

**MATRIMONY.COM LIMITED**

**ANNUAL REPORT 2016-17**

# MATRIMONY.COM LIMITED

BOARD OF DIRECTORS	Mr. C K Ranganathan - Chairman Mr. Murugavel Janakiraman – Managing Director Mr. Avneet Singh Kochar Mr. Nikhil N Khattau Mr. Milind S Sarwate Mr. George Zacharias Mr. Vishal Vijay Gupta Mrs. Deepa Murugavel
BANKERS	HDFC Bank Limited
AUDITORS	M/s. S R Batliboi Associates LLP – Statutory Auditors M/s. R.G.N Price & Co. – Internal Auditors
CHIEF FINANCIAL OFFICER	Mr. K Balasubramanian
COMPANY SECRETARY	Mr. S.Vijayanand
ADVOCATES	M/s Luthra & Luthra M/s. Mohan Associates M/s. Fox Mandal
REGISTERED & CORPORATE OFFICE	94, TVH Beliciaa Towers, 10 <sup>th</sup> Floor, Tower - II, MRC Nagar, Mandaveli, Chennai - 600 028

## BOARD REPORT

To the Members,

Your Directors have pleasure in submitting their Sixteenth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017

### 1. FINANCIAL RESULTS

The Company's financial performance both Consolidated and Standalone for the year under review along with previous year's figures are given hereunder:

In INR Millions

Particulars	Consolidated		Standalone	
	2016-2017	2015-2016	2016-2017	2015-2016
Total Income	<b>2929.30</b>	2,554.29	<b>2676.83</b>	2,537.26
Total Expenses	2337.26	2,481.98	2299.48	2,410.82
Earnings before exceptional items, Interest, tax and Depreciation	592.04	72.31	377.35	126.44
Finance Charges	44.28	29.86	44.15	29.52
Depreciation & amortisation expenses	103.81	97.54	103.45	97.13
Finance Income	(37.74)	(42.24)	(39.43)	(42.32)
Profit before exceptional items	<b>481.69</b>	(12.85)	<b>269.18</b>	42.11
Exceptional Items	43.72	737.66	43.87	273.14
Profit/(Loss) Before Tax	<b>437.97</b>	(750.51)	225.31	(231.03)
Provision for Tax	0.14	0.04		-
Profit/(Loss) for the year	<b>437.81</b>	(750.69)	<b>225.31</b>	(231.03)
Earnings per share (Basic) In INR	23.13	(50.80)	11.90	(15.63)
Earnings per Share(Diluted) in INR	20.40	(50.80)	10.50	(15.63)

### 2. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

Your Directors wish to present the details of Business operations done during the year under review:

The Company's business comprises of three segments viz matchmaking services, marriage services and related sale of products and other services.

The Company achieved a standalone turnover of Rs. 2674.67 million for the period ended March 31, 2017 as against Rs. 2,529.57 million for the period ended March 31, 2016. The Company has earned a profit before exceptional items of Rs. 269.18 million during the year under review as against Rs. 42.11 million for the period ended March 31, 2016. The Company has made significant improvement by earning profit after tax of Rs. 225.31 million as against a loss of Rs. 231.03 million during the previous year.

The Company achieved a consolidated turnover of Rs. 2928.19 million for the year ended 31<sup>st</sup> March 2017 as against Rs. 2548.20 million for the period ended March 31, 2016. The Company has earned a profit before exceptional items of Rs. 481.69 million during the year under review as against a loss of Rs. 12.85 million for the period ended March 31, 2016. The Company has made significant improvement by earning profit after tax of Rs. 437.81 million as against a loss of Rs. 750.69 million during the previous year.

The Company believes that in order to sustain future growth and development, it will employ the strategy to expand the user base by further strengthening the brands, continue investment in mobile platform and continue to expand into marriage services and to further strengthen the brands.

### **3. DIVIDEND**

No Dividend was declared for the current financial year due to loss incurred by the Company.

### **4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

### **5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE ENDS OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statements relate on the date of this report

### **6. SIGNIFICANT EVENTS**

The Company has filed updated Draft Red Herring Prospectus before the Securities Exchange Board of India on 18<sup>th</sup> November, 2016 during the year and their approval for filing Red Herring Prospectus with Registrar of Companies. However, due to adverse market conditions the Board has decided to defer the launch of the initial public offering and to relaunch it in the year 2017-18.

### **7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. The total Foreign Exchange Inflow was Rs.197.55 Million and Outflow was Rs. 8.95 Million during the year under review.

## 8. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The provisions of Companies Act, 2013 and rules made thereunder relating to Corporate Social Responsibility is not applicable to the Company.

## 9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of Loans, guarantees or investments made under Section 186 is furnished below

<b>Investment</b>		
<b>Name of the Company</b>	<b>No of shares</b>	<b>Amount (in Rs.)</b>
Community Matrimony Private Limited	99999	99999
Sys India Private Limited	99900	99900
Matchify Services Private Ltd	4124499	41244990
Tambulya Online Marketplace Private Ltd	3049999	30499990
Consim Info USA Inc., USA	1000	45120
<b>Guarantees</b>		
<b>Name of the Company</b>	<b>Amount</b>	
Consim Info USA Inc., USA	USD 8* Million	

\* Since the obligation to the extent of USD 5 Million has been settled by the subsidiary, the outstanding obligation on the Corporate Guarantee extended has been USD 3 million as on 31<sup>st</sup> March 2017

## 10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The particulars of Contracts or Arrangements made with related parties made pursuant to Section 188 is furnished in **Annexure 1** and is attached to this report.

## 11. PARTICULARS OF EMPLOYEES & REMUNERATION

The information required under 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure 1A

## 12. SECRETARIAL AUDIT

The provisions of the secretarial audit under Section 204 is applicable to the Company. Accordingly the Secretarial Auditor was appointed to carry out the audit. The Audit report is attached as **Annexure 2**

## 13. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

The Auditors have included qualifications with respect to certain matters in their reports on our audited financial statements provided below. These auditor qualifications do not require any corrective material adjustments in our Financial Statements. We provide below, these auditor qualifications as well as our Company's corrective steps, as applicable in connection with these remarks.

Qualifications and remarks in reports on our unconsolidated financial statements

Qualification/ Adverse Remark	Corrective steps taken / responses by our Company
<p><b>Auditor’s Report for the Financial year ended March 31, 2017 – Standalone Financial Statements</b></p> <p>The Company has provided requisite disclosures in Note 38 to these standalone financial statements as to the holding of Specified Bank Notes (SBNs) on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on management representations, except for the segregation between SBNs and other denominations as more fully described in Note 38 to these standalone financial statements upon which we are unable to comment, we report that the amounts disclosed in the said note are in accordance with the books of account maintained by the company and produced to us for verification.</p>	<p>Pursuant to notification of the Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016, our Company established internal guidelines with respect to cash transactions during the specified period (November 9, 2016 to December 30, 2016) to ensure compliance with the applicable regulations, including intimating all its outlets not to collect cash in specified bank notes post November 8, 2016.</p> <p>This disclosure has been compiled based on the information presently available from our Company’s books of accounts and other records (including cash deposit challans to the extent available). Our Company is in the process of compiling complete information with regard to the denomination-wise data of cash transactions entered into by us during the specified period having regard to the wide-spread regional operations as well as the low ticket size of cash transactions at the retail outlets and the volume of the data involved. We had also sought further information from the bankers of the Company which is awaited as of the date of approval of these standalone financial statements.</p>
<p><b>Auditor’s Report for the Financial year ended March 31, 2017 - Consolidated Financial Statements</b></p> <p>The Holding Company and its subsidiaries incorporated in India, have provided requisite disclosures in Note 34 to these consolidated financial statements as to the holding of Specified Bank Notes (SBNs) on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on management representations, except for the segregation between SBNs and other denominations as more</p>	<p>Pursuant to notification of the Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016, our Company established internal guidelines with respect to cash transactions during the specified period (November 9, 2016 to December 30, 2016) to ensure compliance with the applicable regulations, including intimating all its outlets not to collect cash in specified bank notes post November 8, 2016.</p> <p>This disclosure has been compiled based on the information presently available from our</p>

Qualification/ Adverse Remark	Corrective steps taken / responses by our Company
<p>fully described in Note 34 to these consolidated financial statements upon which we are unable to comment, we report that the amounts disclosed in the said note are in accordance with the books of account maintained by the Group and produced to us for verification by the Management of the Holding Company.</p>	<p>Company's books of accounts and other records (including cash deposit challans to the extent available). Our Company is in the process of compiling complete information with regard to the denomination-wise data of cash transactions entered into by our Company during the specified period having regard to the wide-spread regional operations as well as the low ticket size of cash transactions at the retail outlets and the volume of the data involved. Our Company has also sought further information from the bankers of our Company which is awaited as of the date of approval of these consolidated financial statements.</p>

#### **14. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **Annexure 3** and is attached to this report

#### **15. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The details of financial performance of Subsidiary/ Joint Venture/Associate Company is furnished in **Annexure 4** and attached to this report.

#### **16. DEPOSITS**

The Company has neither accepted nor renewed any deposits during the year under review.

#### **17. BOARD OF DIRECTORS**

Mr. Vishal Vijay Gupta, Nominee Director retires at this Annual General Meeting and being eligible offer himself for re-election.

#### **18. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

The Company had 7 Board meetings during the financial year under review which includes a meeting of the Independent Directors held on 27/03/2017.

## **19. DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

## **20. STATUTORY AUDITORS**

M/s.S.R.Batliboi and Associates LLP, Chartered Accountants, Chennai were appointed as Statutory Auditors for a period of 5 years in the Annual General Meeting held on 30<sup>th</sup> September 2014. Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

## **21. RISK MANAGEMENT**

The Company has devised and implemented a mechanism for risk management. Accordingly, a Risk and Governance Committee is constituted to work towards creating a Risk Register, identifying internal and external risks and implementing risk mitigation steps. The Committee will, on a periodical basis, provide status updates to the Board of Directors of the Company.

## **22. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The Audit Committee consists of the following members

- a. Mr. Milind S Sarwate
- b. Mr. George Zacharias
- c. Mr. C K Ranganathan
- d. Mr. Nikhil N Khattau

The above composition of the Audit Committee consists of independent Directors viz., Mr. Milind S Sarwate, Mr. George Zacharias, Mr. C K Ranganathan who form the majority.

The provisions of Rule 7 of Companies (Meetings of the Board and its Powers) Rules, 2013 regarding Establishment of Vigil Mechanism is applicable to the Company. Accordingly the Company has formulated a policy on vigil mechanism and whistle blower.

## **23. SHARES**

### **a. BUY BACK OF SECURITIES**

The Company has not bought back any of its securities during the year under review.

### **b. SWEAT EQUITY**

The Company has not issued any Sweat Equity Shares during the year under review.

### **c. BONUS SHARES**

The Company has not issued any Bonus Shares during the year under review.



#### d. EMPLOYEES STOCK OPTION PLAN

The Company has adopted the Employee Stock Option Scheme (A) 2010 to reward its employees for their past association and performance. The scheme was amended and renamed as Employee Stock Option Scheme 2014 (“ESOP Scheme”). Under the provisions of the ESOP Scheme, the Company intend to grant up to 1,785,186 employee stock options exercisable into 1,785,186 equity shares of face value ` 3 each to eligible employees of the Company and eligible employees of our Subsidiaries and associates, subject to applicable laws.

The following are the details of the Employees Stock Option Scheme 2014 during the year 2016-17.

(a) Options granted: 2000

(b) Options vested: 114429

(c) Options exercised; 77663

(d) the total number of shares arising as a result of exercise of option; 77663

(e) options lapsed during the year: 48795

(f) the exercise price: Rs. 103 and Rs.350

(g) variation of terms of options: Nil

(h) money realized by exercise of options: Rs. 79,99,289/-

(i) total number of options in force: 315426

(j) employee wise details of options granted ;-

(i) key managerial personnel;

Nil

(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.

Name of Employee	No. of options		
	Granted	Exercised	Outstanding
Mr. Praveen Nambiar	2000	-	2000

(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;

NIL

## 24. PREVENTION OF SEXUAL HARASSMENT POLICY

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

During the financial year 2016-17, there are no complaints on sexual harassment.

## 25. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **Annexure 5** and is attached to this Report.

## 26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS

No significant and material orders were passed by the regulators, courts or tribunals impacting the going concern status and future operation of the Company.

## 27. INTERNAL CONTROLS AND SYSTEMS

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The scope and authority of the internal audit function is well defined in the organisation. The Company has appointed an external agency as internal auditors to take care of internal audit function.

It monitors and evaluates the efficacy and adequacy of internal control systems of the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Auditors, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board.

Internal financial controls means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

## 28. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

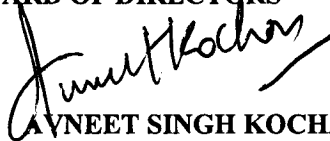
## 29. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**



**MURUGAVEL JANAKIRAMAN  
MANAGING DIRECTOR**



**AYNEET SINGH KOCHAR  
DIRECTOR**

Date: April 29, 2017  
Place: Mumbai

**ANNEXURE - 1**  
**FORM NO. AOC -2**

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms-length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

Matrimony.com Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2016-17.

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Sys India Private Limited & Subsidiary Company
2.	Nature of contracts/arrangements/transaction	1. Availing of advertising agency services for advertising in print media and vernacular websites of online media. 2. Hiring of employees for its operation
3.	Duration of the contracts/arrangements/transaction	3 years 01-06-2016 to 31-05-2019
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Maximum of 6 Crores per annum
5.	Date of approval by the Board	15/05/2013
6.	Amount paid as advances, if any	NIL

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Consim Info USA Inc & Subsidiary Company
2.	Nature of contracts/arrangements/transaction	1. Granting of License to operate the Company's Match making business in USA. 2. Providing of services including customer support, online marketing, accounting, finance, record keeping, tax, audit support, legal, information systems and other corporate services.
3.	Duration of the contracts/arrangements/transaction	4 years, 15-12-2015 to 14-12-2019
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Maximum of 61 Crores per annum
5.	Date of approval by the Board	03/11/2015
6.	Amount paid as advances, if any	NIL

## ANNEXURE 1A

Sl. No	Name	Designation	Remuneration (in Lakhs)	Nature of employment	Qualifications and experience	Date of commencement of employment	Age of such employee	Last employment held before joining the Company	Percentage of equity shares held in the Company	Whether relative of any Director or Manager of the Company
1	J Murugavel	Managing Director	133.19 lakhs	Permanent	Holds Bachelor's Degree of Science in Statistics and Master's Degree in Computer applications from the University of Madras	September 5, 2001	47 yrs	Senior Programmer in Real Soft Inc, USA	55.61	Yes. Spouse of Director Ms Deepa Murugavel
2.	Chandrasekar R	Chief Technology Operation and Infrastructure officer	73.64 lakhs	Permanent	Holds Bachelor's Degree in Science and Masters degree in Computer application from Bharathidasan University. Has over 26 years of experience in the field	December 8, 2006	48 yrs	Sify Technologies Limited	0.04	No
3.	Sanjeev Misra	Senior Vice President	72.62 lakhs	Permanent	Holds Bachelor's degree of technology in Mining Engineering from the Indian School of mines, Dhanbad and Post graduate diploma in management from the management institute Gurgaon. He has over 20 years of experience in the field of sales and operations.	May 5, 2014	45 yrs	Scope International Limited as Vice President	0.02	No
4	Saichitra S	Chief Portal and Mobile Officer	69.99 lakhs	Permanent	Holds Bachelors degree in Computer Science and Master's degree in computer application from Bhartidasan university. She has over 14 years of experience in the field of product development and technology	Since Incorporation	40 yrs	Nil	-	No
5.	K Balasubramanian	Chief Financial Officer	52.64 lakhs	Permanent	Holds a Bachelor's degree in science and member of institute of Chartered Accountants	August 22, 2016	62 yrs	Tube investments Ltd as Chief Financial officer	-	No

## ANNEXURE 1A

					of India. Has over 30 years of experience.					
6.	Kaushik Tiwari	Vice President – Marketing & Communication	52.43 lakhs	Permanent	Holds a Bachelor's degree in Engineering from Shivaji university, Kolhapur and Master's Degree in marketing management from University of Mumbai. Has over 22 years of experience in the field	February 15, 2012	51 yrs	Director of Fresh Lime communication Private Limited	0.01	No
7.	Srikanth V	Vice President – Photography	48.11 lakhs	Permanent	Holds Bachelor's degree in Science and Master's of Business Administration. Has 23 years of experience in sales and operations.	September 8, 2014	43 yrs	Videocon Electronics – Next Retail – Head of operations – South & West	-	No
8.	Kiran Vijayakumar	Vice President – Technology	43.35 lakhs	Permanent	Holds Bachelor's degree of Technology (Computer Science & Engineering) from college of engineering, Thiruvananthapuram. Has over 19 years of experience.	July 15, 2015	41 yrs	UST Global – Director, Cloud Practice	-	No
9.	Mugunthan S	Vice President – Technology	43.15 lakhs	Permanent	Holds Bachelor's Degree in Engineering at Coimbatore Institute of Technology and M.B.A – Financial management from IGNOU. He has over 25 years of experience	April 4, 2013	52	Sify Technologies Limited as General Manager - CIO – Information Services	0.01	No
10.	Pillutla Visvesvarryya Neelakantan	ASSOCIATE VICE PRESIDENT - TECHNICAL	40.60 lakhs	Permanent	Holds Bachelor's degree of Technology (Hons) from NIT Kurukshetra & EPBM course from IIM Kolkata. He has over 17 years of experience in IT industry	June 8, 2015	39 yrs	Pramati Technologies Ltd, Chennai	-	No

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
*For the Financial Year 2016-17*

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,  
M/s. MATRIMONY.COM LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. MATRIMONY.COM LIMITED (**hereinafter called the Company**). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s. MATRIMONY.COM LIMITED books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. MATRIMONY.COM LIMITED ("the Company") for the financial year ended on 31<sup>st</sup> March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;  
**(NOT APPLICABLE)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(NOT APPLICABLE)**
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(NOT APPLICABLE)**
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(NOT APPLICABLE)**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(NOT APPLICABLE)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(NOT APPLICABLE)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(NOT APPLICABLE)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(NOT APPLICABLE)**

Other Laws specifically applicable to this Company is as follows:

- (vi) Trade Marks Act, 1999
- (vii) Shops and Establishment Act, 1947
- (viii) The Information Technology Act, 2000

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company. **(NOT APPLICABLE)**

**I further report** that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. There is no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, which is sent at least seven days in advance and a system exists for seeking and obtaining further information and



clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that during the audit period, there are no instances of:

1. Public / Rights / Preferential issue of shares / debentures / sweat equity.
2. Redemption / buy-back of securities.
3. Merger / amalgamation / reconstruction etc.
4. Foreign technical collaborations.

Place: Chennai  
Date : 28.04.2017

V Suresh  
Practising Company Secretary  
FCS No. 2969  
C.P.No. 6032

## ANNEXURE 3

### Nomination and Remuneration Policy

Pursuant to Section 178 of the Act, the Nomination and Remuneration Committee has adopted a Nomination and Remuneration Policy which provides guidance on:

#### a) Selection Criteria for Directors

The Company shall consider the following aspects while appointing a person as a Director on the Board of the Company:

**Skills and Experience:** The candidate shall have appropriate skills and experience in one or more fields of finance, law, management, sales, marketing, administration, public administrative services, research, corporate governance, technical operations or any other discipline related to the Company's business.

**Age Limit:** The candidate should have completed the age of twenty-one (21) years and should not have attained the age of seventy (70) years.

**Conflict of Interest:** The candidate should not hold Directorship in any competitor company, and should not have any conflict of interest with the Company.

**Directorship:** The number of companies in which the candidate holds Directorship should not exceed the number prescribed under the Act or under the Listing Agreement requirements.

**Independence:** The candidate proposed to be appointed as Independent Director, should not have any direct or indirect material pecuniary relationship with the Company and must satisfy the requirements imposed under the Act

The policy provides that while appointing a Director to the Board, due consideration will be given to:

- i. approvals of the Board and/or shareholders of the Company in accordance with the Act ; and
- ii. the Articles of Association of the Company

#### b) Selection Criteria for Senior Management

As per policy, Senior Management for the purpose of this policy shall mean employees hired at the level of Divisional Heads and Corporate Functional Heads or equivalent positions.

The policy provides that the candidate should have appropriate qualifications, skills and experience for discharging the role. The qualifications, skills and experience of each such position shall be defined in the job description, which will be maintained by the HR function.

#### Remuneration for Directors, KMP and other Employees

The policy provides that the remuneration of Directors, KMP and other employees shall be based on the following key principles:

- **Pay for performance:** Remuneration of Executive Directors, KMP and other employees is a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goal. The remuneration of Non-Executive Directors shall be decided by the Board based on the profits of the Company and industry benchmarks.

