Vertoz Advertising Limited
CIN: L74120MH2012PLC226823
Regd. Office.: 602 Avior Nirmal Galaxy
LBS Marg Mulund West Mumbai 400080 India

t: +91 22 6142 6030
f: +91 22 6142 6061
e: corp@vertoz.com
w: www.vertoz.com

28th August 2023

To
National Stock Exchange of India Limited (NSE),
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051.

Symbol: VERTOZ
Series: EQ

Dear Sir/Madam,

Subject: Notice to the Equity Shareholders of Vertoz Advertising Limited ("Company") as per the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench ("Hon'ble NCLT").

In furtherance to our Intimation letter dated 11th August 2023, and pursuant to the provisions of Regulation 30 (read with Para A of Part A of Schedule III) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") and in compliance with the applicable provisions of the Companies Act, 2013 (the "Act") and the rules framed thereunder read with the applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, we enclose herewith, a copy of a Notice convening Meeting of the Equity Shareholders of the Company, as directed by the Hon'ble NCLT, vide its Order dated August 10, 2023 and addendum order dated August 18, 2023 in the matter of Company Scheme Application No. CA (CAA)/169/MB-IV/2023 and CA-352/2023 in C.A.(CAA)/169(MB)/2023 respectively, to be held as under, for the purpose of considering, and if thought fit, approving with or without modification(s), the Scheme of Merger by Absorption of Paynx Technologies Private Limited (First Applicant Company) And Qualispace Web Services Private Limited (Second Applicant Company) with Vertoz Advertising Limited (Third Applicant Company) And their respective Shareholders:

Brief details of the Meeting are as under:

Day, date and time	Friday, September 29, 2023, 01.30 P.M. (IST)
Mode	Video Conferencing or Other Audio-Visual Means
Cut-off date for e-voting	Friday, September 22, 2023
E-voting start date and time	Monday, September 25, 2023 at 09:00 hours
E-voting end date and time	Thursday, September 28, 2023 at 17:00 hours

VERTOZ ADVERTISING LIMITED MUMBAI CIN:L74120MH2012PLC226823

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The Notice, together with the documents accompanying the same, of the Meeting is being sent to the equity shareholders whose names appear in the register of members/list of beneficial owners maintained by the Depositories: (i) through electronic mode to the Equity Shareholders whose e-mail IDs are registered with KFintech/ depositories and (ii) the letter of intimation sent in pursuant to the proposed Meeting to the Equity Shareholders through Speed Post/Registered Post/Courier whose e-mail IDs are not registered with KFintech/depositories.

The Notice is also available on the Company's website at https://www.vertoz.com/ir/wp-content/uploads/2023/08/Notice-to-Equity-Shareholders-and-Annexures-Vertoz.pdf, websites of the Stock Exchanges i.e., National Stock Exchange of India Limited at www.nseindia.com, respectively.

We request you to take the above on record and that the same be treated as compliance under the applicable provisions of the SEBI Listing Regulations.

Thanking you,

Yours Faithfully,

For Vertoz Advertising Limited



Zill Shah
Company Secretary & Compliance officer
Membership No. A51707

Place: Mumbai

Encl.: As above

Vertoz Advertising Limited
(Formerly known as Vertoz Media Pvt. Ltd. & Vertoz Media Ltd.)
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NOTICE OF NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF VERTOZ ADVERTISING LIMITED

(Convened pursuant to order dated 10th August, 2023 and 18th August, 2023 of the Hon'ble National Company Law Tribunal, Mumbai bench)

NATIONAL COMPANY LAW TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF VERTOZ ADVERTISING LIMITED	
Day	Friday
Date	29th day of September, 2023
Time	1:30 p.m.
Mode of Meeting	As per the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench, the Meeting shall be conducted through Video Conferencing (VC) / Other Audio-Visual Means (OAVM).

REMOTE E-VOTING AND E-VOTING AT THE MEETING	
Cut off date of sending notices	25th August, 2023
Cut off date of e-voting	22nd September, 2023
Remote e-voting start and end date and time	From 25th September, 2023 at 09:00 hours (Indian Standard Time) to 28th September, 2023 at 17:00 hours (Indian Standard Time).
E-voting at the Meeting start and end time	As may be instructed by the Chairman of the Meeting, during the proceedings of the Meeting.

INDEX

Sr. No.	Contents	Annexure	Page No.
1.	Notice of National Company Law Tribunal ("NCLT") convened Meeting of the Equity Shareholders of Vertoz Advertising Limited as per the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench.	--	1 to 13
2.	Explanatory Statement under Section 102 and 230 to 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and read with SEBI (Listing Obligations and Disclosure Requirements), 2015 and applicable SEBI circulars.	--	14 to 43
3.	Scheme of Merger by Absorption of Paynx Technologies Private Limited (hereinafter referred to as "The First Transferor	A.	44 to 72

VERTOZ ADVERTISING LIMITED MUMBAI

	(hereinafter referred to as "The Second Transferor Company") with Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") and their respective Shareholders.		
4.	Copy of the Order dated 10th August, 2023 passed by the Hon'ble NCLT (hereinafter referred to as **"NCLT Order"**) and addendum to said order dated 18th August, 2023	**B.**	73 to 95
5.	Report adopted by the Board of Directors, Audit Committee and Committee of Independent Directors of Vertoz Advertising Limited in its Meeting held on 24th June, 2022 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.	**C.**	96 to 102
6.	Report adopted by the Board of Directors of Paynx Technologies Private Limited in its Meeting held on 24th June, 2022 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.	**D.**	103 to 109
7.	Report adopted by the Board of Directors of Qualispace Web Services Private Limited in its Meeting held on 24th June, 2022 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013.	**E.**	110 to 116
8.	Copy of Valuation Report issued by Mr. Vishal Rahulkumar Laheri, Chartered Accountant, Registered Valuer dated 24th Day of June, 2022.	**F.**	117 to 160
9.	Copy of Fairness Opinion on Valuation Report issued by M/s. Navigant Corporate Advisors Limited, Category-I SEBI registered independent Merchant Bankers, dated 24th Day of June, 2022.	**G.**	161 to 173
10.	Copy of Observation letter issued by National Stock Exchange of India Limited dated 11th Day of January, 2023.	**H.**	174 to 176
11.	Complaints Report dated 19th September, 2022 submitted to National Stock Exchange of India Limited.	**I.**	177
12.	Information in the format prescribed for Abridged Prospectus pertaining to the unlisted entity i.e., Paynx Technologies Private Limited and Qualispace Web Services Private Limited involved in the Scheme as specified in the Part E of the Schedule VI of the Securities Exchange Board of India (Issue of Capital and Disclosures Requirement), 2018 **("ICDR Regulations")**	**J.**	178 to 211
13.	Audited Financial Statement of Vertoz Advertising Limited as on 31st March, 2023.	**K.**	212 to 275
14.	Audited Financial Statement of Paynx Technologies Private Limited as on 31st March, 2023.	**L.**	276 to 330
15.	Audited Financials Statement of Qualispace Web Services Private Limited as on 31st March, 2023.	**M.**	331 to 352

VERTOZ ADVERTISING LIMITED
MUMBAI
CIN: L74120MH2012PLC231213

Form CAA2

[Pursuant to Section 230(3) and Rule 6 of the Companies (Compromises, Arrangements & Amalgamation) Rules, 2016]

COMPANY SCHEME APPLICATION NO. C.A.(CAA) No. 169/MB/2023 2023 and CA-352/2023 in C.A.(CAA) No. 169/MB/2023

VERTOZ ADVERTISING LIMITED .... THIRD APPLICANT COMPANY/TRANSFEREE COMPANY

NOTICE OF TRIBUNAL CONVENED MEETING ("TCM") OF THE EQUITY SHAREHOLDERS OF THE THIRD APPLICANT COMPANY

NOTICE is hereby given that by an Order dated 10th August, 2023 and 18th August, 2023 in the above mentioned Company Scheme Application **(the 'Order')**, the Hon'ble National Company Law Tribunal, Mumbai Bench **('NCLT' or 'Tribunal')** has directed a Meeting of the Equity Shareholders of the Third Applicant Company be held for the purpose of considering, and if thought fit, approving with or without modification(s), the Merger embodied in the Scheme of Merger by Absorption of Paynx Technologies Private Limited (hereinafter referred to as "The First Transferor Company") and Qualispace Web Services Private Limited (hereinafter referred to as "The Second Transferor Company") with Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") and their respective Shareholders.

In pursuance of the said Order and as directed therein further Notice is hereby given that a Meeting of the Equity Shareholders of the Third Applicant company will be held on **29th day of September, 2023** at **1:30 p.m.** through Video Conferencing ("VC")/ Other Audio Visual Means ("OVAM") in compliance with the applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'SEBI Listing Regulations'**), other applicable SEBI Circulars and Secretarial Standard ('SS-2') on General Meetings as issued by the Institute of Company Secretaries of India (ICSI) and pursuant to General Circular no. 14/2020 dated 8 April, 2020, General Circular no. 17/2020 dated 13 April, 2020, General Circular no. 20/2020 dated 05th May, 2020, General Circular no. 39/2020 dated 31 December, 2020, General Circular no. 10/2021 dated 23rd June, 2021, General Circular no. 20/2021 dated 8 December, 2021, General Circular no. 03 /2022 dated 5 May, 2022 and General Circular no. 11/2022 dated 28th December, 2022 and other applicable circulars **(hereinafter referred to as "MCA Circulars")** issued by the Ministry of Corporate Affairs and Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the Securities and Exchange Board of India to transact the following business:

At the Meeting, the following resolution will be considered and, if thought fit, to pass with or

without modification(s)and with requisite majority, the following resolution under Section 230 read with Section 232 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and other applicable provisions of Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**SEBI Listing Regulations**'), Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, other applicable SEBI Circulars and Secretarial Standard ('SS-2') on General Meetings as issued by the Institute of Company Secretaries of India (ICSI) and the provisions of the Memorandum and Articles of Association of the Company for approval of the Scheme of Merger by Absorption of Paynx Technologies Private Limited (hereinafter referred to as "The First Transferor Company") and Qualispace Web Services Private Limited (hereinafter referred to as "The Second Transferor Company") with Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") and their respective Shareholders.

"**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and related circulars and notifications thereto as applicable under the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the relevant provisions of any other applicable laws and the clauses of the Memorandum and Articles of Association of Vertoz Advertising Limited and subsequent approval of the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") and subject to such other consents, approvals, permissions and sanctions being obtained from appropriate authorities to the extent applicable or necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), approval of the Equity Shareholders be and is hereby accorded to the Scheme of Merger by Absorption of Paynx Technologies Private Limited (hereinafter referred to as "The First Transferor Company") and Qualispace Web Services Private Limited (hereinafter referred to as "The Second Transferor Company") with Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") and their respective Shareholders.

RESOLVED FURTHER THAT the Board of the Transferee Company, be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the merger embodied in the Scheme of Merger by Absorption and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by



the NCLT and/or any other authority(ies) while sanctioning the Scheme of Merger or by any authority(ies) under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme of Merger, as the Board may deems fit and proper without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

TAKE FURTHER NOTICE that in compliance with Regulation 44 of the Listing Regulations and pursuant to the provisions of Sections 108 and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder and the MCA Circulars, the Company has extended only the remote e-voting facility for its Members, to enable them to cast their votes electronically instead of submitting the postal ballot form. The instructions for remote e-voting are appended to the Notice. The Members can vote on resolutions through remote e-voting facility or through voting during the meeting. Assent or dissent of the Members on the resolution mentioned in the Notice would only be taken through the remote e-voting system as per the MCA Circulars. Only those Members, who will be present in the Meeting 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 Meeting.

TAKE FURTHER NOTICE that pursuant to the provisions of the Companies Act, a Member entitled to attend and vote at the Tribunal Convened Meeting 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 meeting is being held pursuant to the MCA Circulars through VC/ OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Equity Shareholders will not be available for the Meeting and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

TAKE FURTHER NOTICE that the Members may refer to the Notes to this Notice for the details of remote e-voting. The voting rights of the Equity Shareholders shall be in proportion to their Equity Shareholding in the Company as on closure of business hours on 22nd September, 2023 ('**Cut-off Date**'). As directed by the Hon'ble NCLT, the Third Applicant Company is convening a Meeting of its Equity Shareholders, who are required to pass the resolution approving the Scheme by, inter-alia, e-voting. This will be in sufficient compliance of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20th, 2023 (hereinafter referred as SEBI Master Circular) as amended from time to time. The scrutinizer will however submit his separate report to the Chairman of the Third Applicant Company after completion of the scrutiny of the votes cast by the Equity Shareholders so as to announce the results of the votes exercised by the Equity Shareholders of the Third Applicant Company.

TAKE FURTHER NOTICE that the Tribunal has appointed Mrs. Nilam Doshi, Independent Director



of the Transferee Company as Chairman and Mr. Omkar Dindorkar, partner at M/s. Makarand M. Joshi & Co., Practicing Company Secretaries as the Scrutinizer of the said Meeting. The above-mentioned merger, if approved by the Meeting, will be subject to the subsequent approval of the Hon'ble NCLT.

Dated this 28th Day of August, 2023

Sd/-
Nilam Doshi
Independent Director
Chairman appointed for the Meeting
DIN: 07848294

Place: Mumbai
Registered Office of the Company:
602, Avior, Nirmal Galaxy L.B.S. Marg, Opp. Johnson & Johnson, Mulund (W) Mumbai 400080 Maharashtra
Website: www.vertoz.com
Email: COMPLIANCE@VERTOZ.COM
CIN: L74120MH2012PLC226823

Since the Meeting of Equity Shareholders will be held through VC / OAVM, the Route Map is not annexed in this Notice.

Notes forming part of Notice:

1. Pursuant to the MCA Circulars, permitted the holding of the General Meeting") through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"), without the physical presence of the Members. In compliance with the provisions of the Companies Act, 2013 (the "Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), MCA Circulars, the Tribunal Convened Meeting (TCM) of the Company is being held through VC/OAVM which does not require physical presence of Members at a common venue. The proceedings of the Meeting will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the Meeting.
2. The statement pursuant to Section 102, 230 to 232 of The Companies Act 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, other applicable SEBI Circulars setting out the material facts in respect of special businesses under Item No. 1 is annexed hereto.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the Meeting 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 Meeting is being held pursuant to the MCA Circulars



through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their Depository Participant (DP) in case the shares are held by them in electronic form and with KFintech in case the shares are held by them in physical form.

5. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DP in case the shares are held by them in electronic form and to KFintech in case the shares are held by them in physical form.

6. Members holding shares in physical form who have not registered their email addresses with the Company can get their email addresses registered by clicking on the link: https://www.kfintech.com/ on the website www.kfintech.com at the Investor Services tab by choosing the e-mail registration heading and update their details suceffch as Name, Folio number, Certificate number, PAN, mobile number and email id by uploading scanned copy of share certificate (front and back) in pdf or jpeg format (upto 1MB).

7. Members holding shares in demat form are requested to update their email address with their respective DPs. Physical copy of this Notice along with accompanying documents will be sent to those equity shareholders who request for the same.

8. The Notice convening the Meeting will be published through advertisement in (i) Business Standard in English language and (ii) Navshakti in Marathi language having wide circulation in Maharashtra i.e., the state where the Registered Office of the Company is situated).

9. SEBI vide its earlier circulars have made the PAN as the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction. Members are requested to submit their PAN details to their respective DP in case of holdings in dematerialized form or to KFintech in case of holdings in physical form, mentioning the correct folio number.

10. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to KFintech in case the shares are held in physical form.

11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or KFintech, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the Meeting.



13. Members, intending to require information about the Scheme of Merger by Absorption to be approved at the Meeting, are requested to inform the Company at least a week in advance of their intention to do so, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.

14. In compliance with the aforesaid MCA Circulars, Notice of the Meeting along with the Explanatory Statement is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and the Explanatory Statement will also be available on the Company's website www.vertoz.com, websites of the Stock Exchanges i.e. National Stock Exchange of India Limited www.nseindia.com, and on the website of KFintech at www.kfintech.com .

15. The SEBI Scheme Circular, inter alia, provides that approval of Public Shareholders of the Company to the Scheme shall also be obtained by way of e-voting. Since, the Company is seeking the approval of all its Equity Shareholders (including Public Shareholders) to the Scheme by way of e-voting, no separate procedure would be required to be carried out by the Company for seeking the approval to the Scheme by its Public Shareholders in terms of SEBI Master Circular dated 20th June, 2023. The aforesaid notice sent to the Equity Shareholders (which includes Public Shareholders) of the Company would be deemed to be the notice sent to the Public Shareholders of the Company. For this purpose, the term "Public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly. In terms of SEBI Scheme Circular, the Company has provided the facility of e-voting to its Public Shareholders.

16. Further, in accordance with the SEBI Scheme Circular dated 20th June, 2023, the Scheme shall be acted upon only if the number of votes cast by the Public Shareholders in favour of the aforesaid resolution for approval of Scheme is more than the number of votes cast by the Public Shareholders against it.

17. Members attending the Meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. Further, the Order also directs that in case the required quorum for the Meeting is not present at the commencement of the Meeting, then the Meeting shall be adjourned by 30 minutes and thereafter, the persons present shall be deemed to constitute the quorum.

18. The Company has designated an exclusive e-mail id COMPLIANCE@VERTOZ.COM to enable investors to register their complaints/ queries, if any.

19. Since the Meeting will be held through VC/OAVM, the Route Map is not annexed in this Notice.

20. Instructions for e-voting and joining the Meeting are as follows:

A. Voting Through Electronic Means

i. In compliance with the provisions of Section 108 of the Act read with Rules made thereunder and Regulation 44 of the SEBI LODR Regulations, the Company is offering e-voting facility to all Members of the Company. The voting rights of the Members shall be in proportion to the number of shares held by them in the equity share capital of the Company as on the cut-off date i.e. 22nd day of September, 2023.

VERTOZ ADVERTISING LIMITED MUMBAI

ii. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cut-off date i.e. 22nd day of September, 2023 shall only be entitled to avail the facility of remote e-voting/e-voting at the TCM. KFintech will be facilitating e-voting to enable the Members to cast their votes electronically.

A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

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

Commencement of remote e-voting:	From 9:00 A.M. (IST) on Monday, 25th September, 2023
End of remote e-voting:	At 5:00 P.M. (IST) on Thursday, 28th September, 2023

The remote e-voting will not be allowed/available beyond the aforesaid date and time and the remote e-voting module shall be disabled/blocked by KFintech upon expiry of aforesaid period. Once the vote on a Resolution is cast by the Member(s), they shall not be allowed to change it subsequently or cast the vote again.

iv. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update/register their mobile number and email Id in their demat accounts in order to access e-Voting facility.

v. The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.
Step 2: Access to KFintech e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

Step 1: Login method for remote e-Voting for Individual shareholders holding securities in demat mode

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. **User already registered for IDeAS facility:** I. Visit URL: https://eservices.nsdl.com. II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting".



	IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. 2. **User not registered for IDeAS e-Services** I. To register click on link : https://eservices.nsdl.com. II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. III. Proceed with completing the required fields. IV. Follow steps given in points 1. 3. **Alternatively, by directly accessing the e-Voting website of NSDL** I. Open URL: https://www.evoting.nsdl.com/. II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFintech. V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	**1. Existing user who have opted for Easi / Easiest** I. Visit URL: https://web.cdslindia.com/myeasinew/home/login or URL: www.cdslindia.com II. Click on New System Myeasi. III. Login with your registered User ID and Password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. V. Click on e-Voting service provider name to cast your vote. 2. **User not registered for Easi/Easiest** I. Option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration II. Proceed with completing the required fields. III. Follow the steps given in point 1. 3. **Alternatively, by directly accessing the e-Voting website of CDSL** I. Visit URL: https://evoting.cdslindia.com/Evoting/EvotingLogin. II. Provide your Demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat Account.

VERTOZ ADVERTISING LIMITED MUMBAI

	IV. After successful authentication, user will be provided links for the respective ESP, i.e. KFintech where the e- Voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant	I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against company name 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 / Forgot Password option available at respective websites.

Helpdesk for Individual Members holding securities 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 evoting@nsdl.co.in or call at Toll Free Number: **1800 1020 990** and **1800 22 44 30**
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at **022- 23058738** or **022-23058542-43**

Step 2: Login method for e-Voting for shareholders, other than Individual shareholders, holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/ Depository Participant(s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://eMeetings.kfintech.com/

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, 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 the 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 of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (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" i.e., 'xxxx - AGM" and click on "Submit".

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as displayed/disclosed on the screen. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Shareholders 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 have voted on the Resolution (s), 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).

(B) Members whose email IDs are not registered with the Company/Depository Participant(s), and consequently on whom, the Notice of TCM and e-voting instructions cannot be served, will have to follow the following process:

I. Member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Notice of TCM and the e-voting instructions.

II. After receiving the e-voting instructions, please follow all steps narrated/mentioned above to cast your vote by electronic means.

In case a person has become a Member of the Company after dispatch of Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:



If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399.

1. Example for NSDL : MYEPWD <SPACE> IN12345612345678
2. Example for CDSL : MYEPWD <SPACE> 1402345612345678
3. Example for Physical : MYEPWD <SPACE> 1234567890

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.

Members may call KFintech toll free number 1-800-309-4001 for all e-voting related matters. Member may send an e-mail request to einward.ris@kfintech.com for all e-voting related matters.

B. Helpdesk for Individual Shareholders holding securities in demat mode: -
In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:
   - Individual Shareholders holding securities in demat mode with NSDL: Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
   - Individual Shareholders holding securities in demat mode with CDSL: Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22- 23058542-43.

C. Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & e-voting service Provider is KFintech: -

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and Insta Vote e-Voting manual available at https://evoting.kfintech.com/ , under Help section or send an email to einward.ris@kfintech.com or contact on: - Tel: 1800 – 309 - 4001.

D. Process for those shareholders whose email address is not registered with the Company/Depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:-
   - For physical shareholders – please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to einward.ris@kfintech.com



- For Demat shareholders – Members are requested to update their email address with the depository participants by following the procedure advised by them and then follow the instructions as detailed above to login for e-voting.

E. Instructions for Members for attending the Meeting through VC/OAVM

Shareholders/ Members are entitled to attend the Meeting through VC/ OAVM provided by KFintech by following the below mentioned process:

a. Open the internet browser and launch the URL: https://emeetings.kfintech.com/

b. Select the 'Company' and 'Event Date' and register with your following details:

   A. Demat Account No. or Folio No.: Enter your 16 digit Demat Account No. or Folio No.

      - Shareholders/Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
      - Shareholders/Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.
      - Shareholders/Members holding shares in physical form shall provide Folio Number registered with the Company.

   B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

   C. Mobile No.: Enter your mobile number.

   D. Email ID: Enter your email id, as recorded with your DP/Company.

c. Click 'Go to Meeting' (You are now registered for Insta Meet and your attendance is marked for the meeting).

F. Instructions for Shareholders/Members to register themselves as Speakers during the Meeting

a. Shareholders/Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at least 3 days in advance with the Company at COMPLIANCE@VERTOZ.COM.

b. Shareholders/Members will get confirmation on first cum first basis depending on the availability of time for the Meeting.

c. Shareholders will receive 'speaking serial number' once they mark attendance for the meeting.

d. Shareholders/Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at COMPLIANCE@VERTOZ.COM The same will be replied by the Company suitably.



e. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

f. Shareholders/ Members are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Note: Those Shareholders/ Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Meeting.

Shareholders/ Members should allow using camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Other Instructions:

1. The Scrutiniser shall, immediately after the conclusion of voting at the Meeting, first count the votes cast during the Meeting, thereafter unblock the votes cast through remote e-voting and make, not later than two working days of conclusion of the Meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any Meeting to the Chairman or a person authorised by him in writing, who shall countersign the same.

2. The result declared along with the Scrutiniser's Report shall be placed on the Company's website www.vertoz.com and on the website of KFintech www.kfintech.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited, where the shares of the Company are listed.



Form CAA-2

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COMPANY SCHEME APPLICATION NO. C.A.(CAA) No. 169/MB/2023 and

CA-352/2023 In C.A.(CAA) No. 169/MB/2023

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013;

And

Merger by Absorption of Paynx Technologies Private Limited (hereinafter referred to as "The First Transferor Company") and Qualispace Web Services Private Limited (hereinafter referred to as "The Second Transferor Company") with Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") and their respective Shareholders

VERTOZ ADVERTISING LIMITED ... The Transferee Company / The Third Applicant Company/ The Company Applicant

EXPLANATORY STATEMENT UNDER SECTION 102 and 230 to 232 of the Companies Act, 2013, SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ('SEBI LISTING REGULATIONS'), MASTER CIRCULAR NO. SEBI/HO/CFD/POD-2/P/CIR/2023/93 DATED JUNE 20, 2023, OTHER APPLICABLE SEBI CIRCULARS AND SECRETARIAL STANDARD ('SS-2') ON GENERAL MEETINGS AS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA ('ICSI') OF THE COMPANIES ACT, 2013 READ WITH SECTION 102 OF THE COMPANIES ACT 2013 FOR THE MEETING OF THE EQUITY SHAREHOLDERS OF VERTOZ ADVERTISING LIMITED CONVENED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

In this statement, Paynx Technologies Private Limited is hereinafter referred to as "The First Transferor Company" and Qualispace Web Services Private Limited is hereinafter referred to as "The Second Transferor Company" and Vertoz Advertising Limited is hereinafter referred to as "The Transferee Company" or 'the Company'. The other definitions contained in the Scheme will apply to this Explanatory Statement also. The following statement as required under Section 230(3) of the Companies Act, 2013 read with Section 102 and 230 to 232 of The Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**SEBI Listing Regulations**'), Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and other applicable SEBI Circulars and Secretarial Standard ('SS-2') on General Meetings as issued by the Institute of Company Secretaries of India ('ICSI') sets forth the details of the proposed Scheme, its effects and, in particular any material interests of the Directors in their capacity as Members.

1. Pursuant to an Order dated 10th Day of August, 2023 and 18th day of August, 2023 passed by the Hon'ble National Company Law Tribunal, Mumbai Bench (**'NCLT'**) in the Company



Application No. C.A.(CAA) No. 169/MB-IV/2023 and CA-352/2023 in C.A.(CAA) No. 169/MB/2023 respectively referred to hereinabove, a Meeting of the Equity Shareholders of Vertoz Advertising Limited **('Tribunal Convened Meeting')** is being convened and held through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') on Friday, 29th September, 2023 at 1:30 P.M. without the physical presence of the shareholders at a common venue, as per applicable procedure (with requisite modifications as may be required) mentioned in the MCA Circulars, for the purpose of considering the merger embodied in the Scheme of Merger by Absorption of Transferor Company with the Transferee Company and their respective Shareholders **('the Scheme')**. A copy of the Scheme setting out details of parties involved in the Scheme, appointed date, effective date, and other details is enclosed herewith and forms a part of the Notice.

2. As directed by the Hon'ble NCLT, the Company is convening a Meeting of its Equity Shareholders, who are required to pass the resolution approving the Scheme by, inter-alia, e-voting. This will be in compliance of the SEBI Circulars as stated above. The scrutinizer will submit his separate report to the Chairman of the Company after completion of the scrutiny of the votes cast by the Equity Shareholders so as to announce the results of the votes exercised by the Equity Shareholders of the Company.

3. The draft Scheme was placed before the Board of Directors of both the Transferor Companies for their approval. The Scheme was placed before the Audit Committee and the Committee of the Independent Directors of the Transferee Company, at their respective Committee Meeting, vide a resolution passed on 24th June, 2022 recommended the said scheme to the Board of Directors of the Transferee Company. The Board of Directors of the Transferee Company at their Meeting held on 24th June, 2022 approved the Scheme of Merger by Absorption, *inter alia*, based on such recommendation of the Audit Committee and the Committee of the Independent Directors *inter-alia* taking into account:

    1) Statutory Auditors certificate dated 24th Day of June, 2022 issued by Mittal & Associates, Chartered Accountants, Statutory Auditors of the Third Applicant Company, in relation to the accounting treatment prescribed in the Scheme.

    2) Scheme of Merger by Amalgamation.

    3) Audited Financial Statements of Transferor and Transferee Companies as on 31st March, 2022.

    4) Copy of Valuation Report issued by Mr. Vishal Rahulkumar Laheri, Chartered Accountants, Registered Valuer dated 24th Day of June, 2022.

    5) Copy of Fairness Opinion on Valuation Report issued by M/s. Navigant Corporate Advisors Limited, Merchant Bankers, dated 24th Day of June, 2022.

4. Based upon the recommendations of the Audit Committee and on the basis of the evaluations, the Board of Directors of the Company has come to the conclusion that the Scheme is in the best interest of the Company and its Equity Shareholders.



5. In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be acted upon only if a majority in persons representing three fourths in value of the Shareholders of the Company, voting in person through VC/ OAVM or e-voting, agree to the Scheme.

6. In terms of the SEBI Master Circular dated 20th June, 2023, the Scheme shall be acted upon only if the number of votes casted by the Public Shareholders in favour of the resolution for approval of Scheme is more than the number of votes cast by the Public Shareholders against it.

7. A copy of the Scheme as approved by the Board of Directors of the respective companies is enclosed herewith.

8. **BACKGROUND OF THE COMPANIES INVOLVED IN THE SCHEME IS AS UNDER:**

8.1. **Paynx Technologies Private Limited ('First Applicant Company' or 'First Transferor Company')**

i. The First Transferor was incorporated on 2nd Day of June, 2010 as Infraster Solutions Private Limited in Maharashtra. Subsequently, the name of the First Transferor Company was changed from 'Infraster Solutions Private Limited' to 'Vokut Exchange Private Limited' on 20th August 2014 and then from 'Vokut Exchange Private Limited' to 'Paynx Technologies Private Limited' for which the fresh certificate of change of name was issued by the Registrar of Companies, Maharashtra on 23rd day of June, 2016. The Shares of PAYNX are not listed on any Stock Exchange and it is a not a subsidiary of Transferee Company. PayNX Technologies Private Limited is an Indian Company duly engaged in business of Digital Advertising and PaaS & IT-enabled Services through its Subsidiaries. It has incorporated various Subsidiaries, which has deep domain expertise in multiple industry verticals and has a complete Portfolio of offerings – Starting from Internet Identity Registration to Digital Marketing & Advertising to Publishing solutions to Advertising Platform as a Service (PaaS). The Corporate Identification Number of the First Transferor Company is U72900MH2010PTC203628. Permanent Account Number of the Transferor Company is **AACCI3492B.**

ii. The Registered Office of the First Transferor Company is situated at 602, Avior, Nirmal Galaxy L.B.S. Marg, Opp. Johnson & Johnson, Mulund (W) Mumbai 400080 Maharashtra, India.

iii. The details of the Authorized, Issued, Subscribed and Paid-up Share Capital of the First Transferor Company as on 31st March, 2023 is as under:

Particulars	Amount (in Rs.)
Authorized Capital	
60,000 Equity Shares of Rs. 10 each	6,00,000/-
TOTAL	**6,00,000/-**

Issued, Subscribed and Paid-up Capital	
10,000 Equity Shares of Rs. 10/- each	1,00,000/-
TOTAL	**1,00,000/-**

Subsequent to 31st March 2023 and till the date of this Explanatory Statement, there has been no change in the Authorized, Issued, Subscribed and Paid-up share capital of the First Transferor Company,

The objects for which the first Transferor Company has been established are set out in its Memorandum of Association. They are briefly as under:

1. To carry on the business of Web Hosting, Designing & Content writing, Domain Name Registration & Renewal, Software Development and/or to provide Software as a Service, Dedicated Server and/or Server Colocation, Business Process Outsourcing, Research and Development, Server Management & Maintenance, Web Services & Consultancy, Payment Gateway Services, Email Hosting, Providing Internet Service, Data Center Services and all other web hosting related businesses in domestic and international market.

2. To carry on business of internet-based advertising and marketing services including ecommerce transactions and provision of related technologies, systems, consultancy, strategies, media plan, research and development, solutions in media channels like desktop, mobile, video and any other channels/products to advertisers, publishers and partners in domestic and international market.

3. To act as Service Agents by and between its associate concerns, Joint Ventures, etc. to collect, endorse, settle the bills by its own or through any other third party as mutually decided from time to time by and between the parties.

4. To set up business units, branch, centres, establish its subsidiaries and/or step-down subsidiaries, enter into joint ventures and/or foreign collaborations in India or abroad, wherever necessary under the automatic and/or approval route and/or as per the rules and regulations specified by RBI and Central Government from time to time.

There has been no change in the Object Clause of the first Transferor Company during the last five (5) years.

8.2. **Qualispace Web Services Private Limited ('Second Applicant Company' or 'Second Transferor Company')**

i. The Second Transferor Company was incorporated under the Companies Act, 2013, in the State of Maharashtra on 24th Day of April, 2017. The Shares of Qualispace Web Services Private Limited are not listed on any Stock Exchange and it is not a Subsidiary of Transferee Company. Qualispace Web Services Private Limited is engaged in the business

of development of Domain Name and Cloud Hosting Services. It also provides Services like Email Services, Cloud Servers, SSL Certificates, Backup and Security Services along with other Managed Services. QualiSpace helps the Business to establish their identity on the internet through their Domain Name and IT Infrastructure through its Cloud Services. QualiSpace also works with Independent Software Vendors as their Infrastructure Services Partners through its IaaS - (Infrastructure as a Service) Cloud. The Corporate Identification Number of the Second Transferor Company is U93000MH2017PTC294200. Permanent Account Number of the Transferee Company is **AAACQ4709P.**

ii. The Registered Office of the Second Transferor Company is at 602, Avior - Nirmal Galaxy, Opp. Johnson & Johnson, LBS Road, Mulund (West) Mumbai- 400080 Maharashtra India

iii. The details of the Issued, Subscribed and Paid-up Share Capital of the Second Transferor Company as on 31st March, 2023 is as under:

Particulars	Amount (in Rs.)
Authorized Capital	
10,000 Equity Shares of Rs. 10 each	1,00,000/-
TOTAL	**1,00,000/-**
Issued, Subscribed and Paid-up Capital	
10,000 Equity shares of Rs. 10 each	1,00,000/-
TOTAL	**1,00,000/-**

Subsequent to 31st March 2023, till the date of this Explanatory Statement, there has been no change in the Issued, Subscribed and Paid-up Share Capital of the Second Transferor Company.

The Objects for which the Second Transferor Company has been established are set out in its Memorandum of Association. The main objects of the Second Transferor Company are set out hereunder:

1. To carry on the business of Web Hosting, Designing & Content writing, Domain Name Registration & Renewal, Software Development and/or to provide Software as a Service, Dedicated Server and/or Server Colocation, Business Process Outsourcing, Research and Development, Server Management & Maintenance, Web Services & Consultancy, Payment Gateway Services, Email Hosting, Providing Internet Service, Data Center Services and all other web hosting related businesses in domestic and international market.

2. To carry on business of internet-based advertising and marketing services including ecommerce transactions and provision of related technologies, systems, consultancy, strategies, media plan, research and development, solutions in media channels like desktop, mobile, video and any other channels/products to advertisers, publishers and partners in domestic and international market.

VERTOZ ADVERTISING LIMITED MUMBAI

3. To act as Service Agents by and between its associate concerns, Joint Ventures, etc. to collect, endorse, settle the bills by its own or through any other third party as mutually decided from time to time by and between the parties.

4. To set up business units, branch, centers, establish its subsidiaries and/or step down subsidiaries, enter into joint ventures and/or foreign collaborations in India or abroad, wherever necessary under the automatic and/or approval route and/or as per the rules and regulations specified by RBI and Central Government from time to time.

There has been no change in the Object Clause of the Second Transferor Company during the last five (5) years.

8.3. **Vertoz Advertising Limited ('Third Applicant Company' or 'Transferee Company')**

i. The Transferee Company was incorporated under the Companies Act, 1956, in the State of Maharashtra in the name of Vertoz Media Private Limited on 13th Day of February, 2012. Subsequently, upon conversion of Private Limited to Public Limited Company, the name of the Transferee Company was changed to 'Vertoz Media Limited' on 09th Day of June, 2017. Thereafter, the name changed from 'Vertoz Media Limited' to 'Vertoz Advertising Limited' and consequent to such change; the fresh certificate of change of name was issued by the Registrar of Companies, Maharashtra on 7th day of July, 2017. The Equity Shares of the Transferee Company are listed on the National Stock Exchange of India Limited ("NSE"). It became the first Listed Company in the Digital Programmatic Space. Vertoz is MADTech (Marketing, Advertising & Deep Technology) Group, helping Digital Marketers, Advertising Agencies and Digital Media businesses with their Data Driven 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. The Corporate Identification Number of the Transferee Company is L74120MH2012PLC226823. Permanent Account Number of the Transferee Company is **AADCV9357M**

ii. The Registered Office of the Transferee Company is at 602, Avior - Nirmal Galaxy, Opp. Johnson & Johnson, LBS Road, Mulund (West) Mumbai 400080 Maharashtra India

iii. The details of the issued, subscribed and paid-up share capital of the Transferee Company as on 31st March, 2023 is as under:

Particulars	Amount (in Rs.)
Authorized Capital	
5,00,00,000 Equity Shares of Rs. 10 each	50,00,00,000/-

TOTAL	**50,00,00,000/-**
Issued, Subscribed and Paid-up Capital	
1,19,70,000 Equity shares of Rs. 10 each	11,97,00,000/-
TOTAL	**11,97,00,000/-**

Subsequent to 31st March 2023 and till the date of this explanatory statement, there has been no change in the Authorized, Issued, Subscribed and Paid-up share capital of the Transferee Company.

iv. The objects for which the Transferee Company has been established are set out in its Memorandum of Association. The Main Objects of the Transferee Company are set out hereunder:

1. To carry on business of internet based advertising and marketing services in channels like desktop, mobile, television, video, native, virtual reality, artificial intelligence, internet of things (IOT), social platforms and any other channels/products to advertisers, publishers and partners including ecommerce transactions, content development/distribution/syndication, creative services and provision of related technologies, systems, consultancy, strategies, media plan, research and development services/solutions in domestic and international market.

2. To carry on the business of Web Hosting, Designing & Content writing, Domain Name Registration & Renewal, Software Development and/or to provide Software as a Service, Dedicated Server and/or Server Co-location, Business Process Outsourcing, Research and Development, Server Management & Maintenance, Web Services & Consultancy, Payment Gateway Services, Email Hosting, Providing Internet Service, Data Center Services and all other web hosting related businesses in domestic and international market.

3. To act as Service Agents by and between its associate concerns, Joint Ventures, etc. to collect, endorse, settle the bills by its own or through any other third party as mutually decided from time to time by and between the parties.

4. To set up business units, branch, centers, establish its subsidiaries and/or step-down subsidiaries, enter into joint ventures and/or foreign collaborations in India or abroad, wherever necessary under the automatic and/or approval route and/or as per the rules and regulations specified by RBI and Central Government from time to time.

There has been no change in the Object Clause of the Transferee Company during the last five (5) years.

9. **BACKGROUND AND RATIONALE OF THE SCHEME**

The Objects/ rationale for the Merger by Absorption of Paynx Technologies Private Limited (hereinafter referred to as "The First Transferor Company") and Qualispace Web Services Private Limited (hereinafter referred to as "The Second Transferor Company") with Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") and their respective Shareholders is as under:

a) The Amalgamation will enable the Transferee Company to consolidate the businesses and lead to synergies in operation and create a stronger financial base.

b) It would be advantageous to combine the activities and operations of both the Companies into a single Company driving sharper focus for smooth and efficient Management. This will be reflected in the profitability of the Transferee Company.

c) This Scheme of Amalgamation would result in Merger in the nature of Pooling of Interest as per Appendix C of the Indian Accounting Standard 103 on Business Combinations and thus on consolidation of business of the First Transferor Company and Second Transferor Company with Transferee Company, all the Shareholders of the merged entity will be benefited by result of the amalgamation of Business and availability of a common operating platform.

d) The Amalgamation of the First Transferor Company, Second Transferor Company with the Transferee Company will also provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, the merger will enable optimal utilization of existing resources and provide an opportunity to fully leverage strong assets, capabilities, experience and expertise of all the Companies. The merged entity will also have sufficient funds required for meeting its long term capital needs as provided for in the scheme.

e) The Scheme of amalgamation will result in cost saving for all the Companies as they are capitalizing on each other's core competency and resources which are expected to result in stability of operations, cost savings and higher profitability levels for the Transferee Company.

f) The consolidation of **PayNX with VAL** will also result in:

   i. PTPL brings 12 Direct and Indirect Entities together to the Vertoz Group. PTPL is one of the large Networks of the Companies in the Marketing, Advertising, Publishing, Infrastructure - IaaS, AdTech and PaaS business.

   ii. PTPL Business offers great backward and forward integration between all the PTPL Entities and Vertoz Group all areas of respective business.

   iii. Vokut Business of PTPL brings a huge volume of Digital Properties in the Vertoz's Umbrella. This will allow Vertoz to distribute some part of the Clients



spends internally on Owned Properties and will greatly increase the bottom line of the combined entities.

iv. With this merger it brings great visibility in the First Party data of the audience and will greatly help Vertoz to procure additional budgets from its existing Agencies and Brands as the Third Party Cookies going away will bring great value to Vertoz with possession of First Party audience data.

v. Most of the Entities of PTPL also own the multiple Owned and Operated (O&O) Digital Properties which will also bring the similar benefits of the Vokut bringing to the Vertoz business as explained above.

vi. The Business of Contextual Advertising, OpenRTB, Text Ads, Video Traffic of PTPL entities brings great value to Vertoz's AdMozart Marketplace business. The cumulative volume of the merged business of Existing Vertoz Group and PTPL Business will be a record-breaking volume in the entire industry of the Digital Advertising Marketplace under one roof, this will create the dominant position in the Industry.

vii. PTPL's OwnRegistrar and US Based QualiSpace business will bring great value to QWSPL - the Parallel Entity which is also getting merged in this Scheme.

viii. OwnRegistrar is an ICANN Accredited Domain Registrar which will bring the additional recognition in the Digital Space to Vertoz Group.

ix. The Network of the OwnRegistrar Domain Resellers can be monetized very well with the help of MADTech Services of Vertoz Group. Most of these Domain Resellers own and operate the Advertising Agency business and Vertoz's Services can be easily sold to them. Similarly, most of the Agency and Brand Clients of Vertoz can be cross sold with the Services of OwnRegistrar and QualiSpace.

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

g) The consolidation of **QWSPL with VAL** will also result in:

i. Rationalization of number of identified operating entities thereby reducing the legal and regulatory compliances.

ii. The Services of Vertoz and QWSPL can easily Cross Sell across its customer base of both the entities like Customer of Vertoz are the Digital Agencies and they majorly buy the Services offered by QWSPL and similarly QWSPL Customers' needs Marketing, Advertising & Monetization Services. Through

this Merger, the sales team of both the entities can cross sell the Products and Services.

iii. QWSPL brings the expertise of IT Infrastructure internal to the Vertoz Group and helps to reduce its current operational expenses and also creates an edge over its Competitors. Current Vertoz Capabilities is to build the Technology and Platforms for the Marketing and Advertising and whereas QWSPL capabilities are to build and operate.

iv. Conglomerates like Google (GCP) / Amazon (AWS) have built the Infrastructure Expertise to complement its core Digital Advertising Business. Similarly, Vertoz will enjoy the benefits of the Infrastructure Expertise of QWSPL. The other benefits are like 24X7X365 Operations of QWSPL helps Vertoz MADTech Infrastructure Uptime, Large Scale Networking capabilities of QWSPL helps Vertoz to setup and maintain global infrastructure of Vertoz MADTech Platforms.

v. Merger of QWSPL and Vertoz brings the backward and forward integration for both entities in terms of value chain. QWSPL can lean on Vertoz capabilities of Marketing and Advertising at a scale. Similarly, Vertoz can offer QWSPL Services to its Brands, Agencies and Publishers' Clients easily.

10. **SALIENT FEATURES OF THE SCHEME**

10.1. Salient features of the scheme are set out as below:

(i). The Scheme is presented under Sections 230-232 and other applicable provisions of the Companies Act, 2013, as may be applicable, for the Merger of the First Transferor Company and Second Transferor Company with the Transferee Company;

(ii). 'The Appointed Date" means the 1st April, 2022 or such other date as the National Company Law Tribunal (Tribunal) of Judicature at Mumbai or other competent authority may otherwise direct/ fix.'

(iii). 'The Effective Date" means the last date on which Certified Copies of the orders of Hon'ble Tribunal (Mumbai Bench) sanctioning the Scheme of Amalgamation and for vesting the undertaking including the assets, liabilities, rights, duties, obligations and the like of the First Transferor Company and Second Transferor Company in the Transferee Company are filed with the office of the Registrar of Companies, Maharashtra.

(iv). Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the First Transferor Company and Second Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application or



deed, issue and allot the following number of Equity Shares of Rs. 10/- (Rupees Ten) each, credited as fully paid-up in the Capital of the Transferee Company to all Equity Shareholders of the First Transferor Company and Second Transferor Company whose names appear in the Register of Members, on a record date to be fixed by the Board of the Transferee Company in the following proportion viz:

"1904 (One Thousand Nine Hundred and Four only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in PAYNX" ("Share Exchange Ratio")

"502 (Five Hundred and Two only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in QWSPL" ("Share Exchange Ratio")

(v). Upon the Scheme becoming effective, the Transferee Company shall give effect to the accounting treatment in the books of accounts in accordance with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Appointed Date.

(vi). With effect from the Appointed Date and upto the Effective Date, the First Transferor Company and the Second Transferor Company:

a) Shall carry on and shall be deemed to be carrying on all their respective business activities and shall stand possessed of their respective properties and assets for and on account of and in trust for the Transferee Company and all the profits or income accruing or arising to the First Transferor Company and Second Transferor Company and/or any cost, charges, expenditure or losses arising or incurred by them shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or cost, charges, expenditure or losses of the Transferee Company;

b) Shall in the ordinary course of their respective business activities, assign, transfer or sell or exchange or dispose off or deal with all or any part of the rights vested with or title and interest in the property, assets, immovable or movable properties including assignment, alienation, charge, mortgage, encumbrance or otherwise deal with the rights, title and interest in the actionable claims, debtors and other assets etc., with the consent of the Transferee Company and such acts or actions would be deemed to have been carried on by the First Transferor Company and Second Transferor Company for and on behalf of the Transferee Company and such acts or actions would be enforceable against or in favour of the Transferee Company and all the profits or incomes or losses or expenditure accruing or arising or incurred by the First Transferor Company and Second Transferor Company shall, for all purposes, be treated as the profits or incomes or expenditure or losses of the Transferee Company;

MUMBAI

c) Hereby undertake to carry on their respective businesses until the Effective Date with reasonable diligence, utmost prudence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with the said Undertakings or any part thereof except in the ordinary course of the First Transferor Company and Second Transferor Company's business;

d) Shall not, without the written consent of the Transferee Company, undertake any new business.

e) Shall not vary the terms and conditions of the employment of their employee except in the ordinary course of business.

f) Pay all statutory dues relating to their respective Undertakings for and on account of the Transferee Company.

g) The First Transferor Company and Second Transferor Company shall not make any change in its capital structure (paid up capital) other than changes pursuant to commitments, obligations or arrangements subsisting prior to the Appointed Date either by any increase, (by a fresh issue of right shares, convertible debentures or otherwise) or by any decrease, reduction, reclassification, sub division or consolidation, reorganization or in any other manner which may in any manner affect the Share Exchange Ratio prescribed in Clause 9.1 of the Scheme except by mutual consent of the Board of Directors of the First Transferor Company and Second Transferor Company and Transferee Company.

h) The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and other related agencies, departments and other authorities concerned as are necessary under any law for such consents, licenses, permissions, approvals and sanctions which the Transferee Company may require to own and operate the businesses of the First Transferor Company and Second Transferor Company.

(vii). All costs, charges, taxes including duties, levies and all other expenses of the First Transferor Company, Second Transferor Company and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and implementing/completing the terms and provisions of the Scheme and/or incidental to the completion of Amalgamation of the said Undertakings of the First Transferor Company and Second Transferor Company in pursuance of the Scheme shall be borne and paid solely by the Transferee Company.

(viii). The effectiveness of the Scheme is conditional upon and subject to:

a) The requisite sanction or approval from Securities and Exchange Board of India, NSE, Registrar of Companies, Regional Director, Official Liquidator as may be applicable or as may be directed by the Tribunal.



b) The Scheme is conditional upon Scheme being approved by the Public Shareholders through E-voting in terms of Para (A)(10)(b) of Part-I of SEBI Master Circular dated 20th June, 2023 and the Scheme shall be acted upon only if vote cast by the Public Shareholders in favour of the proposal are more than the number of votes cast by the Public Shareholders against it.

c) The approval to the Scheme by the requisite majorities of the Creditors of the First Transferor Company and Second Transferor Company and of the Shareholders of the Transferee Company.

d) The requisite Resolution(s) under the applicable provisions of the said Act being passed by the Shareholders of the Transferee Company for any of the matters provided for or relating to the Scheme, as may be necessary or desirable, including approval to the issue and allotment of Equity Shares in the Transferee Company to the members of the First Transferor Company and Second Transferor Company.

e) The sanction of the National Company Law Tribunal (Tribunal) under the applicable provisions of the Act, in favour of the First Transferor Company and Second Transferor Company and the Transferee Company and to the necessary Order or Orders under the said Act being obtained.

f) On the approval of this Scheme by the Members and Shareholders of the First Transferor Company, Second Transferor Company and the Transferee Company, if required, such Shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the merger set out in this Scheme, related matters and this Scheme itself.

g) Any other sanction or approval of the appropriate Authorities concerned, as may be considered necessary and appropriate by the respective Board of Directors of the First Transferor Company and Second Transferor Company and the Transferee Company being obtained and granted in respect of any of the matters for which such sanction or approval is required.

h) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

11. **RELATIONSHIP BETWEEN THE TRANSFEROR COMPANY AND THE TRANSFEREE COMPANY**

a) The First Transferor Company and Second Transferor Company and the Transferee Company are engaged in the similar type of business activities and controlled by the same management.

b) Both Transferor Company and Transferee Company are related parties of each other as per the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as applicable. The amalgamation shall not attract the

VERTOZ ADVERTISING LIMITED MUMBAI

requirements of Section 188 of the Companies Act, 2013 (related party transactions), pursuant to the clarifications provided by the Ministry of Corporate Affairs vide its General Circular No. 30/2014 dated July 17, 2014. However, the transaction shall be considered as a 'related party transaction' under SEBI Listing Regulations.

12. **APPROVALS**

The Transferee Company is listed on National Stock Exchange of India Limited and has obtained no-objection to the Scheme ('Observation Letters') from the Stock Exchanges dated 11th Day of January, 2023. The Scheme was disseminated by National Securities Exchange of India Limited on its Website on 12th August, 2022.

13. **ACCOUNTING TREATMENT**

Accounting Treatment in the books of Transferee Company as mentioned in clause 11 of the Scheme which is reproduced herein:

11.1. *Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company shall give effect to the accounting treatment in the books of accounts in accordance with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standard s) Rules, 20 I 5, or any other relevant or related requirement under the Act, as applicable on the Appointed Date.*

11.2 *Accordingly, the First Transferor Company, Second Transferor Company and Transferee Company, being entities under common control, the accounting would be done at First Transferor Company and Second Transferor Company's carrying amounts as on the Appointed Date for all the assets and liabilities acquired by the Transferee Company of the First Transferor Company and Second Transferor Company by applying the principles as set out in Appendix C of IND AS 103 ' Business Combinations' and inter-company balances and inter-company investments, if any, between Transferor Company and Transferee Company shall stand cancelled.*

11.3 Additionally, the Transferee Company shall pass such accounting entries which are necessary in connection with the Scheme to comply with the other applicable Accounting Standards such a Ind A 8. Ind AS IO, Ind AS 102, etc.

11.4 *In respect of accounting for subsequent events, the Transferee Company shall solely follow the requirements of Ind AS IO - ' Events after the Reporting Period' in order to give effect to the scheme. Accordingly, if the approval of NCLT for the Scheme of Merger is received after the balance sheet date but before the approval of the Financial Statements for issue by the Board of Directors, it shall be treated as an adjusting event under Ind AS 10 - ' Events after the Reponing Period' and shall be given effect to in the Financial Statements with effect from the Appointed Date*

11.5 *Loans and advances and other dues outstanding between Transferee Company and*

First Transferor Company and Second Transferor Company will stand cancelled and there shall be no further obligation/outstanding in that behalf. Any cancellation of Shares shall not be deemed to be Reduction of Capital for the purposes of the Act and there for no separate compliances would be necessary.

***11.6** In case of any difference in Accounting Policy between the First Transferor Company, Second Transferor Company and the Transferee Company, the impact of the same till the Amalgamation will be quantified and adjusted with the corresponding balance appearing in the Financia l Statement of the Transferee Company, thereby reflecting the financial position on the bas is of consistency in the Accounting Policy.*

***11.7** Notwithstanding the above, the Board of Directors of the Transferee Company in consultation with its Auditors, is authorized to account any of these balances in any manner whatsoever as may be deemed fit.*

14. VALUATION REPORT AND FAIRNESS OPINION

Valuation Report of the Applicant Companies based on which the Share Exchange ratio has been arrived at, after careful consideration and after taking into account all relevant facts, has been carried out and approved by Mr. Vishal Rahulkumar Laheri - Chartered Accountant and a Registered Valuer having registration No. IBBI Registration No. IBBI/RV/05/2019/11283. The following Share Exchange ratio has been approved vide the aforesaid report:

"1904 (One Thousand Nine Hundred and Four only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in PAYNX" ("Share Exchange Ratio")

"502 (Five Hundred and Two only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in QWSPL" ("Share Exchange Ratio")

Further M/s. Navigant Corporate Advisors Limited, a SEBI Registered Category-I Merchant Banker, in its fairness opinion dated 24th June, 2022, have provided an opinion that the aforesaid Share Exchange ratio and the said fairness opinion inter alia states that:

"Based upon valuation work carried out by Mr. Vishal Rahulkumar Laheri, Chartered Accountant & Registered Valuer, we are of the opinion that the purpose of the proposed merger by Amalgamation of PTPL and QWSPL into VAL are fair, from a Financial point of view.

The fairness of the proposed Merger is tested by:

1. ***Considering whether the Valuation methods adopted by Mr. Vishal Rahulkumar Laheri, Chartered Accountants & Registered Valuer depict a correct picture on the value of shares of all Companies;***

VEPTOZ ADVERTISING LIMITED MUMBAI

2. *Calculating the fair market value of Companies;*
3. *Considering qualitative factors such as economies of scale of operating, synergy benefits that may have result from proposed Merger of PTPL, QWSPL into Vertoz.*

The rationale for the Share Exchange Ratio as explained above, will be issued as assumed by Mr. Vishal Rahulkumar Laheri, Registered Valuer (SFA) is justified.

We are in the opinion that, Mr. Vishal Rahulkumar Laheri, Registered Valuer (SFA) is justified taking the Fair Value of Companies and cover each aspect of valuation.

This being of our best of professional understanding, we hereby sign the Fairness Opinion Report on Valuation."

15. CAPITAL STRUCTURE PRE AND POST MERGER

15.1. The pre-merger capital structure of the Transferee Company is mentioned in paragraph 8.3 above.

15.2. Post the merger there will be change in the Authorized Share Capital of the Transferee Company as per Clause 12 of the Scheme which is reproduced herein:

a) Upon sanction of this Scheme, the Authorized Share Capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including therein the payment of stamp duty and fees payable to Registrar of Companies, by the Authorised Share Capital of the First Transferor Company and Second Transferor Company aggregating to Rs. 7,00,000 (Rupees Seven Lakhs Only) comprising of 70,000 (Seventy Thousand) Equity Shares of Rs.10/- each which would be further re-classified into 70,000 (Seventy Thousand) Equity Shares of Rs. 10/- each and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 13, 14, 62 and 230 to 232 and applicable provisions of the Act, 2013, as the case may be and for this purpose the Stamp Duties and the fees paid on the Authorised Capital of the First Transferor Company and Second Transferor Company shall be utilized and applied to the above referred increased Authorised Share Capital of the Transferee Company and no payment of any extra Stamp Duty and/or fee shall be payable by the Transferee Company for increase in its Authorised Share Capital to that extent.

b) Consequent upon the Amalgamation, the Authorised Share Capital of the Transferee Company will be as under:

Authorized Share Capital	Amount in Rs.
5,00,70,000 Equity Shares of Rs. 10/- each	50,07,00,000
Total	**50,07,00,000**

VERTOZ ADVERTISING LIMITED MUMBAI

c) It is clarified that the approval of the Members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum and Articles of Association of the Transferee Company as may be required under the Act.

d) Clause V of the Memorandum of Association of the Transferee Company relating to the Authorized Share Capital shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 14, 62 and provisions of Section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act, as the case may be and be amended accordingly.

e) Upon coming into effect of this Scheme, the Transferee Company shall file necessary application of the revised Authorized Share Capital along with the prescribed fees due on the revised Authorized Share Capital with the Registrar of Companies, in accordance with law.

PRE AND POST MERGER SHAREHOLDING PATTERN

15.3. The Pre-Merger shareholding pattern of the First Transferor Company as on 30th June, 2023 is as follows:

Particulars	Amount (in Rs.)
Authorized Capital	
60,000 Equity Shares of Rs. 10 each	6,00,000/-
TOTAL	**6,00,000/-**
Issued, Subscribed and Paid-up Capital	
10,000 Equity Shares of Rs. 10/- each	1,00,000/-
TOTAL	**1,00,000/-**

Post the Scheme of merger by absorption, the share capital of the First Transferor Company will be NIL.

15.4. The Pre-Merger shareholding pattern of the Second Transferor Company as on 30th June, 2023 is as follows:

Particulars	Amount (in Rs.)
Authorized Capital	
10,000 Equity Shares of Rs. 10 each	1,00,000/-
TOTAL	**1,00,000/-**
Issued, Subscribed and Paid-up Capital	
10,000 Equity shares of Rs. 10 each	1,00,000/-
TOTAL	**1,00,000/-**

Post the Scheme of merger by absorption, the share capital of the Second Transferor Company will be NIL.

VERTOZ ADVERTISING LIMITED MUMBAI

15.5. The Pre and Post Merger shareholding pattern of the Transferee Company as on 30th June, 2023 is as follows:

Pre-Scheme Shareholding Pattern	
Particulars	**Amount (in Rs.)**
Authorized Capital	
5,00,00,000 Equity Shares of Rs. 10/- each	50,00,00,000/-
TOTAL	**50,00,00,000/-**
Subscribed and Issued Paid-Up Capital	
1,19,70,000 Equity shares of Rs. 10 each	11,97,00,000/-
Equity share warrants	
*65,85,000 Equity share warrants of Rs. 10/- each	**6,58,50,000/-**
TOTAL	**18,55,50,000/-**

**The Company has issued and allotted Unlisted Equity Share Warrants to 10 (ten) allottees on 29th December 2022. The pre-scheme subscribed and issued equity shares including 65,85,000 equity warrants on fully diluted basis is 1,85,55,000.*

Post-Scheme Shareholding Pattern	
Particulars	**Amount (in Rs.)**
Authorized Capital	
5,00,70,000 Equity Shares of Rs. 10/- each	50,07,00,000/-
TOTAL	**50,07,00,000/-**
Subscribed and Issued Paid-Up Capital	
4,26,15,000 Equity shares of Rs. 10 each	42,61,50,000/-
TOTAL	**42,61,50,000/-**

The post-merger Subscribed and Issued Paid-Up Capital includes the 65,85,000 Equity Share Warrants on fully-diluted basis.

16. **EXTENT OF SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

16.1. Save as otherwise provided in the Scheme, the Directors and Key Managerial Personnel (KMP) and their respective relatives of the Transferor Company and Transferee Company may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in their respective Companies, or to the extent the said Directors/KMP are the Partners, Directors, Members of the Companies, Firms, Association of Persons, Bodies Corporate and/or Beneficiary of Trust that hold Shares in any of the Companies. Save as aforesaid, none of the Directors, Managing Director or the Manager or KMP of

KEYTOZ ADVERTISING LIMITED MUMBAI

the Transferor Company and the Transferee Company has any material interest in the Scheme.

16.2. The details of the present Directors and KMP of the First Transferor Company and their respective shareholdings in the Transferor Company as on 30th June, 2023 are as follows:

Name of Directors / KMP	Designation	Equity Shares of the First Transferor Company
Rasiklal Hathichand Shah	Director	-
Hirenkumar Rasiklal Shah	Director	4,000
Ashish Rasiklal Shah	Director	4,000

16.3. The details of the present Directors and KMP of the Second Transferor Company and their respective shareholdings in the Transferor Company as on 30th June, 2023 are as follows:

Name of Directors / KMP	Designation	Equity Shares of the Second Transferor Company
Gunja Ashish Shah	Director	5,000
Dimple Hirenkumar Shah	Director	5,000

16.4. The details of the present Directors and KMP of the Transferee Company and their respective shareholdings in the Transferee Company as on 30th June, 2023 are as follows:

Name of Directors / KMP	Designation	Equity Shares of the Transferee Company
Rasiklal Hathichand Shah	Non-Executive Director	119700
Hirenkumar Rasiklal Shah	Whole-time Director	3071824
Ashish Rasiklal Shah	Non-Executive Director	3071824
Nilam Samir Doshi	Independent Director	400
Harshad Uttamchand Shah	Chairman & Non-Executive Director	59852
Rohit Keshavlal Vaghadia	Independent Director	5900
Zill Pankaj Shah	Company Secretary & Compliance Officer (KMP)	0
Akshay Ashok Sonar Parolkar*	Chief Financial Officer (KMP)	0

*[*Mr. Akshay Ashok Sonar Parolkar resigned from the Company w.e.f. 27th July 2023 and will be relieved from the Company on 15th September 2023]*



17. **EFFECT OF SCHEME OF MERGER BY ABSORPTION**

17.1 For the First Transferor Company and Second Transferor Company

Sr. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Shareholders	1. Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the First Transferor Company and Second Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application or deed, issue and allot the following number of Equity Shares of Rs. 10/- (Rupees Ten) each, credited as fully paid-up in the Capital of the Transferee Company to all Equity Shareholders of the First Transferor Company and Second Transferor Company whose names appear in the Register of Members, on a record date to be fixed by the Board of the Transferee Company in the following proportion viz.: *"1904 (One Thousand Nine Hundred and Four only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in PAYNX" ("Share Exchange Ratio")* *"502 (Five Hundred and Two only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in QWSPL" ("Share Exchange Ratio")* 2. The new Equity Shares of the Transferee Company to be allotted to the Shareholders of the First Transferor Company and Second Transferor Company shall be fully paid up Shares and shall rank for dividend, voting rights and in all other respects pari passu with the existing Equity Shares in the Transferee Company except that they shall not be eligible for any dividend paid or declared by the Transferee Company prior to the Effective Date.

VERTEX ADVERTISING LIMITED MUMBAI

Sr. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
		3. With effect from the Appointed Date, the First Transferor Company and Second Transferor Company shall not without the prior written consent of the Transferee Company, utilize the profits, if any, for declaring or paying of any dividend to its Shareholders. 4. On the approval of this Scheme by the Members and Shareholders of the First Transferor Company, Second Transferor Company and the Transferee Company, if required, such Shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the merger set out in the Scheme, related matters and this Scheme itself.
2.	Promoters	Please refer to point 1 above for details regarding the effect on the shareholders. Upon the Scheme becoming effective, the Company shall stand dissolved without winding up and accordingly, the Promoters shall cease to exist.
3.	Non- promoter Shareholders	Please refer to point 1 above for details regarding the effect on the shareholders. Upon the Scheme becoming effective, the Company shall stand dissolved without winding up and accordingly, the non-promoter shareholders shall cease to exist.
4.	Key Managerial Personnel ("**KMPs**")	There are no KMPs in the company; hence effect of the proposed Scheme on KMPs does not arise.
5.	Employees	Upon the Scheme becoming effective, all employees of the Company shall become the employees of the Transferee Company, as per the terms of the Scheme.

VERTOZ ADVERTISING LIMITED MUMBAI

Sr. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
		The interest of the employees of the Company shall not be impacted in any manner.
6.	Creditors	Upon the Scheme becoming effective, all creditors of the Company shall become the creditors of the Transferee Company, as per the terms of the Scheme. Under the Scheme, no arrangement is sought to be entered into between the Company and its creditors. The interest of the creditors of the Company shall not be impacted in any manner.

