

# Annual Report

2020 - 2021



**Empowering  
Digitization For  
Businesses**

# VERTOZ ADVERTISING LIMITED

## ANNUAL REPORT

### 2020 – 2021

## INDEX

---

▶ About us	1
▶ Corporate Information	8
▶ Chairman’s Letter & Whole-time Directors’ Letter	10
▶ Director’s Report	12
▶ Corporate Governance Report	49
▶ Whole-time Director & Chief Financial Officer Certificate	69
▶ Independent Auditor’s Report – Standalone Basis	70
▶ Standalone Audited Financial Statements	80
▶ Independent Auditor’s Report – Consolidated Basis	96
▶ Consolidated Audited Financial Statements	104
▶ Annual General Meeting Notice	121

---

## 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

### OUR VISION

To be a Great Instrumental in Inspiring Businesses Digital Expedition.

### OUR MISSION

Discover, build, employ and Integrate various products, data points, strategies and services for businesses data driven Marketing, Advertising & Monetization expedition.



## WHO WE ARE

Vertoz is MADTech 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.

## WHAT WE DO

Vertoz represents the entire fraternity of Marketing and Advertising through its various Strategic units while keeping Technology at its core. To facilitate this, Vertoz has built a highly advanced and easy to use digital advertising, monetization and data platform. Our highly scalable, Data Driven, AI & ML fueled, smart platforms help in connecting marketers to a quality audience of leading publishers and digital platforms worldwide and help them with their respective advertising and monetization goals.



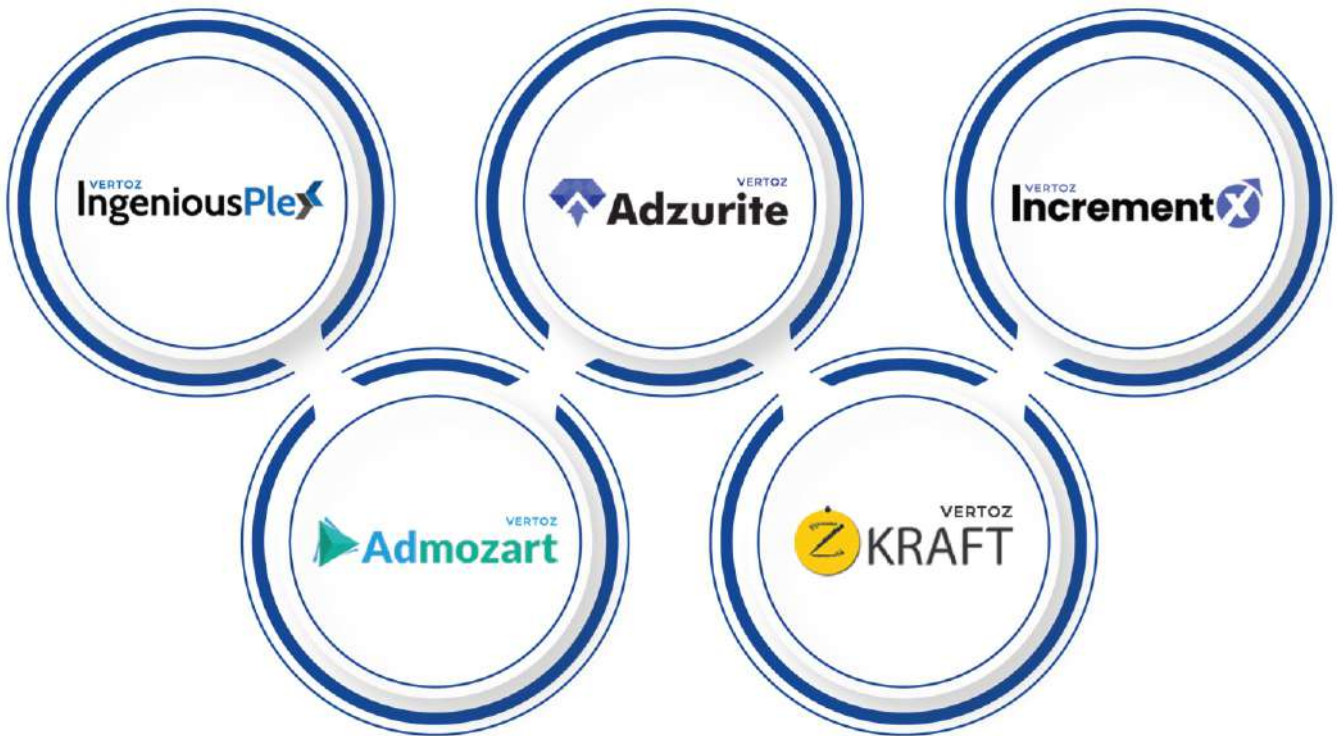
## OUR STRATEGIC BUSINESS UNITS

- IngeniousPlex** - Vertoz’s IngeniousPlex is Self Service Media Buying Platform and it empowers the buyers of advertising with the data and right tools and technology.
- Adzurite** - Vertoz’s Adzurite helps Marketers Performance-based Advertising Goals with the help of its Networks of Global Affiliates.
- IncrementX** - Vertoz’s IncrementX is Self Service Media Monetization Platform and it empowers digital publishers monetization strategy with the programmatic demand, technology, and ad operations expertise.
- Admozart** - Vertoz’s IngeniousPlex is Self Service Media Buying Platform and it empowers the buyers of advertising with the data and right tools and technology.
- Zkraft** - Vertoz’s IngeniousPlex is Self Service Media Buying Platform and it empowers the buyers of advertising with the data and right tools and technology.

We Help Advertisers Efficiently Reach The Prospects, Digitally

A Performance Marketing Gem

Empowering Publishers For Smarter Monetization



A Contextual Advertising Marketplace

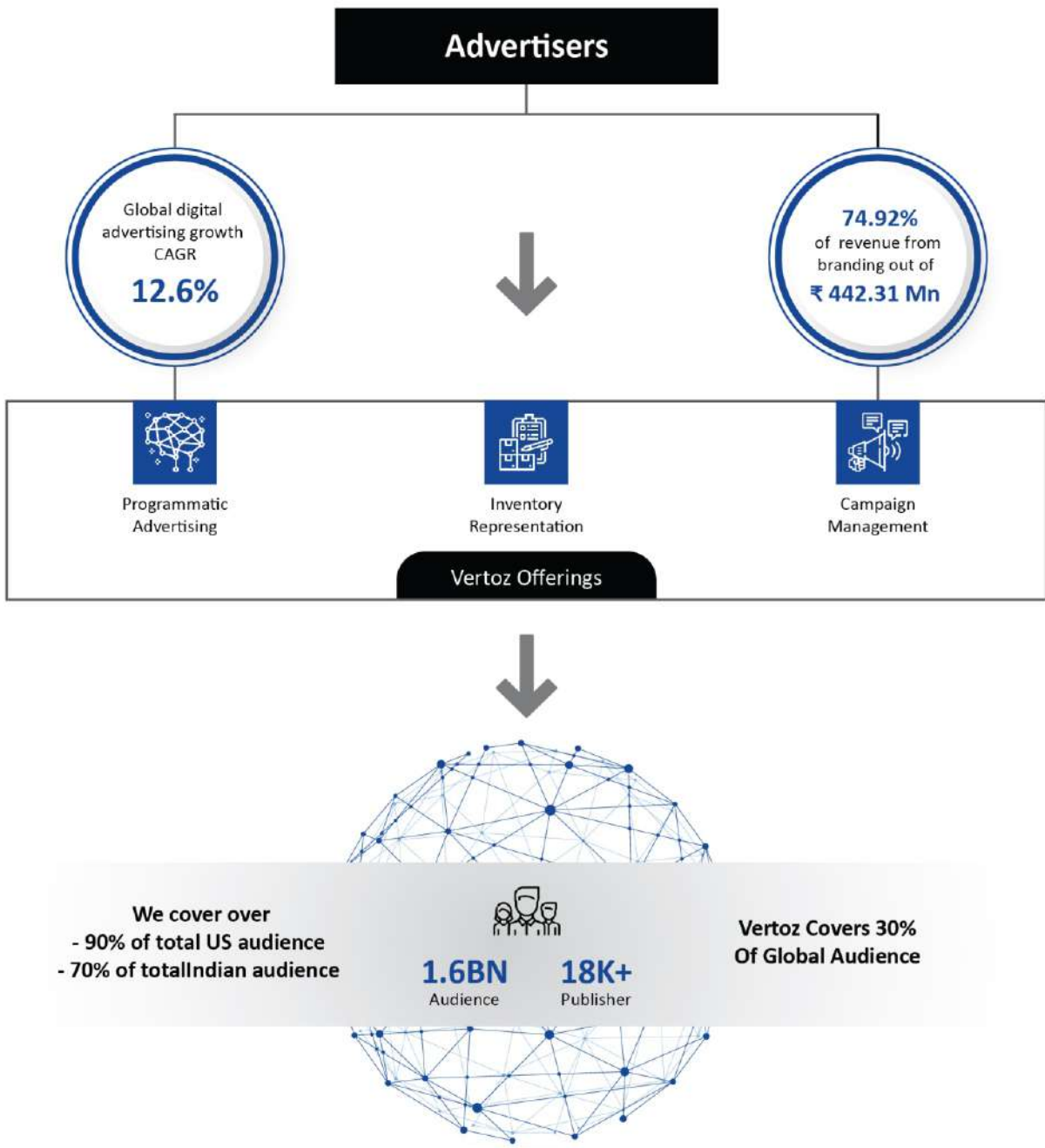
A 360° Digital Consulting Agency



# BUSINESS OFFERINGS

**1. Branding Solutions** - Vertoz Branding solutions help direct advertisers and agencies advertisers to reach new and interactive audiences suitable for their brands.

- ▶ Programmatic advertising (Self-service and Marketplace)
- ▶ Inventory Representation
- ▶ Managed Service



**Our Transparent and Brand Safe Advertising Solutions**

Advanced DMP for Precise Audience Targeting

AI & ML Fueled

Brand Safe

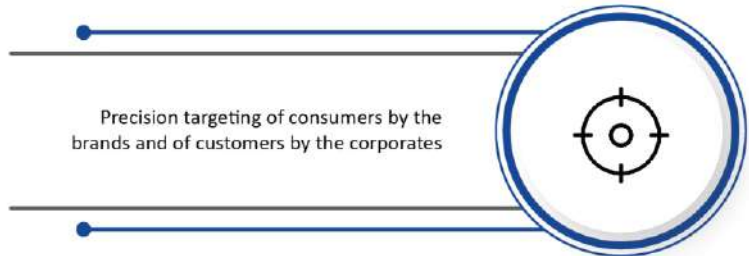
Fraud Prevention Mechanism



**2. Performance Solutions** - Vertoz helps Marketers Performance-based Advertising Goals with the help of its Networks of Global Affiliates. Our aim is to help marketers achieve the desired ROI.



ROI based revenue model



Precision targeting of consumers by the brands and of customers by the corporates



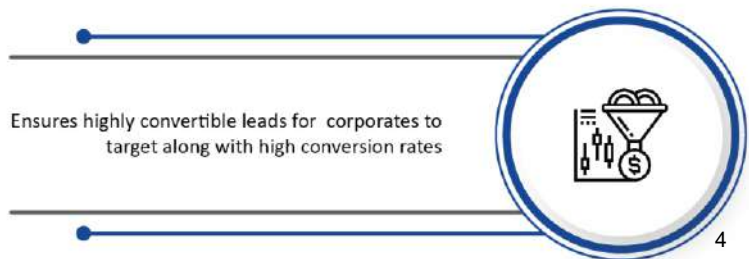
Dedicated RMs are allotted to each customer



ROI goals are set for RMs. This drives more digital advertising which is a revenue spinner for the company



Marketing budgets are moving towards performance marketing converting from traditional marketing budgets like print, TV and outdoor



Ensures highly convertible leads for corporates to target along with high conversion rates



**3. Enterprise Solutions** - Vertoz Enterprise solution is an extended offering of Branding and Performance solutions. It helps enterprises with their data driven marketing and advertising expedition. The offering starts from digital strategy to execution to analytics.



Strategy & Transformation



Website & Apps



Content & Creative



Social & Messaging



Media Planning & Buying



Staffing – Resource as a Service



Analytics & Dashboard



# OUR METHODOLOGY



Vertoz follows an agile methodology, and all its products and businesses are built, acquired and improved based on the following values:

- ▶ **Having regular Team Interactions**
- ▶ **Inventory Representation**
- ▶ **Iterative Tech**
- ▶ **Quickly responding to a change**

As a MADTech Business Vertoz keeps Technology at the forefront and sets up the process of data driven marketing, advertising and monetization for the business’s digital expedition.



# OUR TECHNOLOGY

## Scalable Architecture -

Our infrastructure is hosted in North America, Europe and Asia across 5 data centers. Our core bidding and auction architecture is easily adaptable to a variety of inventory formats, allowing our platform to communicate with many demand and inventory sources.

## Softwares -

Majority of softwares which we use are open source allowing us to customize as per the needs of our architecture. We have customized up to the kernels of the operating systems. We use various Web Servers, Databases servers - SQL based, In-Memory, Columnar and big data and clustering softwares and load balancing softwares.

## Performance Optimization -

During campaign execution & monetization, our optimization engine continually scores a variety of attributes of each impression, such as website, industry vertical or geography, for their likelihood to achieve campaign performance and monetization goals. Our bidding and auction engine then shifts bids and budgets in real-time to deliver optimal performance.










## Real-time Analytics -

Our platform continuously collects data regarding inventory and the demand. Real-time campaign delivery and earnings are used to manage campaign budgets and monetization goals. All such data is ingested into our engine to improve the performance, and into machine-learning models. Currently we analyze hundreds of data points in real time and execute over 1,000,000 (10 Lakh /1 Million) queries per second.





# VERTOZ ROLE IN MADTECH ECOSYSTEM

Demand Side (Advertiser)	Vertoz Businesses	Supply Side (Publisher)
<b>Demand Partners</b>	<b>Branding Business</b>	<b>Supply Partners</b>
Adcash Exoclick ExploreAds	      Vertoz Representation  Vertoz Managed Services	Content.ad Taboola Smaato Google
<b>Ad Networks</b>		<b>Ad Networks</b>
<b>Holding Agencies</b>		<b>Media Houses</b>
Adcash Exoclick ExploreAds		Times of India The Hindu Indian Express
<b>Monetization Partners</b>	<b>Performance Business</b>	<b>Walgarten Inventory</b>
Google Magnite PubMatic		Ola Zomato Jio
<b>Independent Agencies</b>		<b>Domain Parking Companies</b>
<b>Direct Businesses</b>	<b>Enterprise Business</b>	<b>Affiliates</b>
<b>Demand Quality Verification Partners</b>		<b>Supply Quality Verification Partners</b>
		    

**CORPORATE INFORMATION:**

<b>Name of the Company</b>	:	<b>VERTOZ ADVERTISING LIMITED</b>
<b>CIN</b>	:	L74120MH2012PLC226823
<b>Registered and Corporate Office</b>	:	602, Avior, Nirmal Galaxy, L.B.S. Marg, Opp. Johnson & Johnson, Mulund (West), Mumbai– 400 080, Maharashtra State, India.
<b>Email</b>	:	<a href="mailto:compliance@vertoz.com">compliance@vertoz.com</a>
<b>Website</b>	:	www.vertoz.com
<b>Contact No</b>	:	022 – 6142 6030
<b>ISIN</b>	:	INE188Y01015

**Board of Directors:**

<b>Name of Director</b>	<b>Nature of Directorship</b>
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
Rohit Keshavlal Vaghadia	Non-Executive Independent Director
Nilam Samir Doshi	Non-Executive Independent Director
Harshal Ishwar Patel*	Non-Executive Independent Director

*[\*Harshal Ishwar Patel resigned w.e.f. 25<sup>th</sup> 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  
ICICI Bank

**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@kfintech.com](mailto:info@kfintech.com)  
Website: - [www.kfintech.com](http://www.kfintech.com)

## **COMMITTEES OF THE BOARD:**

### **1. Audit Committee:**

<b>Name of Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Nilam Doshi	Chairperson	Non-Executive Independent Director
Hirenkumar Shah	Member	Whole-time Director
Rohit Vaghadia	Member	Non-Executive Independent Director

[\*Nilam Doshi was elected as Chairperson of the Company w.e.f. 25<sup>th</sup> 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. 25<sup>th</sup> June 2020.]

### **2. Stakeholders' Relationship Committee:**

<b>Name of Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
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. 25<sup>th</sup> 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:**

<b>Name of Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
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. 25<sup>th</sup> June 2020. Mr. Hirenkumar Shah and Mr. Harshal Patel ceased to be the Members of the Committee w.e.f. 4<sup>th</sup> January 2020 and 25<sup>th</sup> June 2020 respectively]

# CHAIRMAN'S LETTER

Dear Shareholders,

The year 2020 was truly an exceptional year with unpredictable changes throughout the globe both - personally as well as professionally. Of all the learnings that it provided, the changes it brought about: in the business world, one thing that it catalyzed the most is the Digital Disruption. It made it mandatory for businesses to stay on their toes and keep introducing exciting and innovative experiences for their Clients.

I'm proud to say that Vertoz as a community and an extended digital partner to various businesses has succeeded in doing every bit possible to help them sail through these tough times. As a Global Company, we assume our responsibility of adding value through each and every Service offered by us to our various Clients across sectors and thereby fostering our relationship with our dear Stakeholders who've believed in us persistently.

I'd hereby like to quote that the transformation businesses will have to undergo will be unlike anything that we may have ever imagined. And Vertoz is ready to take on the challenge that it may put forward. With our creative as well as innovative approach, we've succeeded in fabricating new capabilities for our Clients that will go a long way in securing long-term growth and thereby enabled us to reach a new milestone in terms of revenue in 2021.

I'd like to extend my sincere gratitude towards the entire Vertoz fraternity for their unwavering contribution to making Vertoz a reliable and successful venture. I'm also thankful to our Shareholders, Bankers and Investors for putting their trust and belief in our efforts to become one of the most well-built AdTech Companies. Finally, our Clients, for their relentless support, feedback, and faith that motivated us to exit from our comfort zones and push our limits.

It is truly an honour to serve as the Chairman and Director of Vertoz and I am super thrilled and positive in taking this journey ahead and conquer new milestones with you all.

Sincerely,

**Harshad Uttamchand Shah**  
**Chairman & Non-Executive Director**



# DIRECTOR'S LETTER

Dear Shareholders,

We trust you're keeping safe and healthy during times like these. 2020 has most certainly been a year of unprecedented changes in all walks of life. And as we entered 2021, the second wave has caused us to face many ups and downs constantly - be it professionally, or personally. Amidst all these uncertainties, I'm proud and grateful to state that Vertoz has remained quite stable in terms of its operations and growth.

In the FY 2020-2021, we managed to up our revenue by 39.61% and PAT by 102.05% as compared to the last financial year on consolidated basis. We were able to achieve this by being proactive in terms of analyzing the situation and taking thoughtful steps to cope with whatever the circumstances had to offer. We were quick to adopt a major shift in our operations to ensure the wellbeing of our Community and People. Being a global player in the digital world, we responded to the opportunity, as the world moved to online, a trend that is here to stay for a long time now.

We readily went one-step ahead to offer unique value propositions and customized its services to fit the arising requirements of our Clients. By integrating with various premium partners, we made it easy for our Advertisers to get access to premium inventories. The consistency in our outlook has helped us thrive in these tough times and thus touching billions of lives across the world through our Services and Offerings.

We hereby extend our sincere gratitude to all our employees, who are the major contributors of our achievements. We also want to express our thankfulness towards our Shareholders for their consistent faith in us and our Clients without whom we would not have scaled such heights in times like these.

Sincerely,

**Hirenkumar Shah and Ashish Shah**

**Whole - Time Directors**



## DIRECTOR'S REPORT

Dear Members of **Vertoz Advertising Limited**,

Your Directors' have pleasure in presenting this 10<sup>th</sup> Annual report on the affairs of the Company together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March 2021.

### 1. COMPANY SPECIFIC INFORMATION

#### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] (as amended from time to time). The financial statements have been prepared on the accrual and going concern basis. The financial statements have been prepared on a historical cost basis, except for financial assets and liabilities that is measured at fair value as stated in subsequent policies.

#### 1.2 FINANCIAL SUMMARY AND/OR HIGHLIGHTS:

(₹ in Lakhs)

Particulars	Standalone Figures		Consolidated Figures	
	FY 20-21 (Ind-AS)	FY 19-20 (Ind-AS)	FY 20-21 (Ind-AS)	FY 19-20 (Ind-AS)
<b>Gross Income</b>	<b>1854.02</b>	<b>1660.18</b>	<b>5903.80</b>	<b>4228.67</b>
Profit/(Loss) Before Interest and Depreciation	710.07	452.34	1432.94	840.56
(-) Finance Charges	(106.97)	(89.19)	(129.90)	(108.39)
<b>Gross Profit/(Loss)</b>	<b>603.10</b>	<b>363.15</b>	<b>1303.04</b>	<b>732.17</b>
(-) Provision for Depreciation	(234.80)	(77.28)	(369.15)	(209.65)
<b>Net Profit Before Tax</b>	<b>368.30</b>	<b>285.87</b>	<b>933.89</b>	<b>522.52</b>
(-) Provision for Tax	(101.74)	(69.09)	(125.77)	(97.4)
(-) Deferred Tax	10.35	(20.04)	10.35	(20.04)
<b>Net Profit After Tax</b>	<b>276.91</b>	<b>196.74</b>	<b>818.47</b>	<b>405.08</b>
<b>Balance of Profit/(Loss) brought forward</b>	<b>276.91</b>	<b>196.74</b>	<b>818.47</b>	<b>405.08</b>
(-) Consolidation Revaluation Gain/(Loss)	0.00	0.00	0.00	0.00
<b>Balance available for appropriation</b>	<b>276.91</b>	<b>196.74</b>	<b>818.47</b>	<b>405.08</b>
(-) 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
<b>Profit for the Period</b>	<b>276.91</b>	<b>196.74</b>	<b>818.47</b>	<b>405.08</b>
<b>Other Comprehensive Income</b>				
(i) Items that will not be reclassified to Profit or Loss	7.11	5.48	7.11	5.48
(ii) Income tax relating to above	(1.79)	(1.38)	(1.79)	(1.38)
<b>Total Comprehensive Income</b>	<b>282.22</b>	<b>200.84</b>	<b>823.78</b>	<b>409.19</b>

### 1.3 OPERATIONS AND AFFAIRS OF THE COMPANY:

The Company has reported total standalone income of ₹ **1854.02 Lakhs** for the current year as compared to ₹ **1660.18 Lakhs** in the previous year. The Net Profit after tax for the year under review amounted to ₹ **276.91 Lakhs** in the current year as compared to Net Profit after tax of ₹ **196.74 Lakhs** in the previous year. The Comprehensive Income for the year under review amounted to ₹ **282.22 Lakhs** in the current year as compared to Comprehensive Income of ₹ **200.84 Lakhs** in the previous year.