- **Balanced rewards to create sustainable value:** The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors and employees of the Company and encourage behaviour that is aligned to sustainable value creation.
- **Competitive compensation:** Total target compensation and benefits are comparable to peer companies in the healthcare industry and commensurate to the qualifications and experience of the concerned individual.
- **Business Ethics:** Strong governance processes and stringent risk management policies are adhered to, in order to safeguard our stakeholders' interest

ANNEXURE - 4

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiary companies

S. No	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend	% of Share holding	Country
1.	Sys India Private Limited	INR	-	1,00,000	629,728	10,086,586	9,356,858	-	1,962,871	4,45,592	1,37,688	3,07,904	-	100%	India
2.	Community Matrimony Private Limited	INR	-	1,00,000	173,572	2,94,336	20,764	-	48,160	11,373	3,514	11,373	-	100%	India
3.	Tambulya Online marketplace Private Limited	INR	-	3,05,00,000	(29,657,710)	853790	11,500	-	6,56,708	(4,603,894)	-	(4,603,894)	-	100%	India
4.	Matchify Services Private Limited	INR	-	4,12,45,000	(40,622,519)	6,33,981	11,500	-	-	(2,086,704)	-	(2,086,704)	-	100%	India
5.	Consim Info USA Inc	USD	64.81	1,000	(10,477,959)	767,368	5,422,503	-	5,821,824	(2,561,793)	-	(2,561,793)	-	100%	USA

**ANNEXURE 5**  
Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31<sup>st</sup> March 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : U63090TN2001PLC047432  
ii) Registration Date : 47432  
iii) Name of the Company : Matrimony.com Limited  
iv) Category / Sub-Category of the Company :  
v) Address of the registered office and contact details : No.94, TVH Beliciaa Towers, Tower II, 10<sup>th</sup> Floor  
MRC Nagar, Chennai - 600028  
vi) Whether listed Company : Yes/No  
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Karvy Computershare Private Limited  
Karvy Selenium Tower B,  
Plot 31-32, Gachibowli, Financial District  
Nanakramguda, Hyderabad - 500032

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

S.No	Name and Description of Main Product/ Services	NIC Code of the Product	% to Total Turnover of the Company
1.	Matrimonial match making and allied services	96091	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S.No	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Sysindia Private Limited No. 94, TVH Beliciaa Towers, Tower II, 10 <sup>th</sup> Floor, MRC Nagar, Chennai - 600028	U74300TN2010 PTC075740	Subsidiary	100%	2(87)(ii)
2.	Community Matrimony Private Limited Arihant -- E- Park, 6 <sup>th</sup> Floor, No.117/1 Lattice Bridge Road, Adyar, Chennai - 600020	U74999TN2009 PTC072210	Subsidiary	100%	2(87)(ii)
3.	Matchify Services Private Limited No. 94, TVH Beliciaa Towers, Tower II, 10 <sup>th</sup> Floor, MRC Nagar, Chennai - 600028	U74900TN2014 PTC097993	Subsidiary	100%	2(87)(ii)
4.	Tambulya Online Marketplace Private Limited No. 94, TVH Beliciaa Towers, Tower II, 10 <sup>th</sup> Floor, MRC Nagar,	U74999TN2015 PTC098929	Subsidiary	100%	2(87)(ii)



1) Foreign Venture Capital Funds	7,115	7,66,694	7,73,809	5.24%	17,74,669	7,66,694	25,41,363	11.96%	6.72%
2) Others (Specify) Foreign Company	15,62,581	4,31,504	19,94,085	13.49%	60,79,124	4,31,504	65,10,628	30.65%	17.16%
<b>Sub Total (B) (1)</b>	<b>15,69,696</b>	<b>11,98,198</b>	<b>27,67,894</b>	<b>18.73%</b>	<b>78,53,793</b>	<b>11,98,198</b>	<b>90,51,991</b>	<b>42.61%</b>	<b>23.88%</b>
<b>B. Non Institutions</b>									
1) Bodies Corporate									
i) Indian	4263	-	4263	0.03%	8,525	-	8,525	0.04%	0.01%
ii) Overseas	-				-	-	-	-	-
2) Individuals	-				-	-	-	-	-
i) Individuals Shareholders holding Nominal share capital up to Rs.1Lakh	35025	-	35025	0.24%	1,40,567	-	1,40,567	0.66%	0.42%
ii) Individuals Shareholders holding Nominal share in excess of Rs.1Lakh	82,834	44,676	1,27,510	0.86%	82,834	44,676	1,27,510	0.60%	(0.26%)
3) Others (specify) NRI & Foreign Nationals	30,751	44,676	75,427	0.51%	53,309	46,476	99,785	0.47%	(0.04%)
<b>Sub Total (B) (2)</b>	<b>152873</b>	<b>89352</b>	<b>2,42,225</b>	<b>1.64</b>	<b>2,85,235</b>	<b>89,352</b>	<b>376387</b>	<b>1.77</b>	<b>0.13%</b>
<b>Total Public Shareholding (B) = B(1)+ (B)(2)</b>	<b>17,22,569</b>	<b>12,87,550</b>	<b>30,10,119</b>	<b>20.37</b>	<b>81,39,028</b>	<b>12,87,550</b>	<b>94,28,378</b>	<b>44.39%</b>	<b>24.02</b>
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	-				-	-	-	-	-
<b>GRAND TOTAL (A+B+C)</b>	<b>13490706</b>	<b>1287550</b>	<b>14778256</b>	<b>100%</b>	<b>1,99,52,241</b>	<b>12,87,550</b>	<b>21241591</b>	<b>100%</b>	<b>-</b>

\*includes 12 shares held on behalf of shareholders holding fractional shares

# the difference is due to conversion of preference shares into equity shares by the holders of preference shares

**(ii) Shareholding of Promoters**

S.No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding during the year
		No. of Shares	%of total shares of the Co	%of shares pledged/ encumbered to total shares	No of Shares	% of Total Shares of the Co	% of Shares Pledged/ encumbered to total shares	
1	Mr. Murugavel J	1,17,68,137	79.63	-	1,18,13,213	55.61%		(24.02%)
	<b>TOTAL</b>	1,17,68,137*	79.63	-	1,18,13,213	55.61%		(24.02%)

\*includes 12 shares held on behalf of shareholders holding fractional shares

(iii) Change in Promoters' Shareholding (please specify, if there is no change.

S.No	Mr. Murugavel J	Shareholding at the end of the year		Cumulative Shareholding during the Year	
		No of Shares	% of Total Shares of the Co	No. of shares	% of total shares of the company
	At the beginning of the year	1,17,68,137*	79.63%		
	Less: Sale of shares	(48,318)			
	Add: Purchase of shares	(93,394)			
	At the end of the year	1,18,13,213	55.61%	1,18,13,213	55.61%

\*includes 12 shares held on behalf of shareholders holding fractional shares

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S.No	Name (For Each of the Top 10 Shareholders)	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	% Total Shares of the Company
1	CMDB II				
	At the beginning of the year	4,31,504	2.92%	***	***
	Allotment of equity shares pursuant to conversion of preference shares	46,18,118			
	At the End of the year ( or on the date of separation, if separated during the year)	50,49,622	23.77%	50,49,622	23.77%

S.No	Name (For Each of the Top 10 Shareholders)	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	% Total Shares of the Company
2	Mayfield XII Mauritius				
	At the beginning of the year	7,66,694	5.19%		
	Allotment of equity shares pursuant to conversion of preference shares	17,67,554			
	At the End of the year ( or on the date of separation, if separated during the year)	25,34,248	11.93%	25,34,248	11.93%

S.No	Name (For Each of the Top 10 Shareholders)	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	% Total Shares of the Company
3	Bessemer India Capital Holdings II Ltd				
	At the beginning of the year	14,61,006	9.89%		



	At the End of the year ( or on the date of separation, if separated during the year)	14,61,006	6.88%	14,61,006	6.88%
--	--------------------------------------------------------------------------------------	-----------	-------	-----------	-------

S.No	Name (For Each of the Top 10 Shareholders )	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	%Total Shares of the Company
4	Mrs. Indrani Janakiraman				
	At the beginning of the year	82,834	0.56	***	***
	At the End of the year ( or on the date of separation, if separated during the year)	82,834	0.39	82834	0.39

S.No	Name (For Each of the Top 10 Shareholders )	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	%Total Shares of the Company
5	Mohamed Farook				
	At the beginning of the year	***	***	***	***
	Acquired shares of the Company	53309	0.25		
	At the End of the year ( or on the date of separation, if separated during the year)	53309	0.25	53309	0.25

S.No	Name (For Each of the Top 10 Shareholders )	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	%Total Shares of the Company
6	Mr. K B Chandrasekar				
	At the beginning of the year	44,676	0.30	***	***
	At the End of the year ( or on the date of separation, if separated during the year)	44,676	0.21	44,676	0.21

S.No	Name (For Each of the Top 10 Shareholders )	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	%Total Shares of the Company
7	Jayaram K Iyer				

At the beginning of the year	***	***	***	***
Acquired shares of the Company	17252	0.08%		
At the End of the year ( or on the date of separation, if separated during the year)	17252	0.08%	17252	0.08%

Sl.No	Name (For Each of the Top 10 Shareholders )	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	%Total Shares of the Company
8	Mr. Sriram Subramanya				
	At the beginning of the year	5341	0.04	***	***
	Acquired shares from Mr Murugavel J	10616			
	At the End of the year ( or on the date of separation, if separated during the year)	15957	0.08	15957	0.08

Sl.No	Name (For Each of the Top 10 Shareholders )	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	%Total Shares of the Company
9	Mr. B Srinivasan				
	At the beginning of the year	5341	0.04	***	***
	Acquired shares from Mr Murugavel J	10616			
	At the End of the year ( or on the date of separation, if separated during the year)	15957	0.08	15957	0.08

Sl.No	Name (For Each of the Top 10 Shareholders )	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	%Total Shares of the Company
10	S. Parameshwar				
	At the beginning of the year	***	***	***	***
	Acquired shares of the Company	12222	0.06%		
	At the End of the year ( or on the date of separation, if separated during the year)	12222	0.06%	12222	0.06%

(v) Shareholding of Directors and Key Managerial Personnel:

S.No		Shareholding at the end of the year		Cumulative Shareholding during the Year	
		No of Shares	% of Total Shares of the Co	No. of shares	% of total shares of the company
1	Mr. Murugavel J				
	At the beginning of the year	1,17,68,137*	79.63%		
	Less: Sale of shares	(48,318)			
	Add: Purchase of shares	(93,394)			
	At the end of the year	1,18,13,213	55.61%	1,18,13,213	55.61%

\*includes 12 shares held on behalf of shareholders holding fractional shares

S.No	Name (For Each of the Directors and KMP)	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	%Total Shares of the Company
2	Mr. George Zacharias				
	At the beginning of the year	44,676	0.30	***	***
	At the end of the Year	44,676	0.21	44,676	0.21

S.No	Name (For Each of the Directors and KMP)	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	%Total Shares of the Company
3	Mr. Deepa Murugavel				
	At the beginning of the year	1	***	***	***
	Acquisition of shares of the Company	4006	***		
	At the End of the year ( or on the date of separation, if separated during the year)	4007	0.02	4007	0.02

S.No	Name (For Each of the Directors and KMP)	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	%Total Shares of the Company
4	Mr. Milind S Sarwate				
	At the beginning of the year	2670	0.02	***	***
	Acquired shares from Mr Murugavel J	2654			
	At the End of the year ( or on the date of separation, if separated during the year)	5324	0.03	5324	0.03

S.No	Name (For Each of the Directors and KMP)	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the Company	No of Shares	% Total Shares of the Company
5	Mr. S.Vijayanand				
	At the beginning of the year	***	***	***	***
	Acquired shares of the Company pursuant to exercise of employee stock options	720			
	At the End of the year ( or on the date of separation, if separated during the year)	720	***	720	***

#### (V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

In Rs. Million

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	1.56	NIL	NIL	1.56
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>TOTAL(i+ ii+ iii)</b>	1.56	NIL	NIL	1.56
<b>Change in Indebtedness during the financial year</b>				
<b>Addition</b>	443.76			443.76
<b>Reduction</b>	1.56			1.56
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ ii+ iii)</b>	443.76	NIL	NIL	443.76

#### VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No	Particulars of remuneration	Name of MD/WTD/Man ager	Total Amount
		Murugavel J	
1	Gross Salary	99,18,504	99,18,504
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act 1961	98,86,104	98,86,104
	b) Value of perquisites u/s 17(2) of the	32,400	32,400

	Income Tax Act 1961		
	c) Profits in lieu of Salary 17(3) of the Income Tax Act, 1961	***	***
2	Stock Option	***	***
3	Sweat Equity	***	***
4	Commission - as % Profit - others	***	***
5	Others	34,00,000	34,00,000
	TOTAL(A)	1,33,18,504	1,33,18,504
	Ceiling as per the Act	Not applicable	

#### B. Remuneration to other Directors

S.No	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors  - Fees for attending Board/ Committee Meetings - Commission -Others, please specify	Milind S Sarwate  1600000	George Zacharias  1400000	3000000
2	Other Non-Executive Directors - Fee for attending Board /Committee meetings - Commission - Others, please specify	Nil	Nil	Nil
	Total (B)=(1+2)	1600000	1400000	3000000
	Total Managerial Remuneration			
	Overall Ceiling as per the Act	Not applicable		

#### C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD: Not applicable

S.No	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-Tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	14,52,432	52,64,265	67,16,697
2.	Stock Option	-	1,03,550	-	103550
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - Others, specify.	-	-	-	-

5.	Others, please specify (Variable performance pay)	-	68,063	-	68,063
	TOTAL	-	16,24,045	52,64,265	68,88,300

**VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. Company- NIL</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors- NIL</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other Officers in Default- NIL</b>					
Penalty					
Punishment					
Compounding					

## INDEPENDENT AUDITOR'S REPORT

To the Members of Matrimony.Com Limited

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of Matrimony.Com Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. 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.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the 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, 2017, its profit, and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose of our audit;
  - (b) In our opinion proper books of accounts required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the 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 Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
  - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 2" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 to the standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in Note 38 to these standalone financial statements as to the holding of Specified Bank Notes (SBNs) on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the





## **S.R. BATLIBOI & ASSOCIATES LLP**

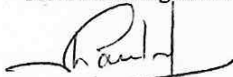
Chartered Accountants

management representation, except for the segregation between SBNs and other denominations as more fully described in Note 38 to these standalone financial statements upon which we are unable to comment, we report that the amounts disclosed in the said note are in accordance with the books of account maintained by the Company and produced to us for verification.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



**per Shankar Srinivasan**  
Partner

Membership Number: 213271

Place of Signature: Mumbai

Date: April 29, 2017



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## **Annexure 1 referred to under paragraph 1 of the Report on Other Legal and Regulatory Requirements of the Auditors' Report**

Re: Matrimony.Com Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties included in fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of Section 186 of the Companies Act, 2013 in respect of investments and guarantee made have been complied with by the Company and provisions with respect to section 185 of the Companies Act, 2013 does not apply to such investments and guarantee made by the Company. The Company did not have any loans and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products / services of the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, value added tax, cess and other statutory dues applicable to it. The provisions relating to excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, customs duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



## S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

(c) According to the records of the Company, the dues outstanding of service tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Tax paid under protest (Rs)	Net due (Rs.)	Period to which the amount related	Forum where the dispute is pending
Finance Act, 1994	Service tax	2,619,694	1,290,762	1,328,932	2005-06 to 2006-07	Customs, Excise & Service tax Appellate Tribunal
Finance Act, 1994	Service tax	7,348,882	7,348,882	Nil	2007-08 to 2009-10	Customs, Excise & Service tax Appellate Tribunal

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to bank. The Company did not have any outstanding dues in respect of a financial institution or debenture holders or to government during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) 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 and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to 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 as referred to in section 192 of Companies Act, 2013.



## **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004



per **Shankar Srinivasan**  
Partner  
Membership Number: 213271  
Place of Signature: Mumbai  
Date: April 29, 2017



**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE  
STANDALONE FINANCIAL STATEMENTS OF MATRIMONY.COM LIMITED**

**Report on the Internal Financial Controls 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 Matrimony.Com ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management 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 the 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 Company's internal financial controls over financial reporting 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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.

**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



## **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

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.

### **Inherent 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.

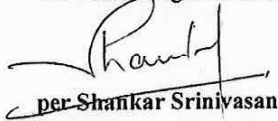
### **Opinion**

In our opinion, 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, 2017, 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 S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

  
per Shankar Srinivasan

Partner

Membership Number: 213271

Place of Signature: Mumbai

Date: April 29, 2017



Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as " Matrimony.com Private Limited")  
Balance Sheet as at March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	106.21	91.93
Reserves and surplus	4	(118.03)	(337.06)
		(11.82)	(245.13)
<b>Non-current liabilities</b>			
Long-term borrowings	5	-	1.56
Other long-term liabilities	6	2.39	10.74
Long-term provisions	7.1	19.51	16.18
		21.90	28.48
<b>Current liabilities</b>			
Short-term borrowings	8	443.76	481.93
Trade payables	9.1	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		160.64	298.24
Other current liabilities	9.2	546.86	595.77
Short-term provisions	7.2	58.14	52.16
		1,209.40	1,428.10
<b>Total</b>		<b>1,219.48</b>	<b>1,211.45</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Property, Plant and Equipment	10	177.55	191.42
Intangible assets	10	64.69	91.93
Non-current investments	11	0.25	0.25
Long-term loans and advances	12.1	171.53	94.44
		414.02	378.04
<b>Current assets</b>			
Current investments	13	-	0.20
Trade receivables	14.1	96.00	58.06
Cash and bank balances	15	550.08	537.72
Short-term loans and advances	12.2	44.24	111.06
Other current assets	14.2	115.14	126.37
		805.46	833.41
<b>Total</b>		<b>1,219.48</b>	<b>1,211.45</b>

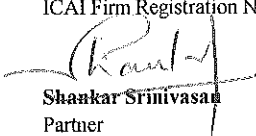
Summary of significant accounting policies

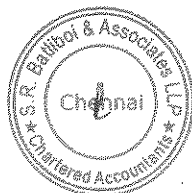
2.1

The explanatory notes forms an integral part of the financial statements.

As per our report of even date


For S. R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm Registration No.: 101049W/E300004


  
Shankar Srinivasan  
Partner  
Membership No: 213271



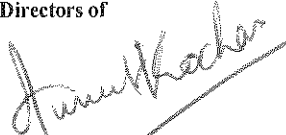
Place: Mumbai  
Date : April 29, 2017


For and on behalf of the Board of Directors of  
Matrimony.com Limited

  
Murugavel Janakiraman  
Managing Director  
DIN: 00605009

  
K Balasubramanian  
Chief Financial Officer

Place: Mumbai  
Date : April 29, 2017

  
Aviteet Singh Kochar  
Director  
DIN: 02415196

  
S Vijaynand  
Company Secretary

Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as "Matrimony.com Private Limited")  
Statement of Profit and Loss for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
<b>Income</b>			
Revenue from operations (net)	16	2,674.67	2,529.57
Other income	17	2.16	7.69
<b>Total revenue</b>		<b>2,676.83</b>	<b>2,537.26</b>
<b>Expenses</b>			
Employee benefits expense	18	1,162.64	1,223.56
Advertisement and business promotion expenses	19	518.55	512.35
Other expenses	20	618.29	674.91
<b>Total expenses</b>		<b>2,299.48</b>	<b>2,410.82</b>
<b>Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA)</b>		<b>377.35</b>	<b>126.44</b>
Depreciation and amortisation expense	21	103.45	97.13
Finance costs	22	44.15	29.52
Finance income	23	(39.43)	(42.32)
<b>Profit before exceptional items and tax</b>		<b>269.18</b>	<b>42.11</b>
<b>Exceptional items</b>	24	<b>43.87</b>	<b>273.14</b>
<b>Profit / (loss) before tax</b>		<b>225.31</b>	<b>(231.03)</b>
<b>Tax expenses</b>			
Current tax		15.00	-
MAT Credit Entitlement		(15.00)	-
Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Profit / (Loss) for the year</b>		<b>225.31</b>	<b>(231.03)</b>
<b>Earnings per share (Nominal value of share Rs.5)</b>			
Basic earnings / (loss) per share	25	11.90	(15.63)
Diluted earnings / (loss) per share		10.50	(15.63)

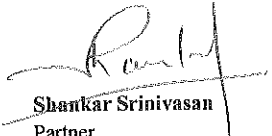
Summary of significant accounting policies 2.1


The explanatory notes forms an integral part of the financial statements.

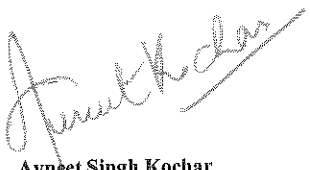
As per our report of even date

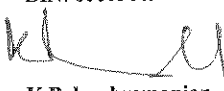
For S. R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm Registration No.: 101049W/E300004

For and on behalf of the Board of Directors of  
Matrimony.com Limited

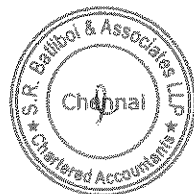
  
**Shankar Srinivasan**  
Partner  
Membership No: 213271

  
**Murugavel Janakiraman**  
Managing Director  
DIN: 00605009

  
**Avneet Singh Kochar**  
Director  
DIN: 02415196

  
**K Balasubramanian**  
Chief Financial Officer

  
**S Vijayanand**  
Company Secretary



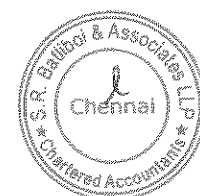
Place: Mumbai  
Date : April 29, 2017

Place: Mumbai  
Date : April 29, 2017



Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as "Matrimony.com Private Limited")  
Cash Flow Statement for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Cash flow from / (used in) operating activities</b>		
Profit before exceptional items and tax	269.18	42.11
Adjustments - reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	103.45	97.13
Loss on sale/ write-off of Property, Plant and Equipment (net)	1.51	3.58
Unrealised forex (gain) / loss	3.34	(0.66)
Provision for doubtful debts and advances	5.29	6.17
Provision for litigation (refer note 7.2)	1.76	-
Liabilities no longer required written back	-	(0.73)
Interest expense	43.59	28.38
Interest income	(39.43)	(42.32)
<b>Operating profit / (loss) before working capital changes</b>	<b>388.69</b>	<b>133.66</b>
<b>Movement in working capital :</b>		
(Increase) / decrease in trade receivables	(43.23)	(52.90)
(Increase) / decrease in short-term loans and advances	66.82	(33.96)
(Increase) / decrease in long-term loans and advances	(58.02)	24.78
(Increase) / decrease in other current assets	(13.30)	(90.47)
Increase / (decrease) in trade payables	(96.55)	63.99
Increase / (decrease) in other current liabilities	14.33	112.76
Increase / (decrease) in other non-current liabilities	(8.35)	(0.59)
Increase / (decrease) in long / short term provisions	7.55	8.61
<b>Cash generated from / (used in) operations</b>	<b>257.94</b>	<b>165.88</b>
Income taxes paid (net of refunds)	(19.07)	(4.80)
<b>Net cash generated from / (used in) operating activities before exceptional items</b>	<b>238.87</b>	<b>161.08</b>
Cash flow from / (used in) Exceptional items (refer note 24)	(85.48)	(212.53)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>153.39</b>	<b>(51.45)</b>
<b>Cash flow from / (used in) investing activities</b>		
Purchase of fixed assets including intangible assets, and capital advances	(101.25)	(98.41)
Proceeds from sale of Property, Plant and Equipment	0.93	0.43
Investment in subsidiary	(5.30)	(64.50)
Proceeds from liquidation of subsidiary (refer note 24)	7.70	-
Interest received	34.14	41.15
Investment in bank deposits (with maturity more than three months) (net)	74.49	62.74
<b>Net cash flow / (used in) investing activities (B)</b>	<b>10.71</b>	<b>(58.59)</b>
<b>Cash flows from / (used in) financing activities</b>		
Proceeds from issue of share capital (including securities premium)	8.00	-
Repayment of long-term borrowings	(3.49)	(3.16)
Proceeds from short-term borrowings	(38.17)	214.66
Interest paid	(43.59)	(28.38)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(77.25)</b>	<b>183.12</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>86.85</b>	<b>73.08</b>
Effect of exchange differences on cash & cash equivalents held in foreign currency	-	2.49
Cash and cash equivalents at the beginning of the year	181.95	106.38
<b>Cash and cash equivalents at the end of the year</b>	<b>268.80</b>	<b>181.95</b>




Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
 (Formerly known as "Matrimony.com Private Limited")  
 Cash Flow Statement for the year ended March 31, 2017  
 (All amounts are in INR million, unless otherwise stated)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Components of cash and cash equivalents</b>		
Cash on hand	4.00	5.64
Cheques on hand	4.48	4.22
Deposits with original maturity of less than three months	240.00	161.00
Balances with banks on current accounts	20.32	11.09
<b>Total cash and cash equivalents (refer note 15)</b>	<b>268.80</b>	<b>181.95</b>

The explanatory notes forms an integral part of the financial statements.  
 As per our report of even date


For S. R. BATLIBOI & ASSOCIATES LLP  
 Chartered Accountants  
 ICAI Firm Registration No.: 101049W/E300004

  
 Shankar Srinivasan  
 Partner  
 Membership No: 213271



Place: Mumbai  
 Date : April 29, 2017

For and on behalf of the Board of Directors of  
 Matrimony.com Limited

  
 Murugavel Janakiraman  
 Managing Director  
 DIN: 00605009

  
 K Balasubramanian  
 Chief Financial Officer

Place: Mumbai  
 Date : April 29, 2017

  
 Avneet Singh Kochar  
 Director  
 DIN: 02415196

  
 S Vijayanand  
 Company Secretary

## 1. Corporate information

Matrimony.com Limited ("the Company") offers online matchmaking services on internet and mobile platforms. The Company delivers matchmaking services to users in India and the Indian diaspora through websites, mobile sites and mobile apps complemented by a wide on-the-ground network in India. Such services are primarily delivered online through popular domain specific web portals like BharatMatrimony.com, CommunityMatrimony.com, AssistedMatrimony.com and EliteMatrimony.com. Revenue comprises of membership subscription, assisted matrimonial service fees and sales from online advertising packages. The Company has expanded into marriage services such as MatrimonyDirectory.com, a listing website for matrimony-related directory services including listings for wedding related services such as wedding planners, venues, cards and caterers. The Company has also recently introduced MatrimonyPhotography.com to provide wedding photography and videography services.

