



Vertoz Advertising Limited
(Formerly Known as Vertoz Media Pvt. Ltd.
& Vertoz Media Ltd.)
CIN:L74120MH2012PLC226823
Regd. Office.: 602 Avior Nirmal Galaxy
LBS Marg Mulund West Mumbai 400080 India

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14th February 2022

The Manager – Listing Department,
National Stock Exchange of India Limited,
“Exchange Plaza”, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051.

Symbol: VERTOZ
Series: EQ

Dear Sir/Madam,

Reference: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, we wish to inform you that the Board of Directors of the Company, at its Meeting held today, has approved the Scheme of Amalgamation ("Scheme") under the provisions of Sections 230 to 232 of the Companies Act, 2013 for the merger of PayNX Technologies Private Limited and QualiSpace Web Services Private Limited, belonging to the same Promoter Group Companies, with the Company, subject to such approvals as may be required.

The merger is subject to the necessary Statutory and Regulatory approvals, including approval of the National Company Law Tribunal, Mumbai Bench.

The details required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 are given in the enclosed **Annexure 1**.

Thanking you,

Yours Faithfully,

For Vertoz Advertising Limited

Zill Shah

Zill Shah
Company Secretary & Compliance Officer
Encl: A/a





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Annexure 1

Disclosure of Information pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015

Amalgamation of PayNX Technologies Private Limited (PTPL) and QualiSpace Web Services Private Limited (QWSPL) with Vertoz Advertising Limited (VAL):

1.Name of the entity(ies) forming part of the Amalgamation/ Merger, details in brief such as, size, turnover etc.:

i. First Transferor Company:

Paynx Technologies Private Limited is an Unlisted Private Company incorporated on 2nd June, 2010 under the Companies Act, 1956 having its registered office at 602, Avior, Nirmal Galaxy, L.B.S. Marg, Opp. Johnson & Johnson, Mulund, Mumbai – 400 080 (“First Transferor Company” or “PAYNX” or “PTPL”) [CIN: U72900MH2010PTC203628]. The Shares of PAYNX are not listed on any Stock Exchange and it is a not a subsidiary of Transferee Company. PayNX Technologies Private Limited is an Indian Company duly engaged in business of Digital Advertising and PaaS & IT-enabled Services through its Subsidiaries. It has incorporated various Subsidiaries, which has deep domain expertise in multiple industry verticals and has a complete Portfolio of offerings – Starting from Internet Identity Registration to Digital Marketing & Advertising to Publishing solutions to Advertising Platform as a Service (PaaS).

ii. Second Transferor Company:

Qualispace Web Services Private Limited is an Unlisted Private Company incorporated on 24th April, 2017 under the Companies Act, 2013 having its registered office at 602, Avior, Nirmal Galaxy, L.B.S. Marg, Opp. Johnson & Johnson, Mulund, Mumbai – 400 080. (“Second Transferor Company” or “QWSPL”) [CIN: U93000MH2017PTC294200]. The Shares of QWSPL are not listed on any Stock Exchange and it is not a Subsidiary of Transferee Company. QWSPL is engaged in the business of development of Domain Name and Cloud Hosting Services. It also provides Services like Email Services, Cloud Servers, SSL Certificates, Backup and Security Services along with other Managed Services. QualiSpace helps the Business to establish their identity on the internet through their Domain Name and IT Infrastructure through its Cloud Services. QualiSpace also works with Independent Software Vendors as their Infrastructure Services Partners through its IaaS - (Infrastructure as a Service) Cloud.

iii. Transferee Company:

Vertoz Advertising Limited is a Public Limited Company incorporated on 13th February, 2012 under the Companies Act, 1956 having its Registered Office at 602, Avior, Nirmal Galaxy, L.B.S. Marg, Opp. Johnson & Johnson, Mulund, Mumbai – 400 080 (“Transferee Company” or “VAL”) [CIN: L74120MH2012PLC226823]. The Equity Shares of the Transferee Company are listed on the National Stock Exchange of India Limited (“NSE”). It became the first Listed Company in the Digital Programmatic Space. Vertoz is MADTech (Marketing, Advertising & Deep Technology) Group, helping Digital Marketers, Advertising Agencies and Digital Media businesses with their Data Driven





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Marketing, Advertising & Monetization expedition by utilizing the latest technology. Vertoz's various business entities help businesses with everything, from their Data-Driven Marketing Strategy to executing advertising & monetization while keeping Technology at its core in order to optimize the whole process. Vertoz has developed in-house full-stack MADTech Products and acquired various components to complement.