The Company has reported total consolidated income of ₹ **5903.80 Lakhs** for the current year as compared to ₹ **4228.67 Lakhs** in the previous year. The Net Profit after tax for the year under review amounted to ₹ **818.47 Lakhs** in the current year as compared to Net Profit after tax of ₹ **405.08 Lakhs** in the previous year. The Comprehensive Income for the year under review amounted to ₹ **823.78 Lakhs** in the current year as compared to Comprehensive Income of ₹ **409.19 Lakhs** in the previous year.

### 1.4 TRANSFER TO RESERVES:

The Company has closing balance of ₹ **17,36,75,190/-** as Reserves and Surplus.

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

Sr. No.	Particulars	As at 31 <sup>st</sup> March, 2021
1.	Surplus from Profit & Loss Account	
	Opening Balance	5,97,58,424
	Add: Profit/(Loss) for the period	2,82,22,178
	Less: Issue of Bonus Shares	(7,17,353)
2.	Securities Premium (n/off preliminary expenses)	8,64,11,940
	<b>Total Value in INR</b>	<b>17,36,75,190</b>

### 1.5 FINAL DIVIDEND:

The Directors wish to invest the profits back into the Company for further growth and expansion, and therefore did not recommend any dividend for the Financial Year ended 31<sup>st</sup> March, 2021.

## 1.6 MAJOR EVENTS OCCURRED DURING THE YEAR:

### A. COVID-19 IMPACT:

We have all experienced a unique and challenging year. The COVID-19 pandemic brought in its wake a lot of disruption and uncertainty that affected every aspect of life. However, at Vertoz, we were guided by our principles and values while responding to these challenges.

The outbreak of Coronavirus (COVID-19) pandemic globally has caused 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 17<sup>th</sup> 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 2020-2021 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 no material changes that happened since the end of the year and till the date of the report.



## 1.7 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 2020-2021. As such, no specific details are required to be given or provided.

## 2. GENERAL INFORMATION:

### 2.1 OVERVIEW OF THE INDUSTRY

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

### 2.2 ECONOMIC OUTLOOK

The detailed discussion on the Global Economic outlook is covered under Management Discussion and Analysis section 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 ₹ 12,00,00,000/- (Rupees Twelve Crores only) divided into 1,20,00,000 (One Crore and Twenty Lakhs) Equity Shares of ₹ 10/- (Rupees Ten) each to ₹ 35,00,00,000/- (Rupees Thirty-five Crores only) divided into 3,50,00,000 (Three Crores Fifty Lakhs only) Equity Shares of ₹ 10 (Rupees Ten) each. The existing Capital Structure of the Company is as follows:

Particulars	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	Amount (Rupees in lakhs)	
<b>Authorised Share Capital</b> 3,50,00,000 Equity Shares of ₹ 10/- (Rupees Ten) each	3,500.00	1,200.00
<b>Issued, Subscribed and Paid-up Share Capital</b> 1,19,70,000 Equity Shares of ₹ 10/- (Rupees Ten) each	1,197.00	1,197.00

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 any ESOP, Stock Option, Sweat Equity during the FY 2020-2021.

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

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, your Company was not required to transfer any amount to the Investor Education & Protection Fund (IEPF) during the financial year 2020-2021.

#### 5. DEPOSITS:

During the Financial Year, 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 2020-2021 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 2020-2021
Foreign Exchange Inflow	₹ 5,52,98,567/-
Foreign Exchange Outflow	₹ 1,86,836/-

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

During the FY 2020-2021 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 of 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 (₹)
2019-2020	56,09,21,219	25,91,36,873	54,98,709	9,01,009
2020-2021	63,01,17,588	34,85,14,337	56,64,732	20,86,880

**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 (₹)
2019-2020	25,28,42,265	14,81,92,669	10,61,78,710	(7,86,787)
2020-2021	29,29,18,944	17,24,84,958	4,99,70,567	4,51,454

**ADZURITE SOLUTIONS PRIVATE LIMITED:**

This Subsidiary is a Performance Marketing Company backed with technology which proffers Services and advertising needs. Its advanced solutions and premium Partners aid Advertisers earn better ROIs.

Financial Year	Total Assets (₹)	Total Revenue (₹)	Share of Net Profit/(Loss) (₹)	Net Cash Flows (₹)
2019-2020	47,01,059	1,48,45,228	6,28,925	25,767
2020-2021	51,21,199	42,01,343	11,89,767	8,576

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 31<sup>st</sup> March, 2021 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 in house Internal Audit Department, for the Financial Year 2020-2021. 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 <sup>st</sup> March, 2021
1	Hirenkumar Rasiklal Shah	00092739	Whole-time Director	Yes	30,71,824
2	Ashish Rasiklal Shah	00092787	Whole-time Director	No	30,71,824

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 <sup>#</sup>	07946771	Independent Director	Yes	NIL
7	Nilam Samir Doshi <sup>@</sup>	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. 25<sup>th</sup> June 2020 and so he ceased to be the Independent Director of the Company and all the Committees were reconstituted.

<sup>#</sup> Rohit Keshavlal Vaghadia became the Member of the Audit Committee w.e.f. 25<sup>th</sup> June 2020

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

#### **b) CHANGES IN COMPOSITION OF BOARD OF DIRECTORS:**

On 25<sup>th</sup> 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. Rasiklal Hathichand Shah (DIN: 00091585), is due to retire by rotation at the 10<sup>th</sup> Annual General Meeting.

As per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made thereunder, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, no Listed Entity shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of Seventy Five (75) years unless a Special Resolution is passed to that effect, in which case the explanatory statement annexed to the Notice for such motion shall indicate the justification for appointing such a person.

On 21<sup>st</sup> December 2019, approval of the Members of the Company was granted to Mr. Rasiklal Hathichand Shah (DIN 00091585), who had attained the age of Seventy-five (75)

years, to continue to be a Non-Executive Director of the Company by passing Special Resolution through Postal Ballot. Since Mr. Rasiklal Hathichand Shah (DIN 00091585) is liable to retire by rotation, Nomination and Remuneration Committee has recommended for the re-appointment therefore in pursuance of said aforesaid Regulation it is hereby proposed that Special Resolution be passed for continuation of his office as Director liable to retire by rotation.

**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. 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 2020-2021.

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

During the FY 2020-2021 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.

**16. FAILURE TO IMPLEMENT ANY CORPORATE ACTION:**

During the FY 2020-2021 under review, there was no corporate action taken by the Company.

**17. 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.

**18. 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.

**19. 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 28<sup>th</sup> 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 2020-2021.

**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 31<sup>ST</sup> MARCH 2021:**

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 2020-2021.

Secretarial Audit Report issued by M/s. U. Hedge & Associates, Practicing Company Secretaries in Form MR-3 for the Financial Year 2020-2021 forms part to this report as an "Annexure -5". The said report does not contain the following observation or qualification.

**20. CORPORATE GOVERNANCE:**

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), a separate section on "Corporate Governance" with a detailed Report on Corporate Governance forms part of this Annual Report.

**21. 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.

**22. PREVENTION OF INSIDER TRADING:**

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

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

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

**24. MEANS OF COMMUNICATION:**

The Company has designated [compliance@vertoz.com](mailto: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.

**25. 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, 2021. Further the Company had completed and filed GST Audit Report for FY 2017-18 on 07.02.2020, for FY 2018-19 on 31.12.2020 and FY 2019-20 on 27.02.2021.**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 31<sup>st</sup> March 2021, 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 31<sup>st</sup> March 2021 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 2020-2021.

**d) SUSPENSION OF TRADING:**

There was no occasion wherein the equity shares of the Company have been suspended for trading during the FY 2020-2021.

**e) 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.

**f) DEMATERIALISATION OF SHARES:**

The Company's shares are held with both the Depositories i.e., National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). 1,19,69,998 of the Company's Shares are held in electronic/ demat form as on March 31, 2021.

As on March 31, 2021, the number of Shares held in dematerialized and physical mode are as under:

No. of shares in dematerialized form in CDSL	3533649
No. of shares in dematerialized form in NSDL	8436349
No. of shares in Physical	2
<b>Total no. of Shares</b>	<b>11970000</b>

**g) PAYMENT OF LISTING AND DEPOSITORIES FEES:**

The Company has duly paid the requisite Annual Listing Fees for the FY 2020-2021, to the National Stock Exchange of India Limited (NSE).

The Company has also duly paid the requisite annual custodian/depository fee and other fees for the FY 2020-2021, to the National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL).

**h) POLICY ON SEXUAL HARASSMENT AT WORKPLACE:**

Your Company is an equal opportunity employer and is committed to ensuring that the work environment at all its locations is conducive to fair, safe and harmonious relations 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 2020-2021, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder there were **No Complaints** registered.

**26. 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”**.

**27. 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: 31<sup>st</sup> August 2021**

**Harshad Shah  
Chairman & Non-Executive Director**

**DIN: 07849186**

*Part of this page intentionally left blank.*

**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	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 Shareholding**

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	
<b>Promoter</b>									
<b>Indian</b>									
Individual/ HUF	8742148	0	8742148	73.03	6742148	0	6742148	56.33	(16.71%)
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
<b>Sub-total A(1):-</b>	<b>8742148</b>	<b>0</b>	<b>8742148</b>	<b>73.03</b>	<b>6742148</b>	<b>0</b>	<b>6742148</b>	<b>56.33</b>	<b>(16.71%)</b>
<b>Foreign</b>									
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
<b>Sub-total A(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total A = A(1) + A(2)</b>	<b>8742148</b>	<b>0</b>	<b>8742148</b>	<b>73.03</b>	<b>6742148</b>	<b>0</b>	<b>6742148</b>	<b>56.33</b>	<b>(16.71%)</b>
<b>Public Shareholding</b>									
<b>Institutions</b>									
Mutual Funds	0	0	0	0	181000	0	181000	1.51	1.51
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
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>181000</b>	<b>0</b>	<b>181000</b>	<b>1.51</b>	<b>1.51</b>
<b>Non-Institutions</b>									
Bodies Corporate	285600	0	285600	2.39	432349	0	432349	3.61	01.23
<b>Individuals</b>									
A. Individual shareholders holding nominal share capital upto ₹ 1 lakh	1053600	0	1053600	8.80	2028221	2	2028221	16.94	8.14
B. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1883852	0	1883852	15.74	2354934	0	2354934	19.67	3.94
<b>Others</b>									
Clearing Members	4800	0	4800	0.04	173423	0	173423	1.45	1.41
NRI	0	0	0	0.00	0	0	47219	0.39	0.39
NRI-NR	0	0	0	0.00	0	0	10704	0.09	0.09
Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0.00
<b>Sub-total (B)(2)</b>	<b>3227852</b>	<b>0</b>	<b>3227852</b>	<b>26.97</b>	<b>5046850</b>	<b>2</b>	<b>5046850</b>	<b>42.16</b>	<b>15.20</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>3227852</b>	<b>0</b>	<b>3227852</b>	<b>26.97</b>	<b>5227852</b>	<b>2</b>	<b>5227852</b>	<b>43.67</b>	<b>16.71</b>
Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>11970000</b>	<b>0</b>	<b>11970000</b>	<b>100.00</b>	<b>11969998</b>	<b>2</b>	<b>11970000</b>	<b>100.00</b>	<b>0.00</b>

**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	4071824	34.02	0.00	3071824	25.66	0.00	(8.36)
2.	Ashish Shah	4071824	34.02	0.00	3071824	25.66	0.00	(8.36)
3.	Rasiklal Shah	119700	1.00	0.00	119700	1.00	0.00	0.00
4.	Ranjanben Shah	119700	1.00	0.00	119700	1.00	0.00	0.00
5.	Archana Shah	119700	1.00	0.00	119700	1.00	0.00	0.00
6.	Shital Shah	119700	1.00	0.00	119700	1.00	0.00	0.00
7.	Arpana Vejani	119700	1.00	0.00	119700	1.00	0.00	0.00
	<b>Grand Total</b>	<b>8742148</b>	<b>73.04</b>	<b>0.00</b>	<b>6742148</b>	<b>56.32</b>	<b>0.00</b>	<b>(16.72)</b>

**iii) Change in Promoters' Shareholding:**

On 30<sup>th</sup> June 2020, Mr. Hirenkumar Shah and Mr. Ashish Shah, both Promoters of the Company has sold 10,00,000 Shares each of the Company in Open Market.

Thus, there was a fall in the Promoter Shareholding by 16.72% and the total Promoter Shareholding as on 31<sup>st</sup> March 2021 was 56.32%

**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.	<b>RELITRADE STOCK BROKING PRIVATE LIMITED</b>				
	<b>At the beginning of the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Change during the year</b>				
	Transfer on 23/10/2020	91000		91000	0.76
	Transfer on 30/10/2020	49000		140000	1.17
	Transfer on 30/10/2020	(89000)		51000	0.43
	Transfer on 06/11/2020	49000		100000	0.84
	Transfer on 06/11/2020	(2000)		98000	0.82
	Transfer on 13/11/2020	49000		147000	1.23
	Transfer on 27/11/2020	5605		152605	1.27
	Transfer on 04/12/2020	11358		163963	1.37
	Transfer on 11/12/2020	(16963)		147000	1.23
	Transfer on 18/12/2020	59000		206000	1.72
	Transfer on 25/12/2020	46500		252500	2.11
	Transfer on 08/01/2021	4000		256500	2.14
Transfer on 15/01/2021	(4000)		252500	2.11	
Transfer on 31/03/2021	200		252700	2.11	
	<b>At the end of the year</b>			<b>252700</b>	<b>2.11</b>
2.	<b>SANJAY CHANDEL</b>				
	<b>At the beginning of the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Transfer on 11/09/2020	118349		118349	0.99
	Transfer on 25/09/2020	16408		134757	1.13



	Transfer on 23/10/2020	20151		154908	1.29
	<b>At the end of the year</b>			<b>154908</b>	<b>1.29</b>
<b>3.</b>	<b>NIRAJ RAJNIKANT SHAH</b>				
	<b>At the beginning of the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Transfer on 10/07/2020	48455		48455	0.40
	Transfer on 17/07/2020	75005		123460	1.03
	Transfer on 31/07/2020	46537		169997	1.42
	Transfer on 04/09/2020	(50000)		119997	1.00
	Transfer on 11/09/2020	115000		234997	1.96
	Transfer on 30/09/2020	(115000)		119997	1.00
	Transfer on 09/10/2020	140000		259997	2.17
	Transfer on 30/10/2020	(63500)		196497	1.64
	Transfer on 06/11/2020	122000		318497	2.66
	Transfer on 13/11/2020	(49000)		269497	2.25
	Transfer on 27/11/2020	(80000)		189497	1.58
	Transfer on 04/12/2020	80000		269497	2.25
	Transfer on 11/12/2020	45000		314497	2.63
	Transfer on 25/12/2020	(115000)		199497	1.67
	Transfer on 01/01/2021	115000		314497	2.63
	Transfer on 15/01/2021	37520		352017	2.94
	Transfer on 22/01/2021	(10520)		341497	2.85
	Transfer on 29/01/2021	(78000)		263497	2.20
	Transfer on 05/02/2021	49000		312497	2.61
	Transfer on 12/02/2021	(3000)		309497	2.59
	Transfer on 19/02/2021	(101600)		207897	1.74
	Transfer on 26/02/2021	30000		237897	1.99
	Transfer on 12/03/2021	(35000)		202897	1.70
	Transfer on 19/03/2021	(38699)		164198	1.37
	Transfer on 26/03/2021	(19889)		144309	1.21
	<b>At the end of the year</b>			<b>144309</b>	<b>1.21</b>
<b>4.</b>	<b>BHAVESH PRAVINCHANDRA SHAH</b>				
	<b>At the beginning of the year</b>	<b>144000</b>	<b>1.20</b>	<b>144000</b>	<b>1.20</b>
	Transfer on 20/11/2020	105600		249600	2.09
	Transfer on 20/11/2020	(105600)		144000	1.20
	<b>At the end of the year</b>			<b>144000</b>	<b>1.20</b>
<b>5.</b>	<b>SHITAL BHAVESHKUMAR SHAH</b>				
	<b>At the beginning of the year</b>	<b>144000</b>	<b>1.20</b>	<b>144000</b>	<b>1.20</b>
	Transfer on 20/11/2020	105600		249600	2.09
	Transfer on 20/11/2020	(105600)		144000	1.20
	<b>At the end of the year</b>			<b>120000</b>	<b>1.00</b>
<b>6.</b>	<b>TCG FUNDS FUND 1</b>				
	<b>At the beginning of the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Transfer on 19/02/2021	140000		140000	1.17
	<b>At the end of the year</b>			<b>140000</b>	<b>1.17</b>
<b>7.</b>	<b>WAYS VINIMAY PRIVATE LIMITED</b>				
	<b>At the beginning of the year</b>	<b>137600</b>	<b>1.15</b>	<b>137600</b>	<b>1.15</b>
	Transfer on 04/09/2020	(137600)		0	0
	<b>At the end of the year</b>			<b>0</b>	<b>0</b>
<b>8.</b>	<b>MITESH PRAVINCHANDRA SHAH</b>				
	<b>At the beginning of the year</b>	<b>120000</b>	<b>1.00</b>	<b>120000</b>	<b>1.00</b>
	Transfer on 10/07/2020	(20000)		100000	0.84
	Transfer on 25/09/2020	3500		103500	0.86
	Transfer on 20/11/2020	100000		203500	1.70
	Transfer on 20/11/2020	(100000)		103500	0.86
	<b>At the end of the year</b>			<b>103500</b>	<b>0.86</b>

9.	<b>CHIRAG DILIPKUMAR PAREKH</b>			
	<b>At the beginning of the year</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Transfer on 03/07/2020	483276		483276
	Transfer on 11/09/2020	483276		966552
	Transfer on 11/09/2020	(483276)		483276
	Transfer on 30/10/2020	(1000)		482276
	Transfer on 08/01/2021	(50000)		432276
	Transfer on 19/02/2021	(50000)		382276
	Transfer on 05/03/2021	(120000)		262276
	Transfer on 12/03/2021	(126664)		135612
	Transfer on 26/03/2021	(11285)		124327
	Transfer on 31/03/2021	10000		134327
	Transfer on 31/03/2020	(18000)		116327
	<b>At the end of the year</b>			<b>116327</b>
10.	<b>NNM SECURITIES</b>			
	<b>At the beginning of the year</b>	<b>105600</b>	<b>0.88</b>	<b>105600</b>
	Transfer on 15/05/2020	(52800)		52800
	Transfer on 25/09/2020	(52800)		0
	<b>At the end of the year</b>			<b>0</b>

**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	<b>4071824</b>	<b>34.02</b>	<b>4071824</b>	<b>34.02</b>
		Transfer on 30/06/2020	(1000000)		3071824	25.66
		At the end of the year			<b>3071824</b>	<b>25.66</b>
2.	Ashish Shah	At the beginning of the year	<b>4071824</b>	<b>34.02</b>	<b>4071824</b>	<b>34.02</b>
		Transfer on 30/06/2020	(1000000)		3071824	25.66
		At the end of the year			<b>3071824</b>	<b>25.66</b>
3.	Rasiklal Shah	At the beginning of the year	119700	1.00	119700	1.00
		At the end of the year			<b>119700</b>	<b>1.00</b>
4.	Harshad Shah	At the beginning of the year	59852	0.5	59852	0.5
		At the end of the year			<b>59852</b>	<b>0.5</b>
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.	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
7.	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
8.	Zill Shah	At the beginning of the year	0	0.00	0	0.00
		At the end of the year	0	0.00	0	0.00

**V. INDEBTEDNESS:**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,93,67,085	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
<b>Total (i+ii+iii)</b>	<b>3,93,67,085</b>	<b>5,07,92,753</b>	<b>NIL</b>	<b>9,01,59,838</b>

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
• Addition	27,51,67,569	5,92,55,579	NIL	33,44,23,148
• Reduction	(27,05,73,591)	(3,98,59,114)	NIL	(31,04,32,705)
<b>Net Change</b>	<b>45,93,978</b>	<b>1,93,96,465</b>	<b>NIL</b>	<b>2,39,90,443</b>
Indebtedness at the end of the financial year				
i) Principal Amount	4,39,61,063	7,01,89,218	NIL	11,41,50,281
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>4,39,61,063</b>	<b>7,01,89,218</b>	<b>NIL</b>	<b>11,41,50,281</b>

**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	₹ 59,30,300/-	₹ 59,91,959/-	₹ 1,19,22,259/-
	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	Nil	Nil	Nil
	<b>Total (A)</b>	<b>₹59,30,300/-</b>	<b>₹59,91,959/-</b>	<b>₹1,19,22,259/-</b>
	<b>Ceiling as per the Act (as per Sch V)</b>	<b>₹ 84,00,000/-</b>	<b>₹ 84,00,000/-</b>	<b>₹ 1,68,00,000/-</b>

**B. Remuneration to other directors:**

S N.	Particulars of Remuneration	Name of Directors		Total Amount
1	<b>Executive Directors</b>	Not Applicable		
	• Fee for attending board committee meetings			
	• Commission			
	• Others, please specify <ul style="list-style-type: none"> <li>• Salary Paid (India Company)</li> <li>• Salary Paid (US Company)</li> </ul>			
	<b>Total (1)</b>			
2	<b>Independent Directors</b>	<b>Nilam Doshi DIN:07848294</b>	<b>Rohit Vaghadia DIN:07946771</b>	<b>Total Amount</b>
	• Fee for attending Board Meeting Fee	30,000	25,000	55,000
	• 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	-	-	-
		<b>Total (2)</b>	<b>60,000</b>	<b>55,000</b>
	<b>Other Non-Executive Directors</b>	<b>Harshad Shah (07849186)</b>	<b>Rasiklal Shah (00091585)</b>	<b>Total Amount</b>
• Fee for attending Board Meetings	30,000	30,000	60,000	
• Fee for attending NRC Meeting	5,000	-	5,000	
• Fee for attending SRC Meeting	5,000	-	5,000	
• Commission	-	-	-	
• Others, please specify	-	-	-	
	<b>Total (3)</b>	<b>40,000</b>	<b>30,000</b>	<b>70,000</b>
	<b>Total (B) = (1+2+3)</b>	<b>1,00,000</b>	<b>85,000</b>	<b>1,85,000</b>

**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	₹ 6,95,520/-	₹ 18,66,816/-	₹ 25,62,336/-
	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			

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
	<b>Total</b>	<b>₹ 6,95,520/-</b>	<b>₹ 18,66,816/-</b>	<b>₹ 25,62,336/-</b>

**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)
<b>A. COMPANY</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NONE		
Punishment					
Compounding					

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

Place: Mumbai

 Date: 31<sup>st</sup> August 2021

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

## **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 parameter sit 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 Company 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 ₹ 5,903.80 Lakhs during year 2020-2021.