At the extra-ordinary general meeting of the shareholders held on December 2, 2014, the shareholders approved the conversion of the Company from Private limited Company to a Public limited Company, and approved the change in the name of the Company from Matrimony.com Private Limited to Matrimony.com Limited. The Company has received a certificate of change in name from the Registrar of Companies on January 2, 2015.

## 2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material respects with the accounting principles generally accepted in India, including Accounting Standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies, in all material respects, have been consistently applied by the Company and are consistent with those used in the previous periods.

### 2.1 Summary of significant accounting policies

#### (a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

#### (b) Property, Plant and Equipment

Property, Plant and Equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. The Company identifies and determines cost of asset significant to the total cost of the asset, having useful life that is materially different from that of the remaining life. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

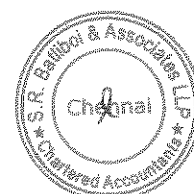
Items of stores and spares that meet the definition of Property, Plant and Equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from derecognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

#### (c) Depreciation on Property, Plant and Equipment

Depreciation on Property, Plant and Equipment is provided using the straight line method based on rates specified in Schedule II of the Companies Act 2013. The estimated useful lives considered for depreciation of Property, Plant and Equipment are as follows:



Particulars	Years
Furniture and fixtures	2-5
Computer and network equipment	4-6
Vehicles	5-8
Office equipment	2-7
Plant & machinery	5

The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

Leasehold improvements are amortised over the primary period of lease or useful life, whichever is lesser. The useful life for leasehold improvements is estimated as 7 years.

#### (d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. All intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Acquired domain names amortized on straight line basis over the period of rights, ranging between 1 to 10 years.

Capitalised 'Portal development' expenses are amortized on straight line basis over the period of 3 years

Computer software are depreciated using the straight-line method over a period based on management's estimate of useful lives of such software (3 to 6 years), or over the license period of the software, whichever is shorter.

The amortisation period and the amortisation method are reviewed at least at each reporting period end. If the expected useful life of the asset is significantly different from previous estimated, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net profit or loss for the period, prior period items and changes in accounting policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

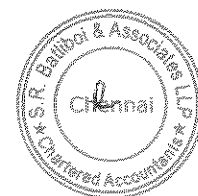
- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

#### (e) Leases

##### Where the company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, 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.



**(f) Borrowing cost**

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(g) Impairment of Property, Plant and Equipment and intangible assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount, as the higher of an asset's or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In assessing value in use, the estimated future cash flows are discounted to their present value at the pre-tax discount rate reflecting current market assessment of time value of money and risks specific to asset. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

**(h) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(i) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

*Income from services*

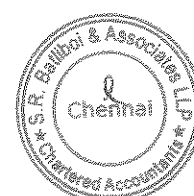
Revenues from subscriptions towards matrimony service contracts are recognized pro-rata over the period of the contract as and when services are rendered. The company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Revenue from franchises services (business license fees) recognised as and when the services are rendered as per the terms of the contract.

Revenue from photography service contracts are recognized on the basis of proportionate completion method where the revenue is recognized proportionately with the degree of completion of services, based on management estimates.

*Interest*

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.



**(j) Foreign currency translation**

*Foreign currency transactions and balances*

**(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 retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured 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 translation/ settlement of foreign currency monetary items are recognized as income or as expenses in the period in which they arise.

**(k) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Retirement benefit in the form of gratuity is a defined benefit scheme. The costs of providing benefit under this plan are determined on the basis of actuarial valuation at each year-end, using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided based on the actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

**(l) Income taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit



available as an asset only to the extent that there is convincing evidence that the Company will pay normal income-tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the "Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961", the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement. The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**(m) Employee stock compensation cost**

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

**(n) Segment reporting**

**Identification of segments**

In accordance with the Accounting Standard - 17- "Segment reporting" notified by Companies (Accounting Standard) Rules, 2014, the Company presented its segmental information adopting business segment as the primary reporting format and geographical segment as the secondary reporting format.

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products or services.

**Inter-segment transfers.**

The Company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

**Allocation of common costs**

Common allocable costs are allocated to each segment on a reasonable basis.

**Unallocated items**

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

**Segment accounting policies**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**(o) 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. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(p) Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.



**(q) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**(r) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**(s) Measurement of EBITDA**

As permitted by Schedule III of Companies Act, 2013 (erstwhile Revised Schedule VI to the Companies Act, 1956), the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs, finance income and tax expense.



*This space is left blank intentionally*



Matrimony.com Limited (CIN: U63690TN2001PLC047432)  
(Formerly known as "Matrimony.com Private Limited")  
Notes to financial statements for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

### 3 Share capital

	As at March 31, 2017	As at March 31, 2016
<b>Authorised shares</b>		
36,000,000 Equity shares of Rs.5/- each (March 31, 2016: 36,000,000 Equity shares of Rs.5/- each)	180.00	180.00
4,200,000 Optionally Convertible Preference Shares (OCPS) / Compulsorily Convertible Preference Shares (CCPS) of Rs.5/- each (March 31, 2016: 4,200,000 Optionally Convertible Preference Shares (OCPS) / Compulsorily Convertible Preference Shares (CCPS) of Rs.5/- each)	21.00	21.00
<b>Issued, subscribed and fully paid-up shares</b>		
21,241,591 Equity shares of Rs.5/- each (March 31, 2016: 14,778,256 Equity shares of Rs.5/- each)	106.21	73.89
Nil (March 31, 2016: 1,932,300 CCPS of Rs.5/- each) (Series - A)	-	9.67
Nil (March 31, 2016: 1,420,552 CCPS of Rs.5/- each) (Series - B)	-	7.10
Nil (March 31, 2016: 254,872 CCPS of Rs.5/- each) (Series - C)	-	1.27
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>106.21</b>	<b>91.93</b>

Note: During the previous year, in Extraordinary General Meeting held on August 05, 2015, the Shareholders approved the consolidation of shares as follows - every 5 (Five) existing equity shares of nominal face value of Rs. 3/- (Rupee Three Only) each fully paid up into 3 (Three) equity shares of nominal face value of Rs. 5/- (Rupees Five Only) each fully paid-up and every 5 (Five) existing preference shares of nominal face value of Rs. 3/- (Rupee Three Only) each fully paid up into 3 (Three) preference shares of nominal face value of Rs. 5/- (Rupees Five Only) each fully paid-up.

#### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

##### Equity shares

	March 31, 2017		March 31, 2016	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	14,778,256	73.89	24,630,426	73.89
Issued during the year - ESOP (refer note 33)	77,663	0.39	-	-
Issued during the year - Conversion of preference shares in to equity Shares (CCPS-Series A)	3,420,171	17.10	-	-
Issued during the year - Conversion of preference shares in to equity shares (CCPS-Series B)	2,514,377	12.57	-	-
Issued during the year - conversion of preference Shares in to equity shares (CCPS-Series C)	451,124	2.26	-	-
Impact of consolidation of shares	-	-	(9,852,170)	-
Outstanding at the end of the year	<b>21,241,591</b>	<b>106.21</b>	<b>14,778,256</b>	<b>73.89</b>

##### CCPS (Series A)

	March 31, 2017		March 31, 2016	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	1,932,300	9.67	3,220,500	9.67
Conversion into equity shares	1,932,300	9.67	-	-
Impact of consolidation of shares	-	-	(1,288,200)	-
Outstanding at the end of the year	<b>-</b>	<b>-</b>	<b>1,932,300</b>	<b>9.67</b>

The number of equity shares issued on conversion of the CCPS were adjusted for the impact of the bonus and accordingly, an amount of Rs.7.43 million was adjusted to securities premium against the additional 1,487,871 equity shares issued against such CCPS.



3 Share capital (continued)

CCPS (Series B)

	March 31, 2017		March 31, 2016	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	1,420,552	7.10	2,367,586	7.10
Conversion into equity shares	1,420,552	7.10	-	-
Impact of consolidation of shares	-	-	(947,034)	-
Outstanding at the end of the year	-	-	1,420,552	7.10

The number of equity shares issued on conversion of the CCPS were adjusted for the impact of the bonus and accordingly, an amount of Rs.5.47 million was adjusted to securities premium against the additional 1,093,825 equity shares issued against such CCPS.

CCPS (Series C)

	March 31, 2017		March 31, 2016	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	254,872	1.27	424,788	1.27
Conversion into equity shares	254,872	1.27	-	-
Impact of consolidation of shares	-	-	(169,916)	-
Outstanding at the end of the year	-	-	254,872	1.27

The number of equity shares issued on conversion of the CCPS were adjusted for the impact of the bonus and accordingly, an amount of Rs.0.99 million was adjusted to securities premium against the additional 196,252 equity shares issued against such CCPS.

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 5/- per share. Each holder of equity shares is entitled to one vote per share. All these shares have the same rights and preference with respect to payment of dividend, repayment of capital and voting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Terms of conversion of CCPS

The preference shares will be converted into equal number of equity shares, subject to anti-dilution rights under clause 5.5 of the Shareholder's agreement, after the end of twenty years from the date of issue or before Initial Public Offer of the Company in India, and the option rests with the holder. In the event of liquidation of the Company before conversion of CCPS, the holders of CCPS will have priority over equity shares in the repayment of capital. These preference shares have been fully converted on August 10, 2016 and there are no outstanding Compulsorily Convertible Preference Shares post conversion.

Consequent to the grant of bonus shares to equity share holders during the year ended March 31, 2015, the conversion ratio for such CCPS has been revised in accordance with the terms of the underlying agreements to stand at 1.77 resultant equity shares for every preference share held in the Company.

(d) Details of shareholders holding more than 5% shares in the Company

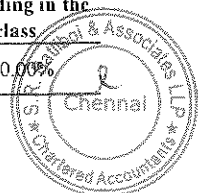
Equity shares of Rs.5/- each fully paid

Name of shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Murugavel Janakiraman*	11,813,213	55.61%	11,768,137	79.63%
CMDB II	5,049,622	23.77%	431,504	2.92%
Mayfield XII, Mauritius	2,534,248	11.93%	766,694	5.19%
Bessemer India Capital Holdings II Ltd	1,461,006	6.88%	1,461,006	9.89%

\*Consequent to the consolidation of shares mentioned above, 12 equity shares representing fractions of less than one equity share of Rs. 5/- each have been transferred to Mr. Murugavel Janakiraman, Promoter and Managing Director, who will act as a trustee for and on behalf of such equity shareholders holding fractional shares.

CCPS (Series A) of Rs.5/- each fully paid

Name of shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class
CMDB II	-	-	1,932,300	100.00%



3 Share capital (continued)

CCPS (Series B) of Rs.5/- each fully paid

Name of shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Mayfield XII, Mauritius	-	-	871,182	61.33%
CMDB II	-	-	549,370	38.67%

CCPS (Series C) of Rs.3/- each fully paid

Name of shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Mayfield XII, Mauritius	-	-	127,436	50.00%
CMDB II	-	-	127,436	50.00%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest except where specified, the above shareholding represents both legal and beneficial ownerships of shares.

- (e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	As at March 31				
	2016	2015	2014	2013	2012
Equity shares allotted as fully paid bonus shares by capitalization of securities premium. (Equity shares of Re 1/- each) (refer note (i))	-	-	-	-	58.62
Subsequently consolidated into equity shares of Rs. 3/- each (refer note (ii))	-	-	-	-	19.54
Equity shares allotted as fully paid bonus shares by capitalization of securities premium. (Equity shares of Rs 3/- each) (refer note (iii))	-	10.65	-	-	-
Subsequently consolidated into equity shares of Rs. 5/- each (refer note above)	-	6.39	-	-	-

(i) On January 07, 2012, the Company issued bonus shares to the existing share holders, in the ratio of 77:1. The Securities premium account was utilised to the extent of Rs 58.62 million for the issue of said bonus shares.

(ii) On January 23, 2012, the Authorised Equity Share Capital of the Company amounting to Rs 141.00 million was consolidated into 40 million equity shares of Rs. 3/- (Rupees Three Only) each and 7 million preference shares of Rs 3/- each

(iii) On December 31, 2014, the Company issued bonus shares to the existing share holders, in the ratio of 18:100. The Securities premium account was utilised to the extent of Rs 7.47 million for the issue of said bonus shares. On January 27, 2015, the Company issued bonus shares to the existing share holders, in the ratio of 1:2. The Securities premium account was utilised to the extent of Rs 24.48 million for the issue of said bonus shares.

(iv) On August 10, 2016, the Company converted 6,385,672 compulsorily convertible preference shares into equity shares in the ratio of 1:1.77 and securities premium was utilised to the extent of Rs. 13.89 million for the conversion.

(f) Shares reserved for issue under options

(i) For details of shares reserved for issue under the employee stock option plan of the company, please refer note 33.

(ii) For details of shares reserved for issue on conversion of CCPS / OCPs, please refer note 3(c) regarding terms of conversion/ redemption of preference shares.

(g) During the year ended March 31, 2017, the Company has not issued shares for consideration other than cash.

(h) On August 10, 2016, in the Annual General Meeting held, the Shareholders have approved the allotment of equity shares pursuant to conversion of 2,609,106 & 998,618 Compulsorily Convertible Preference Shares of Rs. 5/- each held by CMDB II & Mayfield XII, Mauritius respectively. The conversion ratio approved by the Shareholders is 1.77:1. Accordingly, 4,618,118 & 1,767,554 new equity shares of Rs. 5/- each have been issued and allotted to CMDB II & Mayfield XII, Mauritius respectively as fully paid up. There are no outstanding Compulsorily Convertible Preference Shares post conversion.



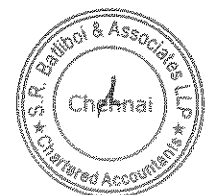
Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as "Matrimony.com Private Limited")  
Notes to financial statements for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016
<b>4 Reserves and surplus</b>		
<b>Securities premium account</b>		
Balance as per the last financial statements	21.51	21.51
Add: additions on ESOP exercised	7.61	-
Less: utilised for bonus shares issued on conversion of preference shares (Refer note below*)	(13.89)	-
<b>Closing balance</b>	<b>15.23</b>	<b>21.51</b>
<b>Deficit in the statement of profit and loss</b>		
Balance as per last financial statements	(358.57)	(127.54)
Profit / (Loss) for the year	225.31	(231.03)
<b>Net deficit in the statement of profit and loss</b>	<b>(133.26)</b>	<b>(358.57)</b>
<b>Total reserves and surplus</b>	<b>(118.03)</b>	<b>(337.06)</b>
* On August 10, 2016, the Company converted 6,385,672 compulsorily convertible preference shares into equity shares in the ratio of 1:1.77 and securities premium was utilised to the extent of Rs. 13.89 million for the conversion.		
<b>5 Long-term borrowings</b>		
Vehicle loan (secured)	-	1.56
<b>Total long-term borrowings</b>	<b>-</b>	<b>1.56</b>
The loan is secured by hypothecation of vehicle and is repayable in 36 equated monthly installments starting from September 5, 2014 with an interest of 10.01% p.a.		
<b>6 Other long-term liabilities</b>		
Deferred revenue	2.39	10.74
Security deposits (refer note below)	-	0.00
<b>Total other long-term liabilities</b>	<b>2.39</b>	<b>10.74</b>
Note: The amount of security deposits as at March 31, 2016 is Rs. 1,545/-		
<b>7 Provisions</b>		
<b>7.1 Long-term</b>		
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 31)	19.51	16.18
<b>Total long-term provisions</b>	<b>19.51</b>	<b>16.18</b>
<b>7.2 Short-term</b>		
<b>Provision for employee benefits</b>		
- Provision for gratuity (refer note 31)	19.21	14.62
- Provision for leave benefits	19.55	19.92
<b>Other provisions</b>		
Provision for litigations (refer note below)	19.38	17.62
<b>Total short term provisions</b>	<b>58.14</b>	<b>52.16</b>
<b>Total Provisions</b>	<b>77.65</b>	<b>68.34</b>



Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as "Matrimony.com Private Limited")  
Notes to financial statements for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016
<b>Provision for litigations:</b>		
The movement of provision for litigation during the period is given below:		
Opening balance	17.62	17.62
Additions	1.76	-
Utilisation / payment	-	-
Closing balance	<u>19.38</u>	<u>17.62</u>
(a) Service tax: The Company has made provision of Rs.1.33 million for certain disputed liabilities relating to service tax.		
(b) EPF: During the year ended March 31 2015, the company received a demand order from Regional Commissioner of Provident Fund, on account of non- inclusion of various allowances for the calculation of PF contribution for the period April 2012 to May 2014. The company has obtained a stay order from the Honourable High Court of Madras. The Company has also appealed against the order with PF Appellate Tribunal. Since various high courts have rendered different judgments which are in conflict to each other and the matter is now pending with the Honourable Supreme Court, as a matter of prudence the Company has provided for the demand of Rs. 16.29 million and other related liabilities of Rs 1.76 million.		
<b>8 Short-term borrowings</b>		
Bank overdraft (secured)*	443.76	481.93
<b>Total short-term borrowings</b>	<u>443.76</u>	<u>481.93</u>
* As of March 31, 2017, the Overdraft facility is maintained with HDFC Bank which carries an interest rate of 9.00 % p.a and is repayable on demand. The said facility is secured by hypothecation of all current assets of the Company as a primary security. In addition to it, as a collateral security, fixed deposits of Rs. 500 million along with the applicable accrued interest on the said fixed deposits have been lien marked in favour of the Bank along with the personal guarantee of the promoter and managing director of the Company.		
<b>9 Trade payables and other current liabilities</b>		
<b>9.1 Trade payables (refer note 26 for details of dues to micro and small enterprises)</b>		
Trade payables	119.94	245.38
Dues to employes	40.70	43.32
Dues to related parties (refer note 32)	-	9.54
	<u>160.64</u>	<u>298.24</u>
<b>9.2 Other current liabilities</b>		
Deferred revenue	504.30	479.22
Current maturities of long term debts (refer note 5)	1.56	3.49
Advances from customers	8.17	11.07
Withholding and other taxes payable	18.92	26.78
Payables to related parties (refer note 32)	-	24.83
Payables for capital purchases	13.91	50.38
	<u>546.86</u>	<u>595.77</u>
<b>Total trade payables and other current liabilities</b>	<u>707.50</u>	<u>894.01</u>



Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
 (Formerly known as " Matrimony.com Private Limited")  
 Notes to financial statements for the year ended March 31, 2017  
 (All amounts are in INR million, unless otherwise stated)

10 Property, Plant and Equipment and intangible assets

Particulars	Property, Plant and Equipment										Intangible assets			
	Computers and Network Equipment	Office equipment	Furniture and fixtures	Leasehold improvements	Plant & Machinery	Vehicles	Total	Web domain	Portal development	Software	Total			
Cost as at April 1, 2015	193.51	51.51	30.41	65.16	5.33	12.20	338.12	39.34	7.61	90.11	137.06			
Additions	82.80	9.41	2.68	4.69	7.35	-	106.93	0.52	1.74	39.37	41.63			
Disposals	(3.07)	(2.18)	(3.67)	(9.45)	-	-	(18.37)	-	-	-	-			
As at March 31, 2016	273.24	58.74	29.42	60.40	12.68	12.20	446.68	39.86	9.35	129.48	178.69			
Additions	47.03	6.72	1.17	4.06	0.09	-	59.07	-	-	5.71	5.71			
Disposals	(21.41)	(4.22)	(3.75)	(8.78)	-	-	(38.16)	-	-	-	-			
As at March 31, 2017	298.86	61.24	26.84	55.68	12.77	12.20	467.59	39.86	9.35	135.19	184.40			
Depreciation/Ameritisation as at April 1, 2015	103.49	27.07	21.31	43.44	0.55	0.74	196.60	20.05	7.10	35.46	62.61			
Charge for the year	42.53	10.07	4.34	12.08	2.43	1.53	72.98	3.30	0.49	20.36	24.15			
Disposals	(2.99)	(1.37)	(3.10)	(6.86)	-	-	(14.32)	-	-	-	-			
As at March 31, 2016	143.03	35.77	22.55	48.66	2.98	2.27	255.26	23.35	7.59	55.82	86.76			
Charge for the year	44.64	10.29	2.96	8.58	2.50	1.53	70.50	3.29	0.58	29.08	32.95			
Disposals	(20.85)	(3.55)	(3.53)	(7.69)	-	-	(35.72)	-	-	-	-			
As at March 31, 2017	166.82	42.41	21.98	49.55	5.48	3.80	290.04	26.64	8.17	84.90	119.71			
Net Block														
As at March 31, 2016	130.21	22.97	6.87	11.74	9.70	9.93	191.42	16.51	1.76	73.66	91.93			
As at March 31, 2017	132.04	18.83	4.86	6.13	7.29	8.40	177.55	13.22	1.18	50.29	64.69			



Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as "Matrimony.com Private Limited")  
Notes to financial statements for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

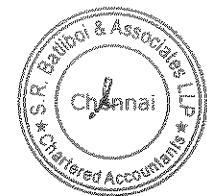
	As at March 31, 2017	As at March 31, 2016
<b>11 Non-current investments</b>		
Trade Investments (valued at cost unless stated otherwise)		
<u>Investment in subsidiaries - Unquoted equity instruments</u>		
Community Matrimony Private Limited - 99,999 (March 31, 2016 - 99,999) equity shares of Re. 1 each fully paid up	0.10	0.10
Sys India Private Limited - 99,900 (March 31, 2016 - 99,900) equity shares of Re. 1 each fully paid up	0.10	0.10
Consim Info USA Inc., USA - 1,000 (March 31, 2016 - 1,000) equity shares of USD 1 each fully paid up	0.05	0.05
Matchify Services Private Ltd (formerly known as Matchify.in Private Ltd) - 4,124,500 (March 31, 2016 - 3,844,500) equity shares of Rs. 10 each fully paid up (At cost less provision for other than temporary diminution Rs. 41.25 million (March 31, 2016: 38.45 million))	-	-
Tambulya Online Marketplace Private Ltd - 3,050,000 (March 31, 2016 - 2,800,000) equity shares of Rs. 10 each fully paid up (At cost less provision for other than temporary diminution Rs. 30.50 million (March 31, 2016: 28.00 million))	-	-
<b>Total Investments</b>	<b>0.25</b>	<b>0.25</b>
Aggregate amount of unquoted investments (net of provision)	0.25	0.25
Aggregate provision for diminution in value of investments	71.75	66.45
*As at March 31, 2016, management had decided to phase out the operations of its subsidiaries M/s Tambulya Online Marketplace Private Limited and M/s Matchify Services Private Limited to curtail the losses incurred by these businesses in the future. This decision was approved by the Company's board of directors in their meeting dated July 21, 2016. In view of the above, the Company had provided for the diminution in value of such investments of Rs. 66.45 million as on March 31, 2016 and 71.75 million as on March 31, 2017. Further, management had decided to discontinue the operations of another subsidiary Company M/s Community Matrimony Private Limited and the same was approved by the board of directors in the above mentioned meeting.		
<b>12 Loans and advances (Unsecured, considered good unless stated otherwise)</b>		
<b>12.1 Long-term loans and advances</b>		
Security deposits		
Considered good	99.50	54.23
	99.50	54.23
Less: Provision for doubtful deposits	-	-
	99.50	54.23
Advance income-tax (net of provision for taxation)	34.94	30.87
MAT Credit Entitlement	15.00	-
Capital advances	11.66	1.62
Prepaid expenses	3.08	0.37
Balances with statutory / Government authorities	7.35	7.35
<b>Total long-term loans and advances</b>	<b>171.53</b>	<b>94.44</b>



Matrimony.com Limited (CIN: U63090TN2061PLC047432)  
(Formerly known as "Matrimony.com Private Limited")  
Notes to financial statements for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016
<b>12.2 Short-term loans and advances</b>		
Security deposits		
Considered good	11.88	68.46
Considered doubtful	1.80	1.80
	13.68	70.26
Less: Provision for doubtful deposits	1.80	1.80
	11.88	68.46
Loans and advances to related parties (refer note 32)	6.40	5.89
Prepaid expenses	11.57	9.81
Loans to employees		
Considered good	2.79	3.37
Considered doubtful	0.34	-
	3.13	3.37
Less: Provision for doubtful advance	0.34	-
	2.79	3.37
Balances with statutory / Government authorities	1.62	11.06
Advances for supply and services	9.98	12.47
<b>Total short-term loans and advances</b>	<b>44.24</b>	<b>111.06</b>
<b>Total loans and advances</b>	<b>215.77</b>	<b>205.50</b>
<b>13 Current investments</b>		
<b>Trade Investments (valued at cost unless stated otherwise)</b>		
<u>Investment in subsidiaries - Unquoted equity instruments</u>		
Bharat Matrimony LLC., Dubai	-	0.20
- Nil (March 31, 2016 - 147) equity shares of AED 1,000 each fully paid up*	-	0.20
	-	0.20
<b>Aggregate book value of unquoted current investments</b>	<b>-</b>	<b>0.20</b>

\*On September 8, 2015, the shareholders of BharatMatrimony LLC, Dubai in their Extraordinary General Meeting decided to dissolve and liquidate BharatMatrimony LLC, Dubai. Accordingly the trade licence cancellation with Government of Dubai has been applied and the same has been obtained on April 25, 2016. Also refer note 24 (ii).





Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as " Matrimony.com Private Limited")  
Notes to financial statements for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

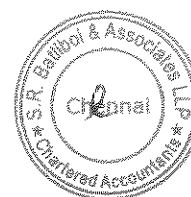
	As at March 31, 2017	As at March 31, 2016
<b>14 Trade receivables and other current assets</b>		
<b>14.1 Trade receivables (unsecured)</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered doubtful	7.60	1.24
	7.60	1.24
Less: Provision for doubtful debts	7.60	1.24
	-	-
Other receivables		
- considered good		
from related parties (refer note 32)	80.39	44.39
from others	15.61	13.67
- Considered doubtful		
from others	0.60	5.73
	96.60	63.79
Less: Provision for doubtful debts	0.60	5.73
	96.00	58.06
<b>Total current trade receivable</b>	<b>96.00</b>	<b>58.06</b>
<b>14.2 Other current assets (Unsecured, considered good unless stated otherwise)</b>		
Interest accrued on fixed deposits	24.44	19.16
Other receivable from related parties (refer note 32)	3.41	3.64
Share issue expenses*	87.29	103.57
<b>Total other current assets</b>	<b>115.14</b>	<b>126.37</b>
*The Company had filed Draft Red Herring Prospectus (DRHP) on August 18, 2015. The Board at its meeting held on November 30, 2016 decided to defer the launch of IPO due to market conditions. Subsequently the Board in its meeting on April 21, 2017 has decided to proceed with the IPO activity and file the DRHP during first quarter of 2017-18. Consequent to the decision, the IPO related expenses incurred in the earlier period were reviewed. A sum of Rs. 46.07 million is not eligible to be appropriated against securities premium account as prescribed under section 52 of the Companies Act 2013, and has been expensed as exceptional item. The issue expenses on the consummation of the IPO will be shared between the Company and the selling share holders on a pro-rata basis in proportion of the equity shares issued and allotted by the Company by way of fresh issue and the equity shares sold by the selling share holders in the offer for sale.		
<b>15 Cash and bank balances</b>		
Balances with banks on current accounts	20.32	11.09
Deposits with original maturity of less than three months*	240.00	161.00
Cheques on hand	4.48	4.22
Cash on hand	4.00	5.64
	<b>268.80</b>	<b>181.95</b>
<b>Other bank balances</b>		
- Deposits with original maturity for more than 12 months*	0.07	0.08
- Deposits with original maturity of more than 3 months but less than 12 months *	281.21	355.69
	<b>281.28</b>	<b>355.77</b>
<b>Total cash and bank balances</b>	<b>550.08</b>	<b>537.72</b>

\*These bank balances are held as security against short-term borrowings.



Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as " Matrimony.com Private Limited")  
Notes to financial statements for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>16 Revenue from operations</b>		
Income from services	2,910.84	2,852.92
Business License Fee (refer note 38)	143.32	41.00
Less : Service tax	(379.49)	(364.35)
	<b>2,674.67</b>	<b>2,529.57</b>
Income from services comprise of		
Match making services	2,554.77	2,424.50
Marriage services	119.90	105.07
	<b>2,674.67</b>	<b>2,529.57</b>
<b>17 Other income</b>		
Liabilities no longer required written back	-	0.73
Seat sharing revenue (refer note 32)	0.24	4.85
Agency commission income (refer note 32)	1.71	1.98
Miscellaneous income	0.21	0.13
	<b>2.16</b>	<b>7.69</b>
<b>18 Employee benefits expense</b>		
Salaries, wages and bonus	1,040.74	1,097.00
Contribution to provident and other fund	72.12	74.68
Gratuity expense (refer note 31)	11.92	9.37
Staff welfare expenses	30.37	31.09
Recruitment and training	7.49	11.42
	<b>1,162.64</b>	<b>1,223.56</b>
<b>19 Advertisement and business promotion expenses</b>		
Advertisement	473.28	480.22
Business promotion expenses	45.27	32.13
	<b>518.55</b>	<b>512.35</b>



Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as "Matrimony.com Private Limited")  
Notes to financial statements for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>20 Other expenses</b>		
Web hosting charges	65.34	109.84
Electricity	48.16	52.33
Rent and amenities	174.16	180.68
Rates and taxes	3.66	3.14
Insurance	7.94	7.55
Repairs and maintenance - others	54.45	52.09
Travelling and conveyance	32.44	40.29
Communication costs	83.46	78.99
Printing and stationery	2.52	3.39
Legal and professional fees #	40.29	37.53
Directors' sitting fees	3.00	4.40
Exchange differences (net)	7.48	11.15
Provision for doubtful debts and advances	5.29	6.17
Litigation expense (refer note 7.2)	1.76	-
Loss on sale/ write off of Property, Plant and Equipment (net)	1.51	3.58
Collection charges	48.69	46.88
Outsourced photography service charges	33.64	32.83
Miscellaneous expenses	4.50	4.07
	<b>618.29</b>	<b>674.91</b>
<b># Payment to auditor (Included under legal and professional fees)</b>		
As auditor:		
Audit fee	2.10	2.50
Limited review	-	0.30
Tax audit fee	0.10	0.10
Others	5.20	4.55
	<b>7.40</b>	<b>7.45</b>
Less: grouped under "share issue expenses" (refer note 14.2)	(5.20)	(4.25)
	<b>2.20</b>	<b>3.20</b>
<b>21 Depreciation and amortisation expense</b>		
Depreciation of tangible assets	70.50	72.98
Amortisation of intangible assets	32.95	24.15
	<b>103.45</b>	<b>97.13</b>



Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as " Matrimony.com Private Limited")  
Notes to financial statements for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>22 Finance costs</b>		
Interest	43.59	28.38
Bank charges	0.56	1.14
	<b>44.15</b>	<b>29.52</b>
<b>23 Finance income</b>		
Interest income from:		
- Bank deposits	(37.56)	(41.93)
- Guarantee Fee (refer note 32)	(1.69)	(0.08)
- Inter company advances and others	(0.18)	(0.31)
	<b>(39.43)</b>	<b>(42.32)</b>
<b>24 Exceptional items</b>		
Provision for diminution in the value of Investments (refer note (i))	5.30	66.45
Profit from liquidation of subsidiary (refer note (ii))	(7.50)	-
Legal costs incurred on litigation (refer note (iii))	-	206.69
IPO related expenses charged off (refer note (iv))	46.07	-
	<b>43.87</b>	<b>273.14</b>

**Note:**

i) As at March 31, 2016, management had taken a decision to phase out the operations of its subsidiaries M/s Tambulya Online Marketplace Private Limited and M/s Matchify Services Private Limited to curtail the losses incurred by these businesses in the future. This decision was approved by the Company's board of directors in their meeting dated July 21, 2016. In view of the above, the Company has provided for the diminution in value of such investments. Additional loss of Rs. 5.30 million provided during the year ended March 31, 2017 has been disclosed as exceptional item as the transaction not expected to recur frequently.

ii) Profit from liquidation of BharatMatrimony LLC, Dubai has been disclosed as exceptional item as the amount is significant and non-recurring in nature.

iii) Legal costs incurred on litigation represents cost towards defending the Company, Promoter and Certain shareholders in a case pending with Superior Court of New Jersey. In view of the amount involved being significant in the previous period, the same has been disclosed as exceptional item in the financial statements. For more details refer note 37(B)(ii).

iv) The Company filed Draft Red Herring Prospectus (DRHP) on August 18, 2015. The Board at its meeting held on November 30, 2016 decided to defer the launch of IPO due to market conditions. Subsequently the Board in its meeting on April 21, 2017 has decided to proceed with the IPO activity and file the DRHP during first quarter of 2017-18. Consequent to the decision, the IPO related expenses incurred in the earlier period were reviewed. A sum of Rs. 46.07 million is not eligible to be appropriated against securities premium account as prescribed under section 52 of the Companies Act 2013, and has been expensed as exceptional item. The issue expenses on the consummation of the IPO will be shared between the Company and the selling share holders on a pro-rata basis in proportion of the equity shares issued and allotted by the Company by way of fresh issue and the equity shares sold by the selling share holders in the offer for sale.



25 Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Net profit / (loss) from total operations for the period for calculation of basic and diluted EPS	225.31	(231.03)
Weighted average number of equity shares in calculating basic EPS	18,932,157	14,778,256
Effect of dilutive equity shares on account of:		
- OCPS / CCPS	2,291,844	6,385,673
- ESOP	237,514	261,662
Weighted average number of equity shares in calculating diluted EPS *	21,461,515	21,425,591
<b>Basic earnings / (loss) per share (Rs.)</b>		
Computed on the basis of total profit / (loss) for the year	11.90	(15.63)
<b>Diluted earnings / (loss) per share (Rs.)</b>		
Computed on the basis of total profit / (loss) for the year*	10.50	(15.63)
Par value per share (Rs.)	5	5

\*As potential equity shares are anti dilutive in nature for the year ended March 31, 2016, the same have been ignored in computing diluted earnings per share.

26 Details of dues to micro and small enterprises as defined under the Micro, Small & Medium Enterprises Development Act, 2006

The information regarding micro or small enterprise has been determined on the basis of information available with the management and there are no dues to Micro and Small Enterprises as on March 31, 2017.

27 Lease commitments

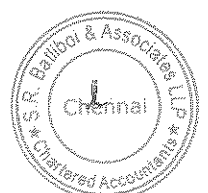
Operating leases:

Office premises (including retail outlets premises) are obtained under non-cancellable operating lease. The lease rentals incurred during the year have been charged as expenses in the statement of profit and loss, the details for the same given below. The lease terms varies between 10 months to 5 years. The future lease rental payables are as follows:

Particulars	As at March 31, 2017	As at March 31, 2016
Within one year	109.50	112.97
After one year but not more than five years	288.93	176.46
More than five years	67.35	18.21
<b>Total</b>	<b>465.78</b>	<b>307.64</b>
Lease payments recognised in the statement of profit and loss	173.60	179.46

28 Expenditure in foreign currency (accrual basis)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Purchase of web domain	-	0.52
Advertising expenses	7.38	208.33
Web hosting charges	0.79	2.62
Legal Charges	-	15.79
Commission expenses	-	13.23
Other expenses	0.78	0.00
<b>Total</b>	<b>8.95</b>	<b>240.49</b>



Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as " Matrimony.com Private Limited")  
Notes to financial statements for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

29 Earnings in foreign currency (accrual basis)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Income from services	58.28	314.11
Business License fee	137.58	38.92
Guarantee Fee	1.69	0.08
<b>Total</b>	<b>197.55</b>	<b>353.11</b>

30 Unhedged foreign currency exposure

The details of foreign currency balances which are not hedged as at the balance sheet date are as below:

Particulars	Foreign Currency	As at March 31, 2017		As at March 31, 2016	
		Amount in foreign currency	Amount in Indian Rupees	Amount in foreign currency	Amount in Indian Rupees
Trade Receivables	USD	1.24	80.39	0.61	40.45
Trade Payables	USD	0.00	0.21	0.72	47.84
Trade Payables	AED	0.01	0.23	0.42	7.63
Bank Balances*	USD	-	-	0.00	0.00
Investments	AED	-	-	0.15	1.78
Investments*	USD	0.00	0.05	0.00	0.05

\* Rounded off to two decimals



*This space is left blank intentionally*

### 31 Gratuity benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rupees one million. The plan assets are in the form of corporate bond in the Company's name with Reliance Life Insurance Company Limited.

The following tables summarize the components of net benefit expense recognised in the statement of profit and loss and the amounts recognised in the balance sheet for the respective plans.

#### Statement of profit and loss

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Current service cost	4.60	4.23
Interest cost	2.14	1.88
Expected return on plan assets	(0.04)	(0.07)
Net actuarial loss	5.22	3.33
<b>Net employee benefit expense</b>	<b>11.92</b>	<b>9.37</b>

#### Balance sheet

##### Details of provision for gratuity

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Defined benefit obligation	39.11	31.52
Fair value of plan assets	(0.39)	(0.72)
<b>Net liability recognised in the Balance Sheet</b>	<b>38.72</b>	<b>30.80</b>
Experience adjustments on plan liabilities -(loss)	(4.81)	(3.08)
Experience adjustments on plan assets -(loss)*	(0.01)	(0.05)

##### Changes in the present value of the defined benefit obligation are as follows:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening defined benefit obligation	31.52	25.95
Current service cost	4.60	4.23
Interest cost	2.14	1.88
Actuarial losses	5.21	3.28
Benefits paid	(4.36)	(3.82)
<b>Closing defined benefit obligation</b>	<b>39.11</b>	<b>31.52</b>

##### Changes in the fair value of plan assets are as follows:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening fair value of plan assets	0.72	1.02
Expected return on plan assets	0.04	0.07
Contributions	4.00	3.50
Actuarial loss	(0.01)	(0.05)
Benefits paid	(4.36)	(3.82)
<b>Closing fair value of plan assets</b>	<b>0.39</b>	<b>0.72</b>
Actual return on plan assets*	0.03	0.02



31 Gratuity benefit plans (continued)

Actuarial assumptions

Particulars	Year ended	Year ended
	March 31, 2017	March 31, 2016
Discount rate	6.50%	7.80%
Expected return on plan assets	8.00%	8.00%
Salary escalation	8.00%	8.00%
Attrition	60.00%	60.00%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The amount expected to be contributed to the gratuity fund in the financial year following is Rs. 19.21 million and hence classified as short-term provision.

Amounts for the current and previous four years are as follows:

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Defined benefit obligation	39.11	31.52	25.95	20.82	16.48
Fair value of plan assets	(0.39)	(0.72)	(1.02)	(0.42)	(0.24)
<b>Net liability recognised in the Balance Sheet</b>	<b>38.72</b>	<b>30.80</b>	<b>24.93</b>	<b>20.40</b>	<b>16.24</b>
Experience adjustments on plan liabilities-(loss) /gain	(4.81)	(3.08)	(3.07)	(1.75)	1.75
Experience adjustments on plan assets-(loss) /gain*	(0.01)	(0.05)	0.00	(0.01)	0.03

\* Rounded off to two decimals



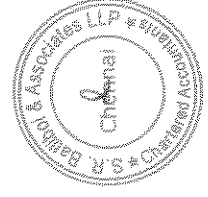


Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
 (Formerly known as " Matrimony.com Private Limited")  
 Notes to financial statements for the year ended March 31, 2017  
 (All amounts are in INR million, unless otherwise stated)

32 Related party disclosures

a. Names of related parties

Relationship	Names of related parties
Subsidiaries	Community Matrimony Private Limited Sys India Private Limited Consim Info USA Inc., USA Bharat Matrimony LLC, Dubai (till April 25, 2016) Matchify Services Private Limited Tambulya Online Marketplace Private Limited
Enterprises owned or significantly influenced by key management personnel or their relatives	India Property Online Private Limited Infonauts Inc., USA
Investor having significant influence	CMDB II Mayfield XII, Mauritius
Key Management Personnel (KMP)	Mr. Murugavel Janakiraman, Managing Director Mr. S Parameshwar, Chief Financial Officer (till August 12, 2016) Mr. K Balasubramanian, Chief Financial Officer (from August 22, 2016) Mr. S Vjayanand , Company Secretary
Relatives of KMP	Mr. Ravi Janakiraman



Matrimony.com Limited (CIN: U63090TN2001PLC047432)

(Formerly known as "Matrimony.com Private Limited")

Notes to financial statements for the year ended March 31, 2017

(All amounts are in INR million, unless otherwise stated)

32 Related party disclosures (continued)

b. Transactions with related parties:

Particulars	Enterprises owned or significantly influenced by KMP / Enterprises in which Directors are interested						Year ended					
	Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel		March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016						
<b>Advertisement</b>												
- Consim Info USA Inc., USA	-	5.25	-	-	-	-	-	-	-	-	-	-
- Bharat Matrimony LLC., Dubai	-	7.98	-	-	-	-	-	-	-	-	-	-
- Sys India Private Limited	1.71	1.64	-	-	-	-	-	-	-	-	-	-
- Community Matrimony Private Limited	0.05	0.41	-	-	-	-	-	-	-	-	-	-
<b>Expenses made by related parties on behalf of company</b>												
- Consim Info USA Inc., USA	30.38	194.11	-	-	-	-	-	-	-	-	-	-
- Bharat Matrimony LLC., Dubai	-	5.46	-	-	-	-	-	-	-	-	-	-
- Sys India Private Limited	36.25	74.89	-	-	-	-	-	-	-	-	-	-
- Community Matrimony Private Limited	-	26.32	-	-	-	-	-	-	-	-	-	-
<b>Profit from liquidation of subsidiary</b>												
- Bharat Matrimony LLC., Dubai	7.50	-	-	-	-	-	-	-	-	-	-	-
<b>Agency commission income</b>												
- Sys India Private Limited	1.68	1.68	-	-	-	-	-	-	-	-	-	-
- Community Matrimony Private Limited	0.03	0.30	-	-	-	-	-	-	-	-	-	-
<b>Seat sharing revenue</b>												
- India Property Online Private Limited	-	-	0.24	-	-	-	-	-	-	-	-	-
<b>Business License Fee</b>												
- Consim Info USA Inc., USA	143.32	41.00	-	-	-	-	-	-	-	-	-	-
<b>Guarantee Fee Income</b>												
- Consim Info USA Inc., USA	1.69	0.08	-	-	-	-	-	-	-	-	-	-

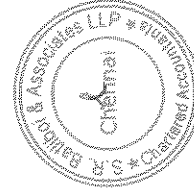


Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
 (Formerly known as " Matrimony.com Private Limited")  
 Notes to financial statements for the year ended March 31, 2017  
 (All amounts are in INR million, unless otherwise stated)

32 Related party disclosures (continued)

Particulars	Subsidiaries		Enterprises owned or significantly influenced by KMP / Enterprises in which Directors are interested				Key Management Personnel		Relatives of Key Management Personnel	
			Year ended							
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
<b>Investment in subsidiary</b>										
- Matchify Services Private Limited	2.80	36.60	-	-	-	-	-	-	-	-
- Tambulya Online Market Place Private Limited	2.50	27.90	-	-	-	-	-	-	-	-
<b>Remuneration to Key Management Personnel &amp; relative of Key Management Personnel*</b>										
- Mr. Murugavel Janakiraman	-	-	-	-	13.94	11.68	-	0.96	-	0.90
- Mr. Ravi. J	-	-	-	-	-	-	-	-	-	-
- Mr. S Parameshwar	-	-	-	-	7.54	8.00	-	-	-	-
- Mr. K Balasubramanian	-	-	-	-	5.26	-	-	-	-	-
- Mr. S Vijayanand	-	-	-	-	1.65	1.42	-	-	-	-

\* The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.



Matrimony.com Limited (CIN: U63090TN2001PLC047432)

(Formerly known as "Matrimony.com Private Limited")

Notes to financial statements for the year ended March 31, 2017

(All amounts are in INR million, unless otherwise stated)

32 Related party disclosures (continued)

c. Balances with related parties:

Particulars	Subsidiaries		Enterprises owned or significantly influenced by KMP / Enterprises in which Directors are interested			Key Management Personnel			Relatives of Key Management Personnel	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
<b>Loans and advances</b>										
- Sys India Private Limited	6.40	5.59	-	-	-	-	-	-	-	-
- Matchify Services Pvt. Ltd	-	0.10	-	-	-	-	-	-	-	-
- Tambu'ya Online Market Place Private Limited	-	0.20	-	-	-	-	-	-	-	-
<b>Trade payables</b>										
- Bharat Matrimony LLC., Dubai	-	7.49	-	-	-	-	-	-	-	-
- Community Matrimony Private Limited	-	2.05	-	-	-	-	-	-	-	-
<b>Other current liabilities</b>										
- Consim Info USA Inc., USA	-	24.83	-	-	-	-	-	-	-	-
<b>Trade receivables</b>										
- Consim Info USA Inc., USA	80.39	44.39	-	-	-	-	-	-	-	-
<b>Other current assets</b>										
- India Property Online Private Limited	-	-	3.43	3.64	-	-	-	-	-	-



### 33 Employee stock option plans

#### Employee Stock Option Scheme

On October 13, 2010, the Board of Directors approved the Employee Stock Option Scheme for providing stock options to its employees ("ESOS 2010"). The said scheme has been subsequently amended and renamed as Employee Stock Option Scheme 2014 ("ESOS 2014" or "Scheme") vide resolution passed in the Board Meeting dated April 7, 2014. The Scheme has also been approved by Extra-Ordinary General Meeting of the members of the Company held on November 19, 2010 and April 11, 2014, noting the approval accorded to the original Scheme and the subsequent amendments respectively. The Scheme is administered by the Nomination and Remuneration Committee of the Board. The details of Scheme are given below:

#### Exercise Period:

As per the Scheme, the options can be exercised within a period of 5 years from the date of vesting.

