Ashok Sonar Parolkar (Chief Financial Officer)	₹ 16,73,782/-	22.47%	N.A.
4	#Mr. Sumit R. Sharma (Company Secretary & Compliance Officer)	₹ 3,77,678/-	48.23%	N.A.

[* Remuneration paid in USD amounting to \$ 75,000 through Vertoz INC, a subsidiary of the Company]

[# Resigned w.e.f. 3rd May, 2019]

B) The Median remuneration of the Employee of the Company during the Financial Year was ₹ 2,50,392/- There was an increase of 5.93% in Median remuneration of the employees during the financial year 2018-19.

C) The consolidated number of permanent employees of the Company is 104 for the year ended March 31, 2019.

D) Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year 2018-19 was 9.12%.

E) It is affirmed that remuneration paid during the year ended March 31, 2019 is as per the Remuneration Policy of the Company.

F) List of top 10 employees in terms of remuneration drawn:

Sr. No.	Full Name	Remuneration	Designation	Nature of Employment	Date of commencement of employment	Age of Employee	Last Employment held by such employee	Qualification	If employee is a relative of Director or Manager
1	Ashish Shah	₹ 52,48,228	Whole-time Director	WTD	13-02-2012	37	N/A	M.Com - I	Yes
2	Hirenkumar Shah	₹ 47,88,715	Whole time Director	WTD	13-02-2012	38	N/A	F.Y.B.Com	Yes
3	Kishore Naidu	₹ 39,55,399	Chief Revenue Officer	Employee	27-03-2018	45	Illuminatix Consulting	MBA	No
4	Gaurav Modi	₹ 32,34,888	Director - Business Development	Employee	23-07-2012	34	Techshastra India Pvt. Ltd.	PGDBM - Advertising	No
5	Amit Gandhi	₹ 31,78,650	Sales Director	Employee	03-10-2017	32	Kratos Ads Pvt. Ltd.	B.E. (EXTC)	No
6	Nikhil Kurup	₹ 19,06,979	Associate Director - Advertisers	Employee	27-08-2013	34	India Web Portal Pvt. Ltd.	B.Com	No
7	Ankit Palrecha	₹ 18,63,201	Regional Manager - Sales	Employee	11-02-2014	33	Sify Technologies Ltd.	PGDBM - Marketing	No
8	Akshay Sonar (Parolkar)	₹ 16,73,782	Chief Financial Officer	CFO	08-02-2016	32	Creative IT India Pvt. Ltd.	MBA - Finance	No
9	Amarnath Nithyanandam	₹ 15,91,040	Associate Director - Sales	Employee	27-06-2018	41	Inuxu Digital Media Technologies Pvt. Ltd.	MBA - Marketing	No
10	Satyaprakash Mishra	₹ 15,79,527	Senior Project Manager	Employee	24-04-2010	34	Asian IT Group	M.Sc. (Computer Science)	No

**For & on behalf of Vertoz Advertising Ltd
and its Board of Directors**

Sd/-

Date: 30.08.2019

Place: Mumbai

Hirenkumar Shah

Chairman & Whole-Time Director, DIN: 00092739

CHIEF FINANCIAL OFFICER CERTIFICATE

(Pursuant to Regulation 17(8) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

All Stakeholders

Vertoz Advertising Limited,

Mumbai.

I, the undersigned, in my respective capacity as Chief Financial Officer of Vertoz Advertising Limited ("the Company") to the best of my knowledge and belief certify that:

- A. I, have reviewed financial statements and the cash flow statement for the financial year ended 31st March 2019 and that to the best of my knowledge and belief, I state that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

- B. I, further state that to the best of my knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.

- C. I, am responsible for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

D. I, have indicated, based on my most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:

- (i) significant changes, if any, in internal control over financial reporting during the year;
- (ii) significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

For Vertoz Advertising Limited

Sd/-

Akshay Sonar (Parolkar)

Chief Financial Officer

PAN: BBCPS6255B

Mumbai, 30th May, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Vertoz Advertising Limited

Report on the Audit of the Standalone Financial Statements

OPINION:

We have audited the accompanying Standalone Financial Statements of VERTOZ ADVERTISING LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements"). In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and gives true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the Profit & Loss statement and its cash flows for the year ended on that date.

BASIS FOR OPINION:

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

KEY AUDIT MATTERS:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matter
Recognition and measurement of revenues of ongoing contracts: The recognition and measurement of revenues of ongoing contracts and revenue which is unbilled involves certain key judgments relating to measurement, documentation and certification of such measurements, identification of milestones and compliance related obligations. Refer Note 22(h) to the Financial Statements	Principal Audit Procedures: Our audit approach was a combination of test of internal controls and substantive procedures which included the following: <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to recording of revenues at each period end as per contract terms. • Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to identification and recognition of revenues. • Reviewed a sample of contracts with unbilled revenues to identify appropriateness of revenue recognition as compared to the certified documentation by customers. • Performed analytical procedures and test of details for reasonableness of recognition of revenues and its corresponding costs.

Information Other than the Standalone Financial Statements and Auditor's Report thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement

of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements:

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

- 1) As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Standalone Financial Statements dealt with by this Report are in agreement with the relevant Books of Account.
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as

amended in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2019.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For MITTAL & ASSOCIATES

Chartered Accountants

Firm Registration number: **106456W**

Sd/-

Hemant Bohra

Partner

Membership number: **165667**

Mumbai, May 30, 2019

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Vertoz Advertising Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”):

We have audited the internal financial controls over financial reporting of Vertoz Advertising Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls:

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility:

Our responsibility is to express an opinion on the Internal Financial Controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls Over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls System Over Financial Reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles. A company's Internal Financial Controls Over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting:

Because of the inherent limitations of Internal Financial Controls Over Financial Reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the Internal Financial Controls Over Financial Reporting to future periods are subject to the risk that the Internal Financial Controls Over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such Internal Financial Controls Over Financial Reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For MITTAL & ASSOCIATES

Chartered Accountants

Firm Registration number: **106456W**

Sd/-

Hemant Bohra

Partner

Membership number: **165667**

Mumbai, May 30, 2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Vertoz Advertising Limited of even date)

- i. In respect of the Company's fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) The company does not have any immovable properties. Accordingly, reporting under clause 1 (c) is not applicable to the Company.
- ii. The Company does not hold any inventories and therefore this para is not applicable to the Company.
- iii. According the information and explanations given to us, the Company has not granted any secured or unsecured loans to bodies corporate, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, reporting under clause 3 (iii) of the order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.

- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
 - c) According to the information and explanations given to us, there are no dues of Income Tax, duty of Excise and Goods and Service Tax have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the information and explanations given to us the Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company has no loan or borrowing payable to government and no dues payable to debenture holders during the year.
- ix. Based upon the audit procedures performed and the information and explanations given by the Management, the Company has raised moneys by way of initial public offer in 2017 and the IPO proceeds were utilized for the specified purpose for which those were raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related

party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **MITTAL & ASSOCIATES**

Chartered Accountants

Firm Registration number: **106456W**

Sd/-

Hemant Bohra

Partner

Membership number: **165667**

Mumbai, May 30, 2019

VERTOZ ADVERTISING LIMITED

602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080

Corporate Identity Number : L74120MH2012PLC226823

AUDITED STATEMENT OF ASSETS AND LIABILITIES AS ON 31ST MARCH, 2019

Particulars	Note No.	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	5,98,50,000	5,98,50,000
(b) Reserves and Surplus	2	18,97,78,816	16,22,46,054
(2) Share Application Money Pending Allotment	-	-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	61,21,679	95,51,582
(b) Other Long Term Liabilities	4	35,13,593	31,28,648
(c) Defferd Tax Liability(Net)	-	2,90,392	15,61,836
(4) Current Liabilities			
(a) Short-Term Borrowings	5	3,90,65,254	1,85,96,996
(b) Trade Payables	6	2,48,51,925	67,79,953
(c) Other Current Liabilities	7	1,61,13,607	1,07,57,710
(d) Short-Term Provisions	8	1,18,53,859	1,21,76,093
Total Equity & Liabilities		35,14,39,126	28,46,48,873
II.ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	9		
(i) Gross Block		3,49,33,279	3,40,43,817
Depreciation		2,58,10,022	1,98,69,226
Net Block		91,23,257	1,41,74,591
(ii) Capital Work-in-progress			-
(b) Non-Current Investments	10	24,16,20,337	1,40,91,305
(c) Deferred Tax Assets (Net)		-	-
(d) Long Term Loans And Advances	11	30,02,552	29,21,560
(2) Current Assets			
(a) Inventories	-	-	-
(b) Trade receivables	12	5,94,08,668	12,88,27,668
(c) Cash and Cash Equivalents	13	3,50,76,665	11,62,00,942
(d) Short-Term Loans And Advances	14	32,07,648	80,85,337
(e) Other Current Assets	15	-	3,47,470
Total Assets		35,14,39,126	28,46,48,872

NOTES TO ACCOUNTS

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement

This is the Statement of Assets and Liabilities referred to in our Report of even date.

FOR MITTAL & ASSOCIATES

Chartered Accountants

FRN: 106456W | MRN: 165667

FOR AND ON BEHALF OF VERTOZ ADVERTISING LIMITED
(Formerly known as VertoZ Media Pvt. Ltd. & VertoZ Media Ltd.)

CA Hemant Bohra
Partner

Place: Mumbai
Date: 30.05.2019

Hirenkumar Shah
Whole-time Director
DIN: 00092739

Ashish Shah
Whole-time Director
DIN: 00092787

Akshay Sonar (Parolkar)
Chief Financial Officer
PAN: BBCPS6255B

Zill Shah
Company Secretary & Compliance Officer
PAN: EZOPS6680B

VERTOZ ADVERTISING LIMITED

602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080

Corporate Identity Number : L74120MH2012PLC226823

AUDITED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2019

Particulars	Note No.	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
<u>Revenue:</u>			
Revenue From Operations (Net of Taxes)	16	21,29,84,673	15,19,84,422
Income From Non-Operation (Net of Taxes)	17	64,82,386	68,34,630
Total Revenue		21,94,67,059	15,88,19,052
<u>Expenses:</u>			
Direct Service Expense	18	6,03,44,353	2,84,71,665
Employment Benefit Cost	19	8,24,02,443	7,39,07,312
Finance Cost	20	34,63,298	37,81,185
Other Expenses	21	2,87,85,834	1,88,60,542
Depreciation	9	59,40,796	89,53,140
Total Expenses		18,09,36,725	13,39,73,844
Profit Before Tax - PBT		3,85,30,334	2,48,45,208
<u>Tax expense:</u>			
(1) Income Tax Provision			
Current Tax		1,17,07,980	75,96,693
Excess / Short Provision		5,61,036	-
(2) Deferred tax	-	12,71,443	8,52,568
Profit/(Loss) for the period After Tax- PAT		2,75,32,762	1,81,01,082
No. of Shares		59,85,000.00	41,30,129.00
Earning per Equity Share:			
(1) Basic		4.60	4.38
(2) Diluted		4.60	4.38

NOTES TO ACCOUNTS

22

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement

This is the Statement of Profit & Loss referred to in our Report of even date.

FOR MITTAL & ASSOCIATES

Chartered Accountants

FRN: 106456W | MRN: 165667

FOR AND BEHALF OF VERTOZ ADVERTISING LIMITED

(Formerly known as Vertoz Media Pvt. Ltd. & Vertoz Media Ltd.)