**(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 69 employees working in our Company.

**(i) 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 31.03.2021	As on 31.03.2020	Changes
1.	Debtors Turnover Ratio	148.63 Days	84.43 Days	76.04%
3.	Interest Coverage Ratio	11.75 Times	9.29 Times	26.48%
4.	Current Ratio	1.16 Times	0.88 Times	31.82%
5.	Debt Equity Ratio	0.45 Times	0.21 Times	114.29%
6.	Operating Profit Margin (%)	36.82%	41.27%	(10.78%)
7.	Net Profit Margin (%)	14.36%	10.28%	39.69%

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

- a) Debtors Turnover Ratio:** Due to Covid-19 Pandemic started in January 2021 across globe have impacted heavily on receivables and due to unstable situation and amid outbreak and lockdowns receivable collection was low which have impacted to increase in this ratio.
- b) Interest Coverage Ratio:** The immediate reason for change in this ratio is because Mr. Hirenkumar Shah, Whole-time Director of the Company has provided the Unsecured Loan to the Company and the Company have provided for Rs. 24.39 Lakhs Interest on his loan. Also, the Company has borrowed unsecured working capital fundings from various banking and non-banking institutions which have led to increase of this ratio.



- c) **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.
- d) **Debt Equity Ratio:** During the year under consideration, the Company have faced some working capital gaps due to late payment receipt from receivable due to bad market condition and to suffice the requirement of routine working capital and thus had borrowed unsecured loan from various banking and non-banking institutions which have led to increase in this ratio.
- e) **Operating Profit Margin:** During this year, slight change of lower Operating Profit margins are observed mainly because of amid Covid-19 impact over topline and effectively on direct expenses.
- f) **Net Profit Margin:** The Company have gained and secured the good PAT margin this year over and above the last year. This is majorly due to optimizing and leveraging of expenses over revenue.
- g) Details of any change in Return on Net Worth as compared to the immediately previous Financial Year along with a detailed explanation thereof.

**Details pertaining to Net-worth of the Company:**

(Amt in lakhs)

Particulars	As on 31.03.2021	As on 31.03.2020
Net-worth	5,773.10	4,979.10*

(\*Restated figure of last year net-worth due to adoption of Ind-AS and is accounting impact on the same.)

- h) **Disclosure of Accounting Treatment:** Company has adhered all Accounting Policies applicable to it as per the Securities Laws and applicable provisions of Companies Act, 2013 and Rule made thereunder.
- i) **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**

**Harshad Shah**

**Chairman & Non-Executive Director**

**DIN: 07849186**

**Place: Mumbai**

**Date: 31<sup>st</sup> August 2021**

**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 ₹)

Sr. No.	Particulars	1	2	3
1	Name of the Subsidiary	<b>Vertoz INC</b>	<b>Vertoz Limited</b>	<b>Adzurite Solutions Private Limited</b>
2	The date since when subsidiary was acquired	13.10.2015	05.10.2015	22.02.2019
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2020 31.03.2021	01.04.2020 31.03.2021	01.04.2020 31.03.2021
4	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	<b>USD (\$)</b> (\$ 1 = ₹ 73.5047)	<b>GBP (£)</b> (£ 1 = ₹100.9509)	<b>INR (₹)</b>
5	Share Capital	₹ 23,52,03,573	₹ 3,40,26,510	₹ 1,00,000
6	Reserves and Surplus	₹ 2,76,03,877	₹ 25,72,71,969	₹ 18,18,692
7	Total Assets	₹ 63,01,17,588	₹ 29,29,18,944	₹ 51,21,199
8	Total Liabilities	₹ 36,73,10,138	₹ 16,20,465	₹ 32,02,507
9	Investments	₹ -	₹ -	₹ -
10	Turnover	₹ 34,85,14,337	₹ 17,24,84,958	₹ 42,01,343
11	Profit before Taxation	₹ 76,04,347	₹ 5,00,64,670	₹ 15,59,054
12	Provision for Taxation	₹ 19,39,615	₹ 94,103	₹ 3,69,287
13	Profit after Taxation	₹ 56,64,732	₹ 4,99,70,567	₹ 11,89,767
14	Proposed Dividend	₹ -	₹ -	₹ -
15	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

**Akshay Sonar Parolkar**  
Chief Financial Officer  
PAN: BBCPS6255B

**Zill Shah**  
Company Secretary  
PAN: EZOPS6680B

Place: Mumbai  
Date: 24<sup>th</sup> May 2021

**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	Name1	Name2	Name3
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: 24<sup>th</sup> May 2021

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 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	₹ 6.10	Ongoing	-	NIL
Mr. Ashish Shah Whole-time Director	Loan	₹ (40.60)	Ongoing	-	NIL
Mr. Rasiklal Shah Non-executive Director	Sitting Fees	₹ 0.30	Ongoing	-	NIL
Mr. Harshad Shah Chairman & Non-executive Director	Sitting Fees	₹ 0.40	Ongoing	-	NIL
Mrs. Nilam Doshi Independent Director	Sitting Fees	₹ 0.60	Ongoing	-	NIL
Mr. Harshal Patel Independent Director	Sitting Fees	₹ 0	Ongoing	-	NIL
Mr. Rohit Vaghadia Independent Director	Sitting Fees	₹ 0.55	Ongoing	-	NIL
Mr. Akshay Sonar Parolkar Chief Financial Officer	KMP Remuneration	₹ 18.67	Ongoing	-	NIL
	Expenses Reimbursement	₹ 32.49	Ongoing	-	NIL
Ms. Zill Shah Company Secretary	KMP Remuneration	₹ 6.96	Ongoing	-	NIL
PayNX Technologies Pvt Ltd Sister Concern where Promoters/ Directors having significant control	Loan	₹ (14.06)	Ongoing	-	NIL
	Sales	₹ 0.98	Ongoing	-	NIL
	Purchase	₹ 113.21	Ongoing	-	NIL
Trunkoz Technologies Pvt Ltd Sister Concern where Promoters/ Directors having significant control	Rent	₹ 20.95	Ongoing	-	NIL
AdMeridian Inc Sister Concern where Promoters/ Directors having significant control	Sales	₹ 448.37	Ongoing	-	NIL
	Purchase	₹ 163.77	Ongoing	-	NIL
	Loans & Advances	₹ (0.37)	Ongoing	-	NIL
HueAds Inc Sister Concern where Promoters/ Directors having significant control	Sales	₹ 410.15	Ongoing	-	NIL
	Purchase	₹ 178.72	Ongoing	-	NIL
	Loans & Advances	₹ (0.00)	Ongoing	-	NIL
AdMida Inc	Sales	₹ 302.03	Ongoing	-	NIL

Sister Concern where Promoters/ Directors having significant control	Purchase	₹ 9.02	Ongoing	-	NIL
	Loans & Advances	₹ (0.00)	Ongoing	-	NIL
<b>Vokut Inc</b> Sister Concern where Promoters/ Directors having significant control	Sales	₹ 412.78	Ongoing	-	NIL
	Purchase	₹ 242.03	Ongoing	-	NIL
<b>BoffoAds Inc</b> Sister Concern where Promoters/ Directors having significant control	Loans & Advances	₹ 4.04	Ongoing	-	NIL
	Sales	₹ 664.19	Ongoing	-	NIL
<b>FlairAds Inc</b> Sister Concern where Promoters/ Directors having significant control	Purchase	₹ 466.36	Ongoing	-	NIL
	Sales	₹ 689.45	Ongoing	-	NIL
<b>AdCanny Inc</b> Sister Concern where Promoters/ Directors having significant control	Purchase	₹ 458.12	Ongoing	-	NIL
	Sales	₹ 678.81	Ongoing	-	NIL
<b>AdZesto Inc</b> Sister Concern where Promoters/ Directors having significant control	Purchase	₹ 485.03	Ongoing	-	NIL
	Sales	₹ 676.12	Ongoing	-	NIL
<b>Adokut Inc</b> Sister Concern where Promoters/ Directors having significant control	Purchase	₹ 463.08	Ongoing	-	NIL
	Sales	₹ 361.71	Ongoing	-	NIL
	Purchase	₹ 203.57	Ongoing	-	NIL
<b>QualiSpace Inc</b> Sister Concern where Promoters/ Directors having significant control	Loans & Advances	₹ 2.41	Ongoing	-	NIL
	Purchase	₹ 6.40	Ongoing	-	NIL
<b>OwnRegistrar Inc</b> Sister Concern where Promoters/ Directors having significant control	Loans & Advances	₹ (2.47)	Ongoing	-	NIL
	Loans & Advances	₹ 0.77	Ongoing	-	NIL
<b>Hashjini Inc</b> Sister Concern where Promoters/ Directors having significant control	Sales	₹ 7.09	Ongoing	-	NIL
	Loans & Advances	₹ (0.88)	Ongoing	-	NIL
<b>PayExecute Inc</b> Sister Concern where Promoters/ Directors having significant control	Loans & Advances	₹ 1.16	Ongoing	-	NIL
<b>OwnAdtech Inc</b> Sister Concern where Promoters/ Directors having significant control	Purchase	₹ 3.73	Ongoing	-	NIL

**For Vertoz Advertising Limited**

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

**Place: Mumbai**  
**Date: 24<sup>th</sup> May 2021**

**ANNEXURE: 5**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE PERIOD 01-04-2020 TO 31-03-2021**

*[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 31<sup>st</sup> March, 2021 . 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.

Due to COVID-19 pandemic impact and situation of partial lockdown, the verification and examination of documents as facilitated by the Company were conducted through electronic mode and based on such verification of the books, papers, minute 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 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021 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, and Minutes Books, Forms and Returns filed and other records maintained by the Company for the Audit period **1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021** 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; **(to the extent applicable)**
- (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.

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

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

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

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

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

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

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

Further following reportable event or actions having major effect on the operations of the Company took place during the Financial Year ended March 31, 2021;

1. Resignation of Mr. Harshal Ishwar Patel (DIN:07842251) as an Independent Director of the Company.
2. Declaration of Final Dividend @ 1% i.e. Re. 0.10/- per Equity Share having face value of Rs. 10/- per Equity Share for Financial Year ended March 31, 2020.
3. Approval of Members for Increase in the Authorized Share Capital of the Company from Rs. 12 Crores to Rs. 35 Crores.
4. Approval from Members for raising of funds not exceeding Rs. 500 Crores by way of issue of Equity Shares/other Securities convertible into Equity Shares through Qualified Institutional Placement.

**FOR U.HEGDE & ASSOCIATES, Company Secretaries**

**Place: Mumbai**

**Date: 24/05/2021**

**Umashankar K Hegde  
(Proprietor)**

**ACS NO. 22133 # C.P.NO. 11161  
ICSI UDIN: A022133C000460637**



## ANNEXURE –A

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

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

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on my Audit.
2. I have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management's representation about the compliance of applicable Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of the other applicable Laws, Rules, Regulations, and 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: A022133C000460637**

**Place: Mumbai**  
**Date: 24/05/2021**

**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 2020-2021 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/-	0.00%	27.49x
2	Mr. Ashish Rasiklal Shah (Whole-time Director)	*₹ 59,91,959/-	7.00%	27.67x
3	Mr. Akshay Ashok Sonar Parolkar (Chief Financial Officer)	₹ 18,66,816/-	0.00%	N.A.
4	Ms. Zill Shah (Company Secretary & Compliance Officer)	₹ 6,95,520/-	0.00%	N.A.

[\* Remuneration paid in USD amounting to \$ 80,250 through Vertoz INC, a subsidiary of the Company]

- B) The Median remuneration of the Employee of the Company during the Financial Year was **₹ 2,16,581/-** There was a decrease of **16.51%** in Median remuneration of the employees during the financial year 2020-21.
- C) The consolidated number of permanent employees of the Company is **69** for the year ended March 31, 2021.
- D) Average percentage decrease made in the salaries of employees other than the managerial personnel in the last Financial Year 2020-2021 was **39.03%**.
- E) It is affirmed that remuneration paid during the year ended March 31, 2021, is as per the Remuneration Policy of the Company.

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

**Place: Mumbai**  
**Date: 31<sup>st</sup> August 2021**

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

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Vertoz Advertising Limited ("the Company") is a value-driven Organisation with a purpose to establish a long-standing, trust-driven relationship with Shareholders, Employees, Customers, Suppliers and all other Stakeholders. The Company strives to ensure that its performance is driven by utmost integrity and transparency. In pursuit of this objective, the policies of the Company are designed to strengthen the ability of the Board of Directors to supervise the management and to enhance long-term shareholder value.

### 2. BOARD STRUCTURE:

The Board comprises of leaders, who provide strategic direction and guidance to the Management. The Board composition comprised of Six Directors consisting two Executive and Whole-time Directors, two Non-Executive Directors and two Independent Directors, including one Woman Director as at the year ended 31<sup>st</sup> March 2021, in accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") and Companies Act, 2013.

### 3. KEY INFORMATION OF DIRECTORS:

Name of the Director	DIN	Designation	Age	Shareholding as on 31 <sup>st</sup> March 2021
Harshad Uttamchand Shah	07849186	Chairman & Non-Executive Director	66	59852
Hirenkumar Rasiklal Shah	00092739	Whole-time Director	41	3071824
Ashish Rasiklal Shah	00092787	Whole-time Director	40	3071824
Rasiklal Hathichand Shah	00091585	Non-Executive Director	76	119700
Nilam Samir Doshi	07848294	Independent Director	42	0
Rohit Keshavlal Vaghadia	07946771	Independent Director	41	0

### 4. INFORMATION OF CHAIRMANSHIP/DIRECTORSHIP AND POSITION HELD IN COMMITTEES OF OTHER COMPANIES AS ON 31<sup>ST</sup> MARCH 2021:

Name of the Director	Chairmanship/ Directorship in other Indian Companies		Position held in Committees (only Audit and Stakeholders' Relationship Committee) of the Board of other Public Limited Companies		Directorship in other Listed Companies	Category of Directorship
	As Chairperson	As Director	As Chairperson	As Director		
Harshad Uttamchand Shah	-	-	-	1	-	Chairman & Non-Executive Director
Hirenkumar Rasiklal Shah	-	4	-	2	-	Whole-time Director
Ashish Rasiklal	-	4	-	-	-	Whole-time Director

Shah						
Rasiklal Hathichand Shah	-	3	-	-	-	Non-Executive Director
Nilam Samir Doshi	-	1	2	-	-	Independent Director
Rohit Keshavlal Vaghadia	-	-	-	2	-	Independent Director

Hirenkumar Rasiklal Shah and Ashish Rasiklal Shah are brothers and Rasiklal Hathichand Shah is their father. The number of Directorships held by Executive, Non-Executive and Independent Directors are within the permissible limits under the Listing Regulations and Companies Act, 2013. Directors have provided necessary disclosures regarding change in Committee positions, if any, during the year. Further, none of the Directors is a Member of more than 10 Committees or Chairperson of more than 5 Committees (only Audit and Stakeholders' Relationship Committee) across all Public Limited Companies during the year.

#### 5. CHANGE IN COMPOSITION OF BOARD:

The Board of Directors at its Meeting held on 25<sup>th</sup> June 2020 has approved the resignation of Mr. Harshal Patel (DIN: 07842251) as an Independent Director w.e.f. 25<sup>th</sup> June 2020. The resignation was due to personal and unavoidable circumstances and there were no other material reasons behind his resignation.

#### 6. INDEPENDENT DIRECTORS:

The Board comprised of two Independent Directors as on 31<sup>st</sup> March 2021. The Company has issued formal letter of appointment to its Independent Directors. The terms and conditions of draft appointment letter is published on the website of the Company.

The tenure of Independent Directors in accordance with the Companies Act, 2013 and Listing Regulations is as follows:

Name of the Independent Director	Date of appointment
Nilam Samir Doshi	14 <sup>th</sup> June 2017
Rohit Keshavlal Vaghadia	25 <sup>th</sup> September 2017

The Independent Directors fulfil the conditions specified in the Listing Regulations and that of Companies Act, 2013 and are Independent of the Management.

#### 7. FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS:

In compliance with the requirements of the Listing Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their roles, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc.

The Independent Directors are familiarized with the Company's business model through presentations in the Board Meetings. Interactive sessions with Management team in Board Meetings also enables better understanding of Business Strategy and Performance. The roles, rights and responsibilities of Independent Directors are also updated through discussion in Board Meetings.

Details of familiarization programme imparted to the Independent Directors during FY2020-2021 are available on the website of the Company at <https://www.vertoz.com>.

## 8. BOARD DIVERSITY POLICY:

The Board Diversity Policy of the Company is formulated to assure that the Board is fully diversified and comprises of an ideal combination of Executive and Non-Executive Directors, including Independent Directors, with diverse backgrounds. The objective of this policy is to recognize and embrace the benefits of having a diverse Board which possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the business of the Company.

In terms of Listing Regulations, the Company identified the following list of core skills/expertise/competencies as is required in the context of the Company's business for it to function effectively and those which are actually available with the Board:

Skills/Expertise/Competencies	Details
<b>Business/Domain Expertise</b>	Ability to understand the current drivers of innovation in the Information Technology market.
<b>Leadership</b>	Leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management.
<b>Financial Knowledge</b>	Ability to analyse Financial Statements and contribute to strategic Financial Planning and efficient use of financial resource.
<b>Board service and Governance</b>	Board Member of a Public Company to develop insights about maintaining Board and Management accountability, protecting Shareholder interests, and observing appropriate governance practices
<b>Diversity</b>	Representation of gender, ethnic, geographic, cultural perspectives that expand the Board's understanding of the needs and viewpoints of the Company's Customers, Partners, Employees, Governments, and other Stakeholders worldwide.

Areas of Expertise of Board Members:

Name of the Director	Area of Expertise
Harshad Uttamchand Shah	<ul style="list-style-type: none"> <li>- Business/Domain Expertise</li> <li>- Leadership</li> <li>- Financial Knowledge</li> <li>- Board service and Governance</li> </ul>
Hirenkumar Rasiklal Shah	<ul style="list-style-type: none"> <li>- Business/Domain Expertise</li> <li>- Leadership</li> <li>- Financial Knowledge</li> <li>- Board service and Governance</li> <li>- Diversity</li> </ul>
Ashish Rasiklal Shah	<ul style="list-style-type: none"> <li>- Business/Domain Expertise</li> </ul>

	<ul style="list-style-type: none"> <li>- Leadership</li> <li>- Financial Knowledge</li> <li>- Board service and Governance</li> <li>- Diversity</li> </ul>
Rasiklal Hathichand Shah	<ul style="list-style-type: none"> <li>- Business/Domain Expertise</li> <li>-</li> <li>- Diversity</li> <li>- Administration</li> </ul>
Nilam Samir Doshi	<ul style="list-style-type: none"> <li>- Leadership</li> <li>- Financial Knowledge</li> <li>- Board service and Governance</li> <li>- Diversity</li> </ul>
Rohit Keshavlal Vaghadia	<ul style="list-style-type: none"> <li>- Business/Domain Expertise</li> <li>- Leadership</li> <li>- Board service and Governance</li> <li>- Diversity</li> </ul>

Profile of Board Members are available on the website of the Company at [www.vertoz.com](http://www.vertoz.com).

## 9. BOARD MEETINGS:

The Board met 6 (six) times during the Financial Year ended 31<sup>st</sup> March 2021 on 25<sup>th</sup> June 2020, 15<sup>th</sup> September 2020, 29<sup>th</sup> September 2020, 12<sup>th</sup> November 2020, 29<sup>th</sup> December 2020 and 12<sup>th</sup> February 2021.

The details regarding attendance of Directors in the above Board Meetings are as follows:

Name	Designation	No. of Board Meetings held during the tenure	No. of Board Meetings attended
Harshad Uttamchand Shah	Chairman & Non-Executive Director	6	6
Hirenkumar Rasiklal Shah	Whole-time Director	6	6
Ashish Rasiklal Shah	Whole-time Director	6	1
Rasiklal Hathichand Shah	Non-Executive Director	6	6
Nilam Samir Doshi	Independent Director	6	6
Rohit Keshavlal Vaghadia	Independent Director	6	5
Harshal Ishwarlal Patel*	Independent Director	1	1

[\* Harshal Ishwarlal Patel resigned from the post of Independent Director of the Company w.e.f. 25<sup>th</sup> June 2020 and immediately on the same day all the Committees of the Company were re-constituted.]

## 10. COMMITTEES OF THE BOARD OF DIRECTORS:

### i. Audit Committee:

The Company has constituted an Audit Committee in accordance with Section 177 of Companies Act, 2013, and Listing Regulations.

**Roles, responsibilities and the terms of reference of the Audit Committee:**

- (a) Oversight of the Company's Financial Reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible;
- (b) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- (c) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- (d) Review with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board of Directors' Report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013;
  - (ii) Changes, if any, in Accounting Policies and practices and reasons for the same;
  - (iii) Major accounting entries involving estimates based on the exercise of judgment by the Management of the Company;
  - (iv) Significant adjustments made in the Financial Statements arising out of Audit findings;
  - (v) Compliance with listing and other legal requirements relating to Financial Statements;
  - (vi) Disclosure of any Related Party Transactions; and
  - (vii) Modified opinion(s) in the Draft Audit Report.
- (e) Review, with the Management, the quarterly Financial Statements before submission to the Board of Directors for their approval;
- (f) Review, with the management, the statement of uses / application of funds raised through an issue(public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to our Board of Directors to take up steps in this matter;
- (g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (h) Approve or subsequently modify transactions of the Company with related parties;
- (i) Make recommendations to the Board in case of non-approval of transactions other than those referred to in section 188 of the companies act, 2013;
- (j) Scrutinize inter-corporate loans and investments;
- (k) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (l) Evaluate internal financial controls and risk management systems;
- (m) Review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (n) Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (o) Discuss with internal auditors of any significant findings and follow up there on;
- (p) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (q) Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (r) To look into the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of non-payment of declared dividends) and creditors;
- (s) To review the functioning of the Whistle blower mechanism;
- (t) Approve the appointment of the Chief Financial Officer of the Company after assessing the qualifications, experience and background, etc. of the Candidate;

- (u) Oversee the vigil mechanism established by the Company and the Chairman of Audit Committee shall directly hear grievances of victimization of employees and Directors, who use vigil mechanism to report genuine concerns;
- (v) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- (w) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc., on the listed entity and its Shareholders and
- (v) Carry out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board of Directors of the Company or specified/provided under the Companies Act, 2013 or by the SEBI Listing Regulations or by any other regulatory authority.

The members of the Audit Committee are as follows:

- Mrs. Nilam Doshi - Chairperson
- Mr. Rohit Vaghadia - Member
- Mr. Hirenkumar Shah - Member

The Audit Committee met four times during the year on 25<sup>th</sup> June, 2020, 15<sup>th</sup> September, 2020, 12<sup>th</sup> November 2020 and 12<sup>th</sup> February, 2021.

The details regarding attendance of Members in the above meetings are as follows:

Name	Designation	No. of Meetings held during the tenure	No. of Meetings attended
Mrs. Nilam Samir Doshi	Chairperson	4	4
Mr. Rohit Keshavlal Vaghadia	Member	4	4
Mr. Hirenkumar Shah	Member	4	4

#### ii. Nomination and Remuneration Committee:

The Company has constituted Nomination and Remuneration Committee in accordance with of Companies Act, 2013, and Listing Regulations.

