

Annual Report

2019 - 2020



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

VERTOZ ADVERTISING LIMITED

ANNUAL REPORT

2019 – 2020

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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 are a programmatic advertising Company that offers engaging and innovative advertising and monetization solutions which replaces the traditional methods of media buying and selling of advertisement.

Our Company's proprietary technology, advanced capabilities and programmatic platform is a highly scalable software platform that powers and optimizes the marketplace for the real-time trading of digital advertising inventory between advertisers and publishers.

Our highly scalable, Artificial Intelligent (AI) fueled, smart platform connects advertisers to a quality audience of leading publishers and digital platform, worldwide. 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.



6000+
Active Campaigns



1.3BN+
Active Audience



50BN+
Impression/Mo



6
Workplaces



195+
Countries

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).



We help brands reach
their prospects at the
right time through
**PROGRAMMATIC
ADVERTISING
SOLUTIONS**

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.

Consistently Growing And Delivering Substantial Profitability

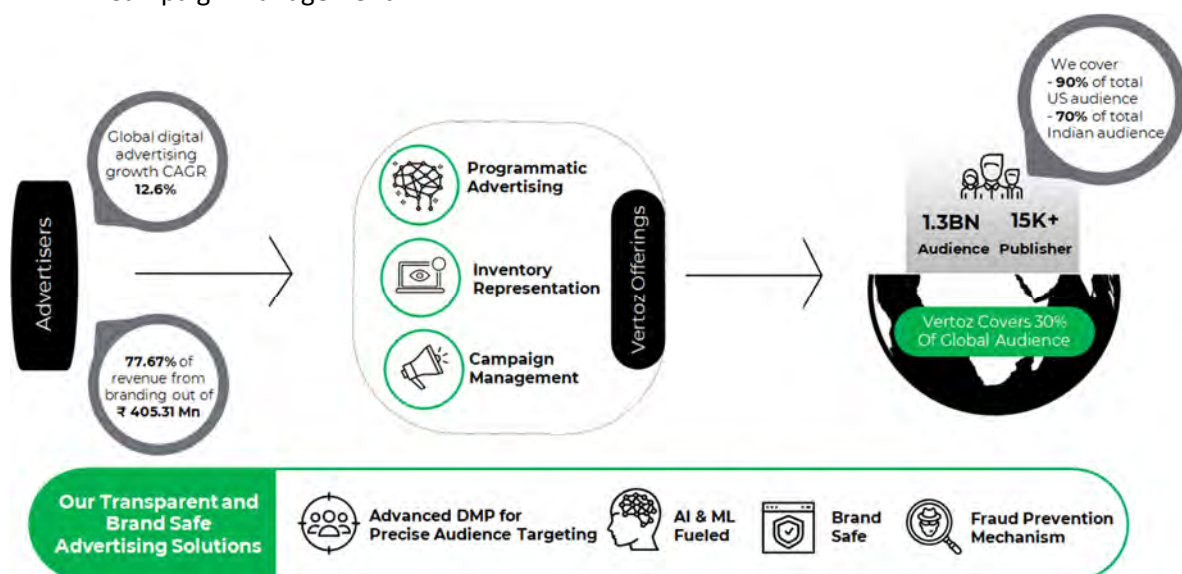


Business Offerings

1. Branding Solutions - (77.67% of Revenue for FY 2019 - 2020)

Our Branding solutions help direct advertisers and agencies advertisers to reach new and interactive audiences suitable for their brands.

- Programmatic advertising
- Inventory Representation
- Campaign Management



2. Performance Solutions - (22.33% of Revenue for FY 2019 - 2020)

Our premium network of publishers & affiliates connect advertisers to a global pool of audience to fulfill advertisers' performance goals. Our aim is to help brands achieve the desired ROI.

- Fulfill advertisers' performance goals.
- ROI based Revenue Model



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 analyze 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.

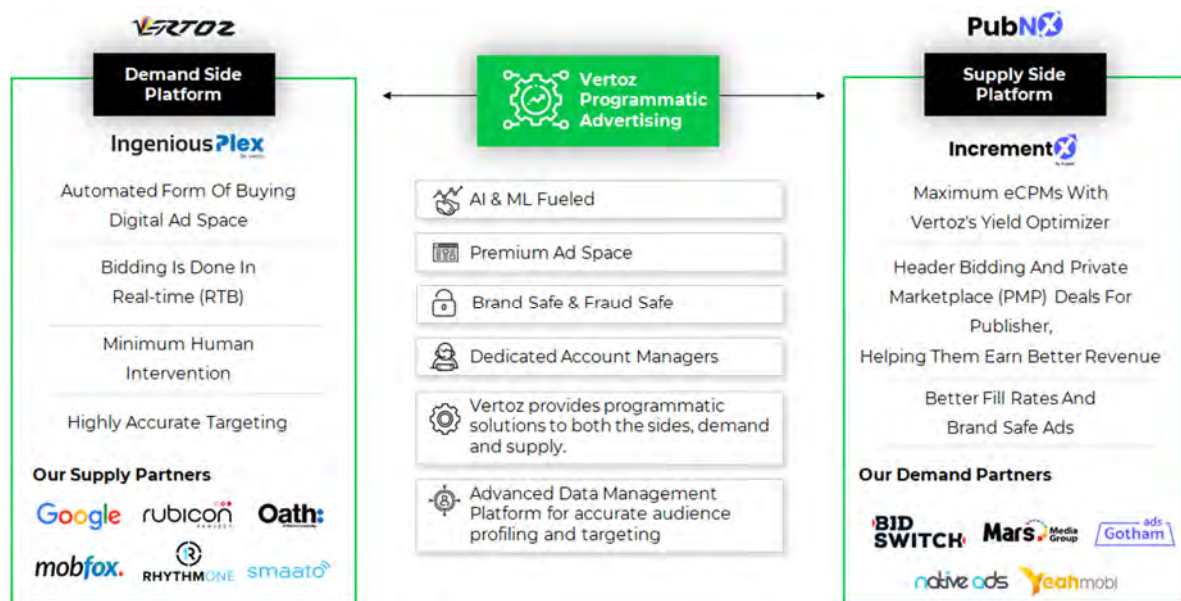
Data-driven advertising is
“Ready, Aim, Fire”
 mentality with higher levels of
 targeting, personalization,
 placement and timing.



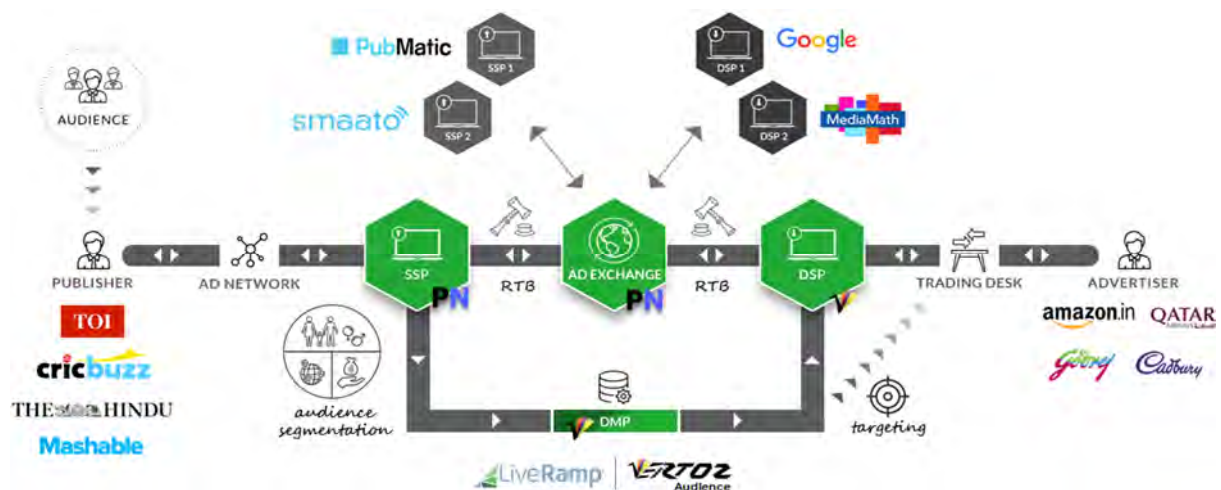
Our advertisers can run advertisements on publisher web pages across multiple devices like desktop, mobile and tablets. This helps both advertisers and publishers to achieve their respective goals.

VERTOZ ROLE IN PROGRAMMATIC ECOSYSTEM:

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 Technology:

We, at Vertoz, are committed to keeping up with the latest technology to enhance our product and update it as per the current market trends. Apart from that, we firmly believe in brand safety and keeping it intact on our platform which is one of the major concerns for both publishers as well as advertisers.

In addition, responding to the current scenario, we've been quick to address the concerns of our clients. This includes integrating a rapid query solving mechanism into our system in many ways and restructuring our training to suit the current mindset of our clients and making it readily available to them.

Programmatic is a futuristic technology for India, although it has already flourished in the US. In 2019, India spent around 59 per cent of ad spends on direct media purchases and 41 per cent was spent on programmatic purchases.

This indicates the growth of the programmatic industry, as, by 2022, it's projected that almost 74 per cent of the share will be contributed to the purchase of Programmatic media buying. This is largely due to the many benefits offered by programmatic advertising, which includes, but is not limited to increased flexibility, detailed targeting options and better control over creatives and optimization capabilities. Source: Statista

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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, Arior, 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
Harshad Uttamchand Shah [#]	Chairman & Non-Executive Director
Hirenkumar Rasiklal Shah	Whole-time Director
Ashish Rasiklal Shah	Whole-time Director
Rasiklal Hathichand 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

[#]Harshad Uttamchand Shah became Chairman w.e.f. 4th January 2020

*Harshal Ishwar Patel resigned w.e.f. 25th June 2020 from the Company]

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:

KFin Technologies 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
Nilam Doshi	Chairperson*	Non-Executive Independent Director
Hirenkumar Shah	Member	Whole-time Director
Rohit Vaghadia	Member [#]	Non-Executive Independent Director

[*Nilam Joshi was elected as Chairperson of the Company w.e.f. 25th June 2020, as earlier Harshal Patel was the Chairman of the Committee, but he resigned from the Company and so the Committee was re-constituted.

[#]Rohit Vaghadia became the Member of the Committee w.e.f. 25th June 2020]

2. Stakeholders' Relationship Committee:

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

[*Rohit Vaghadia became the Member of the Committee w.e.f. 25th June 2020. Harshal Patel was also the Member of the Committee, but he resigned from the Company and so the Committee was re-constituted.]

3. Nomination & Remuneration Committee:

Name of Director	Status in Committee	Nature of Directorship
Nilam Doshi	Chairperson	Non-Executive Independent Director
Rohit Vaghadia	Member*	Non-Executive Independent Director
Harshad Shah	Member	Non-Executive Non-Independent Director

[*Rohit Vaghadia became the Member w.e.f. 25th June 2020. Mr. Hirenkumar Shah and Mr. Harshal Patel ceased to be the Members of the Committee w.e.f. 4th January 2020 and 25th June 2020 respectively]

CHAIRMAN'S LETTER

Dear Shareholders,

It's been an extremely challenging and unusual last few months for the world. But while there will continue to be uncertainties in the near-term, I am very optimistic about the future.

In light of the COVID-19 pandemic, businesses are relying on digital marketing now, more than ever. It is and will change the way businesses function, operate, connect and advertise. Digital advertising and mobile marketing will be the new age marketing mandates that will drive businesses and integrate them into the Industrial Revolution.

We at Vertoz, are all set to help brands re-emerge. The brands that were traditional-marketing oriented are also now steadily moving towards digital and we have started preparing for ideas and media plans for this new quarter.

We 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.

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 the huge contribution from the entire team of Vertoz Advertising Limited who push its boundaries, rise above challenges.

It is an honor to serve as the Chairman & Non-Executive 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,

Harshad Uttamchand Shah
Chairman & Non-Executive Director

WHOLE-TIME DIRECTOR'S SPEECH

Dear Shareholders,

We trust this letter finds you and your dear ones safe and in good health.

We as a human race were struck by a devastating blow which we are now battling. A virus which is not only invisible, does not differentiate and is unrelenting in its spread. Governments, large and small organizations, and every individual across the world had no choice but to shut down all normal activity to protect and contain the spread of this virus. Despite this we have seen untimely loss of many lives, across the board disruption of economic activity and adverse hugely adverse impact on millions of livelihood. We too had to deal with the situation, and we have done so with courage, compassion and careful planning.

Our values of trust, innovation, adaptability and speed guide as we formulate new strategies, refine our business models, adopt new technologies and work practices, and set new goals. We are resolute in our aim is to transform Vertoz from being a good and highly successful Company to a great one.

In conclusion, we 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, we 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,

Hirenkumar Shah & Ashish Shah
Whole-time Directors

DIRECTOR'S REPORT

Dear Members of Vertoz Advertising Limited,

Your Directors have pleasure in presenting this 9th Annual report on the affairs of the Company together with the Audited Statement of Accounts for the year ended on 31st March 2020.

1. COMPANY SPECIFIC INFORMATION

1.1 FINANCIAL SUMMARY AND/OR HIGHLIGHTS:

(₹ in Lakhs)

Particulars	Standalone Figures		Consolidated Figures	
	FY 2019-2020	FY 2018-2019	FY 2019-2020	FY 2018-2019
Gross Income	1659.61	2194.67	4228.10	4688.58
Profit/(Loss) Before Interest and Depreciation	412.23	479.34	794.97	1104.92
(-) Finance Charges	(75.61)	(34.63)	(89.32)	(37.68)
Gross Profit/(Loss)	336.62	444.71	705.65	1067.24
(-) Provision for Depreciation	(35.17)	(59.41)	(167.55)	(187.96)
Net Profit Before Tax	301.45	385.30	538.10	879.28
(-) Provision for Tax	(69.09)	(122.69)	(97.4)	(158.19)
(-) Deferred Tax	(20.04)	12.71	(20.04)	12.71
Net Profit After Tax	212.32	275.33	420.66	733.80
Balance of Profit/(Loss) brought forward	212.32	275.33	420.66	733.80
(-) Consolidation Revaluation Gain/(Loss)	0.00	0.00	0.00	0.00
Balance available for appropriation	212.32	275.33	420.66	733.80
(-) 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	212.32	275.33	420.66	733.80

1.2 OPERATIONS AND AFFAIRS OF THE COMPANY:

The Company has reported total standalone income of ₹ **1659.61 Lakhs** for the current year as compared to ₹ **2194.67 Lakhs** in the previous year. The Net Profit after tax for the year under review amounted to ₹ **212.32 Lakhs** in the current year as compared to Net Profit after tax of ₹ **275.33 Lakhs** in the previous year.

The Company has reported total consolidated income of ₹ **4228.10 Lakhs** for the current year as compared to ₹ **4,688.58 Lakhs** in the previous year. The Net Profit after tax for the year under review amounted to ₹ **420.66 Lakhs** in the current year as compared to Net Profit after tax of ₹ **733.80 Lakhs** in the previous year.

1.3 TRANSFER TO RESERVES:

The Company has closing balance of ₹ 15,00,07,265/- as Reserves and Surplus.

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

Sr. No.	Particulars	As at 31 st March, 2020
1.	Surplus from Profit & Loss Account	
	Opening Balance	4,07,61,876
	Add: Profit/(Loss) for the period	2,12,32,151
	Less: Issue of Bonus Shares	-
2.	Securities Premium (n/off preliminary expenses)	8,85,96,940
	Total Value in INR	15,00,07,265

1.4 FINAL DIVIDEND:

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/- aggregating to ₹ 5,22,785.20/- plus applicable Taxes thereon as the case may be. The Promoter & Promoter Group have forgone / waived their right to receive final dividend for the financial year 2019-2020 and hence the Dividend, if any, approved by the Members at the ensuing Annual General Meeting shall be only for Non-Promoter/ Open Public Shareholders upon 52,27,852 Equity Shares. **“Record Date”** for the same is Tuesday, 20th October, 2020.

1.5 MAJOR EVENTS OCCURRED DURING THE YEAR:

A. COVID-19 IMPACT:

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 periods. 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.

During this challenging time, the Company's focus is on supporting customers, employees and the local communities in which we operate along with safeguarding the interest of all the Stakeholders.