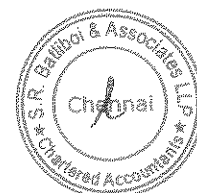
Grant	Date of Grant	Number of options granted*	Vesting period	Manner of vesting
Grant 3, 4, 5 & 6	14-Apr-14	381,772	14-Apr-2014 to 14-Oct-2018	Eligible on a graded manner over four years and six months period with 30% of the grants vesting at the end of 12-30 months from the date of grant. The remaining 30% and 40% of the grants vest at the end of 24-42 months from the date of grant and 36-54 months from the date of grant respectively.
Grant 7 & 8	25-Sep-14	26,531	25-Sept-2014 to 01-Oct-2018	Eligible on a graded manner over four years period with 30% of the grants vesting at the end of 18-24 months from the date of grant. The remaining 30% and 40% of the grants vest at the end of 30-36 months from the date of grant and 42-48 months from the date of grant respectively.
Grant 9	17-Jul-15	80,000	17-Jul-2015 to 01-Oct-2019	Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from October 1, 2015.
Grant 10	9-Feb-16	9,600	09-Feb-16 to 01-Apr-2020	Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from April 1, 2017.
Grant 11	30-Jun-16	2,000	01-Jul-2017 to 01-Jul-2020	Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from July 1, 2017.

\*The number of options granted were subsequently adjusted for bonus issue and consolidation of shares, wherever applicable.

#### Activity in the options outstanding under 'ESOS 2014':

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Outstanding at the beginning of the year	436,284	722,695
Options lapsed during the year	(45,195)	(69,154)
Option granted during the year	2,000	89,600
Consolidation of shares	-	(306,857)
Options exercised during the year	(77,663)	-
Outstanding at the end of the year	315,426	436,284
Exercisable at the end of the year	152,701	104,072

The weighted average share price at the date of exercise of the options was Rs. 103/- (Face value Rs. 5/- per share).



33 Employee stock option plans (continued)

Details of Exercise price and Remaining contractual life of options outstanding:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Exercise price per share (Rs.)*	103.00 to 350.00	103.00 to 350.00
Remaining contractual life of options (in years)	3.04 to 5.25	4.04 to 6.00

\*Adjusted for bonus issues and the consolidation of shares effected till the year ended March 31, 2017.

Fair Value Methodology:

The Company has obtained fair valuation report from an independent valuer and the fair value is calculated using the Black Scholes model.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Exercise price per share (Rs.)	350.00	210.00 to 350.00
Weighted average fair value per share (Rs.)	350.00	210.00 to 350.00
Weighted average fair value of options granted	25.14	28.81 to 94.92
Expected volatility	10%	10% to 35.57%
Life of the options granted (Vesting and Exercise period in years)	3.50 to 6.50 Years	3.60 to 6.71 Years
Average risk free interest rate	7.13% to 7.54%	7.63% to 8.06%
Expected Dividend Yield	0%	0%

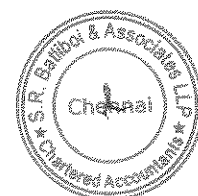
Exercise price per option, weighted average fair value of options granted and weighted average fair value per share disclosed above are adjusted for bonus issues and the consolidation of shares effected till the year ended March 31, 2016.

The Company follows the intrinsic value model for valuation of its options under various plans. Cost to be accounted as per this model is Rs. Nil. In accordance with Para 48 of the Guidance note on accounting for employee share based payments issued by Institute of Chartered Accountants of India, had the compensation cost for employee stock option plans been recognized based on the fair value at the date of grant in accordance with Black-Scholes model, the pro forma amounts of the Company's net profit and earnings per share would have been as follows:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Profit / (Loss) after tax</b>		
- As reported	225.31	(231.03)
- Pro forma	222.76	(243.03)
<b>Earning per share in Rs.</b>		
<b>Basic</b>		
- As reported	11.90	(15.63)
- Pro forma	11.77	(16.45)
<b>Diluted</b>		
- As reported	10.50	(15.63)
- Pro forma	10.38	(16.45)

During the previous year, the Nomination & Remuneration committee has approved the grant of 89,600 stock options to qualifying employees on July 17, 2015 at an exercise price of Rs. 210/- per option. The revised number of options outstanding and the revised exercise price (as adjusted for the effect of consolidation of shares detailed below) is 48,000 and Rs. 350/- per option.

The revised number of options outstanding and the revised exercise price (as adjusted for the effect of consolidation of shares (refer note 3)) as at March 31, 2016 and March 31, 2017 are 436,284 and 315,426 respectively at Rs. 103/- per option.



34 Segment reporting

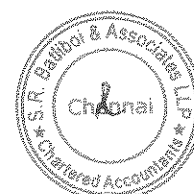
a) Primary Segment Information based on business:

The Company's business segments have been divided into two - Matchmaking services and Marriage services and related sale of products.

Primary segment information (by Business segments):

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>A. Segment Revenue</b>		
External sales		
- Matchmaking services	2,554.77	2,424.50
- Marriage services and related sale of products	119.90	105.07
<b>Total Revenue</b>	<b>2,674.67</b>	<b>2,529.57</b>
<b>Segment Expenses</b>		
Employee benefits expense		
- Matchmaking services	983.94	1,028.21
- Marriage services and related sale of products	127.21	122.94
Advertisement and business promotion expense		
- Matchmaking services	480.73	488.26
- Marriage services and related sale of products	37.82	24.09
Other expenses		
- Matchmaking services	499.41	557.20
- Marriage services and related sale of products	70.24	70.51
Depreciation and amortisation expense		
- Matchmaking services	75.07	74.03
- Marriage services and related sale of products	5.15	4.00
<b>B. Segment Results</b>		
- Matchmaking services	515.62	276.80
- Marriage services and related sale of products	(120.52)	(116.47)
<b>Total</b>	<b>395.10</b>	<b>160.33</b>
Unallocable expenses (net of unallocable revenue)	121.20	131.02
Finance cost	44.15	29.52
Finance income	(39.43)	(42.32)
<b>Profit before exceptional items and tax</b>	<b>269.18</b>	<b>42.11</b>
Exceptional items	43.87	273.14
<b>Profit / (Loss) before tax</b>	<b>225.31</b>	<b>(231.03)</b>
Income taxes	-	-
<b>Profit / (Loss) for the year</b>	<b>225.31</b>	<b>(231.03)</b>

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>C. Segment Assets</b>		
- Matchmaking services	371.41	404.75
- Marriage services and related sale of products	32.28	24.76
Unallocable assets	765.60	750.83
Other assets held for investing activities	0.25	0.25
Income taxes	49.94	30.86
<b>Total Assets</b>	<b>1,219.48</b>	<b>1,211.45</b>
<b>D. Segment Liabilities</b>		
- Matchmaking services	639.02	682.19
- Marriage services and related sale of products	56.03	54.51
- Unallocable	536.25	719.88
<b>Total Liabilities</b>	<b>1,231.30</b>	<b>1,456.58</b>



Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
 (Formerly known as "Matrimony.com Private Limited")  
 Notes to financial statements for the year ended March 31, 2017  
 (All amounts are in INR million, unless otherwise stated)

34 Segment reporting (continued)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>E. Capital Expenditure</b>		
- Matchmaking services	33.29	103.56
- Marriage services and related sale of products	2.70	9.43
- Unallocable	28.79	35.56
<b>Total Capital Expenditure</b>	<b>64.78</b>	<b>148.55</b>
<b>F. Depreciation / Amortisation</b>		
- Matchmaking services	75.07	74.03
- Marriage services and related sale of products	5.15	4.00
- Unallocable	23.23	19.10
<b>Total Depreciation / Amortisation</b>	<b>103.45</b>	<b>97.13</b>
<b>G. Non-cash items other than Depreciation / Amortisation</b>		
- Matchmaking services	5.33	2.86
- Marriage services and related sale of products	4.75	34.12
- Unallocable	(0.95)	37.82
<b>Total Non-cash items other than Depreciation / Amortisation</b>	<b>9.13</b>	<b>74.80</b>

Secondary segment information (by Geographical segments):

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Segment Revenue</b>		
- Within India	2,477.12	2,258.47
- Outside India	197.55	271.10
<b>Capital Expenditure</b>		
- Within India	64.78	148.55
- Outside India	-	-
<b>Segment Assets</b>		
- Within India	323.30	385.12
- Outside India	80.39	44.39

Note:

1) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. Those which are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".





35 Deferred taxes

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Deferred tax liability</b>		
Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	7.67	10.22
<b>Gross deferred tax liability</b>	<b>7.67</b>	<b>10.22</b>
<b>Deferred tax asset</b>		
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	31.79	28.02
Provision for diminution in the value of investments	24.83	23.00
Provision for doubtful debts and advances	2.95	2.41
Provision for deposits	0.62	0.62
Unabsorbed depreciation carried forward	43.59	56.65
Business losses carried forward	21.98	211.49
<b>Gross deferred tax asset</b>	<b>125.76</b>	<b>322.19</b>
Deferred tax asset restricted to	7.67	10.22
<b>Net deferred tax asset / deferred tax liability</b>	<b>-</b>	<b>-</b>

**Note:**

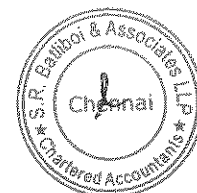
1) The Company received assessment orders from the Assessing Officer of Income tax for various assessment years in relation to the disallowance of reimbursement of webhosting charges and marketing expenses incurred by wholly owned subsidiaries of the Company on Company's behalf aggregating to Rs. 103.30 million, due to non-deduction of withholding taxes on the same. The Company received favourable orders from Income Tax Appellate Tribunal (ITAT) for Assessment year 2008-09 and Assessment year 2009-10, against which Revenue has filed appeals with High Court. In relation to the other assessment years, the matter is pending with CIT (Appeals). Based on the legal advice received from the consultants, the management believes that the ultimate outcome of this proceeding would be favourable.

The Company is contesting the demands in relation to other matters raised by the respective tax authorities aggregating to Rs.0.13 million, and the management, including its tax advisers, believes that its position will likely be upheld in the appellate process and ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

2) In the absence of virtual certainty supported by convincing evidence, deferred tax asset arising on account of the carried forward business losses (including unabsorbed depreciation) and other disallowances has been restricted to the extent of the deferred tax liability

36 International Taxation

The Company has international transactions with related parties. For the year ended March 31, 2016, the Company had obtained the Accountant's Report from a Chartered Accountant as required by the relevant provisions of the Income-tax Act, 1961. The Company has a policy of maintaining documents as prescribed by the Income-tax Act, 1961 to prove that these international transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation for year ended March 31, 2017.



37 Commitments, Claims and Contingent Liabilities

A) Commitments

Capital commitments:

The details of capital commitments as at the balance sheet date are as below:

Particulars	As at March 31, 2017	As at March 31, 2016
Capital commitments (net of advances and deposit)	389.01	8.30

B) Guarantees

Particulars	As at March 31, 2017	As at March 31, 2016
Corporate guarantee – on behalf of Matchify Services Private Limited- (Refer note (i) below)	-	0.25
Corporate guarantee – on behalf of Consim Info USA Inc - Refer note (ii) below	194.43	463.54

Note:

(i) The Company has provided corporate guarantee to Matchify Services Private Limited (a wholly owned subsidiary) in respect of financial obligation up to Rs. 0.25 million.

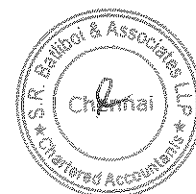
(ii) In a law suit filed in May 2011 in the Superior Court of New Jersey, Mercer County, Law Division, USA by certain plaintiffs, against the Company's US subsidiary Consim Info USA Inc., USA ("Consim US") Infonauts Inc., USA ("Infonauts US") (Promoter owned entity) and subsequently in 2012, Murugavel Janakiraman ("Promoter") and the Company were made co-defendants. The Company along with the other defendants entered into a binding Settlement Agreement ("Agreement") with the plaintiffs on December 30, 2015 to settle the abovementioned litigation. As per the terms of this Agreement, Consim US is to pay the plaintiffs, a sum of eight million dollars (USD 8,000,000) ("Settlement Amount"), in full settlement of the plaintiffs' claims against the defendants. The settlement amount is to be paid in 22 instalments ("Settlement Payment") and is supported by an irrevocable corporate guarantee from the Company. Upon execution of the Agreement, Consim US executed a confession of judgment on December 30, 2015 in favour of the plaintiffs ("Confession of Judgement"). The Confession of Judgement acknowledges a debt owed by Consim US to the plaintiffs corresponding to the Settlement Amount, and may be enforced by the plaintiffs if Consim US does not make any of the Settlement Payments.

If Consim US fails to make any of the remaining Settlement Payment in terms of the Agreement, the US Plaintiffs may invoke the corporate guarantee requiring the Company to make the relevant Settlement Payment within 15 days. If the Settlement Payment is not furnished by the Company within 15 days, (a) the remaining Settlement Amount will be due immediately with interest at the rate of the 8.75% over the Prime Rate (being the rate charged by US banks as reported by the Wall Street Journal's bank survey), on the unpaid amount, and (b) the Plaintiffs will be entitled to file and enforce the Confession of Judgement

The Company obtained the regulatory approval from the Reserve Bank of India for the provision for such corporate guarantee and has executed a Deed of Guarantee with the plaintiff and Consim US, guaranteeing the payment of the Settlement Amount by Consim US. Consim US has commenced the payments under the Settlement Agreement and the first payment of one million dollars (USD\$ 1,000,000) was made on March 28, 2016. After the payment of first instalment of the settlement, the parties filed for and obtained the dismissal of the litigation in New Jersey and in India. The remaining settlement payments are due on the last day of each month commencing after the first Settlement Payment, from April 2016 till December 2017 and are required to be of a minimum of USD\$ 250,000, provided that the total paid in each quarter is at least USD\$ 1,000,000. Consim US had paid the amount due till March 31, 2017.

Since the cause of action of this litigation and settlement lies in the USA, Consim US will take primary responsibility for payment of the Settlement Amounts.

In order to accede to the entry of, and the terms of the Settlement Agreement, the Company along with other defendants entered into an inter-se agreement on December 21, 2015 and subsequently amended on April 29, 2017 ("Inter Se Agreement"). In the Inter Se Agreement, in settlement of any claims that the Company may have against the Promoter in relation to this law suit, the Promoter has agreed to make a voluntary contribution of US\$ 2,000,000 ("Voluntary Contribution") to the Company. The Voluntary Contribution will be made by the Promoter upon the Company calling upon the Promoter to pay the Voluntary Contribution on the expiry of 15 months of the date of allotment of its equity shares pursuant to the Initial public offering ("IPO"), and in the event the IPO does not happen by September 30, 2017, no later than March 31, 2018. The Company has not made such claim / call on the Promoter as at the date of these financial statements.



37 Commitments, Claims and Contingent Liabilities (continued)  
 C) Contingent liabilities

Particulars	As at March 31, 2017	As at March 31, 2016
Additional liability due to Payment of Bonus Act Retrospective Amendment	Refer note (i) below	Refer note (i) below
FEMA non-compliance	Refer note (iii) below	-
Service tax	Refer note (ii) below	Refer note (iii) below

Note:

(i) During the previous year the Company has obtained stay against the retrospective implementation of Payment of Bonus (Amendment) Act, 2015 with the Madras High Court for the year 2014-15, contending that such retrospective application is unconstitutional, ultra-vires and void. The impact of such change for the financial year 2014-15 is Rs.5.50 million. Based on the legal advice, management believes that it has a fair chance of defending its position. Accordingly, no provision has been maintained with respect to the financial year 2014-15. The Company has implemented Payment of Bonus (Amendment) Act, 2015 w.e.f April 1, 2015.

(ii) The Company has certain pending litigations with CESTAT, and on a prudent basis, the Company has provided for the service tax liabilities and interest. Further the Company received a demand order from Commissioner of Service tax for the period 2007-08 to 2009-10 under section 78 of the Finance Act regarding non-payment of service tax on import of certain services made during that period. The Company admitted the liability and made payments along with interest. Based on legal consultation, it believes that no provision is required to be made in the books in respect of the penalty of Rs. 6.91 million demanded by the authorities.

(iii) In earlier years, the Company and its wholly owned overseas subsidiary had made certain remittances aggregating to USD 0.004 million towards equity capital for the incorporation of two entities. The said two companies did not commence commercial operations and one of which was liquidated in 2013. During October 2016, the Company received a communication from the Reserve Bank of India ("RBI") intimating the Company on their contraventions to the provisions of the Foreign Exchange Management Act, 1999 ('FEMA Regulations') in respect of these remittances made in earlier years. The Company has filed applications with RBI for compounding of these offences pursuant to the applicable provisions of FEMA Regulations. Based on the communication received from the RBI on this matter and the nature of these contraventions, management believes that the matter will not have any material impact on the financial statements.

(iv) For Income tax related matters refer note 35.

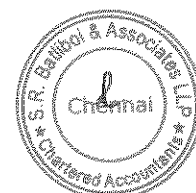
38 Specified Bank Notes (SBNs)

The Company's operations are spread across more than 140 retail outlets across various States in India. Pursuant to notification of the Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016, the Company established internal guidelines with respect to cash transactions during the specified period (November 9, 2016 to December 30, 2016) to ensure compliance with the applicable regulations, including intimating all its outlets not to collect cash in Specified Bank Notes post November 8, 2016. Further, the collections in cash made during this period were substantially lower than that of the same period in the previous year and overall, contribute an insignificant portion of the revenues / collections of the Company.

The Company is in the process of compiling complete information with regard to the denomination-wise data of cash transactions entered into by the Company during the specified period having regard to the wide-spread regional operations as well as the low ticket size of cash transactions at the retail outlets and the volume of the data involved. The below information has been compiled based on the information presently available from the Company's books of accounts and other records (including cash deposit challans to the extent available). The Company has also sought further information from the bankers of the Company which is awaited as of the date of approval of these financial statements.

Particulars	SBNs*	Other denominaion notes	Total
Closing cash in hand as on November 08, 2016	3,640,500	420,980	4,061,480
(+) Permitted receipts	-	39,213,300	39,213,300
(-) Permitted Payments	-	-	-
(-) Amount deposited in Banks	3,640,500	37,131,845	40,772,345
<b>Closing cash in hand as on December 30, 2016</b>	<b>-</b>	<b>2,502,435</b>	<b>2,502,435</b>

\*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.



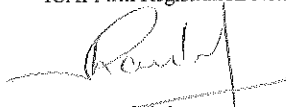
39 Change in the business model

Until December 14, 2015, Consim Info USA Inc, USA ("Consim US") was engaged in the provision of agency services to the Company in relation to the overseas matchmaking business ("NRI Business") of the Company. Consim US was also engaged in providing marketing support and collection of subscription money from customers. However, with effect from December 15, 2015, owing to the change in business strategy, the Company commenced operating under a 'Business license' model instead of the erstwhile 'agency' model. Under the new business model, Consim US shall operate the NRI Business on its own account and receive the subscription money from NRI matchmaking customers. Further Consim US performs significant functions in relation to the NRI Business and bear the consequent risks of its operations. In order to facilitate such change, the Company entered in to a Business Licence Agreement with Consim US for use of the Company's brand, domain names and also avail the database / portal access. In addition to it, the Company has also entered in to Shared Service Arrangement for infrastructure and marketing support.

40 Previous year comparatives

Previous year figures have been reclassified / regrouped wherever necessary to conform to current year's classification.

For S. R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm Registration No.: 101049W/E300004

  
Shankar Srinivasan  
Partner  
Membership No: 213271





Place: Mumbai  
Date : April 29, 2017

For and on behalf of the Board of Directors of  
Matrimony.com Limited

  
Murugavel Janakiraman  
Managing Director  
DIN: 00605009

  
K Balasubramanian  
Chief Financial Officer

Place: Mumbai  
Date : April 29, 2017

  
Avneet Singh Kochar  
Director  
DIN: 02415196  
  
S Vijayanand  
Company Secretary

# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

6th & 7th Floor- "A" Block  
Tidel Park, (Module 601, 701 & 702)  
No. 4, Rajiv Gandhi Salai, Taramani  
Chennai-600 113, India  
Tel : +91 44 6654 8100  
Fax : +91 44 2254 0120

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Matrimony.Com Limited

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Matrimony.Com Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2017, their consolidated profit, and their consolidated cash flows for the year ended on that date.

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

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of accounts required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 consolidated financial position of the Group – Refer Note 33 to the consolidated financial statements;
  - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts.



There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India.

## **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

- iv. The Holding Company and its subsidiaries incorporated in India, have provided requisite disclosures in Note 34 to these consolidated financial statements as to the holding of Specified Bank Notes (SBNs) on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company, except for the segregation between SBNs and other denominations as more fully described in Note 34 to these consolidated financial statements upon which we are unable to comment, we report that the amounts disclosed in the said note are in accordance with the books of account maintained by the Group and produced to us for verification by the Management of the Holding Company.

### **Other Matter**

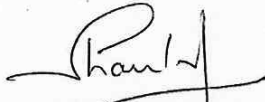
- (a) We did not audit the financial statements and other financial information, in respect of 6 subsidiaries, whose financial statements include total assets of Rs. 61.60 million and net assets of Rs (299.23) million as at March 31, 2017, and total revenues of Rs. 393.51 million and net cash inflows of Rs. 16.07 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



**per Shankar Srinivasan**  
Partner

Membership Number: 213271

Place of Signature: Mumbai

Date: April 29, 2017



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## **ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MATRIMONY.COM LIMITED**

### **Report on the Internal Financial Controls under Clause (l) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of Matrimony.Com Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Matrimony.Com Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 the 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 Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting 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") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.





# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## **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.

## **Inherent 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, the Holding Company and its subsidiary companies which are companies incorporated in India have maintained 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, 2017, based on the internal control over financial reporting criteria established by the Holding 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.

## **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these 4 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies incorporated in India.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



**Prof Shankar Srinivasan**  
Partner

Membership Number: 213271

Place of Signature: Mumbai

Date: April 29, 2017



Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
 (Formerly known as "Matrimony.com Private Limited")  
 Consolidated Balance Sheet as at March 31, 2017  
 (All amounts are in INR million, unless otherwise stated)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	106.21	91.93
Reserves and surplus	4	(417.53)	(852.84)
		<b>(311.32)</b>	<b>(760.91)</b>
Minority interest		-	2.63
<b>Non-current liabilities</b>			
Long-term borrowings	5	-	1.56
Other long-term liabilities	6	2.51	209.47
Long-term provisions	7.1	19.51	16.30
		<b>22.02</b>	<b>227.33</b>
<b>Current liabilities</b>			
Short-term borrowings	8	443.76	481.93
Trade payables	9.1	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		163.66	352.16
Other current liabilities	9.2	817.36	883.05
Short-term provisions	7.2	58.14	52.27
		<b>1,482.92</b>	<b>1,769.41</b>
<b>Total</b>		<b>1,193.62</b>	<b>1,238.46</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Property, Plant and Equipment	10	177.68	192.03
Intangible assets	10	64.68	92.03
Goodwill		-	0.39
Long-term loans and advances	11.1	190.43	111.68
		<b>432.79</b>	<b>396.13</b>
<b>Current assets</b>			
Trade receivables	12.1	21.57	18.96
Cash and bank balances	13	580.13	583.84
Short-term loans and advances	11.2	39.06	109.72
Other current assets	12.2	120.07	129.81
		<b>760.83</b>	<b>842.33</b>
<b>Total</b>		<b>1,193.62</b>	<b>1,238.46</b>

Summary of significant accounting policies 2.1

The explanatory notes forms an integral part of the financial statements.

As per our report of even date


For S. R. BATLIBOI & ASSOCIATES LLP  
 Chartered Accountants  
 ICAI Firm Registration No.: 101049W/E300004


  
 Shankar Srinivasan  
 Partner  
 Membership No: 213271




Place: Mumbai  
 Date : April 29, 2017


For and on behalf of the Board of Directors of  
 Matrimony.com Limited

  
 Murugavel Janakiraman  
 Managing Director  
 DIN: 00605009

  
 K Balasubramanian  
 Chief Financial Officer

Place: Mumbai  
 Date : April 29, 2017

  
 Avneet Singh Kochar  
 Director  
 DIN: 02415196

  
 S Vijayanand  
 Company Secretary

Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as " Matrimony.com Private Limited")  
Consolidated Statement of Profit and Loss for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

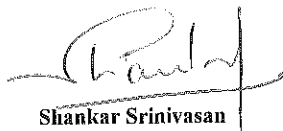
Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
<b>Income</b>			
Revenue from operations (net)	14	2,928.19	2,548.20
Other income	15	1.11	6.09
<b>Total revenue</b>		<b>2,929.30</b>	<b>2,554.29</b>
<b>Expenses</b>			
Employee benefits expense	16	1,165.85	1,252.52
Advertisement and business promotion expenses	17	522.30	538.60
Other expenses	18	649.11	690.86
<b>Total expenses</b>		<b>2,337.26</b>	<b>2,481.98</b>
<b>Earnings before exceptional items, interest, tax, depreciation and amortisation (EBITDA)</b>		<b>592.04</b>	<b>72.31</b>
Depreciation and amortisation expense	19	103.81	97.54
Finance costs	20	44.28	29.86
Finance income	21	(37.74)	(42.24)
<b>Profit / (loss) before exceptional items and tax</b>		<b>481.69</b>	<b>(12.85)</b>
<b>Exceptional items</b>	22	<b>43.72</b>	<b>737.66</b>
<b>Profit / (loss) before tax</b>		<b>437.97</b>	<b>(750.51)</b>
<b>Tax expenses</b>			
Current tax		15.14	0.04
MAT Credit Entitlement		(15.00)	-
Deferred tax		-	-
<b>Total tax expense</b>		<b>0.14</b>	<b>0.04</b>
Minority interest		0.02	0.14
<b>Profit / (Loss) for the year</b>		<b>437.81</b>	<b>(750.69)</b>
<b>Earnings per share (Nominal value of share Rs.5)</b>			
Basic earnings / (loss) per share	23	23.13	(50.80)
Diluted earnings / (loss) per share		20.40	(50.80)

Summary of significant accounting policies 2.1

The explanatory notes forms an integral part of the financial statements.

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm Registration No.: 101049W/E300004

  
Shankar Srinivasan  
Partner

Membership No: 213271



Place: Mumbai  
Date : April 29, 2017

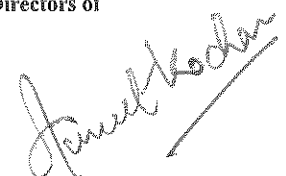
For and on behalf of the Board of Directors of  
Matrimony.com Limited



Murugavel Janakiraman  
Managing Director  
DIN: 00605009

  
K Balasubramanian  
Chief Financial Officer

Place: Mumbai  
Date : April 29, 2017

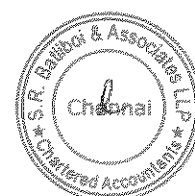


Avneet Singh Kochar  
Director  
DIN: 02415196

  
S Vijayanand  
Company Secretary

Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as "Matrimony.com Private Limited")  
Consolidated Cash Flow Statement for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Cash flows from / (used in) operating activities</b>		
Profit / (loss) before exceptional items and tax	481.69	(12.85)
Adjustment to reconcile profit / (loss) before tax to net cash flows:		
Depreciation and amortisation	103.81	97.54
Loss on sale/ write-off of Property, Plant and Equipment (net)	1.56	3.64
Unrealised forex (gain) / loss	2.64	(1.66)
Provision for litigation (refer note 7.2)	1.76	-
Provision for doubtful debts and advances	5.29	6.24
Liabilities no longer required written back	(0.24)	(0.73)
Interest expense	43.59	28.38
Interest income	(37.74)	(42.24)
<b>Operating profit / (loss) before working capital changes</b>	<b>602.36</b>	<b>78.32</b>
<b>Movement in working capital :</b>		
(Increase) / decrease in trade receivables	(7.89)	(14.99)
(Increase) / decrease in long-term loans and advances	(61.31)	18.68
(Increase) / decrease in short-term loans and advances	70.66	(17.62)
(Increase) / decrease in other current assets	(16.37)	(93.90)
Increase / (decrease) in trade payables	(122.47)	100.45
Increase / (decrease) in long / short term provisions	7.33	6.66
Increase / (decrease) in other current liabilities	49.28	134.54
Increase / (decrease) in other non-current liabilities	(8.30)	(0.56)
<b>Cash generated from operations</b>	<b>513.29</b>	<b>211.60</b>
Income taxes paid (net of refunds)	(17.51)	(6.80)
<b>Net cash generated from operating activities before exceptional items</b>	<b>495.78</b>	<b>204.80</b>
Cash flow used in Exceptional items (refer note 22)	(354.59)	(279.95)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>141.19</b>	<b>(75.15)</b>
<b>Cash flows from / (used in) investing activities</b>		
Purchase of fixed assets including intangible assets, and capital advances	(101.24)	(98.92)
Proceeds from sale of Property, Plant and Equipment	1.10	0.67
Interest received	32.49	41.07
Investment in bank deposits (with maturity more than three months) (net)	74.48	62.74
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>6.83</b>	<b>5.56</b>
<b>Cash flows from / (used in) financing activities</b>		
Proceeds from issue of share capital (including securities premium)	8.00	-
Repayment of long-term borrowings	(3.49)	(3.15)
Proceeds from short-term borrowings (net)	(38.17)	214.65
Interest paid	(43.59)	(28.38)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(77.25)</b>	<b>183.12</b>
<b>Net (decrease) / increase in Cash and Cash Equivalents (A+B+C)</b>	<b>70.77</b>	<b>113.53</b>
Effect of exchange differences on Cash & Cash Equivalents held in foreign currency	-	1.81
Cash and Cash Equivalents at the beginning of the year	228.07	112.73
<b>Cash and Cash Equivalents at the end of the year</b>	<b>298.84</b>	<b>228.07</b>



Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as "Matrimony.com Private Limited")  
Consolidated Cash Flow Statement for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Components of Cash and Cash Equivalents</b>		
Cash on hand	4.00	5.65
Cheques on hand	4.48	4.22
Deposits with original maturity of less than three months	240.00	161.00
Balances with banks on current accounts	50.36	57.20
<b>Total cash and cash equivalents (refer note 13)</b>	<b>298.84</b>	<b>228.07</b>

The explanatory notes forms an integral part of the financial statements.

As per our report of even date

For S. R. BATLIBOJ & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm Registration No.: 101049W/E300004



Shankar Srinivasan  
Partner  
Membership No: 213271



Place: Mumbai  
Date : April 29, 2017

For and on behalf of the Board of Directors of  
Matrimony.com Limited



Murugavel Janakiraman  
Managing Director  
DIN: 00605009



K Balasubramanian  
Chief Financial Officer

Place: Mumbai  
Date : April 29, 2017



Avneet Singh Kochhar  
Director  
DIN: 02415196



S Vijayanand  
Company Secretary

## 1. Corporate information

Matrimony.com Limited ("the Company") offers online matchmaking services on internet and mobile platforms. The Company delivers matchmaking services to users in India and the Indian diaspora through websites, mobile sites and mobile apps complemented by a wide on-the-ground network in India. Such services are primarily delivered online through popular domain specific web portals like BharatMatrimony.com, CommunityMatrimony.com, AssistedMatrimony.com and EliteMatrimony.com. Revenue comprises of membership subscription, assisted matrimonial service fees and sales from online advertising packages. The Company has expanded into marriage services such as MatrimonyDirectory.com, a listing website for matrimony-related directory services including listings for wedding related services such as wedding planners, venues, cards and caterers. The Company has also recently introduced MatrimonyPhotography.com to provide wedding photography and videography services.

At the extra-ordinary general meeting of the shareholders held on December 2, 2014, the shareholders approved the conversion of the Company from Private limited Company to a Public limited Company, and approved the change in the name of the Company from Matrimony.com Private Limited to Matrimony.com Limited. The Company has received a certificate of change in name from the Registrar of Companies on January 2, 2015.

## 2. Basis of preparation

The consolidated financial statements are prepared in accordance with the generally accepted accounting principles in India and as per the requirements of Revised Accounting Standard (AS) 21, 'Consolidated financial statements', notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies, in all material respects, have been consistently applied by the Company and are consistent with those used in the previous periods.

### 2.1 Summary of significant accounting policies

#### (a) Preparation of consolidation

The consolidated financial statements include the financial statements of Matrimony.com Limited and following subsidiaries (hereinafter collectively referred to as the 'Group')

Name of the entity	Country of Incorporation	Percentage holding as at March 31, 2017	Percentage holding as at March 31, 2016
Bharath Matrimony LLC (till April 25, 2016. Also refer note 22(i))	UAE	-	49%
Community Matrimony Private Limited	India	99.99%	99.99%
Sys India Private Limited	India	99.99%	99.99%
Consim Info USA Inc	USA	100%	100%
Consim Direct Holdings Cyprus Limited (till December 29, 2014)	Cyprus	-	100%
Matrimony Gifts Wholesale India Private Limited (till December 29, 2014)	India	-	99.99%
Matchify Services Private Limited (from November 12, 2014 to till date)	India	99.99%	99.99%
TambulyaOnline Marketplace Private Limited (from January 22, 2015 to till date)	India	99.99%	99.99%

- The Consolidated Financial Statements ('CFS') of the Group have been prepared based on a line-by-line consolidation of the balance sheet as at March 31, 2017 and statement of profit and loss and cash flows of the Group for the year ended March 31, 2017.
- The financial statements of the Subsidiaries considered for the purpose of consolidation are drawn for the same reporting period as that of the Company i.e. year ended March 31, 2017.
- The CFS have been prepared using uniform accounting policies, except as stated otherwise, for similar transactions and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- All material inter-company transactions and balances between the entities included in the CFS have been eliminated on consolidation.
- Any excess / shortage of cost to the company of its investment in the subsidiaries over its proportionate share in the equity of such subsidiaries as at the date of the investment are recognized as goodwill / capital reserve in the CFS.



- vi. Minority interests have been excluded. Minority interests represent that part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company.
- vii. The Revenue and expenses of the integral subsidiaries are translated into Indian rupees using monthly average exchange rates. At the end of the period, foreign currency monetary items are reported using the closing rate and non-monetary items are reported using the exchange rate at the date of transaction. Any exchange difference arising on consolidation is recognized in the statement of profit and loss.
- viii. The Revenue and expenses of the non-integral foreign subsidiaries are translated into Indian rupees using monthly average exchange rates. At the end of the year, the assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. The exchange differences arising on translation are accumulated in the foreign currency translation reserve.

**(b) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**(c) Plant, Property and Equipment**

Property, Plant and Equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Items of stores and spares that meet the definition of plant, property and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Gains or losses arising from de-recognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

**(d) Depreciation on Property, Plant and Equipment**

Depreciation on Property, Plant and Equipment is provided using the straight line method based on rates specified in Schedule II of the Companies Act 2013. The estimated useful lives considered for depreciation of Property, Plant and Equipment are as follows:

Category of assets	Years
Furniture and fixtures	2-5
Computer and network equipment	4-6
Vehicles	5-8
Office equipment	2-7
Plant & machinery	5

The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

Leasehold improvements are amortised over the primary period of the lease or or useful life, whichever is lesser. The useful life for leasehold improvements is estimated as 7 years.



**(e) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. All intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Acquired domain names amortized on straight line basis over the period of rights, ranging between 1 to 10 years.

Capitalised 'Portal development' expenses are amortized on straight line basis over the period of 3 years.

Computer software are depreciated using the straight-line method over a period based on management's estimate of useful lives of such software (3 to 6 years), or over the license period of the software, whichever is shorter.

The amortisation period and the amortisation method are reviewed at least at each reporting period end. If the expected useful life of the asset is significantly different from previous estimated, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net profit or loss for the period, prior period items and changes in accounting policies.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

*Research and development costs*

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

**(f) Leases**

*Where the Group is lessee*

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, 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.

**(g) Borrowing costs**

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(h) Impairment of Property, Plant and Equipment and intangible assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount, as the higher of an asset's or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset





does not generate cash inflows that are largely independent of those from other assets or groups of assets. In assessing value in use, the estimated future cash flows are discounted to their present value at the pre-tax discount rate reflecting current market assessment of time value of money and risks specific to asset. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

**(i) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(j) Inventories**

Inventories are valued at the lower of cost and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Cost is determined on the basis of weighted average cost method.

**(k) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

*Income from services*

Revenues from subscriptions towards matrimony service contracts are recognized pro-rata over the period of the contract as and when services are rendered. The Group collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

Revenue from photography service contracts are recognized on the basis of proportionate completion method where the revenue is recognized proportionately with the degree of completion of services, based on management estimates.

*Income from sale of goods*

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

*Interest*

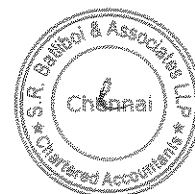
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

**(l) Foreign currency translation**

*Foreign currency transactions and balances*

**(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 retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured 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 translation/ settlement of foreign currency monetary items are recognized as income or as expenses in the period in which they arise.

(iv) Translation of integral foreign operations

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Group itself. The resulting difference on account of translations is recorded in the statement of profit and loss.

(v) Translation of Non - integral foreign operations

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

(m) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Retirement benefit in the form of gratuity is a defined benefit scheme. The costs of providing benefit under this plan are determined on the basis of actuarial valuation at each year-end, using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided based on the actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

(n) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will



be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income-tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognises MAT credit as an asset in accordance with the "Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961", the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement. The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**(o) Employee stock compensation cost**

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

**(p) Segment reporting**

**Identification of segments**

In accordance with the Accounting Standard - 17- "Segment reporting" notified by Companies (Accounting Standard) Rules, 2014, the Group presented its segmental information adopting business segment as the primary reporting format and geographical segment as the secondary reporting format.

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products or services.

**Inter-segment transfers.**

The Company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

**Allocation of common costs**

Common allocable costs are allocated to each segment on a reasonable basis.

**Unallocated items**

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

**Segment accounting policies**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**(q) 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. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(r) Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.



**(s) Contingent liabilities**

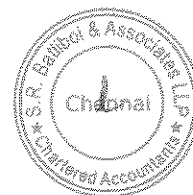
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**(t) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**(u) Measurement of EBITDA**

As permitted by Schedule III of Companies Act, 2013 (erstwhile Revised Schedule VI to the Companies Act, 1956), the Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Group does not include depreciation and amortization expense, finance costs, finance income and tax expense.



*This space is left blank intentionally*

Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as "Matrimony.com Private Limited")  
Notes to consolidated financial statements for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

### 3 Share capital

	As at March 31, 2017	As at March 31, 2016
<b>Authorised shares</b>		
36,000,000 Equity shares of Rs.5/- each (March 31, 2016: 36,000,000 Equity shares of Rs.5/- each)	180.00	180.00
4,200,000 Optionally Convertible Preference Shares (OCPS) / Compulsorily Convertible Preference Shares (CCPS) of Rs.5/- each (March 31, 2016: 4,200,000 Optionally Convertible Preference Shares (OCPS) / Compulsorily Convertible Preference Shares (CCPS) of Rs.5/- each)	21.00	21.00
<b>Issued, subscribed and fully paid-up shares</b>		
21,241,591 Equity shares of Rs.5/- each (March 31, 2016: 14,778,256 Equity shares of Rs.5/- each)	106.21	73.89
Nil (March 31, 2016: 1,932,300 CCPS of Rs.5/- each) (Series - A)	-	9.67
Nil (March 31, 2016: 1,420,552 CCPS of Rs.5/- each) (Series - B)	-	7.10
Nil (March 31, 2016: 254,872 CCPS of Rs.5/- each) (Series - C)	-	1.27
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>106.21</b>	<b>91.93</b>

**Note:** During the previous year, in Extraordinary General Meeting held on August 05, 2015, the Shareholders approved the consolidation of shares as follows - every 5 (Five) existing equity shares of nominal face value of Rs. 3/- (Rupee Three Only) each fully paid up into 3 (Three) equity shares of nominal face value of Rs. 5/- (Rupees Five Only) each fully paid-up and every 5 (Five) existing preference shares of nominal face value of Rs. 3/- (Rupee Three Only) each fully paid up into 3 (Three) preference shares of nominal face value of Rs. 5/- (Rupees Five Only) each fully paid-up.

#### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

##### Equity shares

	March 31, 2017		March 31, 2016	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	14,778,256	73.89	24,630,426	73.89
Issued during the year - ESOP (refer note 29)	77,663	0.39	-	-
Issued during the year - Conversion of preference shares in to equity Shares (CCPS-Series A)	3,420,171	17.10	-	-
Issued during the year - Conversion of preference shares in to equity shares (CCPS-Series B)	2,514,377	12.57	-	-
Issued during the year - conversion of preference Shares in to equity shares (CCPS-Series C)	451,124	2.26	-	-
Impact of consolidation of shares	-	-	(9,852,170)	-
<b>Outstanding at the end of the year</b>	<b>21,241,591</b>	<b>106.21</b>	<b>14,778,256</b>	<b>73.89</b>

##### CCPS (Series A)

	March 31, 2017		March 31, 2016	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	1,932,300	9.67	3,220,500	9.67
Conversion into equity shares (Refer note below)	1,932,300	9.67	-	-
Impact of consolidation of shares	-	-	(1,288,200)	-
<b>Outstanding at the end of the year</b>	<b>-</b>	<b>-</b>	<b>1,932,300</b>	<b>9.67</b>

The number of equity shares issued on conversion of CCPS were adjusted for the impact of the bonus and accordingly, an amount of Rs.7.43 million was adjusted to securities premium against the additional 1,487,871 equity shares issued against such CCPS.



Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
 (Formerly known as " Matrimony.com Private Limited")  
 Notes to consolidated financial statements for the year ended March 31, 2017  
 (All amounts are in INR million, unless otherwise stated)

3 Share capital (continued)

CCPS (Series B)

	March 31, 2017		March 31, 2016	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	1,420,552	7.10	2,367,586	7.10
Conversion into equity shares (Refer note below)	1,420,552	7.10	-	-
Impact of consolidation of shares	-	-	(947,034)	-
Outstanding at the end of the year	-	-	1,420,552	7.10

The number of equity shares issued on conversion of CCPS were adjusted for the impact of the bonus and accordingly, an amount of Rs.5.47 million was adjusted to securities premium against the additional 1,093,825 equity shares issued against such CCPS.

CCPS (Series C)

	March 31, 2017		March 31, 2016	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	254,872	1.27	424,788	1.27
Conversion into equity shares (Refer note below)	254,872	1.27	-	-
Impact of consolidation of shares	-	-	(169,916)	-
Outstanding at the end of the year	-	-	254,872	1.27

The number of equity shares issued on conversion of CCPS were adjusted for the impact of the bonus and accordingly, an amount of Rs.0.99 million was adjusted to securities premium against the additional 196,252 equity shares issued against such CCPS.

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 5/- per share. Each holder of equity shares is entitled to one vote per share. All these shares have the same rights and preference with respect to payment of dividend, repayment of capital and voting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Terms of conversion of CCPS

The preference shares will be converted into equal number of equity shares, subject to anti-dilution rights under clause 5.5 of the Shareholder's agreement, after the end of twenty years from the date of issue or before Initial Public Offer of the Company in India, and the option rests with the holder. In the event of liquidation of the Company before conversion of CCPS, the holders of CCPS will have priority over equity shares in the repayment of capital. These preference shares have been fully converted on August 10, 2016 and there are no outstanding Compulsorily Convertible Preference Shares post conversion.

Consequent to the grant of bonus shares to equity share holders during the year ended March 31, 2015, the conversion ratio for such CCPS has been revised in accordance with the terms of the underlying agreements to stand at 1.77 resultant equity shares for every preference share held in the Company.

(d) Details of shareholders holding more than 5% shares in the Company

Equity shares of Rs.5/- each fully paid

Name of shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Murugavel Janakiraman*	11,813,213	55.61%	11,768,137	79.63%
CMDB II	5,049,622	23.77%	431,504	2.92%
Mayfield XII, Mauritius	2,534,248	11.93%	766,694	5.19%
Bessemer India Capital Holdings II Ltd	1,461,006	6.88%	1,461,006	9.89%

\*Consequent to the consolidation of shares in financial year 2015-16, 12 equity shares representing fractions of less than one equity share of Rs. 5/- each have been transferred to Mr. Murugavel Janakiraman, Promoter and Managing Director, who will act as a trustee for and on behalf of such equity shareholders holding fractional shares.



3 Share capital (continued)

CCPS (Series A) of Rs.5/- each fully paid

Name of shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class
CMDB II	-	-	1,932,300	100.00%

CCPS (Series B) of Rs.5/- each fully paid

Name of shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Mayfield XII, Mauritius	-	-	871,182	61.33%
CMDB II	-	-	549,370	38.67%

CCPS (Series C) of Rs.5/- each fully paid

Name of shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Mayfield XII, Mauritius	-	-	127,436	50.00%
CMDB II	-	-	127,436	50.00%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest except where specified, the above shareholding represents both legal and beneficial ownerships of shares.

(e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

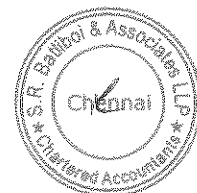
	As at March 31,				
	2016	2015	2014	2013	2012
Equity shares allotted as fully paid bonus shares by capitalization of securities premium. (Equity shares of Re 1/- each) (refer note (i))	-	-	-	-	58.62
Subsequently consolidated into equity shares of Rs. 3/- each (refer note (ii))	-	-	-	-	19.54
Equity shares allotted as fully paid bonus shares by capitalization of securities premium. (Equity shares of Rs 3/- each) (refer note (iii))	-	10.65	-	-	-
Subsequently consolidated into equity shares of Rs. 5/- each (refer note above)	-	6.39	-	-	-

(i) On January 07, 2012, the Company issued bonus shares to the existing share holders, in the ratio of 77:1. The Securities premium account was utilised to the extent of Rs 58.62 million for the issue of said bonus shares.

(ii) On January 23, 2012, the Authorised Equity Share Capital of the Company amounting to Rs. 141.00 million was consolidated into 40 million equity shares of Rs. 3/- (Rupees Three Only) each and 7 million preference shares of Rs 3/- each.

(iii) On December 31, 2014, the Company issued bonus shares to the existing share holders, in the ratio of 18:100. The Securities premium account was utilised to the extent of Rs 7.47 million for the issue of said bonus shares. On January 27, 2015, the Company issued bonus shares to the existing share holders, in the ratio of 1:2. The Securities premium account was utilised to the extent of Rs 24.48 million for the issue of said bonus shares.

(iv) On August 10, 2016, the Company converted 6,385,672 CCPS into equity shares in the ratio of 1:1.77 and securities premium was utilised to the extent of Rs. 13.89 million for the conversion.



Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as "Matrimony.com Private Limited")  
Notes to consolidated financial statements for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

(f) **Shares reserved for issue under options**

For details of shares reserved for issue under the employee stock option plan of the company, please refer note 29.

(g) During the year ended March 31, 2017, the Company has not issued shares for consideration other than cash.

(h) On August 10, 2016, in the Annual General Meeting held, Equity shares has been allotted pursuant to conversion of 26,09,106 & 998,618 Compulsorily Convertible Preference Shares of Rs. 5/- each held by CMDB II & Mayfield XII, Mauritius respectively. The conversion ratio approved by the Shareholders is 1.77:1. Accordingly, 4,618,118 & 1,767,554 new equity shares of Rs. 5/- each have been issued and allotted to CMDB II & Mayfield XII, Mauritius respectively as fully paid up. There are no outstanding Compulsorily Convertible Preference Shares post such conversion.



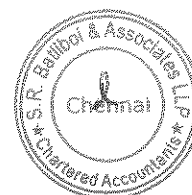
*This space has been intentionally left blank*



Matrimony.com Limited (CTN: U63090TN2001PLC047432)  
(Formerly known as "Matrimony.com Private Limited")  
Notes to consolidated financial statements for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016
<b>4 Reserves and surplus</b>		
<b>Securities premium account</b>		
Balance as per the last financial statements	21.51	21.51
Add: additions on ESOP exercised	7.61	-
Less: utilised for bonus shares issued on conversion of preference shares (Refer note below*)	(13.89)	-
<b>Closing balance</b>	<b>15.23</b>	<b>21.51</b>
<b>Deficit in the statement of profit and loss</b>		
Balance as per last financial statements	(873.43)	(122.74)
Profit / (Loss) for the year	437.81	(750.69)
<b>Net deficit in the statement of profit and loss</b>	<b>(435.62)</b>	<b>(873.43)</b>
<b>Foreign currency translation reserve (refer note 34)</b>		
Balance as per last financial statements	(0.92)	-
Additions during the year	3.78	(0.92)
<b>Closing balance</b>	<b>2.86</b>	<b>(0.92)</b>
<b>Total reserves and surplus</b>	<b>(417.53)</b>	<b>(852.84)</b>
* On August 10, 2016, the Company converted 6,385,672 CCPS into equity shares in the ratio of 1:1.77 and securities premium was utilised to the extent of Rs. 13.89 million for the conversion.		
<b>5 Long-term borrowings</b>		
Vehicle loan (secured)	-	1.56
<b>Total long-term borrowings</b>	<b>-</b>	<b>1.56</b>
<b>6 Other long-term liabilities</b>		
Deferred revenue	2.51	10.81
Security deposits (refer note below)	-	0.00
Settlement payables (refer note 22(iii))	-	198.66
<b>Total other long-term liabilities</b>	<b>2.51</b>	<b>209.47</b>

Note: The amount of security deposits as at March 31, 2016 is Rs. 1,545/-



Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as "Matrimony.com Private Limited")  
Notes to consolidated financial statements for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

	As at March 31, 2017	As at March 31, 2016
<b>7 Provisions</b>		
<b>7.1 Long-term</b>		
Provision for employee benefits		
Provision for gratuity (refer note 27)	19.51	16.30
<b>Total long-term provisions</b>	<b>19.51</b>	<b>16.30</b>
<b>7.2 Short-term</b>		
Provision for employee benefits		
- Provision for gratuity (refer note 27)	19.21	14.63
- Provision for leave benefits	19.55	20.02
<b>Other provisions</b>		
Provision for litigations (refer note below)	19.38	17.62
<b>Total short term provisions</b>	<b>58.14</b>	<b>52.27</b>
<b>Total Provisions</b>	<b>77.65</b>	<b>68.57</b>

**Provision for litigations:**

The movement of provision for litigation during the period is given below:

Opening balance	17.62	17.62
Additions	1.76	-
Utilisation / payment	-	-
Closing balance	<b>19.38</b>	<b>17.62</b>

(a) Service tax: The Company has made provision of Rs.1.33 million for certain disputed liabilities relating to service tax.

(b) EPF: The company received a demand order dated March 17, 2015 from Regional Commissioner of Provident Fund, on account of non-inclusion of various allowances for the calculation of PF contribution for the period April 2012 to May 2014. The company has obtained a stay order from the Honourable High Court of Madras. The Company has also appealed against the order with PF Appellate Tribunal. Since various high courts have rendered different judgments which are in conflict to each other and the matter is now pending with the Honourable Supreme Court, as a matter of prudence the Company has provided for the demand of Rs. 16.29 million and other related liabilities of Rs 1.76 million.

**8 Short-term borrowings**

Bank overdraft (secured)*	443.76	481.93
<b>Total short-term borrowings</b>	<b>443.76</b>	<b>481.93</b>

\*As of March 31, 2017, the Overdraft facility is maintained with HDFC Bank which carries an interest rate of 9.00 % p.a and is repayable on demand. The said facility is secured by hypothecation of all current assets of the Company as a primary security. In addition to it, as a collateral security, fixed deposits of Rs. 500 million along with the applicable accrued interest on the said fixed deposits have been lien marked in favour of the Bank along with the personal guarantee of the promoter and managing director of the Company.

**9 Trade payables and other current liabilities**

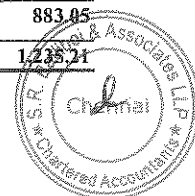
**9.1 Trade payables (refer note 24 for details of dues to micro and small enterprises)**

Trade payables	122.96	308.64
Dues to employees	40.70	43.52
	<b>163.66</b>	<b>352.16</b>

**9.2 Other current liabilities**

Deferred revenue	579.67	526.27
Current maturities of long term debts (refer note 5)	1.56	3.49
Advances from customers	8.88	11.26
Withholding and other taxes payable	18.91	26.77
Payables for capital purchases	13.91	50.38
Settlement payables (refer note 22(iii))	194.43	264.88
	<b>817.36</b>	<b>883.05</b>

<b>Total trade payables and other current liabilities</b>	<b>981.02</b>	<b>1,235.21</b>
-----------------------------------------------------------	---------------	-----------------



Matrimony.com Limited (CIN: U63090TN2001PLC047432)

(Formerly known as "Matrimony.com Private Limited")

Notes to consolidated financial statements for the year ended March 31, 2017

(All amounts are in INR million, unless otherwise stated)

10 Property, Plant and Equipment and intangible assets

Particulars	Property, Plant and Equipment							Intangible assets			
	Computers and Network Equipment	Office equipment	Furniture and fixtures	Leasehold improvements	Plant & Machinery	Vehicles	Total	Web domain	Portal development	Software	Total
Cost as at April 1, 2015	194.25	52.11	30.92	65.15	5.33	12.19	359.95	39.35	7.61	90.11	137.07
Additions	83.08	9.49	2.68	4.69	7.35	-	107.29	0.52	1.74	39.51	41.77
Translation differences	0.18	0.08	0.12	-	-	-	0.38	-	-	-	-
Disposals	(3.36)	(2.56)	(3.89)	(9.45)	-	-	(19.26)	-	-	-	-
As at March 31, 2016	274.15	59.12	29.83	60.39	12.68	12.19	448.36	39.87	9.35	129.62	178.84
Additions	47.03	6.72	1.17	4.06	0.09	-	59.07	-	-	5.71	5.71
Translation differences	(0.01)	(0.01)	(0.01)	-	-	-	(0.03)	-	-	-	-
Disposals	(21.48)	(4.36)	(3.75)	(8.78)	-	-	(38.37)	-	-	(0.15)	(0.15)
As at March 31, 2017	299.69	61.47	27.24	55.67	12.77	12.19	469.03	39.87	9.35	135.18	184.40
Depreciation/Amortisation as at April 1, 2015	103.98	27.35	21.63	43.44	0.55	0.72	197.67	20.04	7.11	35.47	62.62
Charge for the year	42.71	10.17	4.43	12.08	2.43	1.53	73.35	3.30	0.49	20.40	24.19
Translation differences	0.14	0.05	0.08	-	-	-	0.27	-	-	-	-
Disposals	(3.18)	(1.61)	(3.31)	(6.86)	-	-	(14.96)	-	-	-	-
As at March 31, 2016	143.65	35.96	22.83	48.66	2.98	2.25	256.33	23.34	7.60	55.87	86.81
Charge for the year	44.77	10.38	3.06	8.58	2.50	1.53	70.82	3.29	0.58	29.13	33.00
Translation differences	(0.02)	(0.01)	(0.01)	-	-	-	(0.04)	-	-	-	-
Disposals	(20.87)	(3.69)	(3.52)	(7.68)	-	-	(35.76)	-	-	(0.09)	(0.09)
As at March 31, 2017	167.53	42.64	22.36	49.56	5.48	3.78	291.35	26.63	8.18	84.91	119.72
Net Block											
As at March 31, 2016	130.50	23.16	7.00	11.73	9.70	9.94	192.03	16.53	1.75	73.75	92.03
As at March 31, 2017	132.16	18.83	4.88	6.11	7.29	8.41	177.68	13.24	1.17	50.27	64.68



Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as "Matrimony.com Private Limited")  
Notes to consolidated financial statements for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

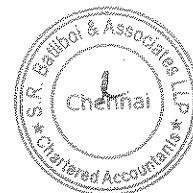
	As at March 31, 2017	As at March 31, 2016
<b>11 Loans and advances (Unsecured, considered good unless stated otherwise)</b>		
<b>11.1 Long-term loans and advances</b>		
Security deposits		
Considered good	114.71	66.18
	114.71	66.18
Less: Provision for doubtful deposits	-	-
	114.71	66.18
Advance income-tax (net of provision for taxation)	38.63	36.16
MAT Credit Entitlement	15.00	-
Capital advances	11.66	1.62
Prepaid expenses	3.08	0.37
Balances with statutory / Government authorities	7.35	7.35
<b>Total long-term loans and advances</b>	<b>190.43</b>	<b>111.68</b>
<b>11.2 Short-term loans and advances</b>		
Security deposits		
Considered good	11.87	68.46
Considered doubtful	1.80	1.80
	13.67	70.26
Less: Provision for doubtful deposits	1.80	1.80
	11.87	68.46
Prepaid expenses	12.43	9.90
Loans to employees		
Considered good	2.78	3.37
Considered doubtful	0.34	-
	3.12	3.37
Less: Provision for doubtful advance	0.34	-
	2.78	3.37
Balances with statutory/ Government authorities	1.81	12.80
Advances for supply and services	10.17	15.19
<b>Total short-term loans and advances</b>	<b>39.06</b>	<b>109.72</b>
<b>Total loans and advances</b>	<b>229.49</b>	<b>221.40</b>
<b>12 Trade receivables and other assets</b>		
<b>12.1 Trade receivables (unsecured)</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered doubtful	7.60	1.24
	7.60	1.24
Less: Provision for doubtful debts	7.60	1.24
	-	-
Other receivables		
- Considered good	21.57	18.96
- Considered doubtful	0.60	5.73
	22.17	24.69
Less: Provision for doubtful debts	0.60	5.73
	21.57	18.96
<b>Total current trade receivable</b>	<b>21.57</b>	<b>18.96</b>



Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as "Matrimouy.com Private Limited")  
Notes to consolidated financial statements for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

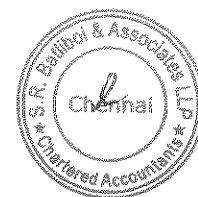
	As at March 31, 2017	As at March 31, 2016
<b>12.2 Other current assets (Unsecured, considered good unless stated otherwise)</b>		
Interest accrued on fixed deposits	24.42	19.17
Other receivable from related parties (refer note 28)	8.36	7.07
Share issue expenses*	87.29	103.57
<b>Total other current assets</b>	<b>120.07</b>	<b>129.81</b>
*The Company had filed Draft Red Herring Prospectus (DRHP) on August 18, 2015. The Board at its meeting held on November 30, 2016 decided to defer the launch of IPO due to market conditions. Subsequently the Board in its meeting on April 21, 2017 has decided to proceed with the IPO activity and file the DRHP during first quarter of 2017-18. Consequent to the decision, the IPO related expenses incurred in the earlier period were reviewed. A sum of Rs. 46.07 million is not eligible to be appropriated against securities premium account as prescribed under section 52 of the Companies Act 2013, and has been expensed as exceptional item. The issue expenses on the consummation of the IPO will be shared between the Company and the selling share holders on a pro-rata basis in proportion of the equity shares issued and allotted by the Company by way of fresh issue and the equity shares sold by the selling share holders in the offer for sale.		
<b>13 Cash and bank balances</b>		
Balances with banks on current accounts	50.36	57.20
Deposits with original maturity of less than three months*	240.00	161.00
Cheques on hand	4.48	4.22
Cash on hand	4.00	5.65
	<b>298.84</b>	<b>228.07</b>
<b>Other bank balances</b>		
- Deposits with original maturity for more than 12 months*	0.08	0.08
- Deposits with original maturity of more than 3 months but less than 12 months *	281.21	355.69
	<b>281.29</b>	<b>355.77</b>
<b>Total cash and bank balances</b>	<b>580.13</b>	<b>583.84</b>

\*These bank balances are held as security against short-term borrowings.



Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as " Matrimony.com Private Limited")  
Notes to consolidated financial statements for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>14 Revenue from operations</b>		
Income from services	3,307.68	2,912.53
Less: Service tax	(379.49)	(364.33)
	<b>2,928.19</b>	<b>2,548.20</b>
Income from services comprise of		
Match making services	2,807.63	2,440.31
Marriage services	120.56	107.89
	<b>2,928.19</b>	<b>2,548.20</b>
<b>15 Other income</b>		
Liabilities no longer required written back	0.24	0.73
Seat sharing revenue (refer note 28)	0.50	5.11
Miscellaneous income	0.37	0.25
	<b>1.11</b>	<b>6.09</b>
<b>16 Employee benefits expense</b>		
Salaries, wages and bonus	1,043.68	1,124.49
Contribution to provident and other fund	72.42	75.55
Gratuity expense (refer note 27)	11.81	9.86
Staff welfare expenses	30.45	31.20
Recruitment and training	7.49	11.42
	<b>1,165.85</b>	<b>1,252.52</b>
<b>17 Advertisement and business promotion expenses</b>		
Advertisement	476.68	504.96
Business promotion expenses	45.62	33.64
	<b>522.30</b>	<b>538.60</b>



Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as " Matrimony.com Private Limited")  
Notes to consolidated financial statements for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
<b>18 Other expenses</b>		
Web hosting charges	71.28	111.92
Electricity	48.16	52.36
Rent and amenities	174.65	181.92
Rates and taxes	4.10	4.20
Insurance	7.98	7.57
Repairs and maintenance - others	54.51	52.16
Travelling and conveyance	32.60	42.27
Communication costs	84.07	81.27
Printing and stationery	2.53	3.49
Legal and professional fees #	44.03	38.80
Directors' sitting fees	3.20	4.40
Realized Gain / Loss on Forex	4.16	9.25
Gain / Loss on Forex on Restate	3.19	1.18
Exchange differences (net)	7.35	10.43
Provision for doubtful debts and advances	5.29	6.24
Loss on sale/ write off of Property, Plant and Equipment (net)	1.56	3.64
PF Litigation expense (refer note 7.2)	1.76	-
Collection charges	67.77	53.15
Outsourced photography service charges	33.64	32.83
Miscellaneous expenses	4.63	4.21
	<b>649.11</b>	<b>690.86</b>
<b># Payment to auditor (Included under legal and professional fees)</b>		
As auditor:		
Audit fee	2.38	2.83
Limited review	-	0.30
Tax audit fee	0.10	0.10
Others	5.20	4.55
	<u>7.68</u>	<u>7.78</u>
Less: grouped under "share issue expenses" (refer note 12.2)	(5.20)	(4.25)
	<b>2.48</b>	<b>3.53</b>
<b>19 Depreciation and amortisation expense</b>		
Depreciation of tangible assets	70.82	73.35
Amortisation of intangible assets	32.99	24.19
	<u>103.81</u>	<u>97.54</u>
<b>20 Finance costs</b>		
Interest	43.59	28.38
Bank charges	0.69	1.48
	<u>44.28</u>	<u>29.86</u>
<b>21 Finance income</b>		
Interest income from:		
- Bank deposits	(37.56)	(41.93)
- Inter company advances and others	(0.18)	(0.31)
	<u>(37.74)</u>	<u>(42.24)</u>



	Year ended March 31, 2017	Year ended March 31, 2016
<b>22 Exceptional items</b>		
Profit on liquidation of subsidiary (refer note (i))	(2.35)	-
Legal costs incurred on litigation (refer note (ii))	-	206.69
Settlement cost (refer note (iii))	-	530.97
IPO related expenses charged off (refer note (iv))	46.07	-
	<b>43.72</b>	<b>737.66</b>

**Note:**

i) On September 8, 2015, the shareholders of BharatMatrimony LLC, Dubai in their Extraordinary General Meeting decided to dissolve and liquidate BharatMatrimony LLC, Dubai. Accordingly the trade license cancellation with Government of Dubai has been applied and the same has been obtained on April 25, 2016. Profit from liquidation has been disclosed as exceptional item as the amount is significant and non-recurring in nature.

ii) Legal costs incurred on litigation represents cost towards defending the Company, Promoter and Certain shareholders in a case pending with Superior Court of New Jersey. In view of the amount involved being significant, the same has been disclosed as exceptional item in the financial statements.

iii) In a law suit filed in May 2011 in the Superior Court of New Jersey, Mercer County, Law Division, USA by certain plaintiffs, against the Company's US subsidiary Consim Info USA Inc., USA, ("Consim US") Infonauts Inc., USA ("Infonauts US") (Promoter owned entity) and subsequently in 2012, Murugavel Janakiraman ("Promoter") and the Company were made co-defendants. The Company along with the other defendants entered into a binding Settlement Agreement ("Agreement") with the plaintiffs on December 30, 2015 to settle the abovementioned litigation. As per the terms of this Agreement, Consim US is to pay the plaintiffs, a sum of eight million dollars (USD\$8,000,000) ("Settlement Amount"), in full settlement of the plaintiffs claims against the defendants. The settlement amount is to be paid in 22 instalments ("Settlement Payment") and is supported by an irrevocable corporate guarantee from the Company. Upon execution of the Agreement, Consim US executed a confession of judgment on December 30, 2015 in favour of the plaintiffs ("Confession of Judgement"). The Confession of Judgement acknowledges a debt owed by Consim US to the plaintiffs corresponding to the Settlement Amount, and may be enforced by the plaintiffs if Consim US does not make any of the Settlement Payments.

If Consim US fails to make any of the remaining Settlement Payment in terms of the Agreement, the US Plaintiffs may invoke the corporate guarantee requiring the Company to make the relevant Settlement Payment within 15 days. If the Settlement Payment is not furnished by the Company within 15 days, (a) the remaining Settlement Amount will be due immediately with interest at the rate of the 8.75% over the Prime Rate (being the rate charged by US banks as reported by the Wall Street Journal's bank survey), on the unpaid amount, and (b) the Plaintiffs will be entitled to file and enforce the Confession of Judgement.

The Company obtained the regulatory approval from the Reserve Bank of India for the provision for such corporate guarantee and has executed a Deed of Guarantee with the plaintiff and Consim US, guaranteeing the payment of the Settlement Amount by Consim US. Consim US has commenced the payments under the Settlement Agreement and the first payment of one million dollars (USD\$ 1,000,000) was made on March 28, 2016. After the payment of first instalment of the settlement, the parties filed for and obtained the dismissal of the litigation in New Jersey and in India. The remaining settlement payments are due on the last day of each month commencing after the first Settlement Payment, from April 2016 till December 2017 and are required to be of a minimum of USD\$ 250,000, provided that the total paid in each quarter is at least USD\$ 1,000,000. Consim US had paid the amount due till March 31, 2017.

Since the cause of action of this litigation and settlement lies in the USA, Consim US will take primary responsibility for payment of the Settlement Amounts. The settlement cost of USD 8 million has been disclosed as an exceptional item, being non-routine and significant and the same is in line with the treatment of other costs incurred in litigation.

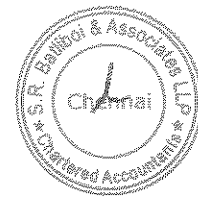
In order to accede to the entry of, and the terms of the Settlement Agreement, the Company along with other defendants entered into an inter-se agreement on December 21, 2015 and subsequently amended on April 29, 2017 ("Inter Se Agreement"). In the Inter Se Agreement, in settlement of any claims that the Company may have against the Promoter in relation to this law suit, the Promoter has agreed to make a voluntary contribution of US\$ 2,000,000 ("Voluntary Contribution") to the Company. The Voluntary Contribution will be made by the Promoter upon the Company calling upon the Promoter to pay the Voluntary Contribution on the expiry of 15 months of the date of allotment of its equity shares pursuant to the Initial public offering ("IPO"), and in the event the IPO does not happen by September 30, 2017, no later than March 31, 2018. The Company has not made such claim / call on the Promoter as at the date of these financial statements.





**Matrimony.com Limited (CIN: U63090TN2001PLC047432)**  
**(Formerly known as " Matrimony.com Private Limited")**  
**Notes to consolidated financial statements for the year ended March 31, 2017**  
*(All amounts are in INR million, unless otherwise stated)*

iv) The Company had filed Draft Red Herring Prospectus (DRHP) on August 18, 2015. The Board at its meeting held on November 30, 2016 decided to defer the launch of IPO due to market conditions. Subsequently the Board in its meeting on April 21, 2017 has decided to proceed with the IPO activity and file the DRHP during first quarter of 2017-18. Consequent to the decision, the IPO related expenses incurred in the earlier period were reviewed. A sum of Rs. 46.07 million is not eligible to be appropriated against securities premium account as prescribed under section 52 of the Companies Act 2013, and has been expensed as exceptional item. The issue expenses on the consummation of the IPO will be shared between the Company and the selling share holders on a pro-rata basis in proportion of the equity shares issued and allotted by the Company by way of fresh issue and the equity shares sold by the selling share holders in the offer for sale.



*This space has been intentionally left blank*

23 Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Net profit / (loss) from total operations for the period for calculation of basic and diluted EPS	437.81	(750.69)
Weighted average number of equity shares in calculating basic EPS	18,932,157	14,778,256
Effect of dilutive equity shares on account of:		
- OCPS / CCPS	2,291,844	6,385,673
- ESOP	237,514	261,662
Weighted average number of equity shares in calculating diluted EPS *	21,461,515	21,425,591
<b>Basic earnings / (loss) per share (Rs.)</b>		
Computed on the basis of total profit / (loss) for the year	23.13	(50.80)
<b>Diluted earnings / (loss) per share (Rs.)</b>		
Computed on the basis of total profit / (loss) for the year*	20.40	(50.80)
Par value per share (Rs.)	5	5

\*As potential equity shares are anti dilutive in nature for the year ended March 31, 2016, the same have been ignored in computing diluted earnings per share.

24 Details of dues to micro and small enterprises as defined under the Micro, Small & Medium Enterprises Development Act, 2006

The information regarding micro or small enterprise has been determined on the basis of information available with the management and there are no dues to Micro and Small Enterprises as on March 31, 2017.

25 Lease commitments

Operating leases:

Office premises (including retail outlets premises) are obtained under non-cancellable operating lease. The lease rentals incurred during the year have been charged as expense in the Statement of profit and loss, the details for the same given below. The lease terms varies between 10 months to 5 years. The future lease rental payables are as follows:

Particulars	As at March 31, 2017	As at March 31, 2016
Within one year	109.50	112.97
After one year but not more than five years	288.93	176.46
More than five years	67.35	18.21
<b>Total</b>	<b>465.78</b>	<b>307.64</b>
Lease payments recognized in the statement of profit and loss	174.09	180.70

26 Unhedged foreign currency exposure

The details of foreign currency balances which are not hedged as at the balance sheet date are as below:

Particulars	Foreign Currency	As at March 31, 2017		Year ended March 31, 2016	
		Amount in foreign currency	Amount in Indian Rupees	Amount in foreign currency	Amount in Indian Rupees
Trade Payables	USD	0.00	0.21	0.41	26.94
Trade Payables	AED	0.01	0.23	0.01	0.14
Bank Balances*	USD	-	-	0.00	0.00

\* Rounded off to two decimals.



27 Gratuity benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rupees one million. The plan assets are in the form of corporate bond in the Company's name with Reliance Life Insurance Company Limited.

The following tables summarize the components of net benefit expense recognised in the statement of profit and loss and the amounts recognised in the balance sheet for the respective plans.

Statement of profit and loss

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Current service cost	4.49	4.72
Interest cost	2.14	1.88
Expected return on plan assets	(0.04)	(0.07)
Net actuarial loss	5.22	3.33
<b>Net employee benefit expense</b>	<b>11.81</b>	<b>9.86</b>

Balance sheet

Details of provision for gratuity

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Defined benefit obligation	39.11	31.65
Fair value of plan assets	(0.39)	(0.72)
<b>Net liability recognised in the Balance Sheet</b>	<b>38.72</b>	<b>30.93</b>
Experience adjustments on plan liabilities-(loss)	(4.81)	(3.08)
Experience adjustments on plan assets-(loss)*	(0.01)	(0.05)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening defined benefit obligation	31.65	28.13
Current service cost	4.49	4.72
Interest cost	2.14	1.88
Actuarial losses	5.21	3.28
Benefits paid	(4.38)	(6.36)
<b>Closing defined benefit obligation</b>	<b>39.11</b>	<b>31.65</b>

Changes in the fair value of plan assets are as follows:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening fair value of plan assets	0.72	1.02
Expected return on plan assets	0.04	0.07
Contributions	4.00	3.50
Actuarial loss*	(0.01)	(0.05)
Benefits paid	(4.36)	(3.82)
<b>Closing fair value of plan assets</b>	<b>0.39</b>	<b>0.72</b>
Actual return on plan assets*	0.03	0.02

\* Rounded off to two decimals



27 Gratuity benefit plans (continued)

Actuarial assumptions

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Discount rate	6.50%	7.80%
Expected return on plan assets	8.00%	8.00%
Salary escalation	8.00%	8.00%
Attrition	60.00%	60.00%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The amount expected to be contributed to the gratuity fund in the financial year following is Rs. 19.21 million and hence classified as short-term provision.

Amounts for the current period and previous four years are as follows:

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Defined benefit obligation	39.11	31.65	28.13	22.61	19.49
Fair value of plan assets	(0.39)	(0.72)	(1.02)	(0.42)	(0.24)
<b>Net liability recognised in the Balance Sheet</b>	<b>38.72</b>	<b>30.93</b>	<b>27.11</b>	<b>22.19</b>	<b>19.25</b>
Experience adjustments on plan liabilities-(loss) /gain	(4.81)	(3.08)	(3.07)	(1.75)	1.75
Experience adjustments on plan assets-(loss) /gain*	(0.01)	(0.05)	0.00	(0.01)	0.03

\* Rounded off to two decimals



Matrimony.com Limited (CIN: U63090TN2001PLC047432)  
(Formerly known as " Matrimony.com Private Limited")  
Notes to consolidated financial statements for the year ended March 31, 2017  
(All amounts are in INR million, unless otherwise stated)

23 Related party disclosures

a. Names of related parties

Relationship	Names of related parties
Enterprises owned or significantly influenced by key management personnel or their relatives	India Property Online Private Limited Infonants Inc, USA
Investor having significant influence	CMDB II Mayfield XII, Mauritius
Key Management Personnel (KMP)	Mr. Munugavel Janakiraman, Managing Director Mr. S Parameshwar, Chief Financial Officer (till August 12, 2016) Mr. K Balasubramanian, Chief Financial Officer (from August 22, 2016) Mr. S Vijayanand, Company Secretary
Relatives of KMP	Mr. Ravi Janakiraman

b. Transactions with related parties:

Particulars	Enterprises owned or significantly influenced by KMP/ Enterprises in which Directors are interested		Key Management Personnel		Relatives of Key Management Personnel		Investor having significant influence	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Seat sharing revenue								
- India Property Online Private Limited	0.50	5.11	-	-	-	-	-	-
Remuneration to Key Management Personnel & relative of Key Management Personnel								
- Mr. Munugavel Janakiraman	-	-	13.94	11.68	-	-	-	-
- Mr. Ravi. J	-	-	-	-	0.96	0.90	-	-
- Mr. S Parameshwar	-	-	7.54	8.00	-	-	-	-
- Mr. K Balasubramanian	-	-	5.26	-	-	-	-	-
- Mr. S Vijayanand	-	-	1.65	1.42	-	-	-	-
Other receivable								
- India Property Online Private Limited	8.36	7.07	-	-	-	-	-	-

\* The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.



29 Employee stock option plans

Employee Stock Option Scheme

On October 13, 2010, the Board of Directors approved the Employee Stock Option Scheme for providing stock options to its employees ("ESOS 2010"). The said scheme has been subsequently amended and renamed as Employee Stock Option Scheme 2014 ("ESOS 2014" or "Scheme") vide resolution passed in the Board Meeting dated April 7, 2014. The Scheme has also been approved by Extra-Ordinary General Meeting of the members of the Company held on November 19, 2010 and April 11, 2014, noting the approval accorded to the original Scheme and the subsequent amendments respectively. The Scheme is administered by the Nomination and Remuneration Committee of the Board. The details of Scheme are given below:

Exercise Period:

As per the Scheme, the options can be exercised with in a period of 5 years from the date of vesting.

Grant	Date of Grant	Number of options granted*	Vesting period	Manner of vesting
Grant 3, 4, 5 & 6	14-Apr-14	381,772	14-Apr-2014 to 14-Oct-2018	Eligible on a graded manner over four years and six months period with 30% of the grants vesting at the end of 12-30 months from the date of grant. The remaining 30% and 40% of the grants vest at the end of 24-42 months from the date of grant and 36-54 months from the date of grant respectively.
Grant 7 & 8	25-Sep-14	26,531	25-Sept-2014 to 01-Oct-2018	Eligible on a graded manner over four years period with 30% of the grants vesting at the end of 18-24 months from the date of grant. The remaining 30% and 40% of the grants vest at the end of 30-36 months from the date of grant and 42-48 months from the date of grant respectively.
Grant 9	17-Jul-15	80,000	17-Jul-2015 to 01-Oct-2019	Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from October 1, 2015.
Grant 10	9-Feb-16	9,600	09-Feb-16 to 01-Apr-2020	Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from April 1, 2017.
Grant 11	30-Jun-16	2,000	30-Jun-2016 to 01-Jul-2020	Eligible on a graded manner over four years period with 25% of the grants vesting at the end of every 12 months starting from July 1, 2017.

\*The number of options granted were subsequently adjusted for bonus and consolidation of shares, wherever applicable.

Activity in the options outstanding under 'ESOS 2014':

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Outstanding at the beginning of the year	436,284	722,695
Options lapsed during the year	(45,195)	(69,154)
Option granted during the year	2,000	89,600
Consolidation of shares	-	(306,857)
Options exercised during the year	(77,663)	-
Outstanding at the end of the year	315,426	436,284
Exercisable at the end of the year	147,384	104,072

The weighted average share price at the date of exercise of the options was Rs. 103/- (Face value Rs. 5/- per share).



29 Employee stock option plans (continued)

Details of Exercise price and Remaining contractual life of options outstanding:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Exercise price per share (Rs.)*	103.00 to 350.00	103.00 to 350.00
Remaining contractual life of options (in years)	3.04 to 5.25	4.04 to 6.00

\*Adjusted for bonus issues and the consolidation of shares effected till the year ended March 31, 2017.

Fair Value Methodology:

The Company has obtained fair valuation report from an independent valuer and the fair value is calculated using the Black Scholes model.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Exercise price per share (Rs.)	350.00	210.00 to 350.00
Weighted average fair value per share (Rs.)	350.00	210.00 to 350.00
Weighted average fair value of options granted	25.14	28.81 to 94.92
Expected volatility	10%	10% to 35.57%
Life of the options granted (Vesting and Exercise period in years)	3.50 to 6.50 Years	3.60 to 6.71 Years
Average risk free interest rate	7.13% to 7.54%	7.63% to 8.06%
Expected Dividend Yield	0%	0%

Exercise price per option, weighted average fair value of options granted and weighted average fair value per share disclosed above are adjusted for bonus issues and the consolidation of shares effected till the year ended March 31, 2016.

The Company follows the intrinsic value model for valuation of its options under various plans. Cost to be accounted as per this model is Rs. Nil. In accordance with Para 48 of the Guidance note on accounting for employee share based payments issued by Institute of Chartered Accountants of India, had the compensation cost for employee stock option plans been recognized based on the fair value at the date of grant in accordance with Black-Scholes model, the pro forma amounts of the Company's net profit and earnings per share would have been as follows:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Profit / (Loss) after tax</b>		
- As reported	437.81	(750.69)
- Pro forma	435.26	(762.69)
<b>Earning per share in Rs.</b>		
<b>Basic</b>		
- As reported	23.13	(50.80)
- Pro forma	22.99	(51.61)
<b>Diluted</b>		
- As reported	20.40	(50.80)
- Pro forma	20.28	(51.61)

During the previous year, the Nomination & Remuneration committee has approved the grant of 89,600 stock options to qualifying employees on July 17, 2015 at an exercise price of Rs. 210/- per option. The revised number of options outstanding and the revised exercise price (as adjusted for the effect of consolidation of shares detailed below) is 48,000 and Rs. 350/- per option.

The revised number of options outstanding and the revised exercise price (as adjusted for the effect of consolidation of shares (refer note 3)) as at March 31, 2016 and March 31, 2017 are 436,284 and 315,426 respectively at Rs. 103/- per option.



30 Segment reporting

a) Primary Segment Information based on business:

The Company's business segments have been divided into three - Matchmaking services, Marriage services and related sale of products and Others.

Primary segment information (by Business segments):

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>A. Segment Revenue</b>		
- Matchmaking services	2,807.63	2,440.31
- Marriage services and related sale of products	120.56	107.89
- Others	-	-
<b>Total Revenue</b>	<b>2,928.19</b>	<b>2,548.20</b>
<b>Segment Expenses</b>		
<b>Employee benefits expense</b>		
- Matchmaking services	983.93	1,039.54
- Marriage services and related sale of products	128.43	138.84
- Others	0.11	1.72
<b>Advertisement and business promotion expense</b>		
- Matchmaking services	481.24	470.83
- Marriage services and related sale of products	39.39	33.55
- Others	1.67	34.22
<b>Other expenses</b>		
- Matchmaking services	528.57	570.37
- Marriage services and related sale of products	72.53	72.63
- Others	0.18	0.66
<b>Depreciation and amortisation expense</b>		
- Matchmaking services	75.34	74.34
- Marriage services and related sale of products	5.15	4.01
- Others	0.09	0.09
<b>B. Segment Results</b>		
- Matchmaking services	738.55	285.23
- Marriage services and related sale of products	(124.95)	(141.14)
- Others	(2.06)	(36.70)
<b>Total</b>	<b>611.54</b>	<b>107.39</b>
Unallocable expenses (net of unallocable revenue)	123.31	132.61
Finance cost	44.28	29.86
Finance income	(37.74)	(42.24)
<b>Profit before exceptional items, tax and minority interest</b>	<b>481.69</b>	<b>(12.85)</b>
Exceptional items	43.72	737.66
<b>Profit / (Loss) before tax and minority interest</b>	<b>437.97</b>	<b>(750.51)</b>
Income taxes	0.14	0.04
<b>Profit / (Loss) after tax before minority interest</b>	<b>437.83</b>	<b>(750.55)</b>
Minority interest	0.02	0.14
<b>Profit / (Loss) for the year</b>	<b>437.81</b>	<b>(750.69)</b>

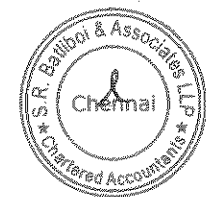




30 Segment reporting (continued)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>C. Segment Assets</b>		
- Matchmaking services	335.11	416.88
- Marriage services and related sale of products	33.14	30.16
- Others	0.63	4.61
Unallocable assets	774.80	750.65
Income taxes	49.94	36.16
<b>Total Assets</b>	<b>1,193.62</b>	<b>1,238.46</b>
<b>D. Segment Liabilities</b>		
- Matchmaking services	891.22	1,214.95
- Marriage services and related sale of products	56.04	57.22
- Others	0.01	4.70
- Unallocable	557.67	719.87
<b>Total Liabilities</b>	<b>1,504.94</b>	<b>1,996.74</b>

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>E. Capital Expenditure</b>		
- Matchmaking services	33.29	104.01
- Marriage services and related sale of products	2.70	9.48
- Others	-	-
- Unallocable	28.79	35.57
<b>Total Capital Expenditure</b>	<b>64.78</b>	<b>149.06</b>
<b>F. Depreciation / Amortisation</b>		
- Matchmaking services	75.25	74.34
- Marriage services and related sale of products	5.15	4.01
- Others	0.09	0.09
- Unallocable	23.32	19.10
<b>Total Depreciation / Amortisation</b>	<b>103.81</b>	<b>97.54</b>
<b>G. Non-cash items other than Depreciation / Amortisation</b>		
- Matchmaking services	4.95	3.78
- Marriage services and related sale of products	4.81	6.12
- Others	-	-
- Unallocable	(0.95)	(2.41)
<b>Total Non-cash items other than Depreciation / Amortisation</b>	<b>8.81</b>	<b>7.49</b>



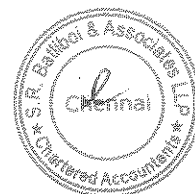
30 Segment reporting (continued)

Secondary segment information (by Geographical segments):

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Segment Revenue</b>		
- Within India	2,484.67	2,222.34
- Outside India	443.52	325.86
<b>Capital Expenditure</b>		
- Within India	64.78	148.99
- Outside India	-	0.07
<b>Segment Assets</b>		
- Within India	319.15	387.31
- Outside India	49.73	64.34

Note:

- 1) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. Those which are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- 2) The business which were not reportable segments, have been grouped under the "Others" segment. This comprises of business of operating online job portal and providing Matchmaking services through mobile application.



### 31 Deferred taxes

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Deferred tax liability</b>		
Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	7.67	10.25
<b>Gross deferred tax liability</b>	<b>7.67</b>	<b>10.25</b>
<b>Deferred tax asset</b>		
Impact of expenditure charged to the statement of profit and loss but allowed for tax purposes on payment basis	31.79	28.10
Provision for diminution in the value of investments	24.83	23.00
Provision for doubtful debts and advances	2.95	2.41
Provision for deposits	0.62	0.62
Unabsorbed depreciation carried forward	43.59	56.70
Business losses carried forward	21.98	233.47
<b>Gross deferred tax asset</b>	<b>125.76</b>	<b>344.30</b>
Deferred tax asset restricted to	7.67	10.25
<b>Net deferred tax asset / deferred tax liability</b>	<b>-</b>	<b>-</b>

**Note:**

1) The Company received assessment orders from the Assessing Officer of Income tax for various assessment years in relation to the disallowance of reimbursement of webhosting charges and marketing expenses incurred by wholly owned subsidiaries of the Company on Company's behalf aggregating to Rs. 103.30 million, due to non-deduction of withholding taxes on the same. The Company received favourable orders from Income Tax Appellate Tribunal (ITAT) for Assessment year 2008-09 and Assessment year 2009-10, against which Revenue has filed appeals with High Court. In relation to the other assessment years, the matter is pending with CIT (Appeals). Based on the legal advice received from the consultants, the management believes that the ultimate outcome of this proceeding would be favourable.

The Company is contesting the demands in relation to other matters raised by the respective tax authorities aggregating to Rs.0.13 million, and the management, including its tax advisers, believes that its position will likely be upheld in the appellate process and ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

2) In the absence of virtual certainty supported by convincing evidence, deferred tax asset arising on account of the carried forward business losses (including unabsorbed depreciation) and other disallowances has been restricted to the extent of the deferred tax liability.

### 32 International Taxation

The Company has international transactions with related parties. For the year ended March 31, 2016, the Company had obtained the Accountant's Report from a Chartered Accountant as required by the relevant provisions of the Income-tax Act, 1961. The Company has a policy of maintaining documents as prescribed by the Income-tax Act, 1961 to prove that these international transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation for year ended March 31, 2017.

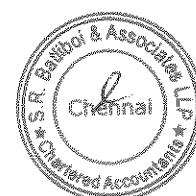
### 33 Commitments, Claims and Contingent Liabilities

#### A) Commitments

##### Capital commitments:

The details of capital commitments as at the balance sheet date are as below:

Particulars	As at March 31, 2017	As at March 31, 2016
Capital commitments (net of advances and deposit)	389.01	8.30



33 Commitments, Claims and Contingent Liabilities (continued)

Other commitments:

- (i) For commitments relating to operating lease, refer note 25.  
 (ii) For commitments relating to litigations, refer note 22(iii).

B) Contingent liabilities

Particulars	As at March 31, 2017	As at March 31, 2016
Additional liability due to Payment of Bonus Act Retrospective Amendment	Refer note (i) below	Refer note (i) below
FEMA non-compliance	Refer note (iii) below	-
Service tax	Refer note (ii) below	Refer note (iii) below

Note:

(i) During the previous year the Company has obtained stay against the retrospective implementation of Payment of Bonus (Amendment) Act, 2015 with the Madras High Court for the year 2014-15, contending that such retrospective application is unconstitutional, ultra-vires and void. The impact of such change for the financial year 2014-15 is Rs.5.50 million. Based on the legal advice, management believes that it has a fair chance of defending its position. Accordingly, no provision has been maintained with respect to the financial year 2014-15. The Company has implemented Payment of Bonus (Amendment) Act, 2015 w.e.f April 1, 2015.

(ii) The Company has certain pending litigations with CESTAT, and on a prudent basis, the Company has provided for the service tax liabilities and interest. Further the Company received a demand order from Commissioner of Service tax for the period 2007-08 to 2009-10 under section 78 of the Finance Act regarding non-payment of service tax on import of certain services made during that period. The Company admitted the liability and made payments along with interest. Based on legal consultation, it believes that no provision is required to be made in the books in respect of the penalty of Rs. 6.91 million demanded by the authorities.

(iii) In earlier years, the Company and its wholly owned overseas subsidiary had made certain remittances aggregating to USD 0.004 million towards equity capital for the incorporation of two entities. The said two companies did not commence commercial operations and one of which was liquidated in 2013. During October 2016, the Company received a communication from the Reserve Bank of India ("RBI") intimating the Company on their contraventions to the provisions of the Foreign Exchange Management Act, 1999 ('FEMA Regulations') in respect of these remittances made in earlier years. The Company has filed applications with RBI for compounding of these offences pursuant to the applicable provisions of FEMA Regulations. Based on the communication received from the RBI on this matter and the nature of these contraventions, management believes that the matter will not have any material impact on the financial statements.

(iv) For Income tax related matters refer note 31.

34 Specified Bank Notes (SBNs)

The Company's operations are spread across more than 140 retail outlets across various States in India. Pursuant to notification of the Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016, the Company established internal guidelines with respect to cash transactions during the specified period (November 9, 2016 to December 30, 2016) to ensure compliance with the applicable regulations, including intimating all its outlets not to collect cash in Specified Bank Notes post November 8, 2016. Further, the collections in cash made during this period were substantially lower than that of the same period in the previous year and overall, contribute an insignificant portion of the revenues / collections of the Company.

The Company is in the process of compiling complete information with regard to the denomination-wise data of cash transactions entered into by the Company during the specified period having regard to the wide-spread regional operations as well as the low ticket size of cash transactions at the retail outlets and the volume of the data involved. The below information has been compiled based on the information presently available from the Group's books of accounts and other records (including cash deposit challans to the extent available). The Company has also sought further information from the bankers of the Company which is awaited as of the date of approval of these financial statements.

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 08, 2016	3,640,500	420,980	4,061,480
(+) Permitted receipts	-	39,213,300	39,213,300
(-) Permitted Payments	-	-	-
(-) Amount deposited in Banks	3,640,500	37,131,845	40,772,345
<b>Closing cash in hand as on December 30, 2016</b>	<b>-</b>	<b>2,502,435</b>	<b>2,502,435</b>

\*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.



Matrimony.com Limited (CIN: U63090TN2001PLC047432)

(Formerly known as "Matrimony.com Private Limited")

Notes to consolidated financial statements for the year ended March 31, 2017

(All amounts are in INR million, unless otherwise stated)

**35 Change in the business model**

Until December 14, 2015, Consim Info USA Inc, USA ("Consim US") was engaged in the provision of agency services to the Company in relation to the overseas matchmaking business ("NRI Business") of the Company. Consim US was also engaged in providing marketing support, invoicing and collection of subscription money from customers. However, with effect from December 15, 2015, owing to the change in business strategy, the Company commenced operating under a 'Business license' model instead of the erstwhile 'agency' model. Under the new business model, Consim US shall operate the NRI Business on its own account and receive the subscription money from NRI matchmaking customers. Further Consim US performs significant functions in relation to the NRI Business and bear the consequent risks of its operations. In order to facilitate such change, the Company entered in to a Business Licence Agreement with Consim US for use of the Company's brand, domain names and also avail the database / portal access. In addition to it, the Company has also entered in to Shared Service Arrangement for infrastructure and marketing support. Consequent to the change in the model, the Company has re-classified the operations of Consim US as a non-integral foreign operation from an integral foreign operation in accordance with Accounting Standard -11.

**36 Previous year comparatives**

Previous year figures have been reclassified / regrouped wherever necessary to conform to current year's classification.

For S. R. BATLIBOI & ASSOCIATES LLP  
Chartered Accountants  
ICAI Firm Registration No.: 101049W/E300004



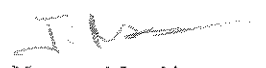
Shankar Srinivasan  
Partner

Membership No: 213271

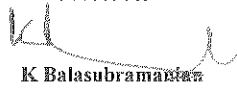


Place: Mumbai  
Date : April 29, 2017

For and on behalf of the Board of Directors of  
Matrimony.com Limited

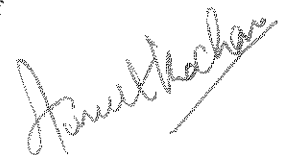


Murugavel Janakiraman  
Managing Director  
DIN: 00605009



K Balasubramanian  
Chief Financial Officer

Place: Mumbai  
Date : April 29, 2017



Avneet Singh Kochar  
Director  
DIN: 02415196



S Vijayanand  
Company Secretary