Roles, responsibilities and the terms of reference of the Nomination and Remuneration Committee:

- (a) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and specify the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an Independent External Agency and review its implementation and compliance (including that of Independent Directors);
- (b) Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- (c) Formulate criteria for evaluation of performance of Independent Directors and the Board;
- (d) Devise a Policy on diversity of the Board;
- (e) Determine whether to extend or continue the term of appointment of Independent Directors, on the basis of the report of performance evaluation of Independent Directors;



- (f) Recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other Employees; and  
 (g) Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

The Members of the Nomination and Remuneration Committee are as follows:

- Mrs. Nilam Doshi - Chairperson
- Mr. Rohit Vaghadia - Member
- Mr. Harshad Shah - Member

The Members of the Nomination and Remuneration Committee met once during the year 23<sup>rd</sup> January 2021.

The details regarding attendance of Members in the above Meetings are as follows:

Name	Designation	No. of Meetings held during the tenure	No. of Meetings attended
Mrs. Nilam Samir Doshi	Chairperson	1	1
Mr. Rohit Keshavlal Vaghadia	Member	1	1
Mr. Harshad Shah	Member	1	1

### iii. Stakeholders' Relationship Committee:

The Company has constituted a Stakeholders Relationship Committee in accordance with Listing Regulations.

#### Roles, responsibilities and the terms of reference of the Stakeholders' Relationship Committee:

- (a) redressal of all Security holders' and Investors' grievances including complaints related to General Meetings, transfer/ transmission of Shares, non- receipt of Share Certificates and review of cases for refusal of transfer/transmission of Shares and Debentures, non-receipt of Balance Sheet, non-receipt of declared Dividends, issue of new/ duplicate certificates, non-receipt of Annual Reports, etc. and assisting with quarterly reporting of such complaints;
- (b) giving effect to all transfer/transmission of Shares and Debentures, dematerialization of Shares and rematerialization of Shares, split and issue of duplicate/consolidated Share Certificates, compliance with all the requirements related to Shares, Debentures and other Securities from time to time;
- (c) overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services;
- (d) review of adherence to the service standards adopted by our Company in respect of various services being rendered by the registrar and share transfer agent;
- (e) review of the various measures and initiatives taken by our Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders of our Company; and
- (f) carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or SEBI Listing Regulations, or by any other Regulatory Authority.

The Members of the Stakeholders Relationship Committee are as follows:

- Mrs. Nilam Doshi - Chairperson
- Mr. Rohit Vaghada - Member
- Mr. Harshad Shah - Member
- Mr. Hirenkumar Shah - Member

The Members of the Nomination and Remuneration Committee met once during the year 23<sup>rd</sup> January 2021.

The details regarding attendance of Members in the above Meeting are as follows:

Name	Designation	No. of Meetings held during the tenure	No. of Meetings attended
Mrs. Nilam Samir Doshi	Chairperson	1	1
Mr. Rohit Keshavlal Vaghada	Member	1	1
Mr. Harshad Shah	Member	1	1
Mr. Hirenkumar Shah	Member	1	1

## 11. General Meetings and Postal Ballot

### Annual General Meetings of the previous three years:

	2017-2018	2018-2019	2019-2020
<b>Day, date &amp; time</b>	Tuesday, 28 <sup>th</sup> August, 2018 at 3.00 p.m.	Monday, 30 <sup>th</sup> September 2019 at 3.00 p.m.	Tuesday, 27 <sup>th</sup> October 2020 at 11.30 a.m.
<b>Venue</b>	The Hotel Archana Residency, Next to R-Mall, LBS Road, Mulund Check Naka, Mulund (West), Mumbai – 400080.	The Hotel Archana Residency, Next to R-Mall, LBS Road, Mulund Check Naka, Mulund (West), Mumbai – 400080.	Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”)
<b>Details of Special Resolution passed</b>	1. To ratify the appointment of Mr. Rohit Keshavlal Vaghada (DIN: 07946771) as an Independent Director of the Company for the term of five years. 2. Creation of charges on the movable and immovable properties of the Company, both present and future in respect of borrowings under section 180(1)(a) of the Companies Act, 2013. 3. To increase the remuneration of Mr. Ashish Rasiklal Shah, Whole-time Director (DIN: - 00092787) of the Company. 4. Revision in remuneration of Mr. Hirenkumar Rasiklal Shah, Chairman & Whole-time Director (DIN: - 00092739) of the Company.	1. Increase in the limits of Creation of charges on the movable and immovable properties of the Company, both present and future in respect of borrowings under section 180(1)(a) of the Companies Act, 2013. 2. Increase in the Borrowing Limits under Section 180(1)(c) of the Companies Act, 2013. 3. Increase the limits for the Loans and Investment by the Company in terms of the Provisions Section 186 of the Companies Act, 2013.	1. Approval for raising of funds by issuance of Equity Shares through Qualified Institutional Placement(s).

**Postal Ballot**

During the year under review, no Resolution was passed by the Company through Postal Ballot.

**Extra-Ordinary General Meeting:**

During the year under review, the Company did not have any Extra-Ordinary General Meeting.

**Annual General Meeting for the Financial Year 2021:**

Pursuant to the General Circular numbers 20/2020, 14/2020, 17/2020, 39/2020 and 02/2021 issued by the Ministry of Corporate Affairs and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by SEBI, the 10<sup>th</sup> AGM of the Company will be held through video-conferencing and other audio-visual means. The detailed instructions for participation and voting at the Meeting is available in the notice of the 10<sup>th</sup> AGM.

**12. Means of Communication****i. Website:**

The Company maintains an active website i.e. [www.vertoz.com](http://www.vertoz.com) wherein all the information relevant for the Shareholders are displayed. Copy of the Press releases, Quarterly results, Presentations to Financial Analysts and Institutional Investors, Policies of the Company, Shareholding pattern, Stock Exchange disclosures as required under Regulation 46 of Listing Regulations are made available on the website.

**ii. Financial Results and Newspaper Publications:**

Quarterly Financial Results were published in English and Regional (Marathi) newspapers, i.e., Financial Express and Lakshadweep. The Financial Results for the quarter ended 30<sup>th</sup> June 2020 was published on 17<sup>th</sup> September 2020, for the quarter ended 30<sup>th</sup> September 2020 was published on 14<sup>th</sup> November 2020, for the quarter ended 31<sup>st</sup> December 2020 was published on 14<sup>th</sup> February 2021 and for the quarter ended 31<sup>st</sup> March 2021 was published on 26<sup>th</sup> May 2021.

**iii. Stock Exchange Filings:**

The Company also uploads its disclosures and announcements under the Listing Regulations at the link [https://www.connect2nse.com/ LISTING/](https://www.connect2nse.com/LISTING/) to NSE Electronic Application Processing System (NEAPS). During the year, the Company also submits quarterly compliance report on Corporate Governance to the stock exchanges within 15 days from the close of quarter as per the formats given under the Listing Regulations.

**iv. SEBI Complaints Redress System (SCORES)**

The Investors can raise complaints in a centralized web-based complaints redress system called "Scores". The Company uploads the action taken report on the complaints raised by the Shareholders on "Scores", which can be viewed by the Shareholder. The complaints are closed to the satisfaction of the shareholder and SEBI.

Details of complaints/requests etc., received and resolved during the FY 2020-2021 are as below:

Source	Received during the period from 01.04.2020 to 31.03.2021	Resolved during the period from 01.04.2020 to 31.03.2021	Pending as on 31.03.2021
SEBI	0	0	0
Stock Exchange(s)	0	0	0
Investors' Associations/ Others	0	0	0
Direct	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 13. General Shareholders' Information:

#### i. Corporate Identity Number (CIN)

The Corporate Identity Number (CIN) allotted by the Ministry of Corporate Affairs, Government of India is **L74120MH2012PLC226823**

#### ii. Registered Address

602, Avior Nirmal Galaxy, Opp. Johnson & Johnson, LBS Road, Mulund West, Mumbai, Maharashtra – 400080.

#### iii. Communication Address

602, Avior Nirmal Galaxy, Opp. Johnson & Johnson, LBS Road, Mulund West, Mumbai, Maharashtra – 400080. Website: <https://www.vertoz.com>.

#### iv. Listing on Stock Exchange

The Company's Equity Shares are listed with effect from 24<sup>th</sup> November 2017 on the Emerge Platform of National Stock Exchange of India (NSE) and then on 14<sup>th</sup> May 2020 migrated to the Main Board of National Stock Exchange of India (NSE).

Listing Fees for the FY 2020-2021 has been paid to NSE.

#### v. International Securities Identification Number (ISIN)

ISIN is an Identification Number for traded Shares. This number needs to be quoted in each transaction relating to the dematerialized Equity Shares of the Company. The Company's ISIN number for its Equity Shares is INE188Y01015.

#### vi. Stock Code

The Company is listed on NSE having Stock Code – VERTOZ

#### vii. Annual General Meeting

The Annual General Meeting for the FY 2020-2021 of the Company shall be held on 30<sup>th</sup> September 2021 at 12.00 Noon through audio-visual means.

#### viii. Financial Year

Financial Year of the Company is from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021.

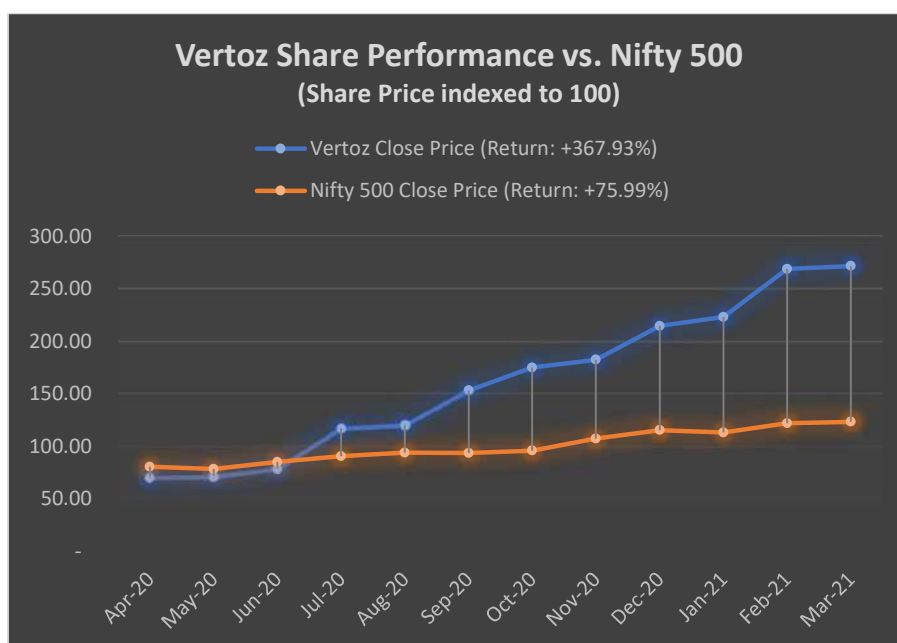
**ix. Market Price Data**

The Company's monthly high and low share price data as well as the total volume during each month in the FY 2020-2021 on the NSE is as mentioned below:

Month	High	Low	Total Volume
April	76.5	57	225600
May	80.3	71.5	353968
June	84.4	67.15	762619
July	132.9	86.7	3719368
August	138	116	757768
September	155.4	118	1944172
October	172.55	150.1	2371667
November	192	167.05	2253799
December	222	176	2913838
January	244	210.35	2151794
February	281.95	217.45	2869143
March	322	240.1	5923024

**x. Stock Market Data:**

Vertoz Share Price Performance vs. Nifty 500


**xi. Distribution of Shareholding:**

Sr. No.	No. of Shares	No. of Shareholders	% of Shareholders	Amount (₹)	% of Amount
1	1-5000	14283	99.11%	18743810	15.66%
2	5001-10000	43	0.30%	3367700	2.81%
3	10001-20000	37	0.26%	5239690	4.38%
4	20001-30000	14	0.10%	3603220	3.01%
5	30001-40000	6	0.04%	2046420	1.71%
6	40001-50000	3	0.02%	1274000	1.06%
7	50001-100000	9	0.06%	5963320	4.98%

8	100001 & Above	16	0.11%	79461840	66.38%
	<b>Total</b>	<b>14411</b>	<b>100%</b>	<b>119700000</b>	<b>100%</b>

**xii. Shareholding Pattern as on 31<sup>st</sup> March 2021:**

Sr. No.	Category of Shareholder	No. of Shareholders	No. of fully paid-up Equity Shares held	Total no. of Shares held	Shareholding as a % of total no. of Shares
1	Promoter & Promoter Group	7	6742148	6742148	56.33%
2	Public	14404	5227852	5227852	43.67%
3	Non-Promoter-Non-Public	0	0	0	0
	(i) Shares underlying DRs	0	0	0	0
	(ii) Shares held by Employees Trusts	0	0	0	0
	<b>Total</b>	<b>14411</b>	<b>11970000</b>	<b>11970000</b>	<b>100%</b>

**xiii. Top 10 Shareholders of the Company as on 31<sup>st</sup> March 2021:**

Sr. No.	Name of the Shareholder	No. of Shares	% of total Shares of the Company
1	Hirenkumar Rasiklal Shah	3071824	25.66%
2	Ashish Rasiklal Shah	3071824	25.66%
3	Relitrade Stock Broking Private Limited	252700	2.11%
4	Sanjay Chandel	154908	1.29%
5	Niraj Rajnikant Shah	144309	1.21%
6	Bhavesh Pravinchandra Shah	144000	1.20%
7	TCG Funds Fund 1	140000	1.17%
8	Rasiklal Hathichand Shah	119700	1.00%
9	Ranjanben Rasiklal Shah	119700	1.00%
10	Archana Rohit Shah	119700	1.00%

**xiv. Dematerialization of Shares and Liquidity:**

The Company's shares are held with both the Depositories i.e. National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). 1,19,69,998 of the Company's Shares are held in electronic/ demat form as on March 31, 2021.

As on March 31, 2021, the number of Shares held in dematerialized and physical mode are as under:

No. of shares in dematerialized form in CDSL	3533649
No. of shares in dematerialized form in NSDL	8436349
No. of shares in Physical	2
<b>Total no. of Shares</b>	<b>11970000</b>

**xv. Disclosure in respect of Equity Shares transferred in the Unclaimed Suspense Account**

Shares which were issued by the Company pursuant to Initial Public Offer, which remained unclaimed were transferred to a demat suspense account pursuant to Regulation 39 and corresponding Schedule VI of the Listing Regulations. As on 31<sup>st</sup> March 2021 there is no balance outstanding in the unclaimed suspense account of the Company.

**xvi. OUTSTANDING GDRS/ADRS/WARRANTS**

The Company has not issued GDRs/ ADRs/ Warrants as on March 31, 2021.

**xvii. REGISTRAR AND SHARE TRANSFER AGENT**

All work related to Share Registry, both in physical and electronic form, are handled by the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited).

The communication address of the Registrar and Share Transfer Agent is given hereunder:

Karvy Selenium Tower B Plot 31-32  
 Gachibowli Financial District  
 Nanakramguda Hyderabad 500 032.

**xviii. CODES/ POLICIES RELATING TO CORPORATE GOVERNANCE**

The Board has laid down the following codes/ policies to ensure governance in an ethical manner:

1. Nomination and Remuneration Policy
2. Policy on Determination of Materiality of Disclosures
3. Policy on diversity of Board of Directors
4. Terms and conditions of appointment of Independent Directors
5. Policy for determining Material Subsidiary
6. Familiarization Programmes for Independent Directors
7. Code of Conduct for Prevention of Insider Trading
8. Code of ethics for board members & senior managers
9. Policy for Identification of Group Company
10. Policy on materiality of related party transactions
11. Policy for determination of Material Litigation
12. Policy for determination of outstanding dues to creditors
13. Policy for preservation of Documents
14. Policy on Prevention of Sexual Harassment at Workplace Vertoz
15. Whistle Blower Policy

The above codes and policies are also available on the website of the Company <https://www.vertoz.com>

**xix. DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:**

During the year under review, the Company had not entered into material transaction with any of its Related Parties.

The Company has made full disclosures of transactions with the Related Parties as set out in the Financial Statement, forming part of the Annual Report.

All Related Party Transactions are in the ordinary course of business and on Arm's Length basis and are intended to further the Company's interests.

The Policy on Related Party Transactions may be accessed at the website of the Company <https://www.vertoz.com>.

**xx. WHISTLE BLOWER POLICY:**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle Blower Policy under which employees are free to report fraudulent practices, corruption and breaches of Code of Conduct. Employees may also report any reportable matter directly to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

**xxi. COMMODITY PRICE RISK/FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:**

The nature of business of the Company does not involve any direct purchase or sale of commodity that imposes risk. The foreign exchange risks are hedged from time to time as required.

**xxii. CODE OF CONDUCT:**

The Board has laid down a Code of Conduct for all Board members and Senior Management of the Company. The Code is displayed on the website of the Company. All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Whole-time Director (WTD) to this effect is enclosed at the end of this Report.

**xxiii. COMPLIANCE CERTIFICATE BY CEO AND CFO:**

The Compliance Certificate by Whole-time Director and CFO are provided on a quarterly basis. The Compliance Certificate as required under the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year is enclosed at the end of this Report. As the Company does not have CEO, Certificate is provided by Whole-time Director.

**xxiv. COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

A Certificate on Corporate Governance obtained from U. Hegde & Associates, Practicing Company Secretary for compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and is enclosed at the end of this Report.



**xxv. CERTIFICATE FROM PRACTICING COMPANY SECRETARY:**

The Company has obtained a certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority in accordance with Listing Regulations and is enclosed at the end of this Report.

**xxvi. DISCLOSURE ON ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS:**

The Company has prepared financial statements in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

**xxvii. AUDITORS’ REMUNERATION:**

The total fees for all services paid by Vertoz Advertising Limited and its Subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/ network entity of which the statutory auditor is a part of are as follows:

	(₹ in lakhs)
Audit Fee	4.07
Advisory & Certification charges	0
Reimbursement of expenses	0
<b>Total</b>	<b>4.07</b>

**xxviii. DETAILS OF NON-COMPLIANCE BY THE COMPANY, PENALTIES, STRICTURES IMPOSED ON THE COMPANY BY THE STOCK EXCHANGE(S) OR SEBI OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS**

No penalty or stricture was imposed by the Stock Exchanges or SEBI or any other authority, during the last 3 (three) years since all applicable requirements were fully complied with.

**xxix. DISCLOSURE OF COMPLIANCE WITH MANDATORY AND ADOPTION OF DISCRETIONARY REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 under Listing Regulations.

Among discretionary requirements, as specified in Part E of Schedule II of Listing Regulations, the Company has adopted the following:

- Audit Qualifications – The Auditors of the Company have issued Audit Reports with Unmodified opinion on the Standalone and Consolidated Financial Statements for the year ended March 31, 2021.

**xxx. NON-COMPLIANCE OF REGULATIONS RELATING TO CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, IF ANY:**

The Company is fully compliant with Listing Regulations and there are no such non-compliances.

**xxxi. CEO'S DECLARATION WITH RESPECT TO COMPLIANCE OF CODE OF CONDUCT:**

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and Senior Management and the same is available on our website <https://www.vertoz.com>.

As the Company does not have CEO, the declaration from the Whole-time Director is received stating that the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management and is enclosed at the end of this Report.

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

**Place: Mumbai  
Date: 31<sup>st</sup> August 2021**

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

*Part of this page intentionally left blank.*

**WHOLE-TIME DIRECTOR'S DECLARATION WITH RESPECT TO COMPLIANCE OF CODE OF CONDUCT:**

To  
All Stakeholders  
Vertoz Advertising Limited,  
Mumbai.

I, the undersigned, in my respective capacity as Whole-time Director of Vertoz Advertising Limited ("the Company") to the best of my knowledge and belief declare that the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management.

**For Vertoz Advertising Limited**

**Hirenkumar Shah**  
**Whole-time Director**  
**DIN: 00092739**

**Place: Mumbai**  
**Date: 31<sup>st</sup> August 2021**

*Part of this page intentionally left blank.*

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER  
LISTING REGULATIONS, 2015**

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

I have examined all relevant records of Vertoz Advertising Limited (the Company) for the purpose of certifying compliance of conditions of Corporate Governance by the Company, for the financial year ended 31<sup>st</sup> March 2021. As stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”). I have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This Certificate 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.

In my opinion and to the best of our information and according to the explanations given to us, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) during the financial year ended 31<sup>st</sup> March, 2021.

**FOR U.HEGDE & ASSOCIATES, COMPANY SECRETARIES**

**Date: 31/08/2021**

**Place: Mumbai**

**UMASHANKAR K HEGDE  
(PROPRIETOR)**

**COP No- 11161 # M. No- A22133**

**ICSI UDIN: A022133C000867483**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Vertoz Advertising Limited having (CIN: L74120MH2012PLC226823) and having registered office 602, Avior, Nirmal Galaxy, L.B.S Marg, Opp. Johnson & Johnson, Mulund (W), Mumbai – 400 080 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from to time).

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of Company for the Financial Year ending March 31, 2021, by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>Date of Appointment</b>	<b>DIN</b>
1.	Mr. Harshad Uttamchand Shah	Chairman & Non-Executive Director	14-06-2017	07849186
2.	Mr. Rohit Keshavlal Vaghadia	Non-Executive Independent Director	25-09-2017	07946771
3.	Mrs. Nilam Samir Doshi	Non-Executive Independent Director	14-06-2017	07848294
4.	Mr. Rasiklal Hathichand Shah	Non-Executive Director	25-09-2017	00091585
5.	Mr. Hirenkumar Rasiklal Shah	Whole-time Director	14-06-2017	00092739
6.	Mr. Ashish Rasiklal Shah	Whole-time Director	14-06-2017	00092787

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of

the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**FOR U.HEGDE & ASSOCIATES, COMPANY SECRETARIES**

**Date: 31/08/2021**

**Place: Mumbai**

**UMASHANKAR K HEGDE**

**(PROPRIETOR)**

**COP No. - 11161 # M. No. - A22133**

**ICSI UDIN: A022133C000867472**

*Part of this page intentionally left blank.*

## WHOLE-TIME DIRECTOR & 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.

We, the undersigned, in our respective capacity as Whole-time Director & Chief Financial Officer of Vertoz Advertising Limited (“the Company”) to the best of my knowledge and belief certify that:

- A. We, have reviewed Financial Statements and the Cash Flow Statement for the Financial Year ended 31<sup>st</sup> March 2021 and that to the best of my knowledge and belief, we state that:
- (1) these Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) 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. We, 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. We, are responsible for establishing and maintaining internal controls for financial reporting and that We 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. We, have indicated, based on my most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
- (1) significant changes, if any, in internal control over financial reporting during the year;
  - (2) 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
  - (3) 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**

**Hirenkumar Shah**  
Whole-time Director  
DIN: 0092739

**Akshay Sonar Parolkar**  
Chief Financial Officer  
PAN: BBCPS6255B

**Mumbai, 24<sup>th</sup> May 2021**

## INDEPENDENT AUDITOR'S REPORT

To **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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity 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 give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other Accounting Principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in Equity 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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.