The Company is remotely operational and has instructed its staff to Work from Home since 17th March, 2020 and the Company has made all the necessary arrangements to ensure the staff is able to deliver on projects for the Company's clients.

B. CHANGE IN NATURE OF BUSINESS:

During the FY 2019-2020 under review, the Board of Directors, though exploring addition to existing business and commercial activities, could not be materialized. Therefore, there is no change in the nature of business and commercial activities of the Company.

C. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY HAVING OCCURRED SINCE THE END OF THE YEAR AND TILL THE DATE OF THE REPORT

There were few material changes that happened since the end of the year and till the date of the report. The same are as follows:

- a) To provide various advantage/s like enhanced liquidity, better realization, brand image and value, etc. to all the Stakeholders including the Shareholders (Members) of the Company and prospective Investors at large your Company had passed resolution through postal ballot during the FY 2019-2020 for migration of specified securities [Equity Shares] from SME Exchange [NSE EMERGE] to the Main Board [NSE]. Accordingly, NSE has granted its approval vide its letter dated 12th May, 2020 for migration of Equity Shares of the Company and they are listed and admitted to dealings on the Exchange (Capital Market Segment) w.e.f. 14th May, 2020.
- b) On 25th June, 2020, Mr. Harshal Patel, Non-Executive Independent Director (DIN: 07842251) resigned from the Company as an Independent Director, due to personal reasons and owing to resignation all the committees were reconstituted.
- c) On 30th June 2020, Promoters of the Company, Mr. Hirenkumar Shah and Mr. Ashish Shah, sold 10,00,000 Shares each in the Open Market, thereby reducing their individual Shareholding from 34.02% to 25.67%.
- d) The Board of Directors of the Company is contemplating and evaluating at its Meeting held on 29th September 2020 any and all proposals for raising of funds by way of issuance of any instrument or security, including Equity Shares, Fully or Partly Convertible Debentures, Non-Convertible Debentures, Warrants, Securities, any other Equity-based Instruments or Securities or any combination thereof, in one or more

tranches including by way of Follow on Public Issue, Preferential Allotment, or a Private Placement (including one or more Qualified Institutions Placements (QIP).

1.6 DETAILS OF REVISION OF FINANCIAL STATEMENT OR THE REPORT

There is no occasion whereby the Company has either revised or required to revise the Financial Statement or the Board's Report of the Company for any period prior to the FY 2019-2020. As such, no specific details are required to be given or provided.

2. GENERAL INFORMATION:

2.1 OVERVIEW OF THE INDUSTRY

The details discussion on the overview of the industry is covered under Management Discussion and Analysis which forms part of this report.

2.2 ECONOMIC OUTLOOK

The details discussion on the Global Economic outlook is covered under Management Discussion and Analysis which forms part of this report.

3. CAPITAL AND DEBT STRUCTURE:

During the year, your Company has increased Authorised Share Capital of the Company from ₹ 6,00,00,000/- (Rs. Six Crores) divided into 60,00,000 (Sixty Lakhs) Equity Shares of ₹ 10/- (Rs. Ten) each to ₹ 12,00,00,000/- (Rs. Twelve Crores) divided into 1,20,00,000 (One Crore Twenty Lakh) Equity Shares of ₹ 10 (Rs. Ten) each. Further, the Company by Capitalization of free reserves namely Securities Premium allotted 59,85,000 (Fifty-Nine Lakhs Eighty-Five Thousand) Equity Shares of face value of ₹ 10/- each, in the capital of the Company in the proportion of One (1) Bonus Equity Share of ₹ 10/- (Rs. Ten) each, for every One (1) fully paid-up Equity Share of ₹ 10/- (Rs. Ten) each, held by the Member/s of the Company. The existing capital Structure of the Company is as follows:

Particulars	31 st March 2020	31 st March 2019
	Amount (Rupees in lakhs)	
Authorised Share Capital 1,20,00,000 (60,00,000) Equity Shares of ₹ 10/- (Rupees Ten) each	1,200.00	600.00
Issued, Subscribed and Paid-up Share Capital 1,19,70,000 (59,85,000) Equity Shares of ₹ 10/- (Rupees Ten) each	1,197.00	598.50

Further, the Company has neither issued any Convertible or Non-Convertible Securities, Debentures, Bonds, Warrants, Shares with differential voting rights as to dividend, voting or otherwise, nor issued or granted ESOP, stock option, sweat equity during the FY 2019-2020.

4. UNPAID DIVIDEND & INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

During the FY 2019-2020 under review, your Company was 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). As such, no specific details are required to be given or provided.

5. DEPOSITS:

During the FY, your 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.

6. 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 at arm's length price for the FY 2019-2020 as required under section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is given in "Annexure – 4"

7. 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. *Research and Development and Technology Absorption:*

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of research and development and 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.

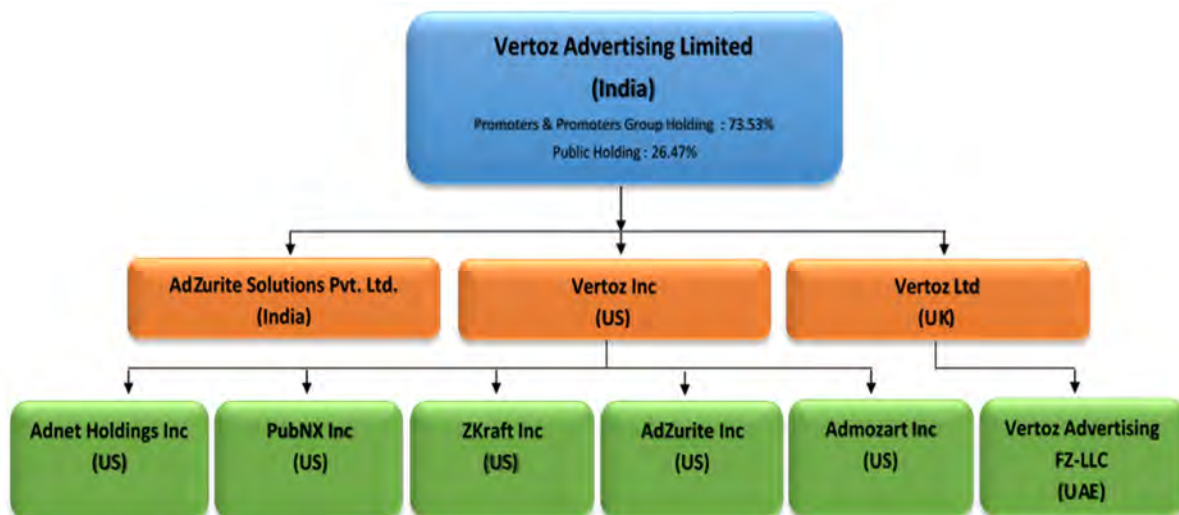
Particulars	FY 2019-2020
Foreign Exchange Inflow	₹ 2,70,64,634
Foreign Exchange Outflow	₹ 5,26,017

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

During the FY 2019-2020 under review, the Company has neither granted loan/s (secured or unsecured), provided guarantees or securities in connection with any loan/s availed by others nor made any investments pursuant to the provisions of Section 185 and 186 the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended). As such, no specific details are required to be given or provided.

9. 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 (₹)
2018-2019	31,53,12,266	30,79,76,895	66,35,577	(80,70,687)
2019-2020	56,09,21,219	25,91,36,873	54,98,709	9,01,009

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 (₹)
2018-2019	11,90,29,065	7,25,08,041	3,92,12,117	(1,07,583)
2019-2020	25,28,42,265	14,81,92,669	10,61,78,710	(7,86,787)

10. 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 attached as “Annexure – 3”.

11. 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, 2020 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>

12. 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 by the Company, for the Financial Year 2019-2020. 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.

13. 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, 2020
1	Hirenkumar Rasiklal Shah	00092739	Whole-time Director	Yes	40,71,824
2	Ashish Rasiklal Shah	00092787	Whole-time Director	No	40,71,824
3	Rasiklal Hathichand Shah	00091585	Non-Executive Director	No	1,19,700
4	Harshad Uttamchand Shah	07849186	Chairman & Non-Executive Director	No	59,852
5	Harshal Ishwar Patel*	07842251	Independent Director	Chairman of Audit Committee	NIL
6	Rohit Keshavlal Vaghadia [#]	07946771	Independent Director	Yes	NIL
7	Nilam Samir Doshi [@]	07848294	Independent Director	Yes	NIL
8	Akshay Sonar Parolkar	BBCPS6255B	Chief Financial Officer	No	NIL
9	Zill Shah [§]	EZOPS6680B	Company Secretary & Compliance Officer	No	NIL

[* Harshal Patel resigned from the Company w.e.f. 25th June 2020 and so he ceased to be the Independent Director of the Company and all the Committees were reconstituted.

[#] Rohit Keshavlal Vaghadia became the Member of the Audit Committee w.e.f. 25th June 2020

[@] Nilam Samir Doshi was elected as the Chairperson of the Audit Committee w.e.f. 25th June 2020

[§] Zill Shah was appointed as the Company Secretary & Compliance Officer w.e.f. 30th May 2019]

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.

But after the Financial Year 2019-2020, there were changes in the Board Composition. On 25th June 2020, Mr. Harshal Patel resigned from the Company and so he ceased to be the Independent Director of the Company and all the Committees were reconstituted with immediate effect.

c) RETIREMENT BY ROTATION:

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Harshad Uttamchand Shah (DIN: 07849186), is due to retire by rotation at the 9th Annual General Meeting and being eligible, offer himself for re-appointment. Brief profile of the proposed appointee together with other disclosures in terms of Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are mentioned in the Notice which is part of this Annual Report.

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 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.

14. 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 2020 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, 2019	7	6
2	30 th August, 2019	7	7
3	14 th November, 2019	7	6
4	4 th January, 2020	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

[Harshal Patel resigned w.e.f. 25th June 2020, so Nilam Doshi was elected as the Chairperson of the Audit Committee and Rohit Vaghadia became the Member along with the existing Member Hirenkumar Shah]

4. ATTENDANCE RECORD:

Dates on which Meetings were held	Attendance of Members		
	Harshal Patel	Nilam Doshi	Hirenkumar Shah
30 th May, 2019	Present	Present	Present
30 th August, 2019	Present	Present	Present
14 th November, 2019	Present	Present	Present
4 th January, 2020	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. The Policy is placed on the website of the Company at: <https://www.vertoz.com>.

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 ceased to be the Member of Nomination & Remuneration Committee w.e.f. 4th January 2020.

Harshal Patel resigned w.e.f. 25th June 2020, so Nilam Doshi was elected as the Chairperson of the Nomination & Remuneration Committee and Rohit Vaghadia became the Member along with the existing Member Harshad Shah]

4. ATTENDANCE RECORD:

Dates on which Meetings were held	Attendance of Members			
	Harshal Patel	Nilam Doshi	Harshad Shah	Hirenkumar Shah
4 th January 2020	Present	Present	Present	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

[Harshal Patel resigned w.e.f. 25th June 2020, so Rohit Vaghadia became the Member along with the existing Member Harshad Shah and Hirenkumar Shah]

There was one Meeting conducted during the year.

4. ATTENDANCE RECORD:

Dates on which Meetings were held	Attendance of Members			
	Nilam Doshi	Harshal Patel	Harshad Shah	Hirenkumar Shah
4 th January 2020	Present	Present	Present	Present

15. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Board of Directors confirms that the Company, has duly complied and is in compliance, with the applicable Secretarial Standard/s, namely Secretarial Standard – 1 ('SS-1') on Meetings of the Board of Directors and Secretarial Standard - 2 ('SS-2') on General Meetings, during the FY 2019-2020.

16. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):

During the FY 2019-2020 under review, no such event occurred by which Corporate Insolvency Resolution Process can be initiated under the Insolvency and Bankruptcy Code, 2016 (IBC). As such, no specific details are required to be given or provided.

17. FAILURE TO IMPLEMENT ANY CORPORATE ACTION:

During the FY 2019-2020 under review, the Company has duly complied with corporate action regarding issue and allotment of 59,85,000 (Fifty-Nine Lakhs Eighty-Five Thousand only)

Bonus Equity Shares and also, there was no occasion wherein the Company failed to implement any Corporate Action. As such, no specific details are required to be given or provided.

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. RISK MANAGEMENT:

All material Risks faced by the Company are identified and assessed. For each of the risks identified, corresponding controls are assessed, and policies and procedures are put in place for monitoring, mitigating and reporting risk on a periodic basis.

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 2019-2020.

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 2020:

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 2019-2020.

Secretarial Audit Report issued by M/s. U. Hedge & Associates, Practicing Company Secretaries in Form MR-3 for the Financial Year 2019-2020 forms part to this report as an “Annexure – 5”. The said report does not contain the following observation or qualification.

21. CORPORATE GOVERNANCE:

During the year under review, your Company’s Shares is listed on the SME Exchange, 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.

Your Company migrated w.e.f. 14th May 2020, it shall comply with the requirements of 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 from FY 2020-21.

22. CORPORATE SOCIAL RESPONSIBILITY

Your 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.

23. 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.

24. 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".

25. MEANS OF COMMUNICATION:

The Company has designated compliance@vertoz.com as an email id for the purpose of registering complaints by investors and displayed the same on the website of the Company.

26. 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 GOODS AND SERVICE TAX AUDIT: During this year the Company have filed all the GST Returns as per GST Norms. There are no GST dues pending with the Company as on 31st March, 2020. Further the Company had completed and filed GST Audit Report for FY 2017-18 on 07.02.2020. The GST Audit for FY 2018-19 and FY 2019-20 will be processed and complied with GST norms or on before its due date.

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 2020, 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 2020 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 2019-2020.

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) SUSPENSION OF TRADING:

There was no occasion wherein the equity shares of the Company have been suspended for trading during the FY 2019-2020.

i) BUSINESS RESPONSIBILITY REPORT:

The SEBI Listing Regulations mandate the inclusion of the BRR as part of the Annual report for the top 1000 listed entities based on market capitalization. As the Company does not fall under the criteria specified, the BRR is not applicable to the Company.

j) DEMATERIALISATION OF SHARES:

As on 31st March 2020, the entire 100% Issued, Subscribed and Paid-up Share Capital i.e. 1,19,70,000 Equity Shares of the Company were held in dematerialized form through depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

k) PAYMENT OF LISTING AND DEPOSITORIES FEES:

The Company has duly paid the requisite annual listing fees for the FY 2020-21, to the National Stock Exchange of India Limited (NSE).

The Company has also duly paid the requisite annual custodian and other fees for the FY 2019-20, to the National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL).

l) 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 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 2019-2020, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder there were **No Complaints** registered.

27. 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 – 6**”.