17.2 For Transferee Company

Sr. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Shareholders (including promoters)	1. Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the First Transferor Company and Second Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application or deed, issue and allot the following number of Equity Shares of Rs. 10/- (Rupees Ten) each, credited as fully paid-up in the Capital of the Transferee Company to all Equity Shareholders of the First Transferor Company and Second Transferor Company whose names appear in the Register of Members, on a record date to be fixed by the Board of the Transferee Company in the following proportion viz.: *"1904 (One Thousand Nine Hundred and Four only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in PAYNX" ("Share Exchange Ratio")* *"502 (Five Hundred and Two only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each*

MUMBAI

Sr. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
		fully paid up held in QWSPL" ("Share Exchange Ratio") 2. The new Equity Shares of the Transferee Company to be allotted to the Shareholders of the First Transferor Company and Second Transferor Company shall be fully paid up Shares and shall rank for dividend, voting rights and in all other respects pari passu with the existing Equity Shares in the Transferee Company except that they shall not be eligible for any dividend paid or declared by the Transferee Company prior to the Effective Date. 3. Consequent upon amalgamation, the authorised share capital of the Transferee Company will be Rs. 50,07,00,000. 4. Upon allotment of the new shares in the Transferee Company, the Share Certificates in relation to the shares held by the shareholders in the First Transferor Company and Second Transferor Company shall be deemed to have been cancelled.
2.	Promoters	Please refer to point 1 above for details regarding the effect on the shareholders. The promoters of the Company shall continue to remain the promoters, even after the effectiveness of the Scheme.
3.	Non- promoter Shareholders	Please refer to point 1 above for details regarding the effect on the shareholders.
4.	Key Managerial Personnel ("**KMPs**")	The KMPs of the Company shall continue as the key managerial personnel of the Company even after the effectiveness of the Scheme. Please refer to point 1 above for details regarding the effect of the Scheme on such KMPs who are also shareholders of the Company.

FEROZ ADVERTISING LIMITED MUMBAI

Sr. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
		Other than the above, KMPs are not affected pursuant the Scheme.
5.	Employees	Under the Scheme, no rights of the staff and employees of the Company are being affected.
6.	Creditors	Under the Scheme, no arrangement is sought to be entered into between the Company and its creditors. The interest of the creditors of the Company shall not be impacted in any manner.

18. **GENERAL**

18.1. The First Transferor Company, Second Transferor Company and the Transferee Company have made the application before the National Company Law Tribunal, Mumbai Bench for the sanction of the Scheme under Sections 230-232 and other applicable provisions of the Companies Act, 2013.

18.2. As on 31st Day of March, 2023, the First Transferor Company has no Secured Creditor.

18.3. The amount due from the First Transferor Company to its Unsecured Creditors as on 31st Day of March, 2023 is Rs. 10,21,69,663.32/- (Rupees Ten Crores Twenty-One Lakhs Sixty Nine Thousand Six Hundred and Sixty Three and Thirty Two Paise only).

18.4. As on 31st Day of March, 2023, the Second Transferor Company has no Secured Creditor.

18.5. The amount due from the Second Transferor Company to its Unsecured Creditors as on 31st Day of March, 2023 is Rs.3,45,05,329.63/- (Rupees Three Crore Forty Five Lakhs Five Thousand Three Hundred and Twenty Nine and Sixty Three Paisa only)

18.6. There amount due from the Transferee Company to its Secured Creditors as on 31st Day of March, 2023 is 7,89,40,585.13/- (Rupees Seven Crores Eighty Nine Lakhs Forty Thousand Five Hundred and Eighty Five and Thirteen Paisa Only).

18.7. The amount due from the Transferee Company to its Unsecured Creditors as on 31st Day of March, 2023 is Rs. 8,99,46,031.80 /- (Rupees Eight Crores Ninety Nine Lakhs Forty Six Thousand and Thirty- One and Eighty Paisa only)

18.8. In relation to the Meeting of the Transferee Company, Equity Shareholders of the Transferee Company whose names are appearing in the records of the Transferee Company as on Friday, 22nd September, 2023 shall be eligible to attend the Meeting of the Equity Shareholders of the Transferee Company convened as per the directions of the Tribunal and cast their votes using remote e-voting facility.

18.9. The Scheme is not expected to have any adverse effects on the KMP, Directors, Promoters, Non-Promoter Members, Depositors, Creditors, Debenture Holders, Deposit

Trustee, Debenture Trustee and Employees of the Transferor Companies and the Transferee Company, wherever relevant.

18.10. The rights and interests of Secured Creditors and Unsecured Creditors of either of the Companies, if any, will not be prejudicially affected by the Scheme as no compromise, sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner and post the Scheme, the Transferee Company will be able to meet its liabilities as they arise in the ordinary course of business.

18.11. Except to the extent of the Shares held by the Directors and KMP stated under paragraph 16 above, none of Directors and KMP of the Transferee Company or their respective relatives is in any way connected or interested in the aforesaid resolution.

18.12. The Audited Accounts for the period ended 31st March, 2023 of the Transferee Company indicates that it is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any Creditors of the Transferee Company would lose or be prejudiced as a result of this Scheme being passed since no compromise, sacrifice or waiver is at all called for them nor are their rights sought to be adversely modified in any manner. Hence, the merger will not cast any additional burden on the Shareholders or Creditors of the Transferee Company, nor will it adversely affect the interest of any of the Shareholders or Creditors.

18.13. There is no Winding-up Proceedings admitted against the Transferee Company as of date.

18.14. No Investigation Proceedings are pending or are likely to be pending under the provisions of Chapter XIV of the Companies Act, 2013 or under the provisions of the Companies Act, 1956 in respect of the Transferee Company.

18.15. There are no ongoing adjudication & recovery proceedings, prosecution initiated, and any other enforcement action taken against the Transferee Company, its promoters and directors.

18.16. A copy of the Scheme has been filed by the Transferee Company with the Registrar of Companies, Maharashtra, Mumbai.

18.17. The Transferor Company and the Transferee Company are required to seek approvals/ sanctions/ no-objections from certain regulatory and governmental authorities for the Scheme such as the Registrar of Companies, Regional Director, Income Tax Department, Goods and Services tax Department, Stock Exchanges, Securities Exchange and Board of India and the Official Liquidator and will obtain the same at the relevant time.

18.18. In the event that the Scheme is withdrawn in accordance with its terms, the Scheme shall stand revoked, cancelled and be of no effect and null and void.

18.19. Names and addresses of the Promoters and promoter group holding Equity Shares of the First Transferor Company, is as under:

Sr. No.	Name of Promoter and Promoter Group holding Equity Shares of the First Transferor Company	Address
1	Hirenkumar Rasiklal Shah – Promoter	A-103, Willows Twin Towers, Swapna Nagari, Off. LBS Road, Mulund West – 400080.
2	Ashish Rasiklal Shah – Promoter	A-103, Willows Twin Towers, Swapna Nagari, Off. LBS Road, Mulund West – 400080.

18.20. Names and addresses of the Promoters and promoter group holding Equity Shares of the Second Transferor Company, is as under:

Sr. No.	Name of Promoter and Promoter Group holding Equity Shares of the Second Transferor Company	Address
1	Dimple Hirenkumar Shah – Promoter	A-103, Willows Twin Towers, Swapna Nagari, Off. LBS Road, Mulund West – 400080.
2	Gunja Ashish Shah - Promoter	A-103, Willows Twin Towers, Swapna Nagari, Off. LBS Road, Mulund West – 400080.

18.21. Names and addresses of the Promoters and promoter group holding Equity Shares of the Transferee Company, is as under:

Sr. No.	Name of Promoters and Promoter Group holding shares of the Transferee Company	Address
1	Hirenkumar Rasiklal Shah – Promoter	A-103, Willows Twin Towers, Swapna Nagari, Off. LBS Road, Mulund West – 400080.
2	Ashish Rasiklal Shah – Promoter	A-103, Willows Twin Towers, Swapna Nagari, Off. LBS Road, Mulund West – 400080.
3	Rasiklal Hathichand Shah – Promoter Group	A-103, Willows Twin Towers, Swapna Nagari, Off. LBS Road, Mulund West – 400080.
4	Ranjanben Rasiklal Shah – Promoter Group	A-103, Willows Twin Towers, Swapna Nagari, Off. LBS Road, Mulund West – 400080.
5	Archana Rohit Shah	D-7/203, Kunthunath Apartment, Sarvodaya Nagar, Nahur Road, near Jain Mandir, Mulund West – 400080.

Sr. No.	Name of Promoters and Promoter Group holding shares of the Transferee Company	Address
6	Arpana Vipul Vejani	2, Nagji Bhai Mansion, Plot No. 116, Vallabh Baug Cross Lane, M. P. Vaidya Marg, Near Jain Temple, Ghatkopar East – 400077.
7	Shital Chintan Shah	6, Shriram Apartment, Moonlight Society, Near Rekha Building, Nahur Road, Mulund West – 400080.

18.22. The Board of Directors of the First Transferor Company approved the Scheme on 24th June, 2022. Details of Directors of the First Transferor Company who voted in favour / against / did not participate on resolution passed at the Meeting of the Board of Directors of the First Transferor Company are given below:

Sr. No.	Name of Director	Voted in favour / Against / Did not participate
1	Rasiklal Hathichand Shah	In favour
2	Hirenkumar Rasiklal Shah	In favour
3	Ashish Rasiklal Shah	Absent

18.23. The Board of Directors of the Second Transferor Company approved the Scheme on 24th June, 2022. Details of Directors of the Second Transferor Company who voted in favour / against / did not participate on resolution passed at the Meeting of the Board of Directors of the Second Transferor Company are given below:

Sr. No.	Name of Director	Voted in favour / Against / Did not participate
1	Gunja Shah	In favour
2	Dimple Hirenkumar Shah	In favour

18.24. The Board of Directors of the Transferee Company approved the Scheme on 24th June, 2022. Details of Directors of the Transferee Company who voted in favour / against / did not participate on resolution passed at the Meeting of the Board of Directors of the Transferee Company are given below:

Sr. No.	Name of Director	Voted in favour / Against / Did not participate
1	Rasiklal Hathichand Shah	In favour
2	Hirenkumar Rasiklal Shah	In favour
3	Ashish Rasiklal Shah	Absent
4	Nilam Samir Doshi	In favour
5	Harshad Uttamchand Shah	In favour
6	Rohit Keshavlal Vaghadia	In favour

18.25. The Transferee Company shall issue its Shares to the Shareholders of Transferor Companies to discharge the consideration pursuant to the Merger by Absorption of the First Transferor Company and Second Transferor Company with the Transferee Company.

18.26. A report adopted by the Directors of the Transferee Company, explaining effect of the Scheme on each class of Shareholders, Key Managerial Personnel, Promoters and Non-Promoter Shareholders and Debenture Holder laying out in particular the Share Allotment, is attached herewith. The Transferee Company does not have any, Deposit Trustee and Debenture Trustee. There will be no adverse effect on account of the Scheme as far as the Depositors, Employees, and Creditors of the Transferee Company are concerned.

18.27. As required by the SEBI Master Circular dated June 20, 2023, disclosure document comprising of applicable information pertaining to the Transferor Company, in the format prescribed for abridged prospectus as provided in Part E of the Schedule VI of the Securities Exchange Board of India (Issue of Capital and Disclosures Requirement), 2018, to the extent applicable, is appended herewith to the Notice as **Annexure J**.

18.28. As required by the SEBI Master Circular dated 20th June, 2023, the Transferee Company has filed its Complaints Report dated 19th September 2022 with National Stock Exchange of India. The Complaints Report filed by the Transferee Company indicates that it not received any complaints. A copy of the Complaints Report filed with National Stock Exchange of India is enclosed as **Annexure I.** As far as the employees of the Transferee Company are concerned there would not be any change in their terms of employment on account of the Scheme. Further, no change in the Board of Directors of the Transferee Company is envisaged on account of the Scheme.

18.29. National Stock Exchange of India Ltd have issued the Observation letter in terms of applicable SEBI Circulars which Is enclosed as **Annexure H.**

18.30. With reference to above mentioned Observation letter, the reason for not using Market Multiple Method for First Transferor Company and Second Transferor Company is that the Market Multiples Method (approach) (MMM) is a comparable analysis or relative valuation method that seeks to evaluate similar companies using the same standardized financial metrics. For the market approach to be successful it is critical to ensure that all companies being used for comparison are similar to the subject company or that the premiums and discounts are applied for divergent features. The market approach can only work effectively if the number of other similar businesses to compare with is adequate.

18.31. The copy of the following documents shall be available for inspection to the Equity Shareholders of the Transferee Company on the request, any Equity Shareholder who wish to inspect shall email his request on compliance@vertoz.com, and the physical inspection of the documents will be made available at the registered office of the Transferee Company who seeks prior permission by registering his request at the given email id requesting for it, the inspection of document will be allowed on all working days (except Saturday, Sunday and public holidays) between 11:00 A.M. to 03:00 P.M till 28th September, 2023:

(i) Copy of the Order passed by the Hon'ble NCLT in Company Scheme Application No. CA (CAA)/169/MB-IV/2023 dated 10th August, 2023 and addendum to the said order dated 18th August, 2023 in CA-352/2023.

(ii) Copy of the Memorandum and Articles of Association of the First Transferor Company, Second Transferor Company and the Transferee Company;

(iii) Copy of the Audited Financial Statements of the Transferor Company for the financial year ended 31st March, 2023, 31st March, 2022, and 31st March, 2021;

(iv) Copy of the Annual Reports of the Transferee Company for the financial year ended 31st March, 2023, 31st March, 2022 and 31st March, 2021;

(v) Report on complaints received on the Scheme;

(vi) Copy of Valuation Report issued by Mr. Vishal Rahulkmar Laher, Chartered Accountants, Registered Valuer dated 24th Day of June, 2022;

(vii) Copy of Fairness Opinion on Valuation Report issued by M/s. Navigant Corporate Advisors Limited, Merchant Bankers, dated 24th Day of June, 2022;

(viii) Copy of Observation letter issued National Stock Exchange of India Ltd, dated 11th Day of January, 2023;

(ix) Copy of the Audit Committee Report, dated 24th Day of June, 2022 of the Transferee Company;

(x) Copy of the Independent Directors Report, dated 24th Day of June, 2022 of the Transferee Company;

(xi) Copy of the resolutions, dated 24th Day of June, 2022, passed by the respective Board of Directors of the first Transferor Company, Second Transferor Company and the Transferee Company approving the Scheme;



(xii) Copy of the Statutory Auditors' certificate dated 24th Day of June, 2022 issued by M/s. Mittal & Associates, Chartered Accountants certifying that the Accounting Treatments contained in the Scheme is in conformity with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Amendment Rules, 2015, as amended;

(xiii) Copy of the Scheme of Merger by Absorption; and

(xiv) Copy of the Reports dated 24th June, 2022 adopted by the Board of Directors of the First Transferor Company, Second Transferor Company and the Transferee Company, pursuant to the provisions of Section on 232(2)(c) of the Act.

(xv) Contracts or agreements material to the said merger, if any.

18.32. This Statement may be treated as an Explanatory Statement under Sections 230(3) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016. A copy of this Scheme and Explanatory Statement may be obtained for free by sending an e-mail to COMPLIANCE@VERTOZ.COM.

Dated this 28th Day of August, 2023

Sd/-
Nilam Doshi
Independent Director
Chairman appointed for the Meeting
DIN: 07848294



Place: Mumbai
Registered Office of the Company:
602, Avior, Nirmal Galaxy L.B.S. Marg, Opp. Johnson & Johnson, Mulund (W) Mumbai 400080 Maharashtra
Website: www.vertoz.com
Email: COMPLIANCE@VERTOZ.COM
CIN: L74120MH2012PLC226823

Annexure- A

DRAFT SCHEME OF AMALGAMATION

OF

PAYNX TECHNOLOGIES PRIVATE LIMITED

(The First Transferor Company)

AND

QUALISPACE WEB SERVICES PRIVATE LIMITED

(The Second Transferor Company)

WITH

VERTOZ ADVERTISING LIMITED

(Transferee Company)

AND

THEIR RESPECTIVE SHAREHOLDERS

(UNDER SECTION 230 TO 232, AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 & THE RULES FRAMED THEREUNDER INCLUDING ANY STATUTORY MODIFICATIONS OR RE ENACTMENTS THEREOF, IF ANY)

1. **PREAMBLE**

This Scheme of Merger by Absorption (the Scheme) is presented under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act 2013 (including any statutory modification or re-enactment or amendment thereof), as may be applicable, for the merger of **Paynx Technologies Private Limited** (hereinafter referred to as "The First Transferor Company") and **Qualispace Web Services Private Limited** (hereinafter referred to as "The Second Transferor Company") with **Vertoz Advertising Limited** (hereinafter referred to as "The Transferee Company") and their respective Shareholders and in compliance with the conditions relating to "Amalgamation" as specified u/s 2(1B) of the Income Tax Act, 1961 and the same is divided into the following parts:

A. DESCRIPTION OF THE COMPANIES:

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

b) **SECOND TRANSFEROR COMPANY** : Qualispace Web Services Private Limited is an Unlisted Private Company incorporated on 24th April, 2017 under the Companies Act, 2013 having its registered office at 602, Avior, Nirmal Galaxy, L.B.S. Marg, Opp. Johnson & Johnson, Mulund, Mumbai – 400 080. ("Second Transferor Company" or "QWSPL") [CIN: U93000MH2017PTC294200]. The Shares of QWSPL are not listed on any Stock Exchange and it is not a Subsidiary of Transferee Company. QWSPL is engaged in the business of development of Domain Name and Cloud Hosting Services.

It also provides Services like Email Services, Cloud Servers, SSL Certificates, Backup and Security Services along with other Managed Services. QualiSpace helps the Business to establish their identity on the internet through their Domain Name and IT Infrastructure through its Cloud Services. QualiSpace also works with Independent Software Vendors as their Infrastructure Services Partners through its IaaS - (Infrastructure as a Service) Cloud.

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

B. RATIONALE OF THE SCHEME:

- The Amalgamation will enable the Transferee Company to consolidate the businesses and lead to synergies in operation and create a stronger financial base.
- It would be advantageous to combine the activities and operations of both the Companies into a single Company driving sharper focus for smooth and efficient Management. This will be reflected in the profitability of the Transferee Company.
- This Scheme of Amalgamation would result in Merger in the nature of Pooling of Interest as per Appendix C of the Indian Accounting Standard 103 on Business Combinations and thus on consolidation of business of the First

Transferor Company and Second Transferor Company with Transferee Company, all the Shareholders of the merged entity will be benefited by result of the amalgamation of Business and availability of a common operating platform.

- The Amalgamation of the First Transferor Company, Second Transferor Company with the Transferee Company will also provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, the merger will enable optimal utilization of existing resources and provide an opportunity to fully leverage strong assets, capabilities, experience and expertise of all the Companies. The merged entity will also have sufficient funds required for meeting its long term capital needs as provided for in the scheme.
- The Scheme of amalgamation will result in cost saving for all the Companies as they are capitalizing on each other's core competency and resources which are expected to result in stability of operations, cost savings and higher profitability levels for the Transferee Company.
- The consolidation of **QWSPL with VAL** will also result in:
  i. Rationalization of number of identified operating entities thereby reducing the legal and regulatory compliances.
  ii. The Services of Vertoz and QWSPL can easily Cross Sell across its customer base of both the entities like Customer of Vertoz are the Digital Agencies and they majorly buy the Services offered by QWSPL and similarly QWSPL Customers' needs Marketing, Advertising & Monetization Services. Through this Merger, the sales team of both the entities can cross sell the Products and Services.
  iii. QWSPL brings the expertise of IT Infrastructure internal to the Vertoz Group and helps to reduce its current operational expenses and also creates an edge over its Competitors. Current Vertoz Capabilities is to build the Technology and Platforms for the Marketing and Advertising and whereas QWSPL capabilities are to build and operate.
  iv. Conglomerates like Google (GCP) / Amazon (AWS) have built the Infrastructure Expertise to complement its core Digital Advertising Business. Similarly, Vertoz will enjoy the benefits of the Infrastructure Expertise of QWSPL. The other benefits are like 24X7X365 Operations of QWSPL helps Vertoz MADTech infrastructure Uptime, Large Scale Networking

capabilities of QWSPL helps Vertoz to setup and maintain global infrastructure of Vertoz MADTech Platforms.

v. Merger of QWSPL and Vertoz brings the backward and forward integration for both entities in terms of value chain. QWSPL can lean on Vertoz capabilities of Marketing and Advertising at a scale. Similarly, Vertoz can offer QWSPL Services to its Brands, Agencies and Publishers' Clients easily.

c. The consolidation of **PayNX with VAL** will also result in:

i. PTPL brings 12 Direct and Indirect Entities together to the Vertoz Group. PTPL is one of the large Networks of the Companies in the Marketing, Advertising, Publishing, Infrastructure - IaaS, AdTech and PaaS business.

ii. PTPL Business offers great backward and forward integration between all the PTPL Entities and Vertoz Group all areas of respective business.

iii. Volus Business of PTPL brings a huge volume of Digital Properties in the Vertoz's Umbrella. This will allow Vertoz to distribute some part of the Clients spends internally on Owned Properties and will greatly increase the bottom line of the combined entities.

iv. With this merger it brings great visibility in the First Party data of the audience and will greatly help Vertoz to procure additional budgets from its existing Agencies and Brands as the Third Party Cookies going away will bring great value to Vertoz with possession of First Party audience data.

v. Most of the Entities of PTPL also own the multiple Owned and Operated (O&O) Digital Properties which will also bring the similar benefits of the Volus bringing to the Vertoz business as explained above.

vi. The Business of Contextual Advertising, OpenRTB, Text Ads, Video Traffic of PTPL entities brings great value to Vertoz's AdMozart Marketplace business. The cumulative volume of the merged business of Existing Vertoz Group and PTPL Business will be a record-breaking volume in the entire industry of the Digital Advertising Marketplace under one roof, this will create the dominant position in the Industry.

vii. PTPL's OwnRegistrar and US Based QualiSpace business will bring great value to QWSPL - the Parallel Entity which is also getting merged in this Scheme.

viii. OwnRegistrar is an ICANN Accredited Domain Registrar which will bring

the additional recognition in the Digital Space to Vertoz Group.

ix. The Network of the OwnRegistrar Domain Resellers can be monetized very well with the help of MADTech Services of Vertoz Group. Most of these Domain Resellers own and operate the Advertising Agency business and Vertoz's Services can be easily sold to them. Similarly, most of the Agency and Brand Clients of Vertoz can be cross sold with the Services of OwnRegistrar and QualiSpace.

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

C. PARTS OF THE SCHEME:

The Scheme of Amalgamation is divided into following three parts:

(i) **Part I** – Deals with the Definitions, Interpretations and Share Capital;

(ii) **Part II** – Deals with Merger by Absorption of PAYNX and QWSPL with VAL; and

(iii) **Part III** – Deals with General Clauses, Terms and Conditions applicable to the Scheme.

VERTOZ ADVERTISING LIMITED MUMBAI

PAYNX TECHNOLOGIES PVT. LTD. MUMBAI

NOTARY GOVT. OF INDIA

PART I – DEFINITIONS, INTERPRETATIONS AND SHARE CAPITAL

1. Definitions and Interpretation

In this Scheme, unless repugnant to the meaning or context thereof, (i) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme and (ii) the following words and expressions, wherever used (including in the recitals and the introductory paragraphs above), shall have the following meanings:

1.1 "**PAYNX**" or "**PTPL**" means Payux Technologies Private Limited, an Unlisted Private Company incorporated on 2nd June, 2010 under the Companies Act, 1956 having its Registered Office at 602, Avior, Nirmal Galaxy, L.B.S. Marg, Opp. Johnson & Johnson, Mulund, Mumbai – 400 080.

1.2 "**QWSPL**" means Qualispace Web Services Private Limited, an Unlisted Private Company incorporated on 24th April, 2017 under the Companies Act, 2013 having its Registered Office at 602, Avior, Nirmal Galaxy, L.B.S. Marg, Opp. Johnson & Johnson, Mulund, Mumbai – 400 080.

1.3 "**Record Date**" means the date to be fixed by the Board of the Directors of VAL, for the purposes of issue and allotment of Shares as may be applicable and relevant in accordance with this Scheme of Amalgamation.

1.4 "**Scheme**" means this Scheme of Amalgamation in its present form or with any modification(s) approved or imposed or directed by the Tribunal at Mumbai.

1.5 "**SEBI**" means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;

1.6 "**The Act**" or "**the said Act**" means the Companies Act, 2013 and the Rules made thereunder as the case may be and shall include any Statutory modifications, re-enactment or amendments thereof for the time being in force.

1.7 "**The Appointed Date**" means the 1st April, 2022 or such other date as the National Company Law Tribunal (Tribunal) of Judicature at Mumbai or other competent authority may otherwise direct/ fix.

1.8 "**Tribunal**" shall for the purpose of this Scheme, mean the National Company Law Tribunal constituted under Section [illegible] of the Act (Mumbai Bench) situated at 4th Floor, MTNL Exchange Building, G.D. Somani Marg, Chamundeshwari Nagar, Cuffe Parade, Mumbai, Maharashtra 400005 and the

expression shall include, all the powers of the tribunal under Chapter XVII of the Act and the provisions of the Act as applicable to the Scheme shall be construed accordingly.

1.9 **"The Effective Date"** means the last date on which Certified Copies of the orders of Hon'ble Tribunal (Mumbai Bench) sanctioning the Scheme of Amalgamation and for vesting the undertaking including the assets, liabilities, rights, duties, obligations and the like of the First Transferor Company and Second Transferor Company in the Transferee Company are filed with the office of the Registrar of Companies, Maharashtra.

1.10 **"VAL"** means Vertoz Advertising Limited, a Public Limited Company incorporated on 13th February, 2012 under the Companies Act, 1956 having its Registered Office at 602, Avior, Nirmal Galaxy, L.B.S. Marg, Opp. Johnson & Johnson, Mulund, Mumbai – 400 080.

1.11 **"Undertakings"** shall mean and include:

(a) All the assets and properties and the entire business of the First Transferor Company and Second Transferor Company as on the Appointed Date, (hereinafter referred to as "the said assets")

(b) All the debts, liabilities, contingent liabilities, duties, obligations and guarantees of the First Transferor Company and Second Transferor Company as on the Appointed Date (hereinafter referred to as "the said liabilities")

(c) all trade and service names and marks, patents, copyrights, goodwill, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the First Transferor Company and Second Transferor Company.

(d) Without prejudice to the generality of sub-clause (a) above, the Undertakings of the First Transferor Company and Second Transferor

Company shall include all the First Transferor Company and Second Transferor Company's reserves, movable and the immovable properties, all other assets including investments in shares, debentures, bonds and other securities, claims, loans and advances, deposits, ownership rights, lease-hold rights, tenancy rights, occupancy rights, hire purchase contracts, leased assets, lending contracts, revisions, powers, permits, authorities, licenses, consents, approvals, municipal permissions, industrial and other licenses, permits, authorisations, quota rights, registrations, import/ export licenses, bids, tenders, letter of intent, connections for water, electricity and drainage, sanctions, consents, product registrations, quota rights, allotments, approvals, freehold land, buildings, factory buildings, plant & machinery, electrical installations and equipments, furniture and fittings, laboratory equipments, office equipments, effluent treatment plants, tube wells, software packages, vehicles and contracts, engagements, titles, interest, benefits, allocations, exemptions, concessions, remissions, subsidies, tax deferrals, tenancy rights, trademarks, brand names, patents and other industrial and intellectual properties, import quotas, telephones, telex, facsimile, websites, e-mail connections, networking facilities and other communication facilities and equipments, investments, rights and benefits of all agreements and all other interests, rights and power of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals and all necessary records, files, papers, process information, data catalogues and all books of accounts, documents and records relating thereof.

2. SHARE CAPITAL

2.1 The Share Capital of the First Transferor Company as at 31st March 2022 is as under:

GOVT. OF INDIA NOTARY S.M.H. ZAIDI Mumbai & Thane Dist. Reg. No. 3640 My Commission Expires 29 Sept. 2022

PAYNIMO Technologies Pvt. Ltd. MUMBAI

VERTOZ ADVERTISING LIMITED MUMBAI

CORPORATE SERVICES PVT. LTD. MUMBAI

Particulars	Amount in (Rs.)
Authorised Capital	
60,000 Equity Shares of Rs.10/-each.	6,00,000
Total	**6,00,000**
Issued, Subscribed and Paid-up	
10,000 Equity Shares of Rs. 10/- each fully paid-up.	1,00,000
Total	**1,00,000**

2.2 The Share Capital of the Second Transferor Company as at 31st March, 2022 is as under:

Particulars	Amount in (Rs.)
Authorised Capital	
10,000 Equity Shares of Rs.10/-each.	1,00,000
Total	**1,00,000**
Issued, Subscribed and Paid-up	
10,000 Equity Shares of Rs. 10/- each fully paid-up.	1,00,000
Total	**1,00,000**

2.3 The Share Capital of the Transferee Company as at 31st March, 2022 is as under:

Particulars	Amount in (Rs.)
Authorised Capital	
3,50,00,000 Equity Shares of Rs.10/- each	35,00,00,000
Total	**35,00,00,000**
Issued, Subscribed and Paid-up	
1,19,70,000 Equity Shares of Rs.10/- each fully paid-up	11,97,00,000
Total	**11,97,00,000**

Event subsequent to the Valuation Date: We have been informed by the Management of VAL that the Authorized Share Capital of VAL has increased to 5,00,00,000 Shares of Rs.10 each amounting to ₹ 50,00,00,000/-.

PART II – MERGER OF FIRST TRANSFEROR COMPANY AND SECOND TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

3. TRANSFER AND VESTING OF UNDERTAKINGS

3.1 Upon the coming into effect of this Scheme as on the Appointed Date (i.e. 1st April, 2022) and subject to the provisions of this Scheme, the entire business and whole of the Undertaking of the First Transferor Company and Second Transferor Company including the assets and liabilities, shall pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act, without any further act, instrument or deed, be and shall stand transferred to and vested in and/or deemed to have been transferred to and vested in the Transferee Company as a going concern subject, however, to all charges, liens, mortgages, if any, then affecting the same or any part thereof.

PROVIDED ALWAYS that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the First Transferor Company and Second Transferor Company and which shall vest in the Transferee Company by virtue of the Amalgamation and the Transferee Company shall not be obliged to create any further or additional security after the Amalgamation has become effective or otherwise unless specifically provided hereinafter.

3.2 The entire business of the First Transferor Company and Second Transferor Company as going concerns and all the properties whether movable or immovable, real or personal, corporeal or incorporeal, present or contingent including but without being limited to all assets, authorized capital, fixed assets, capital work-in-progress, current assets and debtors, investments, rights, claims and powers, authorities, allotments, approvals and consents, reserves, provisions, permits, ownerships rights, lease, tenancy rights, occupancy rights, incentives, claims, rehabilitation schemes, funds, quota rights, import quotas, licenses, registrations, contracts, engagements, arrangements, brands, logos, patents, trade names, trademarks, copy rights, all other intellectual property rights, other intangibles of the First Transferor Company and Second Transferor Company whether registered or unregistered or any variation

thereof as a part of its name or in a style of business otherwise, other industrial rights and licenses in respect thereof, lease, tenancy rights, flats, telephones, telexes, facsimile connections, e-mail connections, internet connections, websites, installations and utilities, benefits of agreements and arrangements, powers, authorities, permits, allotments, approvals, permissions, sanctions, consents, privileges, liberties, easements, other assets, special status and other benefits that have accrued or which may accrue to the First Transferor Company and Second Transferor Company on and from the Appointed Date and prior to the Effective Date in connection with or in relation to the operation of the undertaking and all the rights, titles, interests, benefits, facilities and advantages of whatsoever nature and wherever situated belonging to or in the possession of or granted in favor of or enjoyed by the First Transferor Company and Second Transferor Company as on the Appointed Date and prior to the Effective Date shall, pursuant to the provisions of Section 230 to 232 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company.

3.3 With effect from the Appointed Date, all the Equity Shares, Debentures, Bonds, Notes or other Securities held by the First Transferor Company and Second Transferor Company, whether convertible into Equity or not and whether quoted or not shall, without any further act or deed, be and stand transferred to the Transferee Company as also all the Movable Assets including cash in hand, if any, of the First Transferor Company and Second Transferor Company shall be capable of passing by manual delivery or by endorsement and delivery, as the case may be, to the Transferee Company to the end and intent that the property therein passes to the Transferee Company on such manual delivery or by endorsement and delivery.

3.4 In respect of movable properties of the First Transferor Company and Second Transferor Company, including sundry debtors, outstanding loans and advances, if any recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi government, local and other authorities and bodies, the Transferee Company may, at any time after the

coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, give notice in such form as it may deem fit and proper to each person, debtor or depositor, as the case may be, that pursuant to the Tribunal having sanctioned the Scheme, the said debts, loans, advances or deposits be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the First Transferor Company and Second Transferor Company to recover or realize all such debts, deposits and advances (including the debts payable by such persons, debtor or deposit to the First Transferor Company and Second Transferor Company) stands transferred and assigned to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.

3.5 With effect from the Appointed Date, all the debts, unsecured debts, liabilities, duties and obligations of every kind, nature and description of the First Transferor Company and Second Transferor Company shall also under the applicable provisions of the Act, without any further act or deed be transferred to or be deemed to be transferred to the Transferee Company so as to become as and from the Appointed Date, the debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the First Transferor Company and Second Transferor Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to the contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause.

3.6 It is clarified that all debts, loans and liabilities, duties and obligations of the First Transferor Company and Second Transferor Company as on the Appointed Date and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or upto the day of the Appointed Date shall be the debts, loans and liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the First Transferor Company and Second Transferor Company or on any income earned from those assets.

3.7 It is further specifically clarified, admitted, assured and declared by the Transferee Company that on this Scheme becoming effective, it will take over, absorb and pay and discharge on due dates all the liabilities including all taxes (including but not limited to advance tax, self-assessment tax, regular tax, securities transaction tax, deferred tax assets/liabilities, foreign tax credit, tax deducted at source, tax collected at source, accumulated losses under Income-tax Act, allowance for unabsorbed depreciation under Income-tax Act, carried forward allowance u/s. 35(4) of Income-tax Act, value added tax, sales tax, service tax, customs duty, CGST, IGST, SGST, etc.) including any interest, penalty, surcharge and cess, if any, paid / payable by or refunded / refundable to the First Transferor Company and Second Transferor Company including all or any refunds or claims shall be treated as the tax paid / payable by the Transferee Company.

3.8 With effect from the Appointed Date all debts, liabilities, dues, duties and obligations including all income tax, wealth tax, central sales tax, value added tax, service tax, excise duty, custom duty, goods and service tax, fringe benefit tax, dividend distribution tax and other Government and semi-Government and statutory liabilities of the First Transferor Company and Second Transferor Company shall pursuant to the applicable provisions of the Act and without any further act or deed be also transferred or be deemed to be transferred to and vest in and be assumed by the Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of Transferee Company on the same terms and conditions as were applicable to the First Transferor Company and Second Transferor Company..

3.9 This Scheme has been drawn up to comply and come within the definition and the conditions relating to 'Amalgamation' as specified under Section 2(1B) and Section 47 of the Income Tax Act, 1961. If any terms or provisions of the Scheme is/are found or interpreted to be inconsistent with the provisions of said Sections of the Income Tax Act, 1961, at a later date, including resulting from an amendment of any applicable law or for any reason whatsoever, the Scheme shall stand modified/amended to the extent determined necessary to comply and come within the definition and conditions relating to

"Amalgamation" as specified in the Income Tax Act, 1961. In such an event, the Clauses which are inconsistent shall be read down or if the need arises be deemed to be deleted and such modification/reading down or deemed deletion shall however not affect the other parts of the Scheme.

4. CONTRACTS, BONDS AND OTHER INSTRUMENTS

4.1 Subject to other provisions contained in the Scheme, all contracts, bonds, debentures, indentures and other instruments to which the First Transferor Company and Second Transferor Company are parties subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the First Transferor Company and Second Transferor Company, the Transferee Company had been a party thereto.

4.2 Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme and with effect from the Appointed Date, all consents, permissions, licences, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

5. LEGAL PROCEEDINGS

5.1 If any suit, writ petition, appeal, revision or other proceedings (hereinafter called "the Proceedings") by or against the First Transferor Company and Second Transferor Company is pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Undertakings of the First Transferor Company and Second Transferor Company or of anything contained in the Scheme, but all such proceedings

may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the First Transferor Company and Second Transferor Company as if the Scheme had not been made.

5.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the First Transferor Company and Second Transferor Company, Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of Transferee Company.

6. OPERATIVE DATE OF THE SCHEME

The Scheme set out herein in its present form with or without any modification(s) approved or imposed or directed by the National Company Law Tribunal or made as per Clause 16 of the Scheme, shall be effective from the Appointed Date but shall become operative from the Effective Date.

7. TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES

All the staff, workmen and other employees in the service of the First Transferor Company and Second Transferor Company immediately preceding the Effective Date shall become the staff, workmen and employees of the Transferee Company on the basis that:

7.1 Their respective services shall have been continuous and shall not have been interrupted by reason of the transfer of the Undertakings of the First Transferor Company and Second Transferor Company;

7.2 The terms and conditions of service applicable to the said staff, workmen or employees after such transfer shall not in any way be less favorable to them than those applicable to them immediately before the transfer, and

7.3 It is provided that as far as Provident Fund, Gratuity Fund, Superannuation Fund or other special fund, if any, created or existing for the benefit of the staff, workmen and other employees of the First Transferor Company and Second Transferor Company are concerned, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the First Transferor Company and Second Transferor Company for all purposes whatsoever related to the administration or operation of such funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions of such Funds as per the terms provided in the respective trust deeds. It is the aim and intent of the Scheme herein that all the rights, duties, powers and obligations of the First Transferor Company and Second Transferor Company in relation to such funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees employed in different units of the First Transferor Company and Second Transferor Company under such Funds and Trusts shall remain fully protected.

8. CONDUCT OF BUSINESS BY FIRST TRANSFEROR COMPANY AND SECOND TRANSFEROR COMPANY TILL EFFECTIVE DATE

With effect from the Appointed Date and upto the Effective Date, the First Transferor Company and Second Transferor Company:

8.1 Shall carry on and shall be deemed to be carrying on all their respective business activities and shall stand possessed of their respective properties and assets for and on account of and in trust for the Transferee Company and all the profits or income accruing or arising to the First Transferor Company and Second Transferor Company and/or any cost, charges, expenditure or losses arising or incurred by them shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or cost, charges, expenditure or losses of the Transferee Company;

8.2 Shall in the ordinary course of their respective business activities, assign, transfer or sell or exchange or dispose off or deal with all or any part of the rights vested with or title and interest in the property, assets, immovable or movable properties including assignment, alienation, charge, mortgage,

encumbrance or otherwise deal with the rights, title and interest in the actionable claims, debtors and other assets etc., with the consent of the Transferee Company and such acts or actions would be deemed to have been carried on by the First Transferor Company and Second Transferor Company for and on behalf of the Transferee Company and such acts or actions would be enforceable against or in favour of the Transferee Company and all the profits or incomes or losses or expenditure accruing or arising or incurred by the First Transferor Company and Second Transferor Company shall, for all purposes, be treated as the profits or incomes or expenditure or losses of the Transferee Company;

8.3 Hereby undertake to carry on their respective businesses until the Effective Date with reasonable diligence, utmost prudence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with the said Undertakings or any part thereof except in the ordinary course of the First Transferor Company and Second Transferor Company's business;

8.4 Shall not, without the written consent of the Transferee Company, undertake any new business.

8.5 Shall not vary the terms and conditions of the employment of their employees except in the ordinary course of business.

8.6 Pay all statutory dues relating to their respective Undertakings for and on account of the Transferee Company.

8.7 The First Transferor Company and Second Transferor Company shall not make any change in its capital structure (paid up capital) other than changes pursuant to commitments, obligations or arrangements subsisting prior to the Appointed Date either by any increase, (by a fresh issue of right shares, convertible debentures or otherwise) or by any decrease, reduction, reclassification, sub division or consolidation, reorganization or in any other manner which may in any manner affect the Share Exchange Ratio prescribed in Clause 9.1 except by mutual consent of the Board of Directors of the First Transferor Company and Second Transferor Company and Transferee Company.

8.8 The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and other related agencies, departments and other authorities concerned as are necessary under any law for such consents, licenses, permissions, approvals and sanctions which the Transferee

Company may require to own and operate the businesses of the First Transferor Company and Second Transferor Company.

9. ISSUE OF SHARES BY THE TRANSFEREE COMPANY

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

*"1904 (One Thousand Nine Hundred and Four only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in PAYNX" ("**Share Exchange Ratio**")*

*"502 (Five Hundred and Two only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in QWSPL" ("**Share Exchange Ratio**")*

9.2 If necessary, the Transferee Company shall, before allotment as aforesaid of the Equity Shares in terms of the Scheme, increase its Authorized Capital by the creation of at least such number of Equity Shares of Rs. 10/- each as may be necessary to satisfy its obligations under the Scheme.

9.3 Pursuant to Issuance and allotment of the Amalgamation consideration shares, in case any equity shareholders of the transferor Companies becomes entitled to a fraction of an equity share of the transferee Company, the transferee Company shall not issue fractional shares to such member but shall consolidate such fractions and issue consolidated shares to a trustee nominated by the transferee company in that behalf, who shall sell such shares and

distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.

9.4 The said new Equity Shares of the Transferee Company to be allotted to the Shareholders of the First Transferor Company and Second Transferor Company shall be fully paid up Shares and shall rank for dividend, voting rights and in all other respects pari passu with the existing Equity Shares in the Transferee Company except that they shall not be eligible for any dividend paid or declared by the Transferee Company prior to the Effective Date.

9.5 Upon such issue and allotment of Shares, the Shareholders of the First Transferor Company and Second Transferor Company shall surrender the Share Certificates of the First Transferor Company and Second Transferor Company held by them to the Transferee Company for exchange thereof. In the default, i.e. Non-compliance with the requirement of aforesaid surrender of the Share Certificates and upon allotment of the new Shares in the Transferee Company, the Share Certificates in relation to the Shares held by the Shareholders in the First Transferor Company and Second Transferor Company shall be deemed to have been cancelled.

9.6 The Transferee Company shall apply for listing of its Equity Shares issued in terms of Clause 9.1 above with the respective Stock Exchanges in terms of and in compliance of the SEBI Circular. The Equity Shares issued by the Transferee Company in terms of Clause 9.1 above, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the Stock Exchanges.

9.7 The issue and allotment of Equity Shares in the Transferee Company to the members of the First Transferor Company and Second Transferor Company as provided in the Scheme shall be deemed to have been carried out under the provisions of the Act and in accordance with law.

10.PROFITS, DIVIDENDS, BONUS/ RIGHTS SHARES

10.1 With effect from the Appointed Date, the First Transferor Company and Second Transferor Company shall not without the prior written consent of the Transferee Company, utilize the profits, if any, for declaring or paying of any

dividend to its Shareholders and shall also not utilize, adjust or claim adjustment of profits/reserves as the case may be earned/ incurred or suffered after the Appointed Date.

10.2 The First Transferor Company and Second Transferor Company shall not after the Appointed Date, issue or allot any further Securities, by way of rights or bonus or otherwise without the prior written consent of the Board of Directors of the Transferee Company.

11. ACCOUNTING TREATMENT

11.1 Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee Company shall give effect to the accounting treatment in the books of accounts in accordance with the Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Appointed Date.

11.2 Accordingly, the First Transferor Company, Second Transferor Company and Transferee Company, being entities under common control, the accounting would be done at First Transferor Company and Second Transferor Company's carrying amounts as on the Appointed Date for all the assets and liabilities acquired by the Transferee Company of the First Transferor Company and Second Transferor Company by applying the principles as set out in Appendix C of IND AS 103 'Business Combinations' and inter-company balances and inter-company investments, if any, between Transferor Company and Transferee Company shall stand cancelled.

11.3 Additionally, the Transferee Company shall pass such accounting entries which are necessary in connection with the Scheme to comply with the other applicable Accounting Standards such as Ind AS 8, Ind AS 10, Ind AS 102, etc.

11.4 In respect of accounting for subsequent events, the Transferee Company shall solely follow the requirements of Ind AS 10 - 'Events after the Reporting Period' in order to give effect to the scheme. Accordingly, if the approval of NCLT for the Scheme of Merger is received after the balance sheet date but before the approval of the Financial Statements for issue by the Board of Directors, it shall be treated as an adjusting event under Ind AS 10 – 'Events

after the Reporting Period' and shall be given effect to in the Financial Statements with effect from the Appointed Date.

11.5 Loans and advances and other dues outstanding between Transferee Company and First Transferor Company and Second Transferor Company will stand cancelled and there shall be no further obligation/outstanding in that behalf. Any cancellation of Shares shall not be deemed to be Reduction of Capital for the purposes of the Act and there for no separate compliances would be necessary.

11.6 In case of any difference in Accounting Policy between the First Transferor Company, Second Transferor Company and the Transferee Company, the impact of the same till the Amalgamation will be quantified and adjusted with the corresponding balance appearing in the Financial Statement of the Transferee Company, thereby reflecting the financial position on the basis of consistency in the Accounting Policy.

11.7 Notwithstanding the above, the Board of Directors of the Transferee Company in consultation with its Auditors, is authorized to account any of these balances in any manner whatsoever as may be deemed fit.

12.COMBINATION OF AUTHORISED CAPITAL

12.1 Upon sanction of this Scheme, the Authorised Share Capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including therein the payment of stamp duty and fees payable to Registrar of Companies, by the Authorised Share Capital of the First Transferor Company and Second Transferor Company aggregating to Rs. 7,00,000 (Rupees Seven Lakhs Only) comprising of 70,000 (Seventy Thousand) Equity Shares of Rs.10/- each which would be further re-classified into 70,000 (Seventy Thousand) Equity Shares of Rs. 10/- each and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Sections 13, 14, 62 and 230 to 232 and applicable provisions of the Act, 2013, as the case may be and for this purpose the Stamp Duties and the fees paid on the Authorised Capital of the First Transferor

Company and Second Transferor Company shall be utilized and applied to the above referred increased Authorised Share Capital of the Transferee Company and no payment of any extra Stamp Duty and/or fee shall be payable by the Transferee Company for increase in its Authorised Share Capital to that extent.

12.2 Consequent upon the Amalgamation, the Authorised Share Capital of the Transferee Company will be as under:

Authorized Share Capital	Amount in Rs.
3,50,70,000 Equity Shares of Rs. 10/- each	35,07,00,000
Total	**35,07,00,000**

Event subsequent to the Valuation Date: We have been informed by the Management of VAT. that the Authorized Share Capital of VAT. has increased to 5,00,00,000 Shares of Rs. 10 each. So, the subsequently the Authorized Share Capital of the Transferee Company will be 50,07,00,000/-

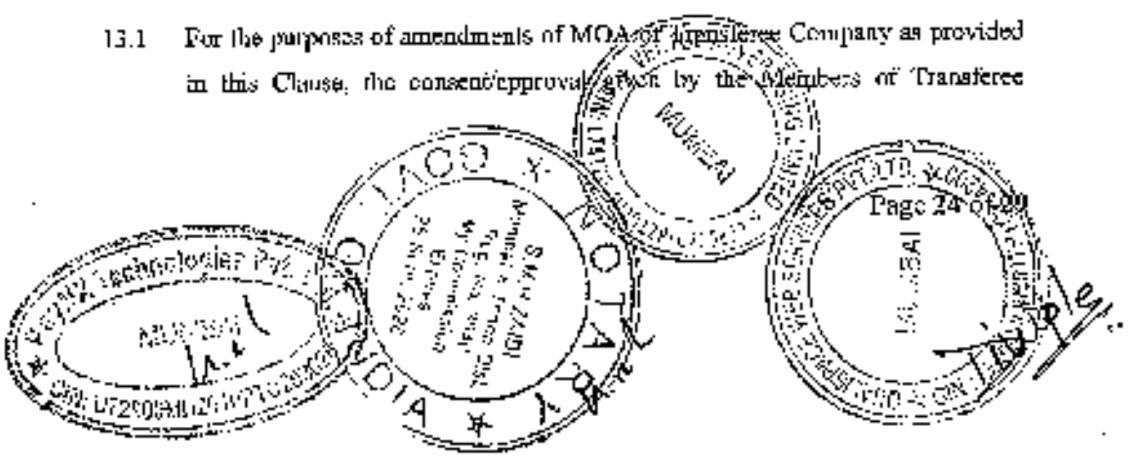
It is clarified that the approval of the Members of the Transferee Company to the Scheme shall be deemed to be their consent / approval also to the alteration of the Memorandum and Articles of Association of the Transferee Company as may be required under the Act.

12.3 Clause V of the Memorandum of Association of the Transferee Company relating to the Authorized Share Capital shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 14, 62 and provisions of Section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act, as the case may be and be amended accordingly.

12.4 Upon coming into effect of this Scheme, the Transferee Company shall file necessary application of the revised Authorized Share Capital along with the prescribed fees due on the revised Authorized Share Capital with the Registrar of Companies, in accordance with law.

13.CHANGE IN OBJECTS CLAUSE OF TRANSFEREE COMPANY

13.1 For the purposes of amendments of MOA of Transferee Company as provided in this Clause, the consent/approval given by the Members of Transferee



Company pursuant to Section 232 of the Act and any other applicable provisions of the Act shall be deemed to be sufficient and no further resolutions of the Members of the Transferee Company as required under the provisions of Sections 13 and 14 of the Act and other applicable provisions of the Act shall be required to be passed for making such change/amendments in the MOA of the Transferee Company and filing of certified copy of the Scheme as sanctioned by the Tribunal, in terms of Section 230 to 232 of the Act, and any other applicable provisions of the Act, together with the Order of the Tribunal, and a printed copy of the MOA for the purposes of Sections 13 and 14 of the Act and all other applicable provisions of the Act and the concerned Registrar of Companies (ROC) shall register the same and make the necessary alterations in the MOA of the Transferee Company and shall certify the registration thereof in accordance with the provisions of Sections 13 and 14 of the Act and all other applicable provisions of the Act.

13.2 Under the accepted principle of Single Window Clearance, it is hereby provided that the above referred amendment in the Memorandum and Articles of Association of the Transferee Company, viz. Change in the Capital Clause as mentioned in Clause 12 above and Change in Object Clause shall become operative on the Scheme being effective by virtue of the fact that the Shareholders of the Transferee Company, while approving the scheme as a whole, have also resolved and accorded the relevant consents as required respectively under Sections 13,14, 62 and 64 of the Act and any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act, nor any additional fees (including fees and charges to the relevant Registrar of Companies) or Stamp Duty, shall be payable by the Transferee Company.

14. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the First Transferor Company and Second Transferor Company shall stand dissolved without winding-up without any further act or deed.

PART III – GENERAL CLAUSES, TERMS AND CONDITIONS APPLICABLE TO THE SCHEME.

15.APPLICATIONS TO THE TRIBUNAL

The First Transferor Company, Second Transferor Company and the Transferee Company herein shall, with all reasonable dispatch, make applications under the applicable provisions of the Act to the National Company Law Tribunal (Tribunal) for sanctioning the Scheme and for dissolution of the First Transferor Company and Second Transferor Company without being wound up, and apply for and obtain such other approvals, if any, required under the law.

16.MODIFICATIONS/AMENDMENTS TO THE SCHEME

16.1 The First Transferor Company and Second Transferor Company (by its Directors) and the Transferee Company (by its Directors) may assent to any modifications or amendments to the Scheme or agree to any terms and/or conditions which the Tribunal and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect. All amendments/modification to the Scheme shall be subject to the approval of Tribunal.

16.2 For the purpose of giving effect to the Scheme or to any modification thereof, the Directors of the Transferee Company are hereby authorised to give such directions and/or to be take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

17.SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

The effectiveness of the Scheme is conditional upon and subject to:

17.1 The requisite sanction or approval from Securities and Exchange Board of India, NSE, Registrar of Companies, Regional Director, Official Liquidator as may be applicable or as may be directed by the Tribunal.

17.2 The Scheme is conditional upon Scheme being approved by the Public Shareholders through E-voting in terms of Para (A)(10)(h) of Part-I of SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020 and the Scheme shall be acted upon only if vote cast by the Public Shareholders in favour of the proposal are more than the number of votes cast by the Public Shareholders against it".

17.3 The approval to the Scheme by the requisite majorities of the Creditors of the First Transferor Company and Second Transferor Company and of the Shareholders of the Transferee Company.

17.4 The requisite Resolution(s) under the applicable provisions of the said Act being passed by the Shareholders of the Transferee Company for any of the matters provided for or relating to the Scheme, as may be necessary or desirable, including approval to the issue and allotment of Equity Shares in the Transferee Company to the members of the First Transferor Company and Second Transferor Company.

17.5 The sanction of the National Company Law Tribunal (Tribunal) under the applicable provisions of the Act, in favour of the First Transferor Company and Second Transferor Company and the Transferee Company and to the necessary Order or Orders under the said Act being obtained.

17.6 On the approval of this Scheme by the Members and Shareholders of the First Transferor Company, Second Transferor Company and the Transferee Company, if required, such Shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the merger set out in this Scheme, related matters and this Scheme itself.

17.7 Any other sanction or approval of the appropriate Authorities concerned, as may be considered necessary and appropriate by the respective Board of Directors of the First Transferor Company and Second Transferor Company

and the Transferee Company being obtained and granted in respect of any of the matters for which such sanction or approval is required.

17.8 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

18. EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS

In the event of any approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot be implemented, the Boards of Directors of the Transferee Company and the First Transferor Company and Second Transferor Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme not being sanctioned by the Tribunal, the Scheme shall become null and void and each Party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

19. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges, taxes including duties, levies and all other expenses of the First Transferor Company, Second Transferor Company and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and implementing/completing the terms and provisions of the Scheme and/or incidental to the completion of Amalgamation of the said Undertakings of the First Transferor Company and Second Transferor Company in pursuance of the Scheme shall be borne and paid solely by the Transferee Company.

20. SAVING OF CONCLUDED TRANSACTIONS

The transfer of undertaking under Clause 3 above and the continuance of Proceedings by or against the First Transferor Company and Second Transferor Company above shall not affect any transaction or Proceedings already concluded by the First Transferor Company and Second Transferor Company on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and

adopts all acts, deeds and things done and executed by the First Transferor Company and Second Transferor Company in respect thereto as done and executed on behalf of itself.

21. MISCELLENOUS PROVISIONS

21.1 The Scheme, although operative from the Appointed Date, shall take effect from the effective date i.e. the date of filing of the certified copy of the Order (s) received from the Hon'ble Tribunal, Mumbai Bench with the Registrar of Companies, Maharashtra upon sanction of the Scheme by the Hon'ble Tribunal, Mumbai Bench.

21.2 Till the event of this Scheme being effective, First Transferor Company, Second Transferor Company and Transferee Company, shall continue to hold their Annual General Meeting and other Meetings in accordance with the relevant laws and shall continue to comply with all their statutory obligations in the same manner, as if this Scheme does not exist.

Annexure- B

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-IV

CA (CAA)/169/MB-IV/2023

In the matter of the Companies Act, 2013;

AND

In the matter of

Sections 230 to Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013

read with Companies (Compromises, Arrangements and Amalgamation) Rules, 2016;

AND

In the matter of
The Scheme of Merger by Absorption of

Paynx Technologies Private Limited
("First Applicant Company")

And

Qualispace Web Services Private Limited

With

Vertoz Advertising Limited
("Third Applicant Company")

And their respective Shareholders.

Paynx Technologies Private Limited
[CIN: U72900MH2010PTC203628] ... First Applicant Company / Transferor Company

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-IV

CA (CAA)/169/MB-IV/2023

Qualispace Web Services Private Limited
[CIN: U93000MH2017PTC294200] ... Second Applicant Company/ Transferor Company

Vertoz Advertising Limited
[CIN: L74120MH2012PLC226823] ... Third Applicant Company/ Transferee Company

Order delivered on **10.08.2023**

Coram:

Mr. Prabhat Kumar
Hon'ble Member (Technical)

Mr. Kishore Vemulapalli
Hon'ble Member (Judicial)

Appearances (through video conferencing) :

For the Applicant(s) : Mr. Ajit Singh Tawar i/b Ajit Singh Tawar & Co., Advocates for Applicant Companies.

ORDER

Per: Kishore Vemulapalli, Member (Judicial)

1. The Counsel for the Applicant Companies submits that the present Scheme is a Scheme of Merger by Absorption of Paynx Technologies Private Limited ("First Applicant Company" or "First Transferor Company") and Qualispace Web Services Private Limited ("Second Applicant Company" or "Second Transferor Company") with Vertoz Advertising Limited ("Third Applicant Company" or "Transferee Company") and their respective Shareholders (the "Scheme") under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

2. The Counsel for the Applicant Companies further submits that the First Applicant Company is duly engaged in business of Digital Advertising and PaaS & IT-enabled Services

through its Subsidiaries. It has incorporated various Subsidiaries, which has deep domain expertise in multiple industry verticals and has a complete Portfolio of offerings – Starting from Internet Identity Registration to Digital Marketing & Advertising to Publishing solutions to Advertising Platform as a Service (PaaS). The Second Applicant Company is engaged in the business of development of Domain Name and Cloud Hosting Services. It also provides Services like Email Services, Cloud Servers, SSL Certificates, Backup and Security Services along with other Managed Services. QualiSpace helps the Business to establish their identity on the internet through their Domain Name and IT Infrastructure through its Cloud Services. QualiSpace also works with Independent Software Vendors as their Infrastructure Services Partners through its IaaS - (Infrastructure as a Service) Cloud. The Third Applicant Company or "VERTOZ" is MADTech (Marketing, Advertising & Deep Technology) Group, helping Digital Marketers, Advertising Agencies and Digital Media engaged in 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.

3. The Counsel for the Applicant Companies submits that the Board of Directors of the Applicant Companies in their

respective meetings held on 24th June, 2022 have approved the proposed Scheme.

4. The Appointed Date mentioned in the Scheme is 1st April 2022. The Appointed date is ante dated because the Third Applicant Company has sought the approval of the National Stock Exchange of India Limited and the said approval was received on January 11, 2023, further the applicant companies were in process to get the consents from the Equity Shareholders and Creditors of applicant companies and therefore, the Applicant Companies have filed the Scheme on June 29, 2023 and that the said Appointed Date is not against Public Interest.

5. The Authorised, Issued, Subscribed and Paid-up Share Capital of the Applicant Companies is as under:

5.1 The Authorised Share Capital of the First Applicant Company as on 31st March, 2023 is Rs. 6,00,000/- divided into 60,000 Equity Shares of Rs.10/- each. The Issued, subscribed and paid up Share Capital of the First Applicant Company as on 31st March, 2023 is Rs. 1,00,000/- divided into 10,000 Equity Shares of Rs. 10/- each.

5.2 The Authorised Share Capital of the Second Applicant Company as on 31st March, 2023 is Rs. 1,00,000/- divided into 10,000 Equity Shares of Rs. 10/- each. The Issued, subscribed and paid up Share Capital of the Second Applicant Company as on 31st March, 2023 is Rs. 1,00,000 /- divided into 10,000 Equity Shares of Rs. 10/- each.

5.3 The Authorised Share Capital of the Third Applicant Company as on 31st March, 2023 is Rs. 50,00,00,000/- divided into 5,00,00,000 Equity Shares of Rs. 10/- each. The Issued, subscribed and paid up Share Capital of the Second Applicant Company as on 31st March, 2023 is Rs. 11,97,00,000/- divided into 1,19,70,000 Equity Shares of Rs. 10/- each

6. The rationale for the Scheme is as follows:

a. The Amalgamation will enable the Transferee Company to consolidate the businesses and lead to synergies in operation and create a stronger financial base.

b. It would be advantageous to combine the activities and operations of both the Companies into a single Company driving sharper focus for smooth and efficient Management. This will be reflected in the profitability of the Transferee Company.

c. This Scheme of Amalgamation would result in Merger in the nature of Pooling of Interest as per Appendix C of the Indian Accounting Standard 103 on Business Combinations and thus on consolidation of business of the First Transferor Company and Second Transferor Company with Transferee Company, all the Shareholders of the merged entity will be benefited by result of the amalgamation of Business and availability of a common operating platform.

d. The Amalgamation of the First Transferor Company, Second Transferor Company with the Transferee

Company will also provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, the merger will enable optimal utilization of existing resources and provide an opportunity to fully leverage strong assets, capabilities, experience and expertise of all the Companies. The merged entity will also have sufficient funds required for meeting its long-term capital needs as provided for in the scheme.

e. The Scheme of amalgamation will result in cost saving for all the Companies as they are capitalizing on each other's core competency and resources which are expected to result in stability of operations, cost savings and higher profitability levels for the Transferee Company.

f. The consolidation of PayNX with VAL will also result in:

i. PTPL brings 12 Direct and Indirect Entities together to the Vertoz Group. PTPL is one of the large Networks of the Companies in the Marketing, Advertising, Publishing, Infrastructure - IaaS, AdTech and PaaS business.

ii. PTPL Business offers great backward and forward integration between all the PTPL Entities and Vertoz Group all areas of respective business.

iii. Vokut Business of PTPL brings a huge volume of Digital Properties in the Vertoz's Umbrella. This will allow Vertoz to distribute some part of the Clients

spends internally on Owned Properties and will greatly increase the bottom line of the combined entities.

iv. With this merger it brings great visibility in the First Party data of the audience and will greatly help Vertoz to procure additional budgets from its existing Agencies and Brands as the Third Party Cookies going away will bring great value to Vertoz with possession of First Party audience data.

v. Most of the Entities of PTPL also own the multiple Owned and Operated (O&O) Digital Properties which will also bring the similar benefits of the Vokut bringing to the Vertoz business as explained above.

vi. The Business of Contextual Advertising, OpenRTB, Text Ads, Video Traffic of PTPL entities brings great value to Vertoz's AdMozart Marketplace business. The cumulative volume of the merged business of Existing Vertoz Group and PTPL Business will be a record-breaking volume in the entire industry of the Digital Advertising Marketplace under one roof, this will create the dominant position in the Industry.

vii. PTPL's OwnRegistrar and US Based QualiSpace business will bring great value to QWSPL - the Parallel Entity which is also getting merged in this Scheme.

viii. OwnRegistrar is an ICANN Accredited Domain Registrar which will bring the additional recogni

in the Digital Space to Vertoz Group.

ix. The Network of the OwnRegistrar Domain Resellers can be monetized very well with the help of MADTech Services of Vertoz Group. Most of these Domain Resellers own and operate the Advertising Agency business and Vertoz's Services can be easily sold to them. Similarly, most of the Agency and Brand Clients of Vertoz can be cross sold with the Services of OwnRegistrar and QualiSpace.

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

g. The consolidation of QWSPL with VAL will also result in:

i. Rationalization of number of identified operating entities thereby reducing the legal and regulatory compliances.

ii. The Services of Vertoz and QWSPL can easily Cross Sell across its customer base of both the entities like Customer of Vertoz are the Digital Agencies and they majorly buy the Services offered by QWSPL and similarly QWSPL Customers' needs Marketing, Advertising & Monetization Services. Through this Merger, the sales team of both the entities can cross

sell the Products and Services.

iii. QWSPL brings the expertise of IT Infrastructure internal to the Vertoz Group and helps to reduce its current operational expenses and also creates an edge over its Competitors. Current Vertoz Capabilities is to build the Technology and Platforms for the Marketing and Advertising and whereas QWSPL capabilities are to build and operate.

iv. Conglomerates like Google (GCP) / Amazon (AWS) have built the Infrastructure Expertise to complement its core Digital Advertising Business. Similarly, Vertoz will enjoy the benefits of the Infrastructure Expertise of QWSPL. The other benefits are like 24X7X365 Operations of QWSPL helps Vertoz MADTech infrastructure Uptime, Large Scale Networking capabilities of QWSPL helps Vertoz to setup and maintain global infrastructure of Vertoz MADTech Platforms.

v. Merger of QWSPL and Vertoz brings the backward and forward integration for both entities in terms of value chain. QWSPL can lean on Vertoz capabilities of Marketing and Advertising at a scale. Similarly, Vertoz can offer QWSPL Services to its Brands, Agencies and Publishers' Clients easily.

7. The Counsel for the Applicant Companies state that as per the valuation report of the M/s. Vishal Rahulkumar Laher, Chartered Accountants, Registered Valuer

(IBBI/RV/05/2019/11283), the consideration proposed is as under:

"1904 (One Thousand Nine Hundred and Four only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in PAYNX" ("Share Exchange Ratio")

"502 (Five Hundred and Two only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in QWSPL" ("Share Exchange Ratio")

8. That there are 58 (Fifty-Eight) Equity Shareholders in the First Applicant Company. The entire Equity Shareholders constituting 100% of the entire Equity Share Capital of the First Applicant Company have given their consent in writing to the proposed Scheme. In view of the consent affidavits filed by the 58 Equity Shareholders (constituting 100% of the entire Equity Share Capital) of the First Applicant Company, the meetings of the Equity Shareholders of the First Applicant Company, for the purpose of considering and, if thought fit, approving the proposed Scheme with or without modification(s) are hereby dispensed with.

9. That there is no Secured Creditor, as on 31st March, 2023, in the First Applicant Company as per certificate dated 13th June, 2023 issued by Messrs. ADV & Associates, Statutory Auditors of the First Applicant Company.