Sr. No.	Key Audit Matter
1	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
	Auditor's Response
	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"> <li>• Evaluated the design of internal controls relating to recording of revenues at each period end as per contract terms.</li> <li>• 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.</li> <li>• Reviewed a sample of contracts with unbilled revenues to identify appropriateness of revenue recognition as compared to the certified documentation by customers.</li> <li>• Performed analytical procedures and test of details for reasonableness of recognition of revenues and its corresponding costs.</li> </ul>

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

The Company's Board of Directors are 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 and Shareholder's Information but does not include the 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, total comprehensive income, changes in Equity and cash flows of the Company in accordance with the Ind 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 a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

- Identify and assess the risks of material misstatement of the 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:

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.

- a) 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.
- b) The Standalone Financial Statements including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

- c) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - d) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - e) 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.
  - f) 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.
  - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :
    - i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.
    - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 2) As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **MITTAL & ASSOCIATES**

Chartered Accountants

Firm Registration number: **106456W**

**Hemant R Bohra**

Partner

Membership number: **165667**

Mumbai, May 24, 2021

UDIN: **21165667AAAAEB8708**

### **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, 2021 in conjunction with our audit of the Standalone 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 unauthorized 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, 2021, 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 R Bohra**  
Partner  
Membership number: **165667**  
Mumbai, May 24, 2021

### 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 to 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, 2021 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, 2021 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 service tax and value added tax have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the information and explanation given to us and records examined by us, the Company has not defaulted in repayment of dues to banks financial institutions and government. The Company does not have any dues to debenture holders during the year.
  - ix. The term loans taken during the year have been applied for the purposes for which those are raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
  - 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 R Bohra**  
Partner  
Membership number: **165667**  
Mumbai, May 24, 2021

*Part of this page intentionally left blank.*

<b>VERTOZ ADVERTISING LIMITED</b>				
602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080				
Corporate Identity Number : L74120MH2012PLC226823				
AUDITED STATEMENT OF STANDALONE BALANCE SHEET FOR THE YEAR ENDED MARCH 31, 2021				
(Amount in ₹)				
Sr. No.	Particulars	Note No.	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
<b>ASSETS</b>				
<b>(1)</b>	<b>Non-current Assets</b>			
	(a) Property, Plant & Equipment	1	36,88,454	56,22,968
	(b) Capital work-in-progress		-	-
	(c) Investment Property		-	-
	(d) Goodwill		-	-
	(e) Other Intangible Assets	1	5,00,97,317	6,75,95,450
	(f) Right of use assets	1	78,24,198	1,17,44,465
	(g) Financial Assets			
	(i) Investment in Subsidiaries	2	26,93,30,084	25,03,46,777
	(ii) Trade Receivables		-	-
	(iii) Loans		-	-
	(h) Deferred Tax assets (net)		-	-
	(i) Other non-current assets	3	11,82,211	11,82,396
	<b>Total Non-current assets</b>		<b>33,21,22,264</b>	<b>33,64,92,056</b>
<b>(2)</b>	<b>Current Assets</b>			
	(a) Inventories		-	-
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade Receivables	4	12,38,45,820	5,76,08,940
	(iii) Cash & Cash Equivalents	5	2,50,17,743.54	2,76,89,245.21
	(iv) Bank Balances other than (iii) above		-	-
	(v) Loans	6	4,67,969	14,07,839
	(c) Current Tax Assets (net)		-	-
	(d) Other current assets	7	54,66,608	49,14,745
	<b>Total Current Assets</b>		<b>15,47,98,141</b>	<b>9,16,20,769</b>
	<b>Total Assets (1+2)</b>		<b>48,69,20,405</b>	<b>42,81,12,825</b>
<b>EQUITY AND LIABILITIES</b>				
<b>(1)</b>	<b>EQUITY</b>			
	(a) Equity Share Capital	8	11,97,00,000	11,97,00,000
	(b) Other Equity	9	17,36,75,190	14,77,71,662
	<b>Total Equity</b>		<b>29,33,75,190</b>	<b>26,74,71,662</b>
<b>(2)</b>	<b>LIABILITIES</b>			
	<b>Non-current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	10	1,53,55,146	71,20,026
	(ii) Trade Payables		-	-
	(iii) Lease Liabilities		92,23,479	1,27,50,876
	(iv) Other financial Liabilities		-	-
	(b) Provisions	11	50,67,833	42,39,006
	(c) Deferred Tax liabilities (Net)		12,59,503	22,94,426
	(d) Other Non-current liabilities		-	-
	<b>Total Non-current liabilities</b>		<b>3,09,05,961</b>	<b>2,64,04,334</b>
<b>(3)</b>	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	12	8,34,98,421	7,82,48,644
	(ii) Trade Payables	13		
	-Dues of micro and small enterprises		1,32,31,981	20,79,588
	-Dues of others		1,85,51,698	2,33,96,204
	(iii) Lease Liabilities		-	-
	(iv) Other financial Liabilities	14	1,97,27,014	1,79,05,261
	(b) Current tax liabilities (net)	15	1,09,51,159	70,22,893
	(c) Provisions	16	1,34,92,158	41,52,544
	(d) Other current liabilities	17	31,86,825	14,31,694
	<b>Total Current liabilities</b>		<b>16,26,39,255</b>	<b>13,42,36,829</b>
	<b>Total Equity and Liabilities (1+2+3)</b>		<b>48,69,20,405</b>	<b>42,81,12,825</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>				
See accompanying Notes to the Financial Statements 24				
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.				
<b>FOR MITTAL &amp; ASSOCIATES</b>		<b>FOR AND ON BEHALF OF VERTOZ ADVERTISING LIMITED</b>		
Chartered Accountants				
FRN: 106456W   MRN: 165667				
		<b>Harshad Shah</b>	<b>Hirenkumar Shah</b>	
		Chairman & Non-Executive Director	Whole-time Director	
		DIN: 07849186	DIN: 00092739	
<b>CA Hemant Bohra</b>				
Partner				
UDIN: 21165667AAAAE8708				
Place: Mumbai		<b>Akshay Sonar Parolkar</b>		
Date: May 24, 2021		Chief Financial Officer		
		PAN: BBP6255B		
		<b>Zill Shah</b>		
		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 : U74120MH2012PLC226823

**AUDITED STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**

(Amount in ₹)

Sr.No.	Particulars	Note No.	Year ended	
			31-Mar-21	31-Mar-20
	<b>Revenue:</b>			
I	Revenue From Operations ( Net of Taxes )	18	16,58,04,382	15,36,06,390
II	Other Income	19	1,95,97,948	1,24,11,859
III	<b>Total Income (III)</b>		<b>18,54,02,330</b>	<b>16,60,18,249</b>
	<b>Expenses:</b>			
IV	Direct Service Expense	20	5,50,86,825	4,54,96,608
	Employment Benefit Cost	21	5,17,18,603	6,39,97,874
	Finance Cost	22	1,06,97,481	89,19,287
	Depreciation and Amortisation	1	2,34,80,164	77,27,765
	Other Expenses	23	75,89,538	1,12,89,284
	<b>Total Expenses (IV)</b>		<b>14,85,72,611</b>	<b>13,74,30,818</b>
V	<b>Profit before exceptional items and tax (III-IV)</b>		3,68,29,719	2,85,87,431
VI	Exceptional Items		-	-
VII	<b>Profit before tax (V-VI)</b>		3,68,29,719	2,85,87,431
VIII	<b>Tax expense:</b>			
	(1) Income Tax Provision			
	Current Tax		1,07,02,684	68,84,952
	Excess / Short Provision		- 5,28,523	24,267
	(2) Deferred tax		- 10,34,923	20,04,034
IX	<b>Profit for the period (VII-VIII)</b>		<b>2,76,90,481</b>	<b>1,96,74,179</b>
X	<b>Other Comprehensive Income</b>			
	(i) Items that will not be reclassified to Profit or Loss		7,10,521	5,48,081
	(ii) Income tax relating to above		1,78,824	1,37,941
XI	<b>Total Comprehensive Income (IX-X)</b>		<b>2,82,22,178</b>	<b>2,00,84,319</b>
XII	Paid-up equity share capital (Face value of ₹ 10/- each)		11,97,00,000	11,97,00,000
XIII	Other Equity		17,36,75,190	14,77,71,662
XIV	Earning per Equity Share (of ₹ 10/- each) (not annualised)			
	(1) Basic		2.31	1.64
	(2) Diluted		2.31	1.64

### SIGNIFICANT ACCOUNTING POLICIES

See accompanying Notes to the Financial Statements

24

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

CA Hemant Bohra

Partner

UDIN: 21165667AAAAEB8708

Place: Mumbai

Date: May 24, 2021

### FOR AND ON BEHALF OF VERTOZ ADVERTISING LIMITED

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

<b>VERTOZ ADVERTISING LIMITED</b> 602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080 Corporate Identity Number : L74120MH2012PLC226823 AUDITED STANDALONE CASHFLOW STATEMENT AS ON MARCH 31, 2021			
(Amount in ₹)			
Particulars	Note No.	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
<b>A : Cash flows from operating activities:</b>			
Profit before taxation	(a)	3,73,61,416	2,89,97,571
<b>Add: Non Operating Expense</b>			
Depreciation & Amortisation		2,34,80,164	77,27,765
Capital Work in Process		-	-
Interest expense		1,06,97,481	89,19,287
	(b)	<b>3,41,77,645</b>	<b>1,66,47,052</b>
<b>Less: Non Operating Income</b>			
Other Non Operating Income (Inclusive of interest income)		1,95,97,948	1,24,11,859
	(c)	<b>1,95,97,948</b>	<b>1,24,11,859</b>
<b>Operating profit before working capital changes</b>	d=(a+b-c)	<b>5,19,41,114</b>	<b>3,32,32,764</b>
<b>Working capital changes:</b>			
Decrease /(Increase) In Trade Receivables		(6,62,36,880)	7,15,661
Decrease/(Increase) in Other Financial Assets		9,39,870	1,31,555
Decrease/(Increase) in Other Non-Current Assets		185	18,16,452
Decrease/(Increase) in Other Current Assets		(5,51,863)	(38,16,491)
Increase /(Decrease) in Short Term Borrowing		52,49,777	3,91,83,389
Increase /(Decrease) in Trade Payables		63,07,886	6,23,868
Increase /(Decrease) in Current Tax Liabilities		39,28,266	(46,84,657)
Increase /(Decrease) in Other Financial Liabilities		18,21,753	67,58,937
Increase /(Decrease) in Other Current Liabilities		17,55,131	(10,12,226)
Increase /(Decrease) in Short Term Provisions		71,54,613	14,82,873
	(e)	<b>(3,96,31,263)</b>	<b>4,11,99,360</b>
<b>Cash generated from operations</b>	(d+e)	1,23,09,851	7,44,32,124
(-) Taxes paid		(1,01,74,161)	(69,09,219)
<b>Net cash used in operating activities</b>	(A)	<b>21,35,690</b>	<b>6,75,22,905</b>
<b>B : Cash flows from investing activities:</b>			
Fixed asset (Addition)/Deduction		(1,27,250)	(6,76,12,636)
Other Non Operating Income (Inclusive of interest income)		1,95,97,948	1,24,11,859
Investment		(1,89,83,307)	(87,26,440)
<b>Net cash Generated from investing activities</b>	(B)	<b>4,87,391</b>	<b>(6,39,27,217)</b>
<b>C : Cash flows from financing activities:</b>			
Proceeds from issue of Shares		-	-
Increase /(Decrease) in Long Term Borrowings		82,35,120	9,98,347
Dividend Paid		(1,33,651)	(5,83,702)
Increase /(Decrease) in Lease Liabilities		(35,27,397)	(32,03,879)
Increase /(Decrease) in Other Long Term Liabilities		8,28,827	7,25,413
Interest Expenses		(1,06,97,481)	(89,19,287)
<b>Net cash generated from financing activities</b>	(C)	<b>(52,94,583)</b>	<b>(1,09,83,108)</b>
<b>D : Net increase in cash and cash equivalents = (A+B+C)</b>	D=(A+B+C)	<b>(26,71,502)</b>	<b>(73,87,419)</b>
<b>E : Cash and cash equivalents at beginning of period</b>	(E)	<b>2,76,89,245</b>	<b>3,50,76,665</b>
<b>F : Cash and cash equivalents at end of period = (D+E)</b>	(D + E)	<b>2,50,17,744</b>	<b>2,76,89,245</b>
<b>Note:</b>			
Cash and Cash Equivalents Comprises of:			
Particulars	Note No.	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
Balance with Banks	5		
(i) In Current Accounts		37,173	6,16,608
(ii) In Deposit Accounts		2,49,67,046	2,69,78,700
Cash on Hand		13,525	93,937
<b>Cash &amp; Cash Equivalants</b>		<b>2,50,17,744</b>	<b>2,76,89,245</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
See accompanying Notes to the Financial Statements 24			
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.			
<b>FOR MITTAL &amp; ASSOCIATES</b>		<b>FOR AND ON BEHALF OF VERTOZ ADVERTISING LIMITED</b>	
Chartered Accountants			
FRN: 106456W   MRN: 165667			
	Harshad Shah	Hirenkumar Shah	
	Chairman & Non-Executive Director	Whole-time Director	
CA Hemant Bohra	DIN: 07849186	DIN: 00092739	
Partner			
UDIN: 21165667AAAAE8708			
Place: Mumbai	Akshay Sonar Parolkar		
Date: May 24, 2021	Chief Financial Officer		
	PAN: BBPC56255B		
	Zill Shah		
	Company Secretary & Compliance Officer		
	PAN: EZOPS6680B		

VERTOZ ADVERTISING LIMITED											
Notes Forming Integral Part of Standalone Financial Statement for the year ended 31st March, 2021											
Note 1 : Fixed Asset											
I. Property, Plant and Equipment, Other Intangible Assets and Right of Use Assets											
Sr. No	Particulars	Gross Block				Depreciaton				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 31.03.2021	Closing Value as on 31.03.2020
<b>I</b>	<b>Tangible Assets</b>										
1	Data Computers, Laptops, Data Servers & Peripherals	2,88,52,475	-	-	2,88,52,475	2,44,01,746	17,05,399	-	2,61,07,145	27,45,330	44,50,729
2	Furniture & Fixtures	34,25,072	1,35,100	1,56,997	34,03,175	27,29,930	1,51,088	1,49,147	27,31,871	6,71,304	6,95,142
3	Office Equipments	8,81,639	-	-	8,81,639	7,97,542	82,344	-	8,79,886	1,753	84,097
4	Motor Vehicles	17,91,279	-	-	17,91,279	13,98,279	1,22,933	-	15,21,212	2,70,067	3,93,000
<b>II</b>	<b>Intangible Assets</b>										
1	Trademark	9,000	-	-	9,000	-	-	-	-	9,000	9,000
2	Ingenious Plex Platform	6,75,86,450	-	-	6,75,86,450	-	1,74,98,133	-	1,74,98,133	5,00,88,317	6,75,86,450
<b>III</b>	<b>Right of Use Assets</b>	1,59,54,755	-	-	1,59,54,755	42,10,290	39,20,267	-	81,30,557	78,24,198	1,17,44,465
	<b>Total Value in INR</b>	<b>11,85,00,670</b>	<b>1,35,100</b>	<b>1,56,997</b>	<b>11,84,78,773</b>	<b>3,35,37,787</b>	<b>2,34,80,164</b>	<b>1,49,147</b>	<b>5,68,68,804</b>	<b>6,16,09,969</b>	<b>8,49,62,883</b>
	<b>Previous Year Figures</b>	<b>3,49,33,279</b>	<b>8,35,67,391</b>	<b>-</b>	<b>11,85,00,670</b>	<b>2,58,10,022</b>	<b>77,27,765</b>	<b>-</b>	<b>3,35,37,787</b>	<b>8,49,62,883</b>	<b>91,23,257</b>

## VERTOZ ADVERTISING LIMITED

*Notes Forming Integral Part of Standalone Financial Statement for the year ended 31st March, 2021*

### Note 2 : Investment in Subsidiaries

Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Investment in Vertoz Inc, USA	23,52,03,573	21,88,85,727
2	Investment in Vertoz Ltd, UK	3,40,26,510	3,13,61,050
3	Investment in Adzurite Solutions Pvt. Ltd., India	1,00,000	1,00,000
	<b>Total Value in INR</b>	<b>26,93,30,084</b>	<b>25,03,46,777</b>

### Note 3 : Other non-current assets

Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
	<b>A. Deposits</b>		
1	Refundable Deposit with CCD	25,000	25,000
2	Rent Deposit	9,95,157	9,39,254
3	Security Deposit	64,580	64,580
4	Deferred Rent	97,474	1,53,562
	<b>Total Value in INR</b>	<b>11,82,211</b>	<b>11,82,396</b>

### Note 4 : Trade Receivables

Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	<u>Trade Receivables, Outstanding for More than Six Months</u> Unsecured, Considered Good	2,99,59,018	1,34,82,527
2	<u>Trade Receivables, Outstanding for Less than Six Months</u> Unsecured, Considered Good	<b>9,38,86,802</b>	<b>4,41,26,413</b>
	<b>Total Value in INR</b>	<b>12,38,45,820</b>	<b>5,76,08,940</b>

### Note 5 : Cash & Cash Equivalent

Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Cash Balance	13,525	93,937
2	Bank Balances	37,173	6,16,608
3	Fixed Deposit with Banks	2,49,67,046	2,69,78,700
	<b>Total Value in INR</b>	<b>2,50,17,744</b>	<b>2,76,89,245</b>

### Note 6 : Loans

Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Prepaid Expenses	-	-
2	<u>Other Receivable</u> Loan to Related Parties	4,67,969	6,04,589
	Other Loans and Advances	-	8,03,250
	<b>Total Value in INR</b>	<b>4,67,969</b>	<b>14,07,839</b>

### Note 7 : Other Current Assets

Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Advance to Staff	25,000	-
2	TDS Receivable	6,97,699	15,80,296
3	Advance given to Suppliers	36,43,909	33,34,449
4	Miscellaneous Expenditures	11,00,000	-
	<b>Total Value in INR</b>	<b>54,66,608</b>	<b>49,14,745</b>

**VERTOZ ADVERTISING LIMITED**

Notes Forming Integral Part of Standalone Financial Statement for the year ended 31st March, 2021

**Note 8 : Equity Share Capital**

Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	<b>AUTHORIZED CAPITAL</b> Equity Shares of Rs. 10/- each.	35,00,00,000	12,00,00,000
		<b>35,00,00,000</b>	<b>12,00,00,000</b>
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b> <i>To the Subscribers of the Memorandum</i> Equity Shares of Rs. 10/- each fully paid up.	11,97,00,000	11,97,00,000
	<b>Total Value in INR</b>	<b>11,97,00,000</b>	<b>11,97,00,000</b>

i Details of Shares Held by each shareholder holding more than 5% shares as at March 31, 2021			
	Name of Shareholders	No. of Shares Held	% holding in the class of shares
	<b>Fully paid Equity Shares</b>		
1	Hirenkumar Shah	30,71,824	25.66%
2	Ashish Shah	30,71,824	25.66%

**Note 9 : Other Equity**

Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Suplus from Profit & Loss Account Opening Balances Add: Profit/(Loss) for the period Less: Dividend Expenditure	5,97,58,424 2,82,22,178 (7,17,353)	3,96,74,105 2,00,84,319 (5,83,702)
2	Securities Premium	8,64,11,940	8,85,96,940
	<b>Total Value in INR</b>	<b>17,36,75,190</b>	<b>14,77,71,662</b>

**Note 10 : Non-Current Borrowings**

Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Federal Bank FCTL	-	22,23,911
2	ICICI Bank	9,02,040	27,01,570
3	Axis Bank	12,78,822	-
4	HDFC Bank	32,39,670	-
5	ICICI GECL	79,00,000	-
6	NeoGrowth Credit Private Limited	8,77,474	-
7	Shriram City Union Finance Ltd.	11,57,140	21,94,545
	<b>Total Value in INR</b>	<b>1,53,55,146</b>	<b>71,20,026</b>

**Terms of repayment of the Term Loan:**

- ICICI Bank:** Unsecured Business Loan for Working Capital Requirements of the Company @ diminishing rate of 16% p.a. for tenure of 24 months
- Axis Bank:** Unsecured Business Loan for Working Capital Requirements of the Company @ diminishing rate of 18% p.a. for tenure of 36 months
- HDFC Bank:** Unsecured Business Loan for Working Capital Requirements of the Company @ diminishing rate of 16% p.a. for tenure of 36 months
- ICICI GECL:** Guaranteed Emergency Credit Line ("GECL") by way of working capital term loan facility ("Facility") under the Emergency Credit Line Guaranteed Scheme ("ECLGS") by the Government of India I-EBLR is 7.70% and Spread is 0.55% (subject to an overall cap of 9.25%) with tenure of 12 months. This is taken over by ICICI from Federal Bank.
- NeoGrowth Credit Private Limited:** Unsecured Business Loans for Working Capital Requirements of the Company @ diminishing rate of 19.02% p.a. for tenure of 720 days.
- Shriram City Union Finance Ltd.:** Unsecured Business Loans for Working Capital Requirements of the Company @ diminishing rate of 19% p.a. for tenure of 36 months.

**Note 11 : Non-Current Provisions**

Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Gratuity Provision (Non-Current)	37,69,721	33,36,187
2	Leave Encashment Provision (Non-Current)	12,98,112	9,02,819
	<b>Total Value in INR</b>	<b>50,67,833</b>	<b>42,39,006</b>

**VERTOZ ADVERTISING LIMITED**
**Notes Forming Integral Part of Standalone Financial Statement for the year ended 31st March, 2021**
**Note 12 : Short Term Borrowing**

Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	<b>Unsecured</b>		
	<b>Loan from Related Parties</b>		
	Loan From Directors	4,21,14,572	4,27,92,753
	Loan from Subsidiaries	35,14,661	27,60,479
	Loan from Other Related Party	18,08,124	-
2	<b>Secured</b>		
	<b>Loans repayable on demand</b>		
	From Banks (Secured against Deposits)	3,60,61,063	3,26,95,412
	Car Loan	-	-
	<b>Total Value in INR (A+B)</b>	<b>8,34,98,421</b>	<b>7,82,48,644</b>

**Overdraft Against Fixed Deposits:**

- a. The loan is repayable on demand and secured against hypothecation of Fixed Deposits of Rs. 1.00 Crore financed @ 5.40% p.a. (0.50% markup over FD rate).
- b. This is working capital loan is repayable on demand and secured against hypothecation of Fixed Deposits of Rs. 1.495 Crore and collateral security of Residential Property of Directors and the facility financed at 7.85% p.a.
- c. Paycheck Protection Plan granted against payroll paid to the employees in US @ 1% p.a.