28. 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**

Place: Mumbai

Date: 29th September 2020

**Harshad Shah
Chairman & Non-Executive Director
DIN: 07849186**

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	KFin Technologies 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	8742148	0	8742148	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	8742148	0	8742148	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	8742148	0	8742148	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 Corporate	217719	0	217719	3.64	285600	0	285600	2.39	(01.25)
Individuals									
A. Individual shareholders holding nominal share capital up to ₹ 1 lakh	663081	0	663081	11.08	1053600	0	1053600	8.80	(2.28)
B. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	711526	0	711526	11.89	1883852	0	1883852	15.74	3.85
Others									
Clearing Members	4800	0	4800	0.08	4800	0	4800	0.04	(0.04)
NRI	13200	0	13200	0.22	0	0	0	0.00	(0.22)
NRI-NR	3600	0	3600	0.06	0	0	0	0.00	(0.06)
Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0.00
Sub-total (B)(2)	1613926	0	1613926	26.97	3227852	0	3227852	26.97	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	1613926	0	1613926	26.97	3227852	0	3227852	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)	5985000	0	5985000	100.00	11970000	0	11970000	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	4071824	34.015	0.000	0.000
2.	Ashish Shah	2035912	34.015	0.000	4071824	34.015	0.000	0.000
3.	Rasiklal Shah	59850	1.000	0.000	119700	1.000	0.000	0.000
4.	Ranjanben Shah	59850	1.000	0.000	119700	1.000	0.000	0.000
5.	Archana Shah	59850	1.000	0.000	119700	1.000	0.000	0.000
6.	Shital Shah	59850	1.000	0.000	119700	1.000	0.000	0.000
7.	Arpana Vejani	59850	1.000	0.000	119700	1.000	0.000	0.000
	Grand Total	4371074	73.030	0.000	8742148	73.030	0.000	0.000

iii) Change in Promoters' Shareholding:

There was no change in the percentage of Shareholding of the Promoters but the number of Shares held by them were doubled due to issue to Bonus Shares in the ratio of 1:1 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.	WAYS VINIMAY PRIVATE LIMITED				
	At the beginning of the year	74800	1.25	74800	1.25
	Change during the year				
	Transfer on 09/08/2019	(6000)		68800	1.15
	Transfer on 17/01/2020	68800		137600	1.15
	At the end of the year			137600	1.15
2.	NNM SECURITIES				
	At the beginning of the year	74400	1.24	74400	1.24
	Transfer on 23/08/2019	(7200)		67200	1.12
	Transfer on 30/08/2019	(4800)		62400	1.04
	Transfer on 20/09/2019	(4800)		57600	0.96
	Transfer on 27/09/2019	(4800)		52800	0.88
	Transfer on 17/01/2020	52800		105600	0.88
	At the end of the year			105600	0.88
3.	BHAVESH PRAVINCHANDRA SHAH				
	At the beginning of the year	72000	1.20	72000	1.20
	Transfer on 17/01/2020	72000		144000	1.20
	At the end of the year			144000	1.20
4.	SHITAL BHAVESHKUMAR SHAH				
	At the beginning of the year	69600	1.16	69600	1.16
	Transfer on 02/08/2019	2400		72000	1.20
	Transfer on 17/01/2020	72000		144000	1.20
	At the end of the year			144000	1.20

5.	MITESH PRAVINCHANDRA SHAH				
	At the beginning of the year	58800	0.98	58800	0.98
	Transfer on 26/04/2019	(6000)		52800	0.88
	Transfer on 19/07/2019	2400		55200	0.92
	Transfer on 23/08/2019	4798		59998	1.00
	Transfer on 06/09/2019	2		60000	1.00
	Transfer on 29/11/2019	(7200)		52800	0.88
	Transfer on 06/12/2019	7200		60000	1.00
	Transfer on 20/12/2019	(7200)		52800	0.88
	Transfer on 27/12/2019	7200		60000	1.00
	Transfer on 03/01/2020	(14)		59986	1.00
	Transfer on 10/01/2020	14		60000	1.00
	Transfer on 17/01/2020	59986		119986	1.00
	Transfer on 31/01/2020	14		120000	1.00
	At the end of the year			120000	1.00
6.	MANJULA PRAVINCHANDRA SHAH				
	At the beginning of the year	52800	0.88	52800	0.88
	Transfer on 17/01/2020	52800		105600	0.88
	At the end of the year			105600	0.88
7.	RUJUTA MITESHBHAI SHAH				
	At the beginning of the year	52800	0.88	52800	0.88
	Transfer on 17/01/2020	52800		105600	0.88
	At the end of the year			105600	0.88
8.	PRASHANT MUKUNDRAY SHAH				
	At the beginning of the year	43200	0.72	43200	0.72
	Transfer on 17/01/2020	43200		86400	0.72
	At the end of the year			86400	0.72
9.	HEMAL DHAVAL SHAH				
	At the beginning of the year	37200	0.62	37200	0.62
	Transfer on 23/08/2019	(12000)		25200	0.42
	Transfer on 27/09/2019	(13200)		12000	0.20
	Transfer on 15/11/2019	(1200)		10800	0.18
	Transfer on 22/11/2019	2400		13200	0.22
	Transfer on 06/12/2019	(1200)		12000	0.20
	Transfer on 20/12/2019	1200		13200	0.22
	Transfer on 27/12/2019	(2400)		10800	0.18
	Transfer on 17/01/2020	13200		24000	0.20
	Transfer on 24/01/2020	2400		26400	0.22
	Transfer on 07/02/2020	(2400)		24000	0.20
	Transfer on 31/03/2020	(2400)		21600	0.18
	At the end of the year			21600	0.18
10.	HARDIK KISHORBHAI SHAH				
	At the beginning of the year	36000	0.60	36000	0.60
	Transfer on 26/04/2019	(8400)		27600	0.46
	Transfer on 17/01/2020	27600		55200	0.46
	At the end of the year			55200	0.46

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	34.02	2035912	34.02
		Transfer on 17/01/2020	2035912		4071824	34.02
		At the end of the year			4071824	34.02
2.	Ashish Shah	At the beginning of the year	2035912	34.02	2035912	34.02
		Transfer on 17/01/2020	2035912		4071824	34.02
		At the end of the year			4071824	34.02
3.	Rasiklal Shah	At the beginning of the year	59850	1.00	59850	1.00
		Transfer on 17/01/2020	59850		119700	1.00
		At the end of the year			119700	1.00
4.	Harshad Shah	At the beginning of the year	29926	0.50	29926	0.5
		Transfer on 17/01/2020	29926		59852	0.5
		At the end of the year			59852	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.	*Zill Shah [*appointed w.e.f. 30 th 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	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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
• Addition	7,48,37,803	7,96,17,801	NIL	15,44,55,604
• Reduction	(7,81,75,714)	(3,53,88,087)	NIL	(11,35,63,801)
Net Change	(33,37,911)	4,42,29,714	NIL	4,08,91,803
Indebtedness at the end of the financial year				
i) Principal Amount	3,93,67,085	5,07,92,753	NIL	9,01,59,838
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	3,93,67,085	5,07,92,753	NIL	9,01,59,838

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	₹ 59,54,400/-	₹ 54,18,968/-	₹ 1,13,73,368/-
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	c. Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify	Nil	Nil	Nil
5	Others, please specify			
	Total (A)	₹ 59,54,400/-	₹ 54,18,968/-	₹ 1,13,73,368/-
	Ceiling as per the Act (as per Sch V)	₹ 84,00,000/-	₹ 84,00,000/-	₹ 1,68,00,000/-

B. Remuneration to other directors:

S N.	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	20,000	20,000	20,000	60,000
	• Fee for attending Audit Committee Meetings	20,000	20,000	-	40,000
	• Fee for attending NRC Meeting	5,000	5,000	-	10,000
	• Fees for attending SRC Meeting	5,000	5,000	-	10,000
	• Commission				
	• Others, please specify				
	Total (2)	50,000	50,000	20,000	1,20,000
	Other Non-Executive Directors	Harshad Shah (07849186)	Rasiklal Shah (00091585)		Total Amount
	• Fee for attending Board Meetings	20,000	20,000		40,000
	• Fee for attending NRC Meeting	-	-		
	• Fee for attending SRC Meeting	5,000	-		5,000
	• Commission				
	• Others, please specify				
	Total (3)	25,000	20,000		45,000
	Total (B) = (1+2+3)	75,000	70,000	20,000	1,65,000

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary Zill Shah	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	₹ 6,95,520/-	₹ 18,66,816/-	₹ 25,62,336/-
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total	₹ 6,95,520/-	₹ 18,66,816/-	₹ 25,62,336/-

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: 29th September 2020

**Harshad Shah
Chairman & Non-Executive Director
DIN: 07849186**

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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 labor-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 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 consolidated revenue from operations was ₹ 4,053.12 lakhs during year 2019-2020.

(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 122 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) Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

Sr. No	Particulars	As on 31.03.2020	As on 31.03.2019
1.	Debtors Turnover Ratio	84.43 Days	105.57 Days
2.	Inventory Turnover Ratio	NA	NA
3.	Interest Coverage Ratio	9.29 Times	48.36 Times
4.	Current Ratio	0.88 Times	2.90 Times
5.	Debt Equity Ratio	0.21 Times	0.15 Times
6.	Operating Profit Margin (%)	41.27%	53.71%
7.	Net Profit Margin (%)	10.28%	15.87%

Explanations on Change 25% or more in Key Indicator Ratios over previous year:

a) Interest Coverage Ratio: The immediate reason for change in this ratio is because Mr. Hirenkumar Shah, WTD of the Company have provided the Unsecured Loan to the Company and the Company have provided for Rs. 26.77 Lacs Interest on his loan.

b) Current Ratio: The immediate reason for change in this ratio is because of change in working capital cycle and realization trade receivables and other current assets.

c) Net Profit Margin: During this year slight change of lower PAT margins are observed mainly because of amid Covid-19 impact over topline and effectively on this bottom line.

Details pertaining to Net-worth of the Company:

(Amt in lakhs)

Particulars	As on 31.03.2020	As on 31.03.2019
Net-worth	5001.46	3631.76

(k) 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**

Place: Mumbai

Date: 29th September 2020

**Harshad Shah
Chairman & Non-Executive Director
DIN: 07849186**

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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	3
2	Name of the Subsidiary	Vertoz INC.	Vertoz Ltd.	Adzurite Solutions Pvt. Ltd.
3	The date since when subsidiary was acquired	13.10.2015	05.10.2015	22.02.2019
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	01.04.2019 31.03.2020	01.04.2019 31.03.2020	22.02.2019 31.03.2020
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD (\$) (\$ 1 = ₹ 75.3859)	GBP (£) (£ 1 = ₹93.0760)	INR (₹)
6	Share Capital	₹ 24,12,23,120	₹ 3,13,72,197	₹ 1,00,000
7	Reserves and Surplus	₹ 2,25,91,003	₹ 21,27,22,475	₹ 6,28,925
8	Total Assets	₹ 56,09,21,219	₹ 25,28,42,265	₹ 47,01,059
9	Total Liabilities	₹ 13,93,88,674	₹ 87,47,265	₹ 39,72,134
10	Investments	₹ -	₹ -	₹ -
11	Turnover	₹ 25,91,36,873	₹ 14,81,92,669	₹ 1,48,45,228
12	Profit before Taxation	₹ 79,13,183	₹ 10,65,44,003	₹ 6,79,382
13	Provision for Taxation	₹ 24,14,473	₹ 3,65,293	₹ 50,457
14	Profit after Taxation	₹ 54,98,709	₹ 10,61,78,710	₹ 6,28,925
15	Proposed Dividend	₹ -	₹ -	₹ -
16	Extent of shareholding (in percentage)	100%	100%	100%

For and on behalf of Vertoz Advertising Limited

Hirenkumar Shah
Whole-time Director
DIN: 00092739

Ashish Shah
Whole-time Director
DIN: 00092787

Place: Mumbai
Date: 25th June 2020

Akshay Sonar Parolkar
Chief Financial Officer
PAN: BBCPS6255B

Zill Shah
Company Secretary
PAN: EZOPS6680B

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

Hirenkumar Shah
Chairman & Whole-time Director
DIN: 00092739

Ashish Shah
Whole-time Director
DIN: 00092787

Place: Mumbai
Date: 25th June 2020

Akshay Sonar Parolkar
Chief Financial Officer
PAN: BBCPS6255B

Zill Shah
Company Secretary
PAN: EZOPS6680B

ANNEXURE – 4

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Particulars of contracts/arrangements entered into by the Company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013.

1. Details of contracts or arrangements or transactions not at arm's length basis: None

2. Details of material contracts or arrangement or transactions that are at arm's length basis:

(₹ in Lacs)

Name of the Related Party Nature of Relationship	Nature of contracts / arrangement / transactions	Transaction Value	Duration of the contracts / arrangements / transactions	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Mr. Hirenkumar Shah Whole-time Director	Loan	₹ (372.82)	Ongoing	-	NIL
Mr. Ashish Shah Whole-time Director	Loan	₹ (65.96)	Ongoing	-	NIL
PayNX Technologies Pvt Ltd Sister Concern where Promoters/ Directors having significant control	Loan	₹ (4.03)	Ongoing	-	NIL
	Sales	₹ 52.35	Ongoing	-	NIL
	Purchase	₹ 3.19	Ongoing	-	NIL
Trunkoz Technologies Pvt Ltd Sister Concern where Promoters/ Directors having significant control	Rent	₹ 19.66	Ongoing	-	NIL
AdMeridian Inc Sister Concern where Promoters/ Directors having significant control	Sales	₹ 584.56	Ongoing	-	NIL
	Purchase	₹ 267.21	Ongoing	-	NIL
	Asset Acquisition	₹ 1,113.53	Ongoing	-	NIL
	Loans & Advances	₹ (674.07)	Ongoing	-	NIL
HueAds Inc Sister Concern where Promoters/ Directors having significant control	Sales	₹ 718.94	Ongoing	-	NIL
	Purchase	₹ 350.57	Ongoing	-	NIL
	Asset Acquisition	₹ 1,045.15	Ongoing	-	NIL
	Loans & Advances	₹ (534.40)	Ongoing	-	NIL
AdMida Inc Sister Concern where Promoters/ Directors having significant control	Sales	₹ 618.43	Ongoing	-	NIL
	Purchase	₹ 273.80	Ongoing	-	NIL
	Asset Acquisition	₹ 984.86	Ongoing	-	NIL
	Loans & Advances	₹ (572.83)	Ongoing	-	NIL
Vokut Inc Sister Concern where Promoters/ Directors having significant control	Sales	₹ 597.22	Ongoing	-	NIL
	Purchase	₹ 265.94	Ongoing	-	NIL
	Asset Acquisition	₹ 1,153.61	Ongoing	-	NIL

	Loans & Advances	₹ (771.13)	Ongoing	-	NIL
BoffoAds Inc Sister Concern where Promoters/ Directors having significant control	Sales	₹ 34.69	Ongoing	-	NIL
	Purchase	₹ 0.54	Ongoing	-	NIL
FlairAds Inc Sister Concern where Promoters/ Directors having significant control	Sales	₹ 40.14	Ongoing	-	NIL
	Purchase	₹ 6.76	Ongoing	-	NIL
AdCanny Inc Sister Concern where Promoters/ Directors having significant control	Sales	₹ 25.04	Ongoing	-	NIL
	Purchase	₹ 0.30	Ongoing	-	NIL
AdZesto Inc Sister Concern where Promoters/ Directors having significant control	Sales	₹ 29.20	Ongoing	-	NIL
	Purchase	₹ 0.29	Ongoing	-	NIL
Adokut Inc Sister Concern where Promoters/ Directors having significant control	Sales	₹ 39.05	Ongoing	-	NIL
	Purchase	₹ 6.68	Ongoing	-	NIL
	Loans & Advances	₹ (2.28)	Ongoing	-	NIL
QualiSpace Inc Sister Concern where Promoters/ Directors having significant control	Purchase	₹ 27.87	Ongoing	-	NIL
	Loans & Advances	₹ 2.47	Ongoing	-	NIL
OwnRegistrar Inc Sister Concern where Promoters/ Directors having significant control	Loans & Advances	₹ (6.57)	Ongoing	-	NIL
HashJini Inc Sister Concern where Promoters/ Directors having significant control	Loans & Advances	₹ (7.16)	Ongoing	-	NIL
PayExecute Inc Sister Concern where Promoters/ Directors having significant control	Loans & Advances	₹ 0.92	Ongoing	-	NIL

FOR VERTOZ ADVERTISING LIMITED

HIRENKUMAR SHAH
WHOLE-TIME DIRECTOR
DIN: 00092739

PLACE: MUMBAI
DATE: 25.06.2020

ANNEXURE – 5

Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE PERIOD 01-04-2019 TO 31-03-2020

[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, 2020 . 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, 2019 to 31st March, 2020 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, 2019 to 31st March, 2020 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 Bye-laws 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. Labor 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, 2020;

1. Approval of Members sought under Section 180(1)(a) of the Companies Act, 2013 for 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 not exceeding ₹ 500 Crores.
2. Approval of Members sought 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 not exceeding ₹ 500 Crores.
3. Approval of Members sought under Section 186 of the Companies Act, 2013 for Inter Corporate Loans and Investments not exceeding ₹ 500 Crores.
4. Increase in Authorised Capital of the Company from ₹ 6 Crores to ₹ 12 Crores.
5. Approval of members sought for continuation of Directorship of Mr. Rasiklal Hathichand Shah (DIN: 00091585), who attained the age of Seventy-five (75) years, to be a Non-Executive Director of the Company.
6. Issue and Allotment of Bonus Shares in the ratio of 1:1.
7. Migration of the Company from SME Platform of National Stock Exchange of India Limited to Main Board of National Stock Exchange of India Limited.