Set out below are the brief details of the Gross Revenues of the Transferor and the Transferee Company on Standalone basis:

(Rs. in Lakhs)

Particulars	Gross Revenue on Standalone Basis		Gross Revenue on Consolidated Basis	
	As on 31.03.2021	As on 31.03.2020	As on 31.03.2021	As on 31.03.2020
First Transferor Company (PTPL)	₹ 198.97	₹ 260.66	₹ 5,450.44	₹ 3,426.04
Second Transferor Company (QWSPL)	₹ 313.31	₹ 379.74	-	-
Transferee Company (VAL)	₹ 1658.04	₹ 1,536.06	₹ 5,700.39	₹ 4,053.12

2. Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length":

Both the Transferor Companies belongs to the same Promoter Group as that of the Transferee Company and as such related party to each other.

However, the Ministry of Corporate Affairs has clarified vide its General Circular No. 30/2014 dated July 17, 2014 that transactions arising out of Compromise, Arrangements and Amalgamations dealt with under specific provisions of the Companies Act, 2013, will not fall within the purview of Related Party Transaction in terms of Section 188 of the Companies Act, 2013.

Further, pursuant to Regulation 23(5)(b) of the Listing Regulations, the Related Party Transactions provisions are not applicable to the proposed Scheme.

3. Area of business of the entity(ies):

i. The principal activity of the First Transferor Company is to do business of Digital Advertising and PaaS & IT-enabled Services through its Subsidiaries. It has incorporated various Subsidiaries, which has deep domain expertise in multiple industry verticals and has a complete Portfolio of offerings – Starting from Internet Identity Registration to Digital Marketing & Advertising to Publishing solutions to Advertising Platform as a Service (PaaS).

ii. The principal activity of the Second Transferor Company is to do business of development of Domain Name and Cloud Hosting Services. It also provides Services like Email Services, Cloud Servers, SSL Certificates, Backup and Security Services along with other Managed Services. QualiSpace helps the Business to establish their identity on the internet through their Domain Name and IT Infrastructure through its Cloud Services. QualiSpace also works with Independent Software Vendors as their Infrastructure Services Partners through its IaaS - (Infrastructure as a Service) Cloud.





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iii. The Transferee Company is a MADTech (Marketing, Advertising & Deep Technology) Group, helping Digital Marketers, Advertising Agencies and Digital Media businesses with their Data Driven Marketing, Advertising & Monetization expedition by utilizing the latest technology. Vertoz's various business entities help businesses with everything, from their Data-Driven Marketing Strategy to executing advertising & monetization while keeping Technology at its core in order to optimize the whole process. Vertoz has developed in-house full-stack MADTech Products and acquired various components to complement.

4. Rationale for amalgamation/ merger:

The key objectives of the Merger are as follows:

- o The Amalgamation will enable the Transferee Company to consolidate the businesses and lead to synergies in operation and create a stronger financial base.
- o It would be advantageous to combine the activities and operations of both the Companies into a single Company driving sharper focus for smooth and efficient Management. This will be reflected in the profitability of the Transferee Company.
- o This Scheme of Amalgamation would result in Merger in the nature of Pooling of Interest as per Appendix C of the Indian Accounting Standard 103 on Business Combinations and thus on consolidation of business of the First Transferor Company and Second Transferor Company with Transferee Company, all the Shareholders of the merged entity will be benefited by result of the amalgamation of Business and availability of a common operating platform.
- o The Amalgamation of the First Transferor Company, Second Transferor Company with the Transferee Company will also provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, the merger will enable optimal utilization of existing resources and provide an opportunity to fully leverage strong assets, capabilities, experience and expertise of all the Companies. The merged entity will also have sufficient funds required for meeting its long-term capital needs as provided for in the scheme.
- o The Scheme of amalgamation will result in cost saving for all the Companies as they are capitalizing on each other's core competency and resources which are expected to result in stability of operations, cost savings and higher profitability levels for the Transferee Company.
- o The consolidation QWSPL with VAL will also result in:
 - i. Rationalization of number of identified operating entities thereby reducing the legal and regulatory compliances.
 - ii. The Services of Vertoz and QWSPL can easily Cross Sell across its customer base of both the entities like Customer of Vertoz are the Digital Agencies and they majorly buy the Services offered by QWSPL and similarly QWSPL Customers' needs Marketing, Advertising & Monetization Services. Through this Merger, the sales team of both the entities can cross sell the Products and Services.
 - iii. QWSPL brings the expertise of IT Infrastructure internal to the Vertoz Group and helps to reduce its current operational expenses and also creates an edge over its Competitors. Current Vertoz Capabilities is to build the Technology and Platforms for the Marketing and Advertising and where as QWSPL capabilities are to build and operate.