**Note 13 : Trades Payable**

Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Sundry Creditors		
	-Dues of micro and small enterprises	1,32,31,981	20,79,588
	-Dues of others	1,85,51,698	2,33,96,204
	<b>Total Value in INR</b>	<b>3,17,83,679</b>	<b>2,54,75,792</b>

**Note 14 : Other Financial Liabilities**

Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	<b>Other Payables</b>		
	<b>Current Maturity for Long Term Debt</b>		
	Current Maturity for Long Term Debt (FCTL)	-	44,47,762
	Current Maturity for Short Term Debt (ICICI, Shriram, Neogrowth, Axis, HDFC)	95,87,897	31,03,885
2	<b>Others:</b>		
	Advance Received from Client	18,75,552	40,73,159
	Creditors for Expenses	48,06,053	62,80,455
	Other Payable	34,57,513	-
	<b>Total Value in INR</b>	<b>1,97,27,014</b>	<b>1,79,05,261</b>

**Note 15 : Current Tax Liabilities**

Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Provision for Income Tax AY 2021-22	1,08,81,508	-
2	Provision for Income Tax AY 2020-21	69,651	70,22,893
	<b>Total Value in INR</b>	<b>1,09,51,159</b>	<b>70,22,893</b>

**Note 16 : Current Provisions**

Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Salary Payable	99,53,235	19,11,247
2	<b>Gratuity &amp; Leave Encashment Provision (Current):</b>		
	Gratuity Provision (Current)	6,93,413	6,06,581
	Leave Encashment (Current)	2,85,567	9,55,067
3	Misc. Expenditure Payable	21,85,000	-
4	Other Provisions	3,74,942	6,79,649
	<b>Total Value in INR</b>	<b>1,34,92,158</b>	<b>41,52,544</b>

**Note 17 : Other Current Liabilities**

Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Statutory Liabilities	31,86,825	14,31,694
	<b>Total Value in INR</b>	<b>31,86,825</b>	<b>14,31,694</b>



<b>VERTOZ ADVERTISING LIMITED</b>			
<i>Notes Forming Integral Part of Standalone Profit and Loss Statement as at 31st March, 2021</i>			
<b>Note 18 : Revenue From Operations</b>			
Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Sale of Services	16,58,04,382	15,36,06,390
	<b>Total Value in INR</b>	<b>16,58,04,382</b>	<b>15,36,06,390</b>
<b>Note 19 : Income From Non Operation</b>			
Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Interest on FDR	10,59,599	19,45,927
2	Other Income	14,455	3,197
3	Interest Received on Loan	-	30,000
4	Sundry Balance W/off	3,49,433	36,14,871
5	Bad Debts Recovered	5,00,000	-
6	Foreign Exchange Gain	1,76,18,558	67,60,391
7	Interest Income-Ind AS	55,903	57,473
	<b>Total Value in INR</b>	<b>1,95,97,948</b>	<b>1,24,11,859</b>
<b>Note 20 : Direct Service Expenses</b>			
Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Purchase of Services	5,41,93,703	4,52,58,031
2	Hosting Server Services	-	-
4	Software Purchase	8,93,122	2,38,577
5	Outsourcing Expenses	-	-
	<b>Total Value in INR</b>	<b>5,50,86,825</b>	<b>4,54,96,608</b>
<b>Note 21 : Employment Benefit Cost</b>			
Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Salaries and Incentives	4,42,54,265	5,65,51,917
2	Director Remuneration	61,39,400	62,84,400
3	Gratuity & Leave Encashment Expense	13,24,938	11,61,557
	<b>Total Value in INR</b>	<b>5,17,18,603</b>	<b>6,39,97,874</b>
<b>Note 22 : Finance Cost</b>			
Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Bank Charges	5,06,218	9,73,134
2	Interest Expense	86,83,792	64,89,991
3	Loan Processing Fees	4,85,342	97,754
4	Interest on Lease Liabilities	10,22,129	13,58,407
	<b>Total Value in INR</b>	<b>1,06,97,481</b>	<b>89,19,287</b>
<b>Note 23 : Other Expenses</b>			
Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Audit Fees	3,30,000	2,15,150
2	Books and Periodicals	4,977	4,106
3	Conveyance Charges	94,623	5,77,923
4	Electricity Expenses	6,73,917	9,55,219
5	Exhibition & Seminar Expenses	-	74,332
6	Food Expenses	59,447	3,05,047
7	House Keeping & Security Expenses	6,31,783	8,38,063
8	Interest/Penalty/Fee on Taxes	11,14,327	17,90,817
9	Internet Expenses	2,32,567	13,35,988
10	Legal Expenses	5,35,947	2,64,192
11	Lodging & Boarding Expenses	14,549	1,98,703
12	Accounts Written off	50,099	93,732
13	Marketing Expenses	1,35,897	5,92,500
14	Office Expense	4,84,255	13,05,000
15	Postage & Courier Expenses	8,176	12,718
16	Printing & Stationary Expenses	27,038	1,84,015
17	Profession Tax-Company	2,500	2,500
18	Profit & Loss on Fixed Assets	1,850	-
19	Professional & Technical Fees	21,25,027	8,44,808
20	Recruitment Expense	1,38,270	1,71,902
21	Lease Rent	2,83,960	11,707
22	Repair & Maintenance Expenses	87,218	2,09,073
23	Rounding Off	(19)	112
24	Staff Welfare	1,38,880	4,64,184
25	Telephone Expense	13,852	26,488
26	Travelling Expense (Domestic/International)	1,42,923	7,23,336
27	Meeting Expenses	-	21,000
28	Insurance Expenses	59,929	5,717
29	Deferred Rent Expenses	56,088	60,952
30	Provision for Doubtful Debts	1,41,458	-
	<b>Total Value in INR</b>	<b>75,89,538</b>	<b>1,12,89,284</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2021

### **BACKGROUND:**

**Vertoz Advertising Limited** (the Company) was incorporated on **February 13, 2012**. These are the **Eleventh** Financial Statements prepared for the Company and they relate to the period from **April 1, 2020** to **March 31, 2021**. The Company provides Online Advertising Services and other allied services to domestic/ overseas clients.

### **Note 24: 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
	<b>Total</b>	<b>NIL</b>

**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 realisation.
- (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 realisation, 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 realisation. At each Balance Sheet date, the carrying amount of Deferred tax Assets is reviewed to reassure realisation.

**k. Employee Benefits:**

**a) Short Term Employee Benefits:**

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

**b) Post-Employment Benefits:**

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

**l. Earnings Per Share:**

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

**m. Provisions, Contingent Liabilities and Contingent Assets:**

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

**n. Cash and Cash Equivalents:**

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

**25. CONTINGENT LIABILITY:**

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

**26. 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	<b>Trunkoz technologies Pvt. Ltd.</b> Property Add.: 602, Avior Nirmal Galaxy Opp. Johnson & Johnson, LBS Road, Mulund-West, 400080 Leased area: 679 Sq. Ft.	60 months	36 months	54,10,872/-
2	<b>Mr. Kirti Jain and Mrs. Savita Jain</b> Property Add.: 603, Avior Nirmal Galaxy Opp. Johnson & Johnson, LBS Road, Mulund-West, 400080 Leased area: 1016 Sq. Ft.	60 months	30 months	25,90,890/-
3	<b>Mr. Samresh Jain and Mrs. Rita Jain</b> Property Add.: 604, Avior Nirmal Galaxy Opp. Johnson & Johnson, LBS Road, Mulund-West, 400080 Leased area: 975 Sq. Ft.	60 months	30 months	24,86,304/-

**27. MSME REGISTERED CREDITORS:**

Based on information's available with the Company, there are 21 suppliers registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" as at March 31, 2021 the total outstanding amounting to ₹ 10,94,851/-. 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).

**28. DEFERRED TAX:**

(Amount in ₹)

Sr. No.	Particulars	As at 31/03/2021	As at 31/03/2020
(i)	<b>Deferred tax Liability on account of :</b>		
	Depreciation	<b>12,59,503</b>	22,94,426
(ii)	<b>Deferred tax asset on account of :</b>		
	a) Unabsorbed Depreciation	<b>Nil</b>	Nil
	b) Employee Benefits - leave Encashment & Gratuity	<b>Nil</b>	Nil
	c) On Account of disallowances	<b>Nil</b>	Nil
	d) Carried Forward Losses	<b>Nil</b>	Nil
	Deferred Tax Asset/(Liability)	<b>Nil</b>	Nil
	<b>Less: Reversal During the year</b>	<b>Nil</b>	Nil
	<b>Total Deferred tax Liability</b>	<b>12,59,503</b>	22,94,426

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.

29. 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	2020-21	2019-20
1	Employer's contribution to Provident Fund	3,62,449	4,27,400
2	Employer's contribution to Pension Scheme	8,23,968	9,66,557
	<b>Total</b>	<b>11,86,417</b>	13,93,957

**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)	
		2020-21	2019-20	2020-21	2019-20
1.	Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)
2.	Discount rate (p.a.)	6.21%	5.83%	6.21%	5.83%
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.*

30. **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	(₹)	(\$)
			Vertoz INC – Drs.	9,04,02,274	12,29,884
			Vertoz INC – Advances	4,67,969	7,096
<b>Total</b>			<b>Total</b>	<b>9,08,70,243</b>	<b>12,36,980</b>
<b>Net-off Un-hedged Foreign Currency Exposure:</b>				<b>9,08,70,243</b>	<b>12,36,980</b>

### 31. 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".

### 32. 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:

Particulars		FY 2020-21		FY 2019-20	
		Transaction Value	O/s amounts carried in the Balance Sheet (Payable) / Receivable	Transaction Value	O/s amounts carried in the Balance Sheet (Payable) / Receivable
<b>(Amount in ₹)</b>					
<b>Key Managerial Personnel:</b>					
Mr. Hirenkumar Shah	Managerial Remuneration	59,30,300	(2,84,130)	59,54,400	Nil
	Loan from Directors	6,09,775	(4,21,14,572)	(3,72,82,21)	(4,27,24,347)
Mr. Ashish Shah	Managerial Remuneration	Nil (Remuneration drawn from US Company)	Nil	Nil (Remuneration drawn from US Company)	Nil
	Loan from Directors	68,406	Nil	(10,52,505)	(68,406)
Mr. Rasiklal Shah	Director Sitting Fees	30,000	(1,53,750)	(20,000)	(90,000)
Mr. Akshay Sonar Parolkar	KMP Remuneration (CFO)	18,66,816	(1,53,568)	18,66,816	NIL
	Expenses Reimbursement	32,49,351	(44,529)	NIL	NIL
Ms. Zill Shah	KMP Remuneration (CS)	6,95,520	(83,940)	6,95,520	NIL
<b>Associate Enterprise &amp; Sister</b>					

Concern					
Trunkoz Technologies Pvt. Ltd.	Office Rent	17,34,839	(16,30,527)	15,87,648	(11,33,688)
Vertoz Ltd	Sales	Nil	Nil	82,39,869	Nil
Adzurite Solutions Pvt Ltd	Advance received/(paid)	(7,54,182)	(35,14,661)	(28,00,479)	(27,60,479)
	Sales	Nil	Nil	1,05,11,463	Nil
	Purchases	25,06,894	Nil	1,12,538	(1,12,538)
Vertoz Inc	Advance received/(paid)	1,36,620	(4,67,969)	3,55,775	(6,04,589)
	Sales	11,50,70,721	9,04,02,274	8,90,20,576	3,21,44,004
PayNX Technologies Pvt. Ltd.	Purchase	1,13,21,082	(1,11,77,170)	Nil	Nil
	Sales	(28,14,169)	Nil	52,35,356	30,69,791
	Advance received/(paid)	(18,08,124)	(18,08,124)	Nil	Nil

33. Cash Flow Statement as required in terms of Accounting Standard “AS-3 (Revised) Cash Flow Statements” is attached to these Accounts.
34. As the Company is not a manufacturing company, the information required under Clause3 (ii) (a) and Clause 4C of Part II of the Companies Act, 1956 has not been given.
35. 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.
36. 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.
37. Expenditure in Foreign Currency – ₹1,86,836/-

Particulars	2020-21		2019-20	
	(₹)	(\$)	(₹)	(\$)
FCTL Interest Payable/Paid	1,86,836	2,506	5,26,017	7,436

38. Earning in Foreign Currency (On Cash Basis) – ₹5,52,98,567/-

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

Particulars	2019-20
Receipt from Export against Invoice	5,54,50,617
Advance against Export Services	Nil
Exchange Gain/(Loss) on remittance	(1,52,050)
<b>Total Earning in Foreign Currency (On Cash Basis)</b>	<b>5,52,98,567</b>

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



40. 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.

**For Vertoz Advertising Limited**

**Hirenkumar Shah**  
**Whole-time Director**  
**Din: 00092739**

**Place: Mumbai**  
**Date: 24.05.2021**

*Part of this page intentionally left blank.*

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Vertoz Advertising Limited

#### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying Consolidated Financial Statements of VERTOZ ADVERTISING LIMITED ("the Company") and its subsidiary (the Company and its Subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other Accounting Principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, the consolidated profit and total consolidated comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our Report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the 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 Financial Statements of the current period. These matters were addressed in the context of our audit of the 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.

Sr. No.	Key Audit Matter
1	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
	Auditor's Response
	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"> <li>• Evaluated the design of Internal Controls relating to recording of revenues at each period end as per contract terms.</li> <li>• 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.</li> <li>• Reviewed a sample of contracts with unbilled revenues to identify appropriateness of revenue recognition as compared to the certified documentation by customers.</li> <li>• Performed analytical procedures and test of details for reasonableness of recognition of revenues and its corresponding costs.</li> </ul>

**Other Matter:**

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



- i. We did not audit the Financial Statements of a Foreign Subsidiaries included in the Consolidated Financial Statements; whose Financial Statements include total assets of Rs. 3,463.06 Lakhs and net assets of Rs. 647.48 Lakhs as at March 31, 2021 and total revenues of Rs 4008.33 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.

- ii. We did not audit the Financial Statements of an Indian Subsidiary included in the Consolidated Financial Statements; whose Financial Statements include total assets of Rs. 51.21 Lakhs and net assets of Rs. 32.02 Lakhs as at March 31, 2021 and total revenues of Rs. 42.01 Lakhs for the year ended on that date. These Financial Statement have been audited by other Auditor whose Audit Report has been furnished to us by the Parent Company's 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.

Our opinion is not modified in respect of these matters.

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

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

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Consolidated Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

- 3) As required by Section 143(3) of the Act, based on our audit we report that:
- 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 Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the Directors of the Company as on March 31, 2021 taken on record by the Board of Directors of the Company, none of the directors is disqualified as on March 31, 2021 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:
- i) The Consolidated Financial Statements disclose the impact of pending litigations on its financial position in its Consolidated Financial Statements.
  - ii) Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**FOR MITTAL & ASSOCIATES**

**Chartered Accountants**

**Firm Registration number: 106456W**

*Part of this page intentionally left blank.*

## 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, 2021 in conjunction with our audit of the Consolidated 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 unauthorized 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, 2021, 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 R Bohra**

**Partner**

**Membership number: 165667**

**Mumbai, May 24, 2021**

<b>VERTOZ ADVERTISING LIMITED</b>				
602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080				
Corporate Identity Number : L74120MH2012PLC226823				
AUDITED STATEMENT OF CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED MARCH 31, 2021				
(Amount in ₹)				
	Particulars	Note No.	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
<b>ASSETS</b>				
(1)	<b>Non-current Assets</b>			
	(a) Property, Plant & Equipment	1	53,49,660	88,05,612
	(b) Capital work-in-progress		-	-
	(c) Investment Property		-	-
	(d) Goodwill		-	-
	(e) Other Intangible Assets	1	55,14,43,166	56,58,04,324
	(f) Right of use assets	1	78,24,198	1,17,44,465
	(g) Financial Assets			
	(i) Investments		-	-
	(ii) Trade Receivables		-	-
	(iii) Loans		-	-
	(h) Deferred Tax assets (net)		-	-
	(i) Other non-current assets	2	61,12,912	16,84,292
	<b>Total Non-current assets</b>		<b>57,07,29,935</b>	<b>58,80,38,694</b>
(2)	<b>Current Assets</b>			
	(a) Inventories		-	-
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade Receivables	3	23,21,19,056	9,26,68,666
	(iii) Cash & Cash Equivalents	4	2,96,16,433	2,97,41,026
	(iv) Bank Balances other than (iii) above		-	-
	(v) Loans	5	3,97,939	14,44,217
	(c) Current Tax Assets (net)		-	-
	(d) Other current assets	6	56,25,257	52,49,487
	<b>Total Current Assets</b>		<b>26,77,58,685</b>	<b>12,91,03,395</b>
	<b>Total Assets (1+2)</b>		<b>83,84,88,620</b>	<b>71,71,42,089</b>
<b>EQUITY AND LIABILITIES</b>				
(1)	<b>EQUITY</b>			
	(a) Equity Share Capital	7	11,97,00,000	11,97,00,000
	(b) Other Equity	8	45,76,10,335	37,82,10,506
	<b>Total Equity</b>		<b>57,73,10,335</b>	<b>49,79,10,506</b>
(2)	<b>LIABILITIES</b>			
	<b>Non-current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	9	1,53,55,146	71,20,026
	(ii) Trade Payables		-	-
	(iii) Lease Liabilities		92,23,479	1,27,50,876
	(iv) Other financial Liabilities		-	-
	(b) Provisions	10	50,67,833	42,39,006
	(c) Deferred Tax liabilities (Net)		12,59,503	22,94,426
	(d) Other Non-current liabilities		-	-
	<b>Total Non-current liabilities</b>		<b>3,09,05,961</b>	<b>2,64,04,334</b>
(3)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	11	10,81,80,184	9,01,81,226
	(ii) Trade Payables	12		
	-Dues of micro and small enterprises		1,32,31,981	20,79,588
	-Dues of others		4,84,51,405	6,29,45,312
	(iii) Lease Liabilities		-	-
	(iv) Other financial Liabilities	13	2,07,59,462	1,79,05,261
	(b) Current tax liabilities (net)	14	2,06,24,621	1,39,25,333
	(c) Provisions	15	1,57,30,212	41,84,044
	(d) Other current liabilities	16	32,94,459	16,06,485
	<b>Total Current liabilities</b>		<b>23,02,72,324</b>	<b>19,28,27,249</b>
	<b>Total Equity and Liabilities (1+2+3)</b>		<b>83,84,88,620</b>	<b>71,71,42,089</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>				
See accompanying Notes to the Financial Statements 23				
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.				
<b>FOR MITTAL &amp; ASSOCIATES</b>		<b>FOR AND ON BEHALF OF VERTOZ ADVERTISING LIMITED</b>		
Chartered Accountants				
FRN: 106456W   MRN: 165667				
CA Hemant Bohra		Harshad Shah	Hirenkumar Shah	
Partner		Chairman & Non-Executive Director	Whole-time Director	
UDIN: 21165667AAAAEC4029		DIN: 07849186	DIN: 00092739	
Place: Mumbai		Akshay Sonar Parolkar		
Date: May 24, 2021		Chief Financial Officer		
		PAN: BBP56255B		
		Zill Shah		
		Company Secretary & Compliance Officer		
		PAN: EZOP56680B		

## 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 YEAR ENDED MARCH 31, 2021

(Amount in ₹)

Sr.No.	Particulars	Note No.	Year ended	
			31-Mar-21	31-Mar-20
	<b>Revenue:</b>			
I	Revenue From Operations ( Net of Taxes )	17	57,00,39,847	40,53,12,252
II	Other Income	18	2,03,40,475	1,75,55,229
III	<b>Total Income (III)</b>		<b>59,03,80,322</b>	<b>42,28,67,481</b>
	<b>Expenses:</b>			
IV	Direct Service Expense	19	36,01,43,334	23,80,37,299
	Employment Benefit Cost	20	6,65,32,042	8,02,04,556
	Finance Cost	21	1,29,90,218	1,08,38,709
	Depreciation and Amortisation	1	3,69,14,961	2,09,65,408
	Other Expenses	22	2,04,10,943	2,05,69,638
	<b>Total Expenses (IV)</b>		<b>49,69,91,498</b>	<b>37,06,15,609</b>
V	<b>Profit before exceptional items and tax (III-IV)</b>		9,33,88,824	5,22,51,871
VI	Exceptional Items		-	-
VII	<b>Profit before tax (V-VI)</b>		9,33,88,824	5,22,51,871
VIII	<b>Tax expense:</b>			
	(1) Income Tax Provision			
	Current Tax		1,29,79,325	96,97,546
	Excess / Short Provision		(4,02,159)	41,896
	(2) Deferred tax		(10,34,923)	20,04,034
IX	<b>Profit for the period (VII-VIII)</b>		<b>8,18,46,581</b>	<b>4,05,08,396</b>
X	<b>Other Comprehensive Income</b>			
	(i) Items that will not be reclassified to Profit or Loss		7,10,521	5,48,081
	(ii) Income tax relating to above		1,78,824	1,37,941
XI	<b>Total Comprehensive Income (IX-X)</b>		<b>8,23,78,278</b>	<b>4,09,18,536</b>
XII	Paid-up equity share capital (Face value of ₹ 10/- each)		11,97,00,000	11,97,00,000
XIII	Other Equity		45,76,10,335	37,82,10,506
XIV	Earning per Equity Share (of ₹ 10/- each) (not annualised)			
	(1) Basic		6.84	3.38
	(2) Diluted		6.84	3.38