10. that there 12 (Twelve) Unsecured Creditors in the First Applicant Company, the aggregate debt value of such Unsecured Creditors being Rs. 10,21,69,663.32/- (Rupees Ten Crores Twenty-One Lakhs Sixty Nine Thousand Six Hundred and Sixty Three and Thirty Two Paise only) as on 31st day of March, 2023. List of Unsecured Creditors of the First Applicant Company certified by the Statutory Auditor vide certificate dated 13th June, 2023 as issued by Messrs ADV & Associates is annexed to the Company Scheme Application. Further, since the present Scheme is an arrangement between the Applicant Companies and their Shareholders as contemplated in Section 230(1)(b) and not in accordance with the provisions of Section 230(1)(a) of the Companies Act, 2013, as there is no compromise or arrangement with Creditors and it does not affect the rights and interests of the Creditors of the First Applicant Company. Further there is no diminution of liability of any of the Creditors of the First Applicant Company who will be paid off in the ordinary course of business. In addition to this, the Third Applicant Company, which is also an Unsecured Creditor of the First Applicant Company, having an outstanding debt amount of Rs. 9,90,61,028.29/- (Rupees Nine Crores Ninety Lakhs Sixty One Thousand Twenty Eight and Twenty Nine Paise only), constituting 96.96% of aggregate value of Unsecured Creditors has given its consent to the Proposed Scheme by way of consent affidavit annexed to the Company Scheme Application. In view of this, the meeting of Unsecured Creditors of the First Applicant Company is hereby dispensed with.

11. That there is no Secured Creditor, as on 31th March, 2023, in the Second Applicant Company, as per the certificate dated 12th June, 2023 as issued by Messrs. Nakrani & Company, Statutory Auditors of the Second Applicant Company.

12. That there are 20 (Twenty) Unsecured Creditors in the Second Applicant Company, the aggregate debt value of such Unsecured Creditors being Rs.3,45,05,329.63/- (Rupees Three Crore Forty Five Lakhs Five Thousand Three Hundred and Twenty Nine and Sixty Three Paisa only) as on 31st day of March, 2023. List of Unsecured Creditors of the First Applicant Company certified by the Statutory Auditor vide certificate dated 12th June, 2023 as issued by Messrs Nakrani & Company is annexed to the Company Scheme Application. Further, since the present Scheme is an arrangement between the Applicant Companies and their Shareholders as contemplated in Section 230(1)(b) and not in accordance with the provisions of Section 230(1)(a) of the Companies Act, 2013, as there is no compromise or arrangement with Creditors and it does not affect the rights and interests of the Creditors of the First Applicant Company. Further there is no diminution of liability of any of the Creditors of the First Applicant Company who will be paid off in the ordinary course of business. In addition to this, the unsecured creditors, having an outstanding debt amount of Rs. 3,23,55,555.84/- (Rupees Three Crores Twenty-Three Lakhs Fifty Five Thousand Five hundred Fifty Five and Eighty Four paisa only), constituting 93.77% of aggregate value of unsecured creditors has given its consent to the Proposed Scheme by way of consent affidavit annexed to the Company

Scheme Application. In view of this, the meeting of Unsecured Creditors of the Second Applicant Company is hereby dispensed with.

13. The Counsel for the Applicant Companies states that the Equity Share Capital of the Third Applicant Company is listed on National Stock Exchange of India Ltd. accordingly its Equity Shares are (widely and publicly) traded on nation-wide terminals. A Certificate dated 14th June, 2023 issued by Messrs Mittal & Associates, Statutory Auditors verifying Shareholding Pattern of the Third Applicant Company as on 31st March, 2023 is annexed to the Company Scheme Application. Accordingly, the meeting of the Equity Shareholders of the Third Applicant Company be convened and held through Video Conferencing or Other Audio-Visual Means (VC/OAVM) for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme.

13.1 The Third Applicant Company is directed to:

i. Issue Notice convening meeting(s) of the shareholders of the Third Applicant Company in Form No. CAA.2 as per Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

ii. Issue Statement containing all the particulars as per Section 230(3) of the Companies Act, 2013;

iii. Advertise the Notice convening meeting(s) in Form No. CAA.2 as per Rule 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

13.2 That at least one month before the said meeting of the Equity shareholders of the Third Applicant Company to be held as aforesaid, a notice convening the said meeting at the place, day, date and time as aforesaid, together with a copy of the Scheme, a copy of statement disclosing all material facts as required under Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rule, 2016, shall be sent by Courier / Registered Post / Hand Delivery / Speed Post or through Email (to those shareholders whose email addresses are duly registered with the Third Applicant Company for the purpose of receiving such notices by email), addressed to each of the Shareholders of the Third Applicant Company, at their last known address or email addresses as per the records of the Third Applicant Company, as on cut-off date determined by the Board of Directors of the Third Applicant Company. The notice of the aforesaid meeting of the Third Applicant Company shall be advertised in Form No. CAA.2 as per Rule 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in two newspapers viz. "Business standard" in English and translation thereof in "Navshakti" in Marathi, both circulated in State of Maharashtra not less than one month before the date fixed for the meeting. The Third Applicant Company shall host the notices of meeting as directed herein, on its website.

13.3 The Chairman of the Audit Committee of the Third Applicant Company shall be the Chairman of the meeting of the Equity Shareholders of the Third Applicant Company

to be held as aforesaid or any adjournments thereof. The Chairman for the aforesaid meeting shall be paid such amount for the services rendered as may be decided by the Board of Directors of the Third Applicant Company.

13.4 The Scrutinizer for the aforesaid meeting of Equity shareholders shall be Mr. Omkar Dindorkar, Practicing Company secretaries, partner in MMJB and Associates LLP having mobile number: 8097092404 & email omkardindorkar@mmjc.in with a remuneration as may be decided by the Board of Directors of the Third Applicant Company, for the services rendered.

13.5 The Chairman appointed for the aforesaid meeting to issue the advertisement and send out the notices of the meeting referred to above. The said Chairman of the meeting shall have all powers as per Articles of Association and also under the Companies Act, 2013 in relation to the conduct of the meeting, including for deciding procedural questions that may arise at the aforesaid meeting or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person(s).

13.6 The quorum of the aforesaid meeting of Equity Shareholders of the Third Applicant Company shall be as prescribed under Section 103 of the Companies Act, 2013, present either in person or by authorized representative. If the quorum is not present within half an hour from the time appointed for the holding of the meeting, the members present shall be the quorum and the meeting shall be held.

13.7 The voting by authorized representative in case of body corporate be permitted, provided that authorization duly signed by the person entitled to attend and vote at the meeting, is filed with the Third Applicant Company at the Registered Office not later than 48 hours before the aforesaid meeting.

13.8 The value and number of the shares of each shareholder of the Third Applicant Company shall be in accordance with the books/register of the Third Applicant Company and where the entries in the books/register are disputed, the Chairman of the meeting shall determine the value for the purpose of the aforesaid meeting and his decision in that behalf would be final.

13.9 The Chairman of the meeting of the Third Applicant Company to report to this Tribunal, the results of the aforesaid meeting within 30 (thirty) days of the conclusion of the meeting and the said report shall be verified by his Affidavit.

14 There is 1 (One) Secured Creditor amounting to 7,89,40,585.13/- (Rupees Seven Crores Eighty Nine Lakhs Forty Thousand Five Hundred and Eighty Five and Thirteen Paisa Only), as on 31st day of March, 2023, in the Third Applicant Company as certified by Messrs Mittal & Associates, the Statutory Auditor of Third Applicant Company vide certificate dated 14th June, 2023. Further, since the present Scheme is an arrangement between the Applicant Companies and their shareholders contemplated in Section 230(1)(b) and not in accordance with

the provisions of Section 230(1)(a) of the Companies Act, 2013, as there is no compromise of arrangement with Creditors and it does not affect the rights and interests of the Creditors of the Third Applicant Company. Further there is no diminution of liability of any of the Creditors of the Third Applicant Company who will be paid off in the ordinary course of business. In addition to this, the Secured Creditor, having an outstanding debt amount of 7,89,40,585.13/- (Rupees Seven Crores Eighty Nine Lakhs Forty Thousand Five Hundred and Eighty Five and Thirteen Paisa Only), constituting 100% of aggregate value of secured creditors has given its consent in the form of NOC to the Proposed Scheme annexed to the Company Scheme Application. In view of this, the meeting of the Secured Creditors of the Third Applicant Company is hereby dispensed with. However, the Third Applicant Company is hereby directed to issue notice to its Secured Creditors with the direction that they may submit their representation, if any, to the Tribunal and copies of such representation shall simultaneously be served upon the Third Applicant Company. The notice be sent by Registered Post AD/Speed Post/Email (to those Secured Creditors whose email addresses are duly registered with the Second Applicant Company for the purpose of receiving such notices by email) as may be feasible. It shall be the responsibility of the Third Applicant Company to ensure that the Creditors as indicated above are put on notice regarding the Scheme, so that they may take an informed decision thereon.

15 That there are 48 (Forty-Eight) Unsecured Creditors amounting to Rs. 8,99,46,031.80 /- (Rupees Eight Crores

Ninety Nine Lakhs Forty Six Thousand and Thirty- One and Eighty Paisa only), as on 31th Day of March, 2023, in the Third Applicant Company as certified by Messrs Mittal & Associates, the Statutory Auditor, vide certificate dated 14th June, 2023. It is submitted that so far as Unsecured Creditors of the Third Applicant Company is concerned, they will not be affected by the proposed Scheme as the present Scheme is an arrangement between the Applicant Companies and its shareholders as contemplated in Section 230(1)(b) and not in accordance with the provisions of Section 230(1)(a) of the Companies Act, 2013, as there is no compromise or arrangement with any of the Unsecured Creditors. Further, post- merger, the creditors of Third Applicant Company are not likely to be affected by the Scheme being approved as the net worth of transferee Company is highly positive and assets of the Transferee Company are more than sufficient to discharge the liabilities. In view of the fact that there is no compromise or arrangement with the Unsecured Creditors, the meeting of Unsecured Creditors of the Third Applicant Company for the purpose of considering and, if thought fit, approving the proposed Scheme with or without modification(s) is hereby dispensed with. The Third Applicant Company undertakes to serve notice of application to all its Unsecured Creditors by Registered Post-AD/ Speed Post/ Hand Delivery /email (to those creditors whose email addresses are duly registered with the Third Applicant Company for the purpose of receiving such notices by email), with instructions that they may submit their representation, if any to the Tribunal within a period of 30 days from the date of receipt of such notice, and copy of such representation

shall simultaneously be served upon the Third Applicant Company. The Notice shall state that "If no representation/response is received by the Tribunal from Unsecured Creditor(s), within a period of thirty days from the date of receipt of such notice, it will be presumed that Unsecured Creditor(s) has no representation/ objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016". The Notice shall state that "*If no representation/ response is received by the Tribunal from Unsecured Creditor, within a period of thirty days from the date of receipt of such notice, it will be presumed that Unsecured Creditor has no representation/ objection to the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016*".

16 That the Applicant Companies are directed to serve notices along with copy of Scheme under the provisions of Section 230 (5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 upon the-

a. Central Government through the office of Regional Director, Western Region, Mumbai;

b. Jurisdictional Registrar of Companies;

c. Jurisdictional Income Tax Authority within whose jurisdiction; the Applicant Company's assessment are made; and the Nodal Authority in the Income Tax Department having jurisdiction over such authority i.e. Pr. CCIT, Mumbai, Address:- 3rd Floor, Aayakar Bhawan,

Mahrishi Karve Road, Mumbai – 400 020, Phone No. 022-22017654 [E-mail: Mumbai.pccit@incometax.gov.in];

d. Jurisdictional GST Authority(s) (proper officer), within whose jurisdiction such companies are assessed to tax under GST law;

e. National Stock Exchange of India Limited in case of Third Applicant Company;

f. Securities and Exchange Board of India (SEBI) in case of Third Applicant Company;

g. Ministry of Corporate Affairs; and

h. Any other Sectoral/ Regulatory Authorities relevant to the Petitioner Companies or their business.

The Transferor Companies are also directed to serve the Copy of Scheme upon the Official Liquidator, pursuant to section 230(5) of the Companies Act, 2013 and as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

17 The Notice shall be served through by Registered Post-AD/ Speed Post/ Hand Delivery and email along with copy of Scheme and state that "*If no response is received by the Tribunal from the concerned Authorities within 30 days of the date of receipt of the notice it will be presumed that the concerned Authorities has no objection to the proposed Scheme*". It is clarified that notice service through courier shall be taken on record only in cases where it is supported with Proof of Delivery having acknowledgement of the notices.

18 The Applicant Companies will submit –

i. Details of Corporate Guarantee, Performance Guarantee and Other Contingent Liabilities, if any.

ii. List of pending IBC cases, if any, along with all other litigation pending against the Applicant Companies having material impact on the proposed Scheme.

iii. The Applicant Companies shall submit details of all Letters of Credit sanctioned and utilized as well as Margin Money details; if any

19 The Chairman appointed for the meeting shall file a Compliance Report not less than 7 (seven) days before the date fixed for the holding of meeting(s) of Equity Shareholders of the Third Applicant Company and do report to this Tribunal that the direction regarding the issue of notices and the advertisement have been duly complied with as per Rule 12 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016.

20 The Applicant Companies to file Affidavits of Service, with the Registry proving service upon the regulatory authorities as stated above, and report to this Tribunal that the directions have been duly complied with.

Sd/-
Prabhat Kumar
Member (Technical)

Sd/-
Kishore Vemulapalli
Member(Judicial)

/Dubey/

Certified True Copy
Copy Issued "free of cost"
On 24.8.2023

Deputy Registrar 24.8.2023
National Company Law Tribunal Mumbai Bench
(D-12407) 24/8/23

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH

COURT – IV

10. **CA-352/2023 in C.A.(CAA)/169(MB)/2023**

CORAM:

SHRI PRABHAT KUMAR
MEMBER (Technical)

SHRI KISHORE VEMULAPALLI
MEMBER (Judicial)

ORDER SHEET OF THE HEARING HELD ON **18.08.2023**

NAME OF THE PARTIES: Vertoz Advertising Limited

SECTION: 230-232, 234 OF THE COMPANIES ACT, 2013. Rule 11 of NCLT.

ORDER

1. Mr. Ajit Singh Tawar, Ld. Counsel for the Applicant present.

2. **CA-352/2023:** This is a Company Application filed on 14.08.2023 by the Applicant in CA(CAA)/169/2023 under Rule 11 of the NCLT Rules, 2016, seeking corrigendum in, addendum to, the order dated 10.08.2023 in CA(CAA)/169/2023.

3. The Applicant submits that the Second Applicant Company in the proposed Scheme of Merger had already obtained the consent of the entire shareholders, however, it was missed out in the pleading for dispensation of the meeting of the shareholders of the Second Applicant Company. The Applicant is attached the consent in affidavit obtained from the shareholders of Qualispace Web Services Ltd. and for therefore, seeks dispensation of shareholders' meeting of the Second Applicant Company by way of corrigendum/addendum.

Contd....2

18.08.2023 / pvs

4. As the consent affidavit is obtained and annexed to this Application, this Bench hereby orders the following addendum to our order dated 10.08.2023 in CA(CAA)/169/2023:

"The Applicant Companies submit that the shareholders of the entire Equity Shareholding of 10,000 equity shares constituting 100% of the entire Equity Share Capital of the Second Aplicant Comanny have given their consent in writing to the proposed Scheme which is annexed to the original application.

In view of the consent affidavits filed by the two equity shareholders of the Second Applicant Company, the meeting of the equity shareholders of that company is hereby dispensed with."

5. With the foregoing, CA-352/2023 is **allowed** and disposed of.

Sd/-
PRABHAT KUMAR
Member (Technical)

Sd/-
KISHORE VEMULAPALLI
Member (Judicial)

राष्ट्रीय कम्पनी विधी अधिकरण
NATIONAL COMPANY LAW TRIBUNAL
मुंबई न्यायपीठ
MUMBAI BENCH

Certified True Copy
Copy Issued "free of cost"
On 24-8-2023
Deputy Registrar 24.8.2023
National Company Law Tribunal Mumbai Bench
(D-12408) 24/8/23

18.08.2023 / pvs

Vertoz Advertising Limited
(Formerly known as Vertoz Media Pvt. Ltd. & Vertoz Media Ltd.)
CIN: L74120MH2012PLC228833
Regd. Office: 602 Avior Nirmal Galaxy
LBS Marg Mulund West Mumbai 400080 India
t: +91 22 6142 6030
f: +91 22 6142 6061
e: corp@vertoz.com
w: www.vertoz.com

Annexure- C

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF VERTOZ ADVERTISING LIMITED ("THE COMPANY"/ "TRANSFEREE COMPANY"), EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE ENTITLEMENT RATIO, IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013

1. Background:

The proposed Scheme of Merger by Absorption of Paynx Technologies Private Limited ("First Transferor Company") and Qualispace Web Services Private Limited ("Second Transferor Company") with Vertoz Advertising Limited ("Transferee Company") and their respective Shareholders ("Scheme") under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) was approved by the Board of Directors ("Board") of the First Transferor Company and Second Transferor Company and Transferee Company at their respective meetings held on 24th June, 2022, after taking on record Valuation Report obtained from M/s. Vishal R. Laheri, Registered Valuer and the Fairness Opinion was provided by M/s. Navigant Corporate Advisors Limited, a SEBI Registered Merchant Banker.

2. Purpose of this Report:

As per Section 232(2)(c) of the Companies Act, 2013 a Report is required to be adopted by the Directors explaining the effect of Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Transferee Company laying out in particular the share exchange ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.

This Report of the Board is accordingly being made in pursuance to the requirements of section 232(2)(c) of the Companies Act, 2013.

3. The following documents were, inter-alia, placed before the Board:

a) Draft Scheme duly initialed by the Director for the purpose of identification;

b) Valuation Report dated 24th June, 2022 issued by Vishal R. Laheri, Registered Valuer (Securities or Financial Assets) for the purpose of arriving at the Share Exchange Ratio (as specified below), describing inter-alia the methodology adopted by the Valuers in arriving at the same for the proposed Merger ("the Valuation Report") and the workings and calculations for the valuation provided in the Valuation Report, as well as the methods used for such valuation;

VERTOZ ADVERTISING LIMITED * MUMBAI * CIN: L74120MH2012PLC228833

c) Fairness Opinion dated 24th June, 2022 issued by Messers Navigant Corporate Advisors Limited, SEBI Registered 'Category-I' Merchant Banker ("Fairness Opinion") on the valuation of the shares of the Transferee Company to be issued to the shareholders of the Transferor Companies pursuant to the Merger.

d) Certificate issued by the Statutory Auditors of the Company, to the effect that the Scheme is in compliance with applicable Accounting Standards specified in Section 133 of the Companies Act, 2013.

4. <u>Rationale and Purpose of the Scheme:</u>

a) The Amalgamation will enable the Transferee Company to consolidate the businesses and lead to synergies in operation and create a stronger financial base.

b) It would be advantageous to combine the activities and operations of both the Companies into a single Company driving sharper focus for smooth and efficient Management. This will be reflected in the profitability of the Transferee Company.

c) This Scheme of Amalgamation would result in Merger in the nature of Pooling of Interest as per Appendix C of the Indian Accounting Standard 103 on Business Combinations and thus on consolidation of business of the First Transferor Company and Second Transferor Company with Transferee Company, all the Shareholders of the merged entity will be benefited by result of the amalgamation of Business and availability of a common operating platform.

d) The Amalgamation of the First Transferor Company, Second Transferor Company with the Transferee Company will also provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, the merger will enable optimal utilization of existing resources and provide an opportunity to fully leverage strong assets, capabilities, experience and expertise of all the Companies. The merged entity will also have sufficient funds required for meeting its long term capital needs as provided for in the scheme.

e) The Scheme of amalgamation will result in cost saving for all the Companies as they are capitalizing on each other's core competency and resources which are expected to result in stability of operations, cost savings and higher profitability levels for the Transferee Company.

f) The consolidation of PayNX with VAL will also result in:

i) PTPL brings 12 Direct and Indirect Entities together to the Vertoz Group. PTPL is one of the large Networks of the Companies in the Marketing, Advertising, Publishing, Infrastructure - IaaS, AdTech and PaaS business.

ii) PTPL Business offers great backward and forward integration between all the PTPL Entities and Vertoz Group all areas of respective business.

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iii) Vokut Business of PTPL brings a huge volume of Digital Properties in the Vertoz's Umbrella. This will allow Vertoz to distribute some part of the Clients spends internally on Owned Properties and will greatly increase the bottom line of the combined entities.

iv) With this merger it brings great visibility in the First Party data of the audience and will greatly help Vertoz to procure additional budgets from its existing Agencies and Brands as the Third Party Cookies going away will bring great value to Vertoz with possession of First Party audience data.

v) Most of the Entities of PTPL also own the multiple Owned and Operated (O&O) Digital Properties which will also bring the similar benefits of the Vokut bringing to the Vertoz business as explained above.

vi) The Business of Contextual Advertising, OpenRTB, Text Ads, Video Traffic of PTPL entities brings great value to Vertoz's AdMozart Marketplace business. The cumulative volume of the merged business of Existing Vertoz Group and PTPL Business will be a record-breaking volume in the entire industry of the Digital Advertising Marketplace under one roof, this will create the dominant position in the Industry.

vii) PTPL's OwnRegistrar and US Based QualiSpace business will bring great value to QWSPL - the Parallel Entity which is also getting merged in this Scheme.

viii) OwnRegistrar is an ICANN Accredited Domain Registrar which will bring the additional recognition in the Digital Space to Vertoz Group.

ix) The Network of the OwnRegistrar Domain Resellers can be monetized very well with the help of MADTech Services of Vertoz Group. Most of these Domain Resellers own and operate the Advertising Agency business and Vertoz's Services can be easily sold to them. Similarly, most of the Agency and Brand Clients of Vertoz can be cross sold with the Services of OwnRegistrar and QualiSpace.

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

g) The consolidation of QWSPL with VAL will also result in:

i) Rationalization of number of identified operating entities thereby reducing the legal and regulatory compliances.

ii) The Services of Vertoz and QWSPL can easily Cross Sell across its customer base of both the entities like Customer of Vertoz are the Digital Agencies and they majorly buy the Services offered by QWSPL and similarly QWSPL

VERTOZ ADVERTISING LIMITED MUMBAI

Customers' needs Marketing, Advertising & Monetization Services. Through this Merger, the sales team of both the entities can cross sell the Products and Services.

iii) QWSPL brings the expertise of IT Infrastructure Internal to the Vertoz Group and helps to reduce its current operational expenses and also creates an edge over its Competitors. Current Vertoz Capabilities is to build the Technology and Platforms for the Marketing and Advertising and whereas QWSPL capabilities are to build and operate.

iv) Conglomerates like Google (GCP) / Amazon (AWS) have built the Infrastructure Expertise to complement its core Digital Advertising Business. Similarly, Vertoz will enjoy the benefits of the Infrastructure Expertise of QWSPL. The other benefits are like 24X7X365 Operations of QWSPL helps Vertoz MADTech Infrastructure Uptime, Large Scale Networking capabilities of QWSPL helps Vertoz to setup and maintain global infrastructure of Vertoz MADTech Platforms.

v) Merger of QWSPL and Vertoz brings the backward and forward Integration for both entities in terms of value chain. QWSPL can lean on Vertoz capabilities of Marketing and Advertising at a scale. Similarly, Vertoz can offer QWSPL Services to its Brands, Agencies and Publishers' Clients easily.

5. Effect of the Scheme on Stakeholders:

Sr. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Shareholders (including promoters)	1. Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the First Transferor Company and Second Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application or deed, issue and allot the following number of Equity Shares of Rs. 10/- (Rupees Ten) each, credited as fully paid-up in the Capital of the Transferee Company to all Equity Shareholders of the First Transferor Company and Second Transferor Company whose names appear in the Register of Members, on a record date to be fixed by the Board of the Transferee Company in the following proportion viz.: *"1904 (One Thousand Nine Hundred and Four only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully*

VERTOZ ADVERTISING LIMITED MUMBAI

Sr. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
		paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in PAYNX" ("Share Exchange Ratio") *"502 (Five Hundred and Two only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in QWSPL" ("Share Exchange Ratio")* 2. The new Equity Shares of the Transferee Company to be allotted to the Shareholders of the First Transferor Company and Second Transferor Company shall be fully paid up Shares and shall rank for dividend, voting rights and in all other respects pari passu with the existing Equity Shares in the Transferee Company except that they shall not be eligible for any dividend paid or declared by the Transferee Company prior to the Effective Date. 3. Consequent upon amalgamation, the authorised share capital of the Transferee Company will be Rs. 50,07,00,000. 4. Upon allotment of the new shares in the Transferee Company, the Share Certificates in relation to the shares held by the shareholders in the First Transferor Company and Second Transferor Company shall be deemed to have been cancelled.
2.	Promoters	Please refer to point 1 above for details regarding the effect on the shareholders. The promoters of the Company shall continue to remain the promoters, even after the effectiveness of the Scheme.
3.	Non- promoter Shareholders	Please refer to point 1 above for details regarding the effect on the shareholders.
4.	Key Managerial Personnel	The KMPs of the Company shall continue as the key

VERTOX ADVERTISING LIMITED MUMBAI

Sr. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
	("KMPs")	managerial personnel of the Company even after the effectiveness of the Scheme. Please refer to point 1 above for details regarding the effect of the Scheme on such KMPs who are also shareholders of the Company. Other than the above, KMPs are not affected pursuant the Scheme.
5.	Employees	Under the Scheme, no rights of the staff and employees of the Company are being affected.
6.	Creditors	Under the Scheme, no arrangement is sought to be entered into between the Company and its creditors. The interest of the creditors of the Company shall not be impacted in any manner.

6. <u>Share entitlement ratio:</u>

a) The Valuation Report as tabled before the Board, given by M/s Vishal R. Laheri, Registered Valuer (Securities or Financial Assets), determining Share Exchange Ratio which provides for the consideration as under upon the Scheme becoming effective to all Equity Shareholders of the First Transferor Company:

"1904 (One Thousand Nine Hundred and Four only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in PAYNX" ("Share Exchange Ratio")

And provides for the consideration as under upon the Scheme becoming effective to all Equity Shareholders of the Second Transferor Company:

"502 (Five Hundred and Two only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in QWSPL" ("Share Exchange Ratio")

b) The Equity shares of the First Transferor Company and Second Transferor Company shall be cancelled and extinguished.

c) The Valuers have adopted pricing guidelines as prescribed under SEBI ICDR Regulations 2018 to determine the value of equity shares of the Transferee Company and Net Asset Value Method to determine the value of equity shares of the First Transferor Company and Discounted Cash Flow Method to determine the value of equity shares of the Second Transferor Company.



d) The Valuers have not expressed any difficulty while carrying out the valuation.

e) The recommendation of the Share Exchange Ratio has been certified as being fair valuation and has been approved by the Audit Committee of the Transferee Company and the Board Committee of Transferor Companies and Transferee Company.

7. Adoption of the Report by the Directors:

The Directors of the Company have adopted this Report after noting and considering the information set forth in this Report. The Board or any duly authorized committee by the Board is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.

For Vertoz Advertising Limited

Hirenkumar Shah
Whole-time Director
DIN: 00092739
Address: 602, Avior Nirmal Galaxy, Opp. Johnson & Johnson,
LBS Road, Mulund West, Mumbai 400080 Maharashtra

Date: 24th June, 2022
Place: Mumbai

PayNX Technologies Private Limited
CIN: U72900MH2019PTC330628
Regd. Office: 602 Avior Nirmal Galaxy
LBS Marg Mulund West Mumbai 400080 India
t: +91 22 6142 6040
e: corp@paynx.com

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF PAYNX TECHNOLOGIES PRIVATE UMITED ("THE COMPANY"/ "FIRST TRANSFEROR COMPANY"), EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE ENTITLEMENT RATIO, IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013

1. **Background:**

The proposed Scheme of Merger by Absorption of Paynx Technologies Private Limited ("First Transferor Company") and Qualispace Web Services Private Limited ("Second Transferor Company") with Vertoz Advertising Limited ("Transferee Company") and their respective Shareholders ("Scheme") under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) was approved by the Board of Directors ("Board") of the First Transferor Company and Second Transferor Company and Transferee Company at their respective meetings held on 24th June, 2022, after taking on record Valuation Report obtained from M/s Vishal R. Laheri, Registered Valuer and the Fairness Opinion was provided by M/s. Navigant Corporate Advisors Limited, a SEBI Registered Merchant Banker.

2. **Purpose of this Report:**

As per Section 232(2)(c) of the Companies Act, 2013 a report is required to be adopted by the Directors explaining the effect of Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the First Transferor Company laying out in particular the share exchange ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.

This report of the Board is accordingly being made in pursuance to the requirements of section 232(2)(c) of the Companies Act, 2013.

3. **The following documents were, inter-alia, placed before the Board:**

a) Draft Scheme duly initiated by the Director for the purpose of identification;

b) Valuation Report dated 24th June, 2022 issued by Vishal R. Laheri, Registered Valuer (Securities or Financial Assets) for the purpose of arriving at the Share Exchange Ratio (as specified below), describing inter-alia the methodology adopted by the Valuers in arriving at the same for the proposed Merger ("the Valuation Report") and the workings and calculations for the valuation provided in the Valuation Report, as well as the methods used for such valuation;

PayNX Technologies Pvt. Ltd. MUMBAI CIN: U72900MH2019PTC330628

c) Fairness Opinion dated 24th June, 2022 issued by Messers Navigant Corporate Advisors Limited, SEBI Registered 'Category-I' Merchant Banker ("Fairness Opinion") on the valuation of the shares of the Transferee Company to be issued to the shareholders of the Transferor Companies pursuant to the Merger.

d) Certificate issued by the Statutory Auditors of the Company, to the effect that the Scheme is in compliance with applicable Accounting Standards specified in Section 133 of the Companies Act, 2013.

4. **Rationale and Purpose of the Scheme:**

a) The Amalgamation will enable the Transferee Company to consolidate the businesses and lead to synergies in operation and create a stronger financial base.

b) It would be advantageous to combine the activities and operations of both the Companies into a single Company driving sharper focus for smooth and efficient Management. This will be reflected in the profitability of the Transferee Company.

c) This Scheme of Amalgamation would result in Merger in the nature of Pooling of Interest as per Appendix C of the Indian Accounting Standard 103 on Business Combinations and thus on consolidation of business of the First Transferor Company and Second Transferor Company with Transferee Company, all the Shareholders of the merged entity will be benefited by result of the amalgamation of Business and availability of a common operating platform.

d) The Amalgamation of the First Transferor Company, Second Transferor Company with the Transferee Company will also provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, the merger will enable optimal utilization of existing resources and provide an opportunity to fully leverage strong assets, capabilities, experience and expertise of all the Companies. The merged entity will also have sufficient funds required for meeting its long term capital needs as provided for in the scheme.

e) The Scheme of amalgamation will result in cost saving for all the Companies as they are capitalizing on each other's core competency and resources which are expected to result in stability of operations, cost savings and higher profitability levels for the Transferee Company.

f) The consolidation of PayNX with VAL will also result in:

i) PTPL brings 12 Direct and Indirect Entities together to the Vertoz Group. PTPL is one of the large Networks of the Companies in the Marketing, Advertising, Publishing, Infrastructure - IaaS, AdTech and PaaS business.

ii) PTPL Business offers great backward and forward integration between all the PTPL Entities and Vertoz Group all areas of respective business.

For PayNX Technologies Pvt. Ltd. MUMBAI

iii) Vokut Business of PTPL brings a huge volume of Digital Properties in the Vertoz's Umbrella. This will allow Vertoz to distribute some part of the Clients spends internally on Owned Properties and will greatly increase the bottom line of the combined entities.

iv) With this merger it brings great visibility in the First Party data of the audience and will greatly help Vertoz to procure additional budgets from its existing Agencies and Brands as the Third Party Cookies going away will bring great value to Vertoz with possession of First Party audience data.

v) Most of the Entities of PTPL also own the multiple Owned and Operated (O&O) Digital Properties which will also bring the similar benefits of the Vokut bringing to the Vertoz business as explained above.

vi) The Business of Contextual Advertising, OpenRTB, Text Ads, Video Traffic of PTPL entities brings great value to Vertoz's AdMozart Marketplace business. The cumulative volume of the merged business of Existing Vertoz Group and PTPL Business will be a record-breaking volume in the entire Industry of the Digital Advertising Marketplace under one roof, this will create the dominant position in the industry.

vii) PTPL's OwnRegistrar and US Based QualiSpace business will bring great value to QWSPL - the Parallel Entity which is also getting merged in this Scheme.

viii) OwnRegistrar is an ICANN Accredited Domain Registrar which will bring the additional recognition in the Digital Space to Vertoz Group.

ix) The Network of the OwnRegistrar Domain Resellers can be monetized very well with the help of MADTech Services of Vertoz Group. Most of these Domain Resellers own and operate the Advertising Agency business and Vertoz's Services can be easily sold to them. Similarly, most of the Agency and Brand Clients of Vertoz can be cross sold with the Services of OwnRegistrar and QualiSpace.

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

g) The consolidation of QWSPL with VAL will also result in:

i) Rationalization of number of identified operating entities thereby reducing the legal and regulatory compliances.

ii) The Services of Vertoz and QWSPL can easily Cross Sell across its customer base of both the entities like Customer of Vertoz are the Digital Agencies and they majorly buy the Services offered by QWSPL and similarly QWSPL

For NX Technologies Pvt. Ltd.
MUMBAI
CIN: U72400MH2010PTC203512

Customers' needs Marketing, Advertising & Monetization Services. Through this Merger, the sales team of both the entities can cross sell the Products and Services.

iii) QWSPL brings the expertise of IT Infrastructure internal to the Vertoz Group and helps to reduce its current operational expenses and also creates an edge over its Competitors. Current Vertoz Capabilities is to build the Technology and Platforms for the Marketing and Advertising and whereas QWSPL capabilities are to build and operate.

iv) Conglomerates like Google (GCP) / Amazon (AWS) have built the Infrastructure Expertise to complement its core Digital Advertising Business. Similarly, Vertoz will enjoy the benefits of the Infrastructure Expertise of QWSPL. The other benefits are like 24X7X365 Operations of QWSPL helps Vertoz MADTech Infrastructure Uptime, Large Scale Networking capabilities of QWSPL helps Vertoz to setup and maintain global Infrastructure of Vertoz MADTech Platforms.

v) Merger of QWSPL and Vertoz brings the backward and forward integration for both entities in terms of value chain. QWSPL can learn on Vertoz capabilities of Marketing and Advertising at a scale. Similarly, Vertoz can offer QWSPL Services to its Brands, Agencies and Publishers' Clients easily.

5. **Effect of the Scheme on Stakeholders:**

Sr. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Shareholders	1. Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the First Transferor Company and Second Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application or deed, issue and allot the following number of Equity Shares of Rs. 10/- (Rupees Ten) each, credited as fully paid-up in the Capital of the Transferee Company to all Equity Shareholders of the First Transferor Company and Second Transferor Company whose names appear in the Register of Members, on a record date to be fixed by the Board of the Transferee Company in the following proportion viz.: *"1904 (One Thousand Nine Hundred and Four only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully*



Sr. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
		paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in PAYNX" ("Share Exchange Ratio") *"502 (Five Hundred and Two only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in QWSPL" ("Share Exchange Ratio")* 2. The new Equity Shares of the Transferee Company to be allotted to the Shareholders of the First Transferor Company and Second Transferor Company shall be fully paid up Shares and shall rank for dividend, voting rights and in all other respects pari passu with the existing Equity Shares in the Transferee Company except that they shall not be eligible for any dividend paid or declared by the Transferee Company prior to the Effective Date. 3. With effect from the Appointed Date, the First Transferor Company and Second Transferor Company shall not without the prior written consent of the Transferee Company, utilize the profits, if any, for declaring or paying of any dividend to its Shareholders. 4. On the approval of this Scheme by the Members and Shareholders of the First Transferor Company, Second Transferor Company and the Transferee Company, if required, such Shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the merger set out in the Scheme, related matters and this Scheme itself.
2.	Promoters	Please refer to point 1 above for details regarding the effect on the shareholders. Upon the Scheme becoming effective, the Company shall stand dissolved without winding up and

PAYNX Technologies Pvt. Ltd. MUMBAI

Sr. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
		accordingly, the Promoters shall cease to exist.
3.	Non- promoter Shareholders	Please refer to point 1 above for details regarding the effect on the shareholders. Upon the Scheme becoming effective, the Company shall stand dissolved without winding up and accordingly, the non-promoter shareholders shall cease to exist.
4.	Key Managerial Personnel ("KMPs")	There are no KMPs in the company; hence effect of the proposed Scheme on KMPs does not arise.
5.	Employees	Upon the Scheme becoming effective, all employees of the Company shall become the employees of the Transferee Company, as per the terms of the Scheme. The interest of the employees of the Company shall not be impacted in any manner.
6.	Creditors	Upon the Scheme becoming effective, all creditors of the Company shall become the creditors of the Transferee Company, as per the terms of the Scheme. Under the Scheme, no arrangement is sought to be entered into between the Company and its creditors. The interest of the creditors of the Company shall not be impacted in any manner.

6. Share entitlement ratio:

a) The Valuation Report as tabled before the Board, given by M/s Vishal R. Laheri, Registered Valuer (Securities or Financial Assets), determining Share Exchange Ratio which provides for the consideration as under upon the Scheme becoming effective to all Equity Shareholders of the First Transferor Company:

"1904 (One Thousand Nine Hundred and Four only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in PAYNX" ("Share Exchange Ratio")

PAYNX Technologies Pvt. Ltd. MUMBAI CIN: U72900MH2019PTC329678

And provides for the consideration as under upon the Scheme becoming effective to all Equity Shareholders of the Second Transferor Company:

"502 (Five Hundred and Two only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in QWSPL" ("Share Exchange Ratio")

b) The Equity shares of the First Transferor Company and Second Transferor Company shall be cancelled and extinguished.

c) The Valuers have adopted pricing guidelines as prescribed under SEBI ICDR Regulations 2018 to determine the value of equity shares of the Transferee Company and Net Asset Value Method to determine the value of equity shares of the First Transferor Company.

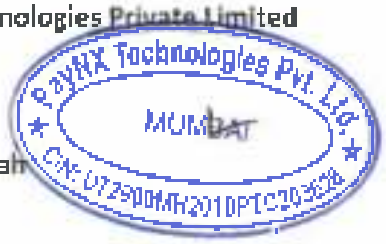
d) The Valuers have not expressed any difficulty while carrying out the valuation.

e) The recommendation of the Share Exchange Ratio has been certified as being fair valuation and has been approved by the Audit Committee of the Transferee Company and the Board of Directors of Transferor Companies and Transferee Company.

7. **Adoption of the Report by the Directors**

The Directors of the Company have adopted this Report after noting and considering the information set forth in this Report. The Board or any duly authorized Committee by the Board is entitled to make relevant modifications to this Report, if required, and such modifications or amendments shall be deemed to form part of this Report.

For Paynx Technologies Private Limited



Hirenkumar Shah
Director
DIN: 00092739
Address: 602, Avior Nirmal Galaxy, Opp. Johnson & Johnson,
LBS Road, Mulund West, Mumbai 400080 Maharashtra

Date: 24th June, 2022
Place: Mumbai

QualiSpace Web Services Private Limited
CIN: U93000MH2017PTC294300
Registered Office: 602, Avior - Nirmal Galaxy,
Opp. Jhonson & Jhonson, LBS Marg,
Mulund (West), Mumbai - 400080.
T: 022 - 6142 6060 E: corp@qualispace.com

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF QUALISPACE WEB SERVICES PRIVATE LIMITED ("THE COMPANY"/ "SECOND TRANSFEROR COMPANY"), EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE ENTITLEMENT RATIO, IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013

1. **Background:**

The proposed Scheme of Merger by Absorption of Paynx Technologies Private Limited ("First Transferor Company") and Qualispace Web Services Private Limited ("Second Transferor Company") with Vertoz Advertising Limited ("Transferee Company") and their respective Shareholders ("Scheme") under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof) was approved by the Board of Directors ("Board") of the First Transferor Company and Second Transferor Company and Transferee Company at their respective meetings held on 24th June, 2022, after taking on record Valuation Report obtained from M/s Vishal R. Laheri, Registered Valuer and the Fairness Opinion was provided by M/s. Navigant Corporate Advisors Limited, a SEBI Registered Merchant Banker.

2. **Purpose of this Report:**

As per Section 232(2)(c) of the Companies Act, 2013 a report is required to be adopted by the Directors explaining the effect of Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders of the Second Transferor Company laying out in particular the share exchange ratio and specifying any special valuation difficulties and the same is required to be circulated as part of the notice of the meeting(s) to be held for the purpose of approving the Scheme.

This report of the Board is accordingly being made in pursuance to the requirements of section 232(2)(c) of the Companies Act, 2013.

3. **The following documents were, inter-alia, placed before the Board:**

a) Draft Scheme duly initialed by the Director for the purpose of identification;

b) Valuation Report dated 24th June, 2022 issued by Vishal R. Laheri, Registered Valuer (Securities or Financial Assets) for the purpose of arriving at the Share Exchange Ratio (as specified below), describing inter-alia the methodology adopted by the Valuers in arriving at the same for the proposed Merger ("the Valuation Report") and

the workings and calculations for the valuation provided in the Valuation Report, as well as the methods used for such valuation;

c) Fairness Opinion dated 24th June, 2022 issued by Messers Navigant Corporate Advisors Limited, SEBI Registered 'Category-I' Merchant Banker ("Fairness Opinion") on the valuation of the shares of the Transferee Company to be issued to the shareholders of the Transferor Companies pursuant to the Merger.

d) Certificate issued by the Statutory Auditors of the Company, to the effect that the Scheme is in compliance with applicable Accounting Standards specified in Section 133 of the Companies Act, 2013.

4. **Rationale and Purpose of the Scheme:**

a) The Amalgamation will enable the Transferee Company to consolidate the businesses and lead to synergies in operation and create a stronger financial base.

b) It would be advantageous to combine the activities and operations of both the Companies into a single Company driving sharper focus for smooth and efficient Management. This will be reflected in the profitability of the Transferee Company.

c) This Scheme of Amalgamation would result in Merger in the nature of Pooling of Interest as per Appendix C of the Indian Accounting Standard 103 on Business Combinations and thus on consolidation of business of the First Transferor Company and Second Transferor Company with Transferee Company, all the Shareholders of the merged entity will be benefited by result of the amalgamation of Business and availability of a common operating platform.

d) The Amalgamation of the First Transferor Company, Second Transferor Company with the Transferee Company will also provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, the merger will enable optimal utilization of existing resources and provide an opportunity to fully leverage strong assets, capabilities, experience and expertise of all the Companies. The merged entity will also have sufficient funds required for meeting its long term capital needs as provided for in the scheme.

e) The Scheme of amalgamation will result in cost saving for all the Companies as they are capitalizing on each other's core competency and resources which are expected to result in stability of operations, cost savings and higher profitability levels for the Transferee Company.

f) The consolidation of PayNX with VAL will also result in:

i) PTPL brings 12 Direct and Indirect Entities together to the Vertoz Group. PTPL is one of the large Networks of the Companies in the Marketing, Advertising, Publishing, Infrastructure - IaaS, AdTech and PaaS business.

ii) PTPL Business offers great backward and forward integration between all the PTPL Entities and Vertoz Group all areas of respective business.

iii) Vokut Business of PTPL brings a huge volume of Digital Properties in the Vertoz's Umbrella. This will allow Vertoz to distribute some part of the Clients spends internally on Owned Properties and will greatly increase the bottom line of the combined entities.

iv) With this merger it brings great visibility in the First Party data of the audience and will greatly help Vertoz to procure additional budgets from its existing Agencies and Brands as the Third Party Cookies going away will bring great value to Vertoz with possession of First Party audience data.

v) Most of the Entities of PTPL also own the multiple Owned and Operated (O&O) Digital Properties which will also bring the similar benefits of the Vokut bringing to the Vertoz business as explained above.

vi) The Business of Contextual Advertising, OpenRTB, Text Ads, Video Traffic of PTPL entities brings great value to Vertoz's AdMozart Marketplace business. The cumulative volume of the merged business of Existing Vertoz Group and PTPL Business will be a record-breaking volume in the entire industry of the Digital Advertising Marketplace under one roof, this will create the dominant position in the Industry.

vii) PTPL's OwnRegistrar and US Based QualiSpace business will bring great value to QWSPL - the Parallel Entity which is also getting merged in this Scheme.

viii) OwnRegistrar is an ICANN Accredited Domain Registrar which will bring the additional recognition in the Digital Space to Vertoz Group.

ix) The Network of the OwnRegistrar Domain Resellers can be monetized very well with the help of MADTech Services of Vertoz Group. Most of these Domain Resellers own and operate the Advertising Agency business and Vertoz's Services can be easily sold to them. Similarly, most of the Agency and Brand Clients of Vertoz can be cross sold with the Services of OwnRegistrar and QualiSpace.

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

g) The consolidation of QWSPL with VAL will also result in:

i) Rationalization of number of identified operating entities thereby reducing the legal and regulatory compliances.

ii) The Services of Vertoz and QWSPL can easily Cross Sell across its customer base of both the entities like Customer of Vertoz are the Digital Agencies and they majorly buy the Services offered by QWSPL and similarly QWSPL Customers' needs Marketing, Advertising & Monetization Services. Through this Merger, the sales team of both the entities can cross sell the Products and Services.

iii) QWSPL brings the expertise of IT Infrastructure internal to the Vertoz Group and helps to reduce its current operational expenses and also creates an edge over its Competitors. Current Vertoz Capabilities is to build the Technology and Platforms for the Marketing and Advertising and whereas QWSPL capabilities are to build and operate.

iv) Conglomerates like Google (GCP) / Amazon (AWS) have built the Infrastructure Expertise to complement its core Digital Advertising Business. Similarly, Vertoz will enjoy the benefits of the Infrastructure Expertise of QWSPL. The other benefits are like 24X7X365 Operations of QWSPL helps Vertoz MADTech infrastructure Uptime, Large Scale Networking capabilities of QWSPL helps Vertoz to setup and maintain global Infrastructure of Vertoz MADTech Platforms.

v) Merger of QWSPL and Vertoz brings the backward and forward integration for both entities in terms of Value chain. QWSPL can lean on Vertoz capabilities of Marketing and Advertising at a scale. Similarly, Vertoz can offer QWSPL Services to its Brands, Agencies and Publishers' Clients easily.

5. Effect of the Scheme on Stakeholders:

Sr. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
1.	Shareholders	1. Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the First Transferor Company and Second Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application or deed, issue and allot the following number of Equity Shares of Rs. 10/- (Rupees Ten) each, credited as fully paid-up in the Capital of the Transferee Company to all Equity Shareholders of the First Transferor Company and Second Transferor Company whose names appear in the Register of Members, on a record date to be fixed by the Board of the Transferee Company in the following proportion viz.:

Sr. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
		"1904 (One Thousand Nine Hundred and Four only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in PAYNX" ("Share Exchange Ratio") *"502 (Five Hundred and Two only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in QWSPL" ("Share Exchange Ratio")* 2. The new Equity Shares of the Transferee Company to be allotted to the Shareholders of the First Transferor Company and Second Transferor Company shall be fully paid up Shares and shall rank for dividend, voting rights and in all other respects pari passu with the existing Equity Shares in the Transferee Company except that they shall not be eligible for any dividend paid or declared by the Transferee Company prior to the Effective Date. 3. With effect from the Appointed Date, the First Transferor Company and Second Transferor Company shall not without the prior written consent of the Transferee Company, utilize the profits, if any, for declaring or paying of any dividend to its Shareholders. 4. On the approval of this Scheme by the Members and Shareholders of the First Transferor Company, Second Transferor Company and the Transferee Company, if required, such Shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the merger set out in the Scheme, related matters and this Scheme itself.
2.	Promoters	Please refer to point 1 above for details regarding the effect on the shareholders.

Sr. No.	Category of Stakeholder	Effect of the Scheme on Stakeholders
		Upon the Scheme becoming effective, the Company shall stand dissolved without winding up and accordingly, the Promoters shall cease to exist.
3.	Non- promoter Shareholders	Please refer to point 1 above for details regarding the effect on the shareholders. Upon the Scheme becoming effective, the Company shall stand dissolved without winding up and accordingly, the non-promoter shareholders shall cease to exist.
4.	Key Managerial Personnel ("KMPs")	There are no KMPs in the company; hence effect of the proposed Scheme on KMPs does not arise.
5.	Employees	Upon the Scheme becoming effective, all employees of the Company shall become the employees of the Transferee Company, as per the terms of the Scheme. The interest of the employees of the Company shall not be impacted in any manner.
6.	Creditors	Upon the Scheme becoming effective, all creditors of the Company shall become the creditors of the Transferee Company, as per the terms of the Scheme. Under the Scheme, no arrangement is sought to be entered into between the Company and its creditors. The interest of the creditors of the Company shall not be impacted in any manner.

6. **Share entitlement ratio:**

a) The Valuation Report as tabled before the Board, given by M/s Vishal R. Laheri, Registered Valuer (Securities or Financial Assets), determining Share Exchange Ratio which provides for the consideration as under upon the Scheme becoming effective to all Equity Shareholders of the First Transferor Company:

"1904 (One Thousand Nine Hundred and Four only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in PAYNX" ("Share Exchange Ratio")

And provides for the consideration as under upon the Scheme becoming effective to all Equity Shareholders of the Second Transferor Company:

"502 (Five Hundred and Two only) Ordinary (Equity) Shares of the face value of Rs.10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs.10 each fully paid up held in QWSPL" ("Share Exchange Ratio")

b) The Equity shares of the First Transferor Company and Second Transferor Company shall be cancelled and extinguished.

c) The Valuers have adopted pricing guidelines as prescribed under SEBI ICDR Regulations, 2018 to determine the value of equity shares of the Transferee Company and Discounted Cash Flow method to determine the value of equity shares of the Second Transferor Company.

d) The Valuers have not expressed any difficulty while carrying out the valuation.

e) The recommendation of the Share Exchange Ratio has been certified as being fair valuation and has been approved by the Audit Committee of the Transferee Company and the Board of Directors of Transferor Companies and Transferee Company.

7. **Adoption of the Report by the Directors**

The Directors of the Company have adopted this report after noting and considering the information set forth in this report. The Board or any duly authorized committee by the Board is entitled to make relevant modifications to this report, if required, and such modifications or amendments shall be deemed to form part of this Report.

For Qualispace Web Services Private Limited

Dimple Hirenkumar Shah
Director
DIN: 07788305
Address: 602, Avior Nirmal Galaxy, Opp. Johnson & Johnson,
LBS Road, Mulund West, Mumbai 400080 Maharashtra

Date: 24th June, 2022
Place: Mumbais

VISHAL R. LAHERI
B.Com, FCA
Registered Valuer (Securities or Financial Assets)

Recommendation of Share Entitlement Ratio for Merger of Paynx Technologies Private Limited with Vertoz Advertising Limited as on 31st March, 2022

Date: 24rd June 2022



VISHAL R. LAHERI

B. Com, FCA, CS

Registered Valuer (Securities or Financial Assets)

801, Nirmal Nest, Vayudevta Mandir Compound, Devidas Road, Borivali West, Mumbai, Maharashtra – 400103

IBBI Registration No: **IBBI/RV/05/2019/11283** Email: vishal@mnacaps.com

The Board of Directors
Vertoz Advertising limited
Nirmal Galaxy, 602, Avior, Lal Bahadur Shastri Rd, Mulund West, Mumbai, Maharashtra 400080

The Board of Directors
Paynx Technologies Private Limited
602, Avior Nirmal Galaxy, Opp. Johnson & Johnson, LBS Road, Mulund West, Mumbai – 400080

Date: 24rd June, 2022

Dear Sir,

I, Vishal R. Laheri, have been appointed by the Board of Directors of Vertoz Advertising Ltd ("Appointment Date") for recommendation of share entitlement ratio for the proposed merger of **Paynx Technologies Private Limited ("Transferor Company " or "PTPL")** with **Vertoz Advertising Limited ("the Transferee Company" or "Vertoz")** as on March 31, 2022 ("Valuation Date") ("Proposed Transaction") pursuant to a Scheme of Amalgamation under Section 230 to Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 **("Scheme").** The Appointed date for the Scheme is April 1, 2022. I am registered as a Registered Valuer for the asset class (Securities & Financial Assets) with the Insolvency and Bankruptcy Board of India pursuant to which I am recognized to issue this opinion / report.

On the basis of information and management discussions with the Client, I have conducted a fair valuation of the equity shares of PTPL and Vertoz. All information in this report with respect to the valuation subject has been obtained by me from you/ your authorized personnel only. I am responsible only to the Client engaging me and nobody else. I understand that the contents of my report have been reviewed in detail by the Client and that they agree with the contents of this report (especially fact based).

Thanking You,
Yours Sincerely,

Vishal Rahulkumar Laheri

Digitally signed by Vishal Rahulkumar Laheri

Vishal R. Laheri
Registered Valuer (Securities or Financial Assets)
Registration No: IBBI/RV/05/2019/11283
UDIN: 22115033ALPLIT2138
Place: Mumbai

Contents

1. Background of the Companies 4
2. Scope & Approach of the Assignment and Certifications of the Assignment 7
3. Salient Features of the Scheme 8
4. Nature & Sources of Information 9
5. Applicable Regulations &Valuation Methodologies 10
6. Valuation Analysis 17
7. Valuation Conclusion 18
8. Annexure 1 : Computation of Fair Share Entitlement Ratio 19
9. Annexure 2 - Caveats, Limitations and Disclaimers 20
10. Annexure 3 - Valuer's Credentials 22

1. Background of the Companies

- **Vertoz Advertising Limited**

  - **Incorporation**
  - Vertoz Advertising Limited was incorporated on 13th February 2012 as a private company. Vertoz is listed on National Stock exchange of India on November 24, 2017 and has its registered office at Nirmal Galaxy, 602, Avior Corporate Park, Lal Bahadur Shastri Rd, Mulund West, Mumbai, Maharashtra 400080 engaged in the business of digital programmatic space.
  - **Outline if Business Model**
  - Vertoz is an AdTech company that helps businesses with everything right from building a website to running successful ad campaigns.
  - Vertoz is a completely customizable media buying platform tailored for brands, agencies, ad networks and advertisers. It allows the customers to build their own product without investing time into building RTB infrastructure.
  - **Shareholding Pattern & Capital Structure**
  - The shareholding pattern of the Transferee Company as on the Valuation Date is as follows:

Name of Shareholder	No. of shares held	% Shareholding
Promoter & Promoter Group	67,42,148	56.33%
Public	52,27,852	43.68%
Total	**1,19,70,000**	**100.00%**

  - Capital structure of the Transferee Company as on the Valuation Date is as follows:

Particulars	Amount in Rs
Authorized:	
3,50,00,000 Equity Shares of Rs.10 each	35,00,00,000
Total	
Issued, Subscribed and fully paid-up:	
1,19,70,000 Equity Shares of Rs.10 each	11,97,00,000
Total	**11,97,00,000**

We have been informed that the authorized share capital of Vertoz has been increased to Rs. 50 Crores vide shareholders resolution date 11th June, 2022.

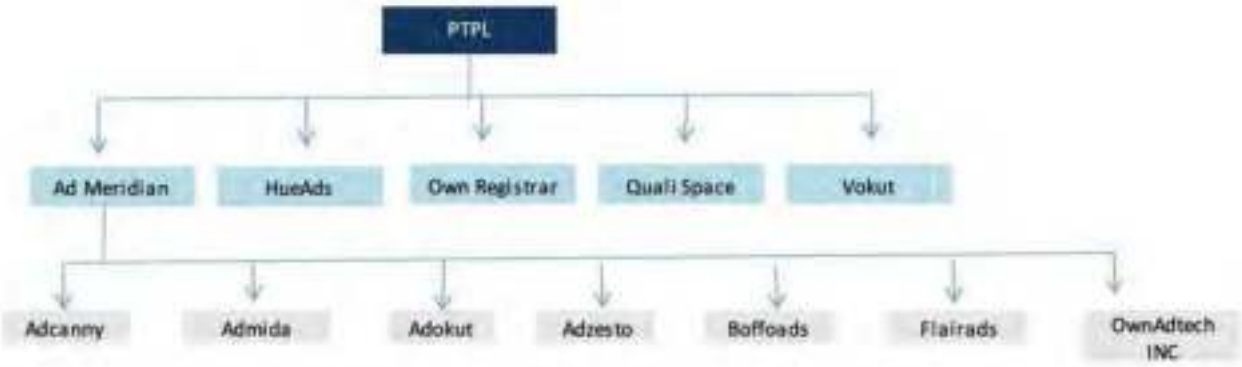
- **Paynx Technologies Private Limited**

  - **Incorporation**
  - PayNX Technologies Private Limited is an Indian Company duly incorporated on 2nd June 2010 under the Companies Act 1956 having its registered address at 602, Avior Nirmal Galaxy, Opp. Johnson & Johnson, LBS Road, Mulund West, Mumbai – 400080.

- **Overview of the business model**
  - PTPL is an Online Advertising Company providing IT and IT-enabled services through its subsidiaries. It has incorporated Subsidiaries in the United State of America, which has deep domain expertise in multiple industry verticals and a complete portfolio of offerings – digital online advertising solutions grouped under consulting and service integration, digital transformation services, cloud services, cognitive business operations, and products and platform.
- **Capital Srtucture**
  - Capital structure of the Transferor Company as on the Valuation Date is as follows:

Particular	Amount in Rs
Authorized:	
60,000 Equity Shares of Rs.10 each	600,000
Total	**600,000**
Issued, Subscribed and fully paid-up:	
10,000 Equity Shares of Rs.10 each	1,00,000
Total	**1,00,000**

- We have been informed by the management that PTPL has investments in the following wholly owned subsidiary companies (Collectively referred to as "wholly owned Subsidiaries") as on 31st March, 2022 as follows:



The brief background of the Subsidiaries is as under:

- <u>AdMeridian Inc.</u>
  AdMeridian Inc. is US based profit corporation company duly incorporated on July 29, 2016 under State of New York, USA. It offers Self-Serve DSP in addition to a fully managed service, delivering millions of clicks/impressions per day. It provides media solutions through open bidding for Banner, Native, Video, Push, POP & Contextual. Technically it has one unified system having two sides - selling and buying.

- <u>HueADS Inc</u>
  HueAds Inc. is US based profit corporation company duly incorporated on July 29, 2016 under State of New York, USA. It provides media solution to all online inventory sellers (Publishers) and buyers (Advertisers) in the world of digital media through its advanced Programmatic open RTB system and help them grow throughout their journey

- Own Registrar Inc
  OwnRegistrar Inc. is US based C corporation company duly incorporated on July 29, 2016 under State of New York, USA. OwnRegistrar is a White Labeled Domain Registrar which offers Domain Name Registration services to large corporates, small companies, Web Hosting providers, individuals, domain resellers, etc. OwnRegistrar offers all the top TLDs through its Channel Partners worldwide.

- Qualispace Inc
  Qualispace Inc. is US based C Corporation Company duly incorporated on July 29, 2016 under State of New York, USA. It is engaged in the business of internet based advertising services including e-commerce transactions and provisions of related systems, consultancy, media plan, research & development etc.

- Vokut Inc.
  Vokut Inc. is US based Profit Corporation Company duly incorporated on July 29, 2016 under State of New York, USA. Vokut is a Premium Publisher Network acting as a Strategic Platform, that bridges the gap between a publisher's direct sale of guaranteed inventory and their 3rd party sold, non-guaranteed inventory.

We have been further informed that Ad Meridian, a wholly owned subsidiary of PTPL has further invested in the following companies (Collectively referred to as "Step-down Subsidiaries").

The brief background of Step-down Subsidiaries is as under:

- Adcanny Inc
  AdCanny Inc. is US based Profit Corporation Company duly incorporated on August 3, 2018 under State of New Jersey, USA. Its smart platform analyses every parameter of the campaign in minute detail. Its powerful algorithms help optimize the performance to give you the best ROI.
- Admida Inc
  AdMida Inc. is US based Profit Corporation Company duly incorporated on August 4, 2017 under State of New Jersey, USA. It offers Self-Serve DSP in addition to a fully managed service, delivering millions of clicks/impressions per day. It provides media solutions through open bidding for Banner, Native, Video, Push, POP & Contextual.
- Adokut Inc
  Adokut Inc. is US based Profit Corporation Company duly incorporated on December 19, 2018 under State of New York, USA. It is the ad network of choice for a publisher looking to better monetize their site traffic. The innovative ad platform generates more revenue & increasing the value of each visitor.
- Adzesto Inc
  AdZesto Inc. is US based Profit Corporation Company duly incorporated on August 6, 2018 under State of New Jersey, USA. It is a premium contextual advertising network. It connects global advertisers to relevant publishers with optimum utilization of its algorithms and harnessing the power of data.
- BoffoAds Inc
  BoffoAds Inc. is US based Profit Corporation Company duly incorporated on July 30, 2018 under State of New Jersey, USA. It is a CPC, CPM, CPV, and CPUV network with its RTB –



enabled in-house programmatic platform. It delivers millions of clicks/impressions per day. A one-stop-shop for all the buying and selling needs.

- FlairAds Inc.
  FlairAds Inc. is US based Profit Corporation Company duly incorporated on July 31, 2018 under State of New Jersey, USA. It offers an RTB enabled in-house programmatic platform. It has successfully delivered millions of clicks/impressions per day, and will continue to do so in the future. It offers a one-stop-shop for all the buying and selling needs.
- OwnAdtech Inc.
  OwnAdtech Inc. is US based Profit Corporation Company duly incorporated on March 16, 2020 under State of Wyoming. It is a white label SAS based solution. It caters to ever-growing demand for adtech analytical solutions in the digital advertising industry. The USP of the business is to provide tools to manage all type ad formats under one roof, be it Mobile, Desktop or Connected TV. It has a robust system for all environments. The product is more B2B offering where the target audience will be digital ad agencies, media buying houses, Large Publishers and Ad exchanges who are looking for a white label solution to manage their digital spends and track performance of respective campaigns or to analyse the traffic on their site

2. Scope & Approach of the Assignment and Certifications of the Assignment

The Scope and approach of the Assignment is as follows:

Sr	Key Particulars	Our Approach
1	Business interest / ownership characteristics and Purpose of valuation	I understand that the management of the Companies is contemplating a Scheme of Arrangement ("Scheme") for the merger of the PTPL into Vertoz
2	Appointing Authority and Date of Appointment	Board of Directors of Vertoz as on 7th January 2022
3	Valuation Date	31st March, 2022
4	Date of Report	24th June, 2022
5	Bases of Value	Fair Value
6	Premise of Value	Going Concern Basis
7	Valuation standards followed	International Valuation Standards
8	Identity of the RV	Please see our Credentials in Annexure 3
9	Any other experts involved in the valuation	Nil
10	Inspections and /or investigations undertaken	Nil
11	Intended Users of the Valuation	The Board of Directors of the Transferor and Transferee Company in terms of the provisions of SEBI Circular CFD/DIL1/CIR/P/2021/000000065 dated 23rd November 2021 and Companies Act, 2013 and rules made thereunder.
12	Disclosure of my interest or conflict	I have no present or prospective interest in the Company that is the subject of this opinion / report, and I have no personal interest with respect to the

		parties involved. I have no bias with respect to the Company that is the subject of this opinion / report or to the parties involved with this assignment.
13	Whether Fees are contingent	My engagement in this assignment was not contingent upon developing or reporting predetermined results. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the Client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this Valuation.
14	Important Caveat on Projections	The various projections of business growth, profitability, and cash flows etc, including their assumptions which are used in the valuation report are the Company's estimates. I have not made or calibrated the projections but have factored our response and the valuation assessment on the reliability and credibility of the information. Further, I have carried out sufficient inspection, enquiry, computations and analysis to ensure that valuation is properly supported.

While my work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. My report is subject to the Caveats, Limitations and Disclaimers as detailed in Annexure 2. Please note that my report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made as on the Valuation Date. Due to possible changes in market forces and circumstances, this document can only be regarded as relevant as at the Valuation Date. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm this Report.

The scope of my services is to conduct valuation in accordance with generally accepted professional standards for the purpose of Proposed Transaction.

3. Salient Features of the Scheme

- The Scheme of Amalgamation ("Scheme") is presented under Sections 230 to 232, other applicable provisions of the Companies Act, 2013 & the Rules framed thereunder and in compliance with the conditions relating to "Amalgamation" as specified u/s 2(1B) of the Income Tax Act, 1961.
- With effect from the Appointed Date, the entire Undertakings of the Transferor Company including the assets and liabilities as on the Appointed Date, shall pursuant to Section 232 and other applicable provisions of the Act, without any further act, instrument or deed, be and

shall stand transferred to and vested in and/or deemed to have been transferred to and vested in the Transferee Company as a going concern.

- With effect from the Appointed Date, all the debts, unsecured debts, liabilities, duties and obligations of every kind, nature and description of the Transferor Company shall also under the applicable provisions of the Act, without any further act or deed be transferred to or be deemed to be transferred to the Transferee Company.
- The accounting treatment to be given to the amalgamation shall be for Amalgamation in the Nature of Purchase as given in Accounting Standard 14 issued under the Companies Accounting Standard Rules, 2006 ("AS14").