8. The Central Government approved the Form CG-1 filed by the Company 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.
9. Appointment of Ms. Zill Pankaj Shah as the Company Secretary & Compliance of the Company in the designation as Key Managerial Personnel.

FOR U. HEGDE & ASSOCIATES, Company Secretaries

Umashankar K Hegde
(Proprietor)

ACS NO. 22133# C.P.NO. 11161
ICSI UDIN: A022133B000809722

Place: Mumbai
Date: 29/09/2020

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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. Where ever 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

Umashankar K Hegde
(Proprietor)

ACS NO. 22133# C.P.NO. 11161
ICSI UDIN: A022133B000809722

Place: Mumbai
Date: 29/09/2020

ANNEXURE – 6

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 2019-2020 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 2019-2020 (In ₹)	Percentage Increase in Remuneration for the Financial Year 2019-2020	Ratio of Remuneration of each Director to the Median Remuneration of Employees
1	Mr. Hirenkumar Rasiklal Shah (Whole-Time Director)	₹ 59,54,400/-	24.34%	22.95x
2	Mr. Ashish Rasiklal Shah (Whole-Time Director)	*₹ 54,18,968/-	3.25%	20.89x
3	Mr. Akshay Ashok Sonar Parolkar (Chief Financial Officer)	₹ 18,66,816/-	11.53%	N.A.
4	#Ms. Zill Shah (Company Secretary & Compliance Officer)	₹ 6,95,520/-	42.32%	N.A.

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

[# Appointed w.e.f. 30th May 2019]

- B) The Median remuneration of the Employee of the Company during the Financial Year was **₹ 2,59,418/-** There was an increase of **3.60%** in Median remuneration of the employees during the financial year 2018-19.
- C) The consolidated number of permanent employees of the Company is **112** for the year ended March 31, 2020.
- D) Average percentage decrease made in the salaries of employees other than the managerial personnel in the last Financial Year 2019-2020 was **24.51%**.
- E) It is affirmed that remuneration paid during the year ended March 31, 2020 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	Hirenkumar Shah	₹ 59,54,400/-	Whole time Director	WTD	13/02/2012	39	N/A	F.Y.B. Com	Yes
2	Ashish Shah	₹ 54,18,968/-*	Whole-time Director	WTD	13/02/2012	38	N/A	M.Com - I	Yes
3	Anand Dixit	₹ 43,11,000/-	Head of Technology	Employee	05/03/2019	36	Intertrust Technologies Pvt. Ltd.	MCA	No
4	Gaurav Modi	₹ 37,05,120/-	Director - Business Development	Employee	23/07/2012	35	Techshastra India Pvt. Ltd.	PGDBM - Advertising	No
5	Amit Gandhi	₹ 27,51,298/-	Sales Director	Employee	03/10/2017	33	Kratos Ads Pvt. Ltd.	B.E. (EXTC)	No
6	Sonia Coutinho	₹ 22,50,899/-	Business Head - Strategic Initiatives	Employee	03/09/2018	37	Adomantra	MBA	No
7	Ankit Palrecha	₹ 20,31,840/-	Regional Manager - Sales	Employee	11/02/2014	34	Sify Technologies Ltd.	PGDBM - Marketing	No
8	Taranath Shetty	₹ 19,20,600/-	Regional Head - West	Employee	04/02/2019	41	Adomantra	B. Com	No
9	Satyaprakash Mishra	₹ 19,06,728/-	Senior Project Manager	Employee	24/04/2010	35	Asian IT Group	M.Sc. (Computer Science)	No
10	Akshay Sonar Parolkar	₹ 18,66,816/-	Chief Financial Officer	CFO	08/02/2016	33	Creative IT India Pvt. Ltd.	MBA - Finance	No

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

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

Place: Mumbai

Date: 29th September 2020

**Harshad Shah
Chairman & Non-Executive Director
DIN: 07849186**

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 2020 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

Akshay Sonar Parolkar
Chief Financial Officer
PAN: BBCPS6255B

Mumbai, 25th June 2020

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, 2020, 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, 2020, 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 the requirements of section 197(16) of the Act, as amended In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) 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 20.

- c. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund.
- 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

Hemant Bohra

Partner

UDIN: 20165667AAAACS4471

Membership number: 165667

Mumbai, June 25, 2020

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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, 2020 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, 2020, 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

Hemant Bohra

Partner

UDIN: 20165667AAAACS4471

Membership number: 165667

Mumbai, June 25, 2020

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, 2020 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, 2020 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. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). The company has spent the amount, raised through term loans, for the purpose for which such loans were availed.
- 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

Hemant Bohra

Partner

UDIN: 20165667AAAACS4471

Membership number: 165667

Mumbai, June 25, 2020

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VERTOZ ADVERTISING LIMITED

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

Corporate Identity Number : L74120MH2012PLC226823

AUDITED STATEMENT OF STANDALONE ASSETS AND LIABILITIES AS ON 31ST MARCH, 2020

Particulars	Note No.	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	119,700,000	59,850,000
(b) Reserves and Surplus	2	150,007,265	189,778,816
(2) Share Application Money Pending Allotment	-	-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	7,120,026	6,121,679
(b) Other Long Term Liabilities	4	4,239,006	3,513,593
(c) Defferd Tax Liability(Net)	-	2,294,426	290,392
(4) Current Liabilities			
(a) Short-Term Borrowings	5	78,248,644	39,065,254
(b) Trade Payables	6	25,475,792	24,851,925
(c) Other Current Liabilities	7	22,809,850	16,113,607
(d) Short-Term Provisions	8	7,564,601	11,853,859
Total Equity & Liabilities		417,459,611	351,439,126
II.ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	9		
(i) Gross Block		102,545,915	34,933,279
Depreciation		29,327,497	25,810,022
Net Block		73,218,418	9,123,257
(ii) Capital Work-in-progress			
(b) Non-Current Investments	10	250,346,777	241,620,337
(c) Deferred Tax Assets (Net)		-	-
(d) Long Term Loans And Advances	11	1,189,580	3,002,552
(2) Current Assets			
(a) Inventories	-	-	-
(b) Trade receivables	12	58,693,007	59,408,668
(c) Cash and Cash Equivalents	13	27,689,245	35,076,665
(d) Short-Term Loans And Advances	14	6,322,584	3,207,648
(e) Other Current Assets	-	-	-
Total Assets		417,459,611	351,439,126

NOTES TO ACCOUNTS

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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 BEHALF OF VERTOZ ADVERTISING LIMITED

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

CA Hemant Bohra

Partner

UDIN: 20165667AAAACS4471

Place: Mumbai

Date: 25.06.2020

Harshad Shah

Chairman & Non-Executive Director

DIN: 07849186

Hirenkumar Shah

Whole-time Director

DIN: 00092739

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 STANDALONE PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2020

Particulars	Note No.	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
Revenue:			
Revenue From Operations (Net of Taxes)	15	153,606,390	212,984,673
Income From Non-Operation (Net of Taxes)	16	12,354,387	6,482,386
Total Revenue		165,960,776	219,467,059
Expenses:			
Direct Service Expense	17	45,496,608	60,344,353
Employment Benefit Cost	18	63,449,793	82,402,443
Finance Cost	19	7,560,880	3,463,298
Depreciation	9	3,517,475	5,940,796
Other Expenses	20	15,790,617	28,785,834
Total Expenses		135,815,373	180,936,725
Profit Before Tax - PBT		30,145,403	38,530,334
Tax expense:			
(1) Income Tax Provision			
Current Tax		6,884,952	11,707,980
Excess / Short Provision		24,267	561,036
(2) Deferred tax		2,004,034	(1,271,443)
Profit/(Loss) for the period After Tax- PAT		21,232,151	27,532,762
No. of Shares		119,700,000	5,985,000
Earning per Equity Share:			
(1) Basic		0.18	4.60
(2) Diluted		0.18	4.60

NOTES TO ACCOUNTS

21 - 36

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

CA Hemant Bohra

Partner

UDIN: 20165667AAAACS4471

Place: Mumbai

Date: 25.06.2020

FOR AND BEHALF OF VERTOZ ADVERTISING LIMITED

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

Harshad Shah

Chairman & Non-Executive Director

DIN: 07849186

Hirenkumar Shah

Whole-time Director

DIN: 00092739

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 STANDALONE CASHFLOW STATEMENT AS ON 31ST MARCH, 2020			
Particulars	Note No.	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
A : Cash flows from operating activities:			
Profit before taxation	(a)	30,145,403	38,530,334
Add: Non Operating Expense			
Depreciation		3,517,475	5,940,796
Capital Work in Process		-	-
Interest expense		7,560,880	3,463,298
	(b)	11,078,355	9,404,094
Less: Non Operating Income			
Other Non Operating Income (Inclusive of interest income)		12,354,387	6,482,386
	(c)	12,354,387	6,482,386
Operating profit before working capital changes	d=(a+b-c)	28,869,371	41,452,043
Working capital changes:			
Decrease /(Increase) In Trade Receivables		715,661	69,419,000
Decrease/(Increase) in Loans & advances (Assets)		(1,301,965)	4,796,698
Decrease/(Increase) in Inventories		-	-
Decrease/(Increase) in Other Current Assets		(570,000)	347,470
Increase /(Decrease) in Borrowing		41,912,836	20,853,203
Increase /(Decrease) in Trade Payables		623,868	18,071,972
Increase /(Decrease) in Other Current Liabilities		6,696,244	5,355,897
Increase /(Decrease) in Provisions		(4,289,258)	(322,234)
	(e)	43,787,385	118,522,005
Cash generated from operations	(d+e)	72,656,757	159,974,048
(-) Taxes paid		(8,913,252)	(10,997,573)
Net cash used in operating activities	(A)	63,743,504	148,976,475
B : Cash flows from investing activities:			
Fixed asset (Addition)/Deduction		(67,612,636)	(889,462)
Other Non Operating Income (Inclusive of interest income)		12,354,387	6,482,386
Capital Work in Process		-	-
Investment		(8,726,440)	(227,529,032)
Net cash Generated from investing activities	(B)	(63,984,690)	(221,936,107)
C : Cash flows from financing activities:			
Proceeds from issue of Shares		-	-
Dividend Paid		(583,702)	-
Increase /(Decrease) in Other Long Term Liabilities		998,347	(4,701,346)
Interest Expenses		(7,560,880)	(3,463,299)
Net cash generated from financing activities	(C)	(7,146,235)	(8,164,645)
D : Net increase in cash and cash equivalents = (A+B+C)	D=(A+B+C)	(7,387,420)	(81,124,277)
E : Cash and cash equivalents at beginning of period	(E)	35,076,665	116,200,942
F: Cash and cash equivalents at end of period = (D+E)	(D + E)	27,689,245	35,076,665
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 CA Hemant Bohra Partner UDIN: 20165667AAAACS4471 Place: Mumbai Date: 25.06.2020		FOR AND BEHALF OF VERTOZ ADVERTISING LIMITED (Formerly known as Verto Media Pvt. Ltd. & Verto Media Ltd.) Harshad Shah Chairman & Non-Executive Director DIN: 07849186 Hirenkumar Shah Whole-time Director DIN: 00092739 Akshay Sonar (Parolkar) Chief Financial Officer PAN: BBCPS6255B Zill Shah Company Secretary & Compliance Officer PAN: EZOPS6680B	

VERTOZ ADVERTISING LIMITED Notes Forming Integral Part of Standalone Balance Sheet as at 31st March, 2020			
Note 1 : Share Capital			
Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	AUTHORIZED CAPITAL Equity Shares of Rs. 10/- each.	119,700,000	60,000,000
		119,700,000	60,000,000
2	ISSUED , SUBSCRIBED & PAID UP CAPITAL <i>To the Subscribers of the Memorandum</i> Equity Shares of Rs. 10/- each fully paid up.	-	-
		119,700,000	59,850,000
	Total Value in INR	119,700,000	59,850,000
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	4,071,824	34.02%
2	Ashish Shah	4,071,824	34.02%
Note 2 : Reserve & Surplus			
Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Suplus from Profit & Loss Account Opening Balances	40,761,876	13,229,114
	Add: Profit/(Loss) for the period	21,232,151	27,532,762
	Less: Issue of Bonus Shares	-	-
	Less: Dividend Expenditure	(583,702)	-
2	Securities Premium	88,596,940	149,016,940
	Total Value in INR	150,007,265	189,778,816
Note 3 : Long Term Borrowing			
Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Federal Bank FCTL	2,223,911	6,121,679
2	ICICI Bank	2,701,570	-
3	Shriram City Union Finance Ltd.	2,194,545	-
	Total Value in INR	7,120,026	6,121,679
Terms of repayment of the Term Loan: 1. Federal Bank FCTL: 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. 2. ICICI Bank: Unsecured Business Loan for Working Capital Requirements of the Company @ 16% with tenure of 24 months. 3. Shriram City Union Finance Ltd.: Unsecured Business Loans for Working Capital Requirements of the Company @ 19% with tenure of 36 months.			

VERTOZ ADVERTISING LIMITED			
Notes Forming Integral Part of Standalone Balance Sheet as at 31st March, 2020			
Note 4 : Other Long Term Liabilities			
Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Gratuity Provision (Non-Current)	3,336,187	2,824,475
2	Leave Encashment Provision (Non-Current)	902,819	689,118
	Total Value in INR	4,239,006	3,513,593
Note 5 : Short Term Borrowing			
Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	<u>Unsecured</u> Loan from Related Parties Loan From Directors Loan from Subsidiaries	42,792,753 2,760,479	6,563,039 -
2	<u>Secured</u> Loans repayable on demand From Banks (Secured against Deposits)	32,695,412	32,502,215
	Total Value in INR (A+B)	78,248,644	39,065,254
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.			
Note 6 : Trades Payable			
Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Sundry Creditors	25,475,792	24,851,925
	Total Value in INR	25,475,792	24,851,925
Note 7 : Other Current Liabilities			
Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	<u>Other Payables</u> <u>Current Maturity for Long Term Debt</u> Current Maturity for Long Term Debt (FCTL) Current Maturity for Short Term Debt (ICICI + Shriram)	4,447,762 3,103,885	4,081,101 -
2	<u>Statutory Remittance</u> Statutory Liabilities	- 1,431,694	- 2,443,920
3	<u>Others:</u> Advance Received from Client Creditors for Expenses Salary Payable Other Payable	- 4,073,159 6,280,455 1,911,247 -	- 1,164,671 5,696,016 520,381 204,536
4	<u>Gratuity & Leave Encashment Provision (Current):</u> Gratuity Provision (Current) Leave Encashment (Current)	- 606,581 955,067	- 513,670 1,489,311
	Total Value in INR	22,809,850	16,113,607
Note 8 : Short Term Provisions			
Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Provision for Income Tax AY 2020-21	6,884,952	-
2	Provision for Income Tax AY 2019-20	-	11,707,980
3	Provision for Income Tax AY 2018-19	-	(430)
4	Other Provisions	679,649	146,309
	Total Value in INR	7,564,601	11,853,859

VERTOZ ADVERTISING LIMITED											
Notes Forming Integral Part of Standalone Balance Sheet as at 31st March, 2020											
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	Closing Value as on 31.03.2020	Closing Value as on 31.03.2019
I	Tangible Assets										
1	Data Computers, Laptops, Data Servers & Peripherals	28,839,169	13,305	-	28,852,474	21,436,034	2,965,712	-	24,401,746	4,450,728	7,403,135
2	Furniture & Fixtures	3,425,073	-	-	3,425,073	2,503,928	226,002	-	2,729,930	695,143	921,145
3	Office Equipments	868,758	12,881	-	881,639	650,523	147,019	-	797,542	84,097	218,235
4	Motor Vehicles	1,791,279	-	-	1,791,279	1,219,537	178,742	-	1,398,279	393,000	571,742
II	Intangible Assets										
1	Trademark	9,000	-	-	9,000	-	-	-	-	9,000	9,000
2	Software Licenses	-	-	-	-	-	-	-	-	-	-
3	Microsoft Dynamics	-	-	-	-	-	-	-	-	-	-
4	Ingenious Plex Platform	-	67,586,450	-	67,586,450	-	-	-	-	67,586,450	-
	Total Value in INR	34,933,279.08	67,612,636	-	102,545,915	25,810,022	3,517,475	-	29,327,497	73,218,418	9,123,257
	Previous Year Figures	34,043,817	2,447,127	1,557,665	34,933,279	19,869,226	5,940,796	-	25,810,022	9,123,257	14,174,591