### SIGNIFICANT ACCOUNTING POLICIES

See accompanying Notes to the Financial Statements

23

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

CA Hemant Bohra

Partner

UDIN: 21165667AAAAEC4029

Place: Mumbai

Date: May 24, 2021

### FOR AND ON BEHALF OF VERTOZ ADVERTISING LIMITED

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

<b>VERTOZ ADVERTISING LIMITED</b> 602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080 Corporate Identity Number : L74120MH2012PLC226823 AUDITED CONSOLIDATED CASHFLOW STATEMENT AS ON MARCH 31, 2021			
(Amount in ₹)			
Particulars	Note No.	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
<b>A : Cash flows from operating activities:</b>			
Profit before taxation	(a)	9,39,20,522	5,26,62,011
<b>Add: Non Operating Expense</b>			
Depreciation & Amortisation		3,69,14,961	2,09,65,408
Finance Cost		1,29,90,218	1,08,38,709
Exchange gain/loss on restatement of forex		(2,99,87,487)	9,60,57,249
	(b)	<b>1,99,17,692</b>	<b>12,78,61,366</b>
<b>Less: Non Operating Income</b>			
Non Operating Income (incl. of Interest Income)	(c)	2,03,40,475	1,75,55,229
		<b>2,03,40,475</b>	<b>1,75,55,229</b>
<b>Operating profit before working capital changes</b>	d=(a+b-c)	<b>9,34,97,739</b>	<b>16,29,68,149</b>
<b>Working Capital Changes:</b>			
(Increase) / Decrease in Trade Receivables		(13,94,50,390)	3,99,71,436
(Increase) / Decrease in Other Financial Assets		10,46,278	25,58,16,685
(Increase) / Decrease in Non-current Assets		(44,28,620)	20,84,780
(Increase) / Decrease in Other Current Assets		(3,75,770)	(41,45,634)
(Decrease) / Increase in Short Term Borrowings		1,79,98,958	4,51,09,937
(Decrease) / Increase in Trade Payables		(33,41,514)	(60,24,562)
Increase / (Decrease) in Current Tax Liabilities		66,99,288	(15,16,950)
Increase / (Decrease) in Other Financial Liabilities		28,54,201	69,63,473
(Decrease) / Increase in Current Liabilities		16,87,974	(9,36,469)
(Decrease) / Increase in Short Term Provisions		93,61,168	13,09,837
	(e)	<b>(10,79,48,427)</b>	<b>33,86,32,533</b>
<b>Cash generated from operations</b>	(d+e)	(1,44,50,688)	50,16,00,682
(-) Taxes paid		(1,25,77,166)	(97,39,442)
<b>Net cash used in operating activities</b>	(A)	<b>(2,70,27,855)</b>	<b>49,18,61,240</b>
<b>B : Cash flows from investing activities:</b>			
Fixed asset (Addition)/Deduction		1,40,16,455	(50,37,61,368)
Non Operating Income (incl. of Interest Income)		2,03,40,475	1,75,55,229
Investment		-	-
<b>Net cash Generated from investing activities</b>	(B)	<b>3,43,56,930</b>	<b>(48,62,06,139)</b>
<b>C : Cash flows from financing activities:</b>			
Proceeds from issue of Shares		-	-
Dividend Paid		-	(5,83,702)
(Decrease) / Increase in Long Term Borrowings		82,35,120	9,98,347
Increase / (Decrease) in Lease Liabilities		(35,27,397)	(32,03,879)
Increase / (Decrease) in Other Long Term Liabilities		8,28,827	7,25,413
Interest Expenses		(1,29,90,218)	(1,08,38,709)
<b>Net cash generated from financing activities</b>	(C)	<b>(74,53,668)</b>	<b>(1,29,02,530)</b>
<b>D : Net increase in cash and cash equivalents = (A+B+C)</b>	D=(A+B+C)	<b>(1,24,593)</b>	<b>(72,47,430)</b>
<b>E : Cash and cash equivalents at beginning of period</b>	(E)	<b>2,97,41,026</b>	<b>3,69,88,456</b>
<b>F: Cash and cash equivalents at end of period = (D+E)</b>	(D + E)	<b>2,96,16,433</b>	<b>2,97,41,026</b>
<b>Note:</b>			
Cash and Cash Equivalents Comprises of:			
Particulars	Note No.	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
<b>Balance with Banks</b>	4		
(i) In Current Accounts		46,35,862	26,68,389
(ii) In Deposit Accounts		2,49,67,046	2,69,78,700
<b>Cash on Hand</b>		13,525	93,937
<b>Cash &amp; Cash Equivalants</b>		<b>2,96,16,433</b>	<b>2,97,41,026</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
See accompanying Notes to the Financial Statements		23	
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.			
<b>FOR MITTAL &amp; ASSOCIATES</b>		FOR AND ON BEHALF OF VERTOZ ADVERTISING LIMITED	
Chartered Accountants			
FRN: 10645GW   MRN: 165667			
		Harshad Shah Chariman & Non-Executive Director DIN: 07849186	Hirenkumar Shah Whole-time Director DIN: 00092739
<b>CA Hemant Bohra</b> Partner UDIN: 21165667AAAAEC4029			
Place: Mumbai Date: May 24, 2021		Akshay Sonar Parolkar Chief Financial Officer PAN: BBPSP6255B	
		Zill Shah Company Secretary & Compliance Officer PAN: EZOPSP6680B	

**Notes Forming Integral Part of Consolidated Financial Statement for the year ended 31st March, 2021**
**Note 1 : Fixed Asset**
**Property, Plant and Equipment, Other Intangible Assets and Right of Use Assets**

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 31.03.2021	Closing Value as on 31.03.2020
<b>I</b>	<b>Tangible Assets</b>												
1	Data Computers, Laptops, Data Servers & Peripherals	3,69,49,039	-	-	1,07,692	3,70,56,731	2,94,82,694	32,16,549	-	59,714	3,27,58,956	42,97,775	74,66,345
2	Furniture & Fixtures	34,25,073	1,35,100	1,56,997	-	34,03,176	27,29,930	1,51,088	1,49,147	-	27,31,871	6,71,305	6,95,143
3	Office Equipments	16,89,785	-	-	(20,166)	16,69,618	14,38,660	1,37,298	-	(16,853)	15,59,105	1,10,513	2,51,124
4	Motor Vehicles	17,91,279	-	-	-	17,91,279	13,98,279	1,22,933	-	-	15,21,212	2,70,067	3,93,000
<b>II</b>	<b>Intangible Assets</b>												
1	Trademark	9,000	-	-	-	9,000	-	-	-	-	-	9,000	9,000
2	Ingenious Plex Platform	16,40,87,916	-	-	(34,44,516)	16,06,43,400	2,89,15,016	2,93,14,051	-	(2,90,98,815)	2,91,30,252	13,15,13,148	13,51,72,900
3	Premium Business Domain	10,12,503	-	-	85,665	10,98,168	1,05,455	52,775	-	11,064	1,69,295	9,28,873	9,07,048
4	Technology, Platforms & Premium Web Properties	42,97,15,377	-	-	(1,07,23,233)	41,89,92,144	-	-	-	-	-	41,89,92,144	42,97,15,377
<b>III</b>	<b>Right of Use Assets</b>	1,59,54,755	-	-	-	1,59,54,755	42,10,290	39,20,267	-	-	81,30,557	78,24,198	1,17,44,465
	<b>Total Value in INR</b>	<b>65,46,34,726</b>	<b>1,35,100</b>	<b>1,56,997</b>	<b>(1,39,94,558)</b>	<b>64,06,18,271</b>	<b>6,82,80,324</b>	<b>3,69,14,961</b>	<b>1,49,147</b>	<b>(2,90,44,890)</b>	<b>7,60,01,248</b>	<b>56,46,17,023</b>	<b>58,63,54,402</b>
	<b>Previous Year Figures</b>	<b>13,26,72,552</b>	<b>60,89,99,748</b>	<b>9,55,91,583</b>	<b>85,54,008</b>	<b>65,46,34,726</b>	<b>4,50,68,886</b>	<b>2,09,65,408</b>	<b>-</b>	<b>22,46,029</b>	<b>6,82,80,324</b>	<b>58,63,54,402</b>	<b>10,35,58,420</b>

## VERTOZ ADVERTISING LIMITED

*Notes Forming Integral Part of Consolidated Financial Statement for the year ended 31st March, 2021*

### **Note 2 : Other non-current assets**

Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
<b>A. Deposits</b>			
1	Other Deposits	25,000	25,000
2	Rent Deposit	19,87,488	16,85,650
3	Security Deposit	1,64,194	1,67,196
4	Security Deposit with NSE	-	-
5	Other Advances	39,36,231	(1,93,554)
<b>Total Value in INR</b>		<b>61,12,912</b>	<b>16,84,292</b>

### **Note 3 : Trade Receivables**

Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	<u>Trade Receivables, Outstanding for More than Six Months</u> Unsecured, Considered Good	3,29,33,441	1,95,52,362
2	<u>Trade Receivables, Outstanding for Less than Six Months</u> Unsecured, Considered Good	19,91,85,616	7,42,00,371
<b>Total Value in INR</b>		<b>23,21,19,056</b>	<b>9,37,52,733</b>

### **Note 4 : Cash & Cash Equivalent**

Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Cash Balance	13,525	93,937
2	Bank Balances	46,35,862	26,68,389
3	Fixed Deposit with Banks	2,49,67,046	2,69,78,700
<b>Total Value in INR</b>		<b>2,96,16,433</b>	<b>2,97,41,026</b>

### **Note 5 : Short Term Loans**

Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Loan to Related Parties	3,78,803	3,06,520
2	Other Loans and Advances	19,136	11,37,696
<b>Total Value in INR</b>		<b>3,97,939</b>	<b>14,44,217</b>

### **Note 6 : Other Current Assets**

Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Advance to Staff	25,000	-
2	GST/VAT Receivable	-	71,961
3	TDS Receivable	8,56,347	18,43,077
4	Advance given to Suppliers	36,43,909	33,34,449
5	Miscellaneous Expenditures	11,00,000	-
<b>Total Value in INR</b>		<b>56,25,257</b>	<b>52,49,487</b>

<b>VERTOZ ADVERTISING LIMITED</b>			
<i>Notes Forming Integral Part of Consolidated Financial Statement for the year ended 31st March, 2021</i>			
<b>Note 7 : Equity Share Capital</b>			
Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	<b>AUTHORIZED CAPITAL</b> Equity Shares of Rs. 10/- each.	35,00,00,000	12,00,00,000
		<b>35,00,00,000</b>	<b>12,00,00,000</b>
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b> <i>To the Subscribers of the Memorandum</i> 1,19,70,000 Equity Shares of Rs. 10/- each fully paid up.	11,97,00,000	11,97,00,000
	<b>Total Value in INR</b>	<b>11,97,00,000</b>	<b>11,97,00,000</b>
<b>i Details of Shares Held by each shareholder holding more than 5% shares as at March 31, 2021</b>			
	<b>Name of Shareholders</b>	<b>No. of Shares Held</b>	<b>% holding in the class of shares</b>
	<b>Fully paid Equity Shares</b>		
1	Hirenkumar Shah	30,71,824	25.66%
2	Ashish Shah	30,71,824	25.66%
<b>Note 8 : Other Equity</b>			
Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Suplus from Profit & Loss Account Opening Balances	29,01,97,268	15,32,21,461
	Add: Profit/(Loss) for the period	8,23,78,278	4,09,18,536
	Less: Dividen Expenditure	(7,17,353)	(5,83,702)
	Add: Forex Revaluation	(6,59,799)	9,60,57,272
2	Securities Premium (Net-off)	8,64,11,940	8,85,96,940
	<b>Total Value in INR</b>	<b>45,76,10,335</b>	<b>37,82,10,506</b>
<b>Note 9 : Non-Current Borrowing</b>			
Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Federal Bank FCTL	-	22,23,911
1	ICICI Bank	9,02,040	27,01,570
2	Axis Bank	12,78,822	-
3	HDFC Bank	32,39,670	-
4	ICICI GECL	79,00,000	-
5	NeoGrowth Credit Private Limited	8,77,474	-
6	Shriram City Union Finanace Ltd.	11,57,140	21,94,545
	<b>Total Value in INR</b>	<b>1,53,55,146</b>	<b>71,20,026</b>
<b>Terms of repayment of the Term Loan:</b>			
1. <b>ICICI Bank:</b> Unsecured Business Loan for Working Capital Requirements of the Company @ diminishing rate of 16% p.a. for tenure of 24 months			
2. <b>Axis Bank:</b> Unsecured Business Loan for Working Capital Requirements of the Company @ diminishing rate of 18% p.a. for tenure of 36 months			
3. <b>HDFC Bank:</b> Unsecured Business Loan for Working Capital Requirements of the Company @ diminishing rate of 16% p.a. for tenure of 36 months			
4. <b>ICICI GECL:</b> Guaranteed Emergency Credit Line ("GECL") by way of working capital term loan facility ("Facility") under the Emergency Credit Line Guaranteed Scheme ("ECLGS") by the Government of India I-EBLR is 7.70% and Spread is 0.55% (subject to an overall cap of 9.25%) with tenure of 12 months. This is taken over by ICICI from Federal Bank.			
5. <b>NeoGrowth Credit Private Limited:</b> Unsecured Business Loans for Working Capital Requirements of the Company @ diminishing rate of 19.02% p.a. for tenure of 720 days.			
6. <b>Shriram City Union Finance Ltd.:</b> Unsecured Business Loans for Working Capital Requirements of the Company @ diminishing rate of 19% p.a. for tenure of 36 months.			
<b>Note 10 :Non-Current Provisions</b>			
Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Gratuity Provision (Non-Current)	37,69,721	33,36,187
2	Leave Encashment Provision (Non-Current)	12,98,112	9,02,819
	<b>Total Value in INR</b>	<b>50,67,833</b>	<b>42,39,006</b>

<b>VERTOZ ADVERTISING LIMITED</b>			
<i>Notes Forming Integral Part of Consolidated Financial Statement for the year ended 31st March, 2021</i>			
<b>Note 11 : Short Term Borrowing</b>			
Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	<b>Unsecured</b> <b>Loan from Related Parties</b> Loan From Directors Loan from Subsidiaries Loan from Other Related Parties	5,92,30,046 35,14,661 (7,89,463)	5,21,79,847 - 24,81,491
2	<b>Secured</b> <b>Loans repayable on demand</b> a. From Banks (Secured against FD's) - FDOD b. From Banks (Secured against FD & Immovable Property) - CCOD c. From Banks - Paycheck Protection Plan d. For Banks - Other Secured Loans	76,70,209 2,83,90,854 1,01,63,876 -	- 3,26,95,412 - 28,24,475
<b>Total Value in INR (A+B)</b>		<b>10,81,80,184</b>	<b>9,01,81,226</b>
<b>Overdraft Against Fixed Deposits:</b>			
a. The loan is repayable on demand and secured against hypothecation of Fixed Deposits of Rs. 1.00 Crore financed @ 5.40% p.a. (0.50% markup over FD rate).			
b. This is working capital loan is repayable on demand and secured against hypothecation of Fixed Deposits of Rs. 1.495 Crore and collateral security of Residential Property of Directors and the facility financed at 7.85% p.a.			
c. Paycheck Protection Plan granted against payroll paid to the employees in US @ 1% p.a.			
<b>Note 12 : Trades Payable</b>			
Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Sundry Creditors -Dues of micro and small enterprises -Dues of others	1,32,31,981 4,84,51,405	20,79,588 6,29,45,312
<b>Total Value in INR</b>		<b>6,16,83,386</b>	<b>6,50,24,900</b>
<b>Note 13 : Other financial Liabilities</b>			
Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	<b>Other Payables</b> <b>Current Maturity for Long Term Debt</b> Current Maturity for Long Term Debt (FCTL) Current Maturity for Short Term Debt (ICICI, Shriram, Neogrowth, Axis, HDFC)	- 95,87,897	44,47,762 31,03,885
2	<b>Others:</b> Advance Received from Client Creditors for Expenses Other Payable	29,08,000 48,06,053 34,57,513	40,73,159 62,80,455 -
<b>Total Value in INR</b>		<b>2,07,59,462</b>	<b>1,79,05,261</b>
<b>Note 14 : Current tax liabilities (net)</b>			
Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Provision for Income Tax AY 2021-22	2,05,54,970	-
2	Provision for Income Tax AY 2020-21	69,651	1,39,25,333
<b>Total Value in INR</b>		<b>2,06,24,621</b>	<b>1,39,25,333</b>
<b>Note 15 : Current Provisions</b>			
Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Salary Payable	1,21,17,559	19,11,247
2	<b>Gratuity &amp; Leave Encashment Provision (Current):</b> Gratuity Provision (Current) Leave Encashment (Current)	6,93,413 2,85,567	6,06,581 9,55,067
3	Misc. Expenditure Payable	21,85,000	-
4	Other Provisions	4,48,673	7,11,149
<b>Total Value in INR</b>		<b>1,57,30,212</b>	<b>41,84,044</b>
<b>Note 16 : Other current liabilities</b>			
Sr. No.	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Statutory Liabilities	32,94,459	16,06,485
<b>Total Value in INR</b>		<b>32,94,459</b>	<b>16,06,485</b>



<b>VERTOZ ADVERTISING LIMITED</b>			
<i>Notes Forming Integral Part of Consolidated Financial Statement for the year ended 31st March, 2021</i>			
<b>Note 17 : Revenue From Operations</b>			
	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Sale of Services	57,00,39,847	40,53,12,252
	<b>Total Value in USD</b>	<b>57,00,39,847</b>	<b>40,53,12,252</b>
<b>Note 18 : Income From Non Operation</b>			
	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Interest on FDR	10,59,599	19,45,927
2	Other Income	8,03,138	7,88,441
3	Interest Received on Loan	-	30,000
4	Sundry Balance W/off	3,59,180	80,30,470
5	Bad Debts Recovered	5,00,000	-
6	Foreign Exchange Gain	1,76,18,558	67,60,391
	<b>Total Value in USD</b>	<b>2,03,40,475</b>	<b>1,75,55,229</b>
<b>Note 19 : Direct Service Expenses</b>			
	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Purchase of Services	23,48,80,643	22,01,53,545
2	Web Hosting Services and Other Expenses	42,89,549	-
3	Software Exps & Platform Fees	49,41,946	77,32,982
4	Outsourcing Expenses	11,60,31,197	1,01,50,773
	<b>Total Value in USD</b>	<b>36,01,43,334</b>	<b>23,80,37,299</b>
<b>Note 20 : Employment Benefit Cost</b>			
	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Salaries and Incentives	5,90,67,704	7,33,06,680
2	Director Remuneration	61,39,400	62,84,400
3	Gratuity & Leave Encashment Expense	13,24,938	6,13,476
	<b>Total Value in USD</b>	<b>6,65,32,042</b>	<b>8,02,04,556</b>
<b>Note 21 : Finance Cost</b>			
	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Bank Charges	27,16,281	23,19,882
2	Interest Expense	86,83,792	70,38,072
3	Foreign Exchange Gain	82,674	24,594
4	Loan Processing Fees	4,85,342	97,754
5	Interest on Lease Liabilities	10,22,129	13,58,407
	<b>Total Value in USD</b>	<b>1,29,90,218</b>	<b>1,08,38,709</b>
<b>Note 22 : Other Expenses</b>			
	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Audit Fees	3,70,250	2,50,150
2	Books and Periodicals	4,977	4,106
3	Conveyance Charges	97,589	5,77,923
4	Electricity Expenses	6,73,917	9,55,219
5	Exhibition & Seminar Expenses	3,692	74,332
6	Food Expenses	59,447	4,72,871
7	House Keeping & Security Expenses	6,31,783	8,38,063
8	Interest/Penalty/Fee on Taxes	12,08,873	17,91,511
9	Internet Expenses	2,32,567	13,35,988
10	Legal Expenses	33,77,431	8,56,054
11	Lodging & Boarding Expenses	14,549	1,98,703
12	Accounts Written off	82,083	93,732
13	Marketing Expenses	3,19,122	6,45,606
14	Office Expense	8,48,748	18,82,933
15	Postage & Courier Expenses	14,052	75,652
16	Printing & Stationary Expenses	31,800	1,84,015
17	Profession Tax-Company	7,500	2,500
18	Profit & Loss on Fixed Assets	1,850	-
19	Professional & Technical Fees	24,40,986	14,19,521
20	Recruitment Expense	1,38,270	1,71,902
21	Lease Rent	59,45,325	60,43,200
22	Repair & Maintenance Expenses	(1,12,538)	2,09,073
23	Rounding Off	273	(2,859)
24	Staff Welfare	1,38,880	4,64,184
25	Telephone Expense	3,50,329	4,45,758
26	Travelling Expense (Domestic/International)	5,94,653	14,83,969
27	Meeting Expenses	-	21,000
28	Insurance Expenses	68,018	13,580
29	Deferred Rent Expenses	56,088	60,952
30	Provision for Doubtful Debts	28,10,426	-
	<b>Total Value in USD</b>	<b>2,04,10,943</b>	<b>2,05,69,638</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2021

**Vertoz Advertising Limited** (the Company) 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, 2020** to **March 31, 2021**. 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 23: 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, 2021, 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.

**NOTE 24: RELATED PARTY TRANSACTIONS**

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:**

Name of Related Parties	Relationship	Nature of Transaction	FY 2020-21		FY 2019-20	
			Net-off Amount of Transactions for FY 2020-21	Amount Outstanding as on 31.03.2021 (Payable) / Receivable	Net-off Amount of Transactions for FY 2019-20	Amount Outstanding as on 31.03.2020 (Payable) / Receivable
Mr. Hirenkumar Shah	Whole-time Director	Managerial Remuneration	59,30,300	(2,84,130)	59,54,400	-
		Loan from Directors	6,09,775	(4,21,14,572)	(3,72,82,219)	(4,27,24,347)
Mr. Ashish Shah	Whole-time Director	Managerial Remuneration	59,91,959	(31,11,086)	54,18,968	-
		Loan from Directors	(40,59,619)	(1,35,06,073)	(65,96,260)	(94,46,454)
Mr. Rasiklal Shah	Non-executive Director	Sitting Fees	30,000	(1,53,750)	20,000	(1,26,000)
Mr. Harshad	Chairman &	Sitting Fees	40,000	(1,31,500)	25,000	(94,500)

Shah	Non-executive Director					
Mrs. Nilam Doshi	Independent Director	Sitting Fees	60,000	(2,71,500)	50,000	(2,16,000)
Mr. Harshal Patel	Independent Director	Sitting Fees	-	-	50,000	-
Mr. Rohit Vaghadia	Independent Director	Sitting Fees	55,000	(1,40,875)	20,000	(90,000)
Mr. Akshay Sonar Parolkar	Chief Financial Officer	KMP Remuneration	18,66,816	(1,53,568)	18,66,816	-
		Expenses Reimbursement	32,49,351	(44,529)	-	-
Ms. Zill Shah	Company Secretary	KMP Remuneration	6,95,520	(83,940)	6,95,520	-
PayNX Technologies Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Loan	(14,05,585)	(18,08,124)	(4,02,539)	(4,02,539)
		Sales	98,036	-	52,35,356	30,69,791
		Purchase	1,13,21,082	(1,14,95,923)	3,18,753	(3,18,753)
Trunkoz Technologies Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Rent	20,95,094	(22,60,782)	19,65,648	(14,03,688)
Admeridian Inc	Sister Concern where Promoters/ Directors having significant control	Sales	4,48,36,814	2,63,38,628	5,84,56,383	56,34,397
		Purchase	1,63,77,117	(64,240)	2,67,20,752	(56,526)
		Asset Acquisition	-	-	11,13,53,388	-
		Loans & Advances	(37,012)	(30,644)	(6,74,06,791)	6,368
Hueads Inc	Sister Concern where Promoters/ Directors having significant control	Sales	4,10,14,885	3,01,05,133	7,18,93,710	1,87,47,802
		Purchase	1,78,72,483	(7,29,403)	3,50,56,699	(82,28,653)
		Asset Acquisition	-	-	10,45,15,253	-
		Loans & Advances	(82)	2,692	(5,34,40,243)	2,774
Admida Inc	Sister Concern where Promoters/ Directors having significant control	Sales	3,02,02,631	2,06,10,369	6,18,42,971	61,05,440
		Purchase	9,01,510	8,17,696	2,73,80,136	(4,61,910)
		Asset Acquisition	-	-	9,84,85,529	-
		Loans & Advances	(106)	3,517	(5,72,82,910)	3,623
Vokut Inc	Sister Concern where Promoters/ Directors having significant control	Sales	4,12,77,531	2,29,69,928	5,97,21,795	64,45,491
		Purchase	2,42,03,339	-	2,65,94,106	-
		Asset Acquisition	-	-	11,53,61,208	-
		Loans & Advances	4,03,737	6,744	(7,71,13,465)	(3,96,993)
Boffoads Inc	Sister Concern where Promoters/ Directors having significant	Sales	6,64,19,147	1,84,58,409	34,69,374	24,33,683
		Purchase	4,66,36,310	-	54,263	(37,560)