4. Nature & Sources of Information

a) Source of Information

For the purposes of undertaking this Valuation exercise, I have relied on the following sources of information and documents:

- Audited Financial statements of PTPL as on 31st March, 2022;
- Provisional Financial statements of wholly owned Subsidiaries and Step-down Subsidiaries as on 31st March, 2022
- Projected Financial statements of wholly owned Subsidiaries and Step-down Subsidiaries for the F.Y 2022-23 to FY 2026-27;
- Shareholding pattern of wholly owned Subsidiaries and Step-down Subsidiaries;
- Draft Scheme of Amalgamation
- Write up on brief overview of the Companies, wholly owned Subsidiaries and Step-down Subsidiaries;

In our course of valuation analysis, we have also relied on certain public information for data extraction and research

- www.ventureintelligence.com
- Other publicly available information such as articles and websites

b) Limitation of Information:

The Fair Value of assets of PTPL has been performed on the audited standalone balance sheet of PTPL provided by management as of the valuation date. The management has also confirmed that there has not been any material change in the financials of PTPL and wholly owned subsidiaries and sub – subsidiaries of PTPL since the last available financial statements.

c) Quality and adequacy of Information

The information provided to me and the time for carrying out the valuations has been adequate for the nature and size of this valuation and the assumptions used by management/others in developing projections have been appropriately reviewed, enquiries made regarding basis of key assumptions in context of business being valued and the industry/economy and we find them reasonable.

I assume that the Client has brought to our attention all material transactions, events or any other factors having an impact on the valuations. I have not conducted any inspection or investigations of the Company and have solely relied on the documents and representations provided by the Client and as stated above.

5. Applicable Regulations &Valuation Methodologies

a) Accounting Standards

- Section 133 of the Companies Act, 2013 (Cos Act) read with the Companies (Indian Accounting Standards) Rules, 2015 have prescribed Indian Accounting Standards ("Ind-AS"). The relevant Ind-AS considered for the purpose of this report are as follows:
  - Ind-AS 107 – Financial Instruments: Disclosures
  - Ind-AS 109 – Financial Instruments
  - Ind-AS 32 – Financial Instruments - Presentation
  - Ind-AS 113 –Fair Value measurement

b) Valuation Standards

- Further, Section 247 of the Companies Act, 2013 prescribes that *"where a valuation is required to be made in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a company or its liabilities under the provision of this Act, it shall be valued by person having such qualifications and experience and registered as a valuer in such manner, on such terms and conditions as may be prescribed and appointed by the audit committee or in its absence by the Board of Directors of that company".*

- Sub-section 2 of Section 247 further states that "the valuer appointed under sub-section (1) shall,
  - make an impartial, true and fair valuation of any assets which may be required to be valued;
  - exercise due diligence while performing the functions as valuer;
  - make the valuation in accordance with such rules as may be prescribed; and
  - not undertake valuation of any assets in which he has a direct or indirect interest or becomes so interested at any time during a period of three years prior to his appointment as valuer or three years after the valuation of assets was conducted by him.

- Further, the Ministry of Corporate Affairs (MCA) have prescribed Companies (Registered Valuers and Valuation) Rules, 2017 ("Valuation Rules") which prescribe the conditions of registration and conduct of valuation.

- Rule 8 of the Valuation Rules, which deals with the conduct of valuations, prescribe that the registered valuer shall, while conducting a valuation, comply with the valuation standards as notified or modified under rule 18. Provided that until the valuation standards are notified or modified by the Central Government, a valuer shall make valuations as per:
  - Internationally accepted valuation standards;
  - Valuation standards adopted by any registered valuers organisation.

Since the Central Government has yet not notified any valuation standards, I have carried out the valuation on the basis of International Valuation Standards 2019 ("IVS") and Indian Valuation Standards 2018 issued by the Institute of Chartered Accountants of India, a registered valuers organization.



c) Concept of Fair Value

- Fair value measurement is a fundamental concept forming the underlying basis for the Ind AS framework. Fair valuation of certain assets and liabilities is a prerequisite for the adoption of Ind AS.

- Ind AS 113 defines "**Fair Value**" as *"price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."*

- Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same—to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (ie an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

d) Fair Value Hierarchy

- To increase consistency and comparability in fair value measurements and related disclosures, Ind AS establishes a fair value hierarchy that categorises into three levels as below:

	Definition	Examples
Level 1	Quoted prices (unadjusted) in active markets for identical assets/liabilities that entity can access at measurement date	• Quoted prices of shares traded on stock exchange • Dealer Markets • Brokered Markets
Level 2	Inputs other than quoted prices with in level 1 those are directly/indirectly observable	• Quoted prices for similar assets/liabilities in active or unquoted markets • Market corroborated inputs
Level 3	Unobservable inputs for asset/liability	• Financial forecasts • Historical volatility

e) Fair Valuation of Financial instruments

- Financial instrument is defined as any contract that gives rise to both
  - A financial asset of one entity, and

- A financial liability or equity instrument of another entity

- All financial assets and liabilities are measured initially at fair value under Ind AS 109.

- The way financial instruments are classified under Ind AS 109 drives how they are measured and where measurement changes are accounted for.

- Para 15 of Ind-AS 32 provides for classification of a financial instrument into debt or equity on the basis of substance over form. It provides that "the issuer of a financial instrument shall classify the instrument, or its component parts, on initial recognition as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

- An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The presentation by the issuer of a financial instrument or its component parts as liability or equity is determined based on principles of classification contained in Ind AS 32.

f) Valuation Bases

- IVS 102 defines the Valuation Bases and prescribes the corresponding fundamental assumptions on which valuation will be based and provides the premises of values.

- IVS 102 provides three valuation bases which are required to be chosen by the Valuer considering the terms and purpose of the valuation engagement.

    - **Fair value**: Price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.
    - **Participant specific value**: Estimated value of an asset or liability after considering the advantages and disadvantages that may arise to the owner, identified participant or identified acquirer.

      Premise of Value: The logic behind the current and future use of the asset. Some common premises of value are highest-and-best-use, as-is-where-is, going concern value, orderly liquidation and forced transaction.

g) SEBI Guidelines for pricing of quoted equity shares

SEBI circular CFD/DIL1/CIR/P/2021/000000065 dated 23rd November 2021 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations) as amended on 14th January 2022, prescribes guidelines for pricing of shares to be as below:

Pricing of equity shares

'Frequently traded shares' as defined under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 is as below:

164 (5). Frequently traded shares means shares of an issuer, in which the traded turnover on any recognised stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer: Provided that where the

share capital of a particular class of shares of the issuer is not identical throughout such period, the weighted average number of total shares of such class of the issuer shall represent the total number of shares.]

For the definition of 'frequently traded' shares, 'relevant date' for the purpose of computing pricing shall be the date of board meeting in which the scheme is approved.

We understand that the shares of Vertoz are frequently traded as the trading volume of the equity shares of Listed were more than 10% of the total number of shares during the 240 trading days preceding the relevant date.

Explanation to section 164 of the ICDR Regulations provides that–

For the purpose of this regulation, 'stock exchange' means any of the recognised stock exchange(s) in which the equity shares of the issuer are listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90days prior to the relevant date.

In the present case, since equity shares of Vertoz are listed o NSE and the shares are being frequently traded (in terms of relevant regulation of SEBI issue of Capital and Disclosure Requirements (ICDR) Regulations). In line with Explanation to section 164, we have considered volume weighted average price as per NSE for the appropriate period for valuation.

For determining the price of shares of Vertoz, we have also considered the computation of market price as prescribed in Regulation 164(1) under SEBI (Issue of Capital and Disclosure Requirements) Regulations, which prescribes using Market prices being higher of the following:

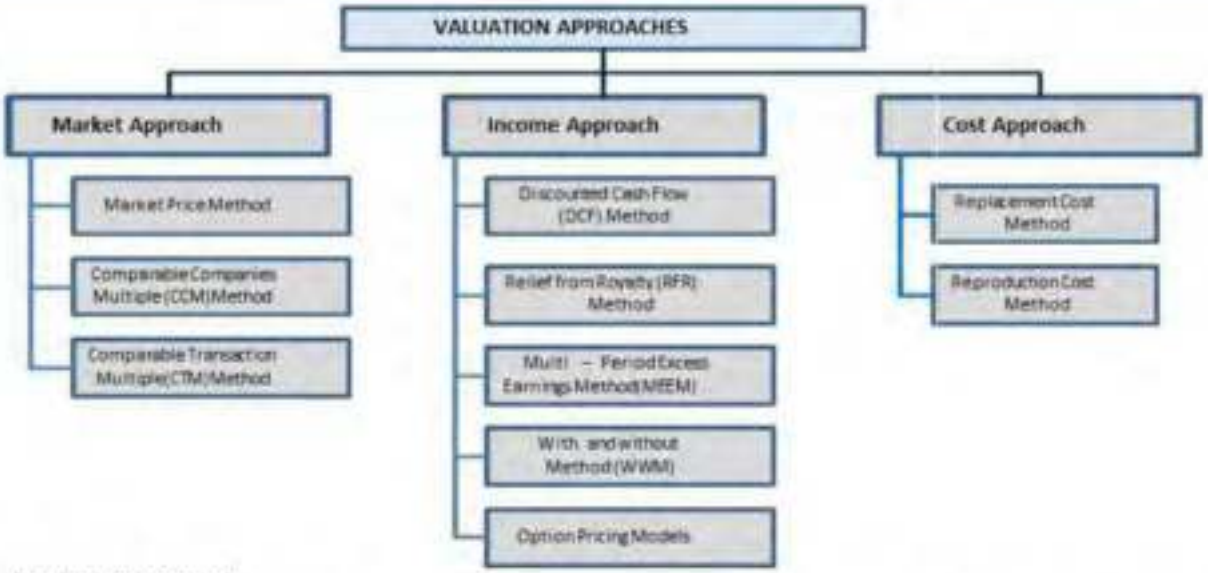
(a) The 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or

(b) The 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

h) Valuation Methodologies

The valuation standards provides for following main valuation methods:





- **Market Approach**

  Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

  - **Market Price Method**

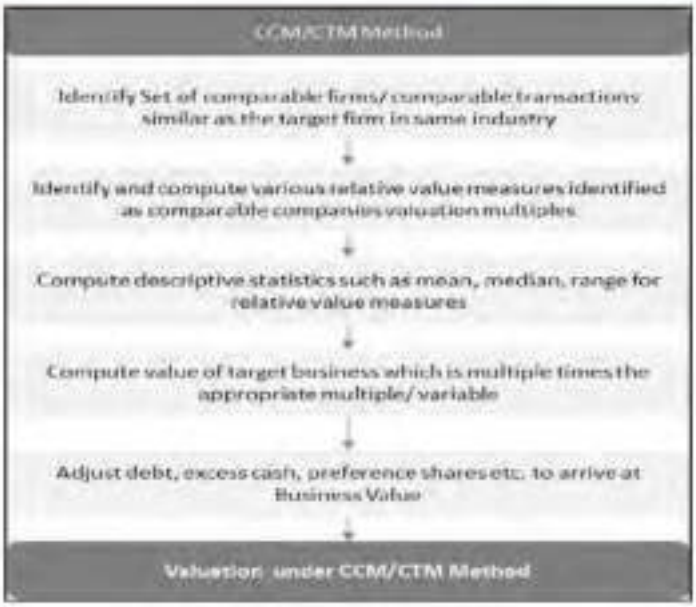
    Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investor's perception about the true worth of the company.

  - **Comparable Companies Multiples (CCM) Method**

    The value is determined on the basis of the multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies. This valuation is based on principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

  - **Comparable Transactions Multiples (CTM) Method**

    Under CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples need to be chosen carefully and adjusted for differences between circumstances.



- **Income Approach**

  - **Discounted Cashflow Approach ("DCF")**

    - DCF Approach is widely used for valuation under 'Going Concern' basis. It focuses on the income generated by the company in the past as well as its future earning capability.
    - Under the DCF method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows in the explicit period and those in perpetuity are discounted by Weighted Average Cost of Capital (WACC). The WACC, based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of future cash flows as it considers debt-equity risk by incorporating debt-equity ratio of the firm.
    - The perpetuity (terminal value) is calculated based on the business potential for further growth beyond the explicit forecast period. The "Constant Growth Model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of forecast period.
    - The discounting factor reflects not only the time value of money, but also the risk associated with the future business operations. The Enterprise Value (aggregate of present value of explicit period and terminal period cash flows) so derived, is further reduced by value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of business.

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- **Cost Approach**

Cost approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

- **Replacement Cost Method**
  Replacement Cost Method, also known as 'Depreciated Replacement Cost Method' involves valuing an asset based on the cost that a market participant shall have to incur to recreate an asset with substantially the same utility (comparable utility) as that of the asset to be valued, adjusted for obsolescence.

- **Reproduction Cost Method**
  Reproduction Cost Method involves valuing an asset based on the cost that a market participant shall have to incur to recreate a replica of the asset to be valued, adjusted for obsolescence.

- **Net Asset Value / Asset based Approach**
  The NAV Method considers assets and liabilities, including intangible assets and contingent liabilities. The Net Assets, after reducing the dues to the preference shareholders, if any represent the value of the Company. It is best used when the company is non-operating or has been generating losses.

6. Valuation Analysis

a) Procedures adopted in carrying out the valuation

The principal procedures adopted in carrying out the valuation are briefly summarized below:

- Review of past financials;
- Review and analysis of financial projections;
- Industry analysis;
- SWOT analysis;
- Comparison with similar transactions;
- Comparison with other similar listed companies;
- Discussions with the management;
- Review of principal agreements/documents etc;

b) Significant Assumptions on Management Projections

The various projections of business growth, profitability, and cash flows etc, which are used in the valuation report are the company's estimates. I have considered the reliability and credibility of projections after testing the assumptions made by the management/owners/company in given market conditions and after sufficient inspection, enquiry, computation and analysis and I believe they are reasonable as on the Valuation date given the state of the economy, sector, business and government policies

c) Selection of Valuation Methodology

The valuation exercise involves selecting a method suitable for the purpose of valuation, by exercise of judgment, based on the facts and circumstances as applicable to the business of the Companies to be valued.
As mentioned earlier, the present valuation exercise is being undertaken in order to derive the Share Entitlement Ratio for the Proposed Transaction.

Hence, the following valuation approach has been adopted:

- For valuation of PTPL – – Since PTPL and AdMeridian is a Parent Holding Company having investments in Wholly owned Subsidiaries and Step-Down Subsidiaries; the NAV method of Valuation reflects the potential value of PTPL. Therefore, we have considered Net Asset Method of Valuation for PTPL and AdMeridian.

- For valuation of Vertoz - Since Vertoz is a listed company, it is governed by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018 as amended from time to time ("ICDR Regulations"). Therefore, we have used the pricing guidelines as prescribed under SEBI ICDR Regulation 2018 as amended on 14th January 2022.

- For valuation of wholly owned Subsidiaries and Sub-Subsidiaries – Since the wholly owned subsidiaries and sub-subsidiaries are operating companies, we believe that NAV is not appropriate for valuing the business. DCF approach reflects the potential value of the business in the future years. Hence, DCF Method would be an appropriate method for the valuation of subsidiaries.

7. Valuation Conclusion

Based on the forgoing, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, I have arrived at the values per share as follows:

Company	Per share value
PayNX Technologies Private Limited	Rs. 1,79,668.04
Vertoz Advertising Limited	Rs. 94.33

The Share Entitlement Ratio is based on the valuation methodologies explained herein earlier and various qualitative factors relevant to the business dynamics and growth potential of the business having regard to key underlying assumptions and limitations.

Based on the above, and on the consideration of all the relevant factors and circumstances as discussed and outlined herein above, we recommend the following Share Entitlement Ratio (as elaborated in Annexure 1):

- 1,904 (One Thousand Nine hundred and four) Equity Shares of Rs. 10/- each of Vertoz for every 1 (one) fully paid up equity share of Rs. 10/- each held in PTPL.

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8. Annexure 1 : Computation of Fair Share Entitlement Ratio

The Computation of Fair Share Entitlement Ratio as derived by us is given below:

Valuation Approach	Equity Shares of PTPL (A)		Equity shares of Vertoz (B)	
	Value per Share	Weights	Value per Share	Weights
Asset Approach	179,668.04	100%	N.A	-
Income Approach	N.A	-	N.A	-
Market Approach (Market Price Method)	N.A	-	94.33	100%
Relative Value per share	**179,668.04**		**94.33**	
Exchange Ratio (A/B)			**1,904**	

N.A = Not Adopted / Not Applicable

1. The Asset Approach is used for PTPL since it is an Parent Holding Company having Investments in Wholly owned Subsidiaries and Step-Down Subsidiaries
2. DCF Approach is widely used for valuation under 'Going Concern' basis therefore in case of Wholly owned Subsidiaries and Step-Down Subsidiaries of PTPL we have used the financial Projections as provided by the Management of PTPL for the Valuation of Wholly owned Subsidiaries and Step-Down Subsidiaries under DCF method. For Vertoz, DCF method is not approved by ICDR regulations by SEBI.
3. The Shares of PTPL are not listed; therefore Market Price Method cannot be used for its Valuation. As a mandatory requirement by law, the Shares of Listed Entity Vertoz are required to be valued as per the Pricing Guidelines issued by SEBI. We have given due consideration to this requirement.

SHARE ENTILEMENT RATIO

1,904 (One Thousand Nine hundred and four) Equity Shares of Rs. 10/- each of Vertoz for every 1 (one) fully paid up equity share of Rs. 10/- each held in PTPL.

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9. Annexure 2 - Caveats, Limitations and Disclaimers

i. Restriction on use of Valuation Report

This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our Client is the only authorized user of this report and is restricted for the purpose indicated in appointment terms letter. This restriction does not preclude the client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use and the Regulations. I/we do not take any responsibility for the unauthorized use of this report. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

ii. Our Responsibility

I/We owe responsibility to only to the authority/client that has appointed me/us under the terms of the engagement letters. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.

iii. Accuracy of Information

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.

iv. Achievability of the forecast results

We do not provide assurance on the achievability of the results forecast by the management/owners as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.

v. Post Valuation Date Events

The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.

vi. Range of Value Estimate

The valuation of companies and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Although every scientific method has been employed in systematically arriving at the value, there is, therefore, no indisputable single value and the estimate of the value is normally expressed as falling within a likely range. value and we normally express our opinion on the value as falling within a likely range. However, as the purpose of this report requires the expression of a single value, we have adopted a value at the mid-point of



our valuation range. Whilst, I / we consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.

vii. **No Responsibility to the Actual Price of the subject asset if sold or transferred/ exchanged**

The actual market price achieved may be higher or lower than our estimate of value (or value range of value) depending upon the circumstances of the transaction (for example the competitive bidding environment), the nature of the business (for example the purchaser's perception of potential synergies). The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion will not necessarily be the price at which actual transaction will take place.

viii. **Reliance on the representations of the owners/clients, their management and other third parties**

The Client and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the owners/clients, their management and other third parties concerning the financial data and other operational and tangible assets data, as applicable to this case except as specifically stated to the contrary in the report. I/We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee or agents.

ix. **No procedure performed to corroborate information taken from reliable external sources**

We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.

x. **Compliance with relevant laws**

The report assumes that the company/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us.

xi. **Multiple factors affecting the Valuation Report:**

The valuation report is tempered by the exercise of my / our judicious discretion and judgment taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.

xii. **Future services including but not limited to Testimony or attendance in courts/ tribunals/ authorities for the opinion of value in the Valuation Report**

I/We are fully aware that based on the opinion of value expressed in this report, I/we may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my / our tendering evidence before such authority shall be under the applicable laws.

10. Annexure 3 - Valuer's Credentials

I, Vishal Laheri, have around 20 years of experience in tax, accounting, valuation and M&A and have worked on several large transactions across a variety of sectors including financial services, Technology Media & Telecom and Infrastructure & Power Sector.

I have worked with the Reliance Group since its inception in 2005 across tax, accounting and M&A structures. My latest role was as the Head - Mergers & Acquisition & Strategy at Reliance Capital Limited (RCAP), the financial arm of the Reliance Group. I was also inducted in the Leadership Committee of RCAP as part of accelerated management development program. He was instrumental in negotiating and closing several joint ventures with Nippon Life Insurance (Japan), Sumitomo Mitsui Trust & Bank (Japan), Ming Yang Group (China) and various other transactions in the financial services, telecom media & technology & Infra space. Prior to Reliance, I worked for about 4 years in the transaction advisory practice of RSM Advisors Pte Ltd, Mumbai where I worked on several transactions for both domestic & overseas acquisition for reputed conglomerates assisting on complex structures, cross border deals, valuations, diligences and implementations. Currently, I am advising several corporates and funds on valuations, restructuring and M&A transactions.

I am a Fellow Chartered Accountant and a Company Secretary besides being a Registered Valuer for Securities and Financial Asset under IBC Code under IBBI Act. I am a state government merit scholarship student with graduation from the N.M College of Commerce & Economics, Mumbai (1999).

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VISHAL R. LAHERI
B.Com, FCA
Registered Valuer (Securities or Financial Assets)

Recommendation of Share Entitlement Ratio for Merger of QualiSpace Web Services Private Limited with Vertoz Advertising Limited

Date: 24th June 2022

VISHAL R. LAHERI
B. Com, FCA, CS
Registered Valuer (Securities or Financial Assets)
801, Nirmal Nest, Vayudevta Mandir Compound, Devidas Road, Borivali West, Mumbai, Maharashtra – 400103
IBBI Registration No: **IBBI/RV/05/2019/11283** Email: vishal@mnacaps.com

The Board of Directors
Vertoz Advertising limited
Nirmal Galaxy, 602, Avior, Lal Bahadur Shastri Rd, Mulund West, Mumbai, Maharashtra 400080

The Board of Directors
QualiSpace Web Services Private Limited
602, Avior Nirmal Galaxy, Opp. Johnson & Johnson, LBS Road, Mulund West, Mumbai – 400080

Date: 24th June, 2022

Dear Sir,

I, Vishal R. Laheri, have been appointed by the Board of Directors of Vertoz Advertising Ltd ("Appointment Date") for recommendation of share entitlement ratio for the proposed merger of **QualiSpace Web Services Private Limited ("Transferor Company " or "QWSPL")** with **Vertoz Advertising Limited ("the Transferee Company" or "Vertoz")** as on March 31, 2022 ("Valuation Date") ("Proposed Transaction") pursuant to a Scheme of Amalgamation under Section 230 to Section 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 **("Scheme")**. The Appointed date for the Scheme is April 1, 2022. I am registered as a Registered Valuer for the asset class (Securities & Financial Assets) with the Insolvency and Bankruptcy Board of India pursuant to which I am recognized to issue this opinion / report.

On the basis of information and management discussions with the Client, I have conducted a fair valuation of the equity shares of QWSPL and Vertoz. All information in this report with respect to the valuation subject has been obtained by me from you/ your authorized personnel only. I am responsible only to the Client engaging me and nobody else. I understand that the contents of my report have been reviewed in detail by the Client and that they agree with the contents of this report (especially fact based).

Thanking You,
Yours Sincerely,

Vishal Rahulkumar Laheri

Digitally signed by Vishal Rahulkumar Laheri

Vishal R. Laheri
Registered Valuer (Securities or Financial Assets)
Registration No: IBBI/RV/05/2019/11283
UDIN: 22115033ALPLUJ9682
Place: Mumbai

Contents

1. Background of the Companies 4
2. Scope & Approach of the Assignment and Certifications of the Assignment 5
3. Salient Features of the Scheme 6
4. Nature & Sources of Information 7
5. Applicable Regulations &Valuation Methodologies 7
6. Valuation Analysis 14
7. Valuation Conclusion 15
8. Annexure 1: Computation of Fair Share Entitlement Ratio 16
9. Annexure 2 - Caveats, Limitations and Disclaimers 17
10. Annexure 3 - Valuer's Credentials 19

1. Background of the Companies

- **Vertoz Advertising Limited**
  - **Incorporation**
    - Vertoz Advertising Limited was incorporated on 13th February 2012 as a private company. Vertoz is listed on National Stock exchange of India on November 24, 2017 and has its registered office at Nirmal Galaxy, 602, Avior, Lal Bahadur Shastri Rd, Mulund West, Mumbai, Maharashtra 400080 engaged in the business of digital programmatic space.
  - **Outline if Business Model**
    - Vertoz is an AdTech company that helps businesses with everything right from building a website to running successful ad campaigns.
    - Vertoz is a completely customizable media buying platform tailored for brands, agencies, ad networks and advertisers. It allows the customers to build their own product without investing time into building RTB infrastructure.
  - **Shareholding Pattern & Capital Structure**
    - The shareholding pattern of the Transferee Company as on the Valuation Date is as follows:

Name of Shareholder	No. of shares held	% Shareholding
Promoter & Promoter Group	67,42,148	56.33%
Public	52,27,852	43.68%
Total	**1,19,70,000**	**100.00%**

    - Capital structure of the Transferee Company as on the Valuation Date is as follows:

Particulars	Amount in Rs
Authorized:	
3,50,00,000 Equity Shares of Rs.10 each	35,00,00,000
Total	
Issued, Subscribed and fully paid-up:	
1,19,70,000 Equity Shares of Rs.10 each	11,97,00,000
Total	**11,97,00,000**

We have been informed by the management that the authorized share capital of Vertoz has been increased to Rs. 50 Crores vide shareholders' resolution date 11th June, 2022.

- **QualiSpace Web Services Private Limited**
  - **Incorporation**
    - QualiSpace Web Services Private Limited is an Indian Company duly incorporated on 24th April 2017 under the Companies Act 2013 having its registered address at 602, Avior Nirmal Galaxy, Opp. Johnson & Johnson, LBS Road, Mulund West, Mumbai – 400080.

- **Overview of the business model**
  - QWSPL is engaged in the business of development of domain name and shared hosting. It also provides services like Email services, cloud services, SSL backup and security services and other managed services.

- **Capital Structure**
  - Capital structure as on the Valuation date is as follows:

Particulars	Amount in Rs
Authorized:	
10,000 Equity Shares of Rs.10 each	1,00,000
Total	**1,00,000**
Issued, Subscribed and fully paid-up:	
10,000 Equity Shares of Rs.10 each	1,00,000
Total	**1,00,000**

2. Scope & Approach of the Assignment and Certifications of the Assignment

The Scope and approach of the Assignment is as follows:

Sr	Key Particulars	Our Approach
1	Business interest / ownership characteristics and Purpose of valuation	I understand that the management of the Companies is contemplating a Scheme of Arrangement ("Scheme") for the merger of the QWSPL into Vertoz
2	Appointing Authority and Date of Appointment	Board of Directors of Vertoz as on 7th January 2022
3	Valuation Date	31st March, 2022
4	Date of Report	24th June, 2022
5	Bases of Value	Fair Value
6	Premise of Value	Going Concern Basis
7	Valuation standards followed	International Valuation Standards
8	Identity of the RV	Please see our Credentials in Annexure 3
9	Any other experts involved in the valuation	Nil
10	Inspections and /or investigations undertaken	Nil
11	Intended Users of the Valuation	The Board of Directors of the Transferor and Transferee Company in terms of the provisions of SEBI Circular CFD/DIL1/CIR/P/2021/000000065 dated 23rd November 2021 and Companies Act, 2013 and rules made thereunder.
12	Disclosure of my interest or conflict	I have no present or prospective interest in the Company that is the subject of this opinion / report, and I have no personal interest with respect to the



		parties involved. I have no bias with respect to the Company that is the subject of this opinion / report or to the parties involved with this assignment.
13	Whether Fees are contingent	My engagement in this assignment was not contingent upon developing or reporting predetermined results. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the Client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this Valuation.
14	Important Caveat on Projections	The various projections of business growth, profitability, and cash flows etc, including their assumptions which are used in the valuation report are the Company's estimates. I have not made or calibrated the projections but have factored our response and the valuation assessment on the reliability and credibility of the information. Further, I have carried out sufficient inspection, enquiry, computations and analysis to ensure that valuation is properly supported.

While my work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. My report is subject to the Caveats, Limitations and Disclaimers as detailed in Annexure 2. Please note that my report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made as on the Valuation Date. Due to possible changes in market forces and circumstances, this document can only be regarded as relevant as at the Valuation Date. Events occurring after the date hereof may affect this report and the assumptions used in preparing it, and I do not assume any obligation to update, revise or reaffirm this Report.

The scope of my services is to conduct valuation in accordance with generally accepted professional standards for the purpose of Proposed Transaction.

3. Salient Features of the Scheme

- The Scheme of Amalgamation ("Scheme") is presented under Sections 230 to 232, other applicable provisions of the Companies Act, 2013 & the Rules framed thereunder and in compliance with the conditions relating to "Amalgamation" as specified u/s 2(1B) of the Income Tax Act, 1961.
- With effect from the Appointed Date, the entire Undertakings of the Transferor Companies including the assets and liabilities as on the Appointed Date, shall pursuant to Section 232 and

other applicable provisions of the Act, without any further act, instrument or deed, be and shall stand transferred to and vested in and/or deemed to have been transferred to and vested in the Transferee Company as a going concern.

- With effect from the Appointed Date, all the debts, unsecured debts, liabilities, duties and obligations of every kind, nature and description of the Transferor Companies shall also under the applicable provisions of the Act, without any further act or deed be transferred to or be deemed to be transferred to the Transferee Company.
- The accounting treatment to be given to the amalgamation shall be for Amalgamation in the Nature of Purchase as given in Accounting Standard 14 issued under the Companies Accounting Standard Rules, 2006 ("AS14").

4. Nature & Sources of Information

a) Source of Information

For the purposes of undertaking this Valuation exercise, I have relied on the following sources of information and documents:

- Audited Financial statements of QWSPL as on 31st March, 2022;
- Projected Financial statements of QWSPL for the F.Y 2022-23 to FY 2026-27;
- Shareholding pattern of QWSPL;
- Draft Scheme of Amalgamation
- Write up on brief overview of the Companies.

In our course of valuation analysis, we have also relied on certain public information for data extraction and research

- www.Ventureintelligence.com
- Other publicly available information such as articles and websites

b) Limitation of Information:

The Fair Value of assets of QWSPL has been performed on the audited financials of QWSPL provided by management as of the valuation date. The management has also confirmed that there has not been any material change in the financials of QWSPL since the last available financial statements.

c) Quality and adequacy of Information

The information provided to me and the time for carrying out the valuations has been adequate for the nature and size of this valuation and the assumptions used by management/others in developing projections have been appropriately reviewed, enquiries made regarding basis of key assumptions in context of business being valued and the industry/economy and we find them reasonable.

I assume that the Client has brought to our attention all material transactions, events or any other factors having an impact on the valuations. I have not conducted any inspection or investigations of the Company and have solely relied on the documents and representations provided by the Client and as stated above.

5. Applicable Regulations &Valuation Methodologies

a) Accounting Standards



- Section 133 of the Companies Act, 2013 (Cos Act) read with the Companies (Indian Accounting Standards) Rules, 2015 have prescribed Indian Accounting Standards ("Ind-AS"). The relevant Ind-AS considered for the purpose of this report are as follows:
  - Ind-AS 107 – Financial Instruments: Disclosures
  - Ind-AS 109 – Financial Instruments
  - Ind-AS 32 – Financial Instruments - Presentation
  - Ind-AS 113 –Fair Value measurement

b) Valuation Standards

- Further, Section 247 of the Companies Act, 2013 prescribes that *"where a valuation is required to be made in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets (herein referred to as the assets) or net worth of a company or its liabilities under the provision of this Act, it shall be valued by person having such qualifications and experience and registered as a valuer in such manner, on such terms and conditions as may be prescribed and appointed by the audit committee or in its absence by the Board of Directors of that company".*

- Sub-section 2 of Section 247 further states that "the valuer appointed under sub-section (1) shall,
  - make an impartial, true and fair valuation of any assets which may be required to be valued;
  - exercise due diligence while performing the functions as valuer;
  - make the valuation in accordance with such rules as may be prescribed; and
  - not undertake valuation of any assets in which he has a direct or indirect interest or becomes so interested at any time during a period of three years prior to his appointment as valuer or three years after the valuation of assets was conducted by him.

- Further, the Ministry of Corporate Affairs (MCA) have prescribed Companies (Registered Valuers and Valuation) Rules, 2017 ("Valuation Rules") which prescribe the conditions of registration and conduct of valuation.

- Rule 8 of the Valuation Rules, which deals with the conduct of valuations, prescribe that the registered valuer shall, while conducting a valuation, comply with the valuation standards as notified or modified under rule 18. Provided that until the valuation standards are notified or modified by the Central Government, a valuer shall make valuations as per:
  - Internationally accepted valuation standards;
  - Valuation standards adopted by any registered valuers organisation.

Since the Central Government has yet not notified any valuation standards, I have carried out the valuation on the basis of International Valuation Standards 2019 ("IVS") and Indian Valuation Standards 2018 issued by the Institute of Chartered Accountants of India, a registered valuers organization.

c) Concept of Fair Value



- Fair value measurement is a fundamental concept forming the underlying basis for the Ind AS framework. Fair valuation of certain assets and liabilities is a prerequisite for the adoption of Ind AS.

- Ind AS 113 defines "**Fair Value**" as *"price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."*

- Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same—to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (ie an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

d) <u>Fair Value Hierarchy</u>

- To increase consistency and comparability in fair value measurements and related disclosures, Ind AS establishes a fair value hierarchy that categorises into three levels as below:

	Definition	Examples
Level 1	Quoted prices (unadjusted)in active markets for identical assets/liabilities that entity can access at measurement date	• Quoted prices of shares traded on stock exchange • Dealer Markets • Brokered Markets
Level 2	Inputs other than quoted prices with in level 1 those are directly/indirectly observable	• Quoted prices for similar assets/liabilities in active or unquoted markets • Market corroborated inputs
Level 3	Unobservable inputs for asset/liability	• Financial forecasts • Historical volatility

e) <u>Fair Valuation of Financial instruments</u>

- Financial instrument is defined as any contract that gives rise to both
  - A financial asset of one entity, and
  - A financial liability or equity instrument of another entity

- All financial assets and liabilities are measured initially at fair value under Ind AS 109.
- The way financial instruments are classified under Ind AS 109 drives how they are measured and where measurement changes are accounted for.

- Para 15 of Ind-AS 32 provides for classification of a financial instrument into debt or equity on the basis of substance over form. It provides that "the issuer of a financial instrument shall classify the instrument, or its component parts, on initial recognition as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

- An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The presentation by the issuer of a financial instrument or its component parts as liability or equity is determined based on principles of classification contained in Ind AS 32.

f) Valuation Bases

- IVS 102 defines the Valuation Bases and prescribes the corresponding fundamental assumptions on which valuation will be based and provides the premises of values.

- IVS 102 provides three valuation bases which are required to be chosen by the Valuer considering the terms and purpose of the valuation engagement.

    - **Fair value**: Price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.
    - **Participant specific value**: Estimated value of an asset or liability after considering the advantages and disadvantages that may arise to the owner, identified participant or identified acquirer.

      Premise of Value: The logic behind the current and future use of the asset. Some common premises of value are highest-and-best-use, as-is-where-is, going concern value, orderly liquidation and forced transaction.

g) SEBI Guidelines for pricing of quoted equity shares

SEBI circular CFD/DIL1/CIR/P/2021/000000065 dated 23rd November 2021 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations) as amended on 14th January 2022, prescribes guidelines for pricing of shares to be as below:

Pricing of equity shares

'Frequently traded shares' as defined under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 is as below:

164(5). Frequently traded shares means shares of an issuer, in which the traded turnover on any recognised stock exchange during the 240 trading days preceding the relevant date, is at least ten per cent of the total number of shares of such class of shares of the issuer: Provided that where the share capital of a particular class of shares of the issuer is not identical throughout such period, the

weighted average number of total shares of such class of the issuer shall represent the total number of shares.]

For the definition of 'frequently traded' shares, 'relevant date' for the purpose of computing pricing shall be the date of board meeting in which the scheme is approved.

We understand that the shares of Vertoz are frequently traded as the trading volume of the equity shares of Listed were more than 10% of the total number of shares during the 240 trading days preceding the relevant date.

Explanation to section 164 of the ICDR Regulations provides that–

For the purpose of this regulation, 'stock exchange' means any of the recognised stock exchange(s) in which the equity shares of the issuer are listed and in which the highest trading volume in respect of the equity shares of the issuer has been recorded during the preceding 90days prior to the relevant date.

In the present case, since equity shares of Vertoz are listed o NSE and the shares are being frequently traded (in terms of relevant regulation of SEBI issue of Capital and Disclosure Requirements (ICDR) Regulations). In line with Explanation to section 164, we have considered volume weighted average price as per NSE for the appropriate period for valuation.

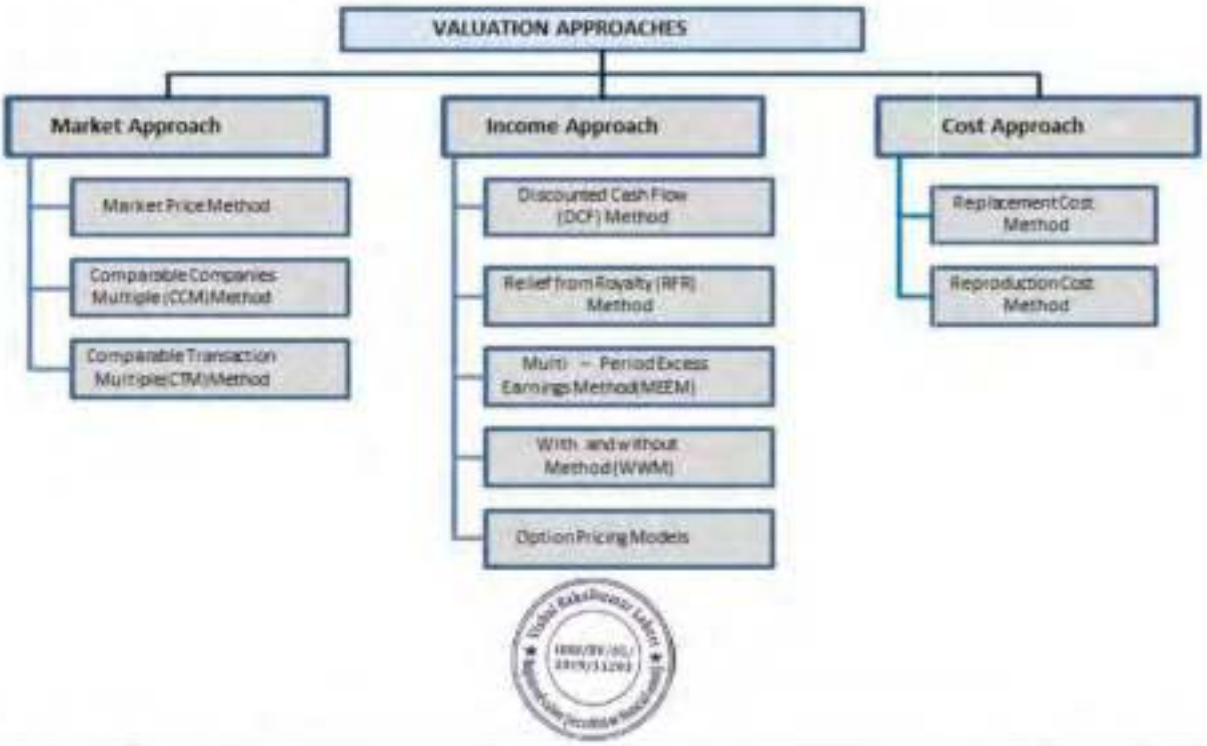
For determining the price of shares of Vertoz, we have also considered the computation of market price as prescribed in Regulation 164(1) under SEBI (Issue of Capital and Disclosure Requirements) Regulations, which prescribes using Market prices being higher of the following:

(a) The 90 trading days volume weighted average price of the related equity shares quoted on the recognised stock exchange preceding the relevant date; or

(b) The 10 trading days volume weighted average prices of the related equity shares quoted on a recognised stock exchange preceding the relevant date.

h) <u>Valuation Methodologies</u>

The valuation standards provides for following main valuation methods:

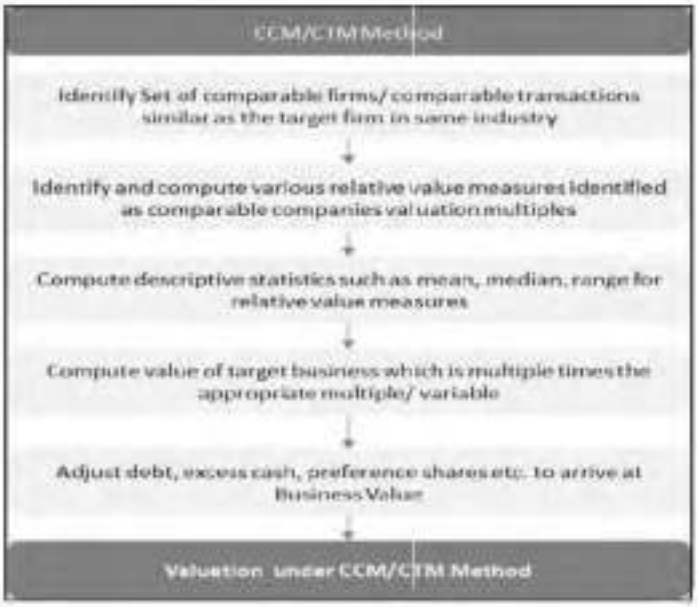


- **Market Approach**
  Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

  - **Market Price Method**
    Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investor's perception about the true worth of the company.

  - **Comparable Companies Multiples (CCM) Method**
    The value is determined on the basis of the multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies. This valuation is based on principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

  - **Comparable Transactions Multiples (CTM) Method**
    Under CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples need to be chosen carefully and adjusted for differences between circumstances.



- **Income Approach**
  - **Discounted Cashflow Approach ("DCF")**

    - DCF Approach is widely used for valuation under 'Going Concern' basis. It focuses on the income generated by the company in the past as well as its future earning capability.

- Under the DCF method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows in the explicit period and those in perpetuity are discounted by Weighted Average Cost of Capital (WACC). The WACC, based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of future cash flows as it considers debt-equity risk by incorporating debt-equity ratio of the firm.
- The perpetuity (terminal value) is calculated based on the business potential for further growth beyond the explicit forecast period. The "Constant Growth Model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of forecast period.
- The discounting factor reflects not only the time value of money, but also the risk associated with the future business operations. The Enterprise Value (aggregate of present value of explicit period and terminal period cash flows) so derived, is further reduced by value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of business.



- **Cost Approach**

  Cost approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

  - **Replacement Cost Method**

    Replacement Cost Method, also known as 'Depreciated Replacement Cost Method' involves valuing an asset based on the cost that a market participant shall have to incur to

recreate an asset with substantially the same utility (comparable utility) as that of the asset to be valued, adjusted for obsolescence.

- **Reproduction Cost Method**
  Reproduction Cost Method involves valuing an asset based on the cost that a market participant shall have to incur to recreate a replica of the asset to be valued, adjusted for obsolescence.

- **Net Asset Value / Asset based Approach**
  The NAV Method considers assets and liabilities, including intangible assets and contingent liabilities. The Net Assets, after reducing the dues to the preference shareholders, if any represent the value of the Company. It is best used when the company is non-operating or has been generating losses.

6. Valuation Analysis

a) Procedures adopted in carrying out the valuation
The principal procedures adopted in carrying out the valuation are briefly summarized below:
- Review of past financials;
- Review and analysis of financial projections;
- Industry analysis;
- SWOT analysis;
- Comparison with similar transactions;
- Comparison with other similar listed companies;
- Discussions with the management;
- Review of principal agreements/documents etc;

b) Significant Assumptions on Management Projections
The various projections of business growth, profitability, and cash flows etc, which are used in the valuation report are the company's estimates. I have considered the reliability and credibility of projections after testing the assumptions made by the management/owners/company in given market conditions and after sufficient inspection, enquiry, computation and analysis and I believe they are reasonable as on the Valuation date given the state of the economy, sector, business and government policies

c) Selection of Valuation Methodology
The valuation exercise involves selecting a method suitable for the purpose of valuation, by exercise of judgment, based on the facts and circumstances as applicable to the business of the Companies to be valued. As mentioned earlier, the present valuation exercise is being undertaken in order to derive the Share Entitlement Ratio for the Proposed Transaction.

Hence, the following valuation approach has been adopted:
- For valuation of QWSPL - Since the company is operating company, we believe that NAV is not appropriate for valuing the business. DCF approach reflects the potential value of the business in the future years. Hence, DCF Method would be an appropriate method for the current valuation exercise.

- For valuation of Vertoz - Since Vertoz is a listed company, it is governed by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009 as amended from time to time ("ICDR Regulations"). Therefore, we have used the pricing guidelines as prescribed under SEBI ICDR Regulation.

7. Valuation Conclusion

Based on the forgoing, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, I have arrived at the values per share as follows:

Company	Per share value
Qwalispace Web services Private limited	Rs. 47,379.46
Vertoz Advertising Limited	Rs. 94.33

The Share Entitlement Ratio is based on the valuation methodologies explained herein earlier and various qualitative factors relevant to the business dynamics and growth potential of the business having regard to key underlying assumptions and limitations.

Based on the above, and on the consideration of all the relevant factors and circumstances as discussed and outlined herein above, we recommend the following Share Entitlement Ratio (as elaborated in Annexure 1):

- 502 (Five hundred and two) Equity Shares of Rs. 10/- each of Vertoz for every 1 (One) fully paid up equity share of Rs. 10/- each held in QWSPL

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8. Annexure 1: Computation of Fair Share Entitlement Ratio

The Computation of Fair Share Entitlement Ratio as derived by us is given below:

	Equity Shares of QWSPL (A)		Equity shares of Vertoz (B)	
	Value per Share	Weights	Value per Share	Weights
Asset Approach	N.A	-	N.A	-
Income Approach	47,379.46	100%	N.A	-
Market Approach (Market Price Method)	N.A	-	94.33	100%
Relative Value per share	**47,379.46**		**94.33**	
Exchange Ratio (A/B)			**502**	

N.A = Not Adopted / Not Applicable

1. The Asset approach is not used as in the present case, both the companies i.e QWSPL and Vertoz in the process of amalgamation are going concerns and an actual realization of their operating assets is not contemplated.
2. DCF Approach is widely used for valuation under 'Going Concern' basis therefore in case of QWSPL, we have used the financial projections as provided by the management of QWSPL for the valuation of QWSPL under DCF method. For Vertoz DCF method is not approved by ICDR regulations by SEBI.
3. The shares of QWSPL are not listed; therefore Market price method cannot be used for its valuation. As a mandatory requirement by law the shares of listed entity Vertoz are required to be valued as per the pricing guidelines issued by SEBI. We have given due consideration to this requirement.

SHARE ENTITLEMENT RATIO

502 (Five hundred and two) Equity Shares of Rs. 10/- each of Vertoz for every 1 (One) fully paid up equity share of Rs. 10/- each held in QWSPL.

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9. Annexure 2 - Caveats, Limitations and Disclaimers

i. Restriction on use of Valuation Report

This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our Client is the only authorized user of this report and is restricted for the purpose indicated in appointment terms letter. This restriction does not preclude the client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use and the Regulations. I/we do not take any responsibility for the unauthorized use of this report. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

ii. Our Responsibility

I/We owe responsibility to only to the authority/client that has appointed me/us under the terms of the engagement letters. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.

iii. Accuracy of Information

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.

iv. Achievability of the forecast results

We do not provide assurance on the achievability of the results forecast by the management/owners as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.

v. Post Valuation Date Events

The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the valuation date.

vi. Range of Value Estimate

The valuation of companies and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Although every scientific method has been employed in systematically arriving at the value, there is, therefore, no indisputable single value and the estimate of the value is normally expressed as falling within a likely range. value and we normally express our opinion on the value as falling within a likely range. However, as the purpose of this report requires the expression of a single value, we have adopted a value at the mid-point of our valuation range. Whilst, I / we consider the valuation to be both reasonable and defensible based on the information available, others may place a different value.



vii. No Responsibility to the Actual Price of the subject asset if sold or transferred/ exchanged

The actual market price achieved may be higher or lower than our estimate of value (or value range of value) depending upon the circumstances of the transaction (for example the competitive bidding environment), the nature of the business (for example the purchaser's perception of potential synergies). The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion will not necessarily be the price at which actual transaction will take place.

viii. Reliance on the representations of the owners/clients, their management and other third parties

The Client and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the owners/clients, their management and other third parties concerning the financial data and other operational and tangible assets data, as applicable to this case except as specifically stated to the contrary in the report. I/We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee or agents.

ix. No procedure performed to corroborate information taken from reliable external sources

We have relied on data from external sources also to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.

x. Compliance with relevant laws

The report assumes that the company/business/asset complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business/assets will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us.

xi. Multiple factors affecting the Valuation Report:

The valuation report is tempered by the exercise of my / our judicious discretion and judgment taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the Balance Sheet but could strongly influence the value.

xii. Future services including but not limited to Testimony or attendance in courts/ tribunals/ authorities for the opinion of value in the Valuation Report

I/We are fully aware that based on the opinion of value expressed in this report, I/we may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the



proceedings shall bear the cost/professional fee of attending court / judicial proceedings and my / our tendering evidence before such authority shall be under the applicable laws.

10. Annexure 3 - Valuer's Credentials

I, Vishal Laheri, have around 20 years of experience in tax, accounting, valuation and M&A and have worked on several large transactions across a variety of sectors including financial services, Technology Media & Telecom and Infrastructure & Power Sector.

I have worked with the Reliance Group since its inception in 2005 across tax, accounting and M&A structures. My latest role was as the Head - Mergers & Acquisition & Strategy at Reliance Capital Limited (RCAP), the financial arm of the Reliance Group. I was also inducted in the Leadership Committee of RCAP as part of accelerated management development program. He was instrumental in negotiating and closing several joint ventures with Nippon Life Insurance (Japan), Sumitomo Mitsui Trust & Bank (Japan), Ming Yang Group (China) and various other transactions in the financial services, telecom media & technology & Infra space. Prior to Reliance, I worked for about 4 years in the transaction advisory practice of RSM Advisors Pte Ltd, Mumbai where I worked on several transactions for both domestic & overseas acquisition for reputed conglomerates assisting on complex structures, cross border deals, valuations, diligences and implementations. Currently, I am advising several corporates and funds on valuations, restructuring and M&A transactions.

I am a Fellow Chartered Accountant and a Company Secretary besides being a Registered Valuer for Securities and Financial Asset under IBC Code under IBBI Act. I am a state government merit scholarship student with graduation from the N.M College of Commerce & Economics, Mumbai (1999).

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ADDENDUM TO THE VALUATION REPORT DATED 24TH JUNE 2022

Insolvency and Bankruptcy Board of India

VISHAL R. LAHERI

B. Com, FCA, CS

Registered Valuer (Securities or Financial Assets)

801, Nirmal Nest, Vayudevta Mandir Compound, Devidas Road, Borivali West, Mumbai, Maharashtra – 400103

IBBI Registration No: **IBBI/RV/05/2019/11283** Email: vishal@mnacaps.com

Ref: NSE/LIST/31583 **22nd July, 2022**

To,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051

Dear Sir, Ma'am,

Sub: Clarification on requirement letter w.r.t application seeking NOC under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

We have been appointed by Vertoz Advertising Limited ('Vertoz'), PayNx technologies Limited ('PTPL') and QualiSpace Web Services Private Limited ('QWSPL') (Collectively referred to as "the Clients") on January 07, 2022 for providing Valuation services for the proposed merger. We have issued our report for recommendation of share entitlement ratio as on June 24, 2022.

Subsequent to our reply to the letter dated 30th June, 2022 our Clients are in receipt of an additional letter dated 11th July, 2022 from the National Stock Exchange of India Limited ("NSE" or "Yourself") seeking clarifications, inter-alia, regarding our share entitlement ratio. Please see our clarification to your query below.

➢ **Clarification sought by NSE:**

1. Response provided by the Company for not adopting DCF approach for Vertoz Advertising Limited ('Vertoz') is not satisfactory

➢ **Our Clarification:**

In our opinion, the market price of a listed (quoted) and frequently traded equity shares on a recognised stock exchange is normally considered as the base value of the equity shares of that company where such quotations are arising from the shares being freely traded in (Market Approach). Over and above this, weightages may be given to other approaches – viz, DCF and NAV approach such that, a fair value for the purpose of share swap is ascertained, for factors that are not captured in the market price approach.

Basis on the financial projections provided by the management of Vertoz and as approved by the Audit Committee of the Company dated 30th May, 2022, we have also carried out the DCF Method valuation of Vertoz. However, as per our analysis and in our opinion, the value of the equity shares of Vertoz, based on the management projections, **is lower than the market price** of Vertoz derived as per the pricing guidelines under the SEBI ICDR Regulations. We are not in a position to provide the DCF calculations due to our client confidentiality and price sensitivity to the data.

We are of the opinion that if weightages are to be given to DCF Method for the valuation of Vertoz in our recommendation of the share entitlement ratio, it would result in the valuation of Vertoz being lower than the market price prescribed under the SEBI ICDR Regulations, which will be detrimental to the interest of the retail public shareholders.

Therefore, in the case of Vertoz, we have given 100 weightages to Market Approach (Market Price Method) basis rather than the value under Income Approach (DCF).

We hope this clarifies. Please let us know for any further clarifications / information required.

Thanking You,

Yours faithfully,



Vishal Rahulkmar Laheri
Registered Valuer (Securities or Financial Assets)
Registration No: IBBI/RV/05/2019/11283
Place: Mumbai

FAIRNESS OPINION REPORT ON VALUATION FOR THE PROPOSED SCHEME OF MERGER BY ABSORPTION

OF

PAYNX TECHNOLOGIES PRIVATE LIMITED

AND

QUALISPACE WEB SERVICES PRIVATE LIMITED

WITH

VERTOZ ADVERTISING LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS

By



Navigant Corporate Advisors Limited
423, A Wing, Bonanza, Sahar Plaza Complex,
J.B. Nagar, Andheri Kurla Road,
Andheri East, Mumbai-400 059
Email Id- navigant@navigantcorp.com
Web: www.navigantcorp.com

June 24, 2022

SEBI Registered Category I Merchant Banker
SEBI Registration No. INM000012243



Notice to Reader

Navigant Corporate Advisors Limited ("Navigant" / "NCAL" or "Authors of the Report) is a SEBI registered 'Category I' Merchant banker in India and was engaged by Board of Directors of **Vertoz Advertising Limited ("Vertoz" or "Transferee Company")** to prepare an Independent Fairness Opinion Report **("Report")** with respect to providing an independent Opinion and Assessment as to Fairness of Valuation Report and Swap ratio determined by **Vishal R. Laheri, Registered Valuer (SFA)("Valuer" / "Independent Valuer")** an Independent Valuer for the purpose of intended proposed Merger of **Paynx Technologies Private Limited ("PTPL" or "Transferor Company - 1") and QualiSpace Web Services Private Limited ("QWSPL" or "Transferor Company - 2")** into **Vertoz Advertising Limited ("Vertoz" or "Transferee Company")** pursuant to a Scheme of Arrangement under section 230 to 232 and other applicable Clauses of the Companies Act, 2013 ("Scheme").

Vertoz, PTPL and QWSPL are collectively referred as "Companies".

The Fairness Opinion Report ("Report") has been prepared on the basis of the review of information provided to Navigant and specifically the Report on Swap Ratio (hereinafter referred as Valuation Report) prepared by Valuer as an Independent Valuer. The Report does not give any valuation or suggest any Swap Ratio; however, this Report is limited to provide its Fairness Opinion on the Valuation Report.

The information contained in this Report is selective and is subject to updations, expansions, revisions and amendments. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent.

This Report is based on data and explanations provided by the Management and certain other data culled out from various websites believed to be reliable. Navigant has not independently verified any of the information contained herein. Neither the Company nor Navigant, nor affiliated Bodies Corporate, nor the Directors, Shareholders, Managers, Employees or Agents of any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information contained in the Report. All such Parties and Entities expressly disclaim any and all liability for or based on or relating to any such information contained in, or errors in or omissions from, this Report or based on or relating to the Recipients' use of this Report.



Date: June 24, 2022

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

Dear Members of the Board,

Engagement Background

We understand that the Board of Directors of Paynx Technologies Private Limited ("PTPL" or "Transferor Company - 1") and QualiSpace Web Services Private Limited ("QWSPL" or "Transferor Company - 2") and Vertoz Advertising Limited ("Vertoz" or "Transferee Company") are considering a Scheme of Arrangement between PTPL, QWSPL and Vertoz and their respective Shareholders ("the Scheme") for Merger under the provisions of Sections 230 to 232 read with Section 52 and 66 and other relevant provisions of the Companies Act, 2013, as may be applicable, and also read with Section 2(1B) and other relevant provisions of the Income-tax Act, 1961, as may be applicable, for Merger of PTPL, QWSPL and vesting of the same in Vertoz on a going concern basis.

We understand that the Valuation as well as the Swap Ratio thereof is based on the Valuation Certificate dated 24th June, 2022 issued by **Vishal R. Laheri, Registered Valuer (SFA)("Valuer"/ "Independent Valuer") (IBBI Registration No. IBBI/RV/05/2019/11283)**.

We, Navigant Corporate Advisors Limited, a SEBI registered Category-I Merchant Banker, have been engaged by Vertoz to give a Fairness Opinion ("Opinion") on Valuation Certificate dated 24th June, 2022 issued by **Vishal R. Laheri, Registered Valuer (SFA)("Valuer"/ "Independent Valuer") (IBBI Registration No. IBBI/RV/05/2019/11283)**.

Background of the Companies

- **Paynx Technologies Private Limited**

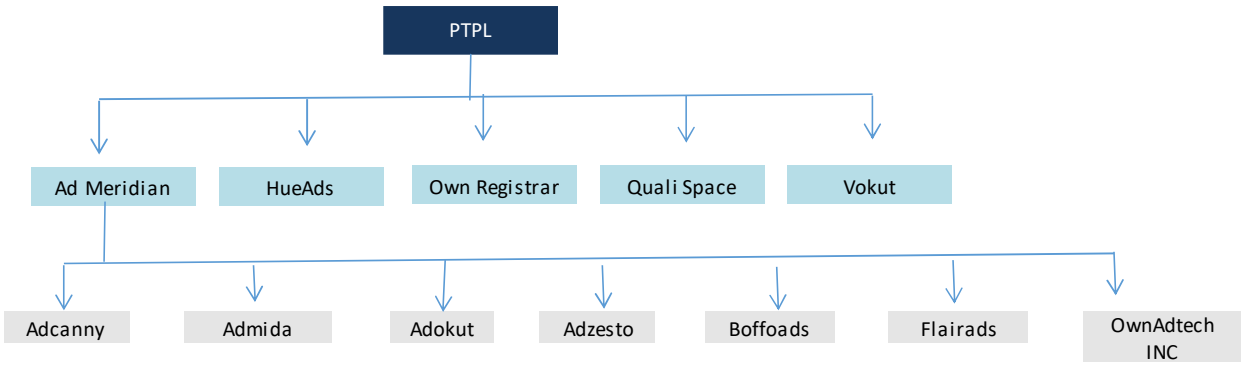
    - PayNX Technologies Private Limited is an Indian Company duly incorporated on 2nd June 2010 under the Companies Act 1956 having its registered address at 602, Avior Nirmal Galaxy, Opp. Johnson & Johnson, LBS Road, Mulund West, Mumbai – 400080.

    - PTPL is an Online Advertising Company providing IT and IT-Enabled Services through its subsidiaries. It has incorporated Subsidiaries in the United State of America, which has deep Domain expertise in multiple industry verticals and a complete portfolio of offerings – Digital Online Advertising solutions grouped under consulting and service integration, Digital Transformation Services, Cloud Services, Cognitive Business Operations, and Products and Platform.

    - Capital Structure of the Transferor Company - 1 as on the Valuation Date is as follows:

Particular	Amount in Rs
Authorized:	
60,000 Equity Shares of Rs.10 each	600,000
Total	**600,000**
Issued, Subscribed and fully paid-up:	
10,000 Equity Shares of Rs.10 each	1,00,000
Total	**1,00,000**

PTPL has investments in the following Wholly Owned Subsidiary Companies (Collectively referred to as "Subsidiaries") as on 31st March, 2022 as follows:



The brief background of the Subsidiaries is as under:

- AdMeridian Inc.
  AdMeridian Inc. is US based Profit Corporation Company duly incorporated on July 29, 2016 under State of New York, USA. It offers Self-Serve DSP in addition to a fully managed service, delivering millions of clicks/impressions per day. It provides Media Solutions through open bidding for Banner, Native, Video, Push, POP & Contextual. Technically it has one unified system having two sides - selling and buying.

- HueAds Inc.
  HueAds Inc. is US based Profit Corporation Company duly incorporated on July 29, 2016 under State of New York, USA. It provides Media Solution to all online inventory sellers (Publishers) and buyers (Advertisers) in the world of Digital Media through its advanced Programmatic open RTB system and help them grow throughout their journey.

- Own Registrar Inc
  OwnRegistrar Inc. is US based C Corporation Company duly incorporated on July 29, 2016 under State of New York, USA. OwnRegistrar is a White Labeled Domain Registrar which offers Domain Name Registration services to Large Corporates, Small Companies, Web Hosting providers, individuals, domain resellers, etc. OwnRegistrar offers all the top TLDs through its Channel Partners worldwide.

- Qualispace Inc
  Qualispace Inc. is US based C Corporation Company duly incorporated on July 29, 2016 under State of New York, USA. It is engaged in the business of internet-based Advertising Services including e-commerce transactions and provisions of related systems, consultancy, media plan, research & development etc.

- Vokut Inc.
  Vokut Inc. is US based Profit Corporation Company duly incorporated on July 29, 2016 under State of New York, USA. Vokut is a Premium Publisher Network acting as a Strategic Platform, that bridges the gap between a Publisher's direct sale of guaranteed inventory and their 3rd party sold, non-guaranteed inventory.

We have been further informed that Ad Meridian, a Wholly Owned Subsidiary of PTPL has further invested in the following Wholly Owned Companies (Collectively referred to as "Sub-subsidiaires").

The brief background of Sub-subsidiaries is as under:

- Adcanny Inc
  AdCanny Inc. is US based Profit Corporation Company duly incorporated on August 3, 2018 under State of New Jersey, USA. Its smart platform analyses every parameter of the campaign in minute detail. Its powerful algorithms help optimize the performance to give you the best ROI.

- Admida Inc
  AdMida Inc. is US based Profit Corporation Company duly incorporated on August 4, 2017 under State of New Jersey, USA. It offers Self-Serve DSP in addition to a fully managed service, delivering millions of clicks/impressions per day. It provides Media Solutions through open bidding for Banner, Native, Video, Push, POP & Contextual.

- Adokut Inc
  Adokut Inc. is US based Profit Corporation Company duly incorporated on December 19, 2018 under State of New York, USA. It is the ad network of choice for a Publisher looking to better monetize their site traffic. The innovative and platform generates more revenue & increasing the value of each visitor.

- Adzesto Inc
  AdZesto Inc. is US based Profit Corporation Company duly incorporated on August 6, 2018 under State of New Jersey, USA. It is a premium Contextual Advertising Network. It connects global Advertisers to relevant publishers with optimum utilization of its algorithms and harnessing the power of data.

- BoffoAds Inc
  BoffoAds Inc. is US based Profit Corporation Company duly incorporated on July 30, 2018 under State of New Jersey, USA. It is a CPC, CPM, CPV, and CPUV network with its RTB – enabled in-house Programmatic Platform. It delivers millions of clicks/impressions per day. A one-stop-shop for all the buying and selling needs.



- FlairAds Inc.
  FlairAds Inc. is US based Profit Corporation Company duly incorporated on July 31, 2018 under State of New Jersey, USA. It offers an RTB enabled in-house programmatic platform. It has successfully delivered millions of clicks/impressions per day, and will continue to do so in the future. It offers a one-stop-shop for all the buying and selling needs.

- OwnAdtech Inc.
  OwnAdtech Inc. is US based Profit Corporation Company duly incorporated on March 16, 2020 under State of Wyoming. It is a White Label SAS based Solution. It caters to ever- growing demand for Adtech analytical Solutions in the Digital Advertising Industry. The USP of the business is to provide tools to manage all type ad formats under one roof, be it Mobile, Desktop or Connected TV. It has a robust system for all environments. The product is more B2B offering where the target audience will be digital ad agencies, media buying houses, Large Publishers and Ad exchanges who are looking for a White Label Solution to manage their digital spends and track performance of respective campaigns or to analyse the traffic on their site.

- **QualiSpace Web Services Private Limited**

  - **Qualispace Web Services Private Limited** is an Indian Company duly incorporated on **24th April 2017** under the Companies Act 2013 having its registered address at 602, Avior Nirmal Galaxy, Opp. Johnson & Johnson, LBS Road, Mulund West, Mumbai – 400080.

  - QWSPL is engaged in the business of development of domain name and shared hosting. It also provides services like Email services, cloud services, SSL backup and security services and other managed services.

  - Capital structure of Transferor Company -2 as on 31st March, 2022 is as follows:

Particulars	**Amount in Rs**
Authorized:	
10,000 Equity Shares of Rs.10 each	1,00,000
Total	**1,00,000**
Issued, Subscribed and fully paid-up:	
10,000 Equity Shares of Rs.10 each	1,00,000
Total	**1,00,000**

- **Vertoz Advertising Limited**

  - Vertoz Advertising Limited was incorporated on 13th February 2012 as a private company. Vertoz is listed on National Stock exchange of India on November 14, 2017 and has its registered office at Nirmal Galaxy, 602, Avior, Lal Bahadur Shastri Rd, Mulund West, Mumbai, Maharashtra 400080 engaged in the business of Digital Programmatic Space.
  - It is an Adtech Company that helps businesses with everything right from building a website to running successful ad campaigns.
  - Vertoz is a completely customizable Media Buying Platform tailored for brands, agencies, Ad Networks and Advertisers. It allows the Customers to build their own Product without investing time into building RTB infrastructure.