VERTOZ ADVERTISING LIMITED
Notes Forming Integral Part of Standalone Balance Sheet as at 31st March, 2020
Note 10 : Investment

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Investment in Vertoz Inc, USA	218,885,727	218,885,727
2	Investment in Vertoz Ltd, UK	31,361,050	22,634,610
3	Investment in Adzurite Solutions Pvt. Ltd., India	100,000	100,000
	Total Value in INR	250,346,777	241,620,337

Note 11 : Long Term Loans & Advances

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
	A. Deposits		
1	Refundable Deposit with CCD	25,000	25,000
2	Rent Deposit	1,100,000	1,167,252
3	Security Deposit	64,580	64,580
4	Security Deposit with NSE	-	1,745,720
	Total Value in INR	1,189,580	3,002,552

Note 12 : Trade Recievables

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	<u>Trade Receivables, Outstanding for More than Six Months</u> Unsecured, Considered Good	14,566,593	9,520,302
2	<u>Trade Receivables, Outstanding for Less than Six Months</u> Unsecured, Considered Good	44,126,413	49,888,366
	Total Value in INR	58,693,007	59,408,668

Note 13 : Cash & Cash Equivalent

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Cash Balance	93,937	3,696
2	Bank Balances	616,608	9,845,602
3	Fixed Deposit with Banks	26,978,700	25,227,367
	Total Value in INR	27,689,245	35,076,665

Note 14 : Short Terms Loans and Advances

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Prepaid Expenses	-	-
2	Other Receivable	-	-
	GST Receivable	-	314,628
	TDS Receivable	1,580,296	1,352,036
	Advance given to Suppliers	3,334,449	1,590
	Loan to Related Parties	604,589	1,000,363
	Other Loans and Advances	803,250	539,030
	Total Value in INR	6,322,584	3,207,648

VERTOZ ADVERTISING LIMITED
Notes Forming Integral Part of Standalone Balance Sheet as at 31st March, 2020
Note 15 : Revenue From Operations

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Sale of Services	153,606,390	212,984,673
	Total Value in INR	153,606,390	212,984,673

Note 16 : Income From Non Operation

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Interest on FDR	1,945,927	1,480,602
2	Other Income	3,197	16,514
3	Interest Received on Loan	30,000	30,000
4	Sundry Balance W/off	3,614,871	-
5	Foreign Exchange Gain	6,760,391	4,955,270
	Total Value in INR	12,354,387	6,482,386

Note 17 : Direct Service Expenses

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Purchase of Services	45,258,031	53,551,402
2	Hosting Server Services	-	-
4	Software Purchase	238,577	1,601,151
5	Outsourcing Expenses	-	5,191,800
	Total Value in INR	45,496,608	60,344,353

Note 18 : Employment Benefit Cost

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Salaries and Incentives	56,551,917	75,421,984
2	Director Remuneration	6,284,400	6,538,715
3	Gratuity & Leave Encashment Expense	613,476	441,744
	Total Value in INR	63,449,793	82,402,443

Note 19 : Finance Cost

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Bank Charges	973,134	386,703
2	Interest Expense	6,489,991	2,844,296
3	Loan Processing Fees	97,754	232,300
	Total Value in INR	7,560,880	3,463,298

VERTOZ ADVERTISING LIMITED			
Notes Forming Integral Part of Standalone Balance Sheet as at 31st March, 2020			
Note 20 : Other Expenses			
Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Audit Fees	215,150	206,000
2	Books and Periodicals	4,106	18,691
3	Conveyance Charges	577,923	421,915
4	Electricity Expenses	955,219	661,320
5	Exhibition & Seminar Expenses	74,332	2,207,904
6	Food Expenses	305,047	584,642
7	House Keeping & Security Expenses	838,063	1,233,302
8	Interest/Penalty/Fee on Taxes	1,790,817	1,110,528
9	Internet Expenses	1,335,988	1,251,783
10	Legal Expenses	264,192	166,541
11	Lodging & Boarding Expenses	198,703	437,565
12	Accounts Written off	93,732	1,657,551
13	Marketing Expenses	592,500	4,018,370
14	Office Expense	1,305,000	1,428,101
15	Postage & Courier Expenses	12,718	78,216
16	Printing & Stationary Expenses	184,015	229,268
17	Profession Tax-Company	2,500	2,500
18	Profit & Loss on Fixed Assets	-	-
19	Professional & Technical Fees	844,808	5,869,980
20	Recruitment Expense	171,902	315,820
21	Lease Rent	4,573,993	4,470,871
22	Repair & Maintenance Expenses	209,073	364,039
23	Rounding Off	112	58
24	SBC Paid on Input @ 0.5%	-	-
25	Staff Welfare	464,184	419,360
26	Telephone Expense	26,488	50,015
27	Travelling Expense (Domestic/International)	723,336	1,454,934
28	Water Expenses	-	-
29	Meeting Expenses	21,000	28,750
30	Insurance Expenses	5,717	97,812
	Total Value in INR	15,790,617	28,785,834

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2020

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 **tenth** financial statements prepared for the Company and they relate to the period from **April 1, 2019** to **March 31, 2020**. The Company provides Online Advertising Services and other allied services to domestic/ overseas clients.

Note 21: 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 realization, 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.

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	2019-20	2018-19
1	Employer's contribution to Provident Fund	4,27,400	5,66,319
2	Employer's contribution to Pension Scheme	9,66,557	11,82,304
	Total	17,48,623	17,48,623

➤ **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)	
		2019-20	2018-19	2019-20	2018-19
1.	Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)
2.	Discount rate (p.a.)	5.83%	6.96%	5.83%	6.96%
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.*

I. 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.

22. CONTINGENT LIABILITY:

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

23. 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	9.5 months	11,86,227/-
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	48 months	69,83,832/-

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	42 months	35,06,622/-
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	42 months	33,65,082/-

24. MSME REGISTERED CREDITORS:

Based on information's available with the Company, there are 11 suppliers registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" as at March 31, 2020 the total outstanding amounting to ₹ 20,79,588/-. 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).

25. DEFERRED TAX:

(Amount in ₹)

Sr. No.	Particulars	As at 31/03/2020	As at 31/03/2019
(i)	Deferred tax Liability on account of :		
	Depreciation	22,94,426	2,90,392
(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	22,94,426	2,90,392

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.

26. 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	₹ 66,71,673	\$ 88,500	Vertoz INC – Drs.	₹ 3,21,44,004	\$ 4,26,393
			Vertoz INC – Advances	₹ 6,04,589	\$ 8,925
Total	₹ 66,71,673	\$ 88,500	Total	₹ 3,27,48,593	\$ 4,35,318
Net-off Un-hedged Foreign Currency Exposure:				₹ 2,60,76,920	\$ 3,46,818

27. 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".

28. 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 2019-20		FY 2018-19	
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	59,54,400	Nil	47,88,715	Nil
	Loan received/(repaid)	3,72,82,219	4,27,24,347	54,34,953	54,42,128
Mr. Ashish Shah	Managerial Remuneration	54,18,968 (Remuneration drawn from US Company)	Nil	52,48,228 (Remuneration drawn from US Company)	Nil

	Loan received/(repaid)	(10,52,505)	68,406	10,43,492	11,20,911
Mr. Rasiklal Shah	Director Sitting Fees	(20,000)	90,000	(80,000)	72,000
Mr. Akshay Sonar Parolkar	KMP (CFO) Remuneration	18,66,816	NIL	16,73,782	NIL
Ms. Zill Shah (joined w.e.f. 30/05/2019)	KMP (CS) Remuneration	6,95,520	NIL	-	-
Mr. Sumit Sharma (resigned w.e.f. 03/05/2019)	KMP (CS) Remuneration	-	-	3,77,678	NIL
Relatives of Key Managerial Personnel:					
Mrs. Gunja Shah	Purchase	Nil	Nil	Nil	Nil
	Loan received/(repaid)	Nil	Nil	Nil	Nil
Mrs. Dimple Shah	Purchase	Nil	Nil	Nil	Nil
Associate Enterprise & Sister Concern					
Trunkoz Technologies Pvt. Ltd.	Expenses	Nil	Nil	8,78,164	Nil
	Office Rent	15,87,648	11,33,688	14,83,788	Nil
Vertoz Ltd	Sales	82,39,869	Nil	24,31,588	Nil
Adzurite Solutions Pvt Ltd	Advance received/(paid)	28,00,479	27,60,479	(40,000)	(40,000)
	Sales	1,05,11,463	Nil	Nil	Nil
	Purchases	1,12,538	1,12,538	Nil	Nil
Vertoz Inc	Advance received/(paid)	3,55,775	(6,04,589)	63,414	(9,60,364)
	Sales	8,90,20,576	3,21,44,004	12,86,62,808	2,21,35,937
PayNX Technologies Pvt. Ltd.	Purchase	Nil	Nil	32,97,042	Nil
	Sales	52,35,356	30,69,791	44,11,004	Nil
	Advance received/(paid)	Nil	Nil	Nil	Nil

29. Cash Flow Statement as required in terms of Accounting Standard “AS-3 (Revised) Cash Flow Statements” is attached to these Accounts.

30. 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.

31. 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.

32. 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.

33. Expenditure in Foreign Currency – ₹ 5,26,017/-

Particulars	2019-20		2018-19	
	(₹)	(\$)	(₹)	(\$)
FCTL Interest Payable/Paid	5,26,017	7,436	7,68,469	10,989

34. Earning in Foreign Currency (On Cash Basis) – ₹ 2,70,64,633/-

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

Particulars	2019-20
Receipt from Export against Invoice	2,71,90,833
Advance against Export Services	Nil
Exchange Gain/(Loss) on remittance	(1,26,200)
Total Earning in Foreign Currency (On Cash Basis)	2,70,64,633

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

36. 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

CA. HEMANT BOHRA
PARTNER
MEMBERSHIP NO.: 165667
UDIN: 20165667AAAACS4471
PLACE: MUMBAI
DATE: 25.06.2020

FOR AND ON BEHALF OF BOARD OF
VERTOZ ADVERTISING LIMITED

HIRENKUMAR SHAH
WHOLE-TIME DIRECTOR
DIN: 00092739
PLACE: MUMBAI
DATE: 25.06.2020

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 Holding Company") and its Subsidiaries (Holding Company and its Subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the Consolidated Financial Statements, including 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, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, of its consolidated profit and consolidated cash flows for the year then ended.

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 Group 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 holding company and its subsidiary and step-down subsidiary covered under this consolidation financials as follows;



2. We did not audit the financial statements of two foreign subsidiaries and six step-down included in the consolidated financial statements; whose financial statements include total assets of ₹ 5,695.79 Lakhs and net assets of ₹ 5,149.61 Lakhs as at March 31, 2020 and total revenues of ₹ 3,341.21 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.

3. We did not audit the financial statements of one Indian subsidiary included in the consolidated financial statements; whose financial statements include total assets of ₹ 47.01 Lakhs and net assets of ₹ 39.72 Lakhs as at March 31, 2020 and total revenues of ₹ 148.45 Lakhs for the year ended on that date. These financial statement have been audit 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.

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

The Holding 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 Holding 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 Group 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 Consolidated Financial Statements, management is responsible for assessing the Group'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 Group'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 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 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:

- 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 Consolidated Financial Statements dealt with by this Report are in Agreement with the relevant books of account.
 - d) In our opinion, the aforesaid Consolidated 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 the requirements of section 197(16) of the Act, as amended In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) 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 Group has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements.
 - b. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2020.

- c. There has not been an occasion in case of the Group during the year under report to transfer any sums to the Investor Education and Protection Fund.

For MITTAL & ASSOCIATES

Chartered Accountants

Firm Registration number: **106456W**

Hemant Bohra

Partner

UDIN: **20165667AAAAC1124**

Membership number: **165667**

Mumbai, June 25, 2020

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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, 2020 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, 2020, 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**

Hemant Bohra

Partner

UDIN: **20165667AAAAC1124**

Membership number: **165667**

Mumbai, June 25, 2020

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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 ASSETS AND LIABILITIES AS ON 31ST MARCH, 2020

Particulars	Note No.	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	119,700,000	59,850,000
(b) Reserves and Surplus	2	380,446,109	303,326,172
(2) Share Application Money Pending Allotment	-	-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	52,663,812	6,121,679
(b) Other Long Term Liabilities	4	4,239,006	3,513,593
(c) Defferd Tax Liability(Net)	-	2,294,426	290,392
(4) Current Liabilities			
(a) Short-Term Borrowings	5	47,741,325	45,071,289
(b) Trade Payables	6	65,024,900	71,049,463
(c) Other Current Liabilities	7	19,880,756	16,212,641
(d) Short-Term Provisions	8	14,498,541	15,588,591
Total Equity & Liabilities		706,488,875	521,023,820
II.ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	9		
(i) Gross Block		638,679,971	132,672,552
Depreciation		64,070,034	45,068,886
Net Block		574,609,937	87,603,665
(ii) Capital Work-in-progress			
(b) Non-Current Investments	10	-	-
(c) Deferred Tax Assets (Net)		-	-
(d) Long Term Loans And Advances	11	1,691,476	3,772,776
(2) Current Assets			
(a) Inventories	-	-	-
(b) Trade receivables	12	93,752,734	133,724,169
(c) Cash and Cash Equivalents	13	29,741,026	36,988,456
(d) Short-Term Loans And Advances	14	6,693,703	258,934,754
(e) Other Current Assets	-	-	-
Total Assets		706,488,875	521,023,820

NOTES TO ACCOUNTS

21

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 BEHALF OF VERTOZ ADVERTISING LIMITED

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

CA Hemant Bohra

Partner

UDIN: 20165667AAAACT1124

Place: Mumbai

Date: 25.06.2020

Harshad Shah

Chairman & Non-Executive Director

DIN: 07849186

Hirenkumar Shah

Whole-time Director

DIN: 00092739

Akshay Sonar (Parolkar)

Chief Financial Officer

PAN: BBPSP6255B

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 CONSOLIDATED PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2020

Particulars	Note No.	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
<u>Revenue:</u>			
Revenue From Operations (Net of Taxes)	15	405,312,252	462,324,059
Income From Non-Operation (Net of Taxes)	16	17,497,756	6,533,542
Total Revenue		422,810,008	468,857,600
<u>Expenses:</u>			
Direct Service Expense	17	238,037,299	214,031,288
Employment Benefit Cost	18	80,204,556	104,707,014
Finance Cost	19	8,932,222	3,768,450
Depreciation	9	16,755,097	18,795,787
Other Expenses	20	25,070,971	39,627,239
Total Expenses		369,000,145	380,929,778
Profit Before Tax - PBT		53,809,864	87,927,822
<u>Tax expense:</u>			
(1) Income Tax Provision			
Current Tax		9,697,546	15,798,735
Excess / Short Provision		41,896	20,075
(2) Deferred tax		2,004,034	(1,271,443)
Profit/(Loss) for the period After Tax- PAT		42,066,388	73,380,456
No. of Shares		11,970,000	5,985,000
Earning per Equity Share:			
(1) Basic		3.51	12.26
(2) Diluted		3.51	12.26