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- iv. Conglomerates like Google (GCP) / Amazon (AWS) have built the Infrastructure Expertise to complement its core Digital Advertising Business. Similarly, Vertoz will enjoy the benefits of the Infrastructure Expertise of QWSPL. The other benefits are like 24X7X365 Operations of QWSPL helps Vertoz MADTech infrastructure Uptime, Large Scale Networking capabilities of QWSPL helps Vertoz to setup and maintain global infrastructure of Vertoz MADTech Platforms.
- v. Merger of QWSPL and Vertoz brings the backward and forward integration for both of the entities in terms of value chain. QWSPL can lean on Vertoz capabilities of Marketing and Advertising at a scale. Similarly, Vertoz can offer QWSPL Services to its Brands, Agencies and Publishers' Clients easily.
 - o The consolidation Paynx with VAL will also result in:
 - i. PTPL brings 12 Direct and Indirect Entities together to the Vertoz Group. PTPL is one of the large Networks of the Companies in the Marketing, Advertising, Publishing, Infrastructure - IaaS, AdTech and PaaS business.
 - ii. PTPL Business offers great backward and forward integration between all the PTPL Entities and Vertoz Group all areas of respective business.
 - iii. Vokut Business of PTPL brings a huge volume of Digital Properties in the Vertoz's Umbrella. This will allow Vertoz to distribute some part of the Clients spends internally on Owned Properties and will greatly increase the bottom line of the combined entities.
 - iv. With the merger of Vokut it brings great visibility in the First Party data of the audience and will greatly help Vertoz to procure additional budgets from its existing Agencies and Brands as the Third Party Cookies going away will bring great value to Vertoz with possession of First Party audience data.
 - v. Most of the Entities of PTPL also own the multiple Owned and Operated (O&O) Digital Properties which will also bring the similar benefits of the Vokut bringing to the Vertoz business as explained above.
 - vi. The Business of Contextual Advertising, OpenRTB, Text Ads, Video Traffic of PTPL entities brings great value to Vertoz's AdMozart Marketplace business. The cumulative volume of the merged business of Existing Vertoz Group and PTPL Business will be a record- breaking volume in the entire industry of the Digital Advertising Marketplace under one roof, this will create the dominant position in the Industry.
 - vii. PTPL's OwnRegistrar and US Based QualiSpace business will bring great value to QWSPL - the Parallel Entity which is also getting merged in the mega merger.
 - viii. OwnRegistrar is an ICANN Accredited Domain Registrar which will bring the additional recognition in the Digital Space to Vertoz Group.
 - ix. The Network of the OwnRegistrar Domain Resellers can be monetized very well with the help of MADTech Services of Vertoz Group. Most of these Domain Resellers own and operate the Advertising Agency business and can be easily sold Vertoz Service to them. Similarly, most of the Agency and Brand Clients of Vertoz can be cross sold with the Services of OwnRegistrar and QualiSpace.





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x. PTPT's OwnAdTech PaaS Offerings brings the icing on the cake benefits for all the Entities as most of the Entities are using some Third- Party Platforms to deliver its Services and once all the Entities are merged they can leverage OwnAdTech PaaS Suite of Products and reduce the cost of Third-Party Platforms at a greater scale.

5. In case of cash consideration - amount or otherwise share exchange ratio:

There is no cash consideration involved. The Transferor Company belongs to the same Promoter Group Company as that of the Transferee Company.

Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the First Transferor Company and Second Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application or deed, issue and allot the following number of Equity Shares of Rs. 10/- (Rupees Ten) each, credited as fully paid-up in the Capital of the Transferee Company to all Equity Shareholders of the First Transferor Company and Second Transferor Company whose names appear in the Register of Members, on a record date to be fixed by the Board of the Transferee Company in the following proportion viz.:

"1818 (One Thousand Eight Hundred and Eighteen only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in PAYNX" ("Share Exchange Ratio").

"444 (Four Hundred and Forty-four only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (one) Equity Share of the face value of Rs.10 each fully paid up held in QWSPL" ("Share Exchange Ratio").

6. Brief details of change in shareholding pattern (if any) of listed entity:

There will be change in the Shareholding Pattern of the Transferee Company pursuant to the Scheme as 2,26,20,000 Shares are being issued by the Transferee Company in connection with the Scheme.

Category of Shareholders	Pre-Merger Shareholding		No. of Shares to be allotted	Post-Merger Shareholding	
	No. of Shares	% of Shareholding		No. of Shares	% of Shareholding
Promoter & Promoter Group	67,42,148	56.33%	1,89,84,000	2,57,26,148	74.37%
Public	52,27,852	43.67%	36,36,000	88,63,852	25.63%
Total	1,19,70,000	100.00%	2,26,20,000	3,45,90,000	100.00%