- The Shareholding Pattern of the Transferee Company as on 31st March, 2022 is as follows:

Name of Shareholder	No. of shares held	% Shareholding
Promoter & Promoter Group	67,42,148	56.33%
Public	52,27,852	43.68%
Total	**1,19,70,000**	**100.00%**

- Capital structure of the Transferee Company as on 31st March, 2022 is as follows:

Particulars	Amount in Rs
Authorized:	
3,50,00,000 Equity Shares of Rs.10 each	35,00,00,000
Total	
Issued, Subscribed and fully paid-up:	
1,19,70,000 Equity Shares of Rs.10 each	11,97,00,000
Total	**11,97,00,000**

We have been informed by the management that the authorized share capital of Vertoz has been increased to Rs. 50 Crores vide shareholders' resolution date 11th June, 2022.

Transaction Overview and Rational

It is proposed to Merge by absorption of PTPL and QWSPL into Vertoz. This arrangement would inter alia have the following benefits:

- The merger will enable the Transferee Company to consolidate the businesses and lead to synergies in operation and create a stronger financial base.

- It would be advantageous to combine the activities and operations of both the Companies into a single Company driving sharper focus for smooth and efficient Management. This will be reflected in the profitability of the Transferee Company.

- This Scheme of Amalgamation would result in Merger in the nature of Pooling of Interest as per Appendix C of the Indian Accounting Standard 103 on Business Combinations and thus on consolidation of business of the First Transferor Company and Second Transferor Company with Transferee Company, all the Shareholders of the merged entity will be benefited by result of the amalgamation of Business and availability of a common operating platform.

- The merger of the First Transferor Company, Second Transferor Company with the Transferee Company will also provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, the merger will enable optimal utilization of existing resources and provide an opportunity to fully leverage strong assets, capabilities, experience and expertise of all the Companies. The merged entity will also have sufficient funds required for meeting its long term capital needs as provided for in the scheme.

- The Scheme of amalgamation will result in cost saving for all the Companies as they are capitalizing on each other's core competency and resources which are expected to result in stability of operations, cost savings and higher profitability levels for the Transferee Company.

Information relied upon:

We have prepared the Fairness Opinion Report on the basis of the information provided to us and inter alia the following:

- Share Exchange Ratio Report by Vishal R. Laheri, Registered Valuer (SFA)("Valuer" / "Independent Valuer") (IBBI Registration No. IBBI/RV/05/2019/11283) dated 24th June, 2022;
- Other information and explanations as provided by the Management.

Further, we had discussions on such matters which we believe are necessary or appropriate for the purpose of issuing the Valuation Report.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed to be good and marketable and we would urge the Company to carry out the independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment.

We have been informed that all information relevant for the purpose of issuing the Fairness Opinion Report has been disclosed to us and we are not aware of any material information that has been omitted or that remains undisclosed.

Valuation Summary:

Some of the methods considered by the valuer for arriving at Fair Value of Shares of a Company are as under:

Valuation Methods are broadly classified into –

- **Market Approach**

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

- **Market Price Method**
  Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investor's perception about the true worth of the company.

- **Comparable Companies Multiples (CCM) Method**
  The value is determined on the basis of the multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies. This valuation is based on principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

- **Comparable Transactions Multiples (CTM) Method**
  Under CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples need to be chosen carefully and adjusted for differences between circumstances.

- **Income Approach**

  - **Discounted Cashflow Approach ("DCF")**

    - DCF Approach is widely used for valuation under 'Going Concern' basis. It focuses on the income generated by the company in the past as well as its future earning capability.
    - Under the DCF method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows in the explicit period and those in perpetuity are discounted by Weighted Average Cost of Capital (WACC). The WACC, based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of future cash flows as it considers debt-equity risk by incorporating debt-equity ratio of the firm.
    - The perpetuity (terminal value) is calculated based on the business potential for further growth beyond the explicit forecast period. The "Constant Growth Model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of forecast period.
    - The discounting factor reflects not only the time value of money, but also the risk associated with the future business operations. The Enterprise Value (aggregate of present value of explicit period and terminal period cash flows) so derived, is further reduced by value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of business.

- **Cost Approach**

  Cost approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

  - **Replacement Cost Method**
    Replacement Cost Method, also known as 'Depreciated Replacement Cost Method' involves valuing an asset based on the cost that a market participant shall have to incur to recreate an asset with substantially the same utility (comparable utility) as that of the asset to be valued, adjusted for obsolescence.



- **Reproduction Cost Method**
  Reproduction Cost Method involves valuing an asset based on the cost that a market participant shall have to incur to recreate a replica of the asset to be valued, adjusted for obsolescence.

- **Net Asset Value / Asset based Approach**
  The NAV Method considers assets and liabilities, including intangible assets and contingent liabilities. The Net Assets, after reducing the dues to the preference shareholders, if any represent the value of the Company. It is best used when the company is non-operating or has been generating losses.

Basis of Valuation and Assumptions made by the valuer:

The valuation is based, on the aforesaid methods as described below:

VALUATION OF PTPL & QWSPL:

Drivers in choosing the method of Valuation Analysis:

- Information
  - Availability
  - Reliability
- Characteristics
- Current and future cash flow status.

To determine the value of PTPL, Valuer has considered Adjusted Net Asset Value under Net Asset Method being Parent Holding Company. Further, all its Subsidiary Companies and Step down Subsidiary Companies have been valued through Discounted Cash Flow Method on going concern basis except Ad Meridian, a Wholly Owned Subsidiary of PTPL which has been valued under Net Asset Value Method being a Parent Holding Company.

To determine the value of QWSPL, the Valuer has considered Discounted Cash Flow Method under Income Method on Going Concern assumption.

VALUATION OF VERTOZ

- For determining the Fair Value of Vertoz, the Market Prices disseminated on the National Stock Exchange of India Limited (NSE) were considered, since the Shares of Vertoz are Frequently Traded Share in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended.

- The Fair Value has been considered by complying the provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended.

- The Fair Value has been arrived at Rs. 94.33 per Equity Share of face value of Rs. 10/- Each.



Conclusion ratio:-

"1,904 (One thousand Nine hundred and Four) Equity Shares of Rs. 10/- each of Vertoz for every 1 (One) fully paid up Equity Share of Rs. 10/- each held in PTPL".

"502 (Five hundred and Two) Equity Shares of Rs. 10/- each of Vertoz for every 1 (One) fully paid up Equity Share of Rs. 10/- each held in QWSPL".

Exclusions and Limitations

Our Opinion and Analysis is limited to the extent of review of the Valuation Report by the Valuer and the Draft Scheme Document. In connection with the opinion, we have

A) Reviewed the Draft Scheme Document and the Valuation Report by the Valuer dated 24th June, 2022.
B) Reviewed Financials for Vertoz, PTPL & QWSPL for the year ended March 31, 2022.
C) Provisional Financial Statements of Wholly Owned Subsidiaries and Sub-Subsidiaries as on 31st March, 2022.
D) Projected Financial Statements of Wholly Owned Subsidiaries and Sub-Subsidiaries for the F.Y 2022-23 to FY 2026-27;
E) Held discussions with the Valuer, in relation to the approach taken to Valuation and the details of various methodologies utilized by them in preparing the Valuation Report and recommendations;
F) Sought various clarifications with the respective Senior Management Teams of PTPL, QWSPL and Vertoz;
G) Reviewed historical Stock Prices and Trading Volumes of Vertoz at NSE;
H) Reviewed such other information and explanations as we have required and which have been provided by the Management of PTPL, QWSPL and Vertoz.

This Opinion is intended only for the sole use and information of Vertoz and in connection with the Scheme, including for the purpose of obtaining Judicial and Regulatory Approvals for the Scheme or the purpose of complying with the SEBI Regulations and requirement of Stock Exchanges on which the Company is listed, and for no other purpose. We are not responsible in any way to any Person/Party/Statutory Authority for any decision of such Person or Party or Authority based on this opinion. Any Person/Party intending to provide finance or invest in the Shares/Business of either PTPL, QWSPL and/or Vertoz or their Subsidiaries /Joint Ventures/Associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

For the purpose of this Assignment, Navigant has relied on the Valuation Certificate for the proposed "Scheme of Arrangement" of PTPL, QWSPL and Vertoz and their respective Shareholders and information and explanation provided to it, the accuracy whereof has not been evaluated by Navigant. Navigant's work does not constitute certification or due diligence of any past working results and Navigant has relied upon the information provided to it as set out in working results of the aforesaid reports.

Navigant has not carried out any physical verification of the Assets and Liabilities of the Companies and takes no responsibility on the identification and availability of such Assets and Liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the Board /General Meetings of PTPL, QWSPL and Vertoz and to the Stock Exchanges and to the Registrar of Companies. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed scheme of Arrangement with the provisions of any Law including Companies, Taxation and Capital Market related Laws or as regards any Legal implications or issues arising thereon.

The information contained in this Report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The Report has been prepared solely for the purpose of giving a Fairness Opinion on Valuation Certificate issued for the proposed Scheme of Arrangement between PTPL, QWSPL and Vertoz and their respective Shareholders, and may not be applicable or referred to or quoted in any other context.

Our opinion is dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve performing Audit tests for the purpose of expressing an Opinion on the Fairness or Accuracy of any Financial or Analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any Opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to this date.

We have assumed that the Final Scheme will not differ in any material respect from the Draft Scheme Document shared with us.

We do not express any Opinion as to any tax or other consequences that might arise from the Scheme on PTPL, QWSPL and Vertoz and their respective Shareholders, nor does our Opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the respective Companies have obtained such advice as they deemed necessary from qualified Professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, government investigation or other contingent liabilities to which PTPL, QWSPL and Vertoz and/or their Associates/ Subsidiaries, are or may be Party.

The Company has been provided with an opportunity to review the Draft Opinion as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Final Opinion.

Our Opinion in not intended to and does not constitute a recommendation to any Shareholder as to how such holder should vote or act in connection with the Scheme or any matter thereto.



Our Fairness Opinion:

Based upon Valuation work carried out by Vishal R. Laheri, Registered Valuer (SFA)("Valuer") we are of the Opinion that the purpose of the proposed Merger by absorption of PTPL, QWSPL into Vertoz are fair, from a financial point of view.

The fairness of the Proposed Merger is tested by:

(1) Considering whether the Valuation Methods adopted by Vishal R. Laheri, Registered Valuer (SFA)("Valuer") depict a correct picture on the value of shares of all companies;

(2) Calculating the Fair Market Value of Companies;

(3) Considering qualitative factors such as economies of scale of operations, synergy benefits that may result from the proposed Merger of PTPL, QWSPL into Vertoz.

The rationale for Share Exchange Ratio as explained above, will be issued as assumed by Vishal R. Laheri, Registered Valuer (SFA)("Valuer") is justified.

We are in opinion that, Vishal R. Laheri, Registered Valuer (SFA)("Valuer") is justified by taking the Fair Value of Companies, and covers each aspect of valuation.

This being of our best of professional understanding, we hereby sign the Fairness Opinion Report on Valuation.

For Navigant Corporate Advisors Limited



Sarthak Vijlani
Managing Director

National Stock Exchange Of India Limited

Ref: NSE/LIST/31583

January 11, 2023

The Company Secretary
Vertoz Advertising Limited
602, Avior, Nirmal Galaxy,
L.B.S. Marg, Mulund (W),
Mumbai-400 080.

Kind Attn.: Ms. Zill Shah

Dear Madam,

Sub: Observation Letter for Draft Scheme of Amalgamation of Paynx Technologies Private Limited ("First Transferor Company" or "PAYNX") and Qualispace Web Services Private Limited ("Second Transferor Company" or "QWSPL") with Vertoz Advertising Limited ("Transferee Company" or "VAL") and their respective shareholders.

We are in receipt of draft scheme of amalgamation of Paynx Technologies Private Limited ("First Transferor Company" or "PAYNX") and Qualispace Web Services Private Limited ("Second Transferor Company" or "QWSPL") with Vertoz Advertising Limited ("Transferee Company" or "VAL") and their respective shareholders under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 vide application dated June 25, 2022.

Based on our letter reference no. NSE/LIST/31583 dated September 20, 2022, submitted to SEBI and pursuant to SEBI Master circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 and Regulation 94(2) of SEBI (LODR) Regulations 2015, SEBI vide its letter dated January 10, 2023 has inter alia given the following comment(s) on the draft scheme of amalgamation:

a. *Company shall ensure that it discloses all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*

b. *Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter, is displayed on the websites of the listed Company and the Stock Exchanges.*

c. *The entities involved in the scheme shall duly comply with various provisions of the Circular and ensure that all the liabilities of Transferor Companies are transferred to the Transferee Company.*

d. *Company shall ensure that information pertaining to all the Unlisted Companies involved in the scheme, shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*

e. *The Transferee Company shall ensure to convert its equity share warrants before filing of scheme with NCLT so as to comply with para 3(b) of Part 1 of the SEBI Master Circular dated November 23, 2021.*

This Document is Digitally Signed

Signer: DIPTI VIPIL CHINCHKHEDE
Date: Wed, Jan 11, 2023 12:16:00 IST
Location: NSE

f. *The Transferee Company shall ensure to incorporate reasons for not using Market Multiple Method for Transferor Companies, as a part of explanatory statement or notices or proposal accompanying resolution to be passed to be forwarded by the Company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act, 2013.*

g. *Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*

h. *Company shall ensure that the details of the proposed Scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders.*

i. *Company shall ensure that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only.*

j. *Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.*

k. *Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities/ tribunals shall be made without specific written consent of SEBI.*

l. *Company shall ensure that the observations of SEBI / Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.*

m. *Company to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed Scheme.*

n. *It is to be noted that the petitions are filed by the Company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock Exchange. Hence, the Company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No objection" in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

This Document is Digitally Signed
Signer: DIPTI VIPIL CHINCHKHEDE
Date: Wed, Jan 11, 2023 12:16:00 IST
Location: NSE

The validity of this "Observation Letter" shall be six months from January 11, 2023, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Dipti Chinchkhede
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL: https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist

This Document is Digitally Signed

Signer: DIPTI VIPIL CHINCHKHEDE
Date: Wed, Jan 11, 2023 12:16:00 IST
Location: NSE

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

t: +91 22 6142 6030
f: +91 22 6142 6061
e: corp@vertoz.com
w: www.vertoz.com

COMPLAINT REPORT

Period of Complaints Report: 12th August 2022 to 19th September 2022

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	0
2.	Number of complaints forwarded by Stock Exchange	0
3.	Total Number of complaints/comments received (1+2)	0
4.	Number of complaints resolved	0
5.	Number of complaints pending	0

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
NOT APPLICABLE			

On behalf of Board of Directors
For Vertoz Advertising Limited

Zill Pankaj Shah
Digitally signed by Zill Pankaj Shah
Date: 2022.09.19 19:17:51 +05'30'

Zill Shah
Company Secretary & Compliance Officer
M. No.: A51707

PayNX Technologies Private Limited
CIN: U72900MH2010PTC203628
Regd. Offc.: 802 Avior Nirmal Galaxy
LBS Marg Mulund West Mumbai 400080 India
t: +91 22 6142 6040
e: corp@paynx.com

DISCLOSURE DOCUMENT COMPRISING OF APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS

This is an Abridged Prospectus (/ Document) containing salient features pertaining to the unlisted private Company, Paynx Technologies Private Limited, which is a party to the Scheme of Amalgamation between Paynx Technologies Private Limited ("Transferor Company 1" or "PTPL"), Qualispace Web Services Private Limited ("Transferor Company 2" or "QWSPL") and Vertoz Advertising Limited ("VAL / Transferee Company") and their respective shareholders and Creditors (hereinafter referred as to the "Scheme").

This Document has been prepared in connection with the above Scheme, pursuant to the Securities and Exchange Board of India ("SEBI") circular no. SEBI/HO/CFD/PODD-2/P/CIR/2023/93 dated June 20, 2023 is in accordance with the disclosure required to be made in Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, to the extent applicable.. This Document should be read together with the Scheme.

THIS ABRIDGED PROSPECTUS CONSISTS 15 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

You may download the Scheme from the website of VAL i.e, https://ir.vertoz.com// or the website of the stock exchange where the equity shares of VAL are listed i.e. the National Stock Exchange of India Limited ["NSE" / "Stock Exchange"]

(Capitalised terms not defined herein shall have their meaning ascribed to them under the Scheme)

PAYNX TECHNOLOGIES PRIVATE LIMITED
Corporate Identification Number [CIN]: U72900MH2010PTC203628
Date of Incorporation: 2nd June, 2010

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
802, Avior, Nirmal Galaxy L.B.S. Marg, Opp. Johnson & Johnson, Mulund (W) Mumbai Mumbai City MH 400080 IN	Same as Registered Office	Mr. Hirankumar Shah	E-mail: corp@paynx.com Telephone: 022 - 6142 6081	www.paynx.com

PayNX Technologies Pvt. Ltd. MUMBAI

NAMES OF PROMOTER(S) OF THE COMPANY

Mr. Hirenkumar Rasiklal Shah and Mr. Ashish Rasiklal Shah

Details of Offer to Public

Type of Issue (Fresh/ OFS/ Fresh & OFS)	Fresh Issue Size (by no. of shares or by amount in Rs)	OFS Size (by no. of shares or by amount in Rs)	Total Issue Size (by no. of shares or by amount in Rs)	Issue Under 6(1) / 6(2)	Share Reservation		
					QIB	NII	RII
NA	NA	NA	NA	NA	NA	NA	NA

Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders

(upto a maximum of 10 selling shareholders)

Name	Type	No of Shares offered/ Amount in Rs	WACA in Rs per Equity	Name	Type	No of Shares offered/ Amount in Rs	WACA in Rs per Equity
NA	NA	NA	NA	NA	NA	NA	NA

Price Band, Minimum Bid Lot & Indicative Timelines^	
Price Band	NA
Minimum Bid Lot Size	NA
Bid/Offer Open On	NA
Bid/Closes Open On	NA
Finalisation of Basis of Allotment	NA
Initiation of Refunds	NA
Credit of Equity Shares to Demat accounts of Allottees	NA
Commencement of trading of Equity Shares	NA

^The Abridged Prospectus is issued pursuant to the Scheme and is not an offer to public at large. The time frame cannot be established with absolute certainty, as the Scheme is subject to approvals from relevant regulatory authorities.

Details of WACA of all shares transacted over the trailing eighteen months from the date of Abridged Prospectus

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper End of the Price Band is 'X' times the WACA	Range of acquisition price Lowest Price-HighestPrice (in Rs.)
Trailing Eighteen Month from the date of Abridged Prospectus	NA	NA	NA

WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis for the trailing eighteen months from the date of Abridged Prospectus.

RISKS IN RELATION TO THE FIRST OFFER
Not applicable as the offer is not for public at large.

ISSUE DETAILS, LISTING AND PROCEDURE

The Board of Directors of Paynx Technologies Private Limited and Qualispace Web Services Private Limited (Collectively hereinafter called as Transferor Companies) and Vertoz Advertising Limited in their respective meetings held on 24th June 2022 approved a scheme of arrangement ("Scheme").

The scheme of arrangement between Vertoz Advertising Limited ("VAL / Transferee Company"), Paynx Technologies Private Limited ("PTPL"), Qualispace Web Services Private Limited (QWSPL) and their shareholders provides for the Amalgamation of PTPL and QWSPL with VAL and consequent issue of Equity Shares by VAL to the shareholders of PTPL and QWSPL and that upon the coming into effect of this Scheme and with effect from the Appointed Date, the Undertaking (as defined in the Scheme) of the PTPL and QWSPL shall be transferred to and vested in the VAL as a going concern without any further act, instrument or deed so as to become, as and from the Appointed Date, the undertakings of the VAL by virtue of and in the manner provided in this Scheme in accordance with the terms of the Scheme, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act"). The Scheme also provides for various other matters consequent and incidental thereto.

The scheme is further subject to approval from the shareholders and creditors of aforesaid companies, National Company Law Tribunal (NCLT) and other statutory/regulatory authorities, as may be applicable.

Consideration under the Scheme:

Pursuant to the aforesaid scheme becoming effective, the Transferee Company shall issue equity shares to the shareholders of PTPL and QWSPL in the ratio and manner as stated in said Scheme.

Upon the Scheme becoming effective and upon the amalgamation of Transferor Companies into the Transferee Company in terms of this Scheme, the Transferee Company shall, issue and allot without any further application, act, deed, consent, acts, instrument or deed, on a proportionate basis to each shareholder of the Transferor Companies or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, whose names appear in the Register of Members as on the Record Date in the following ratio:



"1904 (One Thousand Nine Hundred and Four only) Ordinary (Equity) Shares of the face value of Rs. 10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs. 10 each fully paid up held in PTPL"

"502 (Five Hundred and Two only) Ordinary (Equity) Shares of the face value of Rs. 10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs. 10 each fully paid up held in QWSPL"

The Equity Shares to be issued by the Transferee Company shall be in dematerialized form.

Pursuant to issuance and allotment of the Amalgamation consideration shares, in case any equity shareholders of the transferor Companies becomes entitled to a fraction of an equity share of the transferee Company, the transferee Company shall not issue fractional shares to such member but shall consolidate such fractions and issue consolidated shares to a trustee nominated by the transferee company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.

Date: Appointed Date for the Scheme means 1st April 2022 or such other date as may be approved by the NCLT for the purpose of this Scheme.

Note: The above details of the Scheme have been suitably extracted from the Scheme.

The equity shares of the Transferee Company to be issued and allotted as provided shall be subject to the provisions of the memorandum of association and articles of association of Transferee Company, as the case may be, and shall rank pari passu in all respects with any existing equity shares of Transferee Company, as the case may be, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the equity shares of Transferee Company.

Transferee Company shall apply for listing all of its equity shares on the Stock Exchange in terms of and in compliance with the SEBI Master Circular and other relevant provisions under Applicable Laws.

The procedure with respect to public issue / offer would not be applicable as the Scheme does not involve issue of any Equity Shares to the public at large. The issue of equity shares of the Transferee Company is only to the shareholders of the Transferor Companies, in accordance with the Scheme. Hence, the procedure with respect to General Information Document (GID) is not applicable.

ELIGIBILITY

In compliance with the SEBI circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 in accordance with the disclosure required to be made in Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, to the extent applicable.

- The equity shares sought to be listed are proposed to be allotted by the Transferee Company to the holders of securities of an unlisted entity, i.e. the Transferor Companies, pursuant to a Scheme to be sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench under Sections 230-232 of the Act;

- The percentage of post-scheme shareholding of public shareholders of the listed Transferee Company shall not be less than 25%; and

- The Transferee Company will not issue/re-issue any shares not covered under the draft Scheme.

INDICATIVE TIMELINE

This Abridged Prospectus is filed pursuant to the Scheme and is not an offer to public at large. Given that the Scheme requires approval of various regulatory authorities including and primarily, the NCLT, the time frame cannot be established with certainty.

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the equity of the Transferee Company unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors mentioned in this Abridged Prospectus carefully before taking an investment decision. For taking an investment decision, investors must rely on their own examination of the Transferee Company and this Offer, including the risks involved. The equity shares have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the Scheme or Abridged Prospectus. Specific attention of the investors is invited to the Section "Internal Risk Factors" at page 13 of this Abridged Prospectus. – Not Applicable as the offer is not for public at large.

PROCEDURE

If you wish to know about processes and procedures applicable to this issue, you may request for a copy of the Abridged Prospectus or download it from the websites of the Stock Exchange, i.e. www.nseindia.com and of the website of Vertoz Advertising Limited (the "Transferor Company") i.e. vertoz.com/ir.

PRICE INFORMATION OF BRLM's

Issue Name	Name of Merchant Banker	+/- % change in closing price, (+/-% change in closing benchmark) - 30th calendar days from listing	+/- % change in closing price, (+/- % change in closing benchmark) - 90th calendar days from listing	+/- % change in closing price, (+/-% change in closing benchmark) - 180th calendar days from listing
NA				

Name of BRLM and contact details (telephone and email id)	Not applicable
Name of Syndicate Members	Not applicable
Name of Registrar to the Issue and contactdetails (telephone and email id)	Not applicable

Name of Statutory Auditor	ADV & Associates Chartered Accountants 801, Empress Nucleus, Gaothan Road, Opp. Little Flower School, Andheri (East), Mumbai-400069 Tel No. - +91 9325078807 Email Id- advassociates@gmail.com
Name of Credit Rating Agency and the rating or grading obtained, if any	Not applicable
Name of Debenture trustee, if any.	Not applicable
Self-Certified Syndicate Banks	Not applicable
Non-Syndicate Registered Brokers	Not applicable
Details regarding website address(es) / link(s) from which the investor can obtain list of registrars to issue and share transfer agents, depository participants and stockbrokers who can accept application from investor (as applicable)	Not applicable

PROMOTERS OF THE TRANSFEROR COMPANY			
Sr. No.	*Name*	*Individual/ Corporate*	*Experience & Educational Qualification*
1	Mr. Hirenkumar Rasiklal Shah	Individual	He has around 18 years of experience in the business and industry. He has completed his first year Bachelor of Commerce from the University of Mumbai. He looks after the day-to-day operations and is responsible for setting forth the group strategy and vision.
2	Mr. Ashish Rasiklal Shah	Individual	He has around 18 years of experience in the business and industry. He has completed his Bachelor of Commerce and Master of Commerce (Part-I) from the University of Mumbai. He is responsible for Company's overall business operations, as well as looks after the Company's Product and Business Development.

BUSINESS OVERVIEW AND STRATEGY
Company Overview: PTPL is an Indian Company duly incorporated on 2nd June 2010 under the Companies Act 1956 having its registered address at 602, Avior Nirmal Galaxy, Opp. Johnson & Johnson, LBS Road, Mulund West, Mumbai – 400080.

The brief business activities of PTPL is as follows:

- Carrying business of Web Hosting, Designing & Content writing, Domain Name Registration & Renewal, Software Development and/or to provide Software as a Service, Dedicated Server and/or Server Co-location, Business Process Outsourcing, Research and Development, Server Management & Maintenance, Web Services & Consultancy, Payment Gateway Services, Email Hosting, Providing Internet Service, Data Center Services and all other web hosting related businesses in domestic and international market.

- Carrying business of Internet based advertising and marketing services including ecommerce transactions and provision of related technologies, systems, consultancy, strategies, media plan, research and development, solutions in media channels like desktop, mobile, video and any other channels/products to advertisers, publishers and partners in domestic and international market.

- To act as Service Agents by and between its associate concerns, Joint Ventures, etc. to collect endorse, settle the bills by its own or through any other third party as mutually decided from time to time by and between the parties.

- To set up business units, branch, centers, establish its subsidiaries and/or step down subsidiaries, enter into Joint Ventures and/or foreign collaborations in India or abroad, wherever necessary under the automatic and/or approval route and/or as per the rules and regulations specified by RBI and Central Government from time to time.

Product/Service Offering: Business of Digital Ads, Content Creator, Online Advertising.

Revenue segmentation by product / Service offering: 100% revenue from Business of Digital Ads, Content Creator, Online Advertising.

Geographies Served: India and outside India as per details given below:

Revenue segmentation by geographies:
Following is the revenue earned geographically as on 31st March 2023:

Country	% of Revenue (Standalone)	% of Revenue (Consolidated)
India	100%	5.57%
USA	-	94.43%
Grand Total	100%	100%

Key Performance Indicators: The following table sets forth certain Key Performance Indicators for the periods indicated:

(Amount in INR)

Standalone	March 31st 2023	March 31st, 2022	March 31st, 2021
Revenue from Operations	4,35,40,776	2,57,02,466	1,98,97,334
EBITDA	55,54,604	49,11,159	1,21,33,786
EBITDA Margins	12.76%	19.11%	60.98%

PAT for the Year/ period ended	40,10,174	23,38,034	15,97,264
PAT Margins	9.21%	9.10%	8.03%
ROE	36.38%	32.98%	33.62%
ROCE	43.01%	65.64%	215.48%
Net Debt/Equity	9.54	6.09	16.83

Consolidated	March 31st 2023	March 31st, 2022	March 31st, 2021
Revenue from Operations	78,13,53,751	45,76,18,820	54,50,44,232
EBITDA	4,65,39,429	1,10,49,380	(15,34,44,815)
EBITDA Margins	5.96%	2.41%	(28.15)%
PAT for the Year/ period ended	3,07,12,738	(3,97,929)	(17,38,35,450)
PAT Margins	3.93%	(0.09)%	(31.89)%
ROE	(20.21)%	0.24%	106.52%
ROCE	(30.73)%	(6.30)%	94.79%
Net Debt/Equity	(3.04)	(1.92)	(1.87)

Client Profile or Industries Served: Digital Ads, Content Creator, Online Advertising

Revenue segmentation in terms of top 5/10 clients or industries:

Particulars	% of Revenue (Standalone)	Particulars	% of Revenue (Consolidated)
Adokut Inc	41.24%	YEESSHH LTD	4.68%
eReleGo Technologies Pvt. Ltd.	16.59%	Explorads LTD	2.16%
Web-Mantra	10.37%	DaoAd	2.06%
Vertoz Advertising Limited	8.27%	Tagzoo Ltd	2.05%
OWN WEB SOLUTION PRIVATE LIMITED	7.36%	TRAFFIC STARS LIMITED	1.84%

Intellectual Property, if any: NA

Market Share: Unascertainable

Manufacturing plant, if any: NA

Employee Strength: 40 employees (including 0 contract employees) as on 31.03.2022 and 43 employees (including 0 contract employees) as on 31.03.2023.

BOARD OF DIRECTORS				
Sr. No	Name	Designation (Independent / Wholetime / Executive / Nominee)	Experience & Educational Qualification	Other Directorship
1.	Hirenkumar Rasiklal Shah	Director	Experience: He has around 18 years of experience in the business and industry. Educational Qualification: First year Bachelor of Commerce from the University of Mumbai.	Indian Companies: 1. TRUNKOZ TECHNOLOGIES PRIVATE LIMITED 2. VERTOZ ADVERTISING LIMITED 3. HASHJINI PRIVATE LIMITED 4. VYOMEEN MEDIA PRIVATE LIMITED 5. ADZURITE SOLUTIONS PRIVATE LIMITED 6. OWN WEB SOLUTION PRIVATE LIMITED 7. AMEE INFORMATION TECHNOLOGY SOLUTION PRIVATE LIMITED 8. INCREMENTX PRIVATE LIMITED 9. DOVE SOFT LIMITED Foreign Companies: 1. Vertoz Inc, USA 2. Vertoz Limited, UK 3. OwnRegistrar Inc, USA 4. Vertoz FZ-LLC, UAE 5. OR Solutions FZ-LLC, UAE 6. Vertoz Limited, Hong Kong 7. BoffoAds Inc., USA 8. FlairAds Inc., USA 9. AdMida Inc., USA 10. AdZesto Inc., USA 11. AdMeridian Inc., USA 12. Hueads Inc., USA 13. Vokut Inc., USA 14. AdCanny Inc., USA 15. Adokut Inc., USA 16. Qualispace Inc., USA 17. Vertoz Advertising FZ-LLC, UAE 18. PubNX Inc, USA 19. ZKraft Inc, USA 20. AdMozart Inc, USA 21. AdZurite Inc, USA 22. AdNet Holdings Inc, USA 23. HashJini Inc, USA

BOARD OF DIRECTORS				
Sr. No	Name	*Designation (Independent / Wholetime / Executive / Nominee)*	Experience & Educational Qualification	Other Directorship
2.	Ashish Rasiklal Shah	Director	Experience: He has around 18 years of experience in the business and industry. Educational Qualification: Bachelor of Commerce and Master of Commerce (Part-I) from the University of Mumbai	Indian Companies: 1. TRUNKOZ TECHNOLOGIES PRIVATE LIMITED 2. VERTOZ ADVERTISING LIMITED 3. HASHJINI PRIVATE LIMITED 4. ADZURITE SOLUTIONS PRIVATE LIMITED 5. OWN WEB SOLUTION PRIVATE LIMITED Foreign Companies: 1. Vertoz Limited, UK 2. Vertoz Advertising FZ-LLC, UAE 3. Vertoz Inc, USA 4. AdMozart INC, USA 5. PubNX INC, USA 6. ZkraN INC, USA 7. AdZurite INC, USA 8. AdNat Holdings Inc, USA 9. Vertoz Limited, Hong Kong 10.HashJini Inc, USA 11.OwnAdtech Inc, USA
3.	Rasiklal Hathichand Shah	Director	Experience: He has around 25 years of experience in the business and industry. Educational Qualification: He is a matriculate	Indian Companies: 1. TRUNKOZ TECHNOLOGIES PRIVATE LIMITED 2. VERTOZ ADVERTISING LIMITED 3. ADZURITE SOLUTIONS PRIVATE LIMITED 4. OWN WEB SOLUTION PRIVATE LIMITED 5. INCREMENTX PRIVATE LIMITED Foreign Companies: NIL

OBJECTS PURSUANT TO THE SCHEME
Rationale for the Scheme, as provided in the Scheme, is given below: The Amalgamation will enable the Transferee Company to consolidate the businesses and lead to synergies in operation and create a stronger financial base.

Technologies Pvt. Ltd. MUMBAI

It would be advantageous to combine the activities and operations of both the Companies into a single Company driving sharper focus for smooth and efficient Management. This will be reflected in the profitability of the Transferee Company.

This Scheme of Amalgamation would result in Merger in the nature of Pooling of Interest as per Appendix C of the Indian Accounting Standard 103 on Business Combinations and thus on consolidation of business of the First Transferor Company and Second Transferor Company with Transferee Company, all the shareholders of the merged entity will be benefited by result of the amalgamation of Business and availability of a common operating platform.

The Amalgamation of the First Transferor Company, Second Transferor Company with the Transferee Company will also provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, the merger will enable optimal utilization of existing resources and provide an opportunity to fully leverage strong assets, capabilities, experience and expertise of all the Companies. The merged entity will also have sufficient funds required for meeting its long-term capital needs as provided for in the scheme.

The Scheme of amalgamation will result in cost saving for all the Companies as they are capitalizing on each other's core competency and resources which are expected to result in stability of operations, cost savings and higher profitability levels for the Transferee Company.

The Scheme is in the interest of all Stakeholders of the Parties (as defined in the Scheme).

The object and the benefits of the Amalgamation of Transferor Companies into VAL is the consolidation of business activities. Consolidation of business with VAL is a strategic fit and will help streamline the business of VAL in the growing markets. Accordingly, it will result in making available assets, financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of the Transferor Companies to the VAL leading to synergistic benefits, enhancement of future business potential, cost reduction and as a result, sustain growth in long term.

The Scheme also provides for various other matters consequent and incidental thereto.

Details of means of finance – Not Applicable

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues / rights issues, if any, of the Company in the preceding 10 years: Not Applicable

Name of monitoring agency, if any: Not Applicable

Terms of issuance of Convertible Security, if any: Not Applicable

Shareholding of the PTPL is as follows:

Sr. No.	Particulars	Pre-Scheme No. of Equity Shares	% of Holding Pre-Scheme
(A)	Promoter & Promoter Group	8,000	80.00%
(B)	Public	2,000	20.00%
Total		10,000	100.00%

AUDITED FINANCIALS OF PTPL

Audited financials of the PTPL for the last three years are as mentioned below:

(Amount in INR)

Standalone	March 31st 2023	March 31st, 2022	March 31st,2021
Total Income from operations (net)	4,35,40,776	2,57,02,466	1,98,97,334
Net Profit/(loss) before tax and extraordinary items	55,54,604	49,11,159	1,21,33,786
Net Profit/(loss) after tax and extraordinary items	40,10,174	23,38,034	15,97,264
Equity Share Capital	1,00,000	1,00,000	1,00,000
Reserves and Surplus	1,09,98,852	69,88,678	46,50,644
Net Worth	1,10,98,852	70,88,678	47,50,644
Basic Earnings per share (Rs.)	401.02	233.80	159.73
Diluted Earnings per share (Rs.)	401.02	233.80	159.73
Return on net worth (%)	36.13%	32.98%	33.62%
Net asset value per share (Rs.)	1,109.89	708.87	475.06

(Amount in INR)

Consolidated	March 31st 2023	March 31st, 2022	March 31st, 2021
Total Income from operations (net)	78,13,53,751	45,76,16,820	54,50,44,232
Net Profit/(loss) before tax and extraordinary items	3,99,50,017	2,43,247	(17,31,60,172)
Net Profit/(loss) after tax and extraordinary items	3,07,12,738	(3,97,929)	(17,38,35,450)
Equity Share Capital	1,00,000	1,00,000	1,00,000
Reserves and Surplus	(15,20,46,947)	(16,89,87,195)	(16,33,00,445)
Net Worth	(15,19,46,947)	(16,88,87,195)	(16,32,00,445)
Basic Earnings per share (Rs.)	3,071.27	(39.79)	(17,383.54)
Diluted Earnings per share (Rs.)	3,071.27	(39.79)	(17,383.54)
Return on net worth (%)	(20.21)%	0.24%	106.52%
Net asset value per share (Rs.)	(15,194.69)	(16,888.72)	(16,320.04)

Notes:

Reserves and Surplus comprises of Capital redemption reserve, Capital reserve, General reserve and Surplus in the Statement of Profit and Loss.

Net worth comprises of Equity Share Capital and Reserves and Surplus.

Basic and Diluted earnings per share have been calculated by applying the following formula: Net Profit/ (Loss) after tax and extraordinary items divided by number of shares outstanding.

Return on net worth % has been calculated by applying the following formula: Net Profit/ (Loss) after tax and extraordinary items divided by Net worth and multiplied by 100.

Net asset value per share has been calculated by adding the balance of Equity Share Capital and Reserves and Surplus and dividing the same by number of shares outstanding.

INTERNAL RISK FACTORS

INTERNAL RISKS

We rely on the information technology systems, networks and infrastructures to operate our business and any interruption or breakdown in such systems, networks or infrastructure or our technical systems could impair our ability to effectively deliver our products and services. Further, Internet penetration in India is very vast and may increase in the future. If the internet infrastructure suffers interruptions, breakdowns or reduced growth, it may adversely affect our business and results of operations.

We face intense competition and this presents a continuous challenge to our success. We have a significant component of the Group's business and acts as a captive, the pricing of the services as per the prevalent norms and modification to these could result in changes to the margins of this relatively low risk portfolio.

There are few ongoing GST Appeals and a Tax Proceeding involving PTPL which if determined against us, may have an adverse effect on our business.

Our inability to attract, train and retain qualified personnel may have an affect on our business.

Our inability to manage the rapid growth in scale of our operations or adapt to technological developments or trends could affect the performance and features of the services we provide, thereby, adversely affecting our business operations.

Implementation of the Scheme completely depends on the approval of Regulatory Authorities. Any modification or revision in the Scheme by the Competent Authorities may delay the completion of the process.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION – PTPL

A. Total number of outstanding litigations against the Company and amount involved:

Name of the Entity	Tax Proceedings	Criminal Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Total Amount involved (Rs. in Crore)
PTPL	GST Appeal for the period 2017-2018	NA	NA	NA	NA	Rs. 46,69,050
PTPL	GST Appeal for the period 2018-2019	NA	NA	NA	NA	Rs. 22,88,853
PTPL	GST Appeal for the period 2019-2020	NA	NA	NA	NA	Rs. 10,91,042
PTPL	Income Tax Notice for the period 2019-2020	NA	NA	NA	NA	Rs. 1,75,310

B. Brief details of top 5 material outstanding litigations against the Company and amount involved:

Sr. No.	Particulars and status of the Case	Litigation filed by	Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates
NIL						

C. Regulatory Action, if any - disciplinary action taken by SEBI or Stock Exchanges against the Promoters / Group companies in last 5 Financial years including outstanding action, if any: NIl

D. Brief details of outstanding criminal proceedings against Promoters: NIl

ANY OTHER IMPORTANT INFORMATION AS PER THE MERCHANT BANKER / PTPL
NIL

DECLARATION BY PTPL
We hereby declare that all the relevant provisions of the Companies Act, 2013 and the guidelines / regulations issued by the Government of India or the guidelines / regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued, as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

FOR AND ON BEHALF OF BOARD OF DIRECTORS OF
PAYNX TECHNOLOGIES PRIVATE LIMITED

Name: Hirenkumar Shah
Designation: Director
DIN: 00092739
Date: 24th August 2023
Place: Mumbai

Navigant

NAVIGANT CORPORATE ADVISORS LIMITED

Regd Office: 4118, Rustomjee Eaze Zone, Laxmi Singh Complex, Goregaon Mulund Link Road, Malad West, Mumbai-400 064
Corporate Office: 423, A Wing, Bonanza, Sahar Plaza Complex, J B Nagar, Andheri- Kurla Road, Andheri (East) Mumbai-400 059; **Tel:** +91-22- 4120 4837 / +91 22 4973 5078
Email: navigant@navigantcorp.com; **Website:** www.navigantcorp.com
(CIN: L67190MH2012PLC231304)

Date: August 25, 2023

To,
The Board of Directors,
Vertoz Advertising Limited
602, Avior, Nirmal Galaxy, L.B.S. Marg,
Opp. Johnson & Johnson, Mulund,
Mumbai – 400 080

To,
The Board of Directors,
Paynx Technologies Private Limited
602, Avior Nirmal Galaxy, Opp. Johnson & Johnson, LBS Road,
Mulund West, Mumbai – 400080.

SUBJECT: CERTIFICATE ON ACCURACY AND ADEQUACY OF DISCLOSURES OF INFORMATION PERTAINING TO THE PAYNX TECHNOLOGIES PRIVATE LIMITED IN THE ABRIDGED PROSPECTUS IN RELATION TO THE PROPOSED SCHEME OF ARRANGEMENT BETWEEN PAYNX TECHNOLOGIES PRIVATE LIMITED AND QUALISPACE WEB SERVICES PRIVATE LIMITED AND VERTOZ ADVERTISING LIMITED AND THEIR RESPECTIVE SHAREHOLDERS UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013.

Dear Sir / Madam,

We, Navigant Corporate Advisors Limited, SEBI Registered Category I Merchant Banker, having Registration No. INM000012243 have been appointed by Vertoz Advertising Limited to provide a compliance report with respect to adequacy and accuracy of disclosures made in the Abridged Prospectus dated 24th August, 2023 (the "Abridged Prospectus") under the Proposed Scheme of Arrangement between Paynx Technologies Private Limited (PTPL), Qualispace Web Services Private Limited (QWSPL) with Vertoz Advertising Limited (Vertoz) and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013.

Scope and Purpose of the certificate:

As required under the SEBI Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (SEBI Circulars), as amended from time to time, a compliance report has to be obtained from a Merchant Banker on the information to be disclosed in the Explanatory Statement to the Notice to be issued for National Company Law Tribunal convened meeting of the shareholders of listed company in line with information disclosed in abridged prospectus in terms of Part E of Schedule VI to the Securities and Exchange Board of India (issue of Capital and Disclosure Requirements) Regulations, 2018. The purpose of abridged prospectus is to inform the shareholders about the information / details of unlisted company, to the extent applicable, involved in the Scheme.

Sources of the Information

We have received the following information from the Management of PTPL and Vertoz:

1. Scheme of Arrangement;

2. Disclosure in the format of Abridged Prospectus of PTPL;

3. Information / documents / undertakings, etc. provided by the management of PTPL and Vertoz pertaining to the disclosures made in the respective Abridged Prospectus dated 24th August, 2023.

Certification. As required under the SEBI Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time, we have examined the disclosures made in the Abridged Prospectus issued by PTPL, which shall form part of the explanatory statement to the Notice to be issued by Vertoz. Accordingly, we confirm that the information disclosed in the Abridged Prospectus issued by PTPL contains all applicable information required in respect of unlisted entity involved in the Scheme, i.e., Paynx Technologies Private Limited, in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

The above confirmation is based on the information furnished and explanations provided to us by the Vertoz and PTPL, assuming the same is complete and accurate in all material aspects on an "as is" basis. We have relied on the financials, information and representations furnished to us on an "as is" basis and have not carried out an audit of such information. Our scope of work does not constitute an audit of financial information and accordingly we are unable to and do not express an opinion on the fairness of any such financial information referred to in the Disclosure Document. This certificate is a specific purpose certificate issued in terms of the SEBI Circulars and hence it should not be used by any person other than to whom it is addressed or for any other purpose or transaction.



This certificate is not, nor should it be construed to be, a certification of compliance of the Scheme with the provisions of applicable law including company, taxation and securities markets related laws or as regards any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

Thanking You,

For Navigant Corporate Advisors Limited
SEBI Registered Category I Merchant Banker
(SEBI Registration No: INM000012243)



Sarthak Vijlani
Managing Director

Date: August 25, 2023
Place: Mumbai

QualiSpace Web Services Private Limited
CIN: U93000MH2017PTC294200
Registered Office: 602, Avior - Nirmal Galaxy,
Opp. Jhonson & Jhonson, LBS Marg,
Mulund (West), Mumbai - 400080.
T: 022 - 6142 6060 E: corp@qualispace.com

DISCLOSURE DOCUMENT COMPRISING OF APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS

This is an Abridged Prospectus (Document) containing salient features pertaining to the Unlisted Private Company, Qualispace Web Services Private Limited, which is a Party to the Scheme of Amalgamation between Payrix Technologies Private Limited ("Transferor Company 1" or "PTPL"), Qualispace Web Services Private Limited ("Transferor Company 2" or "QWSPL") and Vertoz Advertising Limited ("VAL / Transferee Company") and their respective Shareholders and Creditors (hereinafter referred as to the "Scheme").
This Document has been prepared in connection with the above Scheme, pursuant to the Securities and Exchange Board of India ("SEBI") Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 is in accordance with the disclosure required to be made in Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, to the extent applicable.. . This Document should be read together with the Scheme.
THIS ABRIDGED PROSPECTUS CONSISTS 13 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.
You may download the Scheme from the website of VAL i.e. https://vertoz.com/ir / or the website of the stock exchange where the equity shares of VAL are listed i.e. National Stock Exchange of India Limited ("NSE" / "Stock Exchange")

(Capitalised terms not defined herein shall have their meaning ascribed to them under the Scheme)

Qualispace Web Services Private Limited
Corporate Identification Number (CIN): U93000MH2017PTC294200,
Date of Incorporation: 24th April 2017

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
602, Avior Nirmal Galaxy, Opp. Johnson & Johnson, LBS Road, Mulund West, Mumbai – 400080	Same as Registered Office	Dimple Shah	E-mail: corp@qualispace.com Telephone: 022 - 6142 6082	www.qualispace.com



NAMES OF PROMOTER(S) OF THE COMPANY

Mrs. Dimple Hirenkumar Shah and Mrs. Gunja Ashish Shah

Details of Offer to Public

Type of Issue (Fresh/ OFS/ Fresh & OFS)	Fresh Issue Size (by no. of shares or by amount in Rs)	OFS Size (by no. of shares or by amount in Rs)	Total Issue Size (by no. of shares or by amount in Rs)	Issue Under 6(1) / 6(2)	Share Reservation		
					QIB	NII	RII
NA	NA	NA	NA	NA	NA	NA	NA

Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders
(upto a maximum of 10 selling shareholders)

Name	Type	No of Shares offered/ Amount in Rs	WACA in Rs per Equity	Name	Type	No of Shares offered/ Amount in Rs	WACA in Rs. per Equity
NA	NA	NA	NA	NA	NA	NA	NA

Price Band, Minimum Bid Lot & Indicative Timelines*	
Price Band	NA
Minimum Bid Lot Size	NA
Bid/Offer Open On	NA
Bid/Closes Open On	NA
Finalisation of Basis of Allotment	NA
Initiation of Refunds	NA
Credit of Equity Shares to Demat accounts of Allotees	NA
Commencement of trading of Equity Shares	NA

**The Abridged Prospectus is issued pursuant to the Scheme and is not an offer to public at large. The time frame cannot be established with absolute certainty, as the Scheme is subject to approvals from relevant regulatory authorities.*



Details of WACA of all shares transacted over the trailing eighteen months from the date of Abridged Prospectus

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper End of thePrice Band is 'X' times the WACA	Range of acquisition price Lowest Price-HighestPrice (in Rs.)
Trailing Eighteen Month from the date of Abridged Prospectus	NA	NA	NA

WACA: Weighted Average Cost of Acquisition shall be calculated on fully diluted basis for the trailing eighteen months from the date of Abridged Prospectus.

RISKS IN RELATION TO THE FIRST OFFER
Not applicable as the offer is not for public at large.

ISSUE DETAILS, LISTING AND PROCEDURE

The Board of Directors of Paynx Technologies Private Limited and Qualispace Web Services Private Limited (Collectively hereinafter called as Transferor Companies) and Vertoz Advertising Limited in their respective meetings held on 21st June 2022 approved a scheme of arrangement ("Scheme").

The scheme of arrangement between Vertoz Advertising Limited ("VAL / Transferee Company"), Paynx Technologies Private Limited ("PTPL"), Qualispace Web Services Private Limited (QWSPL) and their shareholders provides for the Amalgamation of PTPL and QWSPL with VAL and consequent issue of Equity Shares by VAL to the shareholders of PTPL and QWSPL and that upon the coming into effect of this Scheme and with effect from the Appointed Date, the Undertaking (as defined in the Scheme) of the PTPL and QWSPL shall be transferred to and vested in the VAL as a going concern without any further act, instrument or deed so as to become, as and from the Appointed Date, the undertakings of the VAL by virtue of and in the manner provided in this Scheme in accordance with the terms of the Scheme, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act"). The Scheme also provides for various other matters consequent and incidental thereto.

The scheme is further subject to approval from the shareholders and creditors of aforesaid companies, National Company Law Tribunal (NCLT) and other statutory/regulatory authorities, as may be applicable.

Consideration under the Scheme:

Pursuant to the aforesaid scheme becoming effective, the Transferee Company shall issue equity shares to the shareholders of PTPL and QWSPL in the ratio and manner as stated in said Scheme.

Upon the Scheme becoming effective and upon the amalgamation of Transferor Companies into the Transferee Company in terms of this Scheme, the Transferee Company shall, issue and allot without any further application, act, deed, consent, acts, instrument or deed, on a proportionate basis to each shareholder of the Transferor Companies or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, whose names appear in the Register of Members as on the Record Date in the following ratio:

"1904 (One Thousand Nine Hundred and Four only) Ordinary (Equity) Shares of the face value of Rs. 10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs. 10 each fully paid up held in PTPL"

"502 (Five Hundred and Two only) Ordinary (Equity) Shares of the face value of Rs. 10 each of VAL shall be issued and allotted as fully paid up for every 1 (One) Equity Share of the face value of Rs. 10 each fully paid up held in QWSPL"

The Equity Shares to be issued by the Transferee Company shall be in dematerialized form.

Pursuant to issuance and allotment of the Amalgamation consideration shares, in case any equity shareholders of the transferor Companies becomes entitled to a fraction of an equity share of the transferee Company, the transferee Company shall not issue fractional shares to such member but shall consolidate such fractions and issue consolidated shares to a trustee nominated by the transferee company in that behalf, who shall sell such shares and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders respectively entitled to the same in proportion to their fractional entitlements.

Date: Appointed Date for the Scheme means 1st April 2022 or such other date as may be approved by the NCLT for the purpose of this Scheme.

Note: The above details of the Scheme have been suitably extracted from the Scheme.

The equity shares of the Transferee Company to be issued and allotted as provided shall be subject to the provisions of the memorandum of association and articles of association of Transferee Company, as the case may be, and shall rank pari passu in all respects with any existing equity shares of Transferee Company, as the case may be, after the Effective Date including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the equity shares of Transferee Company.

Transferee Company shall apply for listing all of its equity shares on the Stock Exchange in terms of and in compliance with the SEBI Master Circular and other relevant provisions under Applicable Laws.

The procedure with respect to public issue / offer would not be applicable as the Scheme does not involve issue of any Equity Shares to the public at large. The issue of equity shares of the Transferee Company is only to the shareholders of the Transferor Companies, in accordance with the Scheme. Hence, the procedure with respect to General Information Documents (GID) is not applicable.

ELIGIBILITY

In compliance with the SEBI circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 is in accordance with the disclosure required to be made in Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, to the extent applicable.

- The equity shares sought to be listed are proposed to be allotted by the Transferee Company to the holders of securities of an unlisted entity, i.e. the Transferor Companies, pursuant to a Scheme to be sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench under Sections 230-232 of the Act;

- The percentage of post-scheme shareholding of public shareholders of the listed Transferee Company

shall not be less than 25%; and

- The Transferee Company will not issue/re-issue any shares not covered under the draft Scheme.

INDICATIVE TIMELINE

This Abridged Prospectus is filed pursuant to the Scheme and is not an offer to public at large. Given that the Scheme requires approval of various regulatory authorities including and primarily, the NCLT, the time frame cannot be established with certainty.

GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the equity of the Transferee Company unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors mentioned in this Abridged Prospectus carefully before taking an investment decision. For taking an investment decision, investors must rely on their own examination of the Transferee Company and this Offer, including the risks involved. The equity shares have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the Scheme or Abridged Prospectus. Specific attention of the Investors is invited to the Section "Internal Risk Factors" at page 11 of this Abridged Prospectus – Not Applicable as the offer is not for public at large.

If you wish to know about processes and procedures applicable to this issue, you may request for a copy of the Abridged Prospectus or download it from the websites of the Stock Exchange, i.e. www.nseindia.com and of the website of Vertoz Advertising Limited (the "Transferor Company") i.e. vertoz.com/ir.

PRICE INFORMATION OF BRLM's

Issue Name	Name of Merchant Banker	+/- % change in closing price, [+/-% change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
NA				

Name of BRLM and contact details (telephone and email id)	Not applicable
Name of Syndicate Members	Not applicable
Name of Registrar to the Issue and contactdetails (telephone and email id)	Not applicable
Name of Statutory Auditor	Nakrani & Co. Chartered Accountants 102, Yogashree, K Villa, Opp Holy Cross School, Old Mumbai Pune Road, Thane (w), MH, 400 601 Tel No. - +91 22 25476903 Email Id- bharat@canp.co.in
Name of Credit Rating Agency and the rating or grading obtained, if any	Not applicable
Name of Debenture trustee, if any.	Not applicable
Self-Certified Syndicate Banks	Not applicable
Non-Syndicate Registered Brokers	Not applicable
Details regarding website address(es) / link(s) from which the investor can obtainlist of registrars to issue and share transfer agents, depository participants and stockbrokers who can accept application from investor (as applicable)	Not applicable

PROMOTERS OF THE ISSUER COMPANY			
Sr. No.	*Name*	*Individual/ Corporate*	*Experience & Educational Qualification*
1	Mrs. Dimple Hirenkumar Shah	Individual	6 years experience in the Industry. She is B.Com Graduate. She looks after the day-to-day operations and is responsible for setting forth the group strategy and vision.
2	Mrs. Gunja Ashish Shah	Individual	6 years experience in the Industry. She is B.Com Graduate. She is responsible for Company's overall business operations, as well as looks after the Company's Product and Business Development.

BUSINESS OVERVIEW AND STRATEGY

Company Overview: QWSPL is an Indian Company duly incorporated on 24th April 2017 under the Companies Act 2013 having its registered address at 602, Avior Nirmal Galaxy, Opp. Johnson & Johnson, LBS Road, Mulund West, Mumbai – 400080.

The brief business activities of QWSPL are as follows;

- Carrying business of Web Hosting, Designing & Content writing, Domain Name Registration & Renewal, Software Development and/or to provide Software as a Service, Dedicated Server and/or Server Co-location, Business Process Outsourcing, Research and Development, Server Management & Maintenance, Web Services & Consultancy, Payment Gateway Services, Email Hosting, Providing Internet Service, Data Center Services and all other web hosting related businesses in domestic and international market.

- Carrying business of Internet based advertising and marketing services including ecommerce transactions and provision of related technologies, systems, consultancy, strategies, media plan, research and development, solutions in media channels like desktop, mobile, video and any other channels/products to advertisers, publishers and partners in domestic and international market.

- To act as Service Agents by and between its associate concerns, Joint Ventures, etc. to collect, endorse, settle the bills by its own or through any other third party as mutually decided from time to time by and between the parties.

- To set up business units, branch, centers, establish its subsidiaries and/or step down subsidiaries, enter into joint ventures and/or foreign collaborations in India or abroad, wherever necessary under the automatic and/or approval route and/or as per the rules and regulations specified by RBI and Central Government from time to time.

Product/Service Offering: QualiSpace offers 360-degree web-presence solutions – Domain Registration, Cloud Servers, Web Hosting, Advanced Email services, Website Builder products, Security Certificates and more.

Revenue segmentation by product / Service offering: 100% revenue from QualiSpace offers 360-degree web-presence solutions – Domain Registration, Cloud Servers, Web Hosting, Advanced Email services, Website Builder products, Security Certificates and more.

Geographies Served: India

Revenue segmentation by geographies:
Following is the revenue earned geographically:

Country	% of Revenue
India	100%
Grand Total	100%

Key Performance Indicators: The following table sets forth certain Key Performance Indicators for the periods indicated:

(Amount in INR)

Standalone	March 31, 2023	March 31st, 2022	March 31st, 2021
Revenue from Operations	6,31,78,232	5,15,93,985	3,13,31,395
EBITDA	95,22,163	70,43,558	25,31,043
EBITDA Margins	15.07%	13.65%	8.08%
PAT for the Year/ period ended	52,75,147	39,23,955	4,05,117
PAT Margins	8.35%	7.61%	1.29%
ROE	42.59%	55.18%	12.71%
ROCE	53.26%	77.07%	34.61%
Net Debt/Equity	3.13	3.91	6.41

Client Profile or Industries Served: QualiSpace offers 360-degree web-presence solutions – Domain Registration, Cloud Servers, Web Hosting, Advanced Email services, Website Builder products, Security Certificates and more.

Revenue segmentation in terms of top 5/10 clients or industries:

Particulars	% of Revenue
OwnRegistrar Inc	20.83%
BEACON INSURANCE BROKERS PRIVATE LIMITED	7.32%
Vertoz Advertising Limited	5.91%
Godrej & Boyce Mfg. Co. Ltd.	4.81%
eReleGo Technologies Pvt. Ltd	4.29%

Intellectual Property, if any: NA

Market Share: Unascertainable

Manufacturing plant, if any: NA

Employee Strength: 54 employees (including 0 contract employees) as on 31.03.2022 and 45 employees (including 0 contract employees) as on 31.03.2023.

BOARD OF DIRECTORS				
Sr. No	Name	Designation (Independent / Wholetime / Executive / Nominee)	Experience & Educational Qualification	Other Directorship
1.	Dimple Hirenkumar Shah	Director	Experience: 6 years Educational Qualification: Education: B.Com	Indian Companies: - Foreign Companies: -
2.	Gunja Ashish Shah	Director	Experience: 6 years Educational Qualification: Education: B.Com	Indian Companies: - Foreign Companies: BoffoAds Inc., FlairAds Inc., AdWida Inc., AdZesto Inc., AdMeridian Inc., Hueads Inc., Volut Inc., AdCanny Inc., Adofut Inc., Qualispace Inc., Ownregistrar Inc,

OBJECTS PURSUANT TO THE SCHEME

Rationale for the Scheme, as provided in the Scheme, is given below:

The Amalgamation will enable the Transferee Company to consolidate the businesses and lead to synergies in operation and create a stronger financial base.

It would be advantageous to combine the activities and operations of both the Companies into a single Company driving sharper focus for smooth and efficient Management. This will be reflected in the profitability of the Transferee Company.

This Scheme of Amalgamation would result in Merger in the nature of Pooling of Interest as per Appendix C of the Indian Accounting Standard 103 on Business Combinations and thus on consolidation of business of the First Transferor Company and Second Transferor Company with Transferee Company, all the Shareholders of the merged entity will be benefited by result of the amalgamation of Business and availability of a common operating platform.

The Amalgamation of the First Transferor Company, Second Transferor Company with the Transferee Company will also provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, the merger will enable optimal utilization of existing resources and provide an opportunity to fully leverage strong assets, capabilities, experience and expertise of all the Companies.

CHARTERED SECRETARIES PVT. LTD. MUMBAI

The merged entity will also have sufficient funds required for meeting its long term capital needs as provided for in the scheme.

The Scheme of amalgamation will result in cost saving for all the Companies as they are capitalizing on each other's co re competency and resources which are expected to res ult in stability of operations, cost savings and higher profitability levels for the Transferee Company.

The Scheme is in the interest of all stakeholders of the Parties (as defined in the Scheme).

The object and the benefits of the Amalgamation of Transferor Companies into VAL is the consolidation of business activities. Consolidation of business with VAL is a strategic fit and will help streamline the business of VAL in the growing markets. Accordingly, it will result in making available assets, financial, managerial and technical resources, personnel, capabilities, skills, expertise and technologies of the Transferor Companies to the VAL leading to synergistic benefits, enhancement of future business potential, cost reduction and as a result, sustain growth in long term.

The Scheme also provides for various other matters consequent and incidental thereto.

Details of means of finance –Not Applicable

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues / rights issues, if any, of the Company in the preceding 10 years: Not Applicable

Name of monitoring agency, if any: Not Applicable

Terms of issuance of Convertible Security, if any: Not Applicable

Shareholding of the QWSPL is as follows:

Sr. No.	Particulars	Pre-Scheme No. of Equity Shares	% of Holding Pre-Scheme
(A)	Promoter & Promoter Group	10,000	100.00%
(B)	Public	-	-
Total		10,000	100.00%

AUDITED FINANCIALS OF QWSPL

Audited financials of the QWSPL for the last three years are as mentioned below:

[Amount in INR]

Standalone	March 31st, 2023	March 31st, 2022	March 31st, 2021
Total Income from operations (net)	6,31,78,231	5,15,93,985	3,13,31,395
Net Profit/(loss) before tax and extraordinary items	77,03,221	52,44,973	8,13,171
Net Profit/(loss) after tax and extraordinary items	52,75,147	39,23,955	4,05,117

Equity Share Capital	1,00,000	1,00,000	1,00,000
Reserves and Surplus	1,22,86,120	70,10,973	30,87,018
Net Worth	1,23,86,120	71,10,973	31,87,018
Basic Earnings per share (Rs.)	527.51	392.40	40.51
Diluted Earnings per share (Rs.)	527.51	392.40	40.51
Return on net worth (%)	42.59%	55.18%	12.71%
Net asset value per share (Rs.)	1,238.61	711.10	318.70

Notes:

Reserves and Surplus comprises of Capital redemption reserve, Capital reserve, General reserve and Surplus in the Statement of Profit and Loss.

Net worth comprises of Equity Share Capital and Reserves and Surplus.

Basic and Diluted earnings per share have been calculated by applying the following formula: Net Profit/ (Loss) after tax and extraordinary items divided by number of shares outstanding.

Return on net worth % has been calculated by applying the following formula: Net Profit/ (Loss) after tax and extraordinary items divided by Net worth and multiplied by 100.

Net asset value per share has been calculated by adding the balance of Equity Share Capital and Reserves and Surplus and dividing the same by number of shares outstanding.

INTERNAL RISK FACTORS

INTERNAL RISKS

We rely on the information technology systems, networks and infrastructures to operate our business and any interruption or breakdown in such systems, networks or infrastructure or our technical systems could impair our ability to effectively deliver our products and services. Further, Internet penetration in India is very vast and may increase in the future. If the Internet infrastructure suffers interruptions, breakdowns or reduced growth, it may adversely affect our business and results of operations.

We face intense competition and this presents a continuous challenge to our success. We have a significant component of the Group's business and acts as a captive, the pricing of the services as per the prevalent norms and modification to these could result in changes to the margins of this relatively low risk portfolio.

There are few ongoing GST Appeals and a Tax Proceeding involving QWSPL which if determined against us, may have an adverse effect on our business.

Our inability to attract, train and retain qualified personnel may have an effect on our business.

Our inability to manage the rapid growth in scale of our operations or adapt to technological developments or trends could affect the performance and features of the services we provide, thereby, adversely affecting our business operations.

Implementation of the Scheme completely depends on the approval of Regulatory Authorities. Any modification or revision in the Scheme by the Competent Authorities may delay the completion of the process.

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION – QWSPL

A. Total number of outstanding litigations against the Company and amount involved:

Name of the Entity	Tax Proceedings	Criminal Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Total Amount Involved (Rs. In Crore)
QWSPL	GST Appeal for the period 2017-18	NA	NA	NA	NA	Rs. 64,44,401
QWSPL	GST Appeal for the period 2018-19	NA	NA	NA	NA	Rs. 2,45,65,478
QWSPL	Show Cause Notice cum Demand Notice for the period 2019-2020	NA	NA	NA	NA	Rs. 18,89,664
QWSPL	Income Tax Notice for the period 2019-2020	NA	NA	NA	NA	Rs. 2,46,940

B. Brief details of top 5 material outstanding litigations against the Company and amount involved:

Sr. No.	Particulars and status of the Case	Litigation filed by	Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates
NIL						

C. Regulatory Action, if any - disciplinary action taken by SEBI or Stock Exchanges against the Promoters / Group companies in last 5 Financial years including outstanding action, if any: NIl

D. Brief details of outstanding criminal proceedings against Promoters: NIl

ANY OTHER IMPORTANT INFORMATION AS PER THE MERCHANT BANKER / QWSPL

NIL

DECLARATION BY QWSPL

We hereby declare that all the relevant provisions of the Companies Act, 2013 and the guidelines / regulations issued by the Government of India or the guidelines / regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued, as the case may be. We further certify that all statements in the Abridged Prospectus are true and correct.