NOTES TO ACCOUNTS

21

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

CA Hemant Bohra

Partner

UDIN: 20165667AAAACT1124

Place: Mumbai

Date: 25.06.2020

FOR AND BEHALF OF VERTOZ ADVERTISING LIMITED

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

Harshad Shah

Chairman & Non-Executive Director

DIN: 07849186

Hirenkumar Shah

Whole-time Director

DIN: 00092739

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 CONSOLIDATED CASHFLOW STATEMENT AS ON 31ST MARCH, 2020			
Particulars	Note No.	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
A : Cash flows from operating activities:			
Profit before taxation	(a)	53,809,864	87,927,822
Add: Non Operating Expense			
Depreciation		16,755,097	18,795,787
Interest expense		8,932,222	3,768,450
Exchange gain/loss on restatement of forex		37,299,600	6,837,053
	(b)	62,986,919	29,401,290
Less: Non Operating Income			
Non Operating Income (incl. of Interest Income)		17,497,756	6,533,542
	(c)	17,497,756	6,533,542
Operating profit before working capital changes	d=(a+b-c)	99,299,026	110,795,571
Working Capital Changes:			
(Decrease) / Increase in Trade Payables		(6,024,562)	2,078,388
(Increase) / Decrease in Trade Receivables		39,971,435	43,942,683
(Increase) / Decrease in Other Current Assets		-	347,470
(Increase) / Decrease in Long term Loans & Advances		2,081,300	(327,121)
(Increase) / Decrease in Short term Loans & Advances		252,241,051	(250,118,184)
(Decrease) / Increase in Current Liabilities		3,668,116	4,912,161
(Decrease) / Increase in Other Long Term Liabilities		725,413	384,945
(Decrease) / Increase in Short Term Borrowings		2,670,036	24,422,139
(Decrease) / Increase in Short Term Provisions		(1,090,050)	862,731
(Decrease) / Increase in Other Non-Current Liabilities		2,004,034	(1,271,444)
	(e)	296,246,772	(174,766,233)
Cash generated from operations	(d+e)	395,545,798	(63,970,662)
(-) Taxes paid		(11,743,476)	(14,547,366)
Net cash used in operating activities	(A)	383,802,323	(78,518,028)
B : Cash flows from investing activities:			
Fixed asset (Addition)/Deduction		(506,007,420)	(10,119,707)
Non Operating Income (incl. of Interest Income)		17,497,756	6,533,542
Investment		-	-
Net cash Generated from investing activities	(B)	(488,509,663)	(3,586,166)
C : Cash flows from financing activities:			
Proceeds from issue of Shares		59,850,000	-
(Decrease) / Increase in Long Term Provisions & Borrowings		46,542,133	(3,429,903)
Interest Expenses		(8,932,222)	(3,768,450)
Net cash generated from financing activities	(C)	97,459,911	(7,198,353)
D : Net increase in cash and cash equivalents = (A+B+C)	D=(A+B+C)	(7,247,430)	(89,302,547)
E : Cash and cash equivalents at beginning of period	(E)	36,988,456	126,291,003
F: Cash and cash equivalents at end of period = (D+E)	(D + E)	29,741,026	36,988,456
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 AND BEHALF OF VERTOZ ADVERTISING LIMITED (Formerly known as Vertoz Media Pvt. Ltd. & Vertoz Media Ltd.)	
CA Hemant Bohra Partner UDIN: 20165667AAAACT1124 Place: Mumbai Date: 25.06.2020		Harshad Shah Chairman & Non-Executive Director DIN: 07849186 Akshay Sonar (Parolkar) Chief Financial Officer PAN: BBCPS6255B Zill Shah Company Secretary & Compliance Officer PAN: EZOPS6680B	

VERTOZ ADVERTISING LIMITED
Notes Forming Integral Part of Consolidated Balance Sheet as at 31st March, 2020
Note 1 : Share Capital

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	AUTHORIZED CAPITAL Equity Shares of Rs. 10/- each.	119,700,000	60,000,000
		119,700,000	60,000,000
2	ISSUED , SUBSCRIBED & PAID UP CAPITAL <i>To the Subscribers of the Memorandum</i> Equity Shares of Rs. 10/- each fully paid up.	119,700,000	59,850,000
	Total Value in INR	119,700,000	59,850,000

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	4,071,824	34.02%
2	Ashish Shah	4,071,824	34.02%

Note 2 : Reserve & Surplus

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Suplus from Profit & Loss Account Opening Balances	154,309,232	78,037,969
	Add: Profit/(Loss) for the period	128,839,838	73,370,255
	Less: Issue of Bonus Shares	-	-
	Less: Dividen Expenditure	(583,702)	-
	Add: Forex Revaluation	9,283,801	2,901,008
2	Securities Premium	88,596,940	149,016,940
	Total Value in INR	380,446,109	303,326,172

Note 3 : Long Term Borrowing

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Federal Bank FCTL	2,223,911	6,121,679
2	ICICI Bank	5,000,000	-
3	Shriram City Union Finanace Ltd.	3,000,000	-
4	Other Long Term Borrowings	42,439,901	-
	Total Value in INR	52,663,812	6,121,679

Terms of repayment of the Term Loan:

- 1. Federal Bank FCTL:** 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 repayble in 60 equated monthly installments.
- 2. ICICI Bank:** Unsecured Business Loan for Working Capital Requirements of the Company @ 16% with tenure of 24 months.
- 3. Shriram City Union Finance Ltd.:** Unsecured Business Loans for Working Capital Requirements of the Company @ 19% with tenure of 36 months.

Note 4 : Other Long Term Liabilities

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Gratuity Provision (Non-Current)	3,336,187	2,824,475
2	Leave Encashment Provision (Non-Current)	902,819	689,118
	Total Value in INR	4,239,006	3,513,593

VERTOZ ADVERTISING LIMITED
Notes Forming Integral Part of Consolidated Balance Sheet as at 31st March, 2020
Note 5 : Short Term Borrowing

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Unsecured Loan from Related Parties Loan From Directors Loan from Other Related Parties	9,739,946 2,481,491	10,282,640 1,879,220
2	Secured Loans repayable on demand From Banks (Secured against Deposits)	35,519,887	32,909,429
	Total Value in INR (A+B)	47,741,325	45,071,289

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.

Note 6 : Trades Payable

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Sundry Creditors	65,024,900	71,049,463
	Total Value in INR	65,024,900	71,049,463

Note 7 : Other Current Liabilities

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Other Payables Current Maturity for Long Term Debt Current Maturity for Long Term Debt (FCTL)	4,447,762	4,081,101
2	Statutory Remittance Statutory Liabilities	1,606,485	2,542,954
3	Others: Advance Received from Client Creditors for Expenses Salary Payable Other Payable	4,073,159 6,280,455 1,911,247 -	1,164,671 5,696,016 520,381 204,536
4	Gratuity & Leave Encashment Provision (Current): Gratuity Provision (Current) Leave Encashment (Current)	606,581 955,067	513,670 1,489,311
	Total Value in INR	19,880,756	16,212,641

Note8 : Short Term Provisions

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Provision for Income Tax AY 2019-20	-	15,442,712
2	Provision for Income Tax AY 2018-19	-	(430)
3	Provision for Income Tax AY 2020-21	13,787,392	-
4	Provision for Investments in Subsidiary	-	-
5	Provison For employees benefit Expenses	-	-
6	Other Provisions	711,149	146,309
	Total Value in INR	14,498,541	15,588,591

VERTOZ ADVERTISING LIMITED

Notes Forming Integral Part of Consolidated Balance Sheet as at 31st March, 2020

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 31.03.2020	Closing Value as on 31.03.2019
I	Tangible Assets												
1	Data Computers, Laptops, Data Servers & Peripherals	41,527,188	291,736	153,033	(4,716,852)	36,949,039	24,253,013	4,521,754	-	707,927	29,482,694	7,466,345	17,274,175
2	Furniture & Fixtures	3,425,073	-	-	-	3,425,073	2,503,928	226,002	-	-	2,729,930	695,143	921,145
3	Office Equipments	1,567,449	12,881	-	109,454	1,689,785	1,171,421	217,419	-	49,820	1,438,660	251,124	396,028
4	Motor Vehicles	1,791,279	-	-	-	1,791,279	1,219,537	178,742	-	-	1,398,279	393,000	571,742
II	Intangible Assets												
1	Trademark	9,000	-	-	-	9,000	-	-	-	-	-	9,000	9,000
2	Ingenious Plex Platform	83,352,441	163,024,999	95,438,549	13,149,024	164,087,916	15,463,076	11,561,347	-	1,890,593	28,915,016	135,172,900	67,889,365
3	Premium Business Domain Technology, Platforms & Premium Web Properties	1,000,122	-	-	12,381	1,012,503	457,911	49,854	-	(402,310)	105,455	907,048	542,211
4		-	429,715,377	-	-	429,715,377	-	-	-	-	-	429,715,377	-
	Total Value in INR	132,672,552	593,044,993	95,591,583	8,554,008	638,679,971	45,068,886	16,755,118	-	2,246,029	64,070,034	574,609,937	87,603,666
	Previous Year Figures	122,454,039	10,291,218	171,511	98,806	132,672,552	25,535,017	18,795,787	-	738,083	45,068,886	87,603,665	96,919,023

VERTOZ ADVERTISING LIMITED
Notes Forming Integral Part of Consolidated Balance Sheet as at 31st March, 2020
Note 10 : Investment

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Investment in Verto Inc, USA	-	-
2	Investment in Verto 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. 2020	Amount As At 31st Mar. 2019
	A. Deposits		
1	Other Deposits	25,000	25,000
2	Rent Deposit	1,846,396	1,843,194
3	Security Deposit	167,196	158,863
4	Security Deposit with NSE	-	1,745,720
5	Other Advances	(347,116)	-
	Total Value in INR	1,691,476	3,772,776

Note 12 : Trade Recievables

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Trade Receivables,Outstanding for More than Six Months		
	Unsecured, Considered Good	19,552,362	21,919,146
2	Trade Receivables,Outstanding for Less than Six Months		
	Unsecured, Considered Good	74,200,371	111,805,022
	Total Value in INR	93,752,733	133,724,169

Note 13 : Cash & Cash Equivalent

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Cash Balance	93,937	3,696
2	Bank Balances	2,668,389	11,757,393
3	Fixed Deposit with Banks	26,978,700	25,227,367
	Total Value in INR	29,741,026	36,988,456

Note 14 : Short Terms Loans and Advances

Sr. No.	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Prepaid Expenses	-	-
2	Other Receivable		
	GST/VAT Receivable	71,961	320,226
	TDS Receivable	1,843,077	1,352,036
	Advance given to Suppliers	3,334,449	1,590
	Loan to Related Parties	306,520	856,625
	Other Loans and Advances	1,137,696	256,404,277
	Total Value in INR	6,693,703	258,934,754

VERTOZ ADVERTISING LIMITED

Notes Forming Integral Part of Consolidated Balance Sheet as at 31st March, 2020

Note 15 : Revenue From Operations

	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Sale of Services	405,312,252	462,324,059
	Total Value in USD	405,312,252	462,324,059

Note 16 : Income From Non Operation

	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Interest on FDR	1,945,927	1,480,602
2	Other Income	730,968	67,670
3	Interest Received on Loan	30,000	30,000
4	Sundry Balance W/off	8,030,470	-
5	Foreign Exchange Gain	6,760,391	4,955,270
	Total Value in USD	17,497,756	6,533,542

Note 17 : Direct Service Expenses

	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Purchase of Services	220,153,545	48,376,887
2	Web Hosting Services and Other Expenses	-	27,155,038
3	Software Exps & Platform Fees	7,732,982	9,832,481
4	Outsourcing Expenses	10,150,773	128,666,882
	Total Value in USD	238,037,299	214,031,288

Note 18 : Employment Benefit Cost

	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Salaries and Incentives	73,306,680	97,726,555
2	Director Remuneration	6,284,400	6,538,715
3	Gratuity & Leave Encashment Expense	613,476	441,744
	Total Value in USD	80,204,556	104,707,014

Note 19 : Finance Cost

	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Bank Charges	2,319,882	1,679,403
2	Interest Expense	6,489,991	1,856,748
3	Foreign Exchange Gain	24,594	-
4	Loan Processiong Fees	97,754	232,300
	Total Value in USD	8,932,221	3,768,450

VERTOZ ADVERTISING LIMITED
Notes Forming Integral Part of Consolidated Balance Sheet as at 31st March, 2020
Note 20 : Other Expenses

	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Audit Fees	250,150	206,000
2	Books and Periodicals	4,106	18,691
3	Conveyance Charges	577,923	870,729
4	Electricity Expenses	955,219	661,320
5	Exhibition & Seminar Expenses	74,332	2,763,651
6	Food Expenses	472,871	784,005
7	House Keeping & Security Expenses	838,063	1,233,302
8	Interest/Penalty/Fee on Taxes	1,791,511	1,140,319
9	Internet Expenses	1,335,988	1,251,783
10	Legal Expenses	856,054	1,272,775
11	Lodging & Boarding Expenses	198,703	480,847
12	Accounts Written off	93,732	1,658,870
13	Marketing Expenses	645,606	4,335,042
14	Office Expense	1,882,933	1,893,610
15	Postage & Courier Expenses	75,651	82,720
16	Printing & Stationary Expenses	184,015	229,268
17	Profession Tax-Company	2,500	304,439
18	Profit & Loss on Fixed Assets	-	-
19	Professional & Technical Fees	1,419,521	6,320,388
20	Recruitment Expense	171,902	315,820
21	Lease Rent	10,605,486	9,995,723
22	Repair & Maintenance Expenses	209,073	364,039
23	Rounding Off	(2,859)	(3,306)
24	SBC Paid on Input @ 0.5%	-	-
25	Staff Welfare	464,184	454,385
26	Telephone Expense	445,758	394,008
27	Travelling Expense (Domestic/International)	1,483,969	2,132,937
28	Water Expenses	-	339,311
29	Meeting Expenses	21,000	28,750
30	Insurance Expenses	13,580	97,812
		25,070,971	39,627,239

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2020

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, 2019** to **March 31, 2020**. 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 21: 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
MEMBERSHIP NO.: 165667
20165667AAAAC1124
PLACE: MUMBAI
DATE: 25.06.2020

Sd/-
HIRENKUMAR SHAH
WHOLE-TIME DIRECTOR
DIN: 00092739

PLACE: MUMBAI
DATE: 25.06.2020

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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 **9th Annual General Meeting** of the Members of Vertoz Advertising Limited will be held on **Tuesday, 27th October 2020 at 11.30 a.m.** through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) facility to transact the business mentioned below.

The proceedings of the Annual General Meeting (“AGM”) shall be deemed to be conducted at the Registered Office of the Company at 602, Avior, Nirmal Galaxy, Opp. Johnson & Johnson, LBS Marg, Mulund (West), Mumbai, Maharashtra, India – 400 080 which shall be the deemed venue of the AGM.

ORDINARY BUSINESS:

1. TO RECEIVE, CONSIDER AND ADOPT:

a. the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2020 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, 2020 and the reports of the Auditors thereon and in this regard, pass the following resolution(s), with or without modifications, as Ordinary Resolution(s):

a. “RESOLVED THAT the audited Standalone Financial Statements of the Company for the Financial Year ended 31st March 2020 and the reports of the Auditor’s thereon and the Board of Directors laid before this Meeting, be and are hereby considered and adopted.”

b. “RESOLVED THAT the audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March 2020 and the reports of the Auditor’s thereon and the Board of Directors laid before this Meeting, be and are hereby considered and adopted.”

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, 2020:

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“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 52,27,852 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 2019-2020) absorbing thereby ₹ 5,22,785.20/- (excluding applicable taxes) as at 31st March, 2020 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. Tuesday, 20th October 2020.

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. HARSHAD UTTAMCHAND SHAH (DIN: 07849186), WHO RETIRES BY ROTATION AT THIS ANNUAL GENERAL MEETING AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, the approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Harshad Uttamchand Shah (DIN: 07849186), as a Director of the Company, who shall continue as the Chairman and Non-Executive Director of the Company.”

SPECIAL BUSINESS

- 4. INCREASE IN THE AUTHORIZED SHARE CAPITAL OF THE COMPANY AND CONSEQUENT ALTERATION IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY:**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the Shares of the Company are listed, the consent of the Members of the Company be and is hereby accorded for increase in the Authorised Share Capital of the Company from ₹ 12,00,00,000 (Rupees Twelve Crores only) divided into 1,20,00,000 (One Crore Sixty Lakhs) Equity Shares of face value of ₹ 10/- each (Rupees Ten only) to ₹ 35,00,00,000 (Rupees Thirty-five Crores only) divided into 3,50,00,000 (Three Crores and Fifty Lakhs) Equity Shares of face value of ₹ 10/- each (Rupees Ten only) by creation of additional 2,30,00,000 (Two Crores Thirty Lakhs) Equity Shares of ₹ 10/- each (Rupees Ten only) ranking pari-passu in all respect with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted as follows:

“V. The Authorised Share Capital of the Company is ₹ 35,00,00,000 (Rupees Thirty-Five Crores only) divided into 3,50,00,000 (Three Crores and Fifty Lakhs) Equity Shares of face value of

₹10/- each (Rupees Ten only), with power to increase and reduce or consolidate or sub-divide the Capital and to divide the Shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company.”

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary of the Company and/or the Chief Financial Officer of the Company be and are hereby authorized jointly and/or severally to do all such acts, deeds, matters and things including but not limited to filing necessary forms/documents with appropriate authorities and to execute all such documents, instruments in writing as may be necessary, expedient or desirable for the purpose of giving effect to the aforesaid resolutions and in connection with any matter incidental thereto.”

5. APPROVAL FOR RAISING OF FUNDS BY ISSUANCE OF EQUITY SHARES THROUGH QUALIFIED INSTITUTIONAL PLACEMENT(S):

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

“**RESOLVED THAT** pursuant to the applicable provisions of Sections 23, 42, 62, 179 and other applicable provisions, if any, of the Companies Act, 2013, as amended (hereinafter referred to as the “Companies Act”) and the rules framed thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, including any amendment(s) thereto or re-enactment(s) thereof, the relevant provisions of the Memorandum and Articles of Association of the Company and in accordance with the regulations for qualified institutions placement contained in Chapter VI and other applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to as “SEBI ICDR Regulations”) including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (hereinafter referred to as “SEBI Listing Regulations”), and the uniform listing agreement entered with the National Stock Exchange of India Limited (referred to as “Stock Exchange”), the applicable provisions of the Foreign Exchange Management Act, 1999, including any amendment(s), statutory modification(s), variation(s) or re-enactment(s) thereof (“FEMA”), the extant consolidated Foreign Direct Investment Policy issued by the Department of Industrial Policy & Promotion, as amended and replaced from time to time (“FDI Policy”) and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, and such other applicable rules, regulations, guidelines, notifications, circulars and clarifications issued/ to be issued thereon by the Government of India (“GOI”), Ministry of Corporate Affairs (“MCA”), the Reserve Bank of India (“RBI”), the Securities and Exchange Board of India (“SEBI”), the Stock Exchanges where the Equity Shares of the Company of face value of ₹ 10 each are listed and/ or any other regulatory/ statutory authorities under any other applicable law, from time to

time (hereinafter singly or collectively referred to as the “Appropriate Authorities”) to the extent applicable and subject to the terms, conditions, modifications, consents, sanctions and approvals of any of the Appropriate Authorities and guidelines and clarifications issued thereon from time to time and subject to such conditions and modifications as may be prescribed by any of them while granting such terms, conditions, modifications, approvals, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee(s) constituted/ to be constituted by the Board, from time to time, to exercise its powers including powers conferred by this resolution), the approval of the members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorised on behalf of the Company to create, offer, issue and allot (including with provisions for reservations on firm and/or competitive basis, or such part of issue and for such categories of persons as may be permitted) such number of Securities (as defined hereinafter), for cash, in one or more tranches, with or without green shoe option, whether Rupee denominated or denominated in foreign currency, for an aggregate amount up to ₹ 500 Crores (Rupees Five Hundred Crores only) by way of Qualified Institutions Placement (“QIP”) to “Qualified Institutional Buyers” as defined in the SEBI ICDR Regulations, and/or any other permitted modes through issue of prospectus and/or an offer document and/or a private placement offer letter and/or such other documents/writings/circulars/memorandum in such a manner, in such tranche or tranches, by way of an issue of Equity Shares or by way of an issue of any instrument or security including fully/partially convertible debentures or by way of a composite issue of non-convertible debentures and warrants entitling the warrant holder(s) to apply for Equity Shares, or any other eligible securities (instruments listed above collectively with the Equity Shares to be hereinafter referred to as the “Securities”) or any combination of Securities with or without premium, to be subscribed to in Indian and/or any foreign currencies by all eligible investors, including, residents or non-resident investors/ whether institutions, foreign portfolio investors and/or incorporated bodies and/or trusts or otherwise)/ qualified institutional buyers mutual funds/pension funds/venture capital funds/banks/alternate investment funds/Indian and/or multilateral financial institutions, insurance companies/trusts/stabilising agents and any other category of persons or entities who are authorised to invest in the Securities of the Company as per extant regulations/guidelines or any combination of the above as may be deemed appropriate by the Board in its absolute discretion and, whether or not such investors are members of the Company (collectively called “Investors”), to all or any of them, jointly or severally through an offer/placement document and/or offer letter or circular, on such terms and conditions considering the prevailing market conditions and other relevant factors wherever necessary in one or more tranche or tranches, at such price or prices, (whether at prevailing market price(s) or at permissible discount or premium to market price(s) in terms of applicable regulations), with authority to retain over subscription up to such percentage as may be permitted under applicable regulations, including the discretion to determine the categories of Investors to whom the offer, issue and allotment of Securities shall be made to the exclusion of others, in such manner, including allotment to stabilising agent in terms of green shoe option, if any, exercised by the Company, and where necessary in consultation with the global coordinator(s) and book running lead manager(s) and/or underwriters and/or stabilising agent and/or other advisors or otherwise on such terms and conditions, including issue of Securities as fully or partly paid, making of

calls and manner of appropriation of application money or call money, in respect of different class(es) of investor(s) and/or in respect of different Securities, deciding of other terms and conditions like number of securities to be issued, face value, number of Equity Shares to be allotted on conversion/ redemption/ extinguishment of debt(s), rights attached to the warrants, terms of issue, period of conversion, fixing of record date or book closure terms if any, as the Board may in its absolute discretion decide, in each case subject to applicable laws and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion and without requiring any further approval or consent from the members at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the merchant banker(s) to be appointed by the Company' so as to enable the Company to list on stock exchange.

RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint lead manager(s), merchant banker(s), underwriter(s), advisor(s), legal advisor(s) and such other intermediaries, as required, to determine the terms and conditions of the aforesaid issue of Securities including the exact price, proportion and timing of such issue, approve offer / placement document(s), selection of Investors to whom the Securities are to be offered, issued and allotted and matters related thereto.

RESOLVED FURTHER THAT in case of issue and allotment of Equity Shares or other Eligible Securities by way of QIP in terms of Chapter VI of the SEBI ICDR Regulations (hereinafter referred to as "Eligible Securities" within the meaning rendered to such term under Regulation 171(a) of the SEBI ICDR Regulations):

1. the allotment of Securities shall only be made to qualified institutional buyers as defined in the SEBI ICDR Regulations ("QIBs");
2. the Eligible Securities to be so created, offered, issued, and allotted, shall be subject to the provisions of the memorandum of association and articles of association of the Company
3. the allotment of the Equity Shares or other Eligible Securities, shall be completed within 365 days from the date of the special resolution of the Members of the Company or such other time as may be allowed under the SEBI ICDR Regulations;
4. the Equity Shares issued shall rank pari passu in all respects including entitlement to dividend, voting rights or otherwise with the existing Equity Shares of the Company in all respects as may be provided under the terms of issue and in accordance with the placement document(s);
5. the number and/or price of the Eligible Securities or the underlying Equity Shares issued on conversion of Eligible Securities convertible into Equity Shares shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division, reclassification of equity shares into other securities, issue of shares issue of equity shares by way of capitalisation of profit or reserves, or any such capital or corporate restructuring
6. no partly paid-up Equity Shares or other Eligible Securities shall be issued/allotted;
7. in case of allotment of Equity Shares, the relevant date for the purpose of pricing of the Equity Shares to be issued, shall be the date of the meeting in which the Board or the committee of directors authorized by the Board decides to open the proposed issue of Equity Shares, subsequent to the receipt of members' approval in terms of provisions of the Companies Act, 2013 and other applicable laws, rules, regulations and guidelines in relation to the proposed

issue of the Equity Shares; in the event that Eligible Securities issued are eligible convertible securities, the relevant date for the purpose of pricing of the convertible securities to be issued, shall be, either the date of the meeting in which the Board or a committee of directors authorized by the Board decides to open the proposed issue or the date on which the holders of such eligible convertible securities become entitled to apply for the equity shares, as may be determined by the Board;

8. the tenure of the convertible or exchangeable Eligible Securities issued through the QIP shall not exceed sixty months from the date of allotment;
9. it shall be at such price which is not less than the price determined in accordance Regulation 176(1) provided under Chapter VI of the SEBI ICDR Regulations (the "QIP Floor Price"). The Board may, however, at its absolute discretion in consultation with the book running lead managers, issue Equity Shares at a discount of not more than 5 per cent or such other discount as may be permitted under applicable regulations to the QIP Floor Price;
10. no single allottee shall be allotted more than fifty per cent of the issue size and the minimum number of allottees shall be as per the SEBI ICDR Regulations;
11. no allotment shall be made, either directly or indirectly, to any QIB who is a promoter, or any person related to the promoters of the Company;
12. it shall not be sold for a period of 1 year from the date of allotment, except on a recognized Stock Exchange or except as may be permitted from time to time by the SEBI ICDR Regulations; and
13. any subsequent QIP shall not be issued until the expiry of six months from the date of the prior QIP made pursuant to this special resolution.

RESOLVED FURTHER THAT the Securities issued in foreign markets shall be deemed to have been made abroad and/or in the market and/or at the place of issue of the Securities in the international market and may be governed by the applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any modification(s) in the terms of issue of Equity Shares, subject to the provisions of the Act and the SEBI ICDR Regulations, without being required to seek any further consent or approval of the members.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorised to do all such acts, deeds, matters and things including but not limited to finalization and approval of the offer document(s), private placement offer letter, determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, fixing the record date, execution of various transaction documents, as the Board may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilisation of the proceeds as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of dividend, issue of additional Equity Shares, variation of the conversion price of the Securities or period of conversion of Securities into Equity Shares during the duration of the Securities and the Board be and is hereby authorised, in its absolute discretion, in such manner as it may deem fit, to dispose-off such of the Securities that are not subscribed.

RESOLVED FURTHER THAT the Securities to be created, issued allotted and offered in terms of this resolution shall be subject to the provisions of the memorandum of association and articles of association of the Company and the fully paid-up Equity Shares that may be issued by the Company (including issuance of Equity Shares pursuant to conversion of any Securities as the case may be in accordance with the terms of the offering) shall rank pari passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue, or allotment of Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of the nature of the issuance, terms and conditions for the issuance of Securities including the number of Securities that may be offered in domestic and international markets and proportion thereof, issue price and discounts permitted under applicable law, premium amount on issue/conversion of the Securities, if any, rate of interest, timing for issuance of such Securities and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, opening and maintaining bank accounts, entering into and executing arrangements for managing, underwriting, marketing, listing, trading and entering into and executing arrangements with merchant bankers, lead managers, legal advisors, depository, custodian, registrar, stabilizing agent, paying and conversion agent, trustee, escrow agent and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s) or agreements including but not limited to the placement document and filing such documents (in draft or final form) with any Indian or foreign regulatory authority or stock exchanges and sign all deeds, documents and writing and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of

Securities and take all steps which are incidental and ancillary in this connection, including in relation to utilisation of the issue proceeds, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers conferred by this resolution herein, to any committee of directors formed, Directors or one or more executives/officers of the Company to give effect to the above resolutions, in accordance with applicable law.”

Registered Office:

602, Avior, Nirmal Galaxy,
Opp. Johnson & Johnson, LBS Road,
Mulund (West), Mumbai – 400 080.
CIN: L74120MH2012PLC226823
Email: compliance@vertoz.com
Website: www.vertoz.com

By Order of the Board

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

29th September, 2020

Notes:

1. In view of the outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/2020 dated 5th May, 2020 read together with General Circular Nos. 14/2020 & 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively, (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, permitted the holding of this AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“the Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the MCA & SEBI Circulars, the AGM of the Company is being held through VC/OAVM, without the physical presence of the Members at a common venue.

KFin Technologies Private Limited, Registrar & Transfer Agents of the Company, (earlier known as Karvy Fintech Private Limited) (“KFinTech”) shall be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The instructions for participating in the Meeting through VC/OAVM is explained at Note No. 17 below.

2. In compliance with applicable provisions of the Act read with the MCA and SEBI Circulars and the Listing Regulations, the AGM of the Company is being conducted through VC/OAVM. In accordance with the Secretarial Standard on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India (“ICSI”) read with Clarification/Guidance on applicability of Secretarial Standards – 1 and 2 dated 15th April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

3. A. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts in respect of the business under Item No. 4 and 5 above is annexed hereto. Further, the relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard on General Meetings ("SS-2") by ICSI, with respect to Item No. 3 is also annexed hereto.

The Board of Directors has considered and decided to include the Item No. 4 and 5 given above as Special Business in the forthcoming AGM, as it is unavoidable in nature.

B. 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.

Pursuant to the Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending Section 139 of the Act and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every AGM has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.

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.

4. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA AND SEBI CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.**
5. Corporate/Institutional Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM on their behalf and cast their votes through remote e-voting or at the AGM. Corporate/Institutional Members (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy of the Board Resolution/Authority Letter, etc., authorising their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting or during the AGM.

The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to umashankar.hegde@gmail.com with a copy marked to evoting@kfintech.com and to the Company at compliance@vertoz.com

Members of the Company under the category of Institutional Shareholders are encouraged to attend and participate in the AGM through VC/OAVM and vote thereat.

6. In view of the massive outbreak of the COVID-19 pandemic, social distancing has to be a pre-requisite.

Pursuant to the above-mentioned MCA Circulars, physical attendance of the Members is not required at the AGM, and attendance of the Members through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. The Company's Registrar and Transfer Agents for its Share Registry Work are M/s. KFin Technologies Private Limited having their office at Selenium Building, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032.

8. **ELECTRONIC DISPATCH OF NOTICE AND ANNUAL REPORT:**

In line with the MCA General Circular dated 5th May, 2020 and SEBI Circular dated 12th May, 2020, the Notice of the AGM along with the Annual Report for the Financial Year 2019-2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/KFintech/ Depositories. A copy of the Notice of this AGM alongwith the Annual Report is available on the website of the Company at www.vertoz.com, website of the Stock Exchange where the Equity Shares of the Company are listed, viz the National Stock Exchange of India Limited at www.nseindia.com, and on the website of KFintech at <https://evoting.karvy.com>. For any communication, the Members may also send a request to the Company's investor email id: compliance@vertoz.com. The Company will not be dispatching physical copies of the Annual Report for the Financial Year 2019-2020 and the Notice of AGM to any Member.

9. **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:**

During the FY 2019-2020 under review, the Company was 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). As such, no specific details are required to be given or provided.

10. **MEMBERS ARE REQUESTED TO:**

a. intimate to the respective Depository Participant, changes, if any, in their registered addresses/bank mandates at an early date;

b. quote their folio numbers/ Client ID and DP ID in all correspondence;

c. consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names; and

d. register their Permanent Account Number (PAN) with their Depository Participants.

11. UPDATION OF MEMBERS' DETAILS:

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/Registrar and Transfer Agents to record additional details of Members, including their PAN details, e-mail address, etc. A form for compiling additional details is available on the KFin Tech's website at the web-link: https://ris.kfintech.com/email_registration/.

Members are requested to submit the details to their respective Depository Participants.

12. UPDATION OF PERMANENT ACCOUNT NUMBER (PAN)/BANK ACCOUNT DETAILS OF MEMBERS:

SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 has mandated registration of PAN and Bank Account details for all security holders. Members are requested to submit the aforesaid information to their respective Depository Participant(s).

13. Members seeking any information with regard to the Accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 25th day of October 2020, through email on compliance@vertoz.com. The same will be replied by the Company suitably.

14. PROCEDURE FOR INSPECTION OF DOCUMENTS:

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and relevant documents referred to in this Notice of AGM and Explanatory Statement, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. 27th October, 2020. Members seeking to inspect such documents can send an email to Company's investor email id: compliance@vertoz.com.

15. Members are requested to support the Green Initiative by registering/ updating their e-mail addresses, with the Depository Participant.

16. PROCEDURE FOR REGISTERING THE EMAL ADDRESSES TO RECEIVE THIS NOTICE ELECTRONICALLY AND CAST VOTES ELECTRONICALLY:

- I. Those Members who have not yet registered their email addresses are requested to get their email addresses registered by contacting their respective Depository Participant.
- II. To facilitate Members to receive this Notice electronically and cast their vote electronically, the Company has made special arrangements with Kfintech for temporary registration of email addresses of the Members in terms of the MCA Circulars.

Process to be followed for Temporary Registration of E-mail Address:

- A. the process for registration of email address with kFintech for receiving the Notice of AGM and login ID and password for e-voting is as under:
 - i. Visit the link: https://ris.kfintech.com/email_registration/
 - ii. Select the name of the Company viz. Vertoz Advertising Limited and follow the steps for registration of email address.
- B. the process for registration of email address with the company for receiving the Notice of AGM and login ID and password for e-voting is as under:

Members are requested to visit the website of the Company www.vertoz.com and click on “click here for temporary registration of email-id of Members for AGM 2019-2020” and follow the registration process as mentioned on the landing page.

- III. After successful submission of the email address, Kfintech will email a copy of this AGM Notice and Annual Report for F.Y. 2019-2020 along with the e-voting user ID and password. In case of any queries, Members are requested to write to kFintech at evoting@kfintech.com.
- IV. Those Members who have already registered their email addresses are requested to keep their email addresses validated/updated with their DPs/Kfintech to enable servicing of notices/documents/Annual Reports and other communications electronically to their email address in future.

17. **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM:**

- i. **ATTENDING THE AGM:** Members will be provided with a facility to attend the AGM through video conferencing platform provided by Kfintech. Members are requested to login at <https://evoting.karvy.com> by clicking “e-AGM - Video Conference & Streaming” and access the shareholders’/ members’ login by using the remote e-voting credentials.
- ii. Please note that Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in Note No. 18.
- iii. Members may join the Meeting through Laptops, Smartphones, Tablets and Pads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches. Members are encouraged to join the Meeting through Laptops with latest version of Google Chrome for better experience.

- iv. Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned at Note No. 17 (i) above in the Notice, and this mode will be available throughout the proceedings of the AGM. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1,000 Members on a first come first served basis as per the MCA Circulars.
- v. In case of any query and/or help, in respect of attending the AGM through VC/OAVM mode, Members may refer the Help & Frequently Asked questions (“FAQs”) and “AGM VC/OAVM” user manual available at the download Section of <https://evoting.karvy.com> or contact at compliance@vertoz.com, or Mr. Raghunath Veeda, Deputy Manager – Corporate Registry, KFin Technologies Private Limited at Selenium, Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana – 500 032 or at the email ID: evoting@kfintech.com or on Phone No.: 040-6716 2222 or call Toll Free No.: 1800-345-4001 for any further clarifications.

18. PROCEDURE FOR REMOTE VOTING

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations, Members are provided with the facility to cast their vote electronically, through the e-voting services provided by KFinTech on all Resolutions set forth in this Notice, through remote e-voting. It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility.

The remote e-voting facility will be available during the following period:

Day, date and time of commencement of remote e-voting	From:	Saturday, 24th October 2020 at 9.00 a.m. (IST)
Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed	To:	Monday, 26th October 2020 at 5.00 p.m. (IST)

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFinTech upon expiry of the aforesaid period.

The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

A Member may avail of the facility at his/her/its discretion, as per the instructions provided herein:

Instructions:

a. Member will receive an e-mail from KFintech [for Members whose e-mail IDs are registered with the Company/Depository Participant(s)] which includes details of E-Voting Event Number ("EVEN"), USER ID and password:

i. Launch internet browser by typing the URL: <https://evoting.karvy.com>

ii. Enter the login credentials (i.e. User ID and password). User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the EVEN for Vertoz Advertising Limited.

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e. Tuesday, 20th October, 2020 under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the cut-off date.

Pursuant to Clause 16.5.3(e) of Secretarial Standard on General Meetings ("SS-2") issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government, in case a Member abstains from voting on a Resolution i.e., the Member neither assents nor dissents to the Resolution, then his/her/ its vote will be treated as an invalid vote with respect to that Resolution.

viii. Members holding multiple demat accounts shall choose the voting process separately for each of the demat accounts.

ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

- x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
- xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: umashankar.hegde@gmail.com with a copy to evoting@kfintech.com and to the Company at compliance@vertoz.com. They may also upload the same in the e-voting module in their login. The scanned image of the above-mentioned documents should be in the naming format “Corporate Name_EVENT NO”.

It should reach the Scrutinizer and the Company by email not later than Monday, 26th October, 2020 (5:00 p.m. IST). In case if the authorized representative attends the Meeting, the above-mentioned documents shall be submitted before the commencement of AGM.

b. In case e-mail ID of a Member is not registered with the Company/ Depository Participant(s), then such Member is requested to register/update their e-mail addresses with the Depository Participant:

- i. Upon registration, Member will receive an e-mail from KFintech which includes details of E-Voting Event Number (EVEN), USER ID and password.
- ii. Please follow all steps from Note. No. 18 (a) (i) to (xii) above to cast your vote by electronic means.

19. **VOTING DURING THE AGM:**

- i. The procedure for remote e-voting during the AGM is same as the instructions mentioned for remote e-voting since the Meeting is being held through VC/OAVM.
- ii. The e-voting window shall be activated upon instructions of the Chairman of the Meeting during the AGM.
- iii. E-voting during the AGM is integrated with the VC platform and no separate login is required for the same. The Members shall be guided on the process during the AGM.
- iv. Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- v. Members who have cast their vote by remote e-voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again.

20. GENERAL INSTRUCTIONS/INFORMATION FOR MEMBERS FOR VOTING ON THE RESOLUTIONS:

i. A Member can opt for only a single mode of voting i.e. through remote e-voting or e-voting at the AGM.

ii. The voting rights of Members shall be in proportion to the paid-up value of their Shares in the Equity Share capital of the Company as on the cut-off date i.e. Tuesday, 20th October, 2020. Members are eligible to cast their vote either through remote e-voting or in 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.

iii. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-Voting, i.e. Tuesday, 20th October, 2020, he/she/it may obtain the User ID and Password in the manner as mentioned below:

a. If the mobile number of the Member is registered against Folio No./ DP ID Client ID, the Member may send SMS:

MYEPWD <space> e-voting Event Number + Folio No. or DP ID Client ID to +91-9212993399

Example for NSDL:

MYEPWD<SPACE >IN12345612345678

Example for CDSL:

MYEPWD<SPACE>1402345612345678

b. If e-mail address or mobile number of the Member is registered against Folio No./ DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.

c. Member may call KFintech’s Toll free number 1800-345-4001.

d. Member may send an e-mail request to evoting@kfintech.com. However, KFintech shall endeavor to send User ID and Password to those new Members whose e-mail IDs are available.

iv. In case of any query pertaining to e-voting, please visit Help & FAQs section and E-voting User Manual available at the download section of KFintech’s website <https://evoting.karvy.com> or contact at compliance@vertoz.com or at evoting@kfintech.com or on Phone No. +91 40 6716 2222 or call KFintech’s Toll Free No. 1800-345-4001, for any further clarifications.

21. SCRUTINIZER FOR E-VOTING AND DECLARATION OF RESULTS:

Mr. Umashankar Hegde (ACS 22133, COP 11161) Proprietor of M/s. U. Hegde & Associates, Company Secretaries, have been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer will, after the conclusion of the e-voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman of the Company or any other person of the Company authorised by the Chairman, who shall countersign the same. The Results shall be declared not later than forty-eight hours from conclusion of the Meeting.

The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company at www.vertoz.com and on the website of KFinTech at <https://evoting.karvy.com> immediately after the Results are declared and will simultaneously be forwarded to the National Stock Exchange of India Limited, where Equity Shares of the Company are listed.

The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Tuesday, 27th October 2020, subject to receipt of the requisite number of votes in favour of the Resolutions.

22. SUBMISSION OF QUESTIONS/QUERIES PRIOR TO AGM:

a. Members desiring any additional information or having any question or query pertaining to the business to be transacted at the AGM are requested to write from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number to the Company's investor email-id i.e. compliance@vertoz.com from Saturday, 24th October, 2020 (9:00 a.m. IST) upto Monday, 26th October, 2020 (5:00 p.m. IST), so as to enable the Management to keep the information ready. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the AGM.

b. Alternatively, Members holding Shares as on the cut-off date may also visit <https://evoting.karvy.com> and click on the tab "Post Your Queries Here" to post their queries/views/questions in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. The window shall be activated during the remote e-voting period from Saturday, 24th October, 2020 (9:00 a.m. IST) upto Monday, 26th October, 2020 (5:00 p.m. IST).

c. Members can also post their questions during AGM through the "Ask A question" tab, which is available in the VC/OAVM Facility.

The Company will, at the AGM, endeavor to address the queries received till 5.00 p.m. (IST) on Monday, 26th October, 2020, from those Members who have sent queries from their registered email IDs. Please note that Members' questions will be answered only if they continue to hold shares as on the cut-off date.

23. **SPEAKER REGISTRATION BEFORE AGM:**

Members of the Company, holding shares as on the cut-off date i.e. Tuesday, 20th October, 2020 and who would like to speak or express their views or ask questions during the AGM may register as speakers by visiting <https://evoting.karvy.com> and clicking on “Speaker Registration” during the period from Saturday, 24th October, 2020 (9:00 a.m. IST) upto Monday, 26th October, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to speak/express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time at the AGM.

24. As the entire Shareholding of the Company is in demat mode, Company is not required to declare a Book Closure period.

25. **Dividend Waiver:** The actual equity dividend to be declared by the Members at the 9th 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, 2020.

26. The Dividend, if declared at the Annual General Meeting, will be paid after Tuesday, 27th October, 2020 to those persons or their mandates whose names appear as Beneficial Owners as at the end of the business hours on Tuesday, 20th October, 2020 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 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.

27. 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. KFin Technologies Private Limited/ Secretarial Department of the Company for encashing the unclaimed dividends standing to the credit of their account.

Registered Office:

602, Avior, Nirmal Galaxy,
Opp. Johnson & Johnson, LBS Road,
Mulund (West), Mumbai – 400 080.
CIN: L74120MH2012PLC226823
Email: compliance@vertoz.com
Website: www.vertoz.com

By Order of the Board

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

29th September, 2020

Additional Information with respect to Item No. 3
Details of Directors seeking re-appointment at the forthcoming Annual General Meeting:

Mr. Harshad Uttamchand Shah, Chairman & 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	Harshad Uttamchand Shah
DIN	07849186
Date of Birth	5 th November, 1944
Expertise in specific functional Area	Business Administration
Date of Appointment	14 th June, 2017
No. of Equity shares held in the company	59,852 Equity Shares
Disclosure of relationship between director inter-se	Not Applicable
Qualification	Under-Matriculate
List of Directorship held in public Company	Nil
Chairman/Member of the committee of the Board of Directors of the Company	Member of SRC and NRC
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 and 5 of the accompanying Notice dated 29th September, 2020.

ITEM NO. 4: TO INCREASE THE AUTHORIZED SHARE CAPITAL OF THE COMPANY AND TO ALTER THE MEMORANDUM OF ASSOCIATION OF THE COMPANY:

The Current Authorized Capital of the Company is ₹ 12,00,00,000/- divided into 1,20,00,000 Shares of ₹ 10/- each and the Paid-up share capital of the Company is ₹ 11,97,00,000 divided into 1,19,70,000 Equity Shares of ₹ 10/- each. Further, the Company proposes to increase its authorized Share Capital to ₹ 35,00,00,000/- divided into 3,50,00,000 Equity Shares of ₹ 10/- each to incorporate the issue of Shares on QIP basis. Thus, Pursuant to Section 61 and 64 the Companies Act, 2013, the consent of the shareholders of the company is required to the proposed increase in authorised Share Capital. Accordingly, the Board of Directors of the Company, vide resolution passed at the Board Meeting dated 29th September 2020 has proposed to increase in authorised Share Capital and seeks the approval of the members for the same.

Further, in order to reflect the increase in the Authorised Share Capital of the Company and in order to conform to the requirements of the companies Act, 2013, clause V of Memorandum of Association of the company must be amended. Thus, pursuant to section 13 of Companies Act, 2013, the alteration of the Capital Clause requires approval of the members and accordingly the board seeks approval of shareholders for the same.

None of the Directors, Managers, other key managerial personnel and relatives of the same are concerned or interested in the passing of this Resolution, except to the extent of their shareholding in the company, if any.

ITEM NO. 5: APPROVAL TO UNDERTAKE FUND RAISING ACTIVITIES AND ISSUANCE OF SECURITIES BY THE COMPANY THROUGH QUALIFIED INSTITUTIONAL PLACEMENT ("QIP"):

The Company proposed to raise additional capital for funding both organic and inorganic growth opportunities, capital expenditure, meeting long term and short term working capital requirements, pre-payment and/or repayment of outstanding borrowings or other financial obligations, general corporate purposes or other corporate exigencies, as may be permissible under the applicable law, subject to the approval of shareholders, consent of the Board of Directors of the Company or a duly authorised committee thereof (the "Board"), be and is hereby required, to approve the issue of Equity Shares or other Eligible Securities as defined under Regulation 171(a) of SEBI ICDR Regulations, to

Qualified Institutional Buyers as defined under the SEBI ICDR Regulations (“QIBs”) for an amount upto ₹ 500 Crores (Rupees Five Hundred Crores only) for cash in one or more tranches, through a Qualified Institutional Placement (“QIP”), under the SEBI ICDR Regulations. The issue/allotment of Equity Shares or Eligible Securities may be consummated in one or more tranches at such time or times and at such price, whether at a discount or premium to market price and on such terms and conditions as the Board (hereinafter referred to as the “Board” which term shall deemed to include any Committee(s) constituted/to be constituted by the Board) may in its absolute discretion decide, taking into consideration prevailing market conditions and other relevant factors and wherever necessary in consultation with advisors, book running lead managers and such other authority or authorities as may be necessary and subject to, as applicable, the SEBI ICDR Regulations, and other applicable guidelines, notifications, rules and regulations, each as amended.

The proposed QIP may result in the issuance of Equity Shares or Eligible Securities to investors who may not be Members of the Company. Therefore, consent of the Board is being sought by passing a Board resolution, pursuant to applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations, the SEBI ICDR Regulations and any other law for the time being in force and being applicable.

Since, the pricing and other terms of the QIP cannot be decided, except at a later stage, an enabling resolution is being passed to give adequate flexibility and discretion to the Board to finalize the terms of the Equity Shares or Eligible Securities that may be issued to the QIBs in the QIP. The pricing shall be freely determined subject to such price not being less than the price calculated in accordance with Chapter VI of the SEBI ICDR Regulations.

The Board in accordance with applicable law and in consultation with book running lead managers, may offer a discount of not more than 5 per cent or such percentage as permitted under applicable law on the floor price determined pursuant to the SEBI ICDR Regulations (i.e. not less than the average of the weekly high and low of the closing prices of the equity shares quoted on a stock exchange during the two weeks preceding the ‘Relevant Date’).

The ‘Relevant Date’, in case of allotment of Equity Shares will be the date when the Board decides to open the QIP for subscription and in case of allotment of eligible convertible securities, either the date of the Meeting in which the Board or decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the Equity Shares.

The allotment of Equity Shares or other Eligible Securities shall be completed within 365 days from the date of resolution passed by the Members.

The Equity Shares shall rank pari passu in all respects, including in respect of entitlement to dividend with the existing equity shares, as may be provided under the terms of the QIP, and in accordance with the provisions of the placement document(s).

The Eligible Securities or Equity Shares shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted under the SEBI ICDR Regulations from time to time.

Pursuant to Sections 42, 62 and other applicable provisions of the Companies Act, 2013, Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any (including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force), the SEBI ICDR Regulations and the SEBI Listing Regulations, approval of Members is required to be obtained by way of a special resolution.

None of the Directors, key managerial personnel of the Company and their relatives is concerned or interested in this resolution, except to the extent of their shareholding in the Company.

Registered Office:

602, Avior, Nirmal Galaxy,
Opp. Johnson & Johnson, LBS Road,
Mulund (West), Mumbai – 400 080.
CIN: L74120MH2012PLC226823
Email: compliance@vertoz.com
Website: www.vertoz.com

By Order of the Board

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

29th September, 2020



Vertoz Advertising Limited

(Formally Known as :
Vertoz Media Private Limited & Vertoz Media Limited)

CIN L74120MH2012PLC226823

Registered and Corporate Office

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

www.vertoz.com



(022) 6142 6030



(022) 6142 6061



compliance@vertoz.com