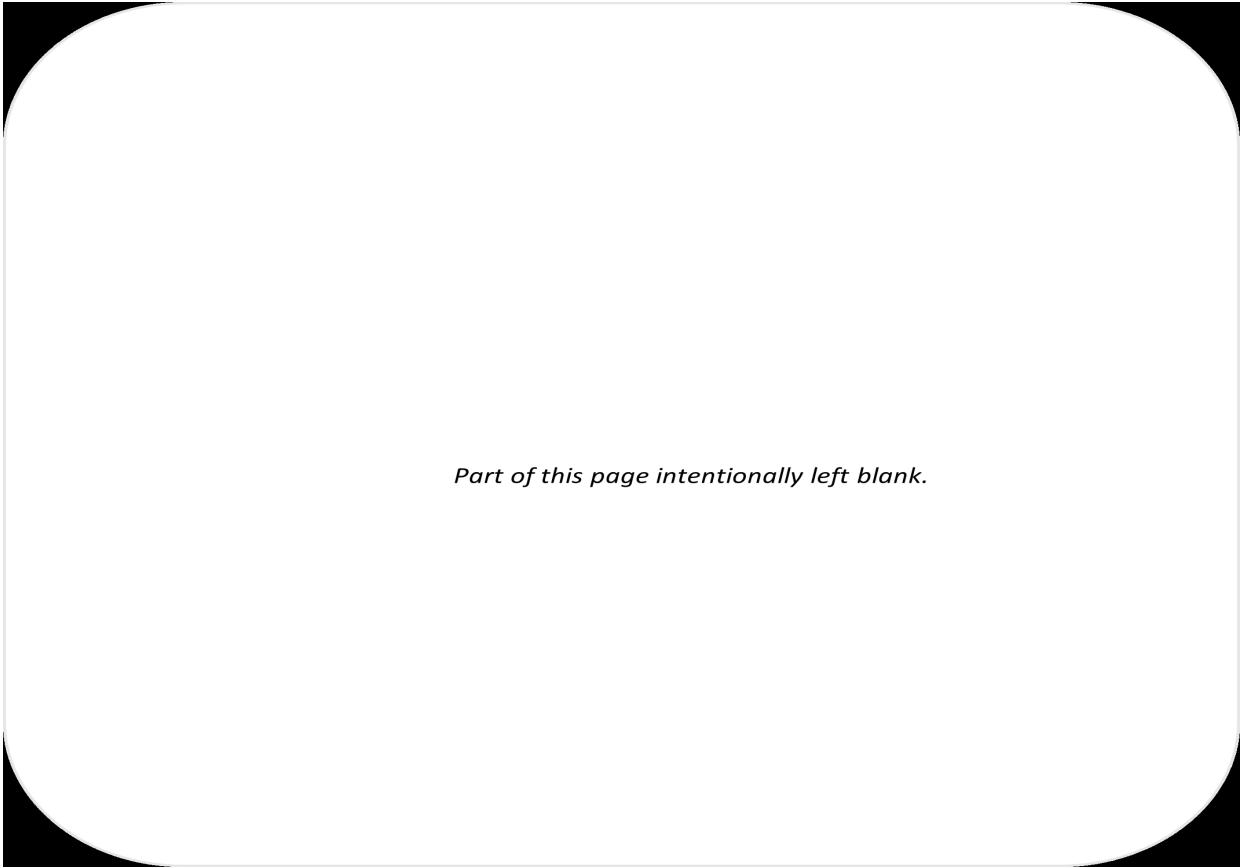
	control					
Flairads Inc	Sister Concern where Promoters/ Directors having significant control	Sales	6,89,44,901	2,13,54,478	40,14,273	21,71,540
		Purchase	4,58,12,142	-	6,76,122	-
Adcanny Inc	Sister Concern where Promoters/ Directors having significant control	Sales	6,78,81,469	1,78,18,646	25,03,924	17,98,509
		Purchase	4,85,03,324	(17,163)	30,211	(29,870)
Adzesto Inc	Sister Concern where Promoters/ Directors having significant control	Sales	6,76,11,503	1,89,82,443	29,20,190	21,35,408
		Purchase	4,63,07,571	-	28,769	(26,107)
Adokut Inc	Sister Concern where Promoters/ Directors having significant control	Sales	3,61,70,623	83,49,623	39,04,761	(10,78,850)
		Purchase	2,03,57,331	(12,516)	6,68,357	4,100
		Loans & Advances	2,40,505	12,349	(2,28,156)	(2,28,156)
Qualispace Inc	Sister Concern where Promoters/ Directors having significant control	Purchase	6,39,531	(27,85,200)	27,87,015	(28,90,436)
		Loans & Advances	(2,46,964)	-	2,46,964	2,46,964
OwnRegistrar Inc	Sister Concern where Promoters/ Directors having significant control	Loans & Advances	76,899	(5,80,195)	(6,57,094)	(6,57,094)
Hashjini Inc	Sister Concern where Promoters/ Directors having significant control	Sales	7,09,328	(1,98,463)	(7,16,166)	(7,16,166)
		Loans & Advances	(88,320)	3,675	91,995	91,995
PayExecute Inc	Sister Concern where Promoters/ Directors having significant controls	Loans & Advances	1,16,381	1,16,381	-	-

OwnAdtech Inc	Sister Concern where Promoters/ Directors having significant control	Purchase	3,73,333	3,63,850	-	-
---------------	--	----------	----------	----------	---	---

**For Vertoz Advertising Limited**

**Hirenkumar Shah**  
**Whole-time Director**  
**DIN: 00092739**

**Place: Mumbai**  
**Date: 24.05.2021**



## VERTOZ ADVERTISING LIMITED

**Registered & Corporate Office:** 602, Avior, Nirmal Galaxy, Opp. Johnson & Johnson, LBS Marg, Mulund (West), Mumbai, Maharashtra, India – 400 080

**Corporate Identity Number:** L74120MH2012PLC226823

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

**Website:** [www.vertoz.com](http://www.vertoz.com) ; **Email:** [compliance@vertoz.com](mailto:compliance@vertoz.com)

### NOTICE

**NOTICE** is hereby given that **10<sup>th</sup> Annual General Meeting** of the Members of Vertoz Advertising Limited will be held on **Thursday, 30<sup>th</sup> September 2021 at 12.00 Noon** 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, 2021 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, 2021 and the reports of 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 31<sup>st</sup> March 2021 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 31<sup>st</sup> March 2021 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 appoint Mr. Rasiklal Hathichand Shah (DIN: 00091585) as a Non- Executive Director, liable to retire by rotation, who has offered himself for re-appointment:**

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

**“RESOLVED THAT** pursuant to provision of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the Members of the Company, be and is hereby accorded to the re-appointment of Mr. Rasiklal Hathichand Shah (DIN: 00091585) as a Director, who shall continue as the Non-Executive Director of the Company.”

**SPECIAL BUSINESS****3. Continuation of Directorship of Mr. Rasiklal Hathichand Shah:**

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

**“RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made thereunder, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, approval of the Members of the Company be and is hereby granted to Mr. Rasiklal Hathichand Shah (DIN 00091585), who has already attained the age of Seventy-five (75) years, to continue to be a Non-Executive Director 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 for the time being are hereby severally authorized to do all acts, deeds, matters or things and take such steps as may be necessary, expedient or desirable in this regard.”

**Registered Office:**

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

**By Order of the Board**

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

**31<sup>st</sup> August 2021****Mumbai****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 5<sup>th</sup> May, 2020 read together with General Circular Nos. 14/2020, 17/2020, 2/2021 dated 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020 and 13<sup>th</sup> January 2021 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 12<sup>th</sup> May, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January, 2021 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. 19 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 15<sup>th</sup> 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. 3 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. 2 is also annexed hereto.

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 28<sup>th</sup> 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 7<sup>th</sup> 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](mailto:umashankar.hegde@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com) and to the Company at [compliance@vertoz.com](mailto: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 (Physical and Electronic) are M/s. KFin Technologies Private Limited ("Kfintech") 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 5<sup>th</sup> May, 2020 and 13<sup>th</sup> January 2021 and SEBI Circular dated 12<sup>th</sup> May 2020 and 15<sup>th</sup> January 2021, the Notice of the AGM alongwith the Annual Report for the Financial Year 2020-2021 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](http://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](http://www.nseindia.com), and on the website of Kfintech at <https://evoting.kfintech.com>. For any communication, the Members may also send a request to the Company's investor email id: [compliance@vertoz.com](mailto:compliance@vertoz.com). **The Company will not be dispatching physical copies of the Annual Report for the Financial Year 2020-2021 and the Notice of AGM to any Member.**

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

During the FY 2020-2021 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 KFinTech, changes, if any, in their registered addresses/bank mandates at an early date, in case of shares held in physical form;
- b. intimate to the respective Depository Participant, changes, if any, in their registered addresses/bank mandates at an early date;
- c. quote their folio numbers/ Client ID and DP ID in all correspondence;
- d. consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names; and
- e. register their Permanent Account Number (PAN) with their Depository Participants.

**11. TRANSFER OF SHARES PERMITTED IN DEMAT FORM ONLY**

As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of Securities.

In view of the above and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding Shares in physical form are requested to consider converting their holdings to dematerialised form. Members are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account or alternatively, contact the nearest branch of KFinTech to seek guidance with respect to the demat procedure. Members may also visit the website of depositories viz. National Securities Depository Limited: <https://nsdl.co.in/faqs/faq.php> or Central Depository Services (India) Limited: <https://www.cdslindia.com/investors/open-demat.html> for further understanding of the demat procedure.

**12. NOMINATION:**

Members can avail of the facility of nomination in respect of Shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to KFinTech having their office at Selenium, Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032 or send an email at: [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com). Members holding Shares in electronic form may contact their respective Depository Participants for availing this

facility. If a Member desires to cancel the earlier nomination and record fresh nomination, he/she may submit the same in Form No. SH-14.

**13. 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/](https://ris.kfintech.com/email_registration/).

Members holding Shares in physical form are requested to submit the form duly completed to the Company or its Registrar and Transfer Agents in physical mode, as per instructions mentioned in the form. Members holding Shares in electronic form are requested to submit the details to their respective Depository Participants.

**14. 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 20<sup>th</sup> 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).

15. 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 28<sup>th</sup> day of September 2021, through email on [compliance@vertoz.com](mailto:compliance@vertoz.com). The same will be replied by the Company suitably.

**16. 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. 30<sup>th</sup> September, 2021. Members seeking to inspect such documents can send an email to Company's investor email id: [compliance@vertoz.com](mailto:compliance@vertoz.com).

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



18. **PROCEDURE FOR REGISTERING THE EMAIL 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 following the procedure given below:
  - a. Members holding shares in demat form can get their email ID registered by contacting their respective Depository Participant.
  - b. Members holding shares in physical form may register their email address and mobile number with the Company's Registrar and Transfer Agents, KFin Technologies Private Limited by sending an email request at the email ID: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) alongwith the copy of the signed request letter mentioning the Name, Address, Folio No., Email address and Mobile number of the Member, self-attested scanned copy of the PAN Card and self-attested scanned copy of any document (such as Driving License, Election Identity Card, Passport, etc.) in support of the address of the Member.
- 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/clientservices/mobilereg/mobileemailreg.aspx>
  - 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](http://www.vertoz.com) and click on "click here for temporary registration of email-id of Members for AGM 2020-2021" 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. 2020-2021 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](mailto: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.

**19. 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 provided in the email received from KFinTech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the Meeting etiquettes to join the Meeting.
- 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. 20.
- iii. Members may join the Meeting through Laptops, Smartphones and Tablets 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. 19 (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.kfintech.com> or contact at [compliance@vertoz.com](mailto: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](mailto:evoting@kfintech.com) or on Phone No.: 040-6716 2222 or call Toll Free No.: 1800-345-4001 for any further clarifications.

**20. 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:	<b>Monday, 27<sup>th</sup> September 2021 at 9.00 a.m. (IST)</b>
Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed	To:	<b>Wednesday, 29<sup>th</sup> September 2021 at 5.00 p.m. (IST)</b>

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.

The process and manner for remote e-voting are explained below:

### **Step 1: Access to NSDL/CDSL e-Voting System**

#### **I. Login method for e-voting for Individual Shareholders holding Shares of the Company in demat mode:**

In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020 on e-voting facility provided by Listed Entities, Individual Shareholders holding shares of the Company in demat mode can cast their vote, by way of a single login credential, through their demat accounts/websites of Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail address in their demat accounts in order to access e-voting facility. The procedure to login and access remote e-voting, as devised by the Depositories/Depository Participant(s), is given below:

#### **A. Login Method for Individual Shareholders holding Shares of the Company in Demat mode through National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”):**

Sr. No.	NSDL	CDSL
1.	Users already registered for IDeAS e-Services facility of NSDL may follow the following procedure: i. Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>	Users already registered for Easi/Easiest facility of CDSL may follow the following procedure: i. Visit URL:

	<p>ii. Click on the “Beneficial Owner” icon under “IDeAS” section.</p> <p>iii. On the new page, enter your User ID and Password. Post successful authentication, click on “<b>Access to e-Voting</b>”</p> <p>iv. Click on Company Name: <b>Vertoz Advertising Limited</b> or <b>E-Voting Service Provider</b> and you will be re-directed to E-Voting Service Provider (“<b>KFintech</b>”) website for casting your vote during the remote e-Voting period.</p>	<p><a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>ii. Click on “<b>New System Myeasi</b>” icon</p> <p>iii. Login with your Registered User ID and Password.</p> <p>iv. Option will be made available to reach e-Voting page without any further authentication.</p> <p>v. You will see the e-Voting Menu. The Menu will have links of E-voting Service Provider i.e. Kfintech e-Voting portal where the e-voting is in progress.</p> <p>vi. Click on e-Voting service provider – KFintech to cast your vote.</p>
2	<p>Users not registered for IDeAS e-Services facility of NSDL may follow the following procedure:</p> <p>i. To register click on link: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></p> <p>ii. Select “Register Online for IDeAS” or click on the link: <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>iii. Proceed with completing the required fields.</p> <p>iv. After successful registration, please follow steps given in Point No. 1 above to cast your vote.</p>	<p>Users not registered for Easi/Easiest facility of CDSL may follow the following procedure:</p> <p>i. Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>ii. Proceed with completing the required fields.</p> <p>iii. After successful registration, please follow steps given in Point No. 1 above to cast your vote.</p>
3	<p><b>Users may directly access the e-Voting module of NSDL as per the following procedure:</b></p> <p>i. Visit URL: <a href="https://www.evoting.nsd.com">https://www.evoting.nsd.com</a></p> <p>ii. Click on the “Login” icon which is available under “Shareholder/Member” section.</p> <p>iii. On the login page, enter User ID (i.e., your sixteen digit number held with NSDL, starting with IN), Login Type, i.e., through typing Password (in case you are registered on NSDL’s e-voting platform)/through generation of OTP (in case your mobile/e-mail address is registered in your demat account) and Verification Code as shown on the screen.</p>	<p>Users may directly access the e-Voting module of CDSL as per the following procedure:</p> <p>i. Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>ii. Provide your Demat Account Number and PAN.</p> <p>iii. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account.</p> <p>iv. On successful authentication, you will enter the e-voting module of CDSL. Click on the e-Voting link available against <b>Vertoz Advertising Limited</b> or select E-Voting Service Provider “KFintech” and you will be re-directed to the e-Voting page of Kfintech to cast your vote without any further authentication.</p>

	<p>iv. Post successful authentication, you will be requested to select Name of the Company: <b>Vertoz Advertising Limited</b> or the E-Voting Service Provider, i.e. KFinTech.</p> <p>v. On successful selection, you will be redirected to the e-Voting page of KFinTech to cast your vote without any further authentication.</p>	
--	---	--

**B. Login Method for Individual Members holding Shares of the Company in Demat mode through their Depository Participants:**

You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Once you login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository website after successful authentication, wherein you can see e-voting feature. Click on options available against the Company’s Name: Vertoz Advertising Limited or E-Voting Service Provider – KFinTech and you will be redirected to e-Voting website of KFinTech for casting your vote during the remote e-Voting period without any further authentication.

**Important Note:** Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at the NSDL and CDSL websites.

**Helpdesk for Individual Shareholders holding Shares of the Company in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:**

Login Type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at Toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**II. Login method for e-Voting for Shareholders other than Individual Shareholders holding Shares of the Company in demat mode and Shareholders holding Shares in physical mode**

A. Members whose email IDs are registered with the Company/ Depository Participants, will receive an email from KFinTech which includes details of E-Voting Event Number (EVEN), USER ID and password:

- i. Launch internet browser by typing the URL: <https://evoting.kfintech.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 - AGM.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e. Thursday, 23<sup>rd</sup> September, 2021 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 folios/demat accounts shall choose the voting process separately for each folio/demat account.
- 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](mailto:umashankar.hegde@gmail.com) with a copy to [evoting@kfintech.com](mailto:evoting@kfintech.com) and to the Company at [compliance@vertoz.com](mailto: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 Wednesday, 29<sup>th</sup> September, 2021 (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(s) in case of shares held in Dematerialised form) and inform KFintech at the email id: [evoting@kfintech.com](mailto:evoting@kfintech.com) (in case of Shares held in physical form):

- 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. II A (i) to (xii) above to cast your vote by electronic means.

Members can also update their mobile number and e-mail address in the "user profile details" in their e-voting login on <https://evoting.kfintech.com> which may be used for sending further communication(s).

## 21. 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. Upon clicking the e-voting window, Members will be directed to the "Instapoll" page. An icon, "Vote", will be available at the bottom left on the Meeting Screen.
- 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.

22. **GENERALINSTRUCTIONS/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. **Thursday, 23<sup>rd</sup> September, 2021**. 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. Thursday, 23<sup>rd</sup> September, 2021, 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-votingEvent Number + Folio No. or DP ID Client ID to **+91-9212993399**

**1. Example for NSDL:**

MYEPWD<SPACE >IN12345612345678

**2. Example for CDSL:**

MYEPWD<SPACE>1402345612345678

**3. Example for Physical:**

MYEPWD <SPACE> XXXX123456789

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.kfintech.com> the Member may click **“Forgot Password”** and enter Folio No. or DP ID Client ID and PAN to generate a password.

c. Members who may require any technical assistance or support before or during the AGM are requested to contact KFinTech at Toll free number 1800-309-4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com).

d. Member may send an e-mail request to [evoting@kfintech.com](mailto: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.kfintech.com> or contact at [compliance@vertoz.com](mailto:compliance@vertoz.com) or at



[evoting@kfintech.com](mailto: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.

**23. 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](http://www.vertoz.com) and on the website of Kfintech at <https://evoting.kfintech.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. Thursday, 30<sup>th</sup> September 2021, subject to receipt of the requisite number of votes in favour of the Resolutions.

**24. 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](mailto:compliance@vertoz.com) from Monday, 27<sup>th</sup> September, 2021 (9:00 a.m. IST) upto Wednesday, 29<sup>th</sup> September, 2021 (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.kfintech.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 Monday, 27<sup>th</sup> September, 2021 (9:00 a.m. IST) upto Wednesday, 29<sup>th</sup> September, 2021 (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 Wednesday, 29<sup>th</sup> September, 2021, 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.

25. **SPEAKER REGISTRATION BEFORE AGM:**

Members of the Company, holding Shares as on the cut-off date i.e. Thursday, 23<sup>rd</sup> September, 2021 and who would like to speak or express their views or ask questions during the AGM may register as speakers by visiting <https://emeetings.kfintech.com> and clicking on "Speaker Registration" during the period from Monday, 27<sup>th</sup> September, 2021 (9:00 a.m. IST) upto Wednesday, 29<sup>th</sup> September, 2021 (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.

26. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 24<sup>th</sup> September 2021 to Thursday, 30<sup>th</sup> September 2021 (both days inclusive) for taking record of the Members of the Company for the purpose of determining the persons eligible to attend the Annual General Meeting.

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](mailto:compliance@vertoz.com)  
Website: [www.vertoz.com](http://www.vertoz.com)

**By Order of the Board**

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

**31<sup>st</sup> August 2021**

**Mumbai**

## Additional Information with respect to Item No. 2

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

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

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

Name of Director	Rasiklal Hathichand Shah
DIN	00091585
Date of Birth	5 <sup>th</sup> November, 1944
Expertise in specific functional Area	Business Administration
Date of Original Appointment	25 <sup>th</sup> September, 2017
Date of Special Resolution for continuation of Appointment	21 <sup>st</sup> December, 2019
No. of Equity shares held in the company	1,19,700 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	Nil
Chairman/member of the Committee of the Board of Directors of the Other Companies	Nil

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

The following Explanatory Statement sets out all material facts relating to the Special business mentioned under Item No. 3 of the accompanying Notice dated 31<sup>st</sup> August 2021:

#### Resolution No. 3:

As the Members are aware, pursuant to the Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “the Listing Regulations”), effective from 1<sup>st</sup> April, 2019, no listed entity shall appoint a person or continue the Directorship of any person as a Non-Executive Director who has attained the age of Seventy five (75) years unless a Special Resolution is passed to that effect and the explanatory statement annexed to the Notice proposing such appointment or continuation specifies the justification for such appointment or continuation, as the case may be.

Since Mr. Rasiklal Hathichand Shah has attained the age of Seventy-five (75) years on 5<sup>th</sup> November, 2019, as per Regulation 17(1A) of the Listing Regulations, approval of Members was sought through the Special Resolution for continuation of Directorship of Mr. Rasiklal Hathichand Shah on attaining the age of 75 years up to the tenure of his Directorship of the Company on 21<sup>st</sup> December 2019 through Postal Ballot.

Now again, Mr. Rasiklal Hathichand Shah, Non-Executive Director of the Company is liable to retire by rotation and the Board of Directors, at its Meeting held on 31<sup>st</sup> August 2021, has unanimously decided the continuation of Directorship of Mr. Rasiklal Hathichand Shah till the tenure of his Directorship in the Company based on the recommendation of Nomination and Remuneration Committee.

Profile and justification for continuation of the directorship of the aforesaid director is stated below:

Mr. Rasiklal Hathichand Shah was born on 5th November 1944, is a Non-Executive Director of the Company. Mr. Rasiklal Hathichand Shah is in good physical condition and of sound and alert mind and the Board is confident about him being able to function and discharge his duties in an able and competent manner. He is having 37 years of experience in field of Administration and Business, based on his skills, rich experience, knowledge, contributions and continued valuable guidance to Management made by him during his tenure which has benefited the Company immensely, the Board hereby recommends his continuation as director till the tenure of his Directorship ends.

**Registered Office:**

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

**By Order of the Board**

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

**31<sup>st</sup> August, 2021****Mumbai**



**REGISTERED OFFICE**

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

Tel: +91 22 6142 6030

Fax: +91 22 6142 6061

Website: [www.vertoz.com](http://www.vertoz.com)