FOR AND ON BEHALF OF BOARD OF DIRECTORS OF
QUALISPACE WEB SERVICES PRIVATE LIMITED

Name: DIMPLE HIRENKUMAR SHAH
Designation: Director
DIN: 07788365
Date: 24th August 2023
Place: MUMBAI

Navigant

NAVIGANT CORPORATE ADVISORS LIMITED

Regd Office: 4118, Rustomjee Eaze Zone, Laxmi Singh Complex, Goregaon Mulund Link Road, Malad West, Mumbai-400 064
Corporate Office: 423, A Wing, Bonanza, Sahar Plaza Complex, J B Nagar, Andheri- Kurla Road, Andheri (East) Mumbai-400 059; **Tel:** +91-22- 4120 4837 / +91 22 4973 5078
Email: navigant@navigantcorp.com; **Website:**www.navigantcorp.com
(CIN: L67190MH2012PLC231304)

Date: August 25, 2023

To,
The Board of Directors,
Vertoz Advertising Limited
602, Avior, Nirmal Galaxy, L.B.S. Marg,
Opp. Johnson & Johnson, Mulund,
Mumbai – 400 080

To,
The Board of Directors,
Qualispace Web Services Private Limited
602, Avior Nirmal Galaxy, Opp. Johnson & Johnson, LBS Road,
Mulund West, Mumbai – 400080

SUBJECT: CERTIFICATE ON ACCURACY AND ADEQUACY OF DISCLOSURES OF INFORMATION PERTAINING TO THE QUALISPACE WEB SERVICES PRIVATE LIMITED IN THE ABRIDGED PROSPECTUS IN RELATION TO THE PROPOSED SCHEME OF ARRANGEMENT BETWEEN PAYNX TECHNOLOGIES PRIVATE LIMITED AND QUALISPACE WEB SERVICES PRIVATE LIMITED AND VERTOZ ADVERTISING LIMITED AND THEIR RESPECTIVE SHAREHOLDERS UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013.

Dear Sir / Madam,

We, Navigant Corporate Advisors Limited, SEBI Registered Category I Merchant Banker, having Registration No. INM000012243 have been appointed by Vertoz Advertising Limited to provide a compliance report with respect to adequacy and accuracy of disclosures made in the Abridged Prospectus dated 24th August, 2023 (the "Abridged Prospectus") under the Proposed Scheme of Arrangement between Paynx Technologies Private Limited (PTPL), Qualispace Web Services Private Limited (QWSPL) with Vertoz Advertising Limited (Vertoz) and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013.

Scope and Purpose of the certificate:

As required under the SEBI Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 (SEBI Circulars), as amended from time to time, a compliance report has to be obtained from a merchant banker on the information to be disclosed in the Explanatory Statement to the Notice to be issued for National Company Law Tribunal convened meeting of the shareholders of listed company in line with information disclosed in abridged prospectus in terms of Part E of Schedule VI to the Securities and Exchange Board of India (issue of Capital and Disclosure Requirements) Regulations, 2018. The purpose of abridged prospectus is to inform the shareholders about the information / details of unlisted company, to the extent applicable, involved in the Scheme.

Sources of the Information

We have received the following information from the Management of QWSPL and Vertoz:

1. Scheme of Arrangement;

2. Disclosure in the format of Abridged Prospectus of QWSPL;

3. Information / documents / undertakings, etc. provided by the management of QWSPL and Vertoz pertaining to the disclosures made in the respective Abridged Prospectus dated 24th August, 2023.

Certification. As required under the SEBI Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time, we have examined the disclosures made in the Abridged Prospectus issued by QWSPL, which shall form part of the explanatory statement to the Notice to be issued by Vertoz. Accordingly, we confirm that the information disclosed in the Abridged Prospectus issued by QWSPL contains all applicable information required in respect of unlisted entity involved in the Scheme, Qualispace Web Services Private Limited, in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

The above confirmation is based on the information furnished and explanations provided to us by the Vertoz and QWSPL, assuming the same is complete and accurate in all material aspects on an "as is" basis. We have relied on the financials, information and representations furnished to us on an "as is" basis and have not carried out an audit of such information. Our scope of work does not constitute an audit of financial information and accordingly we are unable to and do not express an opinion on the fairness of any such financial information referred to in the Disclosure Document. This certificate is a specific purpose certificate issued in terms of the SEBI Circulars and hence it should not be used by any person other than to whom it is addressed or for any other purpose or transaction.



This certificate is not, nor should it be construed to be, a certification of compliance of the Scheme with the provisions of applicable law including company, taxation and securities markets related laws or as regards any legal implications or issues arising thereon, except for the purpose expressly mentioned herein.

Thanking You,

For Navigant Corporate Advisors Limited
SEBI Registered Category I Merchant Banker
(SEBI Registration No: INM000012243)



Sarthak Vijlani
Managing Director

Date: August 25, 2023
Place: Mumbai

Annexure- K

MITTAL & ASSOCIATES
CHARTERED ACCOUNTANTS

B-603, Raylon Arcade,
R K Mandir Road, Kondivita
Andheri (East), Mumbai - 400 059.
Email : mm@mittal-associates.com
Tel : 9892076888 / 8689958800

Independent Auditor's Report

To
The Members of VERTOZ ADVERTISING LIMITED

Report on the Audit of the Standalone Financial Statements:

Opinion

We have audited the accompanying Standalone financial statements of **VERTOZ ADVERTISING LIMITED ("the Company")**, which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the 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 (Accounting Standards) Rules, 2015, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made there under, 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:

	• Evaluated the design of internal controls relating to recording of revenues at each period end as per contract terms. • Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to identification and recognition of revenues. • Reviewed a sample of contracts with unbilled revenues to identify appropriateness of revenue recognition as compared to the certified documentation by customers. • Performed analytical procedures and test of details for reasonableness of recognition of revenues and its corresponding costs.

Other Matter

During the period under audit, we informed that the Board of Directors of the Company in their Meeting held on 24th June 2022, has approved the Scheme of merger of PayNx Technologies Private Limited (hereinafter referred to as "The First Transferor Company") and QualiSpace Web Services Private Limited (hereinafter referred to as "The Second Transferor Company") with Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") and their respective Shareholders.

The merger of Paynx Technologies Private Limited (hereinafter referred to as "The First Transferor Company") and Qualispace Web Services Private Limited (hereinafter referred to as "The Second Transferor Company") with Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") and their respective Shareholders is under process, for which Vertoz Advertising Limited, the Transferee Company, has received the Observation Letter dated 11th January 2023 from the National Stock Exchange of India Limited (NSE) conveying its "No objection" in terms of Regulation 94 of *SEBI (LODR) Regulations, 2015*, so as to enable Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") to file the draft scheme with NCLT. On the date of signing this report, Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") is preparing to file the draft scheme of Merger with the NCLT.

In terms of the Scheme, the entire business and the whole of the undertaking of Paynx Technologies Private Limited and Qualispace Web Services Private Limited, as a going concern stands transferred to and vested in Vertoz Advertising Limited, the Transferee Company with effect from April 01, 2022, being the Merger Appointed Date.

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards 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 thatare 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 Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 with reference to these financial statements 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 not 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 Company does not have any pending litigations on its financial position in its Financial Statements

ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise

iii. There was no amount which was required to be transferred to the Investor Education and Protection Fund by the company.

iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The company has not declared or paid any dividend during the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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
FRN: 106456W



Hemant Bohra
Partner
M. No.: 165667
UDIN: 23165667BGTIFF8132

Place: Mumbai
Date: 25th April, 2023

Annexure "A" to the Independent Auditor's Report

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, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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, 2023, 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
FRN: 106456W



Hemant Bohra
Partner
M. No.: 165667
UDIN: 23165667BGTIFF8132

Place: Mumbai
Date: 25th April, 2023

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)

1) In respect of the Company's Property, Plant and Equipment's and Intangible Assets:

(a) 1. According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets,

2. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Fixed Assets have been physically verified by the management in a phased manner which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the book's records and the physical fixed assets have been noticed.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.

2)

a) The Company being a service Company, primarily rendering information technology services, it does not hold any physical inventories. Accordingly, the provisions of clause 3(ii) of the Order are not applicable to the Company.

b) The company has been sanctioned working capital limits in excess of five crore rupees (at any point of time during the year), in aggregate, from banks or financial institutions on the basis of security of current assets; quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

3) During the year the company has made investments in, provided any guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:

(a) During the year the company has made investments subsidiary company:

(Rs. In Lakhs)

To Whom	The aggregate amount During the year	Balance Outstanding at the end of the year
Increment X Pvt. Ltd., India	1.00	1.00
Vertoz Inc, USA	223.32	2630.81
Vertoz Ltd, UK	37.42	343.37
Vertoz FZ-LLC, UAE	53.39	50.31

(b) During the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to subsidiary company:

(Rs. In Lakhs)

Particulars	Loans
Aggregate amount granted/ provided during the year	
Subsidiaries	249.29
Balance outstanding in respect of above cases	
Subsidiaries	133.67

(c)During the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to other than subsidiary company:

(Rs. In Lakhs)

	Loans
Aggregate amount granted/ provided during the year	
Other than Subsidiary	1247.32
Balance outstanding in respect of above cases	
Other than Subsidiary	1213.25

(d) According to the information and explanation given to us, the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;

(e) Schedule of repayment of the principal amount and the payment of the interest have not been stipulated and hence we are unable to comment as to whether receipt of the principal amount and the interest is regular;

(f) Schedule of repayment of the principal amount and the payment of the interest have not been stipulated and hence we are unable comment as whether the amount is overdue.

(g) According to the information and explanation given to us, in respect of any loan or advance in the nature of loan granted which has fallen due during the year, none has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties;

(h) The company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, required details in respect thereof are as below:

(Rs. In Lakhs)

Particulars	Related Parties
Aggregate amount of loans/ advances in nature of Agreement does not specify any terms or period of repayment	1496.61
Percentage of loans/ advances in nature of loans to the total loans	100%

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

5) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31st March, 2023 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

6) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess, GST and any other statutory dues with the appropriate authorities. No undisputed amounts in respect of the aforesaid statutory dues were

outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to records of the company, there are no statutory dues which have not been deposited on account of any dispute.

8) According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

9) (a) According to the information and explanation given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) Company is not declared willful defaulter by any bank or financial institution or other lender,

(c) According to the information and explanation given to us, term loans were applied for the purpose for which the loans were obtained;

(d) According to the information and explanation given to us, funds raised on short term basis have not been utilized for long term purposes;

(e) According to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;

(f) According to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;

10) (a) In our opinion, and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer.

(b) The company has made preferential allotment of shares warrants under review and the requirement of section 42 of the Companies Act, 2013 have been complied with and according to information and explanations given to us, the amount raised have been used for the purposes for which the funds were raised;

11) (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) According to the information and explanation given to us, no whistle-blower complaints, received during the year by the company.

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Internal Audit System & Report

a) According to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business;

b) We have considered the reports of the Internal Auditors for the period under audit;

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

17) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

18) There has been no resignation of the statutory auditors of the Company during the year.

19) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20) The provision of sub-section (5) of Section 135 of the Companies Act, 2013 not applicable to the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Mittal & Associates
Chartered Accountants
FRN: 106456W



Hemant Bohra
Partner
M. No.: 165667
UDIN: 23165667BGTIFF8132

Place: Mumbai
Date: 25th April, 2023

VERTOZ ADVERTISING LIMITED

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

Corporate Identity Number : L74120MH2012PLC226823

AUDITED STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS ON 31ST MARCH 2023

(₹ in lakhs)

Sr. No.	Particulars	Note No.	Amount As At 31st Mar, 2023	Amount As At 31st Mar, 2022
	ASSETS			
(1)	Non-current Assets			
	(a) Property, Plant & Equipment	1	38.26	28.08
	(b) Capital work-in-progress		-	-
	(c) Investment Property		-	-
	(d) Goodwill		-	-
	(e) Other Intangible Assets	1	275.17	371.29
	(f) Right of use assets	1	21.02	49.63
	(g) Financial Assets		-	
	(i) Investment in Subsidiaries	2	3,027.49	2,763.26
	(ii) Trade Receivables		-	-
	(iii) Loans		-	-
	(h) Deferred Tax assets (net)		-	-
	(i) Other non-current assets	3	49.14	11.83
	Total Non-current assets		3,412.08	3,224.09
(2)	Current Assets			
	(a) Inventories		-	-
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade Receivables	4	1,600.35	1,280.63
	(iii) Cash & Cash Equivalents	5	113.60	18.91
	(iv) Bank Balances other than (iii) above		272.74	261.19
	(v) Loans	6	1,609.14	23.00
	(c) Current Tax Assets (net)		-	-
	(d) Other current assets	7	910.35	38.01
	Total Current Assets		4,526.18	1,633.62
	Total Assets (1+2)		7,938.26	4,857.71
	EQUITY AND LIABILITIES			
(1)	EQUITY			
	(a) Equity share Capital	8	1,197.00	1,197.00
	(b) Other Equity	9	4,754.98	2,151.43
	Total Equity		5,951.98	3,348.43
	LIABILITIES			
(2)	Non-Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	10	12.03	71.50
	(ii) Trade Payables			-
	(iii) Lease Liabilities			29.86
	(iv) Other Financial Liabilities			-
	(b) Provisions	11	78.07	68.35
	(c) Deferred Tax Liabilities (Net)		9.79	9.77
	(d) Other Non-current liabilities		-	-
	Total Non-current liabilities		100.90	180.29
(3)	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	12	765.10	621.02
	(ii) Trade Payables	13		
	Dues of micro and small enterprises		-	22.25
	Dues of others		800.27	169.84
	(iii) Lease Liabilities		29.86	33.57
	(iv) Other Financial Liabilities	14	91.40	234.43
	(b) Current tax liabilities (net)	15	127.60	141.12
	(c) Provisions	16	42.30	31.07
	(d) Other current liabilities	17	19.85	95.71
	Total Current liabilities		1,876.39	1,328.99
	Total Equity and Liabilities (1+2+3)		7,938.26	4,857.71

SIGNIFICANT ACCOUNTING POLICIES — 24

See accompanying Notes to the Financial Statements

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 Mittal
Partner
UDIN: 23165667BGTFFB1127

Place: Mumbai
Date: April 25, 2023

FOR AND ON BEHALF OF VERTOZ ADVERTISING LIMITED

Harshad Shah
Chairman & Non-Executive Director
DIN: 07841186

Harenkumar Shah
Whole-time Director
DIN: 00032739

Akshay Sonar Parolkar
Chief Financial Officer
PAN: BBCPS6255B

Zil Shah
Company Secretary & Compliance Officer
PAN: ECOPS6888

VERTOZ ADVERTISING LIMITED

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

Corporate Identity Number : L74120MH2012PLC226823

AUDITED STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in lakhs except EPS)

Sr.No.	Particulars	Note No.	Year ended 31-Mar-23	Year ended 31-Mar-22
	Revenue:			
I	Revenue From Operations (Net of Taxes)	18	5,417.12	2,051.50
II	Other Income	19	40.38	42.78
III	*Total Income (III)*		**5,457.50**	**2,094.28**
IV	*Expenses:*			
	Direct Service Expense	20	3,467.04	577.78
	Employment Benefit Cost	21	726.10	566.83
	Finance Cost	22	98.64	69.47
	Depreciation and Amortisation	1	133.86	171.67
	Other Expenses	23	532.65	205.71
	Total Expenses (IV)		**4,958.28**	**1,591.47**
V	**Profit before exceptional items and tax (III-IV)**		499.22	502.82
VI	Exceptional Items		-	-
VII	**Profit before tax (V-VI)**		499.22	502.82
VIII	*Tax expense:*			
	(1) Income Tax Provision			
	Current Tax		135.68	141.12
	Excess / Short Provision		(4.05)	(4.80)
	(2) Deferred tax		1.02	(3.82)
IX	**Profit for the period (VII-VIII)**		**366.57**	**370.33**
X	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or Loss		205.36	(13.61)
	(ii) Income tax relating to above		-	-
XI	Total Comprehensive Income (IX-X)		**571.93**	**356.72**
XII	Paid-up equity share capital (Face value of ₹ 10/- each)		1,197.00	1,197.00
XIII	Other Equity		4,754.98	2,151.43
XIV	Earning per Equity Share (of ₹ 10/- each) (not annualised)			
	(1) Basic		3.06	3.09
	(2) Diluted		3.06	3.09

SIGNIFICANT ACCOUNTING POLICIES

See accompanying Notes to the Financial Statements

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

Hemant

CA Hemant Bohra
Partner
UDIN: 23165667BGTIFF8132

Place: Mumbai
Date: April 25, 2023

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

Akshay Sonar Parolkar
Chief Financial Officer
PAN: BBCPS6255B

Zill Shah

Zill Shah
Company Secretary & Compliance Officer
PAN: EZOPS6680B

VERTOZ ADVERTISING LIMITED

UG2, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080

Corporate Identity Number : L74120MH2012PLC226823

AUDITED STANDALONE CASHFLOW STATEMENT AS ON 31ST MARCH, 2023

(₹ in lakhs)

Particulars	Note No.	Amount As At 01st Mar. 2023	Amount As At 01st Mar. 2022
A. Cash flows from operating activities:			
Profit before taxation	(a)	489.22	502.82
Depreciation & Amortization		133.88	171.63
Interest expense		59.61	69.47
	(b)	232.49	241.14
Less: Non Operating Income			
Other Non Operating Income (Exclusive of Interest Income)		60.38	42.79
	(c)	60.38	42.79
Operating profit before working capital changes	d=(a+b-c)	691.33	701.18
Working capital changes			
(Increase) /Decrease in Trade Receivables		(309.74)	63.15
(Increase)/Decrease in Other Financial Assets		(1,585.34)	(39.22)
(Increase)/Decrease in Other Non-Current Assets		(37.31)	(0.05)
(Increase)/Decrease in Other Current Assets		(812.34)	16.66
Increase /(Decrease) in Short Term Borrowing		144.08	(213.91)
Increase /(Decrease) in Trade Payables		408.19	(125.79)
Increase /(Decrease) in Current Tax Liabilities		(13.11)	33.69
Increase /(Decrease) in Other Financial Liabilities		(174.97)	17.16
Increase /(Decrease) in Other Current Liabilities		175.61	63.94
Increase /(Decrease) in Short Term Provisions		11.24	(114.95)
Increase /(Decrease) in Adjustments in Provisions		(3.45)	(15.61)
	(e)	(2,256.98)	(410.90)
Cash generated from operations	(d+e)	(1,565.65)	290.88
(-) Taxes paid		(131.64)	(136.31)
Net cash used in operating activities	(A)	(1,697.29)	154.57
B. Cash flows from investing activities:			
Fixed asset (Additions)/Deletion		(20.81)	(4.17)
Other Non Operating Income (Exclusive of Interest Income)		60.38	42.79
Investment		(58.95)	(1.28)
Net cash Generated from investing activities	(B)	(19.42)	37.23
C. Cash flows from financing activities:			
Proceeds from Issue of Share Warrants		2,000.00	
Increase /(Decrease) in Long Term Borrowings		(51.47)	(60.05)
Increase /(Decrease) in Lease Liabilities		(33.07)	(28.80)
Increase /(Decrease) in Other Long Term Liabilities		9.82	17.48
Interest Expenses		(68.64)	(69.47)
Net cash generated from financing activities	(C)	1,856.64	(160.35)
D : Net increase in cash and cash equivalents = (A+B+C)	D=(A+B+C)	125.24	30.92
E : Cash and cash equivalents at beginning of period	(E)	281.10	250.19
F. Cash and cash equivalents at end of period = (D+E)	(D + E)	406.34	281.10

Note:

Cash and Cash Equivalents Comprises of:

Particulars	Note No.	Amount As At 01st Mar. 2023	Amount As At 31st Mar. 2022
Balance with Banks			
(i) In Current Accounts	3	132.44	79.80
(ii) In Deposit Accounts	3	272.79	201.19
Cash on Hand	3	1.11	0.02
Cash & Cash Equivalents		406.34	281.10

SIGNIFICANT ACCOUNTING POLICIES 2A

The accompanying Notes to the Financial Statements

Basis, Information source and Notes to Accounts, which are Deemed 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 HITTAL & ASSOCIATES
Chartered Accountants
FRN: 106456W | MRN: 165067

Hemant

CA Hemant Bothra
Partner
UDIN: 23165067BGTBFB1132

Place: Mumbai
Date: April 25, 2023

FOR AND ON BEHALF OF VERTOZ ADVERTISING LIMITED

H.U.Shah

Harshad Shah
Chairman & Non Executive Director
DIN: 02869186

Akshay Sonar

Akshay Sonar Parolkar
Chief Financial Officer
PAN: BBCPS6255R

Jill Shah

Jill Shah
Company Secretary & Compliance Officer
PAN: EZOPS6680B

VERTOZ ADVERTISING LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

Note 1 : Fixed Asset

(₹ in lakhs)

I. 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*	Value at the end	*Value at the beginning*	*Addition during the year*	*Deduction during the year*	*Value at the end*	*Closing Value as on 31.03.2023*	*Closing Value as on 31.03.2022*
I	Tangible Assets										
1	Data Computers, Laptops, Data Servers & Peripherals	292.28	8.41	-	300.69	271.56	6.63	-	278.19	22.50	20.72
2	Furniture & Fixtures	34.84	2.31	-	37.15	29.87	1.31	-	31.17	5.98	4.97
3	Office Equipments	8.82	1.33	-	10.14	8.28	0.33	-	8.61	1.53	0.53
4	Motor Vehicles	17.91	-	-	17.91	16.06	0.58	-	16.64	1.28	1.86
5	Leasehold Asset	-	8.27	-	8.27	-	0.29	-	0.29	7.98	-
		-	-	-		-	-	-			
II	Intangible Assets	-	-	-		-	-	-			
1	Trademark	0.09	-	-	0.09	-	-	-	-	0.09	0.09
2	Ingenious Plex Platform	675.86	-	-	675.86	304.67	96.11	-	400.78	275.08	371.20
		-	-	-		-	-	-			
III	Right of Use Assets	159.55	-	-	159.55	109.92	28.61	-	138.53	21.02	49.63
	Total Value in INR	1,189.36	20.31	-	1,209.67	740.35	133.86	-	874.21	335.46	449.00
	Previous Year Figures	1,184.79	5.30	0.73	1,189.36	568.69	172.62	0.96	740.35	449.00	616.10

VERTOZ ADVERTISING LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

(₹ in lakhs)

Note 2 : Investment in Subsidiaries

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Investment in Vertoz Inc, USA	2,630.81	2,425.71
2	Investment in Vertoz Ltd, UK	343.37	335.55
3	Investment in Own Web Solutions Pvt. Ltd., India	1.00	1.00
4	Investment in Adzurite Solutions Pvt. Ltd., India	1.00	1.00
5	Investment in Increment X Pvt. Ltd., India	1.00	-
6	Investment in Vertoz FZ-LLC, UAE	50.31	-
	Total Value in INR	3,027.49	2,763.26

Note 3 : Other non-current assets

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
	A. Deposits		
1	Refundable Deposit with CCD	0.25	0.25
2	Rent Deposit	48.02	10.34
3	Security Deposit	0.65	0.65
4	Deferred Rent	0.22	0.60
	Total Value in INR	49.14	11.83

Note 4 : Trade Recievables

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
	(i) Undisputed Trade Receivables- Considered Goods		
	Less than 6 Months	1,450.42	737.13
	6 Months - 1Year	113.74	467.96
	1-2 Years	36.19	71.65
	2-3 Years	-	13.86
	More than 3 Years	-	-
		1,600.35	1,290.61
	(ii) Undisputed Trade Receivables- Considered Doubtful		
	Less than 6 Months	-	-
	6 Months - 1Year	-	-
	1-2 Years	-	-
	2-3 Years	-	-
	More than 3 Years	-	-
		-	-
	(iii) Disputed Trade Receivables- Considered Goods		
	Less than 6 Months	-	-
	6 Months - 1Year	-	-
	1-2 Years	-	-
	2-3 Years	-	-
	More than 3 Years	-	-
		-	-

VERTOZ ADVERTISING LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

(₹ in lakhs)

(iv) Disputed Trade Receivables- Considered Doubtful		
Less than 6 Months	-	-
6 Months - 1Year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
	-	-
(v) Others		
Less than 6 Months		
6 Months - 1Year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
	-	-
Total	1,600.35	1,290.61

Note 5 : Cash & Cash Equivalent

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Cash Balance	1.15	0.02
2	Bank Balances	132.44	19.89
3	Fixed Deposit with Banks with maturity less than 3 months	-	-
4	Fixed Deposit with Banks with maturity more than 3 months but less than 12 months	272.74	261.19
	Total Value in INR	406.34	281.10

Note 6 : Loans

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Prepaid Expenses	262.22	0.36
2	Other Receivable	-	-
	Loan to Related Parties	1,346.92	23.54
	Total Value in INR	1,609.14	23.90

Note 7 : Other Current Assets

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Advance to Staff	3.05	0.65
2	TDS and GST Receivable	152.94	36.03
3	Advance given to Suppliers	54.36	1.32
4	Advance for Capital Items	700.00	-
	Total Value in INR	910.35	38.01

VERTOZ ADVERTISING LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

Note 5: SHARE CAPITAL

(₹ in lakhs)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting Period	
	Number of shares	2022-23	Number of shares	2021-22
(a) Authorised	5,00,00,000	100%	5,00,00,000	100%
5,00,00,000 Equity shares of Rs 10/- each with voting rights				
(b) Issued, Subscribed and Paid	1,19,70,000	100%	1,19,70,000	100%
1,19,70,000 Equity shares of Rs 10/- each with voting rights				
Total	1,19,70,000	100%	1,19,70,000	100%

List of Shareholder holding more than 5% share capital

Name of Shareholders	No. of Shares	%	Value/Share	Total Value
1 Mr. Hiralkumar Ramniklal Shah 30,71,824 Eq. Shares of Rs 10/- each	30,71,824	25.66%	10.00	3,07,18,240
2 Mr. Ashish Ramniklal Shah 30,71,824 Eq. Shares of Rs 10/- each	30,71,824	25.66%	10.00	3,07,18,240
TOTAL	61,43,648	51.33%	10.00	6,14,36,480

NOTE 5A: SHARES HELD BY PROMOTORS

Current Reporting Period

Sr No	Promoter's Name	No of shares	% of total shares	% Change during the year
1	Mr. Hiralkumar Ramniklal Shah	30,71,824	25.66%	0.00%
2	Mr. Ashish Ramniklal Shah	30,71,824	25.66%	0.00%
3	Mr. Rasiklal Shah	1,19,700	1.00%	0.00%
4	Mrs. Pangalben Shah	1,19,700	1.00%	0.00%
5	Mrs. Bhavna Hiral Vyas	1,19,700	1.00%	0.00%
6	Mrs. Archana Rahul Shah	1,19,700	1.00%	0.00%
7	Mrs. Shital Chintan Shah	1,19,700	1.00%	0.00%

Previous reporting Period

Sr No.	Promoter's Name	No of shares	% of total shares	% Change during the year
1	Mr. Hiralkumar Ramniklal Shah	30,71,824	25.66%	-8.34%
2	Mr. Ashish Ramniklal Shah	30,71,824	25.66%	-8.34%
3	Mr. Rasiklal Shah	1,19,700	1.00%	0.00%
4	Mrs. Pangalben Shah	1,19,700	1.00%	0.00%
5	Mrs. Bhavna Hiral Vyas	1,19,700	1.00%	0.00%
6	Mrs. Archana Rahul Shah	1,19,700	1.00%	0.00%
7	Mrs. Shital Chintan Shah	1,19,700	1.00%	0.00%

NOTE 5B: STATEMENTS OF CHANGES IN EQUITY

Current Reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period error	Restated Balance in the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
1197.00	0.00	1197.00	0.00	1197.00

Previous reporting Period

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period error	Restated Balance at the beginning of the previous reporting period	Changes in Equity Share Capital during the previous year	Balance at the end of the previous reporting period
1197.00	0.00	1197.00	0.00	1197.00

NOTE 6: OTHER EQUITY

Particulars	Reserves & Surplus			Other Reserves	Equity attributable to holders of the parent	Non Controlling Interests	Money received against share warrants	Total Other Equity
	Retained Earnings	Capital Reserve	Securities Premium	Exchange differences on translating the financial statements of a foreign operation				
Balance as at April 01, 2021	812.63		964.12		1,736.75	-	-	1,736.75
Profit for the Year	378.78		(11.05)	68.56	426.29			426.29
Other Comprehensive Income	(13.61)				(13.61)			(13.61)
Dividends					-			-
Balance as at March 31, 2022	1,219.31		953.12	68.56	2,151.43	-	-	2,151.43
Balance as at April 01, 2022	1,219.31		953.12	68.56	2,151.43	-	-	2,151.43
Profit for the Year	417.59				417.59	-	-	417.59
Other Comprehensive Income	(4.48)			209.80	205.32	-	-	205.32
Dividends					-	-	-	-
Pre-offer charge					-	-	2,093.60	2,093.60
Balance as at 31st March, 2023	1,632.46		953.12	278.80	2,764.34	-	2,093.60	4,764.94

VERTOZ ADVERTISING LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

(₹ in lakhs)

Note 10 : Non-Current Borrowings

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
2	ICICI Bank	2.28	5.89
3	Axis Bank	-	6.16
4	HDFC Bank	-	15.36
5	ICICI GECL	19.75	46.08
	Total Value in INR	**22.03**	**73.50**

Terms of repayment of the Term Loan:

1. **ICICI Bank:** Unsecured Business Loan for Working Capital Requirements of the Company @ diminishing rate of 16% p.a. for tenure of 24 months

2. **Axis Bank:** Unsecured Business Loan for Working Capital Requirements of the Company @ diminishing rate of 18% p.a. for tenure of 36 months

3. **HDFC Bank:** Unsecured Business Loan for Working Capital Requirements of the Company @ diminishing rate of 16% p.a. for tenure of 36 months

4. **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 7.30% 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.

Note 11 : Non-Current Provisions

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Gratuity Provision (Non-Current)	63.10	53.58
2	Leave Encashment Provision (Non-Current)	14.97	14.58
	Total Value in INR	**78.07**	**68.15**

Note 12 : Short Term Borrowing

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Unsecured		
	Loan from Related Parties		
	Loan From Directors	27.67	177.20
2	Secured	-	-
	Loans repayable on demand	-	-
	From Banks (Secured against Deposits)	737.43	443.82
	Total Value in INR (A+B)	**765.10**	**621.02**

Overdraft Against Fixed Deposits:

a. The loan is repayable on demand and secured against hypothecation of Fixed Deposits of Rs. 1.50 Crore financed @ 5% p.a. (0.50% markup over FD rate)

b. The working capital loan is repayable on demand and secured against hypothecation of Fixed Deposits of Rs. 1.495 Crore, collateral security of Residential and Commercial Property of Promoters and the facility financed at 9.75% p.a.

Note 13 : Trades Payable

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Sundry Creditors		
	- Dues of micro and small enterprises	-	22.25
	- Dues of others	800.27	169.84
	Total Value in INR	**800.27**	**192.09**

Figures For the Current Reporting Period

(Outstanding from due date of payment / from date of transaction)	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2022
(i) MSME		
Less than 1 Year	-	19.14
1-2 Years	-	0.46
2-3 Years	-	2.64
More than 3 Years	-	-
	-	22.25

(ii) Others		
Less than 1 Year	796.32	116.95
1-2 Years	3.96	50.67
2-3 Years	-	2.22
More than 3 Years	-	-
	800.27	**169.84**
(iii) Dispute dues-MSME		
Less than 1 Year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
	-	-
(iv) Dispute dues		
Less than 1 Year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
	-	-
(v) Others		
Less than 1 Year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
	-	-
Total	**800.27**	**192.09**

Note 14 : Other Financial Liabilities

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
	Other Payables		
1	Current Maturity for Short Term Debt		
	Current Maturity for Short Term Debt (ICIC, Shriram, Neogrowth, Axis,HDFC)	53.03	73.69
2	Others	-	-
	Advance Received from Client	25.43	32.70
	Creditors for Expenses	8.70	98.25
	Other Payable	4.23	9.79
	Total Value in INR	**91.40**	**214.43**

Note 15 : Current Tax Liabilities

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Provision for Income Tax AY 2022-23	(8.08)	141.12
2	Provision for Income Tax AY 2023-24	135.68	-
	Total Value in INR	**127.60**	**141.12**

Note 16 : Current Provisions

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Salary Payable	10.61	8.15
2	Gratuity & Leave Encashment Provision (Current)	-	-
	Gratuity Provision (Current)	16.53	12.47
	Leave Encashment (Current)	7.70	6.94
3	Other Provisions	7.47	3.50
	Total Value in INR	**42.30**	**31.07**

Note 17 : Other Current Liabilities

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Statutory Liabilities	19.85	95.71
	Total Value in INR	**19.85**	**95.71**

VERTOZ ADVERTISING LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

Note 18 : Revenue From Operations (₹ in lakhs)

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Sale of Services	5,417.12	2,051.50
	Total Value in INR	**5,417.12**	**2,051.50**

Note 19 : Income From Non Operation

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Interest on FDR	12.89	12.76
2	Other Income	1.88	0.18
3	Sundry Balance W/Off	25.21	-
4	Foreign Exchange Gain	-	29.45
5	Interest Income Int Al	0.41	0.39
	Total Value in INR	**40.38**	**42.78**

Note 20 : Direct Service Expenses

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Purchase of Services	3,251.23	551.94
2	Software Purchase	53.27	25.84
3	Commission Expense	162.54	-
	Total Value in INR	**3,467.04**	**577.78**

Note 21 : Employement Benefit Cost

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Salaries and Incentives	638.35	480.14
2	Director Remuneration	52.48	61.59
3	Gratuity & Leave Encashment Expense	35.27	19.10
	Total Value in INR	**726.10**	**566.83**

Note 22 : Finance Cost

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Bank Charges	3.09	0.49
2	Interest Expense	43.30	59.79
3	Foreign Exchange Loss	43.50	-
4	Loan Processing Fees	4.48	1.88
5	Interest on Lease Liabilities	4.30	7.32
	Total Value in INR	**98.64**	**69.47**

Note 23 : Other Expenses

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Audit Fees	3.97	3.45
2	Books and Periodicals	0.02	-
3	Conveyance Charges	4.38	1.93
4	Electricity Expenses	(45.65)	85.60
5	Exhibition & Seminar Expenses	148.18	0.59
6	Food Expenses	6.40	2.39
7	House Keeping & Security Expenses	10.16	7.59
8	Interest/Penalty/Fee on Taxes	56.20	22.52
9	Internet Expenses	5.50	8.20
10	Legal Expenses	35.61	4.97
11	Lodging & Boarding Expenses	10.01	1.35
12	Accounts Written off		(0.02)
13	Marketing Expenses	31.29	5.13
14	Office Expense	14.27	6.72
15	Postage & Courier Expenses	0.19	0.27
16	Printing & Stationary Expenses	1.19	0.79
17	Profession Tax Company	0.03	0.03
18	Professional & Technical Fees	89.89	20.51
19	Recruitment Expenses	6.82	1.97
20	Taxes Paid	33.56	17.18
21	Repair & Maintenance Expenses	39.29	2.94
22	Rounding Off	0.00	0.00
24	Staff Welfare	6.47	3.14
25	Telephone Expense	0.30	0.21
26	Travelling Expense (Domestic/International)	73.03	6.25
27	Insurance Expenses	1.35	0.41
28	Deferred Rent Expenses	0.38	0.38
29	Provision for Doubtful Debts	-	0.21
	Total Value in INR	**512.65**	**205.71**

*Notes forming part of the Standalone Financial Statements for the period ended **31st March, 2023***

BACKGROUND:

Vertoz Advertising Limited (the Company) f.k.a **Vertoz Media Private Limited** and **Vertoz Media Limited** was incorporated on **February 13, 2012**. These are the **Twelfth** financial statements prepared for the Company and they relate to the period from **April 1, 2022** to **March 31, 2023**. 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:*

These financial statements has been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

b. *Operating Cycle:*

The Company is primarily engaged in the business of Online Digital Advertising Services 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 in conformity of Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in future periods which are affected.

Application of accounting policies that require critical accounting estimates and assumption having the most significant effect on the amounts recognised in the financial statements are:

- Valuation of financial instruments
- Useful life of property, plant and equipment
- Provisions
- Recoverability of trade receivables

d. *Current versus non-current classification:*

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets unless otherwise stated as current.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current unless otherwise stated as current.

Deferred tax assets and/or liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

e. ***Fair value measurement:***

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Financial instruments (including those carried at amortised cost) (Note 34)

f. **i) Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Property, plant and equipment and capital work in progress cost include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

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 Cost

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised and charged to the statement of Profit and Loss. The costs of the day to day servicing of property, plant and equipment are recognised in the Statement of Profit and Loss.

ii) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment loss. The system software which is expected to provide future enduring benefits is capitalised. The capitalised cost includes license fees and cost of implementation/system integration, salaries, maintenance cost, etc.

g. ***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.

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

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.

Derecognition of assets

An item of property plant & equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement when the asset is derecognised.

h. Impairment:

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

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

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

i. 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.

j. 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.

k. 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.

Notes forming part of the Standalone Financial Statements for the period ended ***31st March, 2023***

l. 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 realisation. At each balance sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassure realisation.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(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.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

m. 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.

n. 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.

o. 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.

p. Financial Instruments:

Initial recognition

The company recognise the financial asset and financial liabilities when it becomes a party to the contractual provisions of the instruments. All the financial assets and financial liabilities are recognised at fair value on initial recognition, except for trade receivable which are initially recognised at transaction price. Transaction cost that are directly attributable to the acquisition

of financial asset and financial liabilities, that are not at fair value through profit and loss, are added to the fair value on the initial recognition.

Subsequent measurement

(A) Non derivative financial instruments

(i) Financial Assets at amortised cost

A financial assets is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. All the Loans and other receivables under financial assets (except Investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by impairment amount.

(ii) Financial Assets at Fair Value through Profit or Loss/Other comprehensive income

Instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

If the company decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

(iii) Financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

(a) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. However, the Company has borrowings at floating rates. Considering the impact of restatement of Effective interest rate, transaction cost is being amortised over the tenure of loan and borrowing.

(b) Trade & other payables

After initial recognition, trade and other payables maturing within one year from the Balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(B) Derivative financial instruments

The company holds derivatives financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. Company has taken all the forward contract from the bank.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Notes forming part of the Standalone Financial Statements for the period ended ***31st March, 2023***

q. ***Cash and Cash Equivalents:***

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of twelve 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	**Trunkoz technologies Pvt. Ltd.** Property Add.: 602, Avior Nirmal Galaxy Opp. Johnson & Johnson, LBS Road, Mulund-West, 400080 Leased area: 679 Sq. Ft.	60 months	12 months	19,26,936/-
2	**Mr. Kirti Jain and Mrs. Savita Jain** Property Add.: 603, Avior Nirmal Galaxy Opp. Johnson & Johnson, LBS Road, Mulund-West, 400080 Leased area: 1016 Sq. Ft.	60 months	6 months	5,48,244/-
3	**Mr. Samresh Jain and Mrs. Rita Jain** Property Add.: 604, Avior Nirmal Galaxy Opp. Johnson & Johnson, LBS Road, Mulund-West, 400080 Leased area: 975 Sq. Ft.	60 months	6 months	5,26,110/-

27. MSME REGISTERED CREDITORS:

Based on information's available with the Company, there are no suppliers registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" as at March 31, 2023.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 31/03/2023	As at 31/03/2022
(i)	**Deferred tax Liability on account of :**		
	Depreciation	**9,79,209**	**8,77,255**
(ii)	**Deferred tax asset on account of :**		
	a) Unabsorbed Depreciation	**Nil**	**Nil**
	b) Employee Benefits - leave Encashment & Gratuity	**Nil**	**Nil**
	c) On Account of disallowances	**Nil**	**Nil**
	d) Carried Forward Losses	**Nil**	**Nil**
	Deferred Tax Asset/(Liability)	**Nil**	**Nil**
	Less: Reversal During the year	**Nil**	**Nil**
	Total Deferred tax Liability	**9,79,209**	**8,77,255**

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 Indian Accounting Standard Ind AS 19 Employee Benefits, 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	2022-23	2021-22
1	Employer's contribution to Provident Fund	5,39,535	3,38,023
2	Employer's contribution to Pension Scheme	9,83,155	7,60,125
	Total	15,22,690	10,98,148

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 Ind AS 19 and hence eligible for exemption granted for companies as per Ind AS 19, the number of employees being more than 50.

Actuarial Assumption:

Sr. No.	Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
		2022-23	2021-22	2022-23	2021-22
1.	Mortality Table (LIC)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)	2006-08 (Ultimate)
2.	Discount rate (p.a.)	7.30%	5.54%	7.30%	5.54%
3.	Rate of escalation in salary (p.a.)	7.00%	7.00%	7.00%	7.00%

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	(₹)	($)	(AED)	Assets	(₹)	($)	(AED)
				Vertoz INC – Drs.	11,88,11,628	15,67,289	-
				Vertoz INC – Advances	4,89,577	7,386	-
				Vertoz FZ LLC – Advances	11,15,865	-	49,907
				DR Solutions FZ LLC – Advances	6,62,338	-	29,623
Total				Total	12,10,79,408	15,74,675	79,530
	Net-off Un-hedged Foreign Currency Exposure:				12,10,79,408	15,74,675	79,530

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 Indian Accounting Standard Ind AS – 108 relating to "Segment Reporting".

32. Financial risk management objectives and policies:

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

Market risk:

Market risk is the risk when the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include FVTPL investments only. Market risk comprises only the fluctuations in the net asset value of the respective funds. Reports on the investment portfolio are submitted to the Company's senior management on a regular basis. The Board of Directors reviews and approves all investment decisions.

Credit risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions. The Company only deals with parties which has sound worthiness based on internal assessment.

The ageing analysis of the receivables has been considered from the date the invoice falls due.

Trade Receivables	< 180 days	> 180 days	Total
Amount As At 31st March 2023	14,50,41,590	1,49,93,403	16,00,34,993
Amount As At 31st March 2022	7,37,13,217	5,53,47,746	12,90,60,963

In the opinion of management, trade receivable, Financial assets, Cash and cash equivalent, Balance with Bank , Loans and other financial assets have a value on realisation in the ordinary course of business at lease equal to the amount at which they are stated in the balance sheet.

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Company has interest rate risk exposure mainly from changes in rate of interest on borrowing & on deposit with bank. The interest rate are disclosed in the respective notes to the financial statements of the Company.

Liquidity risk:

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – trade payables and other financial liabilities.

Liquidity risk management:

The Company's management is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Capital Management:

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and support the growth. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The Company is not subject to any externally imposed capital requirements except loan from banks/NBFC for working capital.

33. Financial Instruments:

Financial instrument by category

The carrying value and fair value of financial instrument by categories as of 31st March 2023 were as follows:

Particulars	at amortised cost (Rs.)	at fair value through forex revaluation reserve / profit & loss (Rs.)	Total Carrying value (Rs.)	Total fair value (Rs.)
Assets:				
Investment in Subsidiaries	28,17,65,275	2,09,83,955	30,27,49,230	30,27,49,230
Trade Receivables	16,29,73,899	(29,38,906)	16,00,34,993	16,00,34,993
Cash & Cash Equivalents	4,06,34,219	-	4,06,34,219	4,06,34,219
Loans	16,09,13,995	-	16,09,13,995	16,09,13,995
	64,62,87,388	**1,80,45,049**	**66,43,32,437**	**66,43,32,437**
Liabilities:				
Long term borrowing	22,03,333	-	22,03,333	22,03,333
Lease Liabilities	29,85,990	-	29,85,990	29,85,990
Short term borrowing	7,65,09,532	-	7,65,09,532	7,65,09,532
Trade Payables	8,00,27,386	-	8,00,27,386	8,00,27,386
Other Financial Liabilities	91,39,757	-	91,39,757	91,39,757
	17,08,65,998	-	**17,08,65,998**	**17,08,65,998**

The carrying value and fair value of financial instrument by categories as of 31st March 2022 were as follows:

Particulars	at amortised cost (Rs.)	at fair value through forex revaluation reserve / profit & loss (Rs.)	Total Carrying value (Rs.)	Total fair value (Rs.)
Assets:				
Investment in Subsidiaries	26,94,30,084	68,95,942	27,63,26,026	27,63,26,026
Trade Receivables	12,58,79,117	31,81,846	12,90,60,963	12,90,60,963
Cash & Cash Equivalents	2,83,40,371	(2,30,566)	2,81,09,805	2,81,09,805
Loans	23,90,057		23,90,057	23,90,057
	42,60,39,629	**98,47,222**	**43,58,86,851**	**43,58,86,851**
Liabilities:				
Long term borrowing	73,49,835	-	73,49,835	73,49,835
Lease Liabilities	63,43,079	-	63,43,079	63,43,079
Short term borrowing	6,21,01,729	-	6,21,01,729	6,21,01,729
Trade Payables	1,92,08,671	-	1,92,08,671	1,92,08,671
Other Financial Liabilities	2,14,42,730	-	2,14,42,730	2,14,42,730
	11,64,46,045	-	**11,64,46,045**	**11,64,46,045**

34. Related Party Transaction

Disclosure of transaction with Related Parties, as required by Indian Accounting standard Ind AS – 24 relating to Related Party Disclosure' are given here under. Related parties as defined under Clause 3 of the Indian Accounting standard Ind AS – 24 have been identified based on Representations made by and information available with the Company.

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

List of related parties with whom transactions were carried out during the year and description of relationship:

(Amount in ₹)

Particulars		FY 2022-23		FY 2021-22	
Name of the Related Party & Nature of Relationship	**Nature of Transaction**	**Transaction Value**	**O/s amounts carried in the Balance Sheet (Payable) / Receivable**	Transaction Value	O/s amounts carried in the Balance Sheet (Payable) / Receivable
Key Managerial Personnel:					
Mr. Hirenkumar Shah	Managerial Remuneration	**59,48,400**	**Nil**	59,49,400	Nil
	Loan from Directors	**1,49,53,289**	**(27,66,721)**	2,43,94,562	(1,77,20,010)
Mr. Ashish Shah	Managerial Remuneration	**Nil** (Remuneration drawn from US Company)	**Nil**	Nil (Remuneration drawn from US Company)	Nil
	Loan from Directors	**Nil**	**Nil**	Nil	Nil
Mr. Rasiklal Shah	Director Sitting Fees	**75,000**	**(34,000)**	35,000	(20,500)
Mr. Harshad Shah	Director Sitting Fees	**60,000**	**(1,43,500)**	45,000	(1,30,000)
Mrs. Nilam Doshi	Director Sitting Fees	**95,000**	**(3,50,000)**	65,000	(2,64,500)
Mr. Rohit Vaghadia	Director Sitting Fees	**95,000**	**(1,99,000)**	65,000	(1,13,500)
Mr. Akshay Sonar Parolkar	KMP Remuneration (CFO)	**33,61,404**	**Nil**	29,63,719	Nil
	Expenses Reimbursement	**2,02,564**	**Nil**	10,79,936	Nil
Ms. Zil Shah	KMP Remuneration (CS)	**9,67,032**	**Nil**	8,14,320	Nil
Associate Enterprise & Sister Concern					
Trunkoz Technologies Pvt. Ltd.	Office Rent	**18,00,876**	**62,457**	16,09,126	1,97,523
	Advance received/(paid)	**1,18,01,182**	**1,18,01,182**	Nil	Nil

Adzurite Solutions Pvt Ltd	Advance received/(paid)	Nil	Nil	35,14,661	Nil
	Sales	2,37,50,446	Nil	2,63,30,000	25,07,740
	Purchases	1,75,90,340	Nil	16,33,041	(18,94,326)
Vertoz Inc	Advance received/(paid)	Nil	(4,89,577)	(21,608)	(4,89,577)
	Purchases	9,30,37,810	Nil	Nil	Nil
	Sales	16,35,01,819	11,88,11,628	5,07,93,689	8,00,95,047
PayNX Technologies Pvt. Ltd.	Purchase	30,50,000	Nil	Nil	Nil
	Sales	77,00,000	(13,16,000)	33,25,431	Nil
	Advance received/(paid)	9,87,46,604	9,90,61,028	21,22,548	3,14,424
Own Web Solution Pvt. Ltd.	Advance received/(paid)	(6,32,775)	2,77,225	9,10,000	9,10,000
IncrementX Pvt Ltd	Advance received/(paid)	1,08,22,289	1,08,22,289	Nil	Nil
Vertoz FZ LLC	Advance received/(paid)	11,15,865	11,15,865	Nil	Nil
OR Solutions FZ LLC	Advance received/(paid)	6,62,338	6,62,338	Nil	Nil
Qualispace Web Services Pvt. Ltd	Sales	85,686	73,877	1,66,639	Nil
	Purchases	37,36,889	(7,32,831)	21,05,089	(4,58,390)
	Advance received/(paid)	98,22,736	1,04,62,791	6,40,055	6,40,055

35. Cash Flow Statement as required in terms of Accounting Standard "Ind AS 7 Cash Flow Statements" is attached to these Accounts.

36. 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.

37. 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.

38. 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.

39. Expenditure in Foreign Currency – **Nil**

Particulars	2022-23		2021-22	
	(₹)	($)	(₹)	($)
Payment against import invoice	9,30,37,810	11,51,753	Nil	Nil

40. Earning in Foreign Currency (On Cash Basis) – **₹ 12,04,35,167/-**

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

Particulars	2022-23
Receipt from Export against Invoice	12,18,46,332
Advance against Export Services	Nil
Exchange Gain/(Loss) on remittance	(14,11,165)
Total Earning in Foreign Currency (On Cash Basis)	**12,04,35,167**

*Notes forming part of the Standalone Financial Statements for the period ended **31st March, 2023***

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

42. 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.

43. **Additional Regulatory Information**

I. Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are

a) repayable on demand and/or
b) without specifying any terms or period of repayment

Type of Borrower	Amount of loan and Advance in the nature of Loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promotors	₹ NIL	0.00%
Directors	₹ NIL	0.00%
KMPs	₹ NIL	0.00%
Related Parties	₹ 13,42,92,296	100.00%

II. **Details of Benami Property held**
The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

III. **Wilful Defaulter**
The company has not been declared as a wilful Defaulter by any Financial Institution or bank as at the date of Balance Sheet.

IV. **Relationship with Struck off Companies**
The Company do not have any transactions with companies struck off.

V. **Registration of charges or satisfaction with Registrar of Companies (ROC)**
The company has no pending charges or satisfaction which are yet to be registered with the ROC beyond the Statutory period.

VI. **Compliance with number of layers of companies**
The Company is complied with number of layers of companies as per clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

VII. Ratios analysis & it's elements

Ratios	Current Reporting Period	Previous reporting period	% of Change	Reasons if % change is 25% or more
Debt Equity Ratio	0.13	0.21	-36.24%	There is a decrease in liability i.e. loans and other liabilities hence favourable change in this ratio
Debt Service Coverage Ratio	1.43	1.24	14.83%	Changes is less than 25 %

Return on Equity Ratio	0.08	0.12	-33.14%	There is an increase in overall turnover and the company is in expansion mode resulting in the change in ratio
Inventory Turnover Ratio	0.00	0.00	0.00%	Changes is less than 25 %
Trade Receivables Turnover Ratio	3.75	1.62	131%	There is an increase in overall turnover and the company is in expansion mode resulting in the change in ratio
Trade Payables Turnover Ratio	6.99	2.27	17.78%	Changes is less than 25 %
Current Ratio	2.41	1.23	96.24%	There is an increase in current liabilities due to current maturities of Loans from Related Parties and Other Loans hence there is change in ratio
Net Capital Turnover Ratio	2.04	6.73	-69.64%	There is an increase in overall turnover and the company is in expansion mode resulting in the change in ratio
Net profit ratio	6.77%	18.05%	-62.51%	There is an increase in overall turnover and the company is in expansion mode resulting in greater fixed cost than previous year resulting in the change in ratio
Return on Capital Employed	10.04%	17.09%	-41.23%	There is an increase in overall turnover and the company is in expansion mode resulting in greater fixed cost than previous year resulting in the change in ratio
Return on investment	0.12	0.13	-9.65%	Changes is less than 25 %

Ratios	Numerator	Denominator	Current Reporting Period	Previous reporting period	% of Change
Debt Equity Ratio	Debt Capital	Shareholder's Equity	0.13	0.21	-36.24%
Debt Service Coverage Ratio	Net Operating Income	Debt Service (Int+Principal)	1.43	1.24	14.83%
Return on Equity Ratio	Profit for the year	Average Shareholder's Equity	0.08	0.12	-33.14%
Inventory Turnover Ratio	COGS	Average Inventory	0.00	0.00	0.00%
Trade Receivables Turnover Ratio	Net Sales	Average trade receivables	3.75	1.62	131%
Trade Payables Turnover Ratio	Total Purchases (Fuel Cost + Other Expenses+Closing Inventory-Opening Inventory)	Average Trade Payables	6.99	2.27	17.78%

Current Ratio	Current Assets	Current Liabilities	2.41	1.23	96.24%
Net Capital Turnover Ratio	Sales	Working capital (CA-CL)	2.04	6.73	-69.64%
Net profit ratio	Net Profit	Sales	6.77%	18.05%	-62.51%
Return on Capital Employed	Earnings before interest and tax	Capital Employed	10.04%	17.09%	-41.23%
Return on investment	Net Profit	Investment	0.12	0.13	-9.65%

VIII. **Compliance with approved Scheme(s) of Arrangements**

There are no Schemes of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

IX. **Discrepancy in utilization of borrowings**

The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance

X. **Utilisation of Borrowed funds and share premium:**

a) Borrowed Fund has been used for working capital and routine operation purpose of the company.

b) During this year there was no share premium received and/or utilised by the Company.

44. Additional Information

Undisclosed Income

The Company has no transaction that is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Details of Crypto Currency or Virtual Currency

The company has not traded or invested in Crypto currency or Virtual Currency.

FOR AND ON BEHALF OF BOARD OF
VERTOZ ADVERTISING LIMITED

HIRENKUMAR SHAH
WHOLE-TIME DIRECTOR
DIN: 00092739

PLACE: MUMBAI
DATE: 25.04.2023

MITTAL & ASSOCIATES
CHARTERED ACCOUNTANTS

B-603, Raylon Arcade,
R K Mandir Road, Kondivita
Andheri (East), Mumbai - 400 059.
Email : mm@mittal-associates.com
Tel : 9892076888 / 8689958800

Independent Auditor's Report

To **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, 2023, 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, 2023, 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.

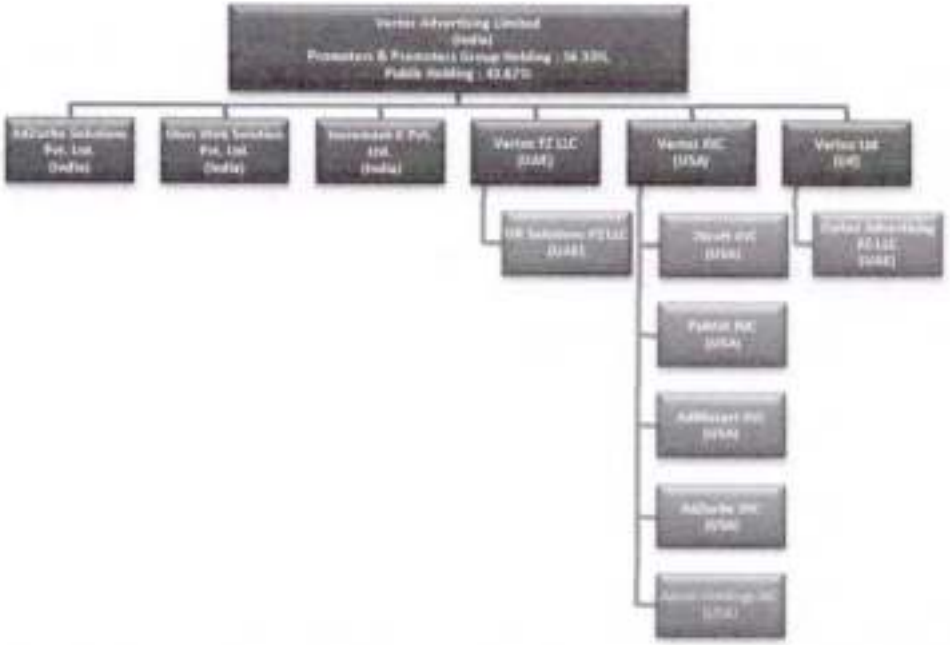
Key audit matters

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: • Evaluated the design of internal controls relating to recording of revenues at each period end as per contract terms. • Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to identification and recognition of revenues. • Reviewed a sample of contracts with unbilled revenues to identify appropriateness of revenue recognition as compared to the certified documentation by customers. • Performed analytical procedures and test of details for reasonableness of recognition of revenues and its corresponding costs.

Other Matter:

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



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. 4,665.54 Lakhs and net assets of Rs. 4,186.69 Lakhs as at March 31, 2023 and total revenues of Rs 2,315.99 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. 415.84 Lakhs and net assets of Rs. 106.99 Lakhs as at March 31, 2023 and total revenues of Rs 602.69 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.

iii. During the period under audit, we informed that the Board of Directors of the Company in their Meeting held on 24th June 2022, has approved the Scheme of merger of PayNx Technologies Private Limited (hereinafter referred to as "The First Transferor Company") and QualiSpace Web Services Private Limited (hereinafter referred to as "The Second Transferor Company") with Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") and their respective Shareholders.

The merger of Paynx Technologies Private Limited (hereinafter referred to as "The First Transferor Company") and Qualispace Web Services Private Limited (hereinafter referred to as "The Second Transferor Company") with Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") and their respective Shareholders is under process, for which Vertoz Advertising Limited, the Transferee Company, has received the Observation Letter dated 11th January 2023 from the National Stock Exchange of India Limited (NSE) conveying its "No objection" in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") to file the draft scheme with NCLT. On the date of signing this report, Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") is preparing to file the draft scheme of Merger with the NCLT.

In terms of the Scheme, the entire business and the whole of the undertaking of Paynx Technologies Private Limited and Qualispace Web Services Private Limited, as a going concern stands transferred to and vested in Vertoz Advertising Limited, the Transferee Company with effect from April 01, 2022, being the Merger Appointed Date.

