

VERTOZ ADVERTISING LIMITED

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

602, Avior Corporate Park, Nirmal Galaxy, LBS Marg, Opp. Johnson & Johnson, Mulund (W), Mumbai - 400080

Corporate Identity Number: L74120MH2012PLC226823

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED AND YEAR ENDED 31ST MARCH, 2020

(₹ in Lakhs)

Particulars	Standalone					Consolidated				
	Half year ended			Year ended		Half year ended			Year ended	
	(Audited) 31-03-2020	(Audited) 30-09-2019	(Audited) 31-03-2019	(Audited) 31-03-2020	(Audited) 31-03-2019	(Audited) 31-03-2020	(Audited) 30-09-2019	(Audited) 31-03-2019	(Audited) 31-03-2020	(Audited) 31-03-2019
1. Revenue:										
(a) Revenue From Operations (Net of Taxes)	₹ 534.88	₹ 1,001.18	₹ 1,203.53	₹ 1,536.06	₹ 2,129.85	₹ 1,178.62	₹ 2,874.50	₹ 2,322.06	₹ 4,053.12	₹ 4,623.24
(b) Income From Non-Operation (Net of Taxes)	₹ 106.27	₹ 17.27	₹ -56.64	₹ 123.54	₹ 64.82	₹ 157.18	₹ 17.80	₹ -56.13	₹ 174.98	₹ 65.34
Total Revenue	₹ 641.15	₹ 1,018.45	₹ 1,146.89	₹ 1,659.61	₹ 2,194.67	₹ 1,335.80	₹ 2,892.30	₹ 2,265.93	₹ 4,228.10	₹ 4,688.58
2. Expenses:										
(a) Direct Service Expense	₹ 276.51	₹ 178.46	₹ 366.89	₹ 454.97	₹ 603.44	₹ 806.62	₹ 1,573.75	₹ 936.55	₹ 2,380.37	₹ 2,140.31
(b) Employment Benefit Cost	₹ 177.95	₹ 456.55	₹ 393.69	₹ 634.50	₹ 824.02	₹ 239.33	₹ 562.72	₹ 499.76	₹ 802.05	₹ 1,047.07
(c) Finance Cost	₹ 44.78	₹ 30.83	₹ 23.05	₹ 75.61	₹ 34.63	₹ 56.09	₹ 33.23	₹ 32.85	₹ 89.32	₹ 37.68
(d) Other Expenses	₹ 95.41	₹ 62.50	₹ 169.17	₹ 157.91	₹ 287.86	₹ 148.16	₹ 102.55	₹ 221.10	₹ 250.71	₹ 396.27
(e) Depreciation	₹ 17.60	₹ 17.58	₹ 29.86	₹ 35.17	₹ 59.41	₹ 80.10	₹ 87.45	₹ 97.04	₹ 167.55	₹ 187.96
Total Expenses	₹ 612.24	₹ 745.91	₹ 982.66	₹ 1,358.15	₹ 1,809.37	₹ 1,330.31	₹ 2,359.69	₹ 1,787.30	₹ 3,690.00	₹ 3,809.30
3. Profit before Exceptional & Extra-Ordinary Items (1 - 2)	₹ 28.91	₹ 272.54	₹ 164.23	₹ 301.45	₹ 385.30	₹ 5.49	₹ 532.61	₹ 478.63	₹ 538.10	₹ 879.28
4. Exceptional Items	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
5. Profit Before Extra-Ordinary Items & tax (3 - 4)	₹ 28.91	₹ 272.54	₹ 164.23	₹ 301.45	₹ 385.30	₹ 5.49	₹ 532.61	₹ 478.63	₹ 538.10	₹ 879.28
6. Extra-Ordinary Items	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
7. Profit Before Tax - PBT (5 - 6)	₹ 28.91	₹ 272.54	₹ 164.23	₹ 301.45	₹ 385.30	₹ 5.49	₹ 532.61	₹ 478.63	₹ 538.10	₹ 879.28
8. Tax expense:										
(1) Income Tax Provision										
(a) Current Tax	₹ -8.74	₹ 77.59	₹ 60.08	₹ 68.85	₹ 117.08	₹ 10.86	₹ 86.11	₹ 100.99	₹ 96.98	₹ 157.99
(b) Excess / Short Provision	₹ 0.24	₹ -	₹ 5.61	₹ 0.24	₹ 5.61	₹ 0.42	₹ -	₹ 0.20	₹ 0.42	₹ 0.20
(2) Deferred tax	₹ 21.77	₹ -1.73	₹ -15.46	₹ 20.04	₹ -12.71	₹ 21.77	₹ -1.73	₹ -15.46	₹ 20.04	₹ -12.71
9. Profit/(Loss) for the period from continuing operations (7 - 8)	₹ 15.63	₹ 196.69	₹ 114.00	₹ 212.32	₹ 275.33	₹ -27.57	₹ 448.23	₹ 392.90	₹ 420.66	₹ 733.80
10. Profit/(Loss) from discontinuing operations	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
11. Tax Expense of discontinuing operations	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
12. Profit/(Loss) from Discontinuing Operations (after tax) (10 - 11)	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
13. Profit/(Loss) for the period After Tax - PAT (9 + 12)	₹ 15.63	₹ 196.69	₹ 114.00	₹ 212.32	₹ 275.33	₹ -27.57	₹ 448.23	₹ 392.90	₹ 420.66	₹ 733.80
14. Share of Profit/(Loss) of Associates	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
15. Minority Interest	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
16. Net Profit/(Loss) after taxes, minority interest & share of profit/(loss) of associates (13 + 14 + 15)	₹ 15.63	₹ 196.69	₹ 114.00	₹ 212.32	₹ 275.33	₹ -27.57	₹ 448.23	₹ 392.90	₹ 420.66	₹ 733.80
17. Paid-up Equity Share Capital (FV ₹ 10 each)	₹ 1,197.00	₹ 598.50	₹ 598.50	₹ 1,197.00	₹ 598.50	₹ 1,197.00	₹ 598.50	₹ 598.50	₹ 598.50	₹ 598.50
18. Reserve excl. Revaluation Reserves as per Balance Sheet of previous accounting year	₹ 1,500.07	₹ 2,094.34	₹ 1,897.79	₹ 1,500.07	₹ 1,897.79	₹ 3,804.46	₹ 3,509.64	₹ 3,033.26	₹ 3,804.46	₹ 3,033.26
19. No. of Shares (not annualised)	1,19,70,000	59,85,000	59,85,000	1,19,70,000	59,85,000	1,19,70,000	59,85,000	1,19,70,000	1,19,70,000	59,85,000
20. Earning per Equity Share:										
(1) Basic	₹ 0.13	₹ 3.29	₹ 1.90	₹ 1.77	₹ 4.60	₹ -0.23	₹ 7.49	₹ 6.56	₹ 3.51	₹ 12.26
(2) Diluted	₹ 0.13	₹ 3.29	₹ 1.90	₹ 4.60	₹ 4.60	₹ -0.23	₹ 7.49	₹ 6.56	₹ 3.51	₹ 12.26

For VERTOZ ADVERTISING LIMITED
(f.k.a. Vertoz Media Pvt. Ltd. & Vertoz Media Ltd.)

Hirenkumar Shah
Chairman & Whole Time Director
DIN: 00092739

Mumbai
June 25, 2020

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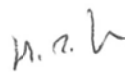
STATEMENT OF ASSETS & LIABILITIES AS AT 31ST MARCH 2020

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	(Audited) As At	(Audited) As At	(Audited) As At	(Audited) As At
	31st Mar. 2020	31st Mar. 2019	31st Mar. 2020	31st Mar. 2019
I. EQUITY AND LIABILITIES				
(1) Shareholder's Funds				
(a) Share Capital	₹ 1,197.00	₹ 598.50	₹ 1,197.00	₹ 598.50
(b) Reserves and Surplus	₹ 1,500.07	₹ 1,897.79	₹ 3,804.46	₹ 3,033.26
(2) Share Application Money Pending Allotment	₹ -	₹ -	₹ -	₹ -
(3) Non-Current Liabilities				
(a) Long-Term Borrowings	₹ 71.20	₹ 61.22	₹ 526.64	₹ 61.22
(b) Other Long Term Liabilities	₹ 42.39	₹ 35.14	₹ 42.39	₹ 35.14
(c) Defferd Tax Liability(Net)	₹ 22.94	₹ 2.90	₹ 22.94	₹ 2.90
(4) Current Liabilities				
(a) Short-Term Borrowings	₹ 782.49	₹ 390.65	₹ 477.41	₹ 450.71
(b) Trade Payables	₹ 254.76	₹ 248.52	₹ 650.25	₹ 710.49
(c) Other Current Liabilities	₹ 228.10	₹ 161.14	₹ 198.81	₹ 162.13
(d) Short-Term Provisions	₹ 75.65	₹ 118.54	₹ 144.99	₹ 155.89
Total Equity & Liabilities	₹ 4,174.60	₹ 3,514.39	₹ 7,064.89	₹ 5,210.24
II. ASSETS				
(1) Non-Current Assets				
(a) Fixed Assets				
(i) Gross Block	₹ 1,025.46	₹ 349.33	₹ 6,386.80	₹ 1,326.73
Depreciation	₹ 293.27	₹ 258.10	₹ 640.70	₹ 450.69
Net Block	₹ 732.18	₹ 91.23	₹ 5,746.10	₹ 876.04
(ii) Capital Work-in-progress	₹ -	₹ -	₹ -	₹ -
(b) Non-Current Investments	₹ 2,503.47	₹ 2,416.20	₹ -	₹ -
(c) Other Non-Current Assets	₹ -	₹ -	₹ -	₹ -
(d) Long Term Loans And Advances	₹ 11.90	₹ 30.03	₹ 16.91	₹ 37.73
(2) Current Assets				
(a) Inventories	₹ -	₹ -	₹ -	₹ -
(b) Trade Receivables	₹ 586.93	₹ 594.09	₹ 937.53	₹ 1,337.24
(c) Cash and Cash Equivalents	₹ 276.89	₹ 350.77	₹ 297.41	₹ 369.88
(d) Short-Term Loans And Advances	₹ 63.23	₹ 32.08	₹ 66.94	₹ 2,589.35
(e) Other Current Assets	₹ -	₹ -	₹ -	₹ -
Total Assets	₹ 4,174.60	₹ 3,514.39	₹ 7,064.89	₹ 5,210.24

For VERTOZ ADVERTISING LIMITED

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Hirenkumar Shah
Chairman & Whole Time Director
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*Notes forming part of the statement of audited financial results and asset & liabilities for the half year ended 31st March 2020:

- 1) The Financial results were reviewed by the Audit Committee and approved by the Board of Directors at their Meeting held on 25th June 2020.
- 2) The results for the half year ended and year ended 31st March, 2020 are audited and are prepared by respective statutory auditor of the Company in compliance with Regulation 33 of SEBI (Listing Obligations and Disclosures requirements) Regulations 2015.
- 3) The Company does not have more than one reportable segment in terms of AS 17 hence segment wise reporting is not applicable.
- 4) We confirm and declare that the Audit Report of the Auditors is with an Unmodified Opinion and it doesn't contain any audit observation(s), reservation(s), adverse comments(s) or qualification(s).
- 5) Figures of previous year / period have been regrouped /recast wherever necessary, in order to make them comparable.
- 6) These financial statements includes the year-to-date results of the following entities: -
 - I. Vertoz INC, USA (Wholly Owned Subsidiary)
 - II. Vertoz Ltd, UK (Wholly Owned Subsidiary)
 - III. Vertoz Advertising FZ-LLC, UAE (Subsidiary of Vertoz Ltd, UK)
 - IV. AdNet Holdings INC, USA (Subsidiary of Vertoz INC, USA)
 - V. ZKraft INC, USA (Subsidiary of Vertoz INC, USA)
 - VI. PubNX INC, USA (Subsidiary of Vertoz INC, USA)
 - VII. AdMozart INC, USA (Subsidiary of Vertoz INC, USA)
 - VIII. AdZurite INC, USA (Subsidiary of Vertoz INC, USA)
 - IX. AdZurite Solutions Pvt. Ltd., India (Wholly Owned Subsidiary)
- 7) The Company is giving consolidated financial results first time, therefore previous year comparision could not be ascertained in this result.
- 8) The outbreak of Coronavirus (COVID-19) pandemic globally is causing a slowdown in economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered disruptions to businesses worldwide, resulting in an economic slowdown and uncertainties pertaining to future operations.

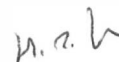
The Company has considered the possible effects that may result from COVID 19 on the carrying amounts of its assets. In developing the assumptions relating to the possible future uncertainties in the global conditions because of the pandemic, the Company, as on date on approval of these financial results have used variable information as available. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered.

The impact of COYID 19 may differ from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to the operations based on future economic conditions.

Mumbai

June 25, 2020

For VERTOZ ADVERTISING LIMITED
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Hirenkumar Shah
Chairman & Whole Time Director
DIN: 00092739

VERTOZ ADVERTISING LIMITED

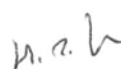
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Corporate Identity Number : U74120MH2012PLC226823

STANDALONE CASHFLOW STATEMENT AS ON 31ST MARCH 2020

Particulars	(Audited) Amount As At 31st Mar. 2020	(Audited) Amount As At 31st Mar. 2019
<u>A : Cash flows from operating activities:</u>		
Profit before taxation	301.45	385.30
Add: Non Operating Expense		
Depreciation	35.17	59.41
Capital Work in Process	-	-
Interest expense	75.61	34.63
	110.78	94.04
Less: Non Operating Income		
Other Non Operating Income (Inclusive of interest income)	123.54	64.82
	123.54	64.82
Operating profit before working capital changes	288.69	414.52
<u>Working capital changes:</u>		
Decrease /(Increase) In Trade Receivables	7.16	694.19
Decrease/(Increase) in Loans & advances (Assets)	(13.02)	47.97
Decrease/(Increase) in Inventories	-	-
Decrease/(Increase) in Other Current Assets	(5.70)	3.47
Increase /(Decrease) in Borrowing	419.13	208.53
Increase /(Decrease) in Trade Payables	6.24	180.72
Increase /(Decrease) in Other Current Liabilities	66.96	53.56
Increase /(Decrease) in Provisions	(42.89)	(3.22)
	437.87	1,185.22
Cash generated from operations	726.57	1,599.74
(-) Taxes paid	(89.13)	(109.98)
Net cash used in operating activities	637.44	1,489.76
<u>B : Cash flows from investing activities:</u>		
Fixed asset (Addition)/Deduction	(676.13)	(8.89)
Interest on FD	123.54	64.82
Capital Work in Process	-	-
Investment	(87.26)	(2,275.29)
Net cash Generated from investing activities	(639.85)	(2,219.36)
<u>C : Cash flows from financing activities:</u>		
Proceeds from issue of Shares	-	-
Dividend Paid	(5.84)	-
Increase in borrowing	9.98	208.53
Interest Expenses	(75.61)	(34.63)
Net cash generated from financing activities	(71.46)	173.90
D : Net increase in cash and cash equivalents = (A+B+C)	(73.87)	(811.24)
E : Cash and cash equivalents at beginning of period	350.77	1,162.01
F: Cash and cash equivalents at end of period = (D+E)	276.89	350.77

For VERTOZ ADVERTISING LIMITED
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Hirenkumar Shah
Chairman & Whole Time Director
DIN: 00092739

Mumbai
June 25, 2020

VERTOZ ADVERTISING LIMITED

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

Corporate Identity Number : L74120MH2012PLC226823

CONSOLIDATED CASHFLOW STATEMENT AS ON 31ST MARHC 2020

Particulars	Note No.	(Audited) Amount As At 31st Mar. 2020	(Audited) Amount As At 31st Mar. 2019
A : Cash flows from operating activities:			
Profit before taxation	(a)	538.10	879.28
Add: Non Operating Expense			
Depreciation		167.55	187.96
Interest expense		89.32	37.68
Exchange gain/loss on restatement of forex		373.00	68.37
	(b)	629.87	294.01
Less: Non Operating Income			
Non Operating Income (incl. of Interest Income)	(c)	174.98	65.34
		174.98	65.34
Operating profit before working capital changes	d=(a+b-c)	992.99	1,107.96
Working capital changes:			
(Decrease) / Increase in Trade Payables	-	60.25	20.78
(Increase) / Decrease in Trade Receivables		399.71	439.43
(Increase) / Decrease in Other Current Assets		-	3.47
(Increase) / Decrease in Long term Loans & Advances		20.81	-
(Increase) / Decrease in Short term Loans & Advances		2,522.41	2,501.18
(Decrease) / Increase in Current Liabilities		36.68	49.12
(Decrease) / Increase in Other Long Term Liabilities		7.25	3.85
(Decrease) / Increase in Short Term Borrowings		26.70	244.22
(Decrease) / Increase in Short Term Provisions	-	10.90	8.63
(Decrease) / Increase in Other Non-Current Liabilities		20.04	-
	(e)	2,962.47	- 1,747.66
Cash generated from operations	(d+e)	3,955.46	639.71
(-) Taxes paid	-	117.43	145.47
Net cash used in operating activities	(A)	3,838.02	- 785.18
B : Cash flows from investing activities:			
Fixed asset (Addition)/Deduction	-	5,060.07	101.20
Interest on FD		174.98	65.34
Investment		-	-
Net cash Generated from investing activities	(B)	- 4,885.10	35.86
C : Cash flows from financing activities:			
Proceeds from issue of Shares		598.50	-
Proceeds from /(repayments of) Short Term loans		465.42	34.30
Interest Expenses	-	89.32	37.68
Net cash generated from financing activities	(C)	974.60	- 71.98
D : Net increase in cash and cash equivalents = (A+B+C)	D=(A+B+C)	- 72.47	- 893.03
E : Cash and cash equivalents at beginning of period	(E)	369.88	1,262.91
F: Cash and cash equivalents at end of period = (D+E)	(D + E)	297.41	369.88

For VERTOZ ADVERTISING LIMITED

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

H. S. Shah

Hirenkumar Shah
Chairman & Whole Time Director
DIN: 00092739

Mumbai
June 25, 2020

**Auditor's Report on half yearly and Year to date standalone financial results of the Company
pursuant to the regulation 33 of SEBI (Listing Obligation and Disclosure Requirements)
Regulations, 2015**

TO
BOARD OF DIRECTORS OF
VERTOZ ADVERTISING LIMITED

We have audited the accompanying Statement of Standalone Financial Results of VertoZ Advertising Limited ("the Company"), for the half year ended March 31, 2020 and year ended March 31, 2020 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (as amended)

In our opinion and to the best of our information and according to the explanations gives to us the standalone financial results:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and
- ii. give a true and fair view in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act 2013(the "Act") and other accounting policies generally accepted in India, of the net profit and other financial information of the Company for the half year ended 31st March 2020 as well as the results for the year ended on 31st March 2020

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 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.

Responsibilities of Management and those charged with governance for the statement

This standalone financial result has been prepared on the basis of standalone annual financial statements and has been approved by the Company's Board of Directors. The Company's Board of Director is responsible for preparation and presentation of the statement that gives a true and fair view of the net profit of the company in accordance with accounting principle generally accepted in India, including Accounting Standard prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principal generally accepted in India, and in compliance with

Regulation 33 of the Listing regulations. 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 free from material misstatement, whether due to fraud and error.

In preparing the standalone 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.

Auditors 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 a 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 on the basis of these standalone financial statements.

As part of an audit 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 controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of 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.

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 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 matter that may reasonably be thoughts to bear on our independence, and where applicable, related safeguards.

For **Mittal and Associates**

Chartered Accountant

FRN: **106456W**

Hemant Radhakishan Bohra
an Bohra

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Date: 2020.06.25
20:51:57 +05'30'

Hemant Bohra

Partner

Membership No.: **165667**

UDIN: **20165667AAAACS4471**

Date: 25th June, 2020

Place: Mumbai

**Auditor's Report on Consolidated half yearly and Year to date financial results of the Company
pursuant to the regulation 33 of SEBI (Listing Obligation and Disclosure Requirements)
Regulations, 2015**

TO
BOARD OF DIRECTORS OF
VERTOZ ADVERTISING LIMITED

We have audited the accompanying consolidated financial results of **Vertoz Advertising Limited** ("the Parent Company") and its Indian Subsidiary together referred to as "the Group", for the half year ended March 31, 2020 and year ended March 31, 2020 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (as amended)

In our opinion and to the best of our information and according to the explanations gives to us the consolidated financial results:

- i. Includes the results of the following entities: -
 - a) Vertoz INC, USA (Wholly Owned Subsidiary)
 - b) Vertoz Ltd, UK (Wholly Owned Subsidiary)
 - c) AdZurite Solutions Pvt. Ltd., India (Wholly Owned Subsidiary)
 - d) Vertoz Advertising FZ-LLC, UAE (Subsidiary of Vertoz Ltd, UK)
 - e) AdNet Holdings INC, USA (Subsidiary of Vertoz INC, USA)
 - f) ZKraft INC, USA (Subsidiary of Vertoz INC, USA)
 - g) PubNX INC, USA (Subsidiary of Vertoz INC, USA)
 - h) AdMozart INC, USA (Subsidiary of Vertoz INC, USA)
 - i) AdZurite INC, USA (Subsidiary of Vertoz INC, USA)
- ii. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and
- iii. give a true and fair view in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act 2013(the "Act") and other accounting policies generally accepted in India, of the net profit and other financial information of the Company for the half year ended 31st March 2020 as well as the results for the year ended on 31st March 2020
- iv. We did not review the financial statements of foreign subsidiaries included in the consolidated financial statements; whose financial statements include total assets of Rs. 5,695.79 Lakhs and net assets of Rs.5149.61 Lakhs as at March 31, 2020 and total revenues of Rs 3341.21 Lakhs for the year ended on that date. These financial statements have been certified by the Company's Management and furnished to us, and our opinion, in so far as

it relates to the amount and disclosures included in respect of the said subsidiary is also based solely on these certified financial statements.

- v. We did not review the financial statements of an Indian Subsidiary included in the consolidated financial statements; whose financial statements include total assets of Rs. 47.01 Lakhs and net assets of Rs.39.72 Lakhs as at March 31, 2020 and total revenues of Rs 148.45 Lakhs for the year ended on that date These financial statement have been audited by other auditor whose audit report has been furnished to us by the parent company management and our conclusion on the statement, in so far relates to the amount and disclosure included in respect of subsidiary, is based on the report of the auditor and our opinion is also based solely on the report of such other auditor.

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 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.

Responsibilities of Management and those charged with governance for the statement

This consolidated financial result has been prepared on the basis of consolidated annual financial statements and has been approved by the Company's Board of Directors. The Company's Board of Director is responsible for preparation and presentation of the statement that gives a true and fair view of the net profit/ loss of the company in accordance with accounting principle generally accepted in India, including Accounting Standard prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principal generally accepted in India, and in compliance with Regulation 33 of the Listing regulations. 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 free from material misstatement, whether due to fraud and error.

In preparing the consolidated 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.

Auditors 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 a 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 on the basis of these consolidated financial statements.

As part of an audit 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 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 controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of 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.

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 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 matter that may reasonably be thoughts to bear on our independence, and where applicable, related safeguards.

For **Mittal and Associates**
Chartered Accountant
FRN: **106456W**

Hemant Radhakishan Bohra
Digitally signed by Hemant Radhakishan Bohra
Date: 2020.06.25 21:26:56 +05'30'

Hemant Bohra
Partner
Membership No.: **165667**
Date: 25th June, 2020
Place: Mumbai
UDIN: **20165667AAACT1124**