CA Hemant Bohra

Partner

Hirenkumar Shah

Whole-time Director

DIN: 00092739

Ashish Shah

Whole-time Director

DIN: 00092787

Place: Mumbai

Date: 30.05.2019

Akshay Sonar (Parolkar)

Chief Financial Officer

PAN: BBCPS6255B

Zill Shah

Company Secretary & Compliance Officer

PAN: EZOPS6680B

VERTOZ ADVERTISING LIMITED 602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080 Corporate Identity Number : L74120MH2012PLC226823 AUDITED CASH FLOW STATEMENTS AS ON 31ST MARCH, 2019			
Particulars	Note No.	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
A : Cash flows from operating activities:			
Profit before taxation	(a)	3,85,30,334	2,48,45,208
Add: Non Operating Expense			
Depreciation		59,40,796	89,53,140
Capital Work in Process		-	-
Interest expense	(b)	34,63,298	37,81,185
		94,04,094	1,27,34,325
Less: Non Operating Income			
Interest Income	(c)	64,82,386	68,34,630
		64,82,386	68,34,630
Operating profit before working capital changes	d=(a+b-c)	4,14,52,043	3,07,44,902
Working capital changes:			
Decrease /(Increase) In Trade Receivables		6,94,19,000	- 9,54,72,878
Decrease/(Increase) in Loans & advances (Assets)		47,96,698	- 79,27,667
Decrease/(Increase) in Inventories		-	-
Decrease/(Increase) in Other Current Assets		3,47,470	- 65,50,404
Increase /(Decrease) in Other Long Term Liabilities	-	47,01,346	- 47,75,567
Increase /(Decrease) in Trade Payables		1,80,71,972	- 62,54,564
Increase /(Decrease) in Other Current Liabilities		53,55,897	- 27,14,633
Increase /(Decrease) in Provisions	-	3,22,234	- 43,31,229
	(e)	9,29,67,456	- 11,39,35,219
Cash generated from operations	(d+e)	13,44,19,498	- 8,31,90,316
(-) Taxes paid		1,09,97,573	- 67,44,125
Net cash used in operating activities	(A)	12,34,21,925	- 8,99,34,442
B : Cash flows from investing activities:			
Fixed asset (Addition)/Deduction	-	8,89,462	- 14,19,954
Interest on FD		64,82,386	- 68,34,630
Capital Work in Process		-	-
Investment	-	22,75,29,032	- 96,44,427
Net cash Generated from investing activities	(B)	- 22,19,36,107	- 42,29,750
C : Cash flows from financing activities:			
Proceeds from issue of Shares		-	19,42,82,000
Increase in borrowing		2,08,53,203	- 81,28,732
Interest Expenses	-	34,63,299	- 37,81,187
Net cash generated from financing activities	(C)	1,73,89,905	18,23,72,081
D : Net increase in cash and cash equivalents = (A+B+C)	D=(A+B+C)	8,11,24,277	8,82,07,889
E : Cash and cash equivalents at beginning of period	(E)	11,62,00,942	2,79,93,053
F: Cash and cash equivalents at end of period = (D+E)	(D + E)	3,50,76,665	11,62,00,942
NOTES TO ACCOUNTS 22 <i>Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement.</i> <i>This is the Statement of Assets and Liabilities referred to in our Report of even date.</i>			
FOR MITTAL & ASSOCIATES Chartered Accountants FRN: 106456W MRN: 165667		FOR AND BEHALF OF VERTOZ ADVERTISING LIMITED (Formerly known as Vertoz Media Pvt. Ltd. & Vertoz Media Ltd.)	
CA Hemant Bohra Partner Place: Mumbai Date: 30.05.2019		Hirenkumar Shah Whole-time Director DIN: 00092739 Akshay Sonar (Parolkar) Chief Financial Officer PAN: BBP56255B Zill Shah Company Secretary & Compliance Officer PAN: EZOPS6680B	
		Ashish Shah Whole-time Director DIN: 00092787	

VERTOZ ADVERTISING LIMITED
Notes Forming Integral Part of Standalone Balance Sheet as at 31st March, 2019
Note 1 : Share Capital

Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	AUTHORIZED CAPITAL Equity Shares of Rs. 10/- each.	6,00,00,000	6,00,00,000
		6,00,00,000	6,00,00,000
2	ISSUED , SUBSCRIBED & PAID UP CAPITAL <i>To the Subscribers of the Memorandum</i> Equity Shares of Rs. 10/- each fully paid up.	5,98,50,000	5,98,50,000
	Total Value in INR	5,98,50,000	5,98,50,000
i	Details of Shares Held by each shareholder holding more than 5% shares as at March 31, 2019		
	Name of Shareholders	No. of Shares Held	% holding in the class of shares
	Fully paid Equity Shares		
1	Hirenkumar Shah	20,35,912	34.02%
2	Ashish Shah	20,35,912	34.02%

Note 2 : Reserve & Surplus

Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Suplus from Profit & Loss Account Opening Balances Add: Profit/(Loss) for the period Less: Issue of Bonus Shares	1,32,29,114 2,75,32,762 -	1,57,28,032 1,81,01,082 (2,06,00,000)
2	Securities Premium	14,90,16,940	14,90,16,940
	Total Value in INR	18,97,78,816	16,22,46,054

Note 3 : Long Term Borrowing

Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Federal Bank FCTL	61,21,679	95,51,582
	Total Value in INR	61,21,679	95,51,582

Terms of repayment of the Term Loan:

The loan is for the purpose of purchase of computer services and sanctioned against hypothecation of Fixed Deposits and collateral security of Residential Property of Directors and bearing interest rate @ LIBOR + 4.50% and repayable in 60 equated monthly installments

Note 4 : Other Long Term Liabilities

Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Gratuity Provision (Non-Current)	28,24,475	24,44,653
2	Leave Encashment Provision (Non-Current)	6,89,118	6,83,995
	Total Value in INR	35,13,593	31,28,648

Note 5 : Short Term Borrowing

Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Unsecured Loan from Related Parties Loan From Directors Loan from Other Related Parties	65,63,039 - -	- -
2	Secured Loans repayable on demand From Banks (Secured against Deposits) Car Loan	3,25,02,215 - -	1,80,54,226 5,42,771
	Total Value in INR (A+B)	3,90,65,254	1,85,96,997

Overdraft Against Fixed Deposits:

The loan is repayable on demand and secured against hypothecation of Fixed Deposits and collateral security of Residential Property of Directors.

Car Loan:

The loan is repayable in 36 Equated Monthly Installment and secured against hypothecation of vehicle and bearing interest rate @ 10.26%

Note 6 : Trades Payable			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	MSME Creditors	7,62,009	-
2	Other than MSME Creditors	2,40,89,916	67,79,953
	Total Value in INR	2,48,51,925	67,79,953
Note 7 : Other Current Liabilities			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
	<u>Other Payables</u>		
1	<u>Current Maturity for Long Term Debt</u>		
	Current Maturity for Long Term Debt (FCTL)	40,81,101	38,37,597
2	<u>Statutory Remittance</u>		
	Statutory Liabilities	24,43,920	12,59,906
3	<u>Others:</u>		
	Advance Received from Client	11,64,671	9,75,437
	Creditors for Expenses	56,96,016	23,83,189
	Salary Payable	5,20,381	-
	Other Payable	2,04,536	-
4	<u>Gratuity & Leave Encashment Provision (Current):</u>		
	Gratuity Provision (Current)	5,13,670	6,40,508
	Leave Encashment (Current)	14,89,311	16,61,073
	Total Value in INR	1,61,13,607	1,07,57,710
Note8 : Short Term Provisions			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Provision for Income Tax AY 2019-20	1,17,07,980	-
2	Provision for Income Tax AY 2018-19	- 430	64,62,007
3	Provision For employees benefit Expenses	-	55,66,091
4	Other Provisions	1,46,309	1,47,995
	Total Value in INR	1,18,53,859	1,21,76,093

Notes Forming Integral Part of Standalone Balance Sheet as at 31st March, 2019										
Note 9 : Fixed Asset										
I. Fixed Assets and Depreciation										
Sr. No	Particulars	Gross Block			Depreciation			Net Block		
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	
I	Tangible Assets									
1	Data Computers, Laptops, Data Servers & Peripherals	2,82,84,766	6,60,786	1,06,383	2,88,39,169	1,62,74,548	51,61,486	-	2,14,36,034	1,20,10,218
2	Furniture & Fixtures	33,30,273	1,11,864	17,064	34,25,073	21,76,237	3,27,691	-	25,03,928	11,54,036
3	Office Equipments	6,28,499	2,88,323	48,064	8,68,758	4,58,941	1,91,582	-	6,50,523	1,69,558
4	Motor Vehicles	17,91,279	-	-	17,91,279	9,59,500	2,60,037	-	12,19,537	8,31,779
II	Intangible Assets									
1	Trademark	9,000	-	-	9,000	-	-	-	-	9,000
	Total Value in INR	3,40,43,816.88	10,60,973	1,71,511	3,49,33,279	1,98,69,226	59,40,796	-	2,58,10,022	1,41,74,591
	Previous Year Figures	3,26,23,861	14,19,955	-	3,40,43,817	1,09,16,087	89,53,140	-	1,98,69,226	2,17,07,775

VERTOZ ADVERTISING LIMITED

Notes Forming Integral Part of Standalone Balance Sheet as at 31st March, 2019

Note 10 : Investment

Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Investment in VertoZ Inc, USA	21,88,85,727	1,30,97,747
2	Investment in VertoZ Ltd, UK	2,26,34,610	9,93,558
3	Investment in Adzurite Solutions Pvt. Ltd., India	1,00,000	-
	Total Value in INR	24,16,20,337	1,40,91,305

Note 11 : Long Term Loans & Advances

Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
	A. Deposits		
1	Refundable Deposit with CCD	25,000	25,000
2	Rent Deposit	11,67,252	11,00,000
3	Security Deposit	64,580	50,840
4	Security Deposit with NSE	17,45,720	17,45,720
	Total Value in INR	30,02,552	29,21,560

Note 12 : Trade Recievables

Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	<u>Trade Receivables,Outstanding for More than Six Months</u> Unsecured, Considered Good	95,20,302	3,34,25,977
2	<u>Trade Receivables,Outstanding for Less than Six Months</u> Unsecured, Considered Good	4,98,88,366	9,54,01,690
	Total Value in INR	5,94,08,668	12,88,27,668

Note 13 : Cash & Cash Equivalent

Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Cash Balance	3,696	95,268
2	Bank Balances	98,45,602	11,58,633
3	Fixed Deposit with Banks	2,52,27,367	11,49,47,041
	Total Value in INR	3,50,76,665	11,62,00,942

Note 14 : Short Terms Loans and Advances

Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	<u>Prepaid Expenses</u>	-	-
2	<u>Other Receivable</u> GST Receivable	3,14,628	17,44,498
	TDS Receivable	13,52,036	-
	Advance given to Suppliers	1,590	45,68,013
	Loan to Related Parties	10,00,363	10,23,778
	Other Loans and Advances	5,39,030	7,49,048
	Total Value in INR	32,07,648	80,85,337

Note 15 : Other Current Assets

Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Advance to Staff	-	3,47,470
2	Miscellaneous Expenditures	-	-
	Total Value in INR	-	3,47,470

VERTOZ ADVERTISING LIMITED			
Notes Forming Integral Part of Standalone Balance Sheet as at 31st March, 2019			
Note 16 : Revenue From Operations			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Sale of Services	21,29,84,673	15,19,84,422
	Total Value in INR	21,29,84,673	15,19,84,422
Note 17 : Income From Non Operation			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Interest on FDR	14,80,602	38,84,462
2	Other Income	16,514	14,763
3	Interest Received on Loan	30,000	60,000
4	Sundry Balance W/off	-	23,35,536
5	Foreign Exchange Gain	49,55,270	5,39,869
	Total Value in INR	64,82,386	68,34,630
Note 18 : Direct Service Expenses			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Purchase of Services	5,35,51,402	2,79,60,721
2	Hosting Server Services	-	-
4	Software Purchase	16,01,151	5,10,944
5	Outsourcing Expenses	51,91,800	-
	Total Value in INR	6,03,44,353	2,84,71,665
Note 19 : Employment Benefit Cost			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Salaries and Incentives	7,54,21,984	6,84,81,973
2	Director Remuneration	65,38,715	40,46,955
3	Gratuity & Leave Encashment Expense	4,41,744	13,78,384
	Total Value in INR	8,24,02,443	7,39,07,312
Note 20 : Finance Cost			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Bank Charges	3,86,703	96,131
2	Interest Expense	28,44,296	36,85,054
3	Loan Processing Fees	2,32,300	-
	Total Value in INR	34,63,298	37,81,185
Note 21 : Other Expenses			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Audit Fees	2,06,000	2,15,000
2	Books and Periodicals	18,691	18,005
3	Conveyance Charges	4,21,915	3,02,197
4	Electricity Expenses	6,61,320	10,70,550
5	Exhibition & Seminar Expenses	22,07,904	20,21,420
6	Food Expenses	5,84,642	3,01,624
7	House Keeping & Security Expenses	12,33,302	11,51,423
8	Interest/Penalty/Fee on Taxes	11,10,528	6,96,832
9	Internet Expenses	12,51,783	8,50,043
10	Legal Expenses	1,66,541	74,530
11	Lodging & Boarding Expenses	4,37,565	1,44,498
12	Accounts Written off	16,57,551	-
13	Marketing Expenses	40,18,370	31,83,965
14	Office Expense	14,28,101	13,17,286
15	Postage & Courier Expenses	78,216	4,444
16	Printing & Stationary Expenses	2,29,268	2,51,721
17	Profession Tax-Company	2,500	2,500
18	Profit & Loss on Fixed Assets	-	9,625
19	Professional & Technical Fees	58,69,980	6,79,886
20	Recruitment Expense	3,15,820	1,38,397
21	Lease Rent	44,70,871	39,63,695
22	Repair & Maintenance Expenses	3,64,039	3,41,101
23	Rounding Off	58	-
24	SBC Paid on Input @ 0.5%	-	30,629
25	Staff Welfare	4,19,360	5,69,975
26	Telephone Expense	50,015	80,487
27	Travelling Expense (Domestic/International)	14,54,934	13,74,785
28	Water Expenses	-	65,925
29	Meeting Expenses	28,750	-
30	Insurance Expenses	97,812	-
	Total Value in INR	2,87,85,834	1,88,60,542

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2019

BACKGROUND:

Vertoz Advertising Limited (the Company) f.k.a **Vertoz Media Private Limited** and **Vertoz Media Limited** was incorporated on **February 13, 2012**. These are the **nineth** financial statements prepared for the Company and they relate to the period from **April 1, 2018** to **March 31, 2019**. The Company provides Online Advertising Services and other allied services to domestic/ overseas clients.

Note 22: SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY:

a. Basis of preparation of financial statements:

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis of accounting and comply in all the material aspects with the accounting standards notified under section 133 [The Companies (Accounts) Rules, 2014, as amended] and other provisions of the new Companies Act, 2013, as applicable to the Company.

b. Operating Cycle:

The Company is primarily engaged in the business of Information Technology the Company has considered its operating cycle as 12 months and all assets and liabilities have been classified as current or non-current as per the criteria set out in the Revised Schedule III to the new Companies Act, 2013.

c. Use of estimates:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

d. Fixed Assets:

Fixed assets are stated at their original cost of acquisition or construction less accumulated depreciation. Cost includes taxes, duties, freight and other incidental expenses related to acquisition. Fixed Assets sold during the year and profit/ (loss) arising on sale is recognized and accounted for in the year of sale. During this year some of assets have reinstated at 5% of its residual value as per Scheduled II of the new Companies Act, 2013.

e. Depreciation/ Amortization:

Depreciation/amortization on fixed assets is provided as per Schedule II to the Companies Act, 2013 which requires depreciating the asset over its useful life as prescribed in section 123 read with Schedule II – Part C of the new Companies Act, 2013.

Individual assets booked as per their book value and depreciated as per useful life of the assets. Assets having costing ₹ 10,000 or less have been depreciated at a computed rate as per method laid under the act in the year of purchase.

f. Impairment:

The carrying amounts of assets are reviewed at each balance sheet date to determine 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.

Reversal of impairment loss is recognized immediately as income in the statement of profit and loss.

During the year impairment loss of ₹ NIL is recognized with following break-up and taken into books of account.

Sr.	Particulars	Amount in ₹
1.	Computers	NIL
2.	Furniture & Fixture	NIL
3.	Office Equipment	NIL
	Total	NIL

g. Leases:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of Profit and Loss on a straight-line basis over the lease term.

h. Revenue Recognition:

Revenue from contracts priced on a time and material basis are recognized when services are rendered, and related costs are incurred.

Revenue from software implementation services is recognized on the achievement of the milestones or performance of the specified tasks/ activities over the related period, as per the terms of the specific contract.

Revenue from deputation services is recognized on accrual basis as per the terms of contract.

i. Foreign Currency Transactions:

(i) Initial Recognition

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

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

j. Taxation:

Income-tax expense comprises Current tax and Deferred tax charge or credit.

- (i) Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Minimum Alternate Tax (MAT) eligible for set off in subsequent years, (as per tax laws) is recognized as an asset by way of credit to the statement of Profit and Loss only if there is convincing evidence of its realization. At each balance sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassure realization.
- (ii) The Deferred Tax Asset and Deferred tax Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws are

recognized, only if there is a virtual certainty of its realizations, supported by convincing evidence. Deferred tax Assets on account of other timing differences are recognized, only to the extent, there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amount of Deferred tax Assets is reviewed to reassure realization.

k. Employee Benefits:

a) Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering the service are recognized in the period in which the employee renders the related service.

b) Post-Employment Benefits:

Retirement benefits to employees comprise of Provident Fund contributions. Contribution to defined contribution retirement benefit schemes is recognized as an expense when employees have rendered services entitling them to contributions.

l. Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

m. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Financial Statements. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

n. Cash and Cash Equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

23. CONTINGENT LIABILITY:

Claims against the Company not acknowledged as debt ₹ Nil (previous year ₹ Nil)

24. **OPERATING LEASES:**

The Company have lease obligation during the period under audit. The brief details of the lease as under:

Sr. No.	Lease Details	Lease Term	Balance Term of Lease	Lease Obligation (Amount)
1	Seven Seas Air Services Pvt. Ltd. Property Add.: 601, Avior Nirmal Galaxy Opp. Johnson & Johnson, LBS Road, Mulund-West, 400080 Leased area: 1352 Sq. Ft.	36 months	21.5 months	26,04,952
2	Trunkoz technologies Pvt. Ltd. Property Add.: 602, Avior Nirmal Galaxy Opp. Johnson & Johnson, LBS Road, Mulund-West, 400080 Leased area: 679 Sq. Ft.	60 months	60 months	84,53,880
3	Mr. Kirti Jain and Mrs. Savita Jain Property Add.: 603, Avior Nirmal Galaxy Opp. Johnson & Johnson, LBS Road, Mulund-West, 400080 Leased area: 1016 Sq. Ft.	60 months	54 months	43,58,466
4	Mr. Samresh Jain and Mrs. Rita Jain Property Add.: 604, Avior Nirmal Galaxy Opp. Johnson & Johnson, LBS Road, Mulund-West, 400080 Leased area: 975 Sq. Ft.	60 months	54 months	41,82,558

25. **MSME REGISTERED CREDITORS:**

Based on information's available with the Company, there are 5 suppliers registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" as at March 31, 2019 the total outstanding amounting to ₹ 7,62,009/-. This is according to the return filed and details provided in MSME Form I (Pursuant to Order 2 and 3 dated 22 January, 2019 issued under Section 405 of the Companies Act, 2013).

26. DEFERRED TAX:

(Amount in ₹)

Sr. No.	Particulars	As at 31/03/2019	As at 31/03/2018
(i)	Deferred tax Liability on account of :		
	Depreciation	2,85,869	15,61,836
(ii)	Deferred tax asset on account of :		
	a) Unabsorbed Depreciation	Nil	Nil
	b) Employee Benefits - leave Encashment & Gratuity	Nil	Nil
	c) On Account of disallowances	Nil	Nil
	d) Carried Forward Losses	Nil	Nil
	Deferred Tax Asset/(Liability)	Nil	Nil
	Less: Reversal During the year	Nil	Nil
	Total Deferred tax Liability	2,85,869	15,61,836

In consideration of prudence, the deferred tax asset has not been recognized in the accounts and the same would be considered at an appropriate time keeping in view the availability of sufficient taxable income against which such deferred tax asset can be realized.

- 27.** The disclosure required under Accounting Standard 15 employee Benefit notified in the Companies (Accounting Standards) Rules 2006, is given below:

Defined contribution Plan:

Contribution to defined contribution plan is recognized and charged off for the year, are as under:

(Amount in ₹)

Sr. No.	Particulars	2018-19	2017-18
1	Employer's contribution to Provident Fund	5,66,319	5,15,179
2	Employer's contribution to Pension Scheme	11,82,304	11,70,121
	Total	17,48,623	16,85,300

Defined benefit plan:

Liabilities in respect of gratuity & Leave Encashment are provided for on the basis of actuarial valuation as at the year end. The certificate for actuarial valuation for Gratuity and Leave encashment is given without the annexure which are prepared for disclosure requirements, in view of the company confirming that it does not fall in one or more of the eight categories of para (b) on page 4 of the AS 15 (Revision 2005) and hence eligible for exemption granted for companies falling under group (b) as per AS 15 (Revision 2005), the number of employees being more than 50.

Actuarial Assumption:

Sr. No.	Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
		2018-19	2017-18	2018-19	2017-18
1.	Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)
2.	Discount rate (p.a.)	6.96%	7.20%	7.20%	7.20%
3.	Rate of escalation in salary (p.a.)	7.00%	7.00%	7.00%	7.00%

**Since this is a quarterly report and the actuarial assumption are subjected to annual assumption, the quarterly report has not been ascertained by the Company.*

28. Particulars of Un-hedged foreign Currency Exposure as the Balance Sheet date:

During period under audit, the company is having following un-hedged foreign currency exposure as on balance sheet date:

Liabilities	(₹)	(\$)	Assets	(₹)	(\$)
Federal Bank FCTL	1,02,02,781	1,47,500	Vertoz INC – Drs.	2,21,35,937	3,20,016
			Vertoz INC – Advances	9,60,363	13,884
Total	1,02,02,781	1,47,500	Total	2,30,96,300	3,33,900
Net-off Un-hedged Foreign Currency Exposure:				1,28,93,519	1,86,400

29. Segment Reporting:

The risk-return profile of the Company's business is determined predominantly by the nature of its services. Accordingly, the business segment constitutes the primary segment for disclosure of segment information. The company is, at present, primarily engaged in a single business segment of Information Technology Company and

operates only in a single geographical segment i.e. India. Accordingly, no disclosures are made in terms of Accounting Standard AS – 17 relating to “Segment Reporting”.

30. Related Party Transaction

Disclosure of transaction with Related Parties, as required by Accounting standard AS – 18 relating to Related Party Disclosure’ are given here under. Related parties as defined under Clause 3 of the accounting Standard AS – 18 have been identified based on Representations made by and information available with the Company.

[Note: Related Party relationships as identified by the Company have been relied upon by the Auditors.]

List of related parties with whom transactions were carried out during the year and description of relationship: (Amount in ₹)

Particulars		FY 2018-19		FY 2017-18	
Name of the Related Party & Nature of Relationship	Nature of Transaction	Transaction Value	O/s amounts carried in the Balance Sheet	Transaction Value	O/s amounts carried in the Balance Sheet
Key Managerial Personnel:					
Mr. Hirenkumar Shah	Managerial Remuneration	47,88,715	Nil	36,52,115	Nil
	Loan received/(repaid)	54,34,953	54,42,128	(9,12,210)	7,175
Mr. Ashish Shah	Managerial Remuneration	Nil (Remuneration drawn from US Company)	Nil	5,227,933	Nil
	Loan received/(repaid)	10,43,492	11,20,911	(2,56,856)	77,419
Relatives of Key Managerial Personnel:					
Mrs. Gunja Shah	Purchase	Nil	Nil	(11,08,400)	Nil
	Loan received/(repaid)	Nil	Nil	(3,70,000)	Nil
Mrs. Dimple Shah	Purchase	Nil	Nil	(9,06,048)	Nil
Associate Enterprise & Sister Concern					
Trunkoz Technologies Pvt. Ltd.	Advance received/(paid)	Nil	Nil	(2,23,377)	Nil
	Office Rent	16,21,176	Nil	14,76,600	Nil
Vertoz Ltd	Sales	24,31,588	Nil	25,20,232	Nil
Vertoz Inc	Advance received/(paid)	63,414	(9,60,364)	(2,16,995)	(10,23,778)
	Sales	12,86,62,808	2,21,35,937	12,58,58,849	10,87,64,376
PayNX Technologies Pvt. Ltd.	Purchase	32,97,042	Nil	Nil	Nil
	Sales	44,11,004	Nil	Nil	Nil
	Advance received/(paid)	Nil	Nil	(58,76,506)	Nil

31. Cash Flow Statement as required in terms of Accounting Standard “AS-3 (Revised) Cash Flow Statements” is attached to these Accounts.
32. As the Company is not a manufacturing company, the information required under Clause 3 (ii) (a) and Clause 4C of Part II of the Companies Act, 1956 has not been given.
33. The balances of sundry debtors, sundry creditors, loans and advances are subject to reconciliation and confirmation and are as per books of account only. In the opinion of the management, the reconciliation, if any, will not materially affect the profit/loss of the Company for the year.
34. In the opinion of the Management, all the current assets, loans and advances have a value on realization in the ordinary course of business equal to the amount at which they are stated and all provisions for liabilities are adequate and are not less than the amount considered necessary.
35. Expenditure in Foreign Currency – ₹ 7,68,469/-

Particulars	2018-19		2017-18	
	(₹)	(\$)	(₹)	(\$)
FCTL Interest Payable/Paid	7,68,469	10,989	8,81,602	13,672

36. Earning in Foreign Currency (On Cash Basis) – ₹ 7,14,24,561/-

(As per Receipt & Payment A/c from Tally) (Amount in ₹)

Particulars	2017-18
Receipt from Export against Invoice	7,15,56,578
Advance against Export Services	Nil
Exchange Gain/(Loss) on remittance	(1,32,017)
Total Earning in Foreign Currency (On Cash Basis)	7,14,24,561

37. Estimated amount of contracts remaining to be executed on capital account and outstanding net of advances – ₹ Nil (P.Y. Nil)

- 38.** On account of application of Schedule III as per the new Companies Act, 2013 for the preparation of financial statements, the disclosures, classification and presentation made in this financial statement have been significantly impacted / changed. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**M/S. MITTAL AND ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO: 106456W**

Sd/-
**CA. HEMANT BOHRA
PARTNER
DIRECTOR
MEMBERSHIP NO.: 165667**

**PLACE: MUMBAI
DATE: 30.05.2019**

**FOR AND ON BEHALF OF BOARD OF
VERTOZ ADVERTISING LIMITED**

Sd/-
**HIRENKUMAR SHAH
CHAIRMAN & WHOLE-TIME
DIN: 00092739**

**PLACE: MUMBAI
DATE: 30.05.2019**

INDEPENDENT AUDITOR'S REPORT

To the Members of Vertoz Advertising Limited

Report on the Audit of the Consolidated Financial Statements

OPINION:

We have audited the accompanying Consolidated Financial Statements of VERTOZ ADVERTISING LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements"). In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and gives true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the Profit & Loss statement and its cash flows for the year ended on that date.

BASIS FOR OPINION:

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

KEY AUDIT MATTERS:

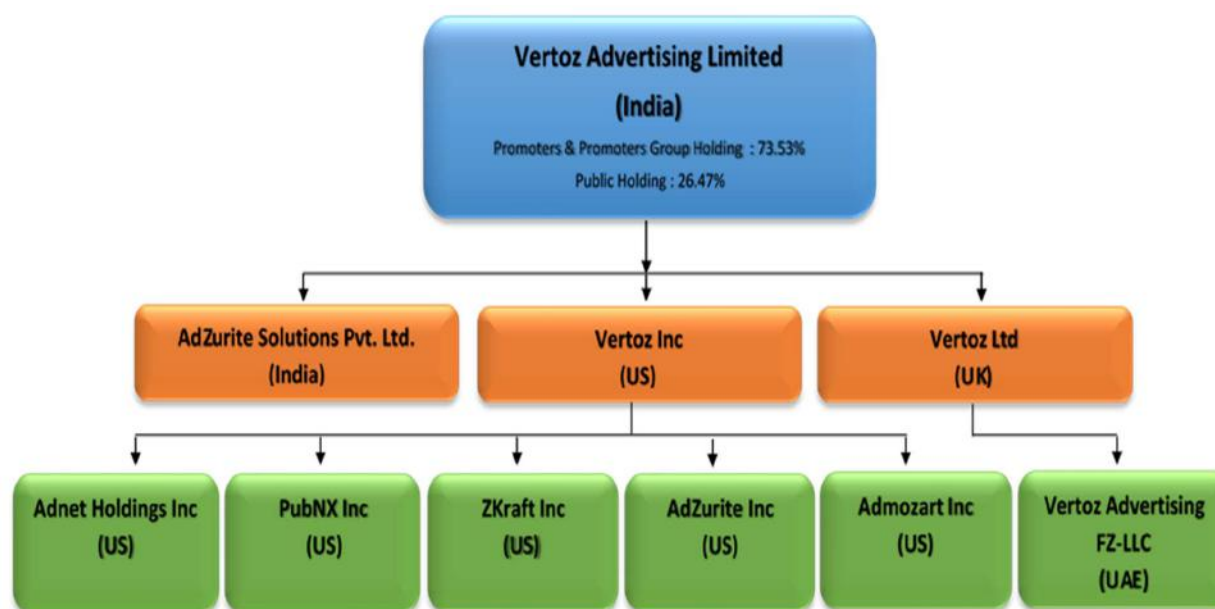
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matter
Recognition and measurement of revenues of ongoing contracts: The recognition and measurement of revenues of ongoing contracts and revenue which is unbilled involves certain key judgments relating to measurement, documentation and certification of such measurements, identification of milestones and compliance related obligations. Refer Note 22 (vii) to the Financial Statements.	Principal Audit Procedures: Our audit approach was a combination of test of internal controls and substantive procedures which included the following: <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to recording of revenues at each period end as per contract terms. • Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to identification and recognition of revenues. • Reviewed a sample of contracts with unbilled revenues to identify appropriateness of revenue recognition as compared to the certified documentation by customers. • Performed analytical procedures and test of details for reasonableness of recognition of revenues and its corresponding costs.

Other Matter:

1. The brief of legal structure of the company and its subsidiary and step-down subsidiary covered under this consolidation financials as follows;



2. We did not audit the Financial Statements of 2 subsidiaries, whose Financial Statements reflect as follows:

Sr No	Name of the Entity & Its Holding Status	Total Assets (₹)	Total Revenue (₹)	Share of Net Profit /(Loss) (₹)	Net Cash Flow (₹)
1	Vertoz Inc. – US (Consolidated)	31,53,12,266	30,79,76,895	66,35,577	(80,70,687)
2	Vertoz Ltd. – UK (consolidated)	11,90,29,065	7,25,08,041	3,92,12,117	(1,07,583)

Information Other than the Consolidated Financial Statements and Auditor's Report thereon:

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our Auditor's Report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial

controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements:

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be

communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

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

- h) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- i) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- j) The Consolidated Financial Statements dealt with by this Report are in Agreement with the relevant books of account.
- k) In our opinion, the aforesaid Consolidated Financial Statements comply with the AS specified under Section 133 of the Act.
- l) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- m) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- n) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2019.

- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **MITTAL & ASSOCIATES**

Chartered Accountants

Firm Registration number: **106456W**

Sd/-

Hemant Bohra

Partner

Membership number: **165667**

Mumbai, May 30, 2019

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Vertoz Advertising Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”):

We have audited the internal financial controls over financial reporting of Vertoz Advertising Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls:

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility:

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing

the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Limitations of Internal Financial Controls Over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were

operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **MITTAL & ASSOCIATES**

Chartered Accountants

Firm Registration number: **106456W**

Sd/-

Hemant Bohra

Partner

Membership number: **165667**

Mumbai, May 30, 2019

VERTOZ ADVERTISING LIMITED

602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080

Corporate Identity Number : L74120MH2012PLC226823

AUDITED STATEMENT OF ASSETS AND LIABILITIES AS ON 31ST MARCH, 2019

Particulars	Note No.	Amount as at 31st Mar. 2019	Amount as at 31st Mar. 2018
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	₹ 5,98,50,000	₹ 5,98,50,000
(b) Reserves and Surplus	2	₹ 30,33,26,172	₹ 22,37,47,941
(2) Share Application Money Pending Allotment	-	₹ -	₹ -
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	₹ 61,21,679	₹ 95,51,582
(b) Other Long Term Liabilities	4	₹ 35,13,593	₹ 31,28,648
(c) Defferd Tax Liability(Net)	-	₹ 2,90,392	₹ 15,61,836
(4) Current Liabilities			
(a) Short-Term Borrowings	5	₹ 4,50,71,289	₹ 2,06,49,150
(b) Trade Payables	6	₹ 7,10,49,463	₹ 6,89,71,075
(c) Other Current Liabilities	7	₹ 1,62,12,641	₹ 1,13,00,480
(d) Short-Term Provisions	8	₹ 1,55,88,591	₹ 1,47,25,860
Total Equity & Liabilities		₹ 52,10,23,820	₹ 41,34,86,572
II.ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	9		
(i) Gross Block		₹ 13,26,72,552	₹ 12,24,54,039
Depreciation		₹ 4,50,68,886	₹ 2,55,35,017
Net Block		₹ 8,76,03,665	₹ 9,69,19,023
(ii) Capital Work-in-progress			
(b) Non-Current Investments	10	₹ -	₹ -
(c) Deferred Tax Assets (Net)		₹ -	₹ -
(d) Long Term Loans And Advances	11	₹ 37,72,776	₹ 34,45,655
(2) Current Assets			
(a) Inventories	-	₹ -	₹ -
(b) Trade receivables	12	₹ 13,37,24,169	₹ 17,76,66,852
(c) Cash and Cash Equivalents	13	₹ 3,69,88,456	₹ 12,62,91,002
(d) Short-Term Loans And Advances	14	₹ 25,89,34,754	₹ 88,16,571
(e) Other Current Assets	15	₹ -	₹ 3,47,470
Total Assets		₹ 52,10,23,820	₹ 41,34,86,572

NOTES TO ACCOUNTS

22

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement

This is the Statement of Assets and Liabilities referred to in our Report of even date.

FOR MITTAL & ASSOCIATES

Chartered Accountants

FRN: 106456W | MRN: 165667

For VERTOZ ADVERTISING LIMITED

(f.k.a. Vertoz Media Pvt. Ltd. & Vertoz Media Ltd.)

CA Hemant Bohra

Partner

Hirenkumar Shah
Chairman & Whole Time
Director

DIN: 00092739

Ashish Shah

Whole-time Director

DIN: 00092787

Place: Mumbai

Date: 30.05.2019

Akshay Sonar (Parolkar)

Chief Financial Officer

PAN: BBCPS6255B

Zill Shah

Company Secretary

PAN: EZOPS6680B

VERTOZ ADVERTISING LIMITED

602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080

Corporate Identity Number : L74120MH2012PLC226823

AUDITED STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2019

Particulars	Note No.	Amount as at 31st Mar. 2019	Amount as at 31st Mar. 2018
Revenue:			
Revenue From Operations (Net of Taxes)	16	₹ 46,23,24,059	₹ 36,83,94,576
Income From Non-Operation (Net of Taxes)	17	₹ 65,33,542	₹ 62,94,775
Total Revenue		₹ 46,88,57,600	₹ 37,46,89,351
Expenses:			
Direct Service Expense	18	₹ 21,40,31,288	₹ 16,02,74,507
Employment Benefit Cost	19	₹ 10,47,07,014	₹ 9,68,00,874
Finance Cost	20	₹ 37,68,450	₹ 50,97,427
Other Expenses	21	₹ 3,96,27,239	₹ 3,15,38,939
Depreciation	9	₹ 1,87,95,787	₹ 1,36,64,531
Total Expenses		₹ 38,09,29,778	₹ 30,73,76,277
Profit Before Tax - PBT		₹ 8,79,27,822	₹ 6,73,13,074
Tax expense:			
(1) Income Tax Provision			
Current Tax		₹ 1,57,98,735	₹ 1,08,11,521
Excess / Short Provision		₹ 20,075	₹ -20,234
(2) Deferred tax		₹ -12,71,443	₹ -8,52,568
Profit/(Loss) for the period After Tax- PAT		₹ 7,33,80,456	₹ 5,73,74,354
No. of Shares		59,85,000	41,30,129
Earning per Equity Share:			
(1) Basic		₹ 12.26	₹ 13.89
(2) Diluted		₹ 12.26	₹ 13.89

NOTES TO ACCOUNTS

22

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement

This is the Statement of Assets and Liabilities referred to in our Report of even date.

FOR MITTAL & ASSOCIATES

Chartered Accountants

FRN: 106456W | MRN: 165667

For VERTOZ ADVERTISING LIMITED

(f.k.a. Vertoz Media Pvt. Ltd. & Vertoz Media Ltd.)

CA Hemant Bohra
Partner

Hirenkumar Shah
Chairman & Whole Time Director
DIN: 00092739

Ashish Shah
Whole-time Director
DIN: 00092787

Place: Mumbai
Date: 30.05.2019

Akshay Sonar (Parolkar)
Chief Financial Officer
PAN: BBCPS6255B

Zill Shah
Company Secretary
PAN: EZOPS6680B

VERTOZ ADVERTISING LIMITED 602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080 Corporate Identity Number : L74120MH2012PLC226823 AUDITED CASH FLOW STATEMENTS AS ON 31ST MARCH, 2019			
Particulars	Note No.	Amount as at 31st Mar. 2019	Amount as at 31st Mar. 2018
A : Cash flows from operating activities:			
Profit before taxation	(a)	8,79,27,822	6,73,13,074
Add: Non Operating Expense			
Depreciation		1,87,95,787	1,36,64,531
Interest expense		37,68,450	50,97,427
Exchange gain/loss on restatement of forex		68,37,053	6,73,933
	(b)	2,94,01,290	1,94,35,891
Less: Non Operating Income			
Interest Income	(c)	65,33,542	62,94,775
		65,33,542	62,94,775
Operating profit before working capital changes	d=(a+b-c)	11,07,95,571	8,04,54,190
Working capital changes:			
(Decrease) / Increase in Trade Payables		20,78,388	79,32,376
(Increase) / Decrease in Receivables		4,39,42,683	- 10,63,58,900
(Increase) / Decrease in Other Current Assets		3,47,470	- 65,50,404
(Increase) / Decrease in Long term Loans & Advances	-	3,27,121	- 16,51,263
(Increase) / Decrease in Short term Loans & Advances	-	25,01,18,184	- 74,72,389
(Decrease) / Increase in Current Liabilities		49,12,161	61,57,271
(Decrease) / Increase in Long Term Provisions & Borrowings	-	30,44,958	- 30,47,135
(Decrease) / Increase in Short Term Borrowings	-	2,44,22,139	- 1,07,77,915
(Decrease) / Increase in Short Term Provisions		8,62,731	60,42,325
(Decrease) / Increase in Other Non-Current Liabilities	-	12,71,444	- 8,52,567
	(e)	- 17,81,96,135	- 11,65,78,601
Cash generated from operations	(d+e)	- 6,74,00,565	- 3,61,24,411
(-) Taxes paid		- 1,45,47,366	- 99,38,719
Net cash used in operating activities	(A)	- 8,19,47,931	- 4,60,63,130
B : Cash flows from investing activities:			
Fixed asset (Addition)/Deduction	-	1,01,19,707	- 5,44,25,839
Interest on FD		65,33,542	62,94,775
Net cash Generated from investing activities	(B)	- 35,86,166	- 4,81,31,064
C : Cash flows from financing activities:			
Proceeds from issue of Shares	-	-	19,42,82,000
Interest Expenses	-	37,68,450	- 50,97,427
Net cash generated from financing activities	(C)	- 37,68,450	18,91,84,573
D : Net increase in cash and cash equivalents = (A+B+C)	D=(A+B+C)	- 8,93,02,547	9,49,90,379
E : Cash and cash equivalents at beginning of period	(E)	12,62,91,003	3,13,00,624
F: Cash and cash equivalents at end of period = (D+E)	(D + E)	3,69,88,456	12,62,91,003
NOTES TO ACCOUNTS <i>Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement</i> <i>This is the Statement of Assets and Liabilities referred to in our Report of even date.</i>			
FOR MITTAL & ASSOCIATES Chartered Accountants FRN: 106456W MRN: 165667		For VERTOZ ADVERTISING LIMITED (f.k.a. Vertoz Media Pvt. Ltd. & Vertoz Media Ltd.)	
CA Hemant Bohra Partner		Hirenkumar Shah Chairman & Whole Time Director DIN: 00092739	
Place: Mumbai Date: 30.05.2019		Ashish Shah Whole-time Director DIN: 00092787	
		Akshay Sonar (Parolkar) Chief Financial Officer PAN: BBCPS6255B	
		Zill Shah Company Secretary PAN: EZOPS6680B	

VERTOZ ADVERTISING LIMITED

Notes Forming Integral Part of Consolidated Balance Sheet as at 31st March, 2019

Note 1 : Share Capital			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	AUTHORIZED CAPITAL Equity Shares of Rs. 10/- each.	6,00,00,000	6,00,00,000
		6,00,00,000	6,00,00,000
2	ISSUED , SUBSCRIBED & PAID UP CAPITAL <i>To the Subscribers of the Memorandum</i> Equity Shares of Rs. 10/- each fully paid up.	5,98,50,000	5,98,50,000
	Total Value in INR	5,98,50,000	5,98,50,000
Note 2 : Reserve & Surplus			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Suplus from Profit & Loss Account Opening Balances	7,80,37,969	3,73,78,859
	Add: Profit/(Loss) for the period	7,33,70,255	5,73,74,473
	Less: Issue of Bonus Shares	-	(2,06,00,000)
	Add: Forex Revaluation	29,01,008	5,77,669
2	Securities Premium	14,90,16,940	14,90,16,940
	Total Value in INR	30,33,26,172	22,37,47,941
Note 3 : Long Term Borrowing			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Federal Bank FCTL	61,21,679	95,51,582
	Total Value in INR	61,21,679	95,51,582
Note 4 : Other Long Term Liabilities			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Gratuity Provision (Non-Current)	28,24,475	24,44,653
2	Leave Encashment Provision (Non-Current)	6,89,118	6,83,995
	Total Value in INR	35,13,593	31,28,648
Note 5 : Short Term Borrowing			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Unsecured Loan from Related Parties Loan From Directors	1,02,82,640	-
	Loan from Other Related Parties	18,79,220	25,94,924
2	Secured Loans repayable on demand From Banks (Secured against Deposits)	3,29,09,429	1,80,54,226
	Car Loan	-	-
	Total Value in INR (A+B)	4,50,71,289	2,06,49,150
Note 6 : Trades Payable			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Sundry Creditors	7,10,49,463	6,89,71,075
	Total Value in INR	7,10,49,463	6,89,71,075
Note 7 : Other Current Liabilities			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
	Other Payables		
1	Current Maturity for Long Term Debt Current Maturity for Long Term Debt (FCTL)	40,81,101	43,80,367
2	Statutory Remittance Statutory Liabilities	25,42,954	12,59,906
3	Others: Advance Received from Client	11,64,671	9,75,437
	Creditors for Expenses	56,96,016	23,83,189
	Salary Payable	5,20,381	-
	Other Payable	2,04,536	-
4	Gratuity & Leave Encashment Provision (Current): Gratuity Provision (Current)	5,13,670	6,40,508
	Leave Encashment (Current)	14,89,311	16,61,073
	Total Value in INR	1,62,12,641	1,13,00,480
Note8 : Short Term Provisions			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Provision for Income Tax AY 2019-20	1,54,42,712	-
2	Provision for Income Tax AY 2018-19	430	90,11,774
3	Provision for Income Tax AY 2017-18	-	-
4	Provision for Investments in Subsidiary	-	-
5	Provison For employees benefit Expenses	-	55,66,091
6	Other Provisions	1,46,309	1,47,995
	Total Value in INR	1,55,88,591	1,47,25,860

VERTOZ ADVERTISING LIMITED
Notes Forming Integral Part of Consolidated Balance Sheet as at 31st March, 2019

Note 9 : Fixed Asset													
I. Fixed Assets and Depreciation													
Sr. No	Particulars	Gross Block				Depreciation					Net Block		
		Value at the beginning	Addition during the year	Deduction during the year	Revaluations/ (Impairments) (Forex Gain)	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Adjustment due to revaluations	Value at the end	Closing Value as on 31.03.2018	Closing Value as on 31.03.2019
I	Tangible Assets												
1	Data Computers, Laptops, Data Servers & Peripherals	3,17,41,292	98,79,962	1,06,383	12,317	4,15,27,188	1,75,48,677	65,81,545	-	1,22,791	2,42,53,013	1,41,92,615	1,72,74,175
2	Furniture & Fixtures	33,30,273	1,11,864	17,064	-	34,25,073	21,76,237	3,27,691	-	-	25,03,928	11,54,036	9,21,145
3	Office Equipments	13,15,372	2,99,392	48,064	750	15,67,449	7,18,018	4,29,607	-	23,797	11,71,421	5,97,354	3,96,028
4	Motor Vehicles	17,91,279	-	-	-	17,91,279	9,59,500	2,60,037	-	-	12,19,537	8,31,779	5,71,742
II	Intangible Assets												
1	IP Platform Trademark	9,000	-	-	-	9,000	-	-	-	-	-	9,000	9,000
2	Ingenious Programatic Plex	8,32,62,930	-	-	89,512	8,33,52,441	41,32,585	1,07,36,460	-	5,94,032	1,54,63,076	7,91,30,345	6,78,89,365
3	Web Domain	10,03,894	-	-	3,772	10,00,122	-	4,60,448	-	2,537	4,57,911	10,03,894	5,42,210
	Total Value in INR	12,24,54,039	1,02,91,218	1,71,511	98,806	13,26,72,552	2,55,35,017	1,87,95,787	-	7,38,083	4,50,68,886	9,69,19,023	8,76,03,665
	Previous Year Figures	6,80,28,201	5,43,13,629	-	1,12,210	12,24,54,039	1,18,62,635	1,36,64,531	-	7,850	2,55,35,017	5,61,65,565	9,69,19,023

VERTOZ ADVERTISING LIMITED

Notes Forming Integral Part of Consolidated Balance Sheet as at 31st March, 2019

Note 10 : Investment			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Investment in VertoZ Inc, USA	-	-
2	Investment in VertoZ Ltd, UK	-	-
3	Investment in Adzurite Solutions Pvt. Ltd., India	-	-
	Total Value in INR	-	-
Note 11 : Long Term Loans & Advances			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
	A. Deposits		
1	Other Deposits	25,000	25,000
2	Rent Deposit	18,43,194	16,24,095
3	Security Deposit	1,58,863	50,840
4	Security Deposit with NSE	17,45,720	17,45,720
	Total Value in INR	37,72,776	34,45,655
Note 12 : Trade Receivables			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Trade Receivables, Outstanding for More than Six Months		
	Unsecured, Considered Good	2,19,19,146	12,09,36,318
2	Trade Receivables, Outstanding for Less than Six Months		
	Unsecured, Considered Good	11,18,05,022	5,67,30,534
	Total Value in INR	13,37,24,169	17,76,66,852
Note 13 : Cash & Cash Equivalent			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Cash Balance	3,696	95,268
2	Bank Balances	1,17,57,393	1,05,98,120
3	Fixed Deposit with Banks	2,52,27,367	11,55,97,615
	Total Value in INR	3,69,88,456	12,62,91,002
Note 14 : Short Terms Loans and Advances			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Prepaid Expenses	-	-
2	Other Receivable		
	GST/VAT Receivable	3,20,226	-
	TDS Receivable	13,52,036	12,16,342
	Advance given to Suppliers	1,590	45,68,013
	Loan to Related Parties	8,56,625	-
	Other Loans and Advances	25,64,04,277	30,32,216
	Total Value in INR	25,89,34,754	88,16,571
Note 15 : Other Current Assets			
Sr. No.	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Advance to Staff	-	3,47,470
2	Miscellaneous Expenditures	-	-
	Total Value in INR	-	3,47,470

VERTOZ ADVERTISING LIMITED			
Notes Forming Integral Part of Consolidated Balance Sheet as at 31st March, 2019			
Note 16 : Revenue From Operations			
	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Sale of Services	46,23,24,059	36,83,94,577
	Total Value in USD	46,23,24,059	36,83,94,577
Note 17 : Income From Non Operation			
	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Interest on FDR	14,80,602	38,84,476
2	Other Income	67,670	14,763
3	Interest Received on Loan	30,000	60,000
4	Sundry Balance W/off	-	23,35,536
5	Foreign Exchange Gain	49,55,270	-
	Total Value in USD	65,33,542	62,94,775
Note 18 : Direct Service Expenses			
	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Purchase of Services	4,83,76,887	15,97,63,563
2	Web Hosting Services and Other Expenses	2,71,55,038	-
3	Software Exps & Platform Fees	98,32,481	5,10,944
4	Outsourcing Expenses	12,86,66,882	-
	Total Value in USD	21,40,31,288	16,02,74,507
Note 19 : Employment Benefit Cost			
	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Salaries and Incentives	9,77,26,555	9,13,75,535
2	Director Remuneration	65,38,715	40,46,955
3	Gratuity & Leave Encashment Expense	4,41,744	13,78,384
	Total Value in USD	10,47,07,014	9,68,00,874
Note 20 : Finance Cost			
	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Bank Charges	16,79,403	17,16,448
2	Interest Expense	18,56,748	36,85,054
3	Foreign Exchange Gain	-	3,04,075
4	Loan Processing Fees	2,32,300	-
	Total Value in USD	37,68,450	50,97,427
Note 21 : Other Expenses			
	Particulars	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
1	Audit Fees	2,06,000	3,44,954
2	Books and Periodicals	18,691	18,005
3	Conveyance Charges	8,70,729	3,02,197
4	Electricity Expenses	6,61,320	10,70,550
5	Exhibition & Seminar Expenses	27,63,651	46,67,740
6	Food Expenses	7,84,005	4,34,074
7	House Keeping & Security Expenses	12,33,302	11,51,423
8	Interest/Penalty/Fee on Taxes	11,40,319	6,96,832
9	Internet Expenses	12,51,783	8,50,043
10	Legal Expenses	12,72,775	10,55,114
11	Lodging & Boarding Expenses	4,80,847	2,59,460
12	Accounts Written off	16,58,870	-
13	Marketing Expenses	43,35,042	41,18,804
14	Office Expense	18,93,610	23,19,677
15	Postage & Courier Expenses	82,720	4,870
16	Printing & Stationary Expenses	2,29,268	2,66,128
17	Profession Tax-Company	3,04,439	2,500
18	Profit & Loss on Fixed Assets	-	9,625
19	Professional & Technical Fees	63,20,388	9,35,501
20	Recruitment Expense	3,15,820	1,38,397
21	Lease Rent	99,95,723	88,53,992
22	Repair & Maintenance Expenses	3,64,039	3,41,101
23	Rounding Off	3,306	25,374
24	SBC Paid on Input @ 0.5%	-	30,629
25	Staff Welfare	4,54,385	5,97,356
26	Telephone Expense	3,94,008	3,10,962
27	Travelling Expense (Domestic/International)	21,32,937	27,18,452
28	Water Expenses	3,39,311	65,925
29	Meeting Expenses	28,750	-
30	Insurance Expenses	97,812	-
	Total Value in USD	3,96,27,239	3,15,38,939

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2019

BACKGROUND:

Vertoz Advertising Limited (the Company) f.k.a. **Vertoz Media Private Limited** and **Vertoz Media Limited** was incorporated on **February 13, 2012**. These are the consolidated financial statements prepared for the Company and they relate to the period from **April 1, 2018** to **March 31, 2019**. The Company provides programmatic online advertising services and other allied services to domestic/ overseas clients.

These consolidated financials include unaudited balance sheet of its subsidiaries and/or step-down subsidiaries, located in India, US, UK & UAE as on the date of this report.

NOTE 22: SIGNIFICANT ACCOUNTING POLICIES:

i. Basis of preparation of the consolidated financial statements:

The consolidated financial statements are prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured on a fair value basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable, Indian Accounting Standards ('Ind AS')/guidance notes issued by the Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India.

All amounts included in the consolidated financial statements are reported in millions of Indian rupees except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

ii. Principles of Consolidation:

The consolidated financial statements have been prepared on the following basis:

- The consolidated financial statements include the financial statements of Vertoz and all its subsidiaries, which are more than 100% owned or controlled. The financial statements of the parent company and its majority owned/controlled subsidiaries which are drawn up to the same reporting date have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all intra-group balances/transactions and resulting unrealized gain/loss.

- The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

iii. Use of Estimates:

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future year affected.

iv. Fixed Assets:

Tangible assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Costs include expenditure directly attributable to the acquisition of the asset. Borrowing costs directly attributable to the construction or production of qualifying assets are capitalized as part of the cost. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. During the period under review no intangible assets are stated at the consideration paid for acquisition less accumulated amortization and impairment loss, if any.

v. Investments:

Non-current investments are stated at cost less other than temporary diminution in the value of such investments, if any. Current investments are valued at lower of cost and fair value determined by category of investment. The fair value is determined using quoted market price/market observable information adjusted for cost of disposal. On disposal of the investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

vi. Provisions and Contingent Liabilities:

Provisions are recognized when the Company has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

vii. Revenue Recognition:

The Company derives revenue primarily from online media advertising and other related services and other products.

a) Services:

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

A. Time and Materials Contracts:

Revenues and costs relating to time and materials contracts are recognized as the related services are rendered. Unbilled revenues included in other current assets represent cost and earnings in excess of billings as at the end of the reporting period. 'Unearned revenues' included in other current liabilities represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

B. Others:

- The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of sale.
- Revenues are shown net of sales tax, value added tax, goods & service tax and applicable discounts and allowances.
- Contract expenses are recognized as expenses by reference to the stage of completion of contract activity at the end of the reporting period.

b) Products:

Revenue from products are recognized when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

c) Other Income:

Interest is recognized using the time-proportion method, based on rates implicit in the transaction.

viii. Leases:

The Company have its office premises on lease and paid the lease on time as per the Lease Agreement from time to time, subject to TDS provisions laid under the Income Tax Act, 1961 and other allied acts as applicable at time being in force.

ix. Foreign currency transactions:**a) Transaction:**

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted at the exchange rates prevailing on the date of transaction.

b) Translation:

Monetary foreign currency assets and liabilities at period-end are translated at the exchange rate prevailing at the date of Balance Sheet. The difference arising from the translation is recognized in the statement of profit and loss, except for the exchange difference arising on monetary items that qualify as hedging instruments in a cash flow hedge or hedge of a net investment in a non-integral foreign operation. Such exchange differences are subsequently recognized in the statement of profit and loss on occurrence of the underlying hedged transaction or on disposal.

c) Integral Operations:

Monetary assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. Non-monetary items are translated at the historical rate. The items in the statement of profit and loss are translated at the average exchange rate during the period. The differences arising out of the translation are recognized in the statement of profit and loss.

d) Non-Integral Operations:

Assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. The items in the statement of profit and loss are translated at the average exchange rate during the period. The differences arising out of the translation are transferred to foreign currency translation reserve. On the disposal of a non-integral foreign operation, the cumulative balance of Foreign Exchange Gain /(Loss) which relates to that operation is recognized in the statement of profit and loss.

The amended Ind AS 21 provides an irrevocable option to the Company to amortize exchange rate fluctuation on long term foreign currency monetary asset/liability over the life of the asset/liability or March 31, 2020, whichever is earlier.

The amendment is applicable retroactively from the financial year beginning on or after December 7, 2006.

The Company did not elect to exercise the option.

x. Depreciation and Amortization:

The Company has provided for depreciation using straight line method over the useful life of the assets as prescribed under part C of Schedule II of the Companies Act, 2013 except in the case of following assets which are depreciated based on useful lives estimated by the Management:

Class of Asset	Estimated Useful Life
Computer Equipment's (Data Computers & Servers)	3 – 6 years
Furniture and Fixtures	5 – 10 years
Office Equipment	5 years
Vehicles	8 years
Intangible Assets – Ingenious Plex Platform	8 years

For the class of assets, based on technical assessment, management believes that the useful lives as given above best represents the period over which assets are expected to be used. No assets under finance lease subject to amortization over their estimated useful life or the lease term, whichever is lower.

xi. Employee Benefits:

Provident Fund and Social Security Benefit:

Employees receive benefits of the provident fund and other social security as per the governmental laws and regulation of time being in force. The Company have paid all its statutory liability towards its employee in timely manner and there are no pending dues as on date. The employee and employer each make periodic contributions to the plan. A portion of the contribution is made to the employee's provident fund, while the remainder of the contribution is made to the government administered pension fund.

xii. Taxes:**a) Income tax:**

The current charge for income taxes is calculated in accordance with the relevant tax regulations. Tax liability for domestic taxes was computed under Minimum Alternate Tax (MAT). MAT credit is being recognized if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The excess tax paid under MAT provisions being over and above regular tax liability can be carried forward for a period of ten years from the year of recognition and is available for set off against future tax liabilities computed under regular tax provisions, to the extent of MAT liability.

b) Deferred Tax:

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements of each entity in the group.

Deferred taxes are recognized in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period. For this purpose, reversal of timing difference is determined using first in first out method.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment/substantive enactment date.

Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets are reassessed for the appropriateness of their respective carrying amounts at each balance sheet date.

The Company offsets, on a year on year basis, its current and non-current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

xiii. Earnings Per Share:

a) Basic:

The number of equity shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year excluding equity shares held by controlled trust.

b) Diluted:

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of equity shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the proportionate during the period, unless issued at a later date. The number of equity shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issued.

xiv. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

**M/S. MITTAL AND ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REG. NO: 106456W**

**FOR AND ON BEHALF OF BOARD OF
VERTOZ ADVERTISING LIMITED**

Sd/-
**CA. HEMANT BOHRA
PARTNER
DIRECTOR
MEMBERSHIP NO.: 165667**

Sd/-
**HIRENKUMAR SHAH
CHAIRMAN & WHOLE-TIME
DIN: 00092739**

**PLACE: MUMBAI
DATE: 30.05.2019**

**PLACE: MUMBAI
DATE: 30.05.2019**

VERTOZ ADVERTISING LIMITED

(Formerly Known as Vertoz Media Limited & Vertoz Media Private Limited)

Registered & Corporate Office: 602, Avior, Nirmal Galaxy, Opp. Johnson & Johnson, LBS

Marg, Mulund (West), Mumbai, Maharashtra, India – 400 080

Corporate Identity Number: L74120MH2012PLC226823

Tel: +91 22 6142 6030; **Fax:** +91 22 6142 6061

Website: www.vertoz.com ; **Email:** compliance@vertoz.com

NOTICE

NOTICE is hereby given that **8th Annual General Meeting** of the Members of Vertoz Advertising Limited will be held on **Monday, 30th September, 2019 at 3.00 p.m.** at **The Hotel Archana Residency, Next to R-Mall, Lal Bahadur Shastri Road, Mulund Check Naka, Mulund (West) Mumbai - 400 080** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

- a. the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March 2019 and the reports of the Board of Directors and Auditors thereon; and
- b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2019 and the reports of the Auditors thereon.

2. To declare a final dividend on Equity Shares at the rate of 1% i.e. ₹ 0.10/- per Equity Share having Face Value of ₹ 10/- for the Financial Year ended 31st March 2019.

“RESOLVED THAT pursuant to the recommendations of the Board of Directors and applicable provisions of the Companies Act 2013, final dividend at the rate of 1% i.e. ₹ 0.10/- per Equity Share having Face Value ₹ 10/- each on 16,13,926 Equity Shares (excluding the Equity Shares upon which the Members/Promoters & Promoter Group have waived/forgone his/their right to receive the dividend by him/them for financial year 2018-19) absorbing thereby ₹ 1,61,392.6/- (excluding dividend distribution tax) as at 31st March, 2019 be and is hereby declared for payment to those holders of Equity Shares whose names appear in the Register of Members of the Company as on record date i.e. Monday, 23rd September, 2019.

RESOLVED FURTHER THAT the dividend be paid to the Shareholders/Members of the Company whose names appear in the list of beneficiary position as on record date for Demat Shares furnished by the Depositories and who are entitled to such dividend, through electronic credit to bank accounts and other appropriate mode including through dividend warrants or demand drafts.”

3. **To appoint a Director in place of Mr. Rasiklal Hathichand Shah (DIN: 00091585), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.**

SPECIAL BUSINESS:

4. **Increase in the limits of Creation of charges on the movable and immovable properties of the Company, both present and future in respect of borrowings under section 180(1)(a) of the Companies Act, 2013:**

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the Special Resolution passed by the Shareholders at the Annual General Meeting on 28th August, 2018 in this regard under section 180(1)(a) of the Companies Act, 2013, and pursuant to the provisions of section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory amendment(s) thereto or re-enactment(s) thereof, for time being in force) and any approvals, consents, sanctions, permissions as may be necessary from any governmental authorities and all other appropriate statutory and regulatory authorities, and such other rules made thereunder (including any statutory amendment(s) thereto or re-enactment(s) thereof, for time being in force), and the Articles of Association of the Company and all other provisions of applicable laws, the consent of the Company be and hereby accorded to create any charge, mortgage and/ or hypothecation in addition to the existing charges, mortgages, created/to be created by the Company on all or any of the movable and/or immovable, tangible and/or intangible properties of the Company wherever situated, both present and future, and in such form and manner and with such ranking and at such time and on such terms as the Board may deem fit, together with power to take over whole or substantially the whole of the undertaking of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/notes/other instruments to secure rupee/foreign currency loans and/or the issue of debentures/bonds/ notes/other instruments (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together

with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, shall not, at any time exceed ₹ 500,00,00,000/- (Rupees Five Hundred Crores only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised and empowered to do all such acts, deeds, matters and things, arrange, give such directions as may be deemed necessary or expedient, or settle the terms and conditions of such instrument, securities, loan, debt instrument as the case may be, on which all such moneys as are borrowed, or to be borrowed, from time to time, as to interest, repayment, security or otherwise howsoever as it may think fit, and to execute all such documents, instruments and writings as may be required to give effect to this Resolution and for matters connected therewith or incidental thereto, including intimating the concerned authorities or other regulatory bodies.”

5. Increase in the Borrowing limits:

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

“RESOLVED THAT subject to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof and in supersession of the earlier resolutions passed in this regard at the Extra-Ordinary General Meeting held on 28th April, 2018, the consent of the Shareholders of the Company be and is hereby accorded to the Board of Directors and/or any Committee of Directors thereof, to borrow money, as and when required, from, including without limitation, any Bank and/or other Financial Institution and/or foreign lender and/or any Body Corporate/ Entity/Entities and/or authority/authorities, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, bonds, commercial papers, short term loans or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding ₹ 500,00,00,000/- (Rupees Five Hundred Crores only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the

Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

6. Increase the limits for the Loans and Investment by the Company in terms of the Provisions Section 186 of the Companies Act, 2013:

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

"RESOLVED THAT in supersession of the earlier resolution passed by the Members in their Meeting held at the Extra-Ordinary General Meeting on 28th April, 2018, the consent of the Company be and is hereby accorded to the Board of Directors, to increase the existing limit under Section 186 of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), if any, the approval of the Members of the Company be and is hereby accorded to the Board to (a) give any loan to any Body Corporate(s) / Person (s); (b) give any guarantee or provide security in connection with a loan to any Body Corporate(s) / person (s); and (c) acquire by way of subscription, purchase or otherwise, securities of any Body Corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding ₹ 500,00,00,000/- (Rupees Five Hundred Crores only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be appropriate and necessary in the best interest of the Company and its Shareholders for the purpose of making loans/ investments/ giving guarantees etc. on behalf of the Company, from time to time or may authorize the officials of the company to give effect to the foregoing resolution.”

Registered Office:

602, Avior, Nirmal Galaxy,
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CIN: L74120MH2012PLC226823
Email: compliance@vertoz.com
Website: www.vertoz.com

By Order of the Board

Zill Shah
Company Secretary & Compliance Officer
(ACS No.: A51707)

30th August, 2019

Notes:

1. The respective Explanatory Statements, pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business under Item No. 4, 5 and 6 of the accompanying Notice and additional information with respect to Item No. 3 are annexed hereto. The relevant details as required under Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 (SS-2) on General Meetings of issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government, Directors seeking appointment / re-appointment is annexed to this Notice.
2. M/s. Mittal & Associates, Chartered Accountants (FRN: 106456W), were appointed as Statutory Auditors of the Company at the Seventh Annual General Meeting (AGM) held on 28th August, 2018 to hold office for a period of 5 (five) years from the conclusion of the Seventh AGM until the conclusion of the Twelfth AGM of the Company.

The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as Statutory Auditors. The remuneration payable to the Statutory Auditors shall be determined by the Board of Directors based on the recommendation of the Audit Committee.

3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.**
4. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the commencement of the Annual General Meeting.
5. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
6. Corporate Members intending to send their Authorized Representative to attend the Meeting pursuant to section 113 of the companies Act, 2013 are requested to send a certified copy of the Board Resolution together with specimen signature(s) of their representative(s) who are authorized to attend and vote on their behalf at the Meeting.
7. The Notice of Annual General Meeting along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s) unless a Member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
8. Members holding Shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Share Transfer Agent.
9. A route map giving directions to reach the venue of the Annual General Meeting (AGM) is given at the end of the Notice. The prominent landmark for the venue is 'Mulund Check Naka'.
10. During the year, pursuant to the Order of the Hyderabad Bench of the National Company Law Tribunal, the operations of the Karvy Computershare Private Limited ("KCPL") have been transferred to Karvy Fintech Private Limited ("KFPL") with effect from 17th November, 2018, in accordance with the composite Scheme of Arrangement and Amalgamation inter alia, between KCPL and KFPL and all the existing arrangements to which KCPL is a party shall be in full force and vest with KFPL.

Accordingly, **Karvy Fintech Private Limited (Karvy)** having their office at **Karvy Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032** shall act as the Registrar and Transfer Agents (RTA) for its Share Registry Work (Physical and Electronic).

11. The Register of Members and Transfer Books of the Company will be closed from Tuesday, 24th September, 2019 to Monday, 30th September, 2019 (both days inclusive).
12. **Dividend Waiver:** The actual equity dividend to be declared by the Members at the 8th AGM will be for only Equity Shares other than the Equity Shares in respect of which the Equity Members(s) has / have waived / forgone his / their right to receive the dividend for the financial year ended 31st March, 2019.
13. The Dividend, if declared at the Annual General Meeting, will be paid after Monday, 30th September, 2019 to those persons or their mandates whose names appear as Beneficial Owners as at the end of the business hours on Monday, 23rd September, 2019 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited.

The dividend, if approved, will be paid by crediting to the bank account, as provided by NSDL and CDSL through ECS or NECS or electronic transfer, of those Shareholders holding Shares in Electronic form / Demat. In respect to Shareholders holding Shares in physical form or in case of ECS, NECS, or electronic payment rejected, dividend will be paid by dividend warrant or demand draft. The Company or its Registrar and Share Transfer Agents (RTA) cannot act on any request received directly from the Members holding Shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised by the Members concerned to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.

14. **Mandatory PAN Submission:** The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every Participant in Securities Market. Members holding Shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their Demat Accounts.
15. **Unclaimed Dividend:** Members are requested to note that as per Section 124(5) of the Companies Act, 2013, Dividends not encashed/ claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie

against the Company. Members are requested to contact M/s. Karvy FinTech Private Limited/ Secretarial Department of the Company for encashing the unclaimed dividends standing to the credit of their account.

16. Pursuant to Sections 101 and 136 of the Companies Act, 2013, read with the Rules framed thereunder and pursuant to the circulars issued by the Ministry of Corporate Affairs (MCA) regarding the Green Initiative, the Notice of the AGM inter alia, would be sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Karvy/ Depository Participant and who have not opted to receive the same in physical form.
17. Members are requested to support the Green Initiative by registering/ updating their e-mail addresses, with their Depository Participant (in case of Shares held in dematerialized form) or with Karvy (in case of Shares held in physical form).
18. A copy of the Notice will also be available on the website of the Company viz. <https://www.vertoz.com/investors> Members are entitled to receive such communication in physical form, upon making a request to the Company for the same. For any communication, the Members may also send a request to the Company's investor email id: compliance@vertoz.com
19. Relevant documents referred to in the Notice will be available for inspection at the Registered Office and the Corporate Office of the Company during normal business hours, i.e. 10.00 a.m. to 6.00 p.m. on all working days except Saturdays and Sundays, up to and including the date of the AGM. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or Arrangements in which Directors are interested, will be available for inspection by the members at the venue of the Meeting.
20. Members/Proxies/Authorised Representatives are requested to bring their Attendance Slip enclosed herewith, to the Meeting.
21. **General instructions/information for Members for voting on the Resolutions:**
 - a. **Voting at AGM:** The Members have to cast their vote through ballot, thereby exercising their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through physicaballot shall be made available at the Meeting.
 - b. The voting rights of Members shall be in proportion to their Share in the paid-up Equity Share Capital of the Company as on the cut-off date i.e. Monday, 23rd September, 2019. Members are eligible to cast their vote at the AGM only if they

are holding Shares as on that date. A person who is not a Member as on the cut-off date is requested to treat this Notice for information purposes only.

- c. Mr. Umashankar Hegde (ACS 22133, COP 11161) Proprietor of M/s. U. Hegde & Associates, Company Secretaries, have been appointed as Scrutinizer to scrutinize the ballot at the AGM, in a fair and transparent manner.
- d. The Scrutinizer after scrutinizing the votes cast at the Meeting by ballot, will, not later than 48 hours of conclusion of the Meeting, make a Scrutinizer's Report of the votes cast in favour or against, if any and submit the same forthwith to the Chairman or a person duly authorised by the Chairman who shall counter sign the same and declare the results of the voting.

The results declared along with the Scrutinizer's Report will be placed on the website of the Company at <https://www.vertoz.com/investors> and the website of Karvy: <https://evoting.karvy.com> immediately after the results are declared and will simultaneously be forwarded to National Stock Exchange of India Limited EMERGE – SME Platform, where Equity Shares of the Company are listed.

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By Order of the Board

Zill Shah
Company Secretary & Compliance Officer
(ACS No.: A51707)

30th August, 2019

ADDITIONAL INFORMATION WITH RESPECT TO ITEM NO. 3

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting:

Mr. Rasiklal Hathichand Shah, Non-Executive Director of the Company, retires by rotation and, being eligible, has offered himself for re-appointment.

Information as required under Regulation 36(3) of the Securities and Exchange Board of India [Listing Obligation and Disclosure Requirements] Regulations, 2015 and Clause 1.2.5 of the Secretarial Standards on General Meetings [SS-2] is given hereunder:

Name of Director	Rasiklal Hathichand Shah
DIN	00091585
Date of Birth	5 th November, 1944
Expertise in specific functional Area	Business Administration
Date of Appointment	25 th September, 2017
No. of Equity shares held in the company	59,850 Equity Shares
Disclosure of relationship between director inter-se	Father of Hirenkumar Shah, Chairman & Whole-time Director and Ashish Shah, Whole-time Director
Qualification	Matriculate
List of Directorship held in public Company	Nil
Chairman/Member of the committee of the Board of Directors of the Company	Nil
Chairman/member of the Committee of the Board of Directors of the Other Companies	Nil

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013:

The following Explanatory Statement sets out all material facts relating to the Special business mentioned under Item Nos. 4 to 6 of the accompanying Notice dated 30th August, 2019.

ITEM NO. 4: CREATION OF CHARGES ON THE MOVABLE AND IMMOVABLE PROPERTIES OF THE COMPANY, BOTH PRESENT AND FUTURE IN RESPECT OF BORROWINGS UNDER SECTION 180(1)(a) OF THE COMPANIES ACT, 2013:

The Members of the Company had, through Annual General Meeting dated 28th August, 2018 authorized the Board of Directors to sale, lease or otherwise dispose of undertaking on behalf of the Company for a sum not exceeding ₹ 100 Crores (Rupees One Hundred Crores only), over and above the aggregate of the paid-up share capital and free reserves of the Company. Keeping in view your Company's business requirements and growth plans, it is considered desirable to increase the said limits to a sum not exceeding ₹ 500 crores (Rupees Five Hundred Crores only) under the provisions of Section 180(1)(a) of the Companies Act, 2013 (the "Act"). The borrowings by a Company, in general, are required to be secured by mortgage or charge on all or any of the moveable or immovable properties of the Company in such form, manner and ranking as may be determined by the Board from time to time, in consultation with the lender(s).

Your consent is required under the provisions of 180(1) (a) of the Act, to increase the borrowing limits and to mortgage and / or create a charge on any of the moveable and / or immovable properties and / or the whole or any part of the undertaking(s) of your Company

to secure its borrowings. None of the Directors, Key Managerial Personnel and their relatives, are in any way, concerned or interested in the said resolutions.

The resolutions as set out in Item No. 4 of this Notice are accordingly recommended for the approval of the Members as Special Resolution(s).

ITEM NO. 5: INCREASE IN THE BORROWING LIMITS:

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company may need additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits up to ₹ 500,00,00,000/- (Rupees Five Hundred crores only), earlier the limit for the same was ₹ 100,00,00,000/- (Rupees One Hundred Crores only).

Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the Paid-up Capital of the Company and its free reserves at any one time except with the consent of the Members of the Company in a General Meeting.

In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of Members in the general meeting.

Accordingly, Special Resolution is submitted to the Meeting for the consideration and approval of Shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in anyway concerned or interested in the proposed resolution.

ITEM NO. 6: INCREASE IN THE LIMITS FOR THE LOANS AND INVESTMENT BY THE COMPANY IN TERMS OF THE PROVISIONS SECTION 186 OF THE COMPANIES ACT, 2013:

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other Bodies Corporate or granting loans, giving guarantee or providing security to other persons or other Body Corporate or as and when required. Pursuant to the provisions of section 186(3) of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of Shareholders / Members by way of Special Resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up Share Capital, Free Reserves and Securities Premium account or one hundred percent of Free Reserves and Securities Premium Account. Accordingly, the Board of Directors of the Company proposes to obtain approval of Shareholders by way of Special Resolution as contained in the Notice of the Annual General Meeting for an amount not exceeding ₹ 500,00,00,000/- (Rupees Five Hundred crores only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013, earlier the limit for the same was ₹ 100,00,00,000/- (Rupees One Hundred crores only).

Accordingly, Special Resolution is submitted to the Meeting for the consideration and approval of Shareholders.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in anyway concerned or interested in the proposed resolution.

Registered Office:

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CIN: L74120MH2012PLC226823
Email: compliance@vertoz.com
Website: www.vertoz.com

By Order of the Board

Zill Shah
Company Secretary & Compliance Officer
(ACS No.: A51707)

30th August, 2019

VERTOZ ADVERTISING LIMITED

Registered & Corporate Office: 602, Avior Nirmal Galaxy, Opp. Johnson & Johnson, LBS

Marg, Mulund (West), Mumbai, Maharashtra, India – 400 080

Corporate Identity Number: L74120MH2012PLC226823

Tel: +91 22 6142 6030; **Fax:** +91 22 6142 6061

Website: www.vertoz.com ; **Email:** compliance@vertoz.com

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): _____

Registered Address of the Member: _____

E-mail Id: _____ Folio No./ Client ID: _____ DP ID: _____

I/We, being the Member(s) of Vertoz Advertising Limited holding _____

Equity Shares hereby appoint:

1. Name: _____ E-mail Id: _____

Address: _____

Signature: _____ or failing him/her

2. Name: _____ E-mail Id: _____

Address: _____

Signature: _____ as my/our
Proxy to attend and vote (on a Poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Monday, 30th September, 2019 at 3.00 p.m. at The Hotel Archana Residency, Next to R-Mall, Lal Bahadur Shastri Road, Mulund Check Naka, Mulund (West) Mumbai - 400 080 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description
ORDINARY BUSINESS	
1.	To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated Financial Statements) of the Company for the Financial Year ended 31 st March, 2019 and the Reports of the Board of Directors and Auditors thereon.
2.	To declare a dividend on Equity Shares.
3.	To appoint a Director in place of Mr. Rasiklal Hathichand Shah (DIN: 00091585), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
SPECIAL BUSINESS	
4.	Increase in the limits of Creation of charges on the movable and immovable properties of the Company, both present and future in respect of borrowings under section 180(1)(a) of the Companies Act, 2013.
5.	Increase in the Borrowing limits.
6.	Increase the limits for the Loans and Investment by the Company in terms of the Provisions Section 186 of the Companies Act, 2013.

Signed this _____ day of _____ 2019

Affix
Revenue
Stamp

Signature of Shareholder

Signature of Proxyholder(s)

Notes:

1. This form of Proxy in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a Member of the Company.
3. A person can act as Proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total Share Capital of the Company carrying voting rights; provided that a Member holding more than 10% of the total Share Capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other person or Shareholder. The Proxyholder shall prove his identity at the time of attending the Meeting.

VERTOZ ADVERTISING LIMITED

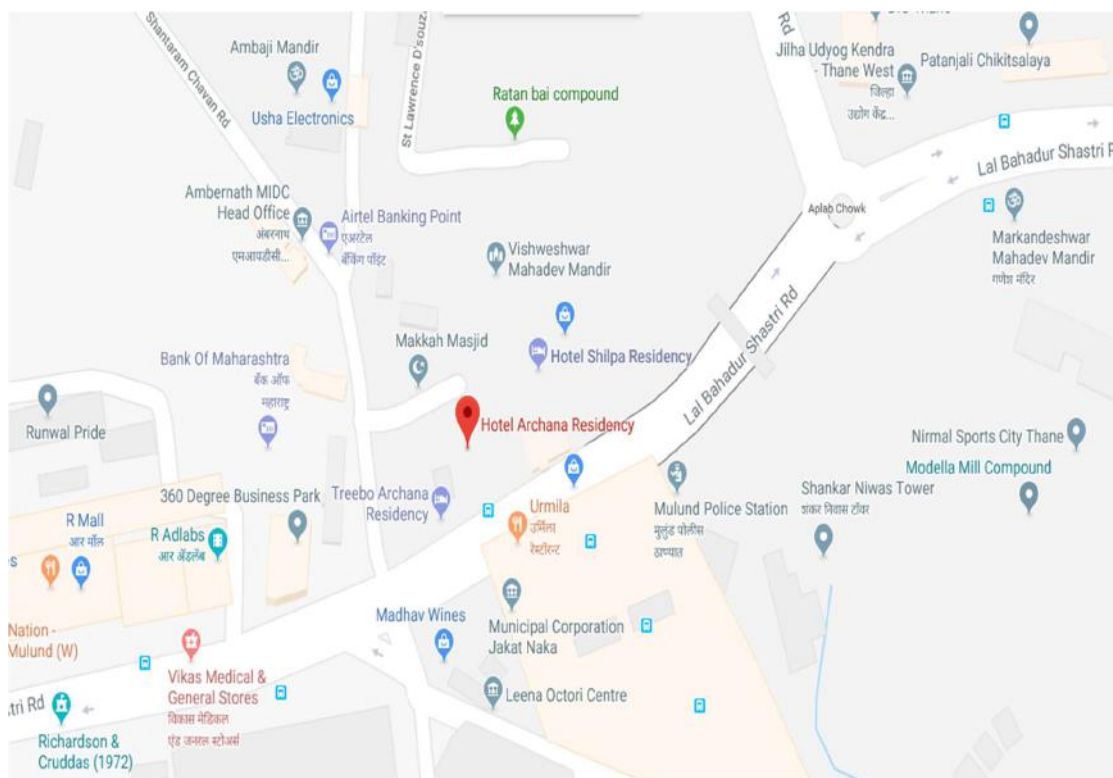
ROUTE MAP OF THE VENUE OF THE ANNUAL GENERAL MEETING OF THE COMPANY

AGM Venue:

The Hotel Archana Residency, Next to R-Mall, Lal Bahadur Shastri Road,
Mulund Check Naka, Mulund (West) Mumbai - 400 080.

Prominent Landmark: Near Mulund Check Naka.

ROUTE MAP:



Awards And Accreditation



Industry Initiatives

Philanthropy Activities



We believe that giving back to the society is a fundamental responsibility of any corporate institution. We are fulfilling our responsibilities towards the society through these social contributions.



We regularly conduct free programmatic workshops, to spread the knowledge about the emerging, data-driven and futuristic advertising technique of programmatic advertising.

Our Global Locations



Vertoz Inc

1250 Broadway, Suite
3611, New York City,
New York 10001, USA.



Vertoz Inc

50 California Street
Suite 1500,
San Francisco,
CA 94111 USA.



Vertoz Ltd

Kimberley House, 31
Burnt Oak Broadway,
Edgware, Greater
London – HA8 5LD, UK



**Vertoz Advertising
FZ-LLC**

EX-34,
Ground Floor, Bldg 16,
Dubai Internet City,
Dubai – 73000, UAE



**Vertoz Advertising
Limited**

602, Avior, Nirmal Galaxy,
LBS Marg,
Mulund West,
Mumbai – 400080, India



VERTOZ ADVERTISING LIMITED

(Formerly known as: Verto Media Private Limited & Verto Media Limited)

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