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The consolidated financial statements dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid consolidated financial statements comply with the 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, 2023 taken on record by the Board of Directors of the Company, none of the directors is disqualified as on March 31, 2023 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**

Hemant

Hemant R Bohra
Partner
Membership number: **165667**
Mumbai, April 25th, 2023
UDIN : 23165667BGTIFH7950

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, 2023 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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

Hemant R Bohra
Partner
Membership number: **165667**
Mumbai, April 25th, 2023
UDIN : 23165667BGTIFH7950

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 BALANCE SHEET FOR THE YEAR ENDED MARCH 31, 2023

(₹ in lakhs)

	Particulars	Note No.	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
	ASSETS			
(1)	Non-current Assets			
	(a) Property, Plant & Equipment	1	44.65	34.90
	(b) Other Intangible Assets	1	5,620.52	5,420.86
	(c) Right of use assets	1	21.02	49.63
	(d) Financial Assets			
	(i) Investments		-	-
	(ii) Trade Receivables		-	-
	(iii) Loans		-	-
	(h) Deferred Tax assets (net)		-	-
	(i) Other non-current assets	2	142.68	44.57
	Total Non-current assets		5,828.87	5,549.96
(2)	Current Assets			
	(a) Inventories		-	-
	(b) Financial Assets			
	(i) Trade Receivables	3	3,770.38	2,620.83
	(ii) Cash & Cash Equivalents	4	367.66	35.38
	(iv) Bank Balances other than (iii) above		272.74	261.39
	(vi) Loans	5	1,762.49	78.02
	(c) Other current assets	6	1,017.50	76.95
	Total Current Assets		7,190.78	3,072.57
	Total Assets (1+2)		13,019.65	8,622.33
	EQUITY AND LIABILITIES			
(1)	EQUITY			
	(a) Equity Share Capital	7	1,197.00	1,197.00
	(b) Other Equity	8	9,048.66	5,433.27
	Total Equity		10,245.66	6,630.27
	LIABILITIES			
(2)	Non-current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	9	22.03	71.50
	(ii) Lease Liabilities		-	63.43
	(b) Provisions	10	78.07	68.15
	(c) Deferred Tax liabilities (Net)		9.79	8.77
	Total Non-current liabilities		109.90	213.86
(3)	Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	11	793.28	788.78
	(ii) Trade Payables	12		
	Dues of micro and small enterprises		25.20	25.13
	Dues of others		1,258.31	363.42
	(iv) Lease Liabilities		29.86	
	(v) Other financial Liabilities	13	91.40	214.43
	(b) Current tax liabilities (net)	14	171.11	200.49
	(c) Provisions	15	43.78	84.56
	(d) Other current Liabilities	16	300.95	101.39
	Total Current liabilities		2,664.09	1,778.20
	Total Equity and Liabilities (1+2+3)		13,019.65	8,622.33

SIGNIFICANT ACCOUNTING POLICIES — 25

See accompanying Notes to the Financial Statements

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

Hemant

CA Hemant Bohra
Partner
UDIN: 23165667BGT6H7950

Place: Mumbai
Date: April 25, 2023

FOR AND ON BEHALF OF VERTOZ ADVERTISING LIMITED

Harshad Shah
Chairman & Non-Executive Director
DIN: 07849186

Hirenkumar Shah
Whole Time Director
DIN: 00692739

Akshay Sonar

Akshay Sonar Parolkar
Chief Financial Officer
PAN: BBCPS6215G

Jill Shah
Company Secretary & Compliance Officer
PAN: EZDPS6888B

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, 2023

(₹ in lakhs except EPS)

Sr.No.	Particulars	Note No.	Year ended 31-Mar-23	Year ended 31-Mar-22
	Revenue:			
I	Revenue From Operations (Net of Taxes)	17	8,281.40	4,160.64
II	Other Income	18	94.80	100.35
III	*Total Income (III)*		**8,376.19**	**4,260.99**
IV	*Expenses:*			
	Direct Service Expense	19	4,945.82	2,134.88
	Employment Benefit Cost	20	853.65	633.10
	Finance Cost	21	146.30	103.07
	Depreciation and Amortisation	1	261.95	302.24
	Other Expenses	22	776.34	312.61
	Total Expenses (IV)		**6,984.05**	**3,485.91**
V	**Profit before exceptional items and tax (III-IV)**		1,392.14	775.08
VI	Exceptional Items		-	-
VII	**Profit before tax (V-VI)**		1,392.14	775.08
VIII	*Tax expense:*			
	(1) Income Tax Provision			
	Current Tax		291.49	172.99
	Excess / Short Provision		-4.05	-4.44
	(2) Deferred tax		1.02	-3.82
IX	**Profit for the period (VII-VIII)**		**1,103.68**	**610.35**
X	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or Loss		205.36	-13.61
	(ii) Income tax relating to above			
XI	**Total Comprehensive Income (IX-X)**		**1,309.04**	**596.74**
XII	Paid-up equity share capital (Face value of ₹ 10/- each)		1,197.00	1,197.00
XIII	Other Equity		9,048.66	5,433.27
XIV	Earning per Equity Share (of ₹ 10/- each) (not annualised)			
	(1) Basic		9.22	5.10
	(2) Diluted		9.22	5.10

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: 23165667BGTIFH7950

Place: Mumbai
Date: April, 25 2023

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

VERTOZ ADVERTISING LIMITED

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

Corporate Identity Number : L74120MH2012PLC226823

AUDITED CONSOLIDATED CASHFLOW STATEMENT AS ON MARCH 31, 2023

(₹ in lakhs)

Particulars	Note No.	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
A : Cash Flows from operating activities			
Profit before taxation	(a)	1,392.14	775.08
Add: Non Operating Expense			
Depreciation & Amortisation		261.95	302.24
Finance Cost		146.30	103.07
Exchange gain/loss on restatement of forex		62.73	246.87
	(b)	470.98	652.18
Less: Non Operating Income			
Non Operating Income (net) of Interest Income		94.80	100.35
	(c)	94.80	100.35
Operating profit before working capital changes	d=(a+b-c)	1,768.32	1,326.91
Working Capital Changes			
(Increase) / Decrease in Trade Receivables		-1,149.55	-299.64
(Increase) / Decrease in Other Financial Assets		-1,684.43	-74.04
(Increase) / Decrease in Non Current Assets		-98.12	19.56
(Increase) / Decrease in Other Current Assets		945.56	-20.69
(Decrease) / Increase in Short Term Borrowings		4.50	293.02
(Decrease) / Increase in Trade Payables		894.98	228.28
Increase /(Decrease) in Current Tax Liabilities		120.82	-3.76
Increase /(Decrease) in Other Financial Liabilities		-123.03	6.83
(Decrease) / Increase in Current Liabilities		-0.44	68.45
(Decrease) / Increase in Short Term Provisions		40.78	-83.74
Increase /(Decrease) in Adjustments in Provisions		-3.46	-17.61
	(e)	-1,020.12	-926.95
Cash generated from operations	(d+e)	1,251.80	399.97
( ) Taxes paid		-287.44	-168.55
Net cash used in operating activities	(A)	1,539.23	231.42
B : Cash Flows from investing activities			
Fixed asset (Addition)/Deduction		20.91	-136.90
Non Operating Income (Incl. of Interest Income)		94.80	100.35
Net cash Generated from investing activities	(B)	73.89	-36.56
C : Cash Flows from financing activities			
Proceeds from issue of Shares Warrants		2,030.60	
(Decrease) / Increase in Long Term Borrowings		-57.47	-80.05
Increase /(Decrease) in Lease Liabilities		-34.53	-28.80
Increase /(Decrease) in Other Long Term Liabilities		-9.42	-17.49
Interest Expenses		-146.30	-103.07
Net cash generated from financing activities	(C)	1,909.18	-194.45
D : Net increase in cash and cash equivalents = (A+B+C)	D=(A+B+C)	343.83	0.41
E : Cash and cash equivalents at beginning of period	(E)	296.57	296.16
F: Cash and cash equivalents at end of period = (D+E)	(D + E)	640.40	296.57

Note:

Cash and Cash Equivalents Comprises of

Particulars	Note No.	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
Balance with Banks	4		
(i) In Current Accounts		366.31	33.37
(ii) In Deposit Accounts		272.74	261.19
Cash on Hand		1.35	2.02
Cash & Cash Equivalents		640.40	296.57

SIGNIFICANT ACCOUNTING POLICIES

See accompanying Notes to the Financial Statements 2)

Notes referred to above and Notes to Accounts attached here 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: 142067

Hemant

CA Hemant Bohra
Partner
UDIN: 23142067BGTBH7950

Place: Mumbai
Date: April, 21 2023

FOR AND ON BEHALF OF BOARD OF VERTOZ ADVERTISING LIMITED

HU Sh

Harshad Shah
Chairman & Non-Executive Director
DIN: 07669181

V.n.L

Hiranmaiyee Shah
Whole-time Director
DIN: 00032739

Akshay Sonar

Akshay Sonar Parihar
Chief Financial Officer
PAN: BBCPS6215R

Jiji Shah
Company Secretary & Compliance Officer
PAN: EDJPS6008B

VERTOZ ADVERTISING LIMITED

Notes Forming Integral Part of Consolidated Financial Statement for the year ended 31st March, 2023

Note 3 : Fixed Asset (₹ in lakhs)

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*	*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 31.03.2023*	*Closing Value as on 31.03.2022*
I	Tangible Assets												
1	Data Computers, Laptops, Data Servers & Peripherals	340.18	8.93	-	4.56	353.66	319.20	9.84	0.87	4.12	332.29	27.38	26.98
2	Furniture & Fixtures	34.84	2.31	-	-	37.15	29.87	1.31	-	-	31.17	5.98	4.97
3	Office Equipments	16.94	1.40	-	0.69	19.03	15.85	0.50	-	0.55	16.95	2.04	1.10
4	Motor Vehicles	17.91	-	-	-	17.91	16.06	0.58	-	-	16.64	1.26	1.86
5	Leasehold Asset	-	8.27	-	-	8.27	-	0.29	-	-	0.29	7.98	-
II	Intangible Assets												
1	Trademark	0.09	-	-	-	0.09	-	-	-	-	-	0.09	0.09
2	Ingenious Pixs Platform	1,635.58	-	-	81.15	1,716.73	544.60	125.04	-	121.47	791.10	925.63	1,090.99
3	Premium Business Domain	10.83	-	-	0.25	11.08	2.21	0.55	-	0.06	2.82	8.27	8.62
4	Technology, Platforms & Premium Web Properties	4,321.16	-	-	365.37	4,686.54	-	96.11	-	-96.11	-	4,686.54	4,321.16
III	Right of Use Assets	159.55	-	-	-	159.55	109.92	28.61	-	-	138.53	21.02	49.63
	Total Value in INR	6,543.09	20.91	-	452.02	7,016.02	1,037.69	262.82	0.87	30.19	1,329.83	5,686.19	5,505.39
	Previous Year Figures	5,406.18	5.84	30.96	162.03	6,543.09	760.01	302.24	31.41	6.85	1,037.69	5,505.39	5,646.17

4

VERTOZ ADVERTISING LIMITED

Notes Forming Integral Part of Consolidated Financial Statement for the year ended 31st March, 2023

(₹ in lakhs)

Note 2 : Other non-current assets

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
	Deposits		
1	Other Deposits	0.25	0.25
2	Rent Deposit	59.12	20.57
3	Security Deposit	82.65	1.68
4	Other Advances	0.22	22.07
5	VISA Deposit	0.45	-
	Total Value in INR	142.68	44.57

Note 3 : Trade Recievables

(Outstanding from due date of payment / from date of transaction)	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
(i) Undisputed Trade Receivables- Considered Goods		
Less than 6 Months	2,415.22	1,516.64
6 Months - 1Year	1,288.53	700.29
1-2 Years	66.64	98.58
2-3 Years	-	43.52
More than 3 Years	-	261.81
	3,770.38	2,620.83
(ii) Undisputed Trade Receivables- Considered Doubtful		
Less than 6 Months	-	-
6 Months - 1Year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
	-	-
(iii) Disputed Trade Receivables- Considered Goods		
Less than 6 Months	-	-
6 Months - 1Year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
	-	-

(iv) Disputed Trade Receivables- Considered Doubtful		
Less than 6 Months	-	-
6 Months - 1Year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
	-	-
(v) Others		
Less than 6 Months	-	-
6 Months - 1Year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
	-	-
Total	3,770.38	2,620.83

Note 4 : Cash & Cash Equivalent

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Cash Balance	1.15	0.02
2	Bank Balances	366.51	35.37
3	Fixed Deposit with Banks with maturity less than 3 months	-	-
4	Fixed Deposit with Banks with maturity more than 3 months but less than 12 months	272.74	261.19
	Total Value in INR	**640.40**	**296.57**

Note 5 : Loans

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Prepaid Expenses	310.18	0.36
2	Other Receivable		
	Loan to Related Parties	1,423.46	77.46
	Other Loans and Advances	28.85	0.20
	Total Value in INR	**1,762.49**	**78.02**

Note 6 : Other Current Assets

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Advance to Staff	3.05	0.65
2	GST/VAT Receivable	113.15	27.64
3	TDS Receivable	85.20	47.33
4	Advance given to Suppliers	116.10	1.32
5	Advance for Capital Items	700.00	-
	Total Value in INR	**1,017.50**	**76.95**

VERTOZ ADVERTISING LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

Note 7: SHARE CAPITAL

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting	
	Number of shares	2022-23	Number of shares	2021-22
(a) Authorised 5,50,00,000 Equity shares of Rs.10/- each with voting rights	5,50,00,000	100%	3,50,00,000	100%
(b) Issued, Subscribed and Paid 1,19,70,000 Equity shares of Rs.10/- each with voting rights	1,19,70,000	100%	1,19,70,000	100%
Total	1,19,70,000	100%	1,19,70,000	100%

List of Shareholders holding more than 5% Share Capital

Name of Shareholders	No. of Shares	%	Value/Share	Total Value
1.Mr. Hrishikumar Ravilal Shah 30,71,824 Eq. Shares of Rs.10/- each	30,71,824	25.66%	10.00	3,07,18,240
2.Mr. Ashish Ravilal Shah 30,71,824 Eq. Shares of Rs.10/- each	30,71,824	25.66%	10.00	3,07,18,240
TOTAL	61,43,648	51.33%	10.00	6,14,36,480

NOTE 7A: SHARES HELD BY PROMOTER AND PROMOTER GROUP

Current Reporting Period

Sr No.	Promotor's Name	No of shares	% of total shares	% Change during the year
1	Mr. Hrishikumar Ravilal Shah	30,71,824	25.66%	0.00%
2	Mr. Ashish Ravilal Shah	30,71,824	25.66%	0.00%
3	Mr. Ravilal Shah	1,19,700	1.00%	0.00%
4	Mrs. Nanjiben Shah	1,19,700	1.00%	0.00%
5	Mrs. Anjana Vipul Vajani	1,19,700	1.00%	0.00%
6	Mrs. Archana Rohit Shah	1,19,700	1.00%	0.00%
7	Mrs. Shital Chintan Shah	1,19,700	1.00%	0.00%

Previous reporting Period

Sr No.	Promotor's Name	No of shares	% of total shares	% Change during the year
1	Mr. Hrishikumar Ravilal Shah	30,71,824	25.66%	0.38%
2	Mr. Ashish Ravilal Shah	30,71,824	25.66%	0.38%
3	Mr. Ravilal Shah	1,19,700	1.00%	0.00%
4	Mrs. Nanjiben Shah	1,19,700	1.00%	0.00%
5	Mrs. Anjana Vipul Vajani	1,19,700	1.00%	0.00%
6	Mrs. Archana Rohit Shah	1,19,700	1.00%	0.00%
7	Mrs. Shital Chintan Shah	1,19,700	1.00%	0.00%

NOTE 7B: STATEMENTS OF CHANGES IN EQUITY

Current Reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period error	Restated Balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
1,197.00		1,197.00		1,197.00

Previous reporting Period

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period error	Restated Balance at the beginning of the previous reporting period	Changes in Equity Share Capital during the previous year	Balance at the end of the previous reporting period
1,197.00		1,197.00		1,197.00

NOTE 8: OTHER EQUITY

Particulars	Reserves & Surplus			Other Reserves	Equity attributable to holders of the parent	Non Controlling Interests	Money received against share warrants	Total Other Equity
	Retained Earnings	Capital Reserve	Securities Premium	Exchange differences on translating the financial statements of a foreign operation				
Balance as at April 01, 2021	3,718.98	-	884.12	6.80	4,576.10	-	-	4,576.10
Profit for the Year	625.55	-	31.00	271.43	870.78	-	-	870.78
Other Comprehensive Income	13.61	-	-	-	-13.61	-	-	-13.61
Dividends	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	4,331.32	-	853.12	264.83	5,433.27	-	-	5,433.27
Balance as at April 01, 2023	4,331.32	-	853.12	264.83	5,433.27	-	-	5,433.27
Profit for the Year	1,103.68	-	-	275.74	1,379.43	-	-	1,379.43
Other Comprehensive Income	-4.48	-	-	209.84	205.36	-	-	205.36
Dividends	-	-	-	-	-	-	-	-
Any Other Change	-	-	-	-	-	-	2,030.60	2,030.60
Balance as at March 31, 2023	5,434.52	-	853.12	750.42	7,018.06	-	2,030.60	9,048.66

VERTOZ ADVERTISING LIMITED

Notes Forming integral Part of Consolidated Financial Statement for the year ended 31st March, 2023

(₹ in lakhs)

Note 9 : Non-Current Borrowing

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	ICICI Bank	3.38	5.89
2	Axis Bank	-	8.16
3	HDFC Bank	-	15.36
4	ICICI GECL	19.75	40.09
	Total Value in INR	23.03	73.50

Terms of repayment of the Term Loan:

1. ICICI Bank: Unsecured Business Loan for Working Capital Requirements of the Company @ outstanding rate of 10% p.a. for tenure of 36 months

2. Axis Bank: Unsecured Business Loan for Working Capital Requirements of the Company @ outstanding rate of 9% p.a. for tenure of 36 months

3. HDFC Bank: Unsecured Business Loan for Working Capital Requirements of the Company @ outstanding rate of 10% p.a. for tenure of 36 months

4. 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 (GOI) @ 7.75% and Spread is 0.55% subject to an overall cap of 9.75% with tenure of 12 months. This is taken over by ICICI from Federal Bank.

Note 10 :Non-Current Provisions

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Gratuity Provision (Non-Current)	53.10	53.10
2	Leave Encashment Provision (Non-Current)	14.97	14.58
	Total Value in INR	78.07	68.33

Note 11 : Borrowings

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Unsecured		
	Loan from Related Parties		
	Loan from Directors	28.22	505.52
	Loan from Subsidiaries	-	-
	Loan from Other Related Parties	9.02	10.58
	Others	18.57	-
2	Secured		
	Loans repayable on demand		
a	From Banks (Secured against Deposits)	737.63	443.81
b	From Banks - Paycheck Protection Plan	-	34.00
	Total Value in INR (A+B)	793.39	784.78

Overdraft Against Fixed Deposits:

a. The loan is repayable on demand and secured against hypothecation of Fixed Deposits of Rs. 1.00 Crore Minimum @ 3.40% p.a. @ 50% margin over FD rates

b. The is working capital loan is repayable on demand and secured against hypothecation of Fixed Deposits of Rs. 2.995 Crore and collateral security of Residential Property of Directors and the facility Rate is of 7.85% p.a.

c. Paycheck Protection Plan granted against payroll paid to the employees in US @ 2% p.a.

Note 12 : Trades Payable

Sr. No.	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Trade Payables		
	Dues of micro and small enterprises	25.20	25.19
	Dues of others	1,238.31	883.47
	Total value in INR	1,263.51	908.66

Figures for the Current Reporting Period

(Outstanding from due date of payment / from date of transaction)	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
(i) MSME		
Less than 1 Year	25.18	18.69
1-2 Years	0.02	1.80
2-3 Years	-	2.64
More than 3 Years	-	-
	25.20	25.13

VERTOZ ADVERTISING LIMITED

Notes Forming Integral Part of Consolidated Financial Statement for the year ended 31st March, 2023

(₹ in lakhs)

(ii) Others		
Less than 1 Year	1,017.52	299.96
1-2 Years	187.28	44.55
2-3 Years	53.51	19.13
More than 3 Years	-	-
	1,258.31	363.42
(iii) Disputed dues-MSME		
Less than 1 Year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
	-	-
(iv) Disputed dues		
Less than 1 Year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
	-	-
(v) Others		
Less than 1 Year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
	-	-
Total	1,258.31	363.59

Note 13 : Other financial liabilities

Sr. No.	Particulars	Amount As At 31st Mar, 2023	Amount As At 31st Mar, 2022
	Other Payables		
1	Current Maturity for Long Term Debt		
	Current Maturity for Short Term Debt (CC/OD, Working Capital/Loan, Auto, MSME)	13.03	73.84
2	Others		
	Advance Received from Client	25.83	32.70
	Creditors for Expenses	8.70	98.25
	GPA - Payable	4.23	5.79
	Total Value in INR	91.40	714.43

Note 14 : Current tax liabilities (net)

Sr. No.	Particulars	Amount As At 31st Mar, 2023	Amount As At 31st Mar, 2022
1	Provision for Income Tax AY 2021-22	284.78	-
2	Provision for Income Tax AY 2022-23	36.53	156.72
3	Provision for Income Tax AY 2021-22	-	43.76
	Total Value in INR	321.31	200.49

Note 15 : Current Provisions

Sr. No.	Particulars	Amount As At 31st Mar, 2023	Amount As At 31st Mar, 2022
1	Salary Payable	27.61	82.43
2	Gratuity & Leave Encashment Provision (Current)		
	Gratuity Provision (Current)	10.53	12.47
	Leave Encashment (Current)	3.70	6.94
3	Other Provisions	0.94	0.71
	Total Value in INR	43.78	99.56

Note 16 : Other current liabilities

Sr. No.	Particulars	Amount As At 31st Mar, 2023	Amount As At 31st Mar, 2022
1	Statutory Liabilities	100.95	101.39
	Total Value in INR	100.95	101.39

VERTOZ ADVERTISING LIMITED

Notes Forming Integral Part of Consolidated Financial Statement for the year ended 31st March, 2023

Note 17 : Revenue From Operations (₹ in lakhs)

	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Sale of Services	8,281.40	4,160.64
	Total Value in INR	**8,281.40**	**4,160.64**

Note 18 : Income From Non Operation

	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Interest on FDR	12.89	12.76
2	Other Income	52.77	57.75
3	Interest Received on Loan	0.41	0.39
4	Sundry Balance W/off	27.85	
5	Foreign Exchange Gain	0.88	29.45
	Total Value in INR	**94.80**	**100.35**

Note 19 : Direct Service Expenses

	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Purchase of Services	3,830.35	1,594.27
2	(Ads Hosting Services and Other Expenses	19.91	37.84
3	Software Logs & Platform Fees	78.20	27.45
4	Outstanding Expenses	1,217.35	515.13
	Total Value in INR	**4,945.82**	**2,194.88**

Note 20 : Employement Benefit Cost

	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Salaries and Incentives	635.38	552.41
2	Director Remuneration	3.00	61.59
3	Gratuity & Leave Encashment Expense	15.27	19.10
	Total Value in INR	**853.65**	**633.10**

Note 21 : Finance Cost

	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Bank Charges	44.42	32.20
2	Interest Expense	43.30	60.71
3	Foreign Exchange Gain	49.79	0.97
4	Loan Processing Fees	4.49	1.88
5	Interest on Lease Liabilities	4.30	7.32
	Total Value in INR	**146.30**	**103.07**

Note 22 : Other Expenses

	Particulars	Amount As At 31st Mar. 2023	Amount As At 31st Mar. 2022
1	Audit Fees	4.73	3.82
2	Books and Periodicals	0.02	-
3	Conveyance Charges	7.13	1.94
4	Electricity Expenses	44.25	86.91
5	Exhibition & Seminar Expenses	148.18	0.59
6	Field Expenses	7.51	2.41
7	House Keeping & Security Expenses	10.16	7.59
8	Interest/Penalty/Fee on Taxes	56.75	28.51
9	Internet Expenses	5.50	8.20
10	Legal Expenses	198.85	50.27
11	Lodging & Boarding Expenses	10.01	1.35
12	Account Written off	0.03	-0.02
13	Marketing Expenses	38.40	10.59
14	Office Expense	19.23	11.34
15	Postage & Courier Expenses	0.22	0.33
16	Printing & Stationary Expenses	1.19	0.79
17	Profession Tax-Company	0.08	1.01
18	Professional & Technical Fees	99.83	23.51
19	Recruitment Expense	7.36	3.08
20	Lease Rent	125.86	57.55
21	Repair & Maintenance Expenses	39.29	2.94
22	Rounding Off	0.00	-0.00
23	Staff Welfare	6.47	3.14
24	Telephone Expense	3.16	3.07
25	Travelling Expense (Domestic/International)	27.91	7.00
26	Insurance Expenses	3.33	1.33
27	Deferred Rent Expenses	0.38	0.38
28	Provision for Doubtful Debts	-	0.21
		776.54	**312.61**

VERTOZ GROUP

*Notes forming part of the Consolidated Financial Statements for the period ended **31st March, 2023***

BACKGROUND:

Vertoz Advertising Limited (the Company) f.k.a **Vertoz Media Private Limited** and **Vertoz Media Limited** was incorporated on **February 13, 2012**. These are the consolidated financial statements prepared for the Company and they relate to the period from **April 1, 2022** to **March 31, 2023**. 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:**

These financial statements has been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

ii. **Operating Cycle**

The Company is primarily engaged in the business of Online Digital Advertising Services 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.

iii. **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.

VERTOZ GROUP

Notes forming part of the Consolidated Financial Statements for the period ended ***31st March, 2023***

iv. 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.

v. 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.

vi. 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.

vii. 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.

viii. 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.

ix. 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.

x. 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.

xi. 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.

xii. 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.

xiii. 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, it's 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.

xiv. 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.

VERTOZ GROUP

Notes forming part of the Consolidated Financial Statements for the period ended ***31st March, 2023***

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.

xv. 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.

24: RELATED PARTY TRANSACTIONS

Disclosure of transaction with Related Parties, as required by Indian Accounting standard Ind AS – 24 relating to Related Party Disclosure' are given here under. Related parties as defined under Clause 3 of the Indian accounting Standard Ind AS – 24 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 2022-23		FY 2021-22	
			Net-off Amount of Transactions for FY 2022-23	Amount Outstanding as on 31.03.2023 (Payable) / Receivable	Net-off Amount of Transactions for FY 2021-22	Amount Outstanding as on 31.03.2022 (Payable) / Receivable
Mr. Hirenkumar Shah	Whole-time Director	Managerial Remuneration	59,48,400	-	59,49,400	-
		Loan from Directors	1,53,29,668	(24,41,642)	2,43,43,262	(1,77,71,310)
Mr. Ashish Shah	Whole-time Director	Managerial Remuneration	77,07,082	(1,09,75,956)	67,75,023	(76,94,421)
		Loan from Directors	1,46,97,178	36,17,350	22,26,246	(1,12,79,827)
Mr. Rasiklal Shah	Non-executive Director	Sitting Fees	75,000	(34,000)	35,000	(20,500)
Mr. Harshad Shah	Chairman & Non-executive Director	Sitting Fees	60,000	(1,43,500)	45,000	(1,30,000)
Mrs. Nilam Doshi	Independent Director	Sitting Fees	95,000	(3,50,000)	65,000	(2,64,500)
Mr. Rohit Vaghadia	Independent Director	Sitting Fees	95,000	(1,99,000)	65,000	(1,13,500)

VERTOZ GROUP

*Notes forming part of the Consolidated Financial Statements for the period ended **31st March, 2023***

Mr. Akshay Sonar Parelkar	Chief Financial Officer	KMP Remuneration	33,61,404	-	29,63,219	-
		Expenses Reimbursement	2,02,564	-	10,79,936	-
Ms. Zil Shah	Company Secretary	KMP Remuneration	9,67,032	-	8,14,320	-
PayNX Technologies Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Loan	10,04,03,302	10,07,17,726	21,22,548	3,14,424
		Sales	77,00,000	(13,16,000)	33,25,431	-
		Purchase	99,89,111	(22,72,106)	91,80,000	-
Qualispace Web Services Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Loan	2,44,08,551	2,59,79,335	15,70,784	15,70,784
		Sales	38,43,564	1,97,997	13,05,295	5,77,992
		Purchase	54,40,155	(14,84,383)	23,53,955	(4,58,390)
Trunkoz Technologies Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Rent	22,66,409	(1,29,098)	19,89,123	2,47,523
		Loan	1,18,04,182	1,18,04,182	-	-
Admeridian Inc	Sister Concern where Promoters/ Directors having significant control	Sales	2,54,77,586	4,87,90,851	1,79,96,001	2,79,17,966
		Purchase	39,45,367	-	1,06,78,061	-
		Loans & Advances	(6,406)	294	37,344	6,700
Hueads Inc	Sister Concern where Promoters/ Directors having significant control	Sales	2,65,38,118	4,74,72,638	78,38,947	2,32,60,457
		Purchase	80,98,543	27,84,128	71,05,469	6,39,691
		Loans & Advances	(40,697)	-	38,005	40,697
Admida Inc	Sister Concern where Promoters/ Directors having significant control	Sales	1,56,77,210	4,31,50,025	2,03,44,930	2,67,00,031
		Purchase	1,04,36,661	-	1,04,41,049	8,79,689
		Loans & Advances	(3,648)	-	131	3,648
Vokul Inc	Sister Concern where Promoters/ Directors having significant control	Sales	1,57,02,018	3,62,13,505	80,55,412	2,18,09,077
		Purchase	16,52,273	-	92,05,958	-
		Loan & Advances	(1,24,759)	(23,820)	93,694	1,00,439
Boffoads Inc	Sister Concern where Promoters/ Directors having significant control	Sales	1,84,18,603	1,25,36,574	1,77,58,469	2,45,29,520
		Purchase	93,25,633	-	75,10,039	(40,704)

VERTOZ GROUP

*Notes forming part of the Consolidated Financial Statements for the period ended **31st March, 2023***

Flairads Inc	Sister Concern where Promoters/ Directors having significant control	Sales	28,38,345	2,41,91,803	1,16,19,419	2,10,83,974
		Purchase	8,14,441	-	89,68,306	-
Adcanny Inc	Sister Concern where Promoters/ Directors having significant control	Sales	23,11,734	1,43,15,903	58,66,492	1,31,69,144
		Purchase	62,256	-	1,01,71,010	(46,354)
Adzesto Inc	Sister Concern where Promoters/ Directors having significant control	Sales	24,25,886	1,30,09,222	64,18,235	1,22,83,186
		Purchase	74,558	-	1,02,18,869	-
Adokut Inc	Sister Concern where Promoters/ Directors having significant control	Sales	1,70,56,428	1,88,74,978	2,33,80,351	1,75,00,670
		Purchase	85,17,514	(75,151)	72,37,498	1,77,514
		Loans & Advances	(9,13,961)	-	9,01,612	9,13,961
Qualispace Inc	Sister Concern where Promoters/ Directors having significant control	Purchase	9,04,375	(10,30,341)	7,83,858	(2,47,933)
		Sales	61,413		-	-
		Loans & Advances	1,08,796	1,08,796	-	-
OwnRegistrar Inc	Sister Concern where Promoters/ Directors having significant control	Sales	30,45,736	14,87,792	-	-
		Purchases	1,85,78,599	(1,25,85,815)	-	-
		Loans & Advances	(54,43,672)	(17,43,736)	42,80,132	36,99,937
Hashpini Inc	Sister Concern where Promoters/ Directors having significant control	Sales	4,75,800	-	-	(3,94,197)
		Loans & Advances	66,185	66,185	(3,675)	-
Payexecure Inc	Sister Concern where Promoters/ Directors having significant control	Loans & Advances	10,149	1,30,176	3,645	1,20,027
OwnAdtech Inc	Sister Concern where Promoters/ Directors having significant control	Purchase	19,26,770	(7,30,253)	15,22,980	(4,45,900)
		Loans & Advances	1,38,687	13,97,539	12,58,853	12,58,853

VERTOZ GROUP

Notes forming part of the Consolidated Financial Statements for the period ended ***31st March, 2023***

25. Additional Regulatory Information

I. Details of Benami Property held

The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

II. Wilful Defaulter

The company has not been declared as a wilful Defaulter by any Financial Institution or bank as at the date of Balance Sheet.

III. Relationship with Struck off Companies

The Company do not have any transactions with companies struck off.

IV. Registration of charges or satisfaction with Registrar of Companies (ROC)

The company has no pending charges or satisfaction which are yet to be registered with the ROC beyond the Statutory period.

V. Compliance with number of layers of companies

The Company is complied with number of layers of companies as per clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

VI. Compliance with approved Scheme(s) of Arrangements

There are no Schemes of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

VII. Discrepancy in utilization of borrowings

The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance

VIII. Utilisation of Borrowed funds and share premium:

a) Borrowed Fund has been used for working capital and routine operation purpose of the company.

b) During this year there was no share premium received and/or utilised by the Company.

26. Additional Information

Undisclosed Income

The Company has no transaction that is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Details of Crypto Currency or Virtual Currency

The company has not traded or invested in Crypto currency or Virtual Currency.

FOR VERTOZ ADVERTISING LIMITED

HIRENKUMAR SHAH
WHOLE-TIME DIRECTOR
PLACE: MUMBAI

DATE: 25.04.2023
DIN: 00092739

A D V & ASSOCIATES
CHARTERED ACCOUNTANTS

B-601, Raylon Arcade,
R K Mandir Road, Kondivita
Andheri (East), Mumbai - 400 059.
Tel : 98290 59911
Email : advassociates@gmail.com

Independent Auditor's Report

To
The Members of PAYNX TECHNOLOGIES PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements:

Opinion

We have audited the accompanying Standalone financial statements of **PAYNX TECHNOLOGIES PRIVATE LIMITED ("the Company")**, which comprise the Balance Sheet as of March 31, 2023, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the 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 (Accounting Standards) Rules, 2015, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made there under, 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: • Evaluated the design of internal controls relating to recording of revenues at each period end as per contract terms. • Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to identification and recognition of revenues. • Reviewed a sample of contracts with unbilled revenues to identify appropriateness of revenue recognition as compared to the certified documentation by customers. • Performed analytical procedures and test of details for reasonableness of recognition of revenues and its corresponding costs.

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards 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 thatare 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 Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other Matter

During the period under audit, we informed that the Board of Directors of the Company in their Meeting held on 24th June 2022, has approved the Scheme of merger of PayNx Technologies Private Limited (hereinafter referred to as "The First Transferor Company") and QualiSpace Web Services Private Limited (hereinafter referred to as "The Second Transferor Company") with Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") and their respective Shareholders.

The merger of Paynx Technologies Private Limited (hereinafter referred to as "The First Transferor Company") and Qualispace Web Services Private Limited (hereinafter referred to as "The Second Transferor Company") with Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") and their respective Shareholders is under process, for which Vertoz Advertising Limited, the Transferee Company, has received the Observation Letter dated 11th January 2023 from the National Stock Exchange of India Limited (NSE) conveying its "No objection" in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") to file the draft scheme with NCLT. On the date of signing this report, Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") is preparing to file the draft scheme of Merger with the NCLT.

In terms of the Scheme, the entire business and the whole of the undertaking of Paynx Technologies Private Limited and Qualispace Web Services Private Limited, as a going concern stands transferred to and vested in Vertoz Advertising Limited, the Transferee Company with effect from April 01, 2022, being the Merger Appointed Date.

Report on Other Legal and Regulatory Requirements

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 with reference to these financial statements 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 not 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 Company does not have any pending litigations on its financial position in its Financial Statements

ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.

iii. There was no amount which was required to be transferred to the Investor Education and Protection Fund by the company.

iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The company has not declared or paid any dividend during the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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 A D V & Associates
Chartered Accountants
FRN: 128045W

Pratik Kabra
Partner
M. No.: 611401
UDIN: 23611401BGUOGJ3569

Place: Mumbai
Date: 30th May, 2023

Annexure "A" to the Independent Auditor's Report

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 **PAYNX TECHNOLOGIES PRIVATE LIMITED** ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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, 2023, 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 A D V & Associates
Chartered Accountants
FRN: 128045W

Pratik Kabra
Partner
M. No.: 611401
UDIN: 23611401BGUOGJ3569

Place: Mumbai
Date: 30th May, 2023

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 **PAYNX TECHNOLOGIES PRIVATE LIMITED** of even date)

1) In respect of the Company's Property, Plant and Equipment's and Intangible Assets:

(a) 1. According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
2. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Fixed Assets have been physically verified by the management in a phased manner which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the book's records and the physical fixed assets have been noticed.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.

2)

a) The Company being a service Company, primarily rendering information technology services, it does not hold any physical inventories. Accordingly, the provisions of clause 3(ii) of the Order are not applicable to the Company.

b) The company does not have any inventory and no working capital limits in excess of five crore rupees (at any point of time during the year), in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3(ii) of the order are not applicable.

3) During the year the company has made investments in, provided any guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:

(a) The company has during the year, not made investments in, to companies, firms, limited liability partnerships or any other parties.

(Rs. In Lakhs)

To Whom	The aggregate amount During the year	Balance Outstanding at the end of the year
AdMeridian Inc, USA	-	0.67
HueAds Inc, USA	-	0.65
Own Registrar Inc, USA	-	0.67
Qualispace Inc, USA	-	0.67
Vokut Inc, USA	-	0.65

(b) During the year the company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to subsidiary company:

(c) During the year the company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to other than subsidiary company:
(Rs. In Lakhs)

	Loans
Aggregate amount granted/ provided during the year	
Other than Subsidiary	8.25
Balance outstanding in respect of above cases	
Other than Subsidiary	185.55

(d) According to the information and explanation given to us, the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest;

(e) Schedule of repayment of the principal amount and the payment of the interest have not been stipulated and hence we are unable to comment as to whether receipt of the principal amount and the interest is regular;

(f) Schedule of repayment of the principal amount and the payment of the interest have not been stipulated and hence we are unable comment as whether the amount is overdue.

(g) According to the information and explanation given to us, in respect of any loan or advance in the nature of loan granted which has fallen due during the year, none has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties;

(h) The company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, required details in respect thereof are as below:

(Rs. In Lakhs)

Particulars	Related Parties
Aggregate amount of loans/ advances in nature of Agreement does not specify any terms or period of repayment	8.25
Percentage of loans/ advances in nature of loans to the total loans	100%

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

5) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at 31st March, 2023 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

6) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess, GST and any other statutory dues with the appropriate authorities. No undisputed amounts in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to records of the company, there are no statutory dues which have not been deposited on account of any dispute.

8) According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

9) (a) According to the information and explanation given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) Company is not declared willful defaulter by any bank or financial institution or other lender,

(c) According to the information and explanation given to us, term loans were applied for the purpose for which the loans were obtained;

(d) According to the information and explanation given to us, funds raised on short term basis have not been utilized for long term purposes;

(e) According to the information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;

(f) According to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;

10) (a) In our opinion, and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer.

(b) According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

11) (a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) According to the information and explanation given to us, no whistle-blower complaints, received during the year by the company;

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Internal Audit System & Report:

a) According to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business;

b) We have considered the reports of the Internal Auditors for the period under audit;

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

17) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

18) There has been no resignation of the statutory auditors of the Company during the year.

19) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20) The provisions of section 135 towards corporate social responsibility are not applicable to the company. Accordingly, the provisions of clause 3(xx) of the order are not applicable.

21) The provision of sub-section (5) of Section 135 of the Companies Act, 2013 is not applicable to the company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For A D V & Associates
Chartered Accountants
FRN: 128045W

Pratik Kabra
Partner
M. No.: 611401
UDIN: 23611401BGUOGJ3569

Place: Mumbai
Date: 30th May, 2023

PAYNX TECHNOLOGIES PRIVATE LIMITED

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

Corporate Identity Number : U72900MH2010PTC203628

Audited Statement of Standalone Balance Sheet As On 31st March, 2023

(Figures in '000)

Particulars	Note No.	Figures as at the end of current reporting period 2022-23	Figures as at the end of previous reporting Period 2021-22
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	₹ 100.00	₹ 10.00
(b) Reserves and surplus	2	₹ 10,998.85	₹ 6,988.68
(b) Money Received against share warrents		₹ -	₹ -
2 Share application money pending allotments		₹ -	₹ -
3 Non-current liabilities			
(a) Long-term borrowings		₹ -	₹ -
(b) Other Long Term Liabilities		₹ -	₹ -
(c) Long term provision	3	₹ 1,467.70	₹ -
4 Current liabilities			
(a) Short Term Borrowings	4	₹ 1,00,740.21	₹ 40,081.30
(b) Trade payables	5		
(A) total outstanding dues of micro enterprises and small enterprises		₹ 914.38	₹ 858.36
(B) total outstanding dues of Creditors other than micro enterprises and small enterprises		₹ 63.38	₹ 802.40
(c) Other current liabilities	6	₹ 249.24	₹ -
(d) Short-term provisions	7	₹ 2,435.98	₹ 1,451.90
TOTAL		**₹ 1,16,969.74**	**₹ 50,192.63**
B ASSETS			
1 Non-current assets			
(a) (i) Property, Plant and Equipment	8	₹ 396.94	₹ 547.21
(ii) Intangible assets		₹ -	₹ -
(iii) Capital Work in progress		₹ -	₹ -
(iv) Intangible Assets under Development		₹ -	₹ -
(b) Non-current investments	9	₹ 330.25	₹ 330.25
(c) Deferred Tax Assets		₹ 89.34	₹ 92.27
(d) Long term loans and Advances		₹ -	₹ -
(e) Other Non Current Assets		₹ -	₹ -
2 Current assets			
(a) Current Investments		₹ -	₹ -
(b) Inventories		₹ -	₹ -
(c) Trade receivables	10	₹ 20,027.16	₹ 3,261.71
(d) Cash and cash equivalents	11	₹ 62,612.10	₹ 185.23
(e) Short-term loans and advances	12	₹ 31,847.95	₹ 45,515.97
(f) Other Current Assets	13	₹ 1,666.00	₹ 350.00
TOTAL		**₹ 1,16,969.73**	**₹ 50,282.63**

NOTES TO ACCOUNTS 20

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 ADV & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 128045W | MRN: 611401

CA Pratik Kabra
Partner
UDIN: 23611401BGUOGJ3569
PLACE: MUMBAI
DATE: 30.05.2023

PayNX Technologies Pvt. Ltd. MUMBAI CIN: U72900MH2010PTC203628

FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

Hirenkumar Shah
Director
DIN: 00092739

Rasiklal Shah
Director
DIN: 00091585

PAYNX TECHNOLOGIES PRIVATE LIMITED

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

Corporate Identity Number : U72900MH2010PTC203628

Audited Statement of Standalone Profit and Loss for the Year Ended 31st March 2023

(Figures in '000)

	Particulars	Note No.	Figures for the current reporting period	Figures for the previous reporting period
			2022-23	2021-22
I	Revenue from operations (gross)	14	₹ 43,540.78	₹ 25,702.47
	Less: Excise Duty/GST/Taxes		₹ -	₹ -
	Net Revenue from operations (net)		**₹ 43,540.78**	**₹ 25,702.47**
II	Other Income	15	₹ 1,465.87	₹ 1,753.71
III	**Total Income (I+II)**		**₹ 45,006.65**	**₹ 27,456.18**
IV	Expenses			
	(a) Cost of Services	16	₹ 15,970.10	₹ 3,372.68
	(b) Purchase of Stock in Trade			
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		₹ -	₹ -
	(d) Employee benefits expenses	17	₹ 19,413.89	₹ 15,654.73
	(e) Finance costs	18	₹ 39.35	₹ 1,673.52
	(f) Depreciation and amortisation expenses	8	₹ 150.27	₹ 258.43
	(g) Other expenses	19	₹ 4,068.05	₹ 3,517.61
	Total Expenses		**₹ 39,641.67**	**₹ 24,476.97**
V	**Profit before exceptional and extraordinary iteam and tax**		**₹ 5,364.98**	**₹ 2,979.21**
VI	**Exceptional Iteams**		₹ -	₹ -
VII	**Profit before extraordinary iteam and tax**		₹ 5,364.98	₹ 2,979.21
VIII	**Extraordinary Iteams**		₹ -	₹ -
IX	**Profit before Tax**		₹ 5,364.98	₹ 2,979.21
X	Tax Expense:			
	(a) Current tax expense		₹ 1,351.88	₹ 760.92
	Excess / Short Provision		₹ -	₹ -108.40
	(b) Deferred tax		₹ 2.93	₹ -11.34
XI	**Profit / (Loss) for the period from continuing operations**		₹ 4,010.17	₹ 2,338.03
XII	**Profit / (Loss) from discontinuing operations**			₹ -
XIII	**Tax from discontinuing operations**			₹ -
XIV	**Profit/ (Loss) from discontinuing operations**			₹ -
XV	**(Loss) for the Period**		**₹ 4,010.17**	**₹ 2,338.03**
XVI	Earning per equity share:			
	(1) Basic		₹ 401.02	₹ 233.80
	(2) Diluted		₹ 401.02	₹ 233.80

NOTES TO ACCOUNTS 20

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 ADV & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 128045W | MRN: 611401

CA Pratik Kabra
Partner
UDIN: 23611401BGUOGJ3569
PLACE: MUMBAI
DATE: 30.05.2023

FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

Hirenkumar Shah
Director
DIN: 00092739

Rasiklal Shah
Director
DIN: 00091585

PAYNX TECHNOLOGIES PRIVATE LIMITED

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

Corporate Identity Number : U72900MH2010PTC203628

Audited Standalone Cash Flow Statement as on 31st March, 2023

(Figures in '000)

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
		2022-23	2021-22
A : Cash flows from operating activities:			
Profit before taxation	(a)	₹ 5,364.98	₹ 2,979.21
Add: Non Operating Expense			
Depreciation		₹ 150.27	₹ 258.43
Interest Expense		₹ 39.35	₹ 1,673.52
	(b)	₹ 189.62	₹ 1,931.95
Less: Non Operating Income			
Interest Income		₹ 1,465.87	₹ 1,753.71
	(c)	₹ 1,465.87	₹ 1,753.71
Operating profit before working capital changes	d=(a+b-c)	₹ 4,088.73	₹ 3,157.45
Working Capital Changes:			
Decrease /(Increase) in Trade Receivables		₹ -16,765.45	₹ 9,376.54
Decrease/(Increase) in Loans & Advances (Assets)		₹ 13,668.03	₹ 7,087.75
Decrease/(Increase) in Inventories		₹ -	₹ -
Decrease/(Increase) in Other Current Assets		₹ -1,316.00	₹ -
Increase /(Decrease) in Other Long Term Liabilities		₹ -	₹ -
Increase /(Decrease) in Trade Payables		₹ -683.00	₹ -2,740.14
Increase /(Decrease) in Other Current Liabilities		₹ 249.24	₹ -
Increase /(Decrease) in Provisions		₹ 2,451.78	₹ -5,208.98
	(e)	₹ -2,395.40	₹ 8,515.18
Cash generated from operations	(d+e)	₹ 1,693.33	₹ 11,672.62
Taxes Paid		₹ 1,351.88	₹ 652.52
Net cash used in operating activities	(A)	₹ 341.45	₹ 11,020.11
B : Cash flows from investing activities:			
Interest & Other Income		₹ 1,465.87	₹ 1,753.71
Non-Current Investment in WOS - US		₹ -	₹ -
Fixed Assets Addition		₹ -	₹ -
Net cash Generated from investing activities	(B)	₹ 1,465.87	₹ 1,753.71
C : Cash Flows from financing activities:			
Increase in borrowing		₹ 60,658.91	₹ -28,830.36
Interest Expenses		₹ -39.35	₹ -1,673.52
Fixed Deposit		₹ -	₹ -
Net cash generated from financing activities	(C)	₹ 60,619.55	₹ -30,503.88
D : Net increase in cash and cash equivalents = (A+B+C)	D=(A+B+C)	₹ 62,426.87	₹ -17,730.06
E : Cash and Cash equivalents at beginning of period	(E)	₹ 185.23	₹ 17,915.29
F: Cash and cash equivalents at end of period = (D+E)	(D + E)	₹ 62,612.10	₹ 185.23

NOTES TO ACCOUNTS 20

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 ADV & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 128045W | MRN: 611401

CA Pratik Kabra
Partner
UDIN: 23611401BGUO4J3649
PLACE: MUMBAI
DATE: 30.05.2023

PAYNX Technologies Pvt. Ltd. MUMBAI CIN: U72900MH2010PTC203628

FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

Rasiklal Shah
Director
DIN: 00091585

PAYNX TECHNOLOGIES PRIVATE LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

Note -1. SHARE CAPITAL

Particulars	Figures as at the end of previous reporting Period		Figures as at the end of previous reporting Period	
	Number of shares	2022-23	Number of shares	2021-22
(a) Authorised	10,000	100%	10,000	100%
10000 Equity shares of Rs.10/- each with voting rights				
(b) Issued, Subscribed and Paid up	10,000	100%	10,000	100%
10000 Equity shares of Rs.10 each with voting rights				
Total	10,000	100%	10,000	100%

List of Shareholders holding more than 5% share capital

Name of Shareholders	No. of Shares	%	Value/Share	Total Value
1.Mr. Hirenkumar Rasiklal Shah 4000 Eq. Sharesof Rs.10/- each	4,000	40.00%	10.00	40,000
2 Mr. Ashish Rasiklal Shah 4000 Eq. Sharesof Rs.10/- each	4,000	40.00%	10.00	40,000
TOTAL	8,000	80.00%	10.00	80,000

NOTE 1A. SHARES HELD BY PROMOTORS

Current Reporting Period

Sr No.	Promotor's Name	No of shares	% of total shares	% Change during the year
1	Mr. Hirenkumar Rasiklal Shah	4,000	40%	15%
2	Mr. Ashish Rasiklal Shah	4,000	40%	15%
3	Mr. Rasiklal Shah	-	0%	-100%
4	Mrs. Ranjanben Shah	-	0%	-100%

Previous reporting Period

Sr No.	Promotor's Name	No of shares	% of total shares	% Change during the year
1	Mr. Hirenkumar Rasiklal Shah	2,500	25%	0%
2	Mr. Ashish Rasiklal Shah	2,500	25%	0%
3	Mr. Rasiklal Shah	2,500	25%	0%
4	Mrs. Ranjanben Shah	2,500	25%	0%

NOTE- 1B. STATEMENTS OF CHANGES IN EQUITY

(Figures in '000)

Current Reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period error	Related Balance at the beiginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
100		100	-	100

Previous reporting Period

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period error	Related Balance at the beiginning of the previous reporting period	Changes in Equity Share Capital during the previous year	Balance at the end of the previous reporting period
100		100	-	100

PAYNX TECHNOLOGIES PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

Note 2 RESERVES AND SURPLUS (Figures in '000)

Particulars	Figures as at the end of current reporting period 2022-23	Figures as at the end of previous reporting Period 2021-22
(A) Securities premium account		
Opening balance	₹ -	₹ -
Closing balance	₹ -	₹ -
(B) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	₹ 6,988.68	₹ 4,650.64
Add: Profit / (Loss) for the year	₹ 4,010.17	₹ 2,338.03
Closing Balance	₹ 10,998.85	₹ 6,988.68
Total	₹ 10,998.85	₹ 6,988.68

Note 3 LONG TERM PROVISIONS

Particulars	Figures as at the end of current reporting period 2022-23	Figures as at the end of previous reporting Period 2021-22
Gratuity Provision (Non-Current)	₹ 1,164.57	₹ -
Leave Encashment Provision (Non-Current)	₹ 303.13	₹ -
TOTAL	₹ 1,467.70	₹ -

Note 6 SHORT TERM BORROWINGS

Particulars	Figures as at the end of current reporting period 2022-23	Figures as at the end of previous reporting Period 2021-22
UNSECURED LOANS		
(a) Loan from Related Parties	₹ 1,00,740.21	₹ 29,368.90
(b) Loans from Banks	₹ -	₹ 712.40
(c) Loan from Others	₹ -	₹ 10,000.00
TOTAL	₹ 1,00,740.21	₹ 40,081.30

Note 8 OTHER CURRENT LIABILITIES

Particulars	Figures as at the end of current reporting period 2022-23	Figures as at the end of previous reporting Period 2021-22
OTHER CURRENT LIABILITIES		
(a) Advance from Clients	₹ 249.24	₹ -
TOTAL	₹ 249.24	₹ -

Note 7 SHORT TERM PROVISIONS

Particulars	Figures as at the end of current reporting period 2022-23	Figures as at the end of previous reporting Period 2021-22
(a) Provision for employee benefits		
PF, ESIC & MLWF Payable	₹ 144.74	₹ 132.68
Salary Payable	₹ 34.26	₹ 166.73
Gratuity Provision (Current)	₹ 268.13	₹ -
Leave Encashment (Current)	₹ 180.78	₹ -
(b) Provision - for TAX		
Provision for Income Tax(Prior Years)	₹ -	₹ -
Provision for Income Tax(Current Years)	₹ 1,351.88	₹ 760.92
TDS Payable	₹ 287.99	₹ 150.62
(c) Provision - Others		
GST Payable	₹ -	₹ -
Audit Fees Payable	₹ 168.20	₹ 240.95
Total	₹ 2,435.98	₹ 1,451.90

PAYNX Technologies Pvt Ltd. MUMBAI

PAYNX TECHNOLOGIES PRIVATE LIMITED

STATEMENT OF FIXED ASSETS, AS ON 31 ST MARCH 2023

Note - 8

(Figures in '000)

PARTICULARS	GROSS------BLOCK					DEPRECIATION			NET -- BLOCK	
	AS ON 01-04-2021	ADDITIONS Before 30.09.2021	ADDITIONS After 30.09.2021	SALE during the year	AS ON 31.3.2022	UP TO 01.04.2021	FOR THE YEAR	AS ON 31.03.2022	AS ON 31.03.2023	AS ON 31.03.2022
Data Computers, Laptops, Data Servers & Peripherals	₹ 2,542.23	₹ -	₹ -	₹ -	₹ 2,542.23	₹ 2,347.77	₹ 58.50	₹ 2,406.27	₹ 135.97	₹ 194.46
Furniture & Fixtures	₹ 1,068.37	₹ -	₹ -	₹ -	₹ 1,068.37	₹ 720.92	₹ 90.25	₹ 811.17	₹ 257.20	₹ 347.45
Office Equipments	₹ 49.00	₹ -	₹ -	₹ -	₹ 49.00	₹ 43.70	₹ 1.52	₹ 45.21	₹ 3.77	₹ 5.30
TOTAL	₹ 3,659.60	₹ -	₹ -	₹ -	₹ 3,659.60	₹ 3,112.39	₹ 150.27	₹ 3,262.66	₹ 396.94	₹ 547.21
PREVIOUS YEAR	₹ 3,659.60	₹ -	₹ -	₹ -	₹ 3,659.60	₹ 2,853.96	₹ 258.43	₹ 3,112.39	₹ 547.21	₹ 805.64

PAYNX Technologies Pvt. Ltd. MUMBAI

PAYNX TECHNOLOGIES PRIVATE LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

Note 9 NON CURRENT INVESTMENTS (Figures in '000)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
AdMeridian Inc. - Share Capital	₹ 66.90	₹ 66.90
HueAds Inc - Share Capital	₹ 65.09	₹ 65.09
OwnRegistrar Inc - Share Capital	₹ 66.59	₹ 66.59
QualiSpace Inc. - Share Capital	₹ 66.59	₹ 66.59
Vokut Inc - Share Capital	₹ 65.09	₹ 65.09
Total	₹ 330.25	₹ 330.25

Note 11 CASH AND CASH EQUIVALENTS

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
A) Cash in Hand	₹ 10.11	₹ 14.21
B) Bank Balance	₹ 62,601.99	₹ 171.01
C) Fixed Deposits	₹ -	₹ -
Total	₹ 62,612.10	₹ 185.23

Note 12 SHORT TERM LOANS AND ADVANCES

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
Loans and advances to related parties	₹ 10,565.81	₹ 8,859.10
Loan to Staff	₹ 270.00	₹ 62.50
Advance to Others	₹ 19,914.75	₹ 34,914.75
Balances with Revenue Authorities		
GST Appeal Pre-Deposit	₹ 235.13	₹ -
GST Receivable	₹ 323.17	₹ 1,333.16
TDS Receivable	₹ 539.08	₹ 346.46
Total	₹ 31,847.95	₹ 45,515.97

Note 13 OTHER CURRENT ASSETS

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
Rent Deposit	₹ 350.00	₹ 350.00
Advance given to Suppliers	₹ 1,316.00	₹ -
Total	₹ 1,666.00	₹ 350.00

PayNX Technologies Pvt. Ltd. MUMBAI CIN: U72200MH2015PTC265278

PAYNX TECHNOLOGIES PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

Note 5 TRADE PAYABLES

(Figures in '000)

Figures For the Current Reporting Period

2022-23

Particulars	Outstanding for following periods from due date of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	₹ 914.38	₹ -	₹ -	₹ -	₹ 914.38
Others	₹ 37.46	₹ 25.92	₹ -	₹ -	₹ 63.38
Dispute dues-MSME	₹ -	₹ -	₹ -	₹ -	₹ -
Dispute dues	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ -	₹ -	₹ -	₹ -	₹ -
Total	₹ 951.84	₹ 25.92	₹ -	₹ -	₹ 977.76

Figures For the Previous Reporting Period

2021-22

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	₹	₹ 858.36	₹ -	₹ -	₹ 858.36
Others	₹ 731.65	₹ 61.50	₹ 9.25	₹ -	₹ 802.40
Dispute dues-MSME	₹ -	₹ -	₹ -	₹ -	₹ -
Dispute dues	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ -	₹ -	₹ -	₹ -	₹ -
Total	₹ 731.65	₹ 919.86	₹ 9.25	₹ -	₹ 1,660.75

Note 10 TRADE RECEIVABLES

(Figures in '000)

Figures For the Current Reporting Period

2022-23

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months	6 Months - 1Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivables- Considered Goods	₹ 19,953.48	₹ -	-	₹ -	₹ 73.68	₹ 20,027.16
Undisputed Trade Receivables- Considered Doubtful	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Disputed Trade Receivables- Considered Goods	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Disputed Trade Receivables- Considered Doubtful	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Total	₹ 19,953.48	₹ -	₹ -	₹ -	₹ 73.68	₹ 20,027.16

Figures For the Previous Reporting Period

2021-22

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables- Considered Goods	₹ 2,668.94	₹ -	-	₹ 94.10	₹ 498.67	₹ 3,261.71
Undisputed Trade Receivables- Considered Doubtful	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Disputed Trade Receivables- Considered Goods	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Disputed Trade Receivables- Considered Doubtful	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Total	₹ 2,668.94	₹ -	₹ -	₹ 94.10	₹ 498.67	₹ 3,261.71

PAYNX TECHNOLOGIES PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT

Note 14 REVENUE FROM OPERATIONS (Figures in '000)

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2022-23	2021-22
Sale of Services	₹ 43,540.78	₹ 25,702.47
Total - Sales	₹ 43,540.78	₹ 25,702.47

Note 15 OTHER INCOME

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2022-23	2021-22
Other Income	₹ 7.20	₹ 11.84
Interest on Loans	₹ 1,216.67	₹ 1,741.87
Foreign Exchange Gain	₹ 242.00	₹ -
Total	₹ 1,465.87	₹ 1,753.71

Note 16 DIRECT SERVICE EXPENSES

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2022-23	2021-22
Search Ads	₹ 15,911.82	₹ 3,325.43
Software & Services	₹ 58.28	₹ 47.25
Total	₹ 15,970.10	₹ 3,372.68

Note 17 EMPLOYEE BENEFIT EXPENSES

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2022-23	2021-22
Salaries and wages	₹ 19,413.89	₹ 15,644.73
Directors Remuneration	₹ -	₹ -
Staff Welfare	₹ -	₹ 10.00
Total	₹ 19,413.89	₹ 15,654.73

PAYNX TECHNOLOGIES PRIVATE LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT

Note 18 FINANCE COST

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2022-23	2021-22
Interest on CLUCC and OD	₹ -	₹ 125.18
Foreign Exchange Gain/Loss	₹ -	₹ 58.00
Interest on loan	₹ 31.02	₹ 1,407.07
Bank Charges	₹ 8.33	₹ 83.27
Total	₹ 39.35	₹ 1,673.52

Note 19 OTHER EXPENSES

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2022-23	2021-22
Repairs & Maintenance	₹ 9.50	₹ 110.26
Local Conveyance	₹ 20.68	₹ 32.66
Audit Fees	₹ 50.00	₹ 46.00
Food Expense	₹ 29.68	₹ -
Housekeeping Expense	₹ 7.89	₹ -
Printing & Stationery	₹ 0.45	₹ -
Bad Debts	₹ -44.56	₹ 103.07
Office Expenses	₹ 45.30	₹ 9.32
Professional/Legal Fees	₹ 457.10	₹ 182.41
Interest on Late Payment of TDS	₹ 8.75	₹ 45.00
Interest on Late Payment of Service Tax / GST	₹ 22.12	₹ 11.62
Interest on Income Tax	₹ 52.12	₹ 77.68
Interest / Penalties on PT	₹ 2.20	₹ -
Insurance Expense	₹ 3.20	₹ 11.25
Profession Tax - Company	₹ 2.50	₹ 2.50
Rounding Off	₹ 0.01	₹ 0.00
Telephone expense	₹ 7.53	₹ -
Travel Expense- International	₹ 4.23	₹ -
Lease Rent Office	₹ 2,705.22	₹ 2,544.34
Internet Expenses	₹ 11.50	₹ 14.99
Utility Expenses	₹ 672.64	₹ 326.51
Total	₹ 4,068.05	₹ 3,517.61

PAYNX TECHNOLOGIES PRIVATE LIMITED

ADDITIONAL NOTES TO FORM OF INTEGRAL PART OF STANDALONE AUDITED FINANCIAL STATEMENTS AS ON 31ST MARCH 2023

I Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

(a) repayable on demand and/or

(b) without specifying any terms or period of repayment

[Figures in '000]

Type of Borrower	Amount of loan and Advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promotors	₹ -	0.00%
Directors	₹ -	0.00%
KMPs	₹ -	0.00%
Related Parties	₹ 8,859.10	20.21%

II The company do not hold any Benami Property as on the date of this financial statements.

III The company do not have any relationship with any Struck off Companies as on date of this financials.

IV Ratios

Ratios	Numerator	Denominator	Current Reporting Period	Previous reporting period	% of Change
Debt Equity Ratio	Debt Capital	Shareholder's Equity	9.08	5.73	58.49%
Debt Service Coverage Ratio	EBITDA-CAPEX	Debt Service (Int+Principal)	5.41%	11.49%	-52.88%
Return on Equity Ratio	Profit for the year	Average Shareholder's Equity	0.44	0.40	10.50%
Inventory Turnover Ratio	COGS	Average Inventory	0.00	0.00	0.00%
Trade Receivables Turnover Ratio	Net Sales	Average trade receivables	3.74	3.23	15.66%
Trade Payables Turnover Ratio	Total Purchases (Fuel Cost + Other Expenses+Closing Inventory-Opening Inventory)	Closing Trade Payables	16.33	2.03	704.28%
Current Ratio	Current Assets	Current Liabilities	1.11	1.14	-2.55%
Net Capital Turnover Ratio	Sales	Workimg capital (CA-CL)	3.71	4.20	-11.78%
Net profit ratio	Net Profit	Sales	9.21%	9.10%	1.25%
Return on Capital Employed	Earnings before interest and tax	Capital Employed	48.69%	65.64%	-25.81%
Return on Investment	Net Profit	Investment	12.14	7.08	71.52%

V Utilisation of Borrowed funds and share premium:

a) Borrowed Fund has been used for working capital and routine operation purpose of the company.

b) During this year there was no share premium received and/or utilised by the Company.

PayNX Technologies Pvt Ltd. MUMBAI

Notes forming part of the Standalone Financial Statements for the period ended ***31st March 2023***

BACKGROUND:

PayNX Technologies Private Limited (the Company) was incorporated on **June 2, 2010**. The financial statements prepared for the Company and they relate to the period from **April 1, 2022** to **March 31, 2023**. The Company provides Other IT Related Business Services and other allied services to domestic/ oversees clients.

Note 20: 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.

PayNX Technologies Pvt. Ltd. MUMBAI

f. ***Impairment:***

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

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

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

g. ***Leases:***

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

h. ***Revenue Recognition:***

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

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

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

i. ***Foreign Currency Transactions:***

(i) Initial Recognition

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

(ii) Conversion

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

(iii) Exchange Differences

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

j. Taxation:

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

(i) Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Minimum Alternate Tax (MAT) eligible for set off in subsequent years, (as per tax laws) is recognized as an asset by way of credit to the statement of Profit and Loss only if there is convincing evidence of its realisation. 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 are 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 are 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.

21. CONTINGENT LIABILITY:
Claims against the Company not acknowledged as debt **₹ Nil** (previous year Rs Nil)

22. OPERATING LEASES:
The Company do not have any lease obligation during the period under audit.

23. Based on information's available with the Company, there are no suppliers registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" as at March 31, 2023 and hence disclosure, if any, relating to amounts unpaid as at the year end and together with interest paid/payable as required under the said Act have not been given.

24. DEFERRED TAX:

(Amount in ₹)

Sr. No.	Particulars	As at 31/03/2023	As at 31/03/2022
(i)	**Deferred tax Liability on account of :**		
	Depreciation	(89,340)	(92,268)
(ii)	**Deferred tax asset on account of :**		
	a) Unabsorbed Depreciation	Nil	Nil
	b) Employee Benefits - leave Encashment & Gratuity	Nil	Nil
	c) On Account of disallowances	Nil	Nil
	d) Carried Forward Losses	Nil	Nil
	Deferred Tax Asset/(Liability)	Nil	Nil
	Less: Reversal During the year	Nil	Nil
	TOTAL	**(89,340)**	**(92,268)**

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.

25. The disclosure required under Accounting Standard 15 employee Benefit notified in the Companies (Accounting Standards) Rules 2006, is given below:
During the period under audit, the Company do not have any obligation towards Gratuity, Leave Encashment or any other defined benefit under AS-15.

PayNX Technologies Pvt. Ltd. MUMBAI

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

During period under audit, the company does not have any un-hedged foreign currency exposure as on balance sheet date.

27. Segment Reporting:

The risk-return profile of the Company's business is determined predominantly by the nature of its services. Accordingly, the business segment constitutes the primary segment for disclosure of segment information.

Company is, at present, primarily engaged in a single business segment of Information Technology Company and operates only in a single geographical segment i.e. India. Accordingly, no disclosures are made in terms of Accounting Standard AS – 17 relating to "Segment Reporting".

28. Related Party Transaction

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

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

List of related parties with whom transactions were carried out during the year and description of relationship:

(Amount in ₹)

Name of Related Parties	Relationship	Nature of Transaction	FY 2022-23		FY 2021-22	
			Net-off Amount of Transactions for FY 2022-23	O/s amounts carried in the Balance Sheet FY 2022-23	Net-off Amount of Transactions for FY 2021-22	O/s amounts carried in the Balance Sheet FY 2021-22
Mr. Hirenkumar Shah	Director	Loan from Directors	43,57,433	19,25,433	(23,97,000)	(24,32,000)
Mr. Ashish Shah	Director	Loan from Directors	2,74,42,000	(22,480)	(20,23,653)	(2,74,64,480)
Mr. Rasiklal Shah	Director	Managerial Remuneration	Nil	Nil	8,42,000	Nil
Vertoz Advertising Limited	Sister Concern where Promoters/ Directors having significant control	Sales	30,50,000	Nil	Nil	Nil
		Purchases	77,00,000	13,16,000	33,25,431	Nil
		Loan	(9,87,46,604)	(9,90,61,028)	(31,32,548)	(3,14,424)
Adzurite Solutions Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Sales	24,95,498	25,18,167	91,80,000	Nil
		Loan	(16,56,698)	(16,56,698)	Nil	Nil

Qualispace Web Services Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Purchases	39,803	(38,347)	Nil	Nil
		Sales	21,09,900	Nil	Nil	Nil
		Loan	1,38,655	1,53,319	1,38,655	14,664
Trunkor Technologies Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Rent	18,00,876	(8,76,031)	16,83,060	(8,58,357)
		Loan	6,72,635	11,87,445	Nil	18,60,080
Hashjini Pvt. Ltd.	Sister Concern where Promoters/ Directors having significant control	Loan	1,71,200	3,39,200	3,32,504	1,68,000
Incrementx Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Sales	17,20,136	(2,49,245)	Nil	Nil
Own Web Solutions Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Sales	27,23,475	3,384	Nil	Nil
Netztrack Solutions	Sister Concern where Promoters/ Directors having significant control	Loan	5,15,204	69,60,415	46,79,082	64,45,211
Admeridian Inc.	Sister Concern where Promoters/ Directors having significant control	Purchases	5,20,725	Nil	Nil	Nil
Huxads Inc.	Sister Concern where Promoters/ Directors having significant control	Purchase	3,48,530	Nil	Nil	Nil
Adcanny Inc.	Sister Concern where Promoters/ Directors having significant control	Loan	75,807	Nil	421	75,807
		Purchases	4,32,972	Nil	Nil	Nil
Adzesta Inc.	Sister Concern where Promoters/ Directors having significant control	Loan	68,683	Nil	Nil	68,683
		Purchases	6,12,618	Nil	Nil	Nil

PayNX Technologies Pvt. Ltd. MUMBAI

Boffoads Inc.	Sister Concern where Promoters/ Directors having significant control	Loan	68,751	Nil	Nil	68,751
		Purchases	5,68,053	Nil	Nil	Nil
Flairads Inc.	Sister Concern where Promoters/ Directors having significant control	Loan	68,607	Nil	Nil	68,607
		Purchases	4,58,470	Nil	Nil	Nil
Admida Inc.	Sister Concern where Promoters/ Directors having significant control	Loan	37,121	Nil	Nil	37,121
		Purchases	3,58,547	Nil	Nil	Nil
		Sales	9,07,834	Nil	Nil	Nil
Adokut Inc.	Sister Concern where Promoters/ Directors having significant control	Sales	1,79,56,726	1,49,16,000	1,63,18,266	Nil
		Loan	Nil	Nil	(35,885)	Nil
		Purchases	3,78,085	Nil	Nil	Nil
Qualispace Inc.	Sister Concern where Promoters/ Directors having significant control	Loan	(52,180)	Nil	Nil	52,180

29. 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.

30. 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 loss of the Company for the year.

31. 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.

32. Expenditure in foreign currency – **Nil** (P.Y. Nil/-)

33. Earning in Foreign Currency (On Cash Basis) – **₹ 34,42,190/-**

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

Particulars	FY 2022-23
Receipt from Export against Invoice	34,42,190
Advance against Export Services	-
Exchange Gain/(Loss) on remittance	-
Total Earning in Foreign Currency (On Cash Basis)	**34,42,190**

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

35. 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 PAYNX TECHNOLOGIES PRIVATE LIMITED

HIRENKUMAR SHAH
Director
DIN: 00092739
PLACE: MUMBAI
DATE: 30.05.2022

A D V & ASSOCIATES
CHARTERED ACCOUNTANTS

B-601, Raylon Arcade,
R K Mandir Road, Kondivita
Andheri (East), Mumbai - 400 059.
Tel : 98290 59911
Email : advassociates@gmail.com

Independent Auditor's Report

To **PAYNX TECHNOLOGIES PRIVATE LIMITED**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of PAYNX TECHNOLOGIES PRIVATE 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, 2023, 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, 2023, 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

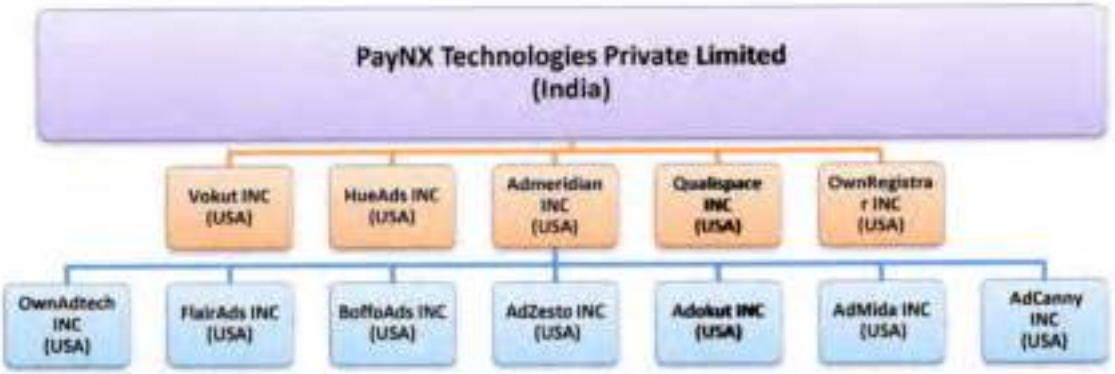
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we 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: • Evaluated the design of internal controls relating to recording of revenues at each period end as per contract terms. • Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to identification and recognition of revenues. • Reviewed a sample of contracts with unbilled revenues to identify appropriateness of revenue recognition as compared to the certified documentation by customers. • Performed analytical procedures and test of details for reasonableness of recognition of revenues and its corresponding costs.

Other Matter:

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



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. 1,937.33 Lakhs and net assets of Rs. 3,567.78 **Lakhs** as at March 31, 2023 and total revenues of Rs 7,378.13 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. During the period under audit, we informed that the Board of Directors of the Company in their Meeting held on 24th June 2022, has approved the Scheme of merger of PayNx Technologies Private Limited (hereinafter referred to as "The First Transferor Company") and QualiSpace Web Services Private Limited (hereinafter referred to as "The Second Transferor Company") with Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") and their respective Shareholders.

The merger of Paynx Technologies Private Limited (hereinafter referred to as "The First Transferor Company") and Qualispace Web Services Private Limited (hereinafter referred to as "The Second Transferor Company") with Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") and their respective Shareholders is under process, for which Vertoz Advertising Limited, the Transferee Company, has received the Observation Letter dated 11th January 2023 from the National Stock Exchange of India Limited (NSE) conveying its "No objection" in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") to file the draft scheme with NCLT. On the date of signing this report, Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") is preparing to file the draft scheme of Merger with the NCLT.

In terms of the Scheme, the entire business and the whole of the undertaking of Paynx Technologies Private Limited and Qualispace Web Services Private Limited, as a going concern stands transferred to and vested in Vertoz Advertising Limited, the Transferee Company with effect from April 01, 2022, being the Merger Appointed Date.

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The consolidated financial statements dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid consolidated financial statements comply with the 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, 2023 taken on record by the Board of Directors of the Company, none of the directors is disqualified as on March 31, 2023 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* A D V & ASSOCIATES**
Chartered Accountants
Firm Registration number: 128045W





Pratik Kabra
Partner
Membership number: 611401
Place :Mumbai,
Date : May 30th, 2023
UDIN : 23611401BGUOGK7779

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 **Paynx Technologies Private 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 **Paynx Technologies Private Limited** ("the Company") as of March 31, 2023 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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* A D V & ASSOCIATES**
Chartered Accountants
Firm Registration number: 128045W





Pratik Kabra
Partner
Membership number: 611401
Place :Mumbai,
Date : May 30th, 2023
UDIN : 23611401BGUOGK7779

PAYNX TECHNOLOGIES PRIVATE LIMITED

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

Corporate Identity Number : U72900MH2010PTC203628

Consolidated Balance Sheet As On 31st March, 2023

(Figures in '000)

Particulars	Note No.	Figures as at the end of current reporting period 2022-23	Figures as at the end of previous reporting Period 2021-22
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	₹ 100.00	₹ 100.00
(b) Reserves and surplus	2	₹ -1,52,046.95	₹ -1,68,987.20
(b) Money Received against share warrants		₹ -	₹ -
2 Share application money pending allotments		₹ -	₹ -
3 Non-current liabilities			
(a) Long-term borrowings		₹ -	₹ -
(b) Deferred tax liabilities (net)		₹ -	₹ -
(c) Other Long Term Liabilities		₹ -	₹ -
(d) Long term provision	3	₹ 1,467.70	₹ -
4 Current liabilities			
(a) Short Term Borrowings	4	₹ 1,21,526.87	₹ 75,124.23
(b) Trade payables	5		
(A) total outstanding dues of micro enterprises and small enterprises		₹ 914.38	₹ 858.36
(B) total outstanding dues of Creditors other than micro enterprises and small enterprises		₹ 3,27,852.97	₹ 2,46,557.86
(c) Other current liabilities	6	₹ 249.24	₹ -
(d) Short-term provisions	7	₹ 10,638.18	₹ 1,451.90
TOTAL		₹ 3,10,702.39	₹ 1,55,105.16
B ASSETS			
1 Non-current assets			
i) (i) Property, Plant and Equipment	8	₹ 437.77	₹ 603.66
(ii) Intangible assets		₹ 2,276.38	₹ 2,226.10
(iii) Capital Work in progress		₹ -	₹ -
(iv) Intangible Assets under Development		₹ -	₹ -
(b) Non-current investments		₹ -	₹ -
(c) Deferred Tax Assets		₹ 89.34	₹ 92.27
(d) Long term loans and Advances		₹ -	₹ -
(e) Other Non Current Assets		₹ -	₹ -
2 Current assets			
(a) Current Investments		₹ -	₹ -
(b) Inventories		₹ -	₹ -
(c) Trade receivables	9	₹ 1,33,524.44	₹ 98,778.80
(d) Cash and cash equivalents	10	₹ 71,234.84	₹ 5,095.22
(e) Short term loans and advances	11	₹ 1,01,459.90	₹ 47,946.47
(f) Other Current Assets	12	₹ 1,679.72	₹ 362.65
TOTAL		₹ 3,10,702.39	₹ 1,55,105.16

NOTES TO ACCOUNTS 19

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 ADV & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 128045W | MRN: 611401

CA Pratik Kabra
Partner
UDIN: 23611401BGUOGK7179
PLACE: MUMBAI
DATE: 30.05.2023

FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

Hirenkumar Shah
Director
DIN: 00092739

Rasiklal Shah
Director
DIN: 00091585

PAYNX TECHNOLOGIES PRIVATE LIMITED

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

Corporate Identity Number : U72900MH2010PTC203628

Consolidated Statement of Profit and Loss for the Year Ended 31st March 2023

(Figures in '000 Except EPS)

Particulars	Note No.	Figures for the current reporting period	Figures for the previous reporting period
		2022-23	2021-22
I Revenue from operations (gross)	14	₹ 7,81,353.75	₹ 4,57,618.82
Less: Excise Duty		₹ -	₹ -
Revenue from operations (net)		**₹ 7,81,353.75**	**₹ 4,57,618.82**
II Other Income	15	₹ 4,646.62	₹ 21,283.86
III Total Income (I+II)		**₹ 7,86,000.37**	**₹ 4,78,902.68**
IV Expenses			
(a) Cost of Services	16	₹ 7,09,696.24	₹ 4,45,953.43
(b) Purchase of Stock in Trade		₹ -	₹ -
(c) Changes in inventories of finished goods, work in progress and stock-in-trade		₹ -	₹ -
(d) Employee benefits expenses	17	₹ 19,413.89	₹ 15,654.73
(e) Finance costs	18	₹ 6,290.87	₹ 10,398.24
(f) Depreciation and amortisation expenses	9	₹ 298.55	₹ 407.89
(g) Other expenses	19	₹ 10,350.81	₹ 6,245.16
Total Expenses		**₹ 7,46,050.35**	**₹ 4,78,659.43**
V Profit before exceptional and extraordinary ifeam and tax		**₹ 39,950.02**	**₹ 243.25**
VI Exceptional Items		₹ -	₹ -
VII Profit before extraordinary ifeam and tax		₹ 39,950.02	₹ 243.25
VIII Extraordinary Items		₹ -	₹ -
IX Profit before Tax		₹ 39,950.02	₹ 243.25
X Tax Expense:			
(a) Current tax expense		₹ 9,234.35	₹ 760.92
Excess / Short Provision		₹ -	₹ 108.40
(b) Deferred Tax		₹ 2.93	₹ -11.34
XI Profit / (Loss) for the period from continuing operations		₹ 30,712.74	₹ -397.93
XII Profit / (Loss) from discontinuing operations		₹ -	₹ -
XIII Tax from discontinuing operations		₹ -	₹ -
XIV Profit/ (Loss) from discontinuing operations		₹ -	₹ -
XV (Loss) for the Period		**₹ 30,712.74**	**₹ -397.93**
XVI Earning per equity share:			
(1) Basic		₹ 3,071.27	₹ -39.79
(2) Diluted		₹ 3,071.27	₹ -39.79

NOTES TO ACCOUNTS 19

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 ADV & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 128045W | MRN: 611401

CA Pratik Kabra
Partner
UDIN: 23611401BGUOGK7779
PLACE: MUMBAI
DATE: 30.05.2023

FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

Hirenkumar Shah
Director
DIN: 00092739

Rasiklal Shah
Director
DIN: 00091585

PAYNX TECHNOLOGIES PRIVATE LIMITED

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

Corporate Identity Number : U72900MH2010PTC203628

Consolidated Cash Flow Statement as on 31st March, 2023

(Figures in '000)

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
		2022-23	2021-22
A : Cash flows from operating activities:			
Profit before taxation	(a)	₹ 39,950.02	₹ 243.25
Add: Non Operating Expense			
Depreciation		₹ 298.55	₹ 407.89
Interest Expense		₹ 6,290.87	₹ 10,398.24
Exchange gain/loss on restatement of forex		₹ -13,952.51	₹ -5,375.45
	(b)	₹ -7,363.09	₹ 5,430.68
Less: Non Operating Income			
Interest Income		₹ 4,646.62	₹ 21,283.86
	(c)	₹ 4,646.62	₹ 21,283.86
Operating profit before working capital changes	d=(a+b-c)	₹ 27,940.31	₹ -15,609.93
Working Capital Changes:			
Decrease /(Increase) in Trade Receivables		₹ -34,745.65	₹ 61,324.89
Decrease/(Increase) in Loans & Advances (Assets)		₹ -14,111.42	₹ 17,575.79
Decrease/(Increase) in Inventories		₹ -	₹ -
Decrease/(Increase) in Other Current Assets		₹ 1,317.07	₹ -0.38
Increase /(Decrease) in Other Long Term Liabilities		₹ -	₹ -
Increase /(Decrease) in Trade Payables		₹ 81,351.13	₹ 50,429.01
Increase /(Decrease) in Other Current Liabilities		₹ 249.24	₹ -
Increase /(Decrease) in Provisions		₹ 10,653.98	₹ -5,326.45
	(e)	₹ 2,678.21	₹ 1,351.07
Cash generated from operations	(d+e)	₹ 30,618.52	₹ -14,258.86
Taxes Paid		₹ 9,237.28	₹ 641.18
Net cash used in operating activities	(A)	₹ 21,381.24	₹ -14,900.03
B : Cash flows from investing activities:			
Interest & Other Income		₹ 4,646.62	₹ 21,283.86
Non Current Investment in WOS - US		₹ -	₹ -
Fixed Assets Addition		₹ -	₹ -
Net cash Generated from investing activities	(B)	₹ 4,646.62	₹ 21,283.86
C : Cash Flows from financing activities:			
Increase in borrowing		₹ 46,402.63	₹ -27,063.88
Interest Expense		₹ -6,290.87	₹ -10,398.24
Accumulated Profit b/f on account of Acquisition		₹ -	₹ -
Fixed Deposit		₹ -	₹ -
Net cash generated from financing activities	(C)	₹ 40,111.77	₹ -37,462.12
D : Net increase in cash and cash equivalents = (A+B+C)	D=(A+B+C)	₹ 66,139.62	₹ -31,078.29
E : Cash and Cash equivalents at beginning of period	(E)	₹ 5,095.22	₹ 36,173.51
F: Cash and cash equivalents at end of period = (D+E)	(D + E)	₹ 71,234.84	₹ 5,095.22

NOTES TO ACCOUNTS 19

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

As in the statement of Assets and Liabilities referred to in our Report of even date.

FOR ADV & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 128045W | M#N: 611401

CA Pratik Kabra
Partner
UDIN: 23611401BGUO6K7779
PLACE: MUMBAI
DATE: 30.05.2023

FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

PayNX Technologies Pvt. Ltd. MUMBAI CIN: U72900MH2010PTC203628

Hirenkumar Shah
Director
DIN: 00092739

Rasiklal Shah
Director
DIN: 00091585

PAYNX TECHNOLOGIES PRIVATE LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

Note -1. SHARE CAPITAL

Particulars	Figures as at the end of previous reporting Period		Figures as at the end of previous reporting Period	
	Number of shares	2022-23	Number of shares	2021-22
(a) Authorised				
10000 Equity shares of Rs.10/- each with voting rights	10,000	100%	10,000	100%
(b) Issued, Subscribed and Paid up				
10000 Equity shares of Rs.10 each with voting rights	10,000	100%	10,000	100%
	10,000	100%	10,000	100%
Total	10,000	100%	10,000	100%

List of Shareholders holding more than 5% share capital

Name of Shareholders	No. of Shares	%	Value/Share	Total Value
1.Mr. Hirenkumar Rasiklal Shah 4000 Eq. Sharesof Rs.10/- each	4,000	40.00%	10.00	40,000
2.Mr. Ashish Rasiklal Shah 4000 Eq. Sharesof Rs.10/- each	4,000	40.00%	10.00	40,000
TOTAL	8,000	80.00%	10.00	80,000

NOTE 1A. SHARES HELD BY PROMOTORS

Current Reporting Period

Sr No.	Promotor's Name	No of shares	% of total shares	% Change during the year
1	Mr. Hirenkumar Rasiklal Shah	4,000	40%	15%
2	Mr. Ashish Rasiklal Shah	4,000	40%	15%
3	Mr. Rasiklal Shah	-	0%	-100%
4	Mrs. Ranjanben Shah	-	0%	-100%

Previous reporting Period

Sr No.	Promotor's Name	No of shares	% of total shares	% Change during the year
1	Mr. Hirenkumar Rasiklal Shah	2,500	25%	0%
2	Mr. Ashish Rasiklal Shah	2,500	25%	0%
3	Mr. Rasiklal Shah	2,500	25%	0%
4	Mrs. Ranjanben Shah	2,500	25%	0%

NOTE- 1B. STATEMENTS OF CHANGES IN EQUITY

(Figures in '000)

Current Reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period error	Related Balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
100		100	-	100

Previous reporting Period

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period error	Related Balance at the beginning of the previous reporting period	Changes in Equity Share Capital during the previous year	Balance at the end of the previous reporting period
100		100	-	100

PAYNX TECHNOLOGIES PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

Note 2 RESERVES AND SURPLUS

(Figures in '000)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
(A) Securities premium account		
Opening balance	₹ -	₹ -
Closing balance	₹ -	₹ -
(B) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	₹ -1,68,987.20	₹ -1,63,300.45
Add: Profit / (Loss) for the year	₹ 30,712.74	₹ -387.94
Add: Accumulated Profit b/f on account of Acquisition	₹ -	₹ -
Forex Revaluation Reserve	₹ -13,772.49	₹ -5,298.82
Closing Balance	₹ -1,52,046.95	₹ -1,68,987.20
Total	₹ -1,52,046.95	₹ -1,68,987.20

Note 3 LONG TERM PROVISIONS

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
Gratuity Provision (Non-Current)	₹ 1,164.57	₹ -
Leave Encashment Provision (Non-Current)	₹ 303.13	₹ -
TOTAL	₹ 1,467.70	₹ -

Note 4 SHORT TERM BORROWINGS

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
UNSECURED LOANS		
(a) Loan From Related Parties	₹ 1,17,469.03	₹ 67,444.79
(b) Loans from Banks	₹ -	₹ 712.40
(c) Loan from Others	₹ 4,057.86	₹ 6,967.05
TOTAL	₹ 1,21,526.87	₹ 75,124.23

Note 6 Other Current Liabilities

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
Advance from clients	₹ 249.24	₹ -
TOTAL	₹ 249.24	₹ -

Note 7 SHORT TERM PROVISIONS

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
(a) Provision for employee benefits		
PF, ESIC & MLWF Payable	₹ 144.74	₹ 132.64
Salary Payable	₹ 34.26	₹ 166.73
Gratuity Provision (Current)	₹ 268.15	₹ -
Leave Encashment (Current)	₹ 180.78	₹ -
(b) Provision - for TAX		
Provision for Income Tax(Current Years)	₹ 9,554.08	₹ 760.92
TDS Payable	₹ 287.99	₹ 150.62
(c) Provision - Others		
Audit Fees Payable	₹ 168.20	₹ 240.95
Total	₹ 10,638.19	₹ 1,451.90

PAYNX TECHNOLOGIES PRIVATE LIMITED

Note - 8

STATEMENT OF FIXED ASSETS, AS ON 31 ST MARCH 2023

(Figures in '000)

PARTICULARS	RATE OF DEPRI-CIATION	GROSS — BLOCK						DEPRECIATION				NET — BLOCK	
		AS ON 01.04.2022	ADDITIONS Before 30.09.2022	ADDITIONS After 30.09.2022	SALE during the year	Forex Revaluation Reserve	AS ON 31.3.2023	UP TO 01.04.2022	FOR THE YEAR	Forex Revaluation Reserve	AS ON 31.03.2023	AS ON 31.03.2023	AS ON 31.03.2022
Tangible Assets													
Data Compilations, Laptops, Data Servers & Peripherals		₹ 2,330.45	₹ -	₹ -	₹ -	₹ (27.93)	₹ 2,302.52	₹ 2,479.54	₹ 78.00	₹ (31.31)	₹ 2,725.72	₹ 176.80	₹ 250.91
Furniture & Fixtures		₹ 1,068.37	₹ -	₹ -	₹ -		₹ 1,068.37	₹ 720.92	₹ 90.25		₹ 811.17	₹ 257.20	₹ 347.45
Office Equipments		₹ 49.00	₹ -	₹ -	₹ -		₹ 49.00	₹ 43.70	₹ 1.52		₹ 45.23	₹ 3.77	₹ 5.30
Intangible Assets													
Goodwill		₹ 2,464.27	₹ -	₹ -	₹ -	₹ (28.79)	₹ 2,435.48	₹ 243.18	₹ 128.68	₹ 29.82	₹ 401.68	₹ 2,274.16	₹ 2,336.10
TOTAL		₹ 6,517.09	₹ -	₹ -	₹ -	₹ 180.85	₹ 6,697.95	₹ 3,687.34	₹ 298.55	₹ -2.09	₹ 3,983.80	₹ 2,714.15	₹ 2,829.75
PREVIOUS YEAR		₹ 6,430.31	₹ -	₹ -	₹ -	₹ 86.79	₹ 6,517.09	₹ 3,267.96	₹ 407.89	₹ 11.50	₹ 3,687.34	₹ 2,829.75	₹ 3,162.35

PAYNX TECHNOLOGIES PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

Note 10 CASH AND CASH EQUIVALENTS

(Figures in '000)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
A) Cash In Hand	₹ 10.11	₹ 14.21
B) Bank Balance	₹ 71,224.72	₹ 5,081.00
C) Fixed Deposits	₹ -	₹ -
Total	₹ 71,234.84	₹ 5,095.22

Note 11 SHORT TERM LOANS AND ADVANCES

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
Loans and advances to related parties	₹ 69,996.17	₹ 10,054.60
Loan to Staff	₹ 923.38	₹ 1,297.51
Advance to Others	₹ 29,442.96	₹ 34,914.75
Balances with Revenue Authorities		
GST Appeal Pre-Deposit	₹ 235.13	₹ -
GST Receivable	₹ 323.17	₹ 1,333.16
TDS Receivable	₹ 539.08	₹ 346.46
Total	₹ 1,01,459.90	₹ 47,946.47

Note 12 OTHER CURRENT ASSETS

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
Rent Deposit	₹ 363.72	₹ 362.65
Advance to Vendors	₹ 1,316.00	₹ -
Total	₹ 1,679.72	₹ 362.65

PAYNX TECHNOLOGIES PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

Note 5 TRADE PAYABLES

(Figures in '000)

Figures For the Current Reporting Period

2022-23

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	₹ 914.38	₹ -	₹ -	₹ -	₹ 914.38
Others	₹ 2,65,669.05	₹ 62,183.92	₹ -	₹ -	₹ 3,27,852.97
Dispute dues-MSME	₹ -	₹ -	₹ -	₹ -	₹ -
Dispute dues	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ -	₹ -	₹ -	₹ -	₹ -
Total	₹ 2,66,583.43	₹ 62,183.92	₹ -	₹ -	₹ 3,28,767.35

Figures For the Previous Reporting Period

2021-22

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	₹ -	₹ 858.36	₹ -	₹ -	₹ 858.36
Others	₹ 1,80,327.98	₹ 22,626.23	₹ 41,645.85	₹ 1,957.80	₹ 2,46,557.86
Dispute dues-MSME	₹ -	₹ -	₹ -	₹ -	₹ -
Dispute dues	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ -	₹ -	₹ -	₹ -	₹ -
Total	₹ 1,80,327.98	₹ 23,484.59	₹ 41,645.85	₹ 1,957.80	₹ 2,47,416.22

Note 9 TRADE RECEIVABLES

(Figures in '000)

Figures For the Current Reporting Period

2022-23

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables- Considered Goods	₹ 82,266.31	₹ 31,056.14	₹ 20,202.00	₹ -	₹ -	₹ 1,33,524.44
Undisputed Trade Receivables- Considered Doubtful	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Disputed Trade Receivables- Considered Goods	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Disputed Trade Receivables- Considered Doubtful	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Total	₹ 82,266.31	₹ 31,056.14	₹ 20,202.00	₹ -	₹ -	₹ 1,33,524.44

Figures For the Previous Reporting Period

2021-22

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables- Considered Goods	₹ 70,629.80	₹ 4,417.75	₹ 6,880.01	₹ 13,923.98	₹ 2,927.25	₹ 98,778.80
Undisputed Trade Receivables- Considered Doubtful	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Disputed Trade Receivables- Considered Goods	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Disputed Trade Receivables- Considered Doubtful	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Total	₹ 70,629.80	₹ 4,417.75	₹ 6,880.01	₹ 13,923.98	₹ 2,927.25	₹ 98,778.80

PayNX Technologies Pvt. Ltd. MUMBAI CIN: U72900MH2010PTC203850

PAYNX TECHNOLOGIES PRIVATE LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

Note 13 REVENUE FROM OPERATIONS (Figures in '000)

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2022-23	2021-22
Sale of Services	₹ 7,81,303.75	₹ 4,57,648.82
Total - Sales	₹ 7,81,303.75	₹ 4,57,648.82

Note 14 OTHER INCOME

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2022-23	2021-22
Other Income	₹ 713.21	₹ 19,541.50
Foreign Exchange Gain	₹ 1,655.24	₹ -
Interest on Loans	₹ 2,270.07	₹ 1,741.87
Total	₹ 4,640.52	₹ 21,283.36

Note 15 DIRECT SERVICE EXPENSES

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2022-23	2021-22
Board Fees	₹ 13,911.82	₹ 5,525.44
Purchase of Services	₹ 6,80,205.81	₹ 3,11,268.23
Hosting & Domain Purchase	₹ 1,558.17	₹ 1,31,329.05
Software & Services	₹ 1,214.49	₹ 133.67
Total	₹ 7,05,890.29	₹ 4,48,351.41

Note 16 EMPLOYEE BENEFIT EXPENSES

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2022-23	2021-22
Salaries and wages	₹ 19,411.69	₹ 13,648.73
Staff Welfare	₹ -	₹ 10.02
Total	₹ 35,411.69	₹ 15,954.73

Note 17 FINANCE COST

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2022-23	2021-22
Interest on GSTD and TDS	₹	₹ 125.19
Foreign Exchange Gain/Loss	₹	₹ 2,969.85
Interest on loan	₹ 68.75	₹ 1,837.07
Bank Charges	₹ 6,128.12	₹ 6,797.94
Total	₹ 6,296.87	₹ 10,858.24

Note 18 OTHER EXPENSES

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2022-23	2021-22
Repairs & Maintenance	₹ 9.50	₹ 130.25
Office Maintenance	₹ 70.00	₹ 32.44
Vehicle Maintenance	₹ 6.25	₹ -
Office Expenses	₹ 23.68	₹ -
Audit Fees	₹ 50.00	₹ 30.00
Bad Debts	₹ 44.56	₹ 223.03
Office Expenses	₹ 1,477.08	₹ 584.58
Professional/Legal Fees	₹ 638.75	₹ 282.35
Housekeeping Expenses	₹ 7.80	₹ -
Interest on Late Payment of TDS	₹ 8.75	₹ 45.00
Interest on Late Payment of Service Tax / GST	₹ 21.12	₹ 11.62
Interest on Income Tax	₹ 52.12	₹ 77.84
Interest/Penalties on IT	₹ 2.25	₹ -
Insurance Expense	₹ 14.19	₹ 11.25
Professional Tax - Company	₹ 2.50	₹ 2.50
Printing Stationery Expenses	₹ 644.50	₹ 0.00
Printing & Stationery	₹ 1.00	₹ -
Rent, Rates & Taxes	₹ 1,801.17	₹ 1,174.72
Selling & Marketing Expenses	₹ 1,614.79	₹ 11.33
Telephone Expenses	₹ 12.50	₹ 14.90
Corporate Tax - Cess	₹ 4.04	₹ 165.21
Corporate Tax - State	₹ 703.41	₹ 797.24
Corporate Tax - Federal	₹ 714.06	₹ 820.56
Advertising Off	₹ 97.13	₹ 17.88
Telephone Expense	₹ 7.52	₹ -
Software Expenses	₹	₹ 78.37
Utility Expenses	₹ 671.60	₹ 326.51
Total	₹ 10,104.91	₹ 5,741.56

PayNX Technologies Pvt. Ltd. MUMBAI CIN-U72900MH2010PTC203605

PAYNX TECHNOLOGIES PRIVATE LIMITED

ADDITIONAL NOTES TO FORM OF INTEGRAL PART OF AUDITED FINANCIAL STATEMENTS AS ON 31ST MARCH 2023

I Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

(a) repayable on demand or

(b) without specifying any terms or period of repayment

(Figures in '000)

Type of Borrower	Amount of loan and Advance in the nature of Loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	₹ -	0.00%
Directors	₹ -	0.00%
KMPs	₹ -	0.00%
Related Parties	₹ 69,996.17	69.74%

II The company do not hold any Benami Property as on the date of this financial statements.

III The company do not have any relationship with any Struck off Companies as on date of this financials.

IV Ratios

Ratios	Numerator	Denominator	Current Reporting Period	Previous reporting period	% of Change
Debt Equity Ratio	Debt Capital	Shareholder's Equity	-0.80	-0.44	80%
Debt Service Coverage Ratio	EBITDA-CAPEX	Debt Service (Int+Principal)	-100.08%	40.27%	-349%
Return on Equity Ratio	Profit for the year	Average Shareholder's Equity	-0.19	0.00	-8089%
Inventory Turnover Ratio	COGS	Average Inventory	0.00	0.00	0%
Trade Receivables Turnover Ratio	Net Sales	Average trade receivables	6.73	6.72	0%
Trade Payables Turnover Ratio	Total Purchases (Fuel Cost + Other Expenses+Closing Inventory-Opening Inventory)	Closing Trade Payables	0.00	1.80	-100%
Current Ratio	Current Assets	Current Liabilities	0.67	0.47	42%
Net Capital Turnover Ratio	Sales	Working capital (CA-CL)	-5.10	-2.66	91%
Net profit ratio	Net Profit	Sales	3.93%	-0.09%	-4420%
Return on Capital Employed	Earnings before interest and tax	Capital Employed	-30.43%	-6.30%	383%
Return on investment	Net Profit	Investment	0.00	0.00	0%

V Utilisation of Borrowed funds and share premium:

a) Borrowed Fund has been used for working capital and routine operation purpose of the company.

b) During this year there was no share premium received and/or utilised by the Company.

BACKGROUND:

PayNX Technologies Private Limited (the Company) f.k.a **Vokut Exchange Private Limited** and **Infraster Solutions Private Limited** was incorporated on **June 02, 2010.** These are the consolidated financial statements prepared for the Company and they relate to the period from **April 1, 2022** to **March 31, 2023**. 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 US as on the date of this report.

NOTE 19 : 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 PayNX 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.

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PayNX Technologies Pvt. Ltd. MUMBAI CIN: U72900MH2010PTC203270

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, it's 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

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PayNX Technologies Pvt. Ltd. * MUMBAI * CIN: U72900MH2010PTC203628

receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

xv. 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 2022-23		FY 2021-22	
			Net-off Amount of Transactions for FY 2022-23	Net-off Amount of Transactions for FY 2022-23	Net-off Amount of Transactions for FY 2021-22	Amount Outstanding as on 31.03.2021 (Payable) / Receivable
Mr. Hirenkumar Shah	Director	Managerial Remuneration	Nil	Nil	Nil	Nil
		Loan from Directors	(24,17,355)	(24,32,000)	(24,17,355)	(24,32,000)
Mr. Ashish Shah	Director	Managerial Remuneration	Nil	Nil	Nil	Nil
		Loan from Directors	(6,43,758)	(2,66,54,609)	(6,43,758)	(2,66,54,609)
Mrs. Archana Shah	Relative of Director	Purchases	19,01,998	Nil	19,01,998	Nil
Vertoz Advertising Limited	Sister Concern where Promoters/ Directors having significant control	Sales	30,50,000.00	Nil	Nil	Nil
		Purchases	77,00,000.00	(13,16,000)	38,57,500	Nil
		Loan	9,93,75,452	9,90,61,028	(21,22,548)	(3,14,424)
Assurre Solutions Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Sales	24,95,498	25,38,167	1,08,32,400	Nil
		Loan	(16,56,698)	(16,56,698)	Nil	Nil
Qualispace Web Services Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Sales	Nil	92,49,401	56,97,431	1,43,13,584
		Purchases	1,26,45,870	(1,31,58,815)	45,439	Nil
		Loan	20,63,869	(2,46,63,246)	(1,11,90,405)	(2,67,27,115)
Own Web Solutions Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Sales	1,47,62,060	1,25,30,080	Nil	Nil
		Purchases	14,03,411	(14,60,337)	Nil	Nil
		Loan	6,67,373	6,67,373	Nil	Nil
Hashpm Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Loan	10,95,595	10,95,595	Nil	Nil
Netstrack Solutions	Sister Concern where Promoters/	Loan	(5,15,204)	(69,60,415)	(46,79,082)	(64,45,211)

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PayNX Technologies Pvt. Ltd. MUMBAI CIN: U72900MH2019PTC329228

	Directors having significant control					
IncrementX Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Sales	17,20,136	(2,49,245)	Nil	Nil
Trunkaz Technologies Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Rent	18,00,876	(8,76,031)	16,66,224	(8,58,357)
		Loan	(13,82,573)	(35,29,305)	15,01,478	(21,46,732)
Vertoz Advertising FZ-LLC	Sister Concern where Promoters/ Directors having significant control	Sales	Nil	Nil	3,52,78,597	Nil
		Purchases	Nil	(11,78,27,608)	5,45,20,403	(10,22,17,923)
		Loan	19,827	Nil	(603)	(19,827)
Vertoz Limited	Sister Concern where Promoters/ Directors having significant control	Sales	Nil	Nil	Nil	Nil
		Purchases	3,77,34,244	(3,56,78,939)	Nil	(31,17,275)
		Loan	(66,885)	(7,31,779)	12,332	(6,64,894)
Vertoz Inc	Sister Concern where Promoters/ Directors having significant control	Sales	3,95,45,791	(15,78,667)	2,71,50,673	(3,53,882)
		Purchases	10,44,15,554	(7,97,06,145)	6,18,97,020	(5,25,29,164)
		Loan	36,80,081	(1,81,326)	(23,97,901)	(38,61,407)
Volut Inc	Sister Concern where Promoters/ Directors having significant control	Purchases	Nil	(70,87,097)	Nil	(65,34,572)
		Loan	7,28,418	93,43,238	Nil	86,14,820
Hashjini Inc	Sister Concern where Promoters/ Directors having significant control	Loan	4,68,92,694	6,03,97,739	99,593	1,35,05,045
AdMozart Inc	Sister Concern where Promoters/ Directors having significant control	Sales	59,24,198	9,79,537	45,93,992	3,89,742
		Purchases	31,89,528	(3,15,36,163)	75,96,882	(3,01,27,538)

FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

HIRENKUMAR SHAH
DIRECTOR
DIN: 00092739

PLACE: MUMBAI
DATE: 30/05/2023

PayNX Technologies Pvt. Ltd. MUMBAI CIN: U72900MH2010PTC203628

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INDEPENDENT AUDITORS' REPORT

To

The Members of QUALISPACE WEB SERVICES PRIVATE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of QUALISPACE WEB SERVICES PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at March 31, 2023, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' 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 Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

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

NAKRANI & CO. * CHARTERED ACCOUNTANTS * THANE

In connection with our audit of the 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 financial statements

The Company's board of directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statement 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 also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 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.

Other Matter:

During the period under audit, we have been informed that the Board of Directors of the Company in their Meeting held on 24th June 2022, has approved the Scheme of merger of PayNx Technologies Private Limited (hereinafter referred to as "The First Transferor Company") and QualiSpace Web Services Private Limited (hereinafter referred to as "The Second Transferor Company") with Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") and their respective Shareholders.

The merger of Paynx Technologies Private Limited (hereinafter referred to as "The First Transferor Company") and Qualispace Web Services Private Limited (hereinafter referred to as "The Second Transferor Company") with Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") and their respective Shareholders is under process, for which Vertoz Advertising Limited, the Transferee Company, has received the Observation Letter dated 11th January 2023 from the National Stock Exchange of India Limited (NSE) conveying its "No objection" in terms of Regulation

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94 of SEBI (LODR) Regulations, 2015, so as to enable Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") to file the draft scheme with NCLT. On the date of signing this report, Vertoz Advertising Limited (hereinafter referred to as "The Transferee Company") is preparing to file the draft scheme of Merger with the NCLT.

In terms of the Scheme, the entire business and the whole of the undertaking of PayNx Technologies Private Limited/QualiSpace Web Services Private Limited, as a going concern stands transferred to and vested in Vertoz Advertising Limited, the Transferee Company with effect from April 01, 2022, being the Merger Appointed Date.

Report on other legal and regulatory requirements

The provisions of the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 is not applicable to the Company since

(a) It is not a subsidiary or holding company of a public company;

(b) Its paid-up capital and reserves and surplus are not more than Rs.1 Crores as at the balance sheet date;

(c) Its total borrowings from banks and financial institutions are not more than Rs.1 Crores at any time during the year; and

(d) Its turnover for the year is not more than Rs.10 Crores during the year.

As required by Section 143(3) of the Act, 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 balance sheet, the statement of profit and loss, dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the accounting standards 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 as on March 31, 2023 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017; and

(g) The Company being a private limited company, 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 respect of whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act is not applicable; and

NAKRANI & CO. * THANE * CHARTERED ACCOUNTANTS

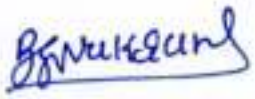
(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

a. The Company does not have any pending litigations which would impact its financial position;

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

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

For M/s. Nakrani & Co.
Chartered Accountant
Firm Registration No.130078W





Bharat Patel
Proprietor
Membership No. 132078
Place: Thane
Date: 30th May 2023
UDIN: 23132078BGQURI4345

QUALISPACE WEB SERVICES PVT LTD

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

Corporate Identity Number : U93000MH2017PTC294200

AUDITED STATEMENT OF ASSETS AND LIABILITIES AS ON 31ST MARCH, 2023

(Figures in '000)

Particulars	Note No.	Figures as at the end of current reporting period 2022-23	Figures as at the end of previous reporting Period 2021-22
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	₹ 100.00	₹ 100.00
(b) Reserves and surplus	2	₹ 12,286.12	₹ 7,010.97
(b) Money Received against share warrents		₹ -	₹ -
2 Share application money pending allotments		₹ -	₹ -
3 Non-current liabilities			
(a) Long-term borrowings		₹ -	₹ -
(b) Deferred tax liabilities (net)		₹ 81.44	₹ 100.16
(c) Other Long Term Liabilities		₹ -	₹ -
(d) Provision	3	₹ 2,326.97	₹ -
4 Current liabilities			
(a) Short Term Borrowings	4	₹ 30,599.09	₹ 18,330.47
(b) Trade payables	5		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of Creditors other than micro enterprises and small enterprises		₹ 1,619.14	₹ 2,792.56
(c) Other current liabilities		₹ -	₹ -
(d) Short-term provisions	6	₹ 4,174.04	₹ 2,337.12
TOTAL		₹ 51,186.79	₹ 30,671.28
B ASSETS			
1 Non-current assets			
(i) Property, Plant and Equipment	7	₹ 2,728.09	₹ 3,646.02
(ii) Intangible assets		₹ -	₹ -
(iii) Capital Work in progress		₹ -	₹ -
(iv) Intangible Assets under Development		₹ -	₹ -
(b) Non-current investments		₹ -	₹ -
(c) Deferred Tax Assets		₹ -	₹ -
(d) Long term loans and Advances	8	₹ 50.00	₹ 50.00
(e) Other Non Current Assets		₹ -	₹ -
2 Current assets			
(a) Current investments		₹ -	₹ -
(b) Inventories		₹ -	₹ -
(c) Trade receivables	9	₹ 16,667.30	₹ 2,532.71
(d) Cash and cash equivalents	10	₹ 430.96	₹ 549.12
(e) Short-term loans and advances	11	₹ 30,891.89	₹ 23,893.43
(f) Other Current Assets	12	₹ 418.55	₹ -
TOTAL		₹ 51,186.79	₹ 30,671.28

NOTES TO ACCOUNTS

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

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

FOR NAKRANI & CO.
Chartered Accountants
FRN: 130078W|MRN: 132078

Bharat S Patel
Proprietor
Place: THANE
Date: 30th May, 2023
UDIN : 23132078BGQURI4345

NAKRANI & CO. THANE CHARTERED ACCOUNTANTS

QUALISPACE WEB SERVICES PVT LTD MUMBAI CIN: U93000MH2017PTC294200

FOR QUALISPACE WEB SERVICES PVT LTD

Dimple Shah
Director
DIN: 07788365
PLACE: MUMBAI
Date: 30th May, 2023

Gunja Shah
Director
DIN: 07788340

QUALISPACE WEB SERVICES PVT LTD

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

Corporate Identity Number : U93000MH2017PTC294200

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2023

(Figures in '000)

	Particulars	Note No.	Figures for the current reporting period	Figures as at the end of previous reporting Period
			2022-23	2021-22
I	Revenue from operations (gross)	13	₹ 63,178.23	₹ 51,593.98
	Less: Excise Duty/ GST / Taxes		-	-
	Revenue from operations (net)		₹ 63,178.23	₹ 51,593.98
II	Other Income	14	₹ 1,338.88	₹ 216.78
III	Total Income (I+II)		₹ 64,517.12	₹ 51,810.76
IV	Expenses			
	(a) Cost of materials consumed	15	₹ 26,133.58	₹ 21,987.62
	(b) Employee benefits expenses	16	₹ 24,222.39	₹ 19,691.47
	(c) Finance costs	17	₹ 176.42	₹ 312.42
	(d) Depreciation and amortization expenses	7	₹ 1,642.52	₹ 1,486.16
	(e) Other expenses	18	₹ 4,638.99	₹ 3,088.12
	Total Expenses		₹ 56,813.89	₹ 46,565.79
V	Profit before exceptional and extraordinary ifeam and tax		₹ 7,703.22	₹ 5,244.97
VI	Exceptionail ifeams		₹ -	₹ -
VII	Profit before extraordinary ifeam and tax		₹ 7,703.22	₹ 5,244.97
VIII	Extraordinary Ifeams		₹ -	₹ -
IX	Profit before Tax		₹ 7,703.22	₹ 5,244.97
X	Tax Expense:			
	(a) Current tax expense		₹ 2,417.26	₹ 1,290.90
	(b) Excess / Short Provision		₹ 9.53	₹ -
	(c) Deferred tax		₹ -18.72	₹ 30.11
XI	Profit / (Loss) for the period from continuing operations		₹ 5,275.15	₹ 3,923.95
XII	Profit / (Loss) from discontinuing operations		₹ -	₹ -
XIII	Tax from discontinuing operations		₹ -	₹ -
XIV	Profit/ (Loss) from discontinuing operations		₹ -	₹ -
XV	Profit/ (Loss) for the Period		₹ 5,275.15	₹ 3,923.95
XVI	Earning per equity share:			
	(1) Basic		₹ 527.51	₹ 392.40
	(2) Diluted		₹ 527.51	₹ 392.40

In terms of our report attached.

FOR NAKRANI & CO.
Chartered Accountants
FRN: 130078W | MRN: 132078

Bharat S Patel
Proprietor
Place: THANE
Date: 30th May, 2023
UDIN : 23132078BGQUI84345

NAKRANI & CO. THANE CHARTERED ACCOUNTANTS

FOR QUALISPACE WEB SERVICES PVT LTD

QUALISPACE WEB SERVICES PVT LTD MUMBAI CIN: U93000MH2017PTC294200

Simple Shah
Director
DIN: 07788365
PLACE: MUMBAI
Date: 30th May, 2023

Gunja Shah
Director
DIN: 07788340

QUALISPACE WEB SERVICES PVT LTD

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

Corporate Identity Number : U93000MH2017PTC294200

AUDITED CASH FLOW STATEMENT AS ON 31ST MARCH, 2023

(Figures in '000)

Particulars	Note No.	Figures for the current reporting period 2022-23	Figures as at the end of previous reporting Period 2021-22
A : Cash flows from operating activities:			
Profit before taxation	(a)	₹ 7,703.22	₹ 5,244.97
Add: Non Operating Expense:			
Depreciation		₹ 1,642.52	₹ 1,486.16
Capital Work in Process		₹ -	₹ -
Interest Expense		₹ 176.42	₹ 312.42
	(b)	₹ 1,818.94	₹ 1,798.58
Less: Non Operating Income			
Interest Income		₹ 1,338.88	₹ 216.78
	(c)	₹ 1,338.88	₹ 216.78
Operating profit before working capital changes	d=(a+b-c)	₹ 8,183.28	₹ 6,826.78
Working capital changes:			
Decrease /(Increase) in Trade Receivables		₹ -14,134.59	₹ 6,170.54
Decrease/(Increase) in Loans & advances (Assets)		₹ -6,998.46	₹ -12,315.76
Decrease/(Increase) in Inventories		₹ -	₹ -
Decrease/(Increase) in Other Current Assets		₹ -618.55	₹ 11.00
Increase /(Decrease) in Other Long Term Liabilities		₹ -	₹ -
Increase /(Decrease) in Trade Payables		₹ -1,173.42	₹ 3,060.91
Increase /(Decrease) in Other Current Liabilities		₹ -	₹ -
Increase /(Decrease) in Provisions		₹ 4,163.88	₹ 9.74
	(e)	₹ -18,561.13	₹ -9,185.39
Cash generated from operations	(d+e)	₹ -10,377.85	₹ -2,358.61
Taxes paid		₹ -2,446.79	₹ -1,290.90
Net cash used in operating activities	(A)	₹ -12,824.65	₹ -3,649.52
B : Cash flows from investing activities:			
Fixed asset Purchase		₹ -724.60	₹ -2,756.60
Interest on FD		₹ 1,338.88	₹ 216.78
Capital Work in Progress		₹ -	₹ -
Investment		₹ -	₹ -
Net cash Generated from investing activities	(B)	₹ 614.28	₹ -2,539.82
C : Cash flows from financing activities:			
Increase/(Decrease) in borrowing		₹ 12,268.62	₹ 6,160.46
Interest Expenses		₹ -176.42	₹ -312.42
Issue of Shares		₹ -	₹ -
Net cash generated from financing activities	(C)	₹ 12,092.20	₹ 5,848.04
D : Net increase in cash and cash equivalents = (A+B+C)	D=(A+B+C)	₹ -118.17	₹ -341.30
E : Cash and cash equivalents at beginning of period	(E)	₹ 549.12	₹ 890.42
F: Cash and cash equivalents at end of period = (D+E)	(D + E)	₹ 430.96	₹ 549.12

NOTES TO ACCOUNTS 19

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 NAKRANI & CO.
Chartered Accountants
FRN: 130078W | MRN: 132045

Bharat S Patel
Proprietor
Place: THANE
Date: 30th May, 2022
UDIN : 23132078BGQUHI4145

FOR QUALISPACE WEB SERVICES PVT LTD

Dimple Shah
Director
DIN: 07788365
PLACE: MUMBAI
Date: 30th May, 2022

Gunja Shah
Director
DIN: 07788340

QUALISPACE WEB SERVICES PVT LTD

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

Note 1 SHARE CAPITAL

(Figures in '000)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting Period	
	Number of shares	2022-23	Number of shares	2021-22
(a) Authorised	10,000	₹ 100.00	10,000	₹ 100.00
10,000 Equity shares of Rs.10/- each with voting rights				
(b) Issued, Subscribed and Paid up	10,000	₹ 100.00	10,000	₹ 100.00
10,000 Equity shares of Rs.10 each with voting rights				
Total	10,000	₹ 100.00	10,000	₹ 100.00

List of Shareholders holding more than 5% share capital

Name of Shareholders	No. of Shares	%	Value/Share	Total Value
Mrs. Dimple Hirenkumar Shah	5,000	50%	10	₹ 50.00
Mrs. Gunja Ashish Shah	5,000	50%	10	₹ 50.00
TOTAL	10,000	100%		₹ 100.00

NOTE 1A. SHARES HELD BY PROMOTORS

Current Reporting Period

Sr No.	Promotor's Name	No of shares	% of total shares	% Change during the year
1	Mrs. Dimple H. Shah	5,000	50%	0%
2	Mrs. Gunja A. Shah	5,000	50%	0%

Previous reporting Period

Sr No.	Promotor's Name	No of shares	% of total shares	% Change during the year
1	Mrs. Dimple H. Shah	5,000	50%	0%
2	Mrs. Gunja A. Shah	5,000	50%	0%

NOTE- 1B. STATEMENTS OF CHANGES IN EQUITY

Current Reporting Period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period error	Related Balance at the beginning of the current reporting periuod	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
100	-	100	-	100

Previous reporting Period

Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period error	Related Balance at the beginning of the previous reporting periuod	Changes in Equity Share Capital during the previous year	Balance at the end of the previous reporting period
100	-	100	-	100

NAKRANI & CO. THANE CHARTERED ACCOUNTANTS

QUALISPACE WEB SERVICES PVT. LTD. MUMBAI

QUALISPACE WEB SERVICES PVT LTD

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

Note 2 RESERVES AND SURPLUS

(Figures in '000)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
Opening balance	₹ 7,010.97	₹ 3,087.02
Add: Profit / (Loss) for the year	₹ 5,275.15	₹ 3,923.95
Closing balance	₹ 12,286.12	₹ 7,010.97
Total	₹ 12,286.12	₹ 7,010.97

Note 3 NON-CURRENT PROVISIONS

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
Gratuity Provision (Non-Current)	₹ 1,950.23	₹ -
Leave Encashment Provision (Non-Current)	₹ 376.74	₹ -
	₹ 2,326.97	₹ -

Note 4 SHORT TERM BORROWINGS

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
Loan from Related Parties		
Loan From Directors	₹ 4,165.43	₹ 3,696.45
Loan From Other Related Parties	₹ 26,433.66	₹ 14,634.03
TOTAL	₹ 30,599.09	₹ 18,330.47

Note 6 SHORT TERM PROVISIONS

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
(a) Provision for employee benefits		
ESI Payable	₹ 3.02	₹ 3.87
PF Payable	₹ 152.87	₹ 168.99
Professional Tax	₹ -	₹ 0.60
Gratuity Provision (Current)	₹ 501.84	₹ -
Leave Encashment (Current)	₹ 205.99	₹ -
(b) Provision - for TAX		
Provision for Income Tax(Current Years)	₹ 2,437.26	₹ 1,290.90
TDS Payable	₹ 142.81	₹ 210.49
(c) Provision - Others		
GST Payable	₹ 703.46	₹ 491.50
Salary Payable	₹ 26.79	₹ 170.77
Total	₹ 4,174.04	₹ 2,337.12

QUALISPACE WEB SERVICES PVT LTD MUMBAI CIN: U63000MH2017PTC294200

NAKRANI & CO. CHARTERED ACCOUNTANTS THANE

Note - 7

STATEMENT OF FIXED ASSETS, AS ON 31 ST MARCH 2023

(Figures in '000)

PARTICULARS	RATE OF DEPRECIATION	GROSS BLOCK					DEPRECIATION			NET BLOCK	
		AS ON 01.04.2022	ADDITIONS Before 30.09.2022	ADDITIONS After 30.09.2022	SALE during the year	AS ON 31.3.2023	UP TO 01.04.2022	FOR THE YEAR	AS ON 31.03.2023	AS ON 31.03.2023	AS ON 31.03.2022
PLANT & MACHINERY		₹ 8,870.51	₹ 606.40	₹ 118.20	₹ -	₹ 9,595.11	₹ 5,224.49	₹ 1,642.52	₹ 6,867.02	₹ 2,728.09	₹ 3,646.02
TOTAL		₹ 8,870.51	₹ 606.40	₹ 118.20	₹ -	₹ 9,595.11	₹ 5,224.49	₹ 1,642.52	₹ 6,867.02	₹ 2,728.09	₹ 3,646.02
PREVIOUS YEAR		₹ 6,113.91	₹ 1,040.95	₹ 1,715.65	₹ -	₹ 8,870.51	₹ 3,738.33	₹ 1,486.16	₹ 5,224.49	₹ 3,646.02	₹ 2,375.58

NAKRANI & CO. THANE CHARTERED ACCOUNTANTS

QUALISPACE WEB SERVICES PVT. LTD. MUMBAI CIN: U93090MH2017PTC294293

QUALISPACE WEB SERVICES PVT LTD

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

Note 5 TRADE PAYABLES

Figures For the Current Reporting Period (Figures in '000)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ -	₹ -	₹ -	₹ -	₹ -
Dispute dues-MSME	₹ -	₹ -	₹ -	₹ -	₹ -
Dispute dues	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ 1,571.22	₹ 47.92	₹ -	₹ -	₹ 1,619.14
Total	₹ 1,571.22	₹ 47.92	₹ -	₹ -	₹ 1,619.14

Figures For Previous Reporting Period

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ -	₹ -	₹ -	₹ -	₹ -
Dispute dues-MSME	₹ -	₹ -	₹ -	₹ -	₹ -
Dispute dues	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ 2,683.76	₹ 97.43	₹ 11.37	₹ -	₹ 2,792.56
Total	₹ 2,683.76	₹ 97.43	₹ 11.37	₹ -	₹ 2,792.56

Note 9 TRADE RECEIVABLES

Figures For the Current Reporting Period

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months	6 Months -1Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivables-Considered Goods	₹ 14,903.47	₹ 955.88	₹ 807.96	₹ -	₹ -	₹ 16,667.30
Undisputed Trade Receivables-Considered Doubtful	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Disputed Trade Receivables-Considered Goods	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Disputed Trade Receivables-Considered Doubtful	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -

Figures For Previous Reporting Period

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 Months	6 Months -1Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed Trade Receivables-Considered Goods	₹ 1,948.49	₹ 470.17	₹ 84.37	₹ 29.69	₹ -	₹ 2,532.71
Undisputed Trade Receivables-Considered Doubtful	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Disputed Trade Receivables-Considered Goods	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Disputed Trade Receivables-Considered Doubtful	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -

NAKRANI & CO. THANE CHARTERED ACCOUNTANTS

QUALISPACE WEB SERVICES PVT. LTD. MUMBAI

QUALISPACE WEB SERVICES PVT LTD

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

Note 8 LONG TERM LOANS AND ADVANCES (Figures in '000)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
Rent Deposit	₹ 50.00	₹ 50.00
Total	₹ 50.00	₹ 50.00

Note 10 CASH AND CASH EQUIVALENTS

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
A) Cash in Hand	₹ 0.49	₹ 0.49
B) Bank Balance	₹ 430.47	₹ 548.63
Total	₹ 430.96	₹ 549.12

Note 11 SHORT TERM LOANS AND ADVANCES

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
Loans and Advances to Related Parties	₹ 27,545.60	₹ 21,796.90
Pre Deposit For GST appeal	₹ 1,454.67	₹ 317.38
TDS Receivable	₹ 1,891.62	₹ 1,779.16
Total	₹ 30,891.89	₹ 23,893.43

Note 12 OTHER CURRENT ASSETS

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
Advance given to suppliers	₹ 418.55	₹ -
Total	₹ 418.55	₹ -

NAKRANI & CO. THANE CHARTERED ACCOUNTANTS

QUALISPACE WEB SERVICES PVT LTD MUMBAI CIN: U93000MH2017PTC294220

QUALISPACE WEB SERVICES PVT LTD

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

Note 13 REVENUE FROM OPERATIONS (Figures in '000)

Particulars	Figures for the current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
Sale of Services	₹ 63,178.23	₹ 51,593.98
Total - Sales	₹ 63,178.23	₹ 51,593.98

Note 14 OTHER INCOME

Particulars	Figures for the current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
Interest Income	₹ 25.62	₹ 0.91
Rebate Received	₹ 168.94	₹ 215.87
Other Income	₹ 166.57	₹ -
Foreign Exchange Transaction net Gain/Loss	₹ 947.76	₹ -
Total	₹ 1,308.88	₹ 216.78

Note 15 COST OF MATERIALS CONSUMED

Particulars	Figures for the current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
Purchase of Service	₹ 25,974.64	₹ 21,987.62
Software Expenses	₹ 158.95	₹ -
Cost of material consumed	₹ 26,133.58	₹ 21,987.62

Note 16 EMPLOYEE BENEFIT EXPENSES

Particulars	Figures for the current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
Salaries and wages	₹ 23,169.39	₹ 18,630.29
Director Remuneration	₹ 1,053.00	₹ 1,053.18
Total	₹ 24,222.39	₹ 19,681.47

Note 17 FINANCE COST

Particulars	Figures for the current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
Foreign Exchange Transaction net Gain/Loss	₹ -	₹ 118.54
Bank Charges	₹ 118.97	₹ 144.13
Collection Charges	₹ 57.44	₹ 49.76
Total	₹ 176.42	₹ 312.42

Note 18 OTHER EXPENSES

Particulars	Figures for the current reporting period	Figures as at the end of previous reporting Period
	2022-23	2021-22
Food Expenses	₹ -	₹ 0.23
Audit Fees	₹ 40.50	₹ 40.00
Marketing Expense	₹ 921.64	₹ 1,497.55
Selling & Distribution Expense	₹ 274.29	₹ 99.08
Staff Welfare	₹ 58.40	₹ -
Office Expense	₹ 14.78	₹ 90.36
Rounding off	₹ 0.08	₹ 0.01
Postage & Courier Expenses	₹ 0.46	₹ 6.13
Printing & Stationary Expenses	₹ 3.45	₹ 9.44
Professional Tax	₹ 2.50	₹ 2.50
Professional & Legal Charges	₹ 1,123.29	₹ 486.06
Repair & Maintenance Expenses	₹ 1.99	₹ 31.77
Electricity Expenses	₹ 77.45	₹ -
Telephone, Mobile and Skype Expenses	₹ 8.28	₹ -
Misc. Expenditures W/off 1/5th	₹ -	₹ 11.00
Interest / Penalties / Late Payment Charges	₹ 608.31	₹ 376.39
Sundry Balance W/off	₹ -	₹ 42.07
Lease Rent	₹ 423.22	₹ 395.53
Travelling Expenses	₹ 174.35	₹ -
Total	₹ 4,638.99	₹ 3,088.12

NAKRANI & CO. THANE CHARTERED ACCOUNTANTS

QUALISPACE WEB SERVICES PVT. LTD. MUMBAI CIN: U92000MH2017PTC293000

QUALISPACE WEB SERVICES PVT LTD

ADDITIONAL NOTES TO FORM OF INTEGRAL PART OF AUDITED FINANCIAL STATEMENTS AS ON 31ST MARCH 2023

I where Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

(a) repayable on demand or

(b) without specifying any terms or period of repayment

Type of Borrower	Amount of loan and Advance in the nature of Loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promotors	₹ -	0.00%
Directors	₹ -	0.00%
KMPs	₹ -	0.00%
Related Parties	₹ 27,545.60	100.00%

II The company do not hold any Benami Property as on the date of this financial statements.

III The company do not have any relationship with any Struck off Companies as on date of this financials.

IV Ratios

Ratios	Numerator	Denominator	Current Reporting Period	Previous reporting period	% of Change
Debt Equity Ratio	Debt Capital	Shareholder's Equity	2.47	2.58	-4.16%
Debt Service coverage ratio	EBITDA-CAPEX	Debt Service (Int+Principal)	0.31	0.38	-18.71%
Return on Equity Ratio	Profit for the year	Average Shareholder's Equity	0.54	0.76	-28.99%
Inventory Turnover Ratio	COGS	Average Inventory	0.00	0.00	0.00%
Trade Receivables turnover ratio	Net Sales	Average trade receivables	6.58	9.18	-28.34%
Trade payables turnover ratio	Total Purchases (Fuel Cost + Other Expenses +Closing Inventory- Opening Inventory)	Closing Trade Payables	16.14	7.87	104.99%
Current Ratio	Current Assets	Current Liabilities	1.32	1.15	14.69%
Net capital turnover ratio	Sales	Working capital (CA-CL)	5.45	14.68	-62.89%
Net profit ratio	Net Profit	Sales	0.08	0.08	9.78%
Return on Capital employed	Earnings before interest and tax	Capital Employed	0.15	0.78	-80.30%
Return on investment	Net Profit	Investment	0.00	0.00	0.00%

V **Utilisation of Borrowed funds and share premium:**

a) Borrowed Fund has been used for working capital and routine operation purpose of the company.

b) During this year there was no share premium received and/or utilised by the Company.

NAKRANI & CO. THANE CHARTERED ACCOUNTANTS

QUALISPACE WEB SERVICES PVT. LTD. MUMBAI CIN : U93000MH2017PTC294200

Notes forming part of the Financial Statements for the period ended ***31st March 2022***

BACKGROUND:

Qualispace Web Services Private Limited (the Company) was incorporated on **April 24, 2017**. The financial statement prepared for the Company relate to the period from **April 1, 2022** to **March 31, 2023**. The Company provides Other IT Related Business Services and other allied services to domestic/ oversees clients.

Note 19: 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.

NAKRANI & CO. THANE CHARTERED ACCOUNTANTS

QUALISPACE WEB SERVICES PVT. LTD. MUMBAI

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
	Total	**NIL**

g. ***Leases:***

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

h. ***Revenue Recognition:***

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

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

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

i. ***Foreign Currency Transactions:***

(i) **Initial Recognition**

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

(ii) **Conversion**

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

NAKRANI & CO. THANE CHARTERED ACCOUNTANTS

QUALISPACE WEB SERVICES PVT. LTD. MUMBAI CIN: U72200MH2017PTC294200

(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 compricos 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 realisation. 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 are 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 are 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.

NAKRANI & CO. THANE CHARTERED ACCOUNTANTS

QUALISPACE WEB SERVICES PVT LTD MUMBAI

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.

20. CONTINGENT LIABILITY:

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

21. OPERATING LEASES:

The Company do not have any lease obligation during the period under audit.

22. Based on information's available with the Company, there are no suppliers registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" as at March 31, 2022 and hence disclosure, if any, relating to amounts unpaid as at the year end and together with interest paid/payable as required under the said Act have not been given.

23. DEFERRED TAX

(Amount in ₹)

Sr. No.	Particulars	As at 31/03/2023	As at 31/03/2022
(i)	**Deferred tax Liability on account of :**		
	Depreciation	**81,435**	**1,00,155**
(ii)	**Deferred tax asset on account of :**		
	a) Unabsorbed Depreciation	Nil	Nil
	b) Employee Benefits leave Encashment & Gratuity	Nil	Nil
	c) On Account of disallowances	Nil	Nil
	d) Carried Forward Losses	Nil	Nil
	Deferred Tax Asset/(Liability)	Nil	Nil
	Less: Reversal During the year	Nil	Nil
	TOTAL	**81,435**	**1,00,155**

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.

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

During the period under audit, the Company do not have any obligation towards Gratuity, Leave Encashment or any other defined benefit under AS-15.

NAKRANI & CO. THANE CHARTERED ACCOUNTANTS

QUALISPACE WEB SERVICES PVT LTD

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

During period under audit, the company does not have any un-hedged foreign currency exposure as on balance sheet date.

26. 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.

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".

27. Related Party Transaction

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

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

List of related parties with whom transactions were carried out during the year and description of relationship:

(Amount in ₹)

Particulars		FY 2022-23		FY 2021-22	
Name of the Related Party & Nature of Relationship	Nature of Transaction	Net-off Amount of Transactions for FY 2022-23	O/s amounts carried in the Balance Sheet FY 2022-23	Net-off Amount of Transactions for FY 2021-22	O/s amounts carried in the Balance Sheet FY 2021-22
Key Managerial Personnel & their Relatives:					
Mrs. Dimple Shah	Managerial Remuneration	10,53,000	Nil	10,53,180	Nil
	Unsecured Loan	(4,69,846)	(857)	Nil	4,68,979
Mrs. Gunja Shah	Managerial Remuneration	Nil	Nil	Nil	Nil
	Unsecured Loan	Nil	(1,84,590)	Nil	(1,84,590)
Mr. Ashish Shah	Unsecured Loan	Nil	Nil	3,02,578	(71)
Mr. Hirenkumar Shah	Unsecured Loan	17,28,726	(1,15,526)	(14,71,794)	(18,44,253)

QUALISPACE WEB SERVICES PVT. LTD.

NAKRANI & CO. THANE CHARTERED ACCOUNTANTS

Notes forming part of the Financial Statements for the period ended ***31st March 2022***

Associate Enterprise & Sister Concern:					
Trunkoz Technologies Pvt Ltd	Unsecured Loan	75,95,896	(23,91,712)	(23,20,217)	(99,87,609)
	Purchases	Nil	Nil	8,22,207	Nil
	Rent	3,80,893	Nil	3,91,368	Nil
PayNX Technologies Pvt Ltd	Unsecured Loan	Nil	(1,53,319)	(22,252)	(1,53,319)
	Sales	46,968	38347	45,439	Nil
	Purchases	24,47,483	Nil	Nil	Nil
OwnRegistrar Inc	Advances	(24,11,248)	3,66,570	1,93,204	27,77,818
	Sales	1,31,58,814	1,34,02,387	Nil	Nil
	Purchases	Nil	Nil	1,04,66,382	Nil
PayExecute Inc	Advances	Nil	16,873	Nil	16,873
Own Web Solution Pvt Ltd	Unsecured Loan	(1,35,31,579)	(1,54,46,339)	Nil	Nil
	Sales	20,10,394	7,51,552	Nil	Nil
	Purchases	44,03,616	Nil	Nil	Nil
Adzunite Solutions Pvt Ltd	Unsecured Loan	(30,160)	(1,24,120)	Nil	Nil
Vertoz Advertising Ltd	Unsecured Loan	(98,22,736)	(1,04,62,791)	Nil	(6,40,055)
	Sales	44,09,529	7,80,101	Nil	Nil
	Purchases	97,637	(73,877)	Nil	Nil
Goyam Technologies Pvt Ltd	Unsecured Loan	15,000	15,000	Nil	Nil
Qualispace Inc	Advances	41,81,202	2,31,83,407	35,02,582	1,71,26,435

28. Cash Flow Statement as required in terms of Accounting Standard "AS-3 (Revised) Cash Flow Statements" is applicable and attached herewith with Financial Statements.

29. 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.

30. 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 loss of the Company for the year.

31. 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.

32. Expenditure in foreign currency – **₹ 48,61,294/-** (P.Y. **₹ 93,90,565/-**)

33. Earning in Foreign Currency (On Cash Basis) – **₹ Nil**

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

Particulars	FY 2022-23

NAKRANI & CO. THANE CHARTERED ACCOUNTANTS

QUALISPACE WEB SERVICES PVT. LTD. MUMBAI CIN - U93090MH2017PTC294209

Receipt from Export against Invoice	**Nil**
Advance against Export Services	**Nil**
Exchange Gain/(Loss) on remittance	**Nil**
Total Earning in Foreign Currency (On Cash Basis)	**Nil**

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

35. 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 QUALISPACE WEB SERVICES PRIVATE LIMITED

DIMPLE SHAH
Director
DIN: 07788365
PLACE: MUMBAI
DATE: 30.05.2022

QUALISPACE WEB SERVICES PVT. LTD. MUMBAI CIN: U93000MH2017